



Mecklenburg County
Community Development Block Grant (CDBG)
FY 2016 Notice of Funding Availability

Mecklenburg County will be accepting applications for projects seeking CDBG funding from January 20, 2015 to February 20, 2015. The funding is available in a limited target area. Eligible neighborhoods must be located in Cornelius, Davidson, Huntersville, Matthews, or the unincorporated portions of Mecklenburg County.

Community Development Block Grant funds are intended to create sustainable and viable communities. Funds are targeted to low and moderate income neighborhoods. A project must meet one of the federal requirements listed below to be eligible for CDBG funds. Project funding is available to area nonprofits and local governments whose projects meet the criteria listed below.

1. All proposed CDBG project activities **must:**
 - a. Primarily serve low and moderate income households.
 - b. Address one of the three Federal National Objectives (CFR 570.208)
 - Provide Decent Housing
 - Provide A Suitable Living Environment
 - Provide Expanded Economic Opportunities
 - c. Must support the goals defined in the Five-year Consolidated Plan (see page 7)
 - d. Must be an eligible activity (CFR 570.208): CDBG funds may be used for activities which include, but are not limited to the following eligible activities:
 - Acquisition of real property;
 - Relocation and demolition;
 - Rehabilitation of residential and non-residential structures;
 - Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
 - Public services, within certain limits;
 - Activities relating to energy conservation and renewable energy resources; and
 - Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.
 - e. Ineligible Activities: Generally, the following types of activities are ineligible:
 - Acquisition, construction, or reconstruction of buildings for the general conduct of government;
 - Political activities;
 - Certain income payments; and
 - Construction of new housing by units of general local government.



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2. All non-profit/for profit agencies must submit their application to the governing body of the municipality in which the organization/facility/project is located.
3. The governing body must approve all applications selected for funding consideration.
4. A copy of a letter of approval from the respective jurisdiction authorizing the submittal of the application must be submitted along with the completed application to Centralina Council of Governments, the Coordinating Agency, **no later than 4pm on Friday, February 20, 2015.**

5. Complete applications packets can be sent to:

Mail: Centralina Council of Governments
Attn: Victoria Rittenhouse
Office of Community & Economic Development
Re: Mecklenburg County CDBG Program
525 North Tryon St., 12th Floor
Charlotte, NC 28202

Email: CEDC@centralina.org
Subject: Mecklenburg County CDBG Program

6. For questions regarding the application, please contact Victoria Rittenhouse at vrittenhouse@centralina.org / (704) 688-6502 or James Luster at jluster@centralina.org / (704) 348-2706.

Mecklenburg County or the Coordinating Agency reserves the right to disqualify any incomplete applications for funding consideration.



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CDBG contacts for participating municipalities:

Mecklenburg County
CDBG Entitlement Grantee
Timmothy Tibbs, Assistant to the County Manger
Email: Timmothy.Tibbs.@MecklenburgNC.gov
Phone: (980) 314-2915

Participating Jurisdictions:

Town of Cornelius
Andrew Grant, Assistant Town Manager
Email: AGrant@cornelius.org
Phone: (704) 892-6031

Town of Davidson
Cindy Reid, Staff Attorney/Affordable Housing Manager
Email: CReid@townofdavidson.org
Phone: (704) 940-9605

Town of Huntersville
Bobby Williams, Assistant to the Manager
Email: BWilliams@huntersville.org
Phone: (704) 875-6541

Town of Matthews
Kathi Ingrish, Planning Director
Email: KIngrish@matthewsnc.gov
Phone: (704) 847-4411



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Mecklenburg County CDBG Entitlement Program Area

Approximately, 147,818 residents live in the CDBG program area which encompasses low income areas in unincorporated Mecklenburg County and low income neighborhoods in Davidson, Cornelius, Huntersville and Matthews. Please see Attachment A: Project Area Map.

Identified needs in this target area:

Priority housing needs in the program area include increasing affordable housing units, rehabilitation of owner-occupied housing for extremely low a low income households, emergency repairs to owner-occupied housing; focusing efforts on providing assistance to minorities, elderly and disabled homeowners. Maintaining safe housing for the residents is a priority. The CDBG program area has a higher proportion of elderly and disabled individuals who live on fixed income and are unable to afford needed repairs/renovations to their homes that can increase energy efficiency (to save money) or make the dwellings more accessible (allowing the residents to remain in their homes). Activities will also focus on assisting small-related households, who also face the high costs of rehabilitating or upgrading homes. Programs will assist in the upkeep of these homes, preserve the existing housing stock, prevent the risk of homelessness and in the process preserve, and strengthen the neighborhoods. Particular emphasis will be placed upon elderly owner households in both the less than 30% of median family income and the 30% to 50% of median family income levels as they face severe cost burdens. There is also a need to promote and identify affordable housing for LMI households that is accessible to job opportunities.

