



**Community Development Block Grant Program  
(CDBG)  
Policies and Procedures Manual**

**City of Concord**  
**Planning & Neighborhood Development Department**  
35 Cabarrus Avenue West  
Concord, NC 28025

Adopted: October 12, 2023

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## **I. INTRODUCTION**

### **The Community Development Block Grant (CDBG) Program**

The City of Concord receives a yearly allocation of Community Development Block Grant Program (CDBG) funding as an Entitlement grantee from the U.S. Department of Housing & Urban Development (HUD). As required by this program, the City of Concord contractually agrees to implement the program in accordance with the Housing and Community Development Act of 1974, the related CDBG program regulations in 24 CFR 570, and all cross cutting federal regulations. The City of Concord's grants management system is structured to comply with HUD and the Office of Management and Budget's (OMB's) regulations for governmental and public agencies found in related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR Part 200 (formerly, OMB Circulars A-110 (2 CFR Part 225), OMB Circulars A-110 and A-122 (2 CFR Part 230)), and OMB Circulars A-87 and A-133.

### **Purpose of Policies and Procedures**

This Policies and Procedures Manual is offered to provide an overview of the City of Concord's policies and procedures that pertain to the federal Community Development Block Grant Program. This Manual is not a substitute for CDBG Program regulations, but this information is provided in addition to the federal regulations. Although this Manual was developed with reasonable care and diligence, it is not fully comprehensive, and it does not include all of the requirements that affect the uses of CDBG Program funds. The City of Concord reserves the right to implement additional policies as needed.

This Policies and Procedures Manual addresses the following purposes:

- Provides a uniform guide for the administration of the City of Concord's CDBG Program locally. Although the Program conforms to federal rules and guidelines, it focuses primarily on locally-crafted procedures.
- Ensures that all City stakeholders, including applicants for funding, local jurisdictions and interested residents, have access to information about program administration.
- Demonstrates to HUD that the CDBG Program is administered in a way that is consistent with federal regulations and guidelines.

### **Amendments to Policies and Procedures**

As an administrative document, this Manual may be amended at any time with the approval of the Concord City Council.

A copy of this Manual will be distributed to key stakeholders prior to each funding cycle and the copy is available at <https://www.concordnc.gov/Departments/Planning/Community-Development/Plans-Reports>.

### **Key Documents Governing the CDBG Program**

The CDBG Program is administered in compliance with a complex structure of federal and local rules. The principal documents describing these rules, as well as the goals and performance of the City of Concord, are summarized in the table below.

Authority	Documents	Description	Links
Federal	CDBG Regulations and Guidance	Provides the binding rules (Code of Federal Regulations), agency guidance and advice for the CDBG program nationally.	CDBG Laws and Regulations: <a href="https://www.hudexchange.info/programs/cdbg/cdbg-laws-and-regulations/">https://www.hudexchange.info/programs/cdbg/cdbg-laws-and-regulations/</a>  Training materials on CDBG Program: <a href="https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/">https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/</a>
Consortium	Consolidated Plan	Required plan that contains needs assessment, housing market analysis, priorities and strategies for use of CDBG funds over the five-year period ending June 30, 2024.	<a href="https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Consolidated%20Plan%202020-2024.pdf">https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Consolidated%20Plan%202020-2024.pdf</a>
Consortium	Analysis of Impediments to Fair Housing Choice	Required assessment of Fair Housing issues in the tri-county region and measures to address them.	<a href="https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Fair_Housing_Impediments_July_2020.pdf">https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Fair_Housing_Impediments_July_2020.pdf</a>
Consortium	Action Plan	Time-specific goals and annual budget describing how the available CDBG resources will be spent.	<a href="https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/ConsolidatedActionPlan2023-2024.pdf">https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/ConsolidatedActionPlan2023-2024.pdf</a>
Consortium	CAPER	Annual performance report on the actual use of CDBG funds and what was produced.	<a href="chrome-extension://efaidnbnmnnibpcajpcgicfindmkaj/https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/CAPER2021-2022.pdf">chrome-extension://efaidnbnmnnibpcajpcgicfindmkaj/https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/CAPER2021-2022.pdf</a>

### Contact Information

*For any questions about this Manual, please contact:*

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 Planning & Neighborhood Development Department  
 City of Concord  
 35 Cabarrus Avenue West  
 Concord, NC 28025  
 Phone: (704) 920-5152  
 Email: <https://concordnc.gov/Departments/Planning/Contact-Us> or [Contact Form](#)

*For CDBG Program questions, contact the Greensboro HUD Office:*

Greensboro HUD Office  
 Ashville Building  
 1500 Pinecroft Road, Suite 401  
 Greensboro, NC 27407-3838  
 Phone: (336) 547-4000  
 Fax: (336) 547-4138  
 TTY: (336) 547-4054  
 NC Relay: 711 (Voice/TTY)

## **CDBG Regulations**

The CDBG program is a complex federal program that grew from eight distinct national programs. The CDBG regulations were dramatically revised from 1995 to 2006, primarily to add more flexibility for grantees when carrying out funded activities, to reflect statutory changes, and to respond to audits of the program by the Inspector General.

The basic program regulations governing management and administrative systems for the CDBG program are in [24 CFR Part 570, Subpart J](#). Other important CDBG program requirements such as civil rights laws, National Environmental Policy Act, Anti-displacement and Relocation Assistance Act, Americans with Disabilities Act, Davis- Bacon Act, etc. are in [24 CFR 570 Subpart K](#). Subrecipients shall also comply with 2 CFR 200, Uniform Administrative Requirements, cost Principles and Audit Requirements for Federal Awards. This manual provides the highlights of the most common federal regulations that apply to most CDBG-funded applications. For more information on CDBG programs and HUD regulations, please visit and <https://www.hudexchange.info/programs/cdbg/> and search for resources, trainings and toolkits.

## **CDBG Program Management**

The City of Concord's Planning and Neighborhood Development Department administers the City's CDBG programs and is responsible for ensuring that the activities of the CDBG Program are conducted in compliance with the Act and federal implementing regulations. HUD is responsible for monitoring participating jurisdictions to ensure compliance with CDBG program requirements.

The City is required to complete an array of plans and reports for the use of CDBG funds. Program management includes development of the five-year Consolidated Plan, the annual Action Plan, Consolidated Annual Performance Evaluation Report (CAPER), compliance with the Citizen Participation Plan, Analysis of Impediments to Fair Housing, creating environmental review records, monitoring, and other required reporting per 24 CFR Part 570.

To achieve the national objectives, the City awards funds through a competitive process to Subrecipients. The Subrecipient is a public or private nonprofit agency, authority, or organization that receives CDBG funds from the City to undertake eligible activities.

## **CDBG National Objectives**

The primary objective of the programs authorized under title I of the [Housing and Community Development Act of 1974](#), as amended, is described in section 101(c) of the Act ([42 U.S.C. 5301\(c\)](#)). A basic requirement of the CDBG authorizing statute is that the primary objective of the program is the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate- income.

The program rules state that to be eligible for funding, every CDBG-funded activity must qualify as meeting one of the three (3) national objectives of the program. This requires that each activity, except certain activities carried out under the eligibility categories of Planning and Capacity Building, Program Administration, and Technical Assistance, meet specific tests for either:

1. The project must benefit low- and moderate-income persons. The LMI national objective is often referred to as the "primary" national objective because the statute requires that recipients expend 70 percent of their CDBG funds to benefit LMI persons.
2. The project must eliminate slum and blight as defined by HUD.
3. The project must meet an urgent need because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

### **National Objective #1 – Benefit to Low and Moderate Income (LMI) People**

The benefit to low and moderate-income individuals (also known as Low/Mod or LMI) is the “primary” National Objective because Federal regulations require that 70% of the proposed activities, when taken as a whole, will not benefit moderate-income persons to the exclusion of low-income persons. This does not mean that the activity must include both low- and moderate-income beneficiaries, but it further ensures that the CDBG program will primarily benefit low-income persons. The definition of a low- or moderate-income person or household is having an income equal to or less than the income limits that are established by HUD. HUD publishes new income limits for each fiscal year typically in the Spring. The current HUD income limits are listed on the City’s website at <https://concordnc.gov/Departments/Planning/Community-Development/Federal-Grant-Programs#CDBG>.

The four categories of activities that can be used to meet the LMI objective are listed below:

- Area benefit activities
- Limited clientele activities
- Housing activities
- Job creation or retention activities.

### **National Objective #2 – Prevention or Elimination of Slums or Blight**

This category covers activities that aid in the prevention or elimination of slums or blight in designated areas.

