

2011 Federal Grants Workshop
Sponsored By U.S. Congressman
Brad Miller

Presented By:

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Investment and Assistance
North Carolina Department of
Commerce

Community Investment and Assistance (CI)

Investing grant funding and providing best-in class technical assistance to North Carolina counties, municipalities, and organizations engaged in housing and community economic development.

Programs

- North Carolina CDBG Program
 - ❖ Administer CDBG funds allocated from HUD (approx. \$300 million)
- Neighborhood Stabilization Program
 - ❖ Administer NSP 1 and NSP 3 totaling close to \$58 million from HUD
- CDBG Recovery
 - ❖ Administer ARRA funding totaling \$12 million

2010 -2011 Goals

- Manage fair, open and equitable grant processes for our Communities
- Obligate both human and financial resources to high impact projects
- Minimize the time it takes to commit capital and implement projects
- Learn from past successes and failures, to listen to partners and others in order to build stronger programs

Summary of Impacts

2010

Community Investment and Assistance (CI)

- *North Carolina CDBG Program*
 - ❖ Served over 10,000 persons with housing, public water and/or sewer, public services and facilities
 - ❖ Helped to create over 700 new jobs
 - ❖ Active projects in 97 counties (478 open grants totaling over \$261 million)
- *NSP*
 - ❖ Assisted 1,587 properties (449 purchases and 1,238 rehabilitated/newly constructed)
 - ❖ 100% of funds obligated/62% expended
 - ❖ 30% of funds will serve populations at or below 50% area-median income
- *CDBG Recovery*
 - ❖ Over 60,000 hours worked on ARRA-funded projects (27 FTE)
 - ❖ Over 41,000 LF public infrastructure provided
 - ❖ 182 houses improved (rehabilitated/replaced)
 - ❖ 3 Neighborhood facilities constructed
 - ❖ Close to 70% funds expended/100% obligated

CDBG Program

- Two types of CDBG Programs
 - **State**- usually identified as the Small Cities Program
 - **Entitlement City**-over 50,000 in population and are invited by HUD to become designated
- Governance
 - States have maximum feasible deference per 24 CFR 570.480 (c)
 - Entitlements given little room for interpretation

National Objectives

- Each CDBG funded activity must meet 1 of 3 national objectives
 - Benefiting low and moderate-income persons
 - Preventing or eliminating blight
 - Meeting other community development needs having a particular urgency that causes serious and immediate threat to the health or welfare of the community
- Automatic deal breaker is activity cannot meet this test

Maximum Feasible Deference...What Is It?

- In accordance with HUD requirements, the state can develop and design the CDBG program to fit its needs based on citizen input. As long as the state does not do anything that is outside of Federal requirements, it can design the use CDBG funds the way it feels to meet the needs of the state.

2011 Program Summary

Community Investment and Assistance

August 2011

2011 CDBG Program

2011 CDBG Program Overview

- NC Catalyst
- Scattered Site Housing
- Infrastructure
- Economic Development
- Small Business/Entrepreneurship
- Capacity Building
- NC Tomorrow
- NC Sustainable Small Business

NC Catalyst Program



- Purpose of the program is to provide local governments flexibility to access full complement of CDBG eligible activities in order to serve and address specific community development needs.
- Previous CDBG program category activities such as those under Community Revitalization, Housing Development, IDA, and Urgent Needs are all eligible under the proposed NC Catalyst Program.
- The Method of Distribution for the 2011 Consolidated Action Plan will include language that de-obligated funds will be used to fund unmet needs under the NC Catalyst Program.
- Administered by Community Assistance

Scattered Site Housing

- Proposed grants increased to \$500,000
- Grants to counties in coordination with interested local governments
- Housing Rehabilitation activities
- Beneficiaries at or below 50% AMI
- Local Option for emergency repairs up to \$15,000
- Administered by Community Assistance

Infrastructure

- Funds for water/sewer improvements
 - Prioritize water
 - Residential areas
- Funds split between 21st century and balance of state
- Water/Sewer Hook-up set-aside
- Administered by Community Assistance

