

# Excerpts from the North Carolina CDBG Coronavirus Program Guidance and Application

## INTRODUCTION

NC Commerce's Rural Economic Development Division (REDD) will administer the **Community Development Block Grant Coronavirus (CDBG-CV)** funds awarded to the State by the U. S. Department of Housing and Urban Development (HUD) to support North Carolina's COVID-19 response efforts. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis. Initially, REDD makes available approximately \$27.5 million through awarding grants to non-entitlement communities (i.e., incorporated municipalities under 50,000 and counties under 200,000 in population).

The **North Carolina CDBG-CV** Program is designed to help a non-entitlement municipality or county to prepare, prevent, or respond to the health and economic impacts of COVID-19. The activities must be most critical to their locality and primarily for their low-and-moderate income residents. Beginning September 1, 2020, REDD will award CDBG-CV funds on a first-come, first-served basis with a focus on local needs identified by the community in collaboration with state and local health officials. Applicants may view current COVID-19 metrics on the North Carolina Department of Health and Human Services website at <https://covid19.ncdhhs.gov/>.

## AREAS OF FOCUS FOR CORONAVIRUS RESPONSE

As noted by Governor Roy Cooper, "efforts to support families, small business, and economic recovery remain critical" during the COVID-19 pandemic. In support of these public health and economic recovery goals, **North Carolina CDBG-CV** Program projects must incorporate at least one of the following as an area of focus:

- ☐ ***Support families and communities through telehealth support and other public services.***
- ☐ ***Protect the most vulnerable and high-risk populations.***
- ☐ ***Assist small businesses with economic recovery.***
- ☐ ***Address testing, tracing, and trends.***

## FUNDING PRIORITIES BY ELIGIBLE ACTIVITY

The State has established the following funding priorities by eligible activity:

- **Public Service:** The priority in this category is subsistence payments to prevent evictions and utility disconnections. Food distribution, testing and diagnosis, and employment training for health care workers on the frontlines are also prioritized.
- **Public Facilities:** The priority in this category is broadband services and enhancing internet access that supports increased connectivity to schools, jobs, and healthcare. This category also includes building rehabilitation or improvements to support activities such as repurposing buildings into patient treatment centers.
- **Economic Development:** The priority in this category is to provide financial assistance to businesses with 100 or fewer employees, including microenterprises with five or fewer employees. The focus is to support businesses that manufacture medical supplies, and to help small businesses impacted by COVID-19 create and retain jobs.

## NATIONAL OBJECTIVES

Like CDBG, **CDBG-CV** projects must meet a national objective. The three national objectives 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 that 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. All **NC CDBG-CV** project activities will meet the urgent need national objective; however, grantees must serve at least 51% low-to-moderate income persons for activities for public services and public facilities and 70% low-to-moderate income persons for special economic development activities.

## ELIGIBLE APPLICANTS

Eligible applicants are local governments that (1) meet specific funding and threshold criteria, (2) meet a specific level of readiness to proceed, and (3) are acknowledged by REDD in writing as eligible to apply.

These minimum performance requirements measure an applicant's capacity to adequately implement and administer the **CDBG-CV** program. REDD will review progress on CDBG programs currently underway in the locality and will consider all unresolved audit and monitoring findings on active CDBG grants in determining capacity.

Eligible local governments may submit applications to undertake eligible activities within their jurisdictions. The jurisdiction may be the corporate limits of the municipality, its extraterritorial jurisdiction (ETJ) or areas outside of the extraterritorial jurisdiction, depending on project activities. Each applicant is required to certify that it possesses legal authority to carry out the proposed activities. Unless contradictory evidence is submitted to REDD, the Division will accept the applicant's certification of legal authority.

## AWARD AMOUNTS

The maximum grant amount is \$900,000 per grantee with some restrictions for specific activities. 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-CV 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.