Examples include:

- Rehabilitation of substandard housing located in a designated blight area when the housing is brought up to standard conditions;
- Emergency repairs that are urgent in nature and are necessary to protect the health and safety of the occupants;
- Infrastructure improvements in a deteriorated area; and
- Economic development assistance in the form of a low-interest loan to a business as an inducement to locate a branch store in a redeveloping blighted area.

Projects may qualify if benefiting an area defined under state or local law as a slum or blighted area, and which contains a substandard number of deteriorating or dilapidated building or infrastructure. To meet eligibility requirements, the activity must be designed to address one or more of the conditions which qualified the area as slum and blighted. Residential rehabilitation qualifies if the property is considered substandard per local definition.

### **National Objective #3 – Urgent Need**

This category provides funding to meet other community development needs with urgency because existing conditions that pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available, which also includes natural disasters. HUD provided additional funding under this objective during the global pandemic. The City received two (2) rounds of CDBG CARES Act (CDBG-CV) to address the needs within the City during this unprecedented time.

More information about the CDBG Program’s National objectives can be accessed via the link below:

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

### **HUD Objectives and Outcomes**

All eligible activities must also be associated with HUD’s performance measurement framework which includes three objectives and three outcomes.

The three objectives include:

- **Decent Housing**: The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- **Suitable Living Environment**: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Creating Economic Opportunities**: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories include:

- **Availability/Accessibility**: This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate- income people where they live.
- **Affordability**: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- **Sustainability**: This outcome promotes livable or viable communities through activities that improve communities or neighborhoods, helping to make them livable or viable by providing benefit to LMI people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

### **Consolidated Plan and Annual Action Plan**

In 1995, HUD mandated that all CDBG recipients prepare a Consolidated Plan every five years and an Annual Action Plan every year. The regulations governing these activities, which were revised in 2006, can be found at 24 CFR Parts 91 and 570. In May of 2012, HUD introduced the eCon Planning Suite, including the Consolidated Plan template in the Integrated Disbursement and Information System (IDIS) nationwide online database and the Community Planning and Development (CPD) Maps website. By creating a more cohesive planning and grants management framework and providing better data and a tool for analysis, the eCon Planning Suite supports grantees and the public to assess the community's specific needs and make strategic investment decisions. HUD grantees are now required to submit the Consolidated Plan and year one Annual Action Plan using the Consolidated Plan template in IDIS online.

The purpose of the Consolidated Plan is to encourage Grantees to make longer-term strategic decisions based on current market conditions in consultation with all important stakeholders. The document lays out the City's plans for using federal CDBG funds in the following programs:

While the Consolidated Plan lays out a broad vision of need and funding priorities, HUD also requires Grantees to submit Annual Action Plans. These plans identify anticipated funding resources for the upcoming year, the City's plans for allocating the identified funding, and the anticipated outcomes of the funding. Detailed information about the Annual Action Plan requirements can be found at 24 CFR 91.220.

HUD requires that the public be given the opportunity to comment on the Consolidated and Annual Action plans for no less than 30 days (24 CFR Parts 91.200). To fulfill this requirement, the City, following the procedures in its Citizen Participation Plan, publishes a notice of the plan in the local newspaper and posts notices at highly visible locations, including the City Hall Building, located at 35 Cabarrus Avenue West in Concord, NC. To ensure that the City provides several opportunities for the required information to be viewed by citizens for comments, at a minimum, the full documents are available on the City's website at <https://www.concordnc.gov/Departments/Planning/Community-Development>. The City also shares information on all of its social media platforms to promote the draft plans and to

encourage comments. Prior to the global pandemic, public hearings were held at the City Hall Building that can accommodate individuals with disabilities. The City also provided accommodations for non-English speaking residents to provide comments. The City now offers virtual public hearings to receive citizen comments and questions about the planned uses of its federal funds. The City has continued to offer virtual public hearings for citizens because of the tremendous increase in feedback from citizens that is received during each comment period through the City's public engagement software system (PublicInput.com).

The Five-Year Consolidated Plan is required to include following elements:

- Information that includes the amount of grant funds and program income it expects to receive.
- The range of activities that may be undertaken.
- The estimated amount that will benefit persons of low and moderate income.
- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from.
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.

The Annual Plan is required to include the following elements:

- Form Application - Standard Form 424
- Federal and Other Resources Available
- Activities to Be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions:
  - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure and enhance coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives.
  - Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
  - Amendments to the Consolidated Plan.

### **Consolidated Plan /Action Plan Amendments**

Prior to making any additions, deletions, or changes to the Community Development Block Grant Program Consolidated Plan or Annual Action, the following determination will be made on the amendment:

- a. If the proposed change is a minor amendment defined as an amendment to the program that costs less than 10% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plans; or
- b. If the proposed change is a substantial amendment when:
  - the amendment makes changes in its allocation priorities or a change in the method of distribution of funds;
  - the amendment carries out an activity, using funds from any program covered by the consolidated Plan (including program income), not previously described in the action plan; or
  - the amendment changes the purpose, scope, location or beneficiaries of an activity.



## II. CDGB PROGRAM RESPONSIBILITIES

### The City of Concord's Responsibilities

As a Community Development Block Grant (CDBG) entitlement community, the City of Concord receives CDBG funds directly from the U.S. Department of Housing and Urban Development and the City is responsible for managing these funds. The City of Concord must submit the plan for expenditures to HUD and provide reports that detail each amount that is drawn down and spent for CDBG activities. The City of Concord is responsible for completing all administrative duties that are listed below on behalf of the CDBG program:

- Preparing and submitting the Annual Action Plan and revises the Plan as required by HUD.
- Sending annual agreements to Subrecipients for required signatures.
- Preparing and completing Environmental Review Records for activities.
- Preparing and submitting the Request for Release of Funds to HUD.
- Preparing and submitting the Annual Action Plan (AAP) and Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Preparing and processing all pay requests for each project activity.
- Reviewing program activities and rules to ensure that money is being spent in support of an eligible project and in accordance with HUD rules.
- Setting up files in the Integrated Disbursement and Information System (IDIS) for each project.
- Tracking program income for projects.
- Sending letters and notices regarding any project issues to subrecipients.
- Preparing and updating program forms and documents as needed.
- Responding to Subrecipients' inquiries concerning their projects.
- Providing technical assistance to Subrecipients as needed.
- Monitoring and inspecting all projects for Subrecipients on an annual basis.

### Written Agreements

The City of Concord requires execution of a written agreement **before any CDBG funds are committed or disbursed to any entity**. As appropriate, the City of Concord will work with its Legal Department to draft all contracts, agreements, and other legal documents. In addition, the City of Concord's staff will provide legal counsel with information to assist them in understanding CDBG program rules and their intent.

Written agreements shall contain the following provisions:

- **Use of Funds:** Description of the CDBG-funded activities, tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement.
- **Reversion of Assets/Program Income Requirements:** States that program income proceeds, unexpended funds or other assets will be retained by the City of Concord for other eligible activities.
- **Uniform Administrative Requirements:** Compliance with applicable federal administrative requirements (2 CFR Part 200, 24 CFR Part 200, applicable provisions of 24 CFR Part 85 for governmental entities, and 24 CFR Part 84 for non-profits.)
- **Other Program Requirements:** Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict of interest.
- **Affirmative Marketing:** Requirements for affirmative marketing in projects containing five (5) or more CDBG-assisted units.

- **Requests for Disbursement of Funds:** Requirement that CDBG funds may not be requested until funds have been expended as repayment for eligible costs. The amount of each request is limited to the amount that is eligible for reimbursement only. Program income must be expended before requesting CDBG funds, if applicable.
- **Records and Reports:** Lists records that must be maintained and information and reports that must be submitted.
- **Enforcement of the Agreement:** Means of enforcing the provisions of the written agreement. This provision is in the agreement with all parties including owners.
- **Duration of Agreements:** The agreement must specify the duration of the agreement along with the applicable Period of Affordability based on the project type.
- **Amending the Documents:** Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustment to funding levels or other conditions related to a specific project are needed.

### III. GENERAL CDBG PROGRAM POLICIES & PROCEDURES

#### Eligible Activities

The following is a list of approved activities for which CDBG funding can be used. This list is not exhaustive and may not cover all eligible activities.