Non-housing Community Development Needs:

- Repairs/Improvements needed for public facilities, such as parks and community centers accessible to low- and moderate-income persons and to provide adequate public improvements, such as ADA modifications, street lighting, streets, and sidewalks, in low- and moderate-income neighborhoods,
- Community investments needed in the area of catalytic economic development activities as a means to provide job opportunities and economic growth, and to reverse economic decline, especially for low- and moderate-income households, and
- To improve citizens' living environment, including security and safety.
- Lack of access to public infrastructure (water/sewer) for LMI households
- Better access to existing public services
- Redevelopment of older, dilapidated commercial blocks.



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Opportunities for improvement in this target area:

There are opportunities to provide maintenance and improvements of existing housing stock, specifically for very low income elderly and disabled homeowners. These housing improvements can aid in fostering stabilization and improvement in LMI neighborhoods. Additionally with support with CDBG funds, key nonprofit agencies that provide services for LMI residents can repair aging facilities and increase accessibility for disabled clientele. Some of the locales in the target area have no access to public water systems for LMI households. Access can be created providing a more efficient and stable source of drinking, while also providing for connections for fire hydrants for increased safety for neighborhoods. Further, there are opportunities to renew older neighborhoods through housing rehabilitation and/or providing emergency repairs. As the region continues to grow there may be future prospects of working with private developers to create new affordable housing units in close proximity to job opportunities for LMI individuals.



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CDBG PROGRAM AREA PRIOROTY NEEDS

Priority Need Name	Priority Level	Population	Goals Addressing
Emergency Repairs	High	Extremely-low, low and moderate income- Elderly & Disabled	Provide a suitable living environment.
	Low	Extremely-low, low and moderate income, families with children.	Retain affordable housing stock
Increase Affordable Housing Units	High	Elderly, families with children, persons with DD, frail elderly, Extremely-low, low and moderate income	Retain affordable housing stock
Rehabilitation of existing units	Low	Moderate Extremely Low Families with Children Elderly Low	Encourage the economic vitality of neighborhoods Improve livability and safety of neighborhoods
Public Improvements and Infrastructure	Low	Elderly Low Moderate Elderly Extremely Low Large Families Frail Elderly Families with Children Persons with Mental Disabilities Persons with Developmental Disabilities Persons with Physical Disabilities	Encourage economic development for neighborhoods Improve livability and safety of neighborhoods

