

2015 Community Development Block Grant (CDBG) Use of Funds Report

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Receiving Entities:

Joint Legislative Commission on Governmental Operations
Fiscal Research Division

Submitting Entity:

North Carolina Department of Commerce
State Community Development Block Grant Program
Rural Economic Development Division

INTRODUCTION

The United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program provides assistance to local governments to improve deteriorating residential neighborhoods, support public services, install water and sewer facilities and provide infrastructure for job-creating industrial sites. The North Carolina Department of Commerce Rural Economic Development Division is responsible for the administration of the State CDBG program and administers the CDBG economic development program. The North Carolina Department of Environment and Natural Resources administers the CDBG infrastructure program.

REQUIREMENT

SECTION 15.14.(f) By September 1, 2015, the Department of Commerce, shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the use of Community Development Block Grant Funds appropriated in the prior fiscal year. The report shall include the following:

- (1) A discussion of each of the categories of funding and how the categories were selected, including information on how a determination was made that there was a statewide need in each of the categories.
- (2) Information on the number of applications that were received in each category and the total dollar amount requested in each category.
- (3) A list of grantees, including the grantee's name, county, category under which the grant was funded, the amount awarded, and a narrative description of the project.

2014 ALLOCATION

The State CDBG program received \$43,513,865 for the 2014 HUD program year. The North Carolina General Assembly allocated \$1,375,000 for administration, \$26,186,235 for infrastructure and \$15,952,630 for economic development activities. Table 1 below shows the allocation of funds from the 2014 HUD program year.

Table 1. 2014 HUD Allocation

Description	HUD 2014 Funding Allocation	
	Amount	Percent
State Administration	\$1,375,000	3.16%
Infrastructure	\$26,186,235	60.18%
Economic Development	\$15,952,630	36.66%
TOTAL	\$43,513,865	100.00%

CATEGORIES OF FUNDING

Infrastructure – NC Department of Environment and Natural Resources

The CDBG Infrastructure Program provides assistance to local governments to eliminate severe water and wastewater problems with known health and environmental consequences. Activities include:

- the installation of new public water or sewer lines;
- the replacement of public water or sewer lines or appurtenances where the condition threatens public health or the environment; and
- improvements to water or sewer treatment plants that have specific problems such as being under moratorium or special orders of consent.

Awards are made by the State Water Infrastructure Authority based upon a set of priority criteria approved by the Authority. The priority criteria take into account the economic status of the applicants and the documentation of a critical need for water and/or sewer infrastructure.

The Division of Water Infrastructure received 119 applications for funding on October 2, 2014. The total amount requested was \$186,128,490. Fourteen grants totaling \$26,186,235 were awarded.

Economic Development – NC Department of Commerce

The CDBG Economic Development program provides grants to local governments to assist with projects that will create or retain new full time jobs. Funding for projects is based on the number of jobs to be created and the level of distress in the community applying for the funds. Sixty percent of the jobs created or retained in a project must be filled by persons qualifying as low and moderate income (LMI). A LMI person is defined by HUD as someone having 80% or less of the median income in the County they reside. A local funding match of at least 25% is required except in the 25 most distressed counties.

Funds within the economic development category are available to local governments to assist with public infrastructure and/or to restore a vacant building to economic use resulting in the creation of permanent, full-time jobs by the project company.

All 21 of the CDBG economic development program applications received were funded for a total of \$17,247,153.

Table 2 below details the grants awarded by category, county, grantee, grant amount, and project type for the period between July 1, 2014 and June 30, 2015. During the reporting period, funds were awarded from both the 2013 and 2014 HUD program years.

Table 2. Grants awarded July 1, 2014-June 2015 with HUD 2013 and 2014 allocation years. Includes funds from Revolving Loan Fund (RLF)