##### Activities Related to Real Property

- **Acquisition of real property** including costs of surveys, appraisals, preparation of legal documents, recordation fees, and other costs necessary to effect the acquisition.
- **Disposition of real property** (through sale, lease, donation, or otherwise) acquired with CDBG funds.
- **Code enforcement.** The payment of salaries and overhead costs directly related to the enforcement of state and/or local codes in deteriorating or deteriorated areas where such enforcement, along with other services, may be expected to arrest the decline of the area.
- **Public improvements or facilities.** Acquisition, construction, reconstruction, rehabilitation, or installation of public improvement or facilities such as homeless shelters, nursing homes, neighborhood facilities, streets, sidewalks, curbs, gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, etc.
- **Clearance, demolition, and removal of buildings** and improvements, including movement of structures to other sites.
- **Rehabilitation** of private residences, public housing, and commercial buildings. Types of assistance include the following: acquisition of properties; labor, materials, and other costs of rehabilitation of properties; energy efficiency; water efficiency; sewer and/or water line connections; lead-based paint testing and abatement; tools to be lent to those doing rehabilitation work; accessibility renovations; historic preservation; etc.
- **Privately-owned utilities.** Acquire, construct, reconstruct, rehabilitate, or install the distribution lines and related facilities for privately-owned activities.
- **Homeownership assistance** (financial assistance to low- and moderate-income persons to assist them in the purchase of a home) including second mortgage assistance, mortgage insurance premium, closing costs, and down payment assistance.
- **Interim assistance** to arrest severe deterioration or alleviate emergencies.

##### Activities Related to Economic Development

- **Microenterprise assistance** such as financial support, technical assistance, and related services.
- **Economic development assistance activities** that produce certain public benefits (jobs or retail services) through acquisition, construction, rehabilitation, or installation of commercial or industrial buildings, equipment, or other improvements. Other activities include financial and technical assistance as well as related services.

##### Activities Related to Public Services

- **Public services** such as job training and employment services; health care and substance abuse services; child care; child prevention; and fair housing counseling.

##### Activities Related to Planning and Administration

- **Planning activities** including plans; studies; and policy-planning, management, and capacity building activities.

##### Assistance to Community Based Development Organizations (CBDOs)

- **Grants or loans to CBDOs** to carry out the following types of projects: neighborhood revitalization, community economic development, and energy conservation.

### Other Types of Activities

- **Payment of non-Federal share of grants** in connection with CDBG activities.
- **Relocation payments** and other assistance for permanently and temporarily relocated individuals, families, businesses, and nonprofit organizations, where appropriate.
- **Technical assistance** to public or non-profit entities for capacity building.
- **Assistance to institutions of higher education** with the capacity to carry out other eligible activities.

### Ineligible Activities

The following is a list of activities for which CDBG funding cannot be used. Generally, any activity not listed as eligible may not be funded with CDBG monies. The following list is not exhaustive and may not cover all ineligible activities.

For more information about ineligible activities, please contact the Housing and Neighborhood Services staff or visit the HUD website at <http://www.hud.gov/offices/cpd/communitydevelopment/library/deskguid.cfm>. View Chapter 2 of *Community Development Block Grant Program – Guide to National Objectives and Eligible Activities for Entitlement Communities*. This is the same document which discusses eligible activities, but information about ineligible activities can be found throughout the document and more specifically on page 70.

- **Buildings for the general conduct of government.**
- **General government expense** which are required to carry out the regular responsibilities of the unit of general local government.
- **Political activities** such as financing the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
- **New housing construction** except under certain conditions or when carried out by Community Based Development Organizations.
- **Income payments** such as supplements to a household's monthly income.
- **Purchase of equipment** such as fire protection or construction equipment or furnishings and personal property unless authorized as a special economic development activity or when carried out by a CBDO.
- **Operating and maintenance expenses** of public facilities, improvements and services except when associated with eligible public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program or unless authorized as a special economic development activity or when carried out by a CBDO.
- **Religious activities** or provided to primarily religious entities for activities; acquisition, construction, or rehabilitation of properties used for religious purposes; or to promote religious interests regardless the use of properties.
  - o NOTE: CDBG funds may be provided for the rehabilitation of property owned by a religious organization for a wholly secular purpose under certain limited circumstances.
- **Architectural, engineering, and other details** ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details.

For more information about eligible activities, please contact the City's Federal Programs Coordinator or visit the HUD website <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>. This HUD Exchange link provides direct access to the *Community Development Block Grant Program Guide to National Objectives and Eligible Activities for Entitlement Communities*. Chapter 2 of the *Program specifies the* eligible activities for this program.

## Eligible Applicants

Public agencies, nonprofit organizations, and for-profit entities, and income-qualified residents are all eligible to apply to the City of Concord for CDBG funds. Fund recipients are classified into one (1) of four (4) categories:

- **Community Based Development Organizations (CBDOs):** CBDOs are generally nonprofit organizations that undertake specific kinds of CDBG-funded activities. CBDOs can be for-profit or nonprofit organizations but cannot be governmental entities. A CBDO may be designated as a subrecipient by the City.
  - **Subrecipients:** A subrecipient is a public agency or nonprofit housing service provider selected by the City of Concord to administer CDBG subrecipient.
  - **Developers, Owners, Sponsors:** For-profit entities, housing authorities, nonprofit organizations, and CBDOs can receive CDBG funds in the roles of developers, owners, and sponsors of eligible activities.
  - **Homeowners:** Housing rehabilitation assistance is available to qualified low- and moderate-income homeowners whose homes are in substandard condition. The applicant must own and reside in the home and meet HUD's income limits. Single-family homes and manufactured homes are eligible for assistance, but the City also may approve mobile homes for assistance. Condos are not eligible for assistance.
- **Eligible Administrative and Planning Costs**

Funds are provided for the administration of the CDBG program. The City of Concord's staff is responsible for administering all aspects of the CDBG program; coordinating activities for the CDBG program, monitoring compliance with written funding agreements and federal regulations, and coordinating with HUD to ensure compliance with federal regulations. The City of Concord uses funds for a pro-rata share of the salaries, fringe, and overhead that can be directly attributable to the CDBG Program. Adequate records are maintained to justify the allocation of CDBG administration funds for these purposes.

- Eligible costs include the City of Concord's staff and overhead costs directly related to carrying out projects, such as work specifications preparation, inspections, lead-based paint evaluations (visual assessments, inspections, and risk assessments) and other services related to assisting potential owners, tenants and homebuyers.
- Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling and other assistance necessary to minimize hardship.
- Costs may be charged as administrative costs or as project costs, at the discretion of the City of Concord; however, these costs (except housing counseling) cannot be charged to or paid by the low-income families.

## Uniform Administrative Requirements

- 2 CFR Part 200
- 24 CFR Part 200
- Provisions of 24 CFR Part 85

## Distribution of CDBG Funding

The City of Concord distributes CDBG funds within the boundaries of its City limits, and among different categories of need, according to the priorities of need identified in its approved Consolidated Plan.

CDBG funds are provided to the City of Concord by HUD annually. The City's distribution plan for CDBG funds includes:

- **Administration (20%)** Funds are used for planning, administration, allocation of indirect costs and monitoring of the program. Funds are also used to conduct training and technical assistance to entities interested in applying for and implementing CDBG-funded projects.
- **Public Services (15%)**: Funds are used to improve public services and facilities, including, but not limited to those concerned with child care, healthcare, job training, recreation programs, education programs, public safety services, Fair Housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, and welfare (but excluding provisions of income payments described at §570.207(b)(4)).

Before committing funds to a project, the City of Concord will determine the eligible projects to undertake and prepare all appropriate documentation.

### **Subrecipient Funding Requests**

Subject to availability, CDBG funds may be requested by a Subrecipient through a formal written request process through Neighborly Software that can be accessed [here](#). The request should include the type and location of the services to be undertaken, identify other available funding sources, and include the specific amount of the request.

Written funding requests will be scored based on a point system. Requests also are scored for clarity of the proposal, the likelihood of success, the project’s financial feasibility, the funding need, the track record of the organization, the creditworthiness of the organization, and the ability to implement the project within one funding year. The Concord City Council determines the agencies and the amount of funding for each fiscal year.

**Technical Assistance Visits for Subrecipients:** A technical assistance visit is an informal visit. The intent of this meeting is to share information that will enable the City of Concord to meet the various State and Federal requirements for its grant. A technical assistance visit could consist of explanations of project start-up requirements and the establishment of program files. The City of Concord must demonstrate compliance with applicable regulations and document this by maintaining accurate and complete records and files. The filing system must provide a historical account of the City’s activities, be easy to use, and centrally located.

**Monitoring Visits for Subrecipients:** A monitoring visit is more formal than a technical assistance visit. The monitoring visit is utilized to determine if the project is being conducted in compliance with applicable Federal and State laws and requirements. The review also determines the City of Concord’s ability to implement the program in a timely manner.

The monitoring visit consists of a review of project files, records and documentation, and may include a visit to the project site. All records, files, and documentation should be available for review at the monitoring visit. If other public agencies, attorneys, or consultants have assisted in program implementation, these records must be available for review for the monitoring visit. Failure to produce such records upon request will result in issuance of either a program “concern” or “finding” of non-compliance and will jeopardize the organization’s eligibility for future CDBG project funding. The issuance of a program “concern” or “finding” may, at the discretion of the City of Concord’s staff, result in the recapture of funds provided by the City of Concord.