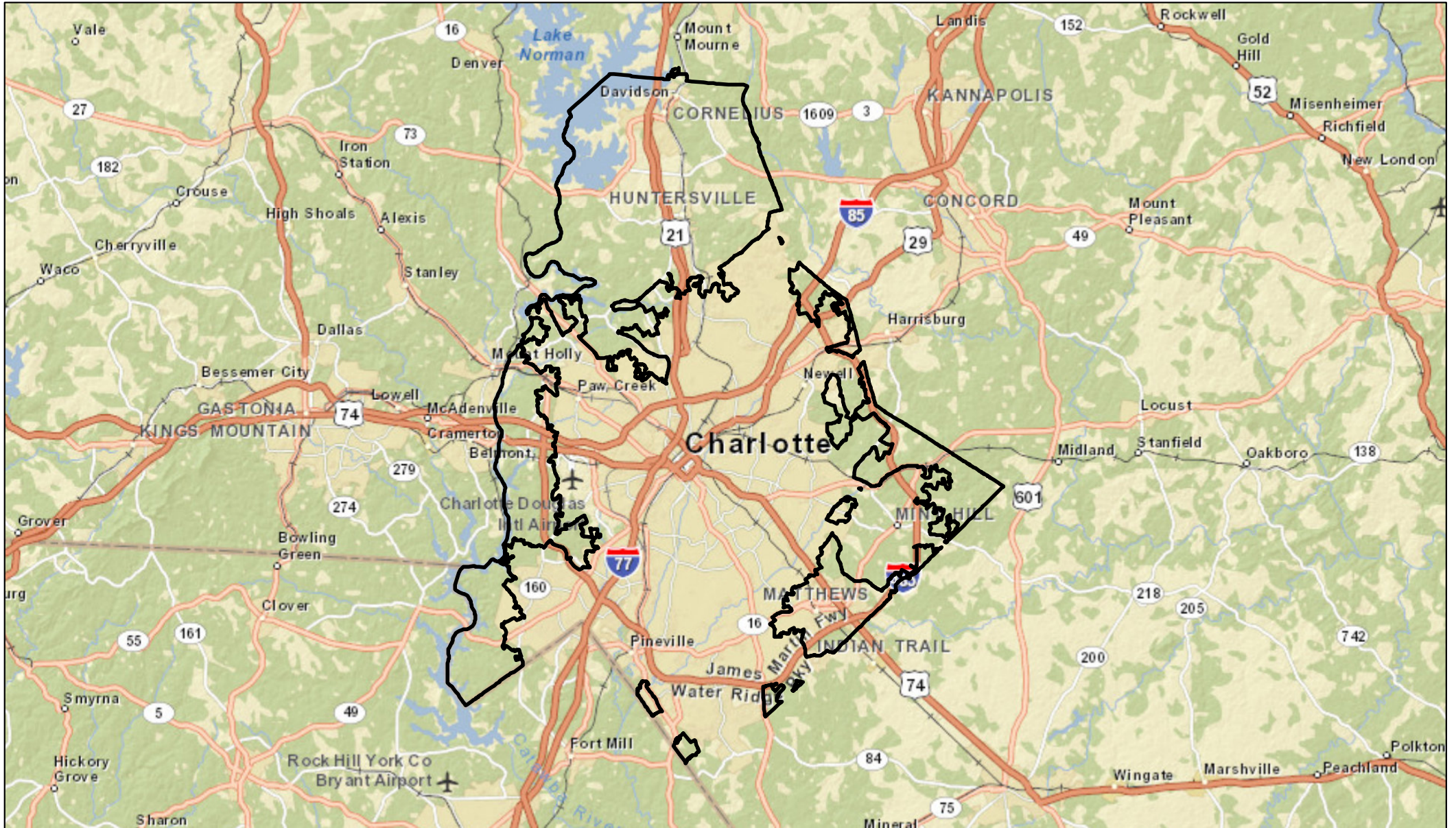


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Summary of Proposed Goals Supporting the Five-year Consolidated Plan

Goal Name	Category	Geographic Area	Needs Addressed
Retain Affordable Housing Stock	Affordable Housing	Program Area-wide	Emergency Repairs Increase affordable housing units, Rehabilitation of existing units
Improve livability and safety of neighborhoods	Non-Housing Community Development	Program Area-wide	Public Improvements and Infrastructure
Encourage the economic vitality of neighborhoods	Non-homeless/Special Needs	Program Area-wide	Non-homeless Special Needs, Non-housing Community Development
Encourage economic development for neighborhoods	Non-housing Community Development	Program Area-wide	Public Facilities

CPD Maps - Mecklenburg County CDBG Program Area



February 5, 2014

Override 1

1:527,638

0 4.5 9 18 mi

0 5 10 20 km

Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013

SUMMARY OF ELIGIBLE AND INELIGIBLE CDBG PROGRAM ACTIVITIES

This is a summary of the activities that are eligible and ineligible for assistance under the Community Development Block Grant (CDBG) program pursuant to the governing regulations of the Code of Federal Regulations, Title 24, Part 570, Sections 570.200 – 570.207. For a more complete description, the regulations should be consulted.

General Policies - 570.200

The primary objective of the CDBG Program is the development of viable communities, by providing decent housing and sustainable living environment, and expanding economic opportunities, principally for persons of low and moderate-income. Funds must be used so as to give maximum feasible priority to activities that will carry out one of the three broad national objectives of: benefit to low and moderate-income families, aid in the prevention or elimination of slums or blight, or activities that meet an urgent community need due to existing conditions that pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. At least 70% of the total CDBG funds must be used for activities that benefit low and moderate-income persons; and at least 51% of the beneficiaries of the individual activities must be low and moderate-income persons.

Basic Eligible Activities - 570.201

CDBG funds may be used for the following activities:

- (a) **Acquisition.** Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose.
- (b) **Disposition.** Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property.
- (c) **Public facilities and improvements.** Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except buildings for the general conduct of government. Activities may include:
 - Removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements;
 - Design features and improvements that promote energy
 - Architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance
 - Eligible facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims.
- (d) **Clearance activities.** Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted or HUD-owned housing units maybe undertaken only with the prior approval of HUD.
- (e) **Public services.** Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be meet each of the following criteria:
 - A new service or a quantifiable increase in the level of an existing service above that which has been provided with State and Local funds in the previous 12 calendar months ; and
 - The amount of CDBG funds obligated for public services shall not exceed 15 percent of the annual grant, and 15 percent of program income received during the immediate proceeding program year.