Economic Development

- Economic Development funds provide grants to local governments creating and retaining jobs. Funds are available for public facilities to serve a specific business, or as direct loans to private businesses for equipment purchases or for new expansion construction. Local funding match required except for the 25 most distressed counties.
- Administered by Commerce Finance Center

Small Business/Entrepreneurship

Program Funding - \$3 Million

- Individual grants of \$150,000 - \$250,000 for job creation/retention activities
- 70% LMI
- Up to \$25,000/job
- Administered by Community Assistance

Capacity Building



- Funds to facilitate capacity and partnership between eligible local governments and established non-profits in their ability to design ,apply, and administer eligible CDBG programs that promote the sustainability and vitality of communities.
- Expand the Talent Enhancement Development program
- Administered by the Office of Rural Development

NC Tomorrow



- The **NC Tomorrow** pilot will provide planning grants to as many as 17 non-entitlement local governments serving as the lead regional coordinator within each of the 17 Council of Governments (COGs) regions. In exchange for the grant, the non-entitlement local unit of government must foster regional multi-jurisdictional participation around the pilot goals and develop the regional **NC Tomorrow** Sustainable Strategic Plan. A total of \$1,275,000 of proposed 2011 Community Development Block Grant NC Catalyst Program funds has been set aside for planning grants under this program. A maximum of \$75,000 will be awarded to a non-entitlement local government serving as the lead regional coordinator. The grantee may use up to \$7,500 for grant administration. The remaining funds will be available for CDBG-eligible activities to prepare the regional **NC Tomorrow** Sustainable Strategic Plan.
- Administered by Community Assistance

NC Sustainable Small Business



NEW

- In an effort to seize on the momentum surrounding sustainability and to position North Carolina as a leader in this area, it is proposed to create the North Carolina Sustainable Small Business and Entrepreneurial Development Program (NCSSBEDP), which will be administered by the Office of Rural Development (ORD). The purpose of NCSSBEDP will be to provide Community Development Block Grant (CDBG) funding to small cities-eligible local governments interested in sustainable small business and entrepreneurial development in their community by (but not limited to) increasing the tax base, creating jobs in new and emerging industries and attracting additional investment capital.
- Selected local governments will partner with a non-profit entity (pre-approved by the Department of Commerce), which is engaged and experienced in sustainable small business and entrepreneurial development.
- Administered by the Office of Rural Development

2011 CDBG Budget

<u>Category</u>	<u>Budget</u>
• NC Catalyst	\$6,840,000
• Scattered Site Housing	16,500,000
• Infrastructure	8,000,000
• Economic Development	7,210,000
• Small Bus./Entrepreneurship	3,000,000
• Capacity Building	600,000
• NC Tomorrow	1,275,000
• NC Sustainable Small Business	725,000
• Administration/Tech. Assist.	<u>1,450,000</u>
Total	45,000,000

Neighborhood Stabilization Program (1 and 3)

Purpose

- The primary purpose of the Neighborhood Stabilization Program (NSP) is to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned. In September 2008, U.S. Housing and Urban Development (HUD) allocated \$3.92 billion to all states and particularly hard-hit areas trying to respond to the effects of high foreclosures. HUD's Neighborhood Stabilization Program (NSP) has provided targeted emergency assistance through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008 (HERA).
- NSP1 allocation -\$52,303,004.
- NSP 3 allocation- \$5,000,000

Eligible NSP Uses

- NSP3 funds may be used for the following statutorily eligible activities:
- **Establish financing mechanisms for purchase and redevelopment** of foreclosed upon homes and residential properties;
- **Purchase and rehabilitate homes and residential properties** that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
- **Establish land banks** for homes and residential properties that have been foreclosed upon;
- **Demolish blighted structures** in areas targeted for stabilization; and
- **Redevelop demolished or vacant properties.**