### **Project Completion Deadline and Terminated Projects**

As required in 24 CFR §92.205(e), the City of Concord’s staff must be able to execute a written agreement with the Subrecipient for the project within 12 months of July 1 of the year in which funding is awarded. The Subrecipient must typically be able to complete the project and expend all funds within one (1) year of the execution of the written agreement.

#### **IV. Overarching Program Regulations and Requirements**

The City of Concord and all subrecipients and participating jurisdictions will adhere to this requirement according to the stipulations that are enforced by the U.S. Department of Housing and Urban Development.

##### **Fair Housing and Civil Rights**

Agencies must comply with federal, State, and local fair housing and civil rights laws, regulations, and Executive Orders, including Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq); the Fair Housing Act (42 U.S.C. 3601-3602); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259); and the Age Discrimination Act of 1975, as amended (42 U.S. C. 6101-6107).

Discrimination in the provision of housing is prohibited on the basis of a protected class; federal and North Carolina State protected classes include:

- Race
- Color
- National Origin
- Religion
- Disability
- Sex
- Familial Status

##### **Advertising and Outreach**

The City of Concord must undertake outreach efforts in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach, and access to the Program.

The City must inform potential applicants of the program via flyers, public notices, local media advertisements. The marketing information will include basic eligibility requirements, a general description of the Program, and the appropriate Fair Housing logo.

The City's marketing approach must address: (1) how the program will be announced (i.e., through all media platforms and other sources); (2) when applications will be accepted (i.e., online or daily during normal working hours); and (3) the method for taking applications (i.e., in person, by mail, and online).

The City must maintain a file that contains all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letters, etc.) The records, which help assess the results of these actions, must be available for inspection.

The City also has an obligation to assure that information about the program reaches the broadest possible range of potentially qualified applicants.

To further fair housing objectives, the City should identify those households that have been determined to be "least likely to apply," and determine what special outreach activities, including placing advertising in minority-specific media, will ensure that this population is fully informed about the program. The City will assure that all marketing initiatives and materials adequately reflect the available assistance types.

##### **Conflict of Interest**

In the procurement of property and services by the City of Concord, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with CDBG funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may not have an interest in any

contract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, board member, loan committee member, elected official or appointed official of the City of Concord that is receiving CDBG funds.

The City of Concord shall ensure that officers, employees, agents or consultants will not occupy any CDBG-assisted affordable housing units in the project. This provision does not apply to an individual who receives CDBG funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the City who occupies a housing unit as the project manager or maintenance worker.

The City of Concord may provide an exception to the provisions listed above on a case-by-case basis when the City determines that the exception will serve to further the purposes of the CDBG program and the effective and efficient administration of the City's CDBG-assisted project. For the City to provide this exception, the City must make a written request to its Legal Department to make its determination based on the following factors:

- a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group;
- b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- c. Whether the tenant protection requirements of Section 92.53 are being observed;
- d. Whether the affirmative marketing requirements of Section 92.351 are being observed and followed; and
- e. Any other factor relevant to the City's determination, including the timing of the requested exception.

The City of Concord must maintain a written code of standards of conduct that will govern the performance of its officers, employees, or agents engaged in the award and administration of contracts funded with federal dollars.

### **Program Accessibility**

Section 504 of the Rehabilitation Act of 1973 requires that a CDBG-funded activity, when viewed in its entirety, is usable and accessible to persons with disabilities. The obligation to provide accessible units, in accordance with 24 CFR 8.22 and 8.23 is broader and includes the following:

All program activities, including public hearings, homebuyer briefings, counseling sessions, and meetings should be held in locations that are accessible to persons with disabilities.

Information about all programs and activities should be disseminated in a manner that is accessible to persons with disabilities. Auxiliary aids and special communication systems should be used for program outreach, public hearings related to housing programs, and other program activities.

Reasonable steps should be taken to provide information about available accessible units to eligible persons with disabilities. Homebuyer projects are not required to produce accessible units, but reasonable accommodations during the application process are required for any buyers with accessibility needs. Program advertising should acknowledge that the program will work with households with accessibility needs. Should a successful homebuyer applicant have a need for a unit with an accessible design, the program must accommodate those needs.

### **Equal Opportunity**

Federally-funded housing projects/programs are subject to Executive Order 11246, as amended, which prohibits agencies from discriminating against employees or applicants for employment on the basis of race, color, religion,

national origin, citizenship status, unfair documentary practices regarding employment verification, sex, age, and disability. These requirements are included in all contracts with Subrecipients.



- **Section 3 of the Housing and Urban Act of 1968 (Section 3):**  
The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance is directed to low- and very low-income persons to the greatest extent feasible. In accordance with the Section 3 Plan, solicitation of Section 3 businesses is required during procurement for any construction contract of \$100,000 or more and is encouraged for contracts of lesser amounts. The Section 3 Plan also requires contractors/subcontractors to follow a specific hiring plan in order to target Section 3 residents.
- **Women- and Minority-Owned Business Enterprises:**  
The City of Concord is required to take affirmative actions to allow Women- and Minority-Owned Business Enterprises (WMBE) to benefit from federal funds. The City passes this requirement on to funded agencies, which must make a good faith effort to employ WMBE firms when implementing projects/programs. These efforts can include advertising for professional services or construction contractors in minority publications, notifying WMBE firms directly of employment opportunities, or requiring that contractors hire WMBE subcontractors. Solicitation of MBE firms is required during procurement for any construction contract of \$50,000 or more.

### **Non-Discrimination**

No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status, physical or mental disability, gender identity or expression of a person, national origin, ancestry, military status, or other arbitrary cause.

### **Reasonable Accommodations for Persons with Disabilities**

Employers receiving CDBG funds may not discriminate against prospective or current employees with disabilities. Employers must remove physical and administrative barriers to employment and provide reasonable accommodations for employees with known disabilities.

If a subrecipient has 15 or more employees, it must designate a Section 504 Coordinator and notify program participants and employees of its non-discrimination policies.

### **Business Enterprises Owned by Minorities, Women and Disadvantaged Business Enterprises**

The City of Concord encourages participation by business enterprises owned by minorities and women, and disadvantaged business enterprises (M/W/D-BE). Contracts for the procurement of services should be awarded to the maximum extent possible to M/W/D-BE. Section 24 CFR 84.44(b) of the Uniform Administrative Requirements outlines recommended steps for achieving participation goals.

### **The Uniform Act and Section 104 (d)**

CDBG-assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. In addition, projects that include demolition or conversion of low-income housing are subject to Section 104(d) (also called the Barney Frank amendment).

#### **Acquisition**

The URA requirements apply to any and all real property acquisition for a project that receives any amount of CDBG funding, regardless of whether the funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first *intended* to apply for CDBG funds for the project.

Agencies are exempt from complying with most acquisition requirements of the Uniform Act (Subpart B) *only* if an identified site can be acquired “voluntarily” in accordance with Section 49 CFR § 24.101 of Subpart B.

A “voluntary” acquisition requires the Agency (buyer) to inform the seller, prior to executing an agreement to purchase:

- That it does not have the power of eminent domain (buyers with eminent domain authority, must agree not to use it, and must not have specific site needs);
- That it will not be able to purchase the property if negotiations fail to result in an amicable agreement; and
- Of the buyer’s estimate of fair market value (FMV) of the property to be acquired.

**Estimating Fair Market Value:**

An appraisal is not required to establish the FMV of a property, but there must be documentation that includes an explanation, with reasonable evidence, of the basis for the estimate. A Comparative Market Analysis is acceptable for this purpose.

**Section 104(d)**

Section 104(d) of the Housing and Community Development Act of 1974, as amended (104(d)) requirements apply when CDBG assistance is used for a project involving demolition or conversion.

Section 104(d) has two (2) distinct components:

- **One-for-One Replacement:** Requires one-for-one replacement of lower-income dwelling units that are demolished or converted to another use. For Section 104(d) purposes, “conversion” is defined as: Altering a housing unit that would rent at or below the fair market rent (FMR) so that it is used for non-housing purposes, rents for above the FMR or is used as an emergency shelter.
- **Relocation of Lower-Income Tenants:** Requires relocation assistance for displaced lower-income residential tenants and does not provide protection or assistance for persons with incomes above the Section 8 Low Income Limit.