- (f) **Interim assistance.** Activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where immediate action is and where permanent improvements will be carried out as soon as practicable in order to alleviate emergency conditions threatening the public health and safety in areas where an emergency condition exists and requires immediate resolution.
- (g) **Payment of non-Federal share.** Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities.
- (h) **Urban renewal completion.** Payment of the cost of completing an urban renewal project funded under **title I of the Housing Act of 1949 as amended**
- (i) **Relocation.** Relocation payments and other assistance for permanently and temporarily relocated individuals' families, businesses, nonprofit organizations, and farm operations.
- (j) **Loss of rental income.** Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.
- (k) **Housing services.** Housing services such as tenant counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.
- (l) **Privately owned utilities.** CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.
- (m) **Construction of housing.** CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.
- (n) **Homeownership assistance.** CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.
- (o) **Facilitate economic development.** CDBG funds may facilitate economic development by:
 - Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of micro enterprises;
 - Providing technical assistance, advice, and business support services to owners of micro enterprises and persons developing micro enterprises; and
 - Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of micro enterprises and persons developing micro enterprises.
- (p) **Technical assistance.** Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.
- (q) **Assistance to institutions of higher education.** Provision of assistance to institutions of higher education if such institution has demonstrated a capacity to carryout eligible activities.

Eligible rehabilitation and preservation activities - 570.202

- (a) **Types of buildings and improvements eligible for rehabilitation assistance.** CDBG funds may be used to finance the rehabilitation of:
 - Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;
 - Low-income public housing and other publicly owned residential buildings and improvements;
 - Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations;
 - Nonprofit-owned nonresidential buildings and improvements
 - Manufactured housing when such housing that is part of the community's permanent housing stock.

- (b) Types of assistance.** CDBG funds may be used to finance the following types of activities, and related costs:
- Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;
 - Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;
 - Loans for refinancing existing indebtedness secured by a property being rehabilitated;
 - Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
 - Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;
 - Connection of residential structures to water distribution lines or local sewer collection lines;
 - For rehabilitation carried out with CDBG funds, costs of: Initial homeowner warranty premiums; Hazard insurance premiums, except where assistance is provided in the form of a grant; and Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973; and Procedures concerning inspection and testing for and abatement of lead-based paint.
 - Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;
 - Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities
 - Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937;
 - Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.
- (c) Code enforcement.** Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.
- (d) Historic preservation.** CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.
- (e) Renovation of closed buildings.** CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.
- (f) Lead-based paint activities.** Lead-based paint activities as set forth in part 35 of this title.

Special economic development activities - 570.203

A recipient may use CDBG funds for special economic development activities as part of an economic development project. The recipient must ensure that the appropriate level of public benefit will be derived before obligating funds. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

- (a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions.

- (b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project.
- (c) Economic development services include, but are not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

Special activities by Community-Based Development Organizations (CBDOs). - 570.204

(a) Eligible activities. CDBG funds may be used by CBDO to carry out a neighborhood revitalization, community economic development, or energy conservation project, including:

- Activities listed as eligible; and
- Activities not otherwise listed as eligible - excluding buildings for the general conduct of government business, general government expenses, and political activities.

(b) Activities must: (1) meet the public service requirements, although services specifically designed to increase economic opportunities through job training and placement and other employment support services; (2) meet the requirements of the guidelines for evaluating and selecting economic development project under Section 570.209; and (3) must not result in the recipient exceeding the 20% limit on planning and administrative costs.

(c) Eligible Entities are:

- Non-profit or for-profit organizations engaged in community development activities primarily within an identified geographic area and whose primary purpose is the improvement physical, economic and social environment;
- Section 301 (d) Small Business Investment Companies; including those which are profit making; State or local Development Companies; or Community Housing Development Organizations (CHDOs);
- Organization similar in purpose, function and scope.

Ineligible activities - 570.207

The general rule is that any activity that is not authorized under the provisions of §§570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with CDBG funds:

- Buildings or portions thereof, used for the general conduct of government
- General government expenses;
- Political activities.

(b) The following activities may not be assisted with CDBG funds unless carried out as a special economic development activity, or as a public service, or by an eligible community-based development organization, or by the recipient as specifically authorized.

- Purchase of equipment;
- Construction equipment;
- Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c);
- Furnishings and personal property;
- Operating and maintenance expenses;
- Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities;
- New housing construction;
- Income payments.
 - The provision of "income payments" is ineligible if provided as a grant. Income payments are payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities) or clothing. However, such expenditures are eligible under the following conditions:
 - The income payments do not exceed three consecutive months; and
 - The payments are made directly to the provider of such services on behalf of an individual or family.
 - Income Payments that are provided as a loan are permissible within the public service cap.