NSP 1 Grantees

Grantee (Grant #)	Total Grant Amount
Charlotte Housing Authority (08-N-1897)	\$2,100,000
City of Charlotte (08-N-1887)	\$2,625,000
City of Durham (08-N-1893)	\$2,825,000
City of Gastonia (08-N-1891)	\$2,600,000
City of Greensboro (08-N-1888)	\$3,275,000
City of High Point (08-N-1890)	\$2,102,834.68
City of Lexington (08-N-1895)	\$2,100,000
City of Raleigh (08-N-1885)	\$2,952,214
City of Rocky Mount (08-N-1894)	\$2,100,000
Greensboro Housing Authority (08-N-1901)	\$2,412,789.24
Habitat for Humanity of Forsyth County (08-N-1899)	\$2,100,000
Habitat for Humanity of Greater Greensboro (08-N-1898)	\$2,100,000
North Carolina Community Development Initiative Capital (08-N-1903)	\$3,675,000
North Carolina Housing Finance Agency (08-N-1904)	\$4,447,550
Passage Home (08-N-1900)	\$2,100,000
Saint Augustine's College (08-N 1896)	\$2,020,000
Self-Help (08-N-1902)	\$2,625,000
Vance County (08-N-1892)	\$1,902,466.08
Winston-Salem/Forsyth County (08-N-1889)	\$3,625,000
State of North Carolina - administration	\$2,615,150
GRAND TOTAL	\$52,303,004.00

NSP 3 Grantees

<u>Project Summary for NSP3</u>		
Project Name	Total Housing Units	NSP3Need Score
City of Gastonia - Highland	1,654	15.96
Builders of Hope	2,184	14
City of Rocky Mount - Holly St	2,672	17
City of Rocky Mount - Clairmont	2,809	17
City of Durham	351	18
City of Gastonia - Armstrong/Marietta St	284	10.02
City of Raleigh	1,325	15
Total Housing Units for All Shapes: 11,279		
Total NSP3 Need Score: 15.89		

CDBG Recovery

Purpose

- The State of North Carolina awarded CDBG R funds through three categories of activities. These activities were selected as the most appropriate for addressing the intent of the Recovery Act. The categories are **Infrastructure, Housing, and Special Projects**. Each project must meet a national objective and identify the creation and/or retention of jobs for the project.
- In order for a project to be awarded by the State of North Carolina, all projects had to meet a minimum of 70 percent low and moderate-income benefit and identify the number of jobs that will be created and/or retained as a result of CDBG R funding.
- Local governments proposing housing activities had to meet a 100 percent low and moderate-income benefit
- Jobs-focused

Accomplishments To Date

<i>Hours Worked:</i> Paid for by ARRA funds	60,065.82
<i>Monthly Full-Time Equivalent (FTE, Current Rate)</i>	26.28
<i>ARRA Dollars:</i> Expended on local projects	\$6,243,256 (54.4%)
<i>Staff Visits:</i> Providing community assistance	100 visits
<i>Infrastructure:</i> (water, sewer, streets) s)	41,331 lf (57% of goal)
<i>Neighborhood Facilities</i> (i.e. job training center)	3 under construction
<i>Housing Units:</i> Structural or Service Improvement	182 (72% of goal)

CDBG R Grantees

Alamance Village	\$400,000
Alexander County	\$100,000
Burke County	\$97,609
Cherokee	\$1,000,000
Cherryville	\$223,125
Clarkton	\$277,336
Fairmont	\$500,000
Forest City	\$100,000
Hyde County	\$300,000
Jones County	\$450,000
Kings Mountain	\$599,550
Hobgood	\$635,256
Madison County	\$200,000
Maxton	\$621,550
Mt. Olive	\$434,500
Newton	\$98,960
Pinehurst	\$796,530
Randolph County	\$410,702
Rockingham, CITY	\$711,002
Rockingham Co.	\$502,391
Rowan County	\$100,000
Sanford, City	\$695,711
Saratoga	\$775,867
Sawmills	\$239,989
Stanly County	\$706,507
Yanceyville	\$500,000
TOTALS	\$11,476,584

Major Categories

- Infrastructure (including hook-up)
- Small Business/Entrepreneurial Assistance
- Scattered Site Housing
- Economic Development
- Capacity Building
- NC Catalyst (New in 2011)
- NC Tomorrow (New in 2011)
- NC Small Business/Entrepreneurial Sustainability (New in 2011)