**Housing Replacement**

The City of Concord has adopted a “Residential Anti-displacement and Relocation Assistance Plan”, which addresses the Section 104(d) requirement for one-for-one replacement of low-income housing units:

The City may replace all occupied and vacant occupiable low- and moderate- income dwelling units demolished or converted to a use other than as low- and moderate- income housing as a direct result of activities assisted with CDBG funds.

Replacement units do not need to be provided by the same fund recipient whose project resulted in the housing loss. The City will count any net gain in units achieved through the investment of CDBG funds as having met the one-for-one replacement requirement.

**Relocation**

The City strongly discourages the permanent displacement of low-income households by project and programs. The URA stipulates the content and timing of notices for residents of properties to be acquired with CDBG funds. If residents are displaced by the project, they must receive moving cost reimbursements, relocation assistance payments, and relocation assistance services. If an otherwise feasible and fundable project does necessitate permanent or temporary displacement and relocation, the relocation must be carried out in strict compliance with the URA. Prior to selection for funding, the Agency must demonstrate that:

- Both personnel and budget resources are available to implement relocation, and
- Such projects must have qualified City-approved relocation personnel as part of the development team.

A pre-application conference with staff is required for any project which may involve relocation to ensure that the Agency understands the URA requirements and that proper relocation notices are given.

No relocation may be initiated prior to funding award except with the prior written approval of the City of Concord. If relocation is required, a detailed **Relocation Plan** must be submitted with an application for CDBG funds.

#### **Temporary Relocation**

All conditions of temporary relocation must be reasonable and the tenant shall be provided with reimbursement for all reasonable out-of-pocket expenses incurred in connection with temporary relocation.

The tenant shall receive advisory services, including written notice of the date and approximate duration of the temporary relocation, address of suitable temporary unit, and the terms and conditions under which the tenant may lease and occupy the building/complex upon completion of the project.

**Temporary relocation may not extend beyond one year before the person is returned to his or her previous unit or location.** Any residential tenant who has been temporarily relocated for more than one (1) year must be offered permanent relocation assistance, which may not be reduced by the amount of any temporary relocation assistance previously provided.

If the project requires tenants to be temporarily relocated off site, a detailed **Temporary Relocation Plan** is required.

#### **Violence Against Women Act Reauthorization Act of 2022**

VAWA is a federal law originally enacted in 1994, as amended ([34 U.S.C. 12291 et seq.](#)), that protects individuals who are survivors of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, sexual orientation, or gender identity. These protections also apply to individuals with disabilities, including those with mental health disabilities, and people of color that also are disproportionately impacted by problematic laws and policies. It includes protections for survivors and others who are applying for or residing in covered housing programs. VAWA 2022 reauthorizes, amends, and strengthens VAWA. It added to, and did not replace, the existing VAWA housing protections for survivors. Covered housing providers must continue to provide VAWA protections as required by law. On March 15, 2022, President Biden signed into law the [Consolidated Appropriations Act of 2022](#), which included the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022).

Many of the amendments enacted as part of VAWA 2022 took effect on October 1, 2022. On January 4, 2023, the U.S. Department of Housing and Urban Development (HUD) published a notice in the Federal Register (VAWA 2022 Notice4) in which HUD: (1) describes how the VAWA 2022 amendments affect HUD's programs; and (2) seeks comment on certain provisions.

Under this new provision, there are some additional requirements and obligations for CDBG recipients, which include: (1) reporting to HUD problematic local laws and policies of the jurisdiction and those of the subrecipients that impose penalties that are being enforced, and (2) Certifying that the jurisdictions are in compliance or will be in compliance within 180 days of submitting the report to HUD. The goal is to prevent adoption of these laws, policies, and programs and address harms that may have occurred. A copy of the VAWA 2022 Notice is available online at:

<https://www.federalregister.gov/documents/2023/01/04/2022-28073/the-violence-against-women-act-reauthorization-act-of-2022-overview-of-applicability-to-hud-programs>

See HUD 1 Public Law 117-103, <https://www.congress.gov/117/plaws/publ103/PLA> and adhere to the requirements for Community Development Block Grant (CDBG) recipients and subgrantees concerning the Right to Report Crime and Emergencies from One's Home law in the Violence Against Women Act (VAWA) Reauthorization of 2022 ([34 U.S.C. 12495](#)). For further guidance concerning VAWA 2022, also see 34 U.S.C. 12491, 24 C.F.R. part 5, subpart L, and 24 CFR part 576.409 (ESG) and part 578.99(j) (CoC program).

### **Build America, Buy America Act (BABA)**

The Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States. BABA established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. BABA also established the Buy America Preference (BAP) for iron, steel, manufactured products, and construction materials used in covered infrastructure projects to be produced in the United States. BABA applies to all expenditures by a Federal agency to a non-federal entity for an infrastructure project, including construction, alteration, maintenance, or repair.

The HUD Community Planning and Development (CPD) programs that are impacted by BAP include CDBG, CDBG-CV, HOME and HOME-ARP. Agencies may waive the domestic content procurement preference if (1) a waiver is in the public interest, (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality, or (3) the application of the domestic content preference would increase the cost of the overall project by more than 25 percent. Public Law 117-58, §70912(3): <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

### **National Standards for the Physical Inspection of Real Estate (NSPIRE)**

In May 2016, in response to instructions from Congress, the Department of Housing and Urban Development (HUD) initiated an effort to consolidate, update, and enhance the Housing Quality Standards (HQS) and the Uniform Physical Condition Standards (UPCS). The aim was to establish a unified inspection protocol for public housing and voucher units. After dedicating seven years to this goal, HUD has published the NSPIRE Final Rule, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes. Further information can be found in the Federal Register at <https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>.

The NSPIRE Final Rule will be implemented in two phases. Starting on July 1, 2023, Public Housing will transition to NSPIRE, followed by the Multifamily Housing programs, Housing Choice Voucher (HCV), Project Based Voucher (PBV) programs, and the Community Planning and Development programs on October 1, 2023. Under this new requirement, which takes effect on HUD programs must use the new NSPIRE inspection framework for all units assisted with acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services (24 CFR 574.300(b)(3)); new construction (24 CFR 574.300(b)(4)); project or tenant-based rental assistance (24 CFR 574.300(b)(5)); and operating costs (24 CFR 574.300(b)(8)). Additional information can be found in the Federal Register. <https://www.federalregister.gov/documents/2023/07/07/2023-14362/national-standards-for-the-physical-inspection-of-real-estate-and-associated-protocols-scoring>. All NSPIRE Score Calculator features are based on the Proposed NSPIRE Scoring Notice ([88 FR 18268](#)) and Proposed NSPIRE Standards Notice located at [https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-02nspire\\_propose-standards.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-02nspire_propose-standards.pdf).

## Financial Management

As a direct recipient of HUD funds, the City of Concord must abide by the financial management requirements of the Federal Office of Management and Budgets found at 2 CFR part 200.

## Audit Requirements

The City of Concord also must follow OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal awards. All subrecipients that expend more than \$750,000 in federal funds must have an A-133 audit completed and submitted to the City of Concord.

## IDIS Drawdowns

A separation of duties has been established by the City of Concord and the City's Finance Department to provide proper checks and balances from grant set-up, project and activity set-up, sub-funding, sub-granting and drawdown process in the following manner:

### **IDIS Administrator Procedures:**

- The City of Concord submits completed IDIS Access Request Forms in the IDIS system to gain approval for access by function for all of the City's projects.
- The City of Concord also maintains drawdown request vouchers with copies of deposit transactions and payment disbursement documentation.

## Program Income

Some housing activities generate program income, which must be disbursed before seeking reimbursement/draw down of additional CDBG funds. Program income is defined as "gross income received by the City of Concord, or an agency, which was generated from the use of CDBG funds. Income generated by housing projects or programs would typically fall into one of the following categories:

- ***Payments of principal and/or interest on loans*** made with CDBG funds.
- ***Proceeds from the sale of real property*** that was purchased or rehabilitated with CDBG funds.

For example, funds for housing are often provided as low-interest or deferred payment loans. The loan repayments are considered as program income. The federal regulations require that:

- Program income be spent before drawing funds from the City of Concord's CDBG account;
- Program income be spent only for eligible activities; and
- Written agreements with agencies that will generate program income must specify whether program income must be returned to the City's CDBG account or be used by the City for an eligible activity.

The City is required to track and report program income that is generated during each fiscal year.

## Procurement

All projects must comply with the most restrictive of the applicable federal or state, competitive procurement regulations or costs may not be reimbursable.

Federal procurement requirements at 2 CFR Part 200 apply to all non-profit organizations' actions as a Subrecipient and to all public entities. The owners/sponsors/developers are not subject to the federal procurement requirements.

