

Excerpts from the North Carolina CDBG Neighborhood Revitalization Guidance and Application

INTRODUCTION

The **Community Development Block Grant Neighborhood Revitalization Program (CDBG-NR)** will offer a non-entitlement municipality or county the opportunity to tailor a project to meet the housing and community development needs specific and most critical to their locality. The **CDBG Neighborhood Revitalization Program** incorporates several previous Rural Economic Development Division (REDD) Community Development Block Grant (CDBG) programs and activities such as **Scattered Site Housing and Supportive Housing**.

North Carolina received **\$44,784,790** in CDBG funds for the 2024 allocation. Of this amount, approximately **\$12.28 million** will be made available for the **2025 CDBG Neighborhood Revitalization Program**. The state makes these funds available through awarding grants to non-entitlement governments throughout North Carolina.

The CDBG-NR program will include a set-aside of **\$4,750,209 million** for the **Rural Community Development Fund (RCDF)** projects. These funds will not require a housing-focused activity and are available to the 40 most economically distressed counties (Tier 1) and its municipalities only.

AREAS OF FOCUS FOR FUNDING

The **CDBG Neighborhood Revitalization Program** will support the three livability principles that help guide sustainability and resiliency throughout areas that receive funding. Regardless of the program activity or activities local governments pursue, **CDBG Neighborhood Revitalization Program** projects must incorporate at least one of the following three livability principles as an area of focus:

NC Neighborhood Revitalization 3 Livability Principles

- ❑ **Promote equitable, affordable housing.** Expand location and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- ❑ **Support existing communities.** Target federal funding toward existing communities - through strategies like transit-oriented, mixed-use development, and land recycling - to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.
- ❑ **Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods - rural, urban, or suburban.

NATIONAL OBJECTIVES

Since the **CDBG Neighborhood Revitalization Program** uses Community Development Block Grant (CDBG) funds, all project activities must meet at least one of three national objectives to be eligible. The three national objectives in the CDBG program are: (1) benefiting low-and-moderate income (LMI) persons; (2) preventing or eliminating slums or blight; and (3) meeting other community development needs that are deemed to be urgent because of existing conditions pose a serious and immediate threat to the health and welfare of the community, and other financial resources are not available to meet the need. *Please note that CDBG-NR activities generally will not qualify for the urgent need national objective.*

National Objectives Defined:

1. **Benefit to LMI persons:** Benefit to LMI persons may be either **direct** or **area-wide** benefit.
 - Direct benefits are those activities that serve certain persons (e.g., housing rehabilitation).
 - Area-wide benefits are those activities that benefit communities and are not participant specific (e.g., neighborhood parks).

Please note that applicants must ensure that both area-wide benefit at least 51% low and moderate-income (LMI) persons, and direct activities benefit 100% low and moderate-income (LMI) persons. If proposing economic development activities, 60% of beneficiaries must be LMI. Additionally, applicants must ensure that CDBG-NR Program projects do not benefit moderate-income persons to the exclusion of low-income persons.

- **Slum or Blight:** The elimination of slum and blighting conditions may be undertaken on an area or spot basis. Activities on an area basis must have an area officially designated by the grantee. Activities to be assisted with CDBG funds must be limited to those that address the conditions which contribute to the deterioration of the area. Activities on a spot basis (those outside an officially designated slum and blight area) are limited to acquisition, clearance, relocation, historic preservation, and rehabilitation of buildings to the extent that it is causing detriment to public health and safety. Local governments are encouraged to certify areas under the North Carolina Redevelopment Law (G.S. 160A.500).

Please note that slum or blight activities proposed in the CDBG-NR Revitalization grant application are only eligible if there is a redevelopment plan for that space to be completed within the life cycle (30 months) of this grant (e.g., new and affordable housing development, community garden, community park, etc.) In addition, slums, or blight activities with a plan for redevelopment must benefit LMI households.

AWARD AMOUNTS

The maximum grant amount is \$950,000 per grantee unless the project is Hurricane Helene eligible. There is no minimum grant amount. Applicants should consider feasibility as it relates to the overall cost of any project. Pre-award, planning, and administration is limited to 10% of the awarded grant total.

GRANT PERIOD (Life Cycle)

The grant period for **NC CDBG-NR Program** projects is 30 months.

USE OF AN EXPERIENCED CDBG ADMINISTRATOR

The local government applicant must have the capacity to administer the proposed project with either its own CDBG-experienced staff or the assistance of an experienced CDBG administrator (e.g., CDBG-experienced consultant, Council of Government, non-profit). "Experienced" to administer proposed project for this application is defined as, someone who has administered more than one CDBG project. All applicants must have also met the basic performance requirements for prior CDBG grants.