Infrastructure-Non-Competitive

- Category purpose is to provide public water and/or sewer to existing residential neighborhoods that have severe health and environmental problems
- Maximum grant is \$750,000
- Water/Wastewater Hook-Up
 - Funds to pay for low- and moderate-income persons to connect to existing infrastructure
 - Maximum grant \$75,000

Small Business/Entrepreneurial Program

- Purpose to create new jobs through existing small businesses
- Focus of funds will be to facilitate an entrepreneurial environment/culture
- Open to all local governments eligible under the CDBG program. At least 70% of grant funds must go toward creating or retaining jobs for low-to-moderate income persons.
- Maximum grant \$250,000

Scattered Site Housing Non-Competitive

- Category purpose is to provide local government flexibility in addressing housing conditions of very low income families
- Funding provided on a 3-year rotating basis to up to 33 counties per year
- Maximum grant TBD
- Activities include rehabilitation, clearance, housing replacement

Economic Development Non-Competitive

- Category purpose is to provide grants and loans to local governments for creating and retaining jobs for low and moderate income persons
- Activities include water/sewer with 25% match except distressed counties and loans through local government for construction and equipment purchase

Capacity Building Non-Competitive

- Purpose is to assist local governments (sometimes in partnership with non-profits) with funds to build capacity to undertake future CDBG-eligible projects for the local government
- Maximum Grant is \$75,000 for 2-year period
- Activities include paying for
 - salary, training, and travel for new or existing non-profit staff
 - administration
 - planning with restriction

New Programs In 2011

NC Tomorrow- to provide planning funds to 17 local governments in the Council of Government areas to support sustainable development

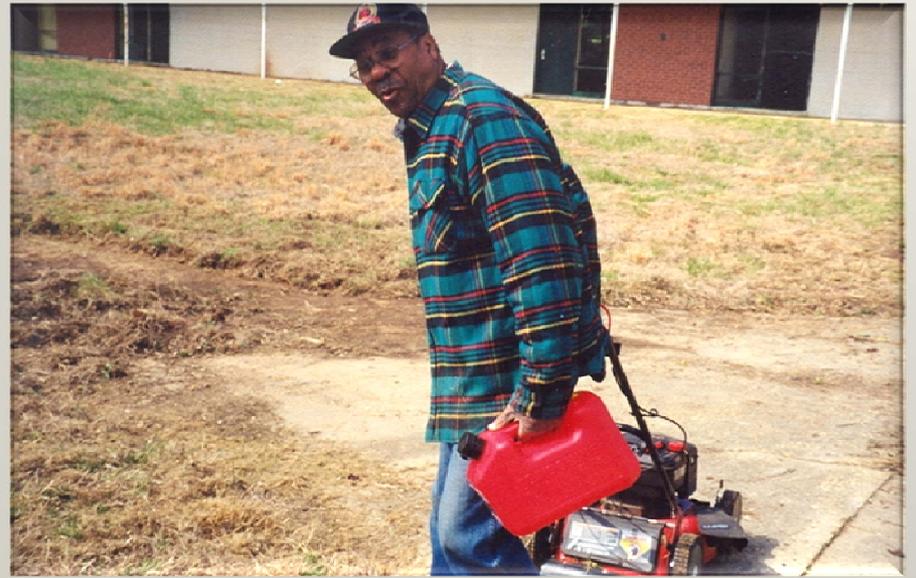
NC Sustainable Small Business- to provide planning funds to local governments to encourage and support sustainable business development

NC Catalyst- to assist local governments with a variety of community development needs

Restoration of the W. B. Wicker School



Historic Rosenwald School



Wicker Alumni Saturday Clean-ups



Labor of Love

Labor of Love



W. B. Wicker School After

THE HAVEN COMPLEX

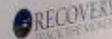
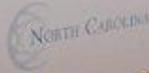


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Community Development Block Grant-Recovery Program
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North Carolina Department of Commerce



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Thank You !!!