Nonprofit organizations receiving CDBG funds must comply with the procurement requirements of 24 CFR Part 84. Procurement requirements are provided in the City of Concord's funding notices and written agreements. The City will provide a copy of its procurement policies and procedures that meet applicable federal and state requirements. If a project includes any construction or rehabilitation, a required component of a completed request for funding will be a written description of how the City or any subrecipients plan to procure prime or general contractors, subcontractors, architects, engineers, consultants, etc. in a competitive manner.

For construction or facility improvement projects exceeding \$100,000, minimum Federal requirements located in 24 CFR 85.36 or 84.48(c)) for bid guarantees, performance bonds, and payment bonds must be met. Prior to publishing a Notice of Bid Opening in the local newspapers, as a minimum requirement, and through other approved forms of communication mediums, the City must review and approve all bid documents to ensure that all federal, state, and program requirements are included.

Only contractors and subcontractors that are not federally barred or suspended and have current State of North Carolina business licenses with current Workers' Compensation accounts, including proper insurance and bonding, can work on capital construction projects. The City of Concord will check the status of the general contractor and all subcontractors for federal debarment and suspension, licensing, insurance, bonding, and Workers' Compensation accounts for capital construction projects. The City also is responsible for checking the licensing and debarment status for owner-occupied housing rehabilitation and minor home repair clients.

The City of Concord's subrecipients are subject to the procurement requirements of 24 CFR parts 84 and 85 as well as state and local laws and regulations. Subrecipients will be monitored annually to ensure compliance with these regulations.

### **Environmental Review**

Prior to entering into a contract, the City of Concord will complete a federal Environmental Review in compliance with the National Environmental Policy Act (NEPA) and other related federal and state environmental laws. No choice-limiting activities may be undertaken by the applicant for CDBG funds during the time between the submission of the written request for funding and the completion of the Environmental Review (prior to the receipt of the Authority to Use Grant Funds from HUD).

Tenant-Based Rental Assistance is categorically excluded and not subject to §58.5 authorities. The City will document this determination, complete the Environmental Review Record, and keep the document in the Environmental Review Records files.

### **Public Records**

Materials and information submitted to or received by the City of Concord are subject to public disclosure unless otherwise exempt from disclosure under the North Carolina General Assembly's G.S. §132. No assurances can be given that any materials provided can be protected from public review and copying.

### **Recordkeeping and Retention of Records**

Records related to CDBG-funded projects and programs must be retained for at least five (5) years. For rental and homeownership development projects, general records must be kept for five (5) years after project completion, and tenant/homeowner data must be maintained for the most recent five (5) years, until five years after the conclusion of the affordability period.

### **Appraisal and Real Property Acquisition**

If the applicant is proposing the purchase of real property and/or building(s), a full appraisal must support the purchase price. Appraisals and acquisition must comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. The URA generally applies to federally-funded projects involving acquisition, rehabilitation, or demolition, and requires compliance with following the real property acquisition process, unless the project meets the requirements of 49 CFR 24.101(b)(1)-(5).

Applicants must follow the procedures for a Voluntary Acquisition under the URA. Prior to making an offer for the property, the applicant must, in writing, advise the owner of the property that federal funds may be involved in the purchase of the property, let the owner know that the applicant does not have the power of eminent domain and that it will be unable to acquire the property if negotiations fail to result in agreement, and provide the owner with what it currently believes to be the market value of the property. If the applicant has not yet completed an appraisal of the property at the time of the offer, the statement of market value provided to the seller must have a reasonable basis (e.g., assessed value).

The request for CDBG funding must include a current appraisal. An appraisal must be dated no more than 12 months prior to the funding request submission date. A letter updating an appraisal completed more than 12 months prior to the funding request submission date will be accepted. The appraisal must be conducted by someone with a current general appraisal certificate in the State of North Carolina.

### **Minimum Property Standards**

#### **New Construction Projects**

The City of Concord may complete Only in specific circumstances. New construction projects are only allowed for a house that is being reconstructed on the same footprint.

Projects also must comply with the *N.C. State Building Codes that are applicable to new construction, residential, and existing structures*, which the City of Concord has adopted as its construction performance standards. Housing must meet all applicable requirements upon project completion.

All new construction CDBG-assisted projects will also meet the requirements described below:

- **Accessibility.** All housing will meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).
- **Disaster mitigation.** Where relevant, housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with municipal, county, State ICC or IFC codes, or such other requirements as HUD may establish.
- **Written cost estimates, construction contracts and construction documents.** The City of Concord will ensure that construction contracts and construction documents describe the work to be undertaken in adequate detail to conduct inspections. The City must review and approve written cost estimates for construction and determine that costs are reasonable.
- **Construction progress inspections.** The City's staff also must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents (draw requests).

## **Rehabilitation Projects**

For existing single-family properties assisted with the City of Concord's CDBG funds, the unit must meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. The scope of work for home repairs will be determined during the initial inspection. During the initial visit, the Construction Coordinator must be able to see all aspects of the home, such as floors, walls, electrical outlets, the attic, the crawlspace, etc., to fully assess the needs of the home to complete the Work Write-Up. If all aspects of the home are not visible during the initial visit, staff will provide additional resources to assist the resident(s) to clear the required area(s) of the home. If the home is not accessible after receiving resources to assist with cleaning up the home and 30 days have passed, assistance may be denied. Projects must also comply with the *N.C. Building Code and the Concord Development Ordinance*, and must address the major systems of the unit in the following manner:

### **Structural support**

- If the initial inspection by the City of Concord or the approved designee shows any evidence of foundation, sill, joist or other structural support damage, these items must be corrected as part of the initial rehabilitation of unit prior to lease.

### **Roofing**

- If deemed as not meeting the five-year threshold of useful life, the roofing, including all wood sheeting, framing, boxing and fascia that is identified as compromised (rotted, missing, etc.) must be replaced along with the shingles.
- If the roofing is deemed as meeting the five-year threshold of useful life, any specifically-identified issues (damaged fascia, guttering, boxing, etc.) must be corrected as part of the initial rehabilitation of the unit prior to lease.
- All attics must be vented.

### **Cladding and Weatherproofing** (e.g., windows, doors, siding)

- If initial inspection by the City of Concord, or approved designee, shows any evidence of specified damage, the items must be corrected as part of the initial unit rehabilitation prior to lease.
- If existing windows are single-pane and determined to be in working order, the City of Concord, developer, or subrecipient must ensure that all windows have been properly sealed, both inside and out, to remove any potential air leakage.

### **Plumbing and Water Heater**

- All plumbing issues identified in the initial inspection by the City of Concord or approved designee must be corrected.
- If the water heater is deemed as not meeting the five (5) year threshold of useful life, it must be replaced.
- Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code, only if located in living space.
- Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.

### **Electrical**

- If deemed as not meeting the five-year threshold of useful life, the electrical system must be replaced as part of the initial rehabilitation of the unit prior to lease.
- If deemed as meeting the five (5) year threshold of useful life, any specifically-identified issues associated with the wiring must be corrected prior to lease.



- Wall switch-controlled Energy Star rated overhead lighting is required in all rooms.
- Each bedroom and hallway, etc. must have, as required by Code (local, state or Federal) a hard-wired or battery back-up smoke detector.

### **Heating, Ventilation, and Air Conditioning**

- If the unit is not properly insulated, a minimum of R19 insulation must be installed under all living space flooring and a minimum of R-38 insulation must be installed above all living space ceilings.
- If the heating or air conditioning systems do not meet the five (5) year threshold of useful life, they must be replaced with a proper-capacity, high-efficiency system with proper seer capacity for heated and cooled space.

### **Site and Neighborhood Standards**

A site for newly-constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- The site must promote greater choice of housing opportunities.
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

### **Lead-Based Paint**

The Lead-Based Paint Regulations described in 24 CFR Part 35 require that lead hazard evaluation and reduction activities be carried out for all single and multi-family residences constructed prior to 1978 that receive CDBG Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel.

If lead-based paint is present in the unit, the written funding request must also include a detailed lead hazard reduction plan, in accordance with the regulations, and separately identify within the rehabilitation budget, the costs associated with the reduction of lead hazards in accordance with the regulation and guidelines.

All CDBG program fund allocations are contingent upon the applicant agreeing to complete lead hazard reduction, evidenced by a clearance report performed by appropriate lead-certified personnel. The City of Concord permits use of CDBG funds for lead-based paint testing, assessment, abatement and the clearance report. In a multi-family project where CDBG Program funds will be used for only a portion of the units, lead-based paint requirements apply to ALL units and common areas in the project.

### **Accessibility**

- All housing must meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, also must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

### **Disaster Mitigation**

- Where relevant, the City of Concord requires housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements.

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**Compliance with State/Local Codes, Ordinances, and Zoning Requirements**

- The City of Concord’s standards require that rehabilitated housing meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

**National Standards for the Physical Inspection of Real Estate (NSPIRE)**

- HUD published the NSPIRE Final Rule on May 11, 2023, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes.
- The City of Concord will adhere to NSPIRE physical construction requirements for all CDBG-assisted projects to ensure that units will be decent, safe, sanitary and in good repair.

**Construction Documents and Cost Estimates**

- The City of Concord’s staff will ensure that the work to be undertaken meets the City of Concord’s rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance standards. The City of Concord’s Construction Coordinator will review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.

**Frequency of Inspection**

- The City of Concord must conduct an initial property inspection to identify the deficiencies that must be addressed. The City’s inspectors will conduct progress and final inspections to determine that work was done in accordance with work write-ups.
- The City of Concord will document compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of CDBG assistance. If the property does not meet these standards, CDBG funds will not be used to acquire the property unless it is rehabilitated to meet the standards.
- The City of Concord will adhere to the following guidelines:
  - On-site inspections will be performed within one (1) year following project completion and every one (1) to three (3) years during the affordability period.

**Inspection Procedures**

- The City of Concord will establish written inspection procedures. The procedures must include detailed inspection checklists, a description of how and by whom inspections will be carried out, and procedures for training and certifying qualified inspectors. The procedures also must describe how frequently the property will be inspected.

## **Contractor Procurement**

The City of Concord staff must obtain a minimum of two (2) bids on planned repairs, based on the preliminary work write-up prepared by the City's Construction Coordinator. Bids are to be returned on the specific due date. -staff will record the total amount of the bid and the date and time the bid was received. The City's staff will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in the CDBG Owner-Occupied Rehabilitation Program.
- The contractor is not currently on probation, suspended or debarred by the state licensure board.
- The total dollar amount of the bid is within 10% of the total cost listed on the initial work write-up prepared for or by the City of Concord.

## **Compliance and Monitoring**

During the course of a project, monitoring shall be implemented through periodic on-site visits so that any problems that may occur will be resolved as soon as possible. The goal of monitoring is to assist and support recipients in complying with applicable State, Federal, and Local requirements and in implementing their project activities in a timely manner.

The City of Concord is required to maintain complete financial and program files and to comply with program reporting requirements. The City must also provide citizens with reasonable access to records pertaining to the use of funds.

## **Corrective and Remedial Actions**

The inability to properly execute the terms of the contract and/or maintain records in the prescribed manner may result in a finding that the City of Concord has failed to meet the applicable requirement of the contract. Remedial actions may include technical assistance to bring the project into compliance, or recapture of CDBG funds.

## **Prevailing Wages and Labor Standards Requirements**

Labor standards requirements may impact the cost of construction work and should be factored in during the development of the project budget. The labor standards processes may require additional reporting and documentation during construction. Monitoring for compliance with labor standards requirements will be performed by the City of Concord.

Applicants should assume that state prevailing wage rates will apply and build the requisite costs into all project development budgets, unless they obtain a determination otherwise from the North Carolina Department of Labor (NCDOL). Applicants are advised to consult with the NCDOL and/or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

If an applicant receives a loan that is incurring interest, is not forgivable, and is required to be repaid in full, such loan in and of itself is not expected to trigger a requirement that prevailing wages be paid on the project. However, if the applicant is receiving other public funds and/or is a public entity (e.g., housing authority), it may be required to pay state prevailing wages on the project. A definitive determination regarding the applicability of state Prevailing Wage law can only be obtained from the NCDOL.

Federal Davis Bacon prevailing wages apply to all projects with 12 or more CDBG-assisted units regardless of whether CDBG funds were used for construction or other projects costs. When triggered, Davis Bacon wages apply to the entire project. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. In cases where

Davis-Bacon wages are triggered, Davis-Bacon monitoring procedures are followed.

**Related Acts:**

- The Contract Work Hours and Safety Standards Act (CWHSSA) requires contractors and subcontractors to pay laborers and mechanics one and one-half (1.5) times their standard rate of pay for all hours worked in excess of 40 hours in a workweek.
- The Copeland Anti-Kickback Act prohibits a contractor or subcontractor from coercing an employee into giving up any part of their earned wages.

**Debarred Contractors**

Prior to entering into a contract with a contractor or subcontractor, the City of Concord must verify that they are not listed in the Federal publication of debarred, suspended and ineligible contractors. CDBG funds may not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of a contractor during a period of debarment, suspension, or ineligibility.

**Section 3 Economic Opportunity**

Section 3 requirements apply to recipients of Housing and/or Community Development Assistance exceeding \$200,000 combined from all sources in any one year, per 24 CFR §135. Section 3 covers the expenditure of any portion of those funds for any activity that involves housing construction, rehabilitation, or other public construction. All contractors or subcontractors that receive covered contracts in excess of \$100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3. The purpose of Section 3 to ensure that employment (e.g., new hires) and other economic opportunities generated by this HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.

**Affordability Period**

At a minimum, all housing rehabilitation projects for owner-occupied properties must comply with the following CDBG affordability periods:

- CDBG investment of less than \$15,000 per unit: 5 years
- CDBG investment of \$15,000 - \$40,000 per unit: 10 years
- CDBG investment of more than \$40,000 per unit: 15 years

**Phase 1 Environmental Site Assessment**

Development projects must provide proof that a Phase 1 Environmental Site Assessment (ESA) is underway at the time of submitting the written funding request to ensure that any environmental hazards are recognized and mitigated. The Phase I ESA should be prepared in accordance with the requirements of ASTM E-1527 "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," and must clearly document compliance with 24 CFR 58.5(i)(2) or 50.3(i). Each assessment will include limited surveys of lead-based paint, asbestos, mold, and wetlands as applicable. If any hazards are identified, they will be abated or mitigated before occupancy. The Phase I ESA must be dated six months or less from the submission of the written funding request. If, at the time that the City of Concord undertakes the federal Environmental Review, the Phase I ESA is more than six months old, an update will be required. If the Phase I ESA is more than a year old at the time that the City undertakes the federal Environmental Review, a new Phase I ESA must be completed. Development projects must also meet state requirements under the State Environmental Policy Act (SEPA) and federal environmental

review requirements under the National Environmental Policy Act (NEPA) as applicable.

### **Relocation**

CDBG-funded projects are subject to relocation requirements contained in the Uniform Relocation Act (URA) and, in some cases, Section 104(d) of the Housing and Community Development Act (also known as the Barney Frank Amendments). URA relocation requirements are triggered whenever displacement occurs as a direct result of rehabilitation, demolition or acquisition of a CDBG-assisted project. Displacement includes residential and commercial tenants and owners. More information is available in HUD Handbooks 1378 and 1374.

As a practical matter, the City of Concord discourages projects that involve permanent displacement because of the impact on residents, the cost, and the delay.

### **Definition of Income**

HUD's "Technical Guide for Determining Income and Allowances for the CDBG Program" provides the method by which income for CDBG-assisted projects must be calculated. Applicants must use HUD's "CPD Income Eligibility Calculator" to determine eligibility and document records. See <https://www.onecpd.info/incomecalculator/>

- For CDBG projects and for new construction of owner-occupied housing using CDBG funds, annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as defined in 24 CFR Part 5 (Part 5 annual income). This is called the "Section 8 income determination method." For rental projects, initial income must be verified using source documentation. Income must be recertified annually, and source documentation obtained every six years.

### **Mixed-Use Projects**

The City of Concord's funds may be used in developing mixed-use structures that contain residential and other uses (i.e., retail space, commercial office space, spaces for the provision of services). The inclusion of non-residential spaces for the exclusive use of the residents does not create a mixed-use project. Residential spaces include common area, corridors, stairways, laundry areas, storage areas, office space for management of the building, entry ways and lobbies.

CDBG funds may only be used for costs associated with the infrastructure of the building. The costs must represent a portion of the total development cost that does not exceed the proportion of residential space in the entire project.

### **Termination of Affordability Restrictions:**

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- The City of Concord may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.
- The affordability restrictions will be enforced according to the original terms if, during the original affordability period, the owner of record, obtains an ownership interest in the housing prior to the termination event.

### **Rehabilitation Not Involving Acquisition**

Housing that is currently owned by an eligible household qualifies as affordable housing only if:

- The housing is the principal residence of an owner whose household qualifies as a low-income family at the time CDBG funds are committed to the housing. The income of all persons living in the housing must be used to determine income eligibility.

- The households with residents that are 60 years of age or older with total household incomes between 50% to 80% of the area median income will not suffer undue burdens when applying for rehabilitation assistance because the City of Concord established forgivable liens with no repayment requirements and a maximum affordability period of 15 years.
- The homeowner must be current on taxes, mortgage payments, and insurance on the property.

#### **Types of Ownership Interest**

- ***Inherited Property:*** Inherited property with multiple owners is defined as: housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The owner-occupant may be assisted if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).
- ***Life Estate:*** The person who holds the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. The person holding the life estate may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- ***A Living Trust:*** A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. The person holding the living trust may be assisted if the person is low-income and occupies the housing as his or her principal residence.

#### **New Construction without Acquisition**

Only when necessary, the City may use CDBG Funds to demolish and reconstruct housing that is built within the same footprint on land that is owned by the family that will reoccupy the housing upon completion. The household must qualify as low-income, and the housing must be their permanent residence.

## V. APPENDIX A: GLOSSARY

This section provides definitions of key CDBG topics and terms.

*The Act*: The Housing and Community Development Act of 1974 makes funds available to qualified cities to develop viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities.

*Action Plan*: An annual plan that outlines proposed housing and community development objectives, activities, and budget. The plan includes information regarding federal, state, and local funding resources; a description of each activity to be implemented; and other actions that the City will take to address barriers to affordable housing, support anti-poverty strategies, and facilitate fair housing.

*Annual Income*: The CDBG Program allows the use of two definitions of annual income: Section 8 annual income and adjusted gross income as defined for reporting on IRS Form 1040.

*Administrative Cap*: A maximum of 20 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on planning and administration costs.

*Affirmatively Furthering Fair Housing Plan (AFFH)*: An analysis of fair housing that will assist a community to take meaningful actions to combat discrimination, end segregation, and foster inclusive communities.

*CDBG*: The Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to over 1,200 general units of local government and States.

*CDBG Recipient*: Local governments are deemed as grantees or recipients, and also referred to as units of general local government (UGLG). Under the Entitlement CDBG Program, the City of Concord receives funding directly from HUD.

*CFR*: The Code of Federal Regulations is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.

*Citizen*: A person living within the corporate limits of the City of Concord. Unless otherwise distinguished by HUD or applicable statute, citizen and resident are used interchangeably.

*Citizens Advisory Committee (CAC)*: An advisory body to the City of Concord, which encourages a planned and orderly approach to the development of community services in the City. The CAC reviews, evaluates, and makes recommendations to the City Council on proposals submitted by agencies seeking CDBG funding; along with recommendations on funding City programs. CAC members are appointed by the Mayor and the Concord City Council.

*Citizen Participation Plan*: A plan prepared by the City in accordance with 24 CFR 570.486 which describes how the City will include and encourage citizen participation, especially by low- and moderate-income citizens.

*Conflict of Interest*: When an individual or organization is involved in multiple interests, one of which could corrupt or be perceived as corrupting the fair and objective allocation of funds or procurement of goods and services.

*Consolidated Annual Performance and Evaluation Report (CAPER)*: An annual report prepared by the City and submitted to HUD in accordance with 24 CFR Part 91, on the objectives, activities, and budget set forth in the Annual Action Plan and the progress on the three-to five-year consolidated plan.

Consolidated Plan: The Consolidated Plan is a three-to five-year strategic plan prepared by the City in accordance with 24 CFR Part 91, and describes the needs, resources, priorities and proposed activities to be undertaken with respect to HUD's Office of Community Planning and Development (CPD) formula programs, including CDBG. An approved Consolidated Plan is one which has been approved by HUD.

Contractors: A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.

CPD: The Office of Community Planning and Development is an office within HUD that administers and provides federal oversight of the CDBG program, along with other federal programs that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

Davis-Bacon Act: Establishes the requirement for paying the local prevailing wages and fringe benefits, as determined by the U.S. Department of Labor. It applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000.

Draw Down: Refers to the process of requesting and receiving CDBG funds from HUD. Grantees draw down funds from a line of credit established by HUD in IDIS. Subrecipients typically draw down funds from grantees.

Entitlement Community: A city in a metropolitan area with a population of 50,000 or more, a principal city of a metropolitan area, or an urban county with a population of at least 200,000 (excluding the population of metropolitan cities located therein) that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program. Entitlement Communities that lose population may still be "grandfathered" into the program and continue to receive grant funding. An Entitlement Community is sometimes referred to by HUD as a grantee or recipient.

Entitlement Grant: Federal funds received by an entitlement community in a program year.

Environmental Review Record (ERR): An assessment report of the effects a CDBG funded project will have on the environment and must be completed before any funds are expended on a project. The assessment is completed in HEROS and follows the requirements of 24 CFR Parts 50 and 58.

Funding Cycle: The time period associated with the City of Concord's allocation of projected CDBG funds for the upcoming program year(s). The funding cycle is most commonly an annual cycle that runs concurrently with the City of Concord's fiscal year of July 1 to June 30.

Household: All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.

Housing Rehabilitation: Activities that assist homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.

HUD: CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD). HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

HUD Guidelines: All tools, guidebooks, trainings, notices, and other guiding materials and correspondence provided by HUD or CPD regarding the laws and regulations of CDBG Programs.

Integrated Disbursement and Information System (IDIS): An on-line nationwide database that provides HUD with current information regarding program activities and funding data. The City uses IDIS to fund and access reports for the CDBG Program.

Income: Gross income for a household as defined by 24 CFR Part 5 is used for all City of Concord CDBG-funded programs.



Indirect Costs: Costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

Low- and Moderate Income: Low- and moderate income (also referred to in this manual as LMI) means family or household annual income less than HUD income limit, generally 80 percent of the area median income, or a person within such household, as established by HUD. A minimum of 70% of all households receiving services using CDBG funding must have a low-moderate income benefit.

Low-Income Household/Family: A household/family having an income equal to or less than the established HUD Income limit (50% of the area median income).

Minimum Contracting Standards: A set of standards required before the execution of a Subrecipient Agreement. The standards indicate the minimum administrative and financial framework required to manage public funds.

Minority Business Enterprise (MBE): A business concern that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian-Pacific American or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners.

Moderate Income Household/Family: A household/family having an income equal to or less than the Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low-Income limit (50% of the area median income) established by HUD.

Monitoring Visits: Visits to subrecipients by Concord's Community Development Department staff to evaluate the progress/performance of the program and/or to provide technical assistance.

Neighborhood Revitalization Strategy Area (NRSA): A geographic area approved by HUD that meets certain criteria. The local community can develop comprehensive approaches to address economic development and housing needs.

OMB: The Office of Management and Budget (OMB) is the largest office within the Executive Office of the President of the United States. The main function of the OMB is to assist the President in preparing the budget. The OMB issues budget instructions or information, known as circulars, to Federal agencies.

Presumed Benefit: Benefit a group of clientele that is presumed to be principally low- moderate income. Presumed benefit groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly persons over 62 years of age.

Program Income: Program income is the gross income received by the City and its subrecipients that is directly generated from the use of CDBG funds.

Public Service Activity: Eligible public service activities including, but not limited to those concerning with education, employment, crime prevention, child care, health, homelessness, drug abuse, fair housing counseling, senior services and youth services.

Public Services Cap: A maximum of 15 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on public service activities.

Resident: Unless otherwise distinguished by HUD or applicable statute, resident and citizen are used interchangeably.

Section 3: Section 3 of the Housing and Urban Development Act of 1968 established the Section 3 Program, which requires recipients of HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.

Scope of Work: The project description, intended beneficiaries (number and type), detailed budget and location(s) of the program-related activity.

Subrecipient: An entity charged with implementation of one or more activities funded with City of Concord CDBG funds.

Subrecipient Agreement: A written agreement between the City and the subrecipient that is required before CDBG funds are disbursed.

Target Areas: A geographic area within the corporate limits of the City of Concord that has a minimum of 51.0% low-moderate income population. The City must take formal action to concentrate CDBG funds and programs into the target area(s).

Technical Assistance: Assistance provided by the City to increase the capacity or knowledge of CDBG requirements for Subrecipients.

Timeliness: Carrying out CDBG funded activities in a timely manner.

Timeliness Spending Test: A test conducted sixty days prior to the end of the current program year, to ensure that the amount of entitlement grant funds available to the City under grant agreements, but undisbursed by the U.S. Treasury is not more than 1.5 times the entitlement grant amount for the current program year.

Urgent Need: Activities designed to alleviate existing conditions of recent origin (18 months) that pose serious threats to the health and welfare of the community. This objective may only be used if the community cannot finance necessary activities with other sources.

Very Low-Income Household/Family: A household/family having an income equal to or less than the established HUD Income limit (30% of the area median income).

Women's Business Enterprise (WBE): A business concern that is at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more of those owners.

Source: *Basically CDBG For Entitlements*

<https://www.hudexchange.info/resource/2368/building-home-a-home-program-primer/>