Grant Category	County	Grantee Name	Designation	Award Date	Grant Amount	HUD Allocation	Project Description
Economic Development	Halifax	Halifax	County	11/6/14	\$600,000.00	B-13-DC-37-0001	Infrastructure/water
Economic Development	Sampson	Sampson	County	5/11/15	\$566,925.00	B-13-DC-37-0001	Infrastructure/water
Economic Development	Mitchell	Spruce Pines	Town	1/12/15	\$238,575.00	B-13-DC-37-0001	Infrastructure/sewer
Economic Development	Nash	Nashville	Town	3/4/15	\$479,925.00	B-13-DC-37-0001	Infrastructure/sewer
Economic Development	Robeson	Pembroke	Town	3/13/15	\$456,638.00	B-13-DC-37-0001	Infrastructure/treatment facility
Economic Development	Davidson	Davidson	County	11/5/14	\$750,000.00	B-13-DC-37-0001	Building up fit
Economic Development	Davidson	Davidson	County	9/9/14	\$7,000,000.00	RLF	Water, sewer, and road infrastructure
Economic Development	Davidson	Davidson	County	12/18/14	\$400,000.00	B-14-DC-37-0001	Building up fit
Economic Development	Hoke	Raeford	Town	2/19/15	\$1,000,000.00	B-14-DC-37-0001	Waste water treatment-Infrastructure
Economic Development	Davidson	Thomasville	City	4/23/15	\$240,000.00	B-14-DC-37-0001	Building up fit
Economic Development	Davidson	Thomasville	City	4/23/15	\$120,000.00	B-14-DC-37-0001	Building up fit
Economic Development	Davidson	Denton	Town	4/28/15	\$1,000,000.00	B-14-DC-37-0001	Infrastructure/sewer
Economic Development	Chowan	Edenton	Town	2/19/15	\$562,080.00	B-14-DC-37-0001	Infrastructure/water
Economic Development	Sampson	Sampson	County	11/15/14	\$500,000.00	B-14-DC-37-0001	Infrastructure/water
Economic Development	Martin	Martin	County	6/18/15	\$750,000.00	B-14-DC-37-0001	Building up fit
Economic Development	Davidson	Lexington	City	6/18/15	\$750,000.00	B-14-DC-37-0001	Building up fit
Economic Development	Davidson	Lexington	City	05/05/14	\$750,000.00	B-14-DC-37-0001	Building up fit

Economic Development	Davie	Mocksville	Town	6/18/15	\$221,750.00	B-14-DC-37-0001	Infrastructure/90 feet of rail spurs
Economic Development	Randolph	Asheboro	City	6/18/15	\$490,000.00	B-14-DC-37-0001	Infrastructure/install rail spurs
Economic Development	Robeson	Robeson	County	6/18/15	\$240,000.00	B-14-DC-37-0001	Infrastructure/installation of 2100 linear feet of rail spur
Economic Development	Robeson	St Paul's	Town	6/18/15	\$1,000,000.00	B-14-DC-37-0001	Infrastructure/sewer service
DENR Infrastructure	Halifax	Enfield	Town	12/11/14	\$1,871,356.00	B-14-DC-37-0001	Infrastructure/water system improvement
DENR Infrastructure	Robeson	Fairmont	Town	12/11/14	\$1,765,000.00	B-14-DC-37-0001	Rehabilitation of sewer system for the Town of Fairmont
DENR Infrastructure	Columbus	Fair Bluff	Town	12/11/14	\$3,000,000.00	B-14-DC-37-0001	Installation of 16,700 LF of gravity sewer lines for the Town of Fair Bluff
DENR Infrastructure	Northampton	Seaboard	Town	12/11/14	\$655,848.00	B-14-DC-37-0001	Construction of 3000 LF of gravity sewer lines
DENR Infrastructure	Rowan	East Spencer	Town	12/11/14	\$2,407,000.00	B-14-DC-37-0001	Replacement of failing waterlines and valves
DENR Infrastructure	Robeson	Maxton	Town	12/11/14	\$2,600,000.00	B-14-DC-37-0001	Project will replace failing 2 inch water lines with approximately 18,400 LF of 10 inch water lines.
DENR Infrastructure	Wayne	Mount Olive	Town	12/11/14	\$595,500.00	B-14-DC-37-0001	Replacement of 1,950 LF of 1.5 to 2 inch sewer lines along Kelly and Williams Street in the Town of Mount Olive
DENR Infrastructure	Wayne	Mount Olive	Town	12/11/14	\$676,300.00	B-14-DC-37-0001	Replacement of 3,150 LF of 1.5 to 2 inch water lines along Kelly and Williams Street in the Town of Mount Olive
DENR Infrastructure	Madison	Marshall	Town	12/11/14	\$2,045,000.00	B-14-DC-37-0001	Replacement of 10,950 LF of waterlines and make improvements to valves,
DENR Infrastructure	Vance	Henderson	City	12/11/14	\$1,532,400.00	B-14-DC-37-0001	Replace 42 year old pump station.
DENR Infrastructure	Craven	Dover	Town	12/11/14	\$1,847,131.00	B-14-DC-37-0001	Install 4,730 LF of gravity sewer line: one duplex pump station; 5600 Lf of force main.
DENR Infrastructure	Jones	Pollockville	Town	12/11/14	\$1,209,131.00	B-14-DC-37-0001	Install 10,000 LF of 6 inch waterline along Larry Ave, Hagar Ave, York Ave, and Church Ave.
DENR Infrastructure	Graham	Robbinsville	Town	12/11/14	\$3,000,000.00	B-14-DC-37-0001	Infrastructure/ sewer improvement to replace deteriorating sewer lines.
DENR Infrastructure	Edgecombe	Edgecombe	County	12/11/14	\$2,981,569.00	B-14-DC-37-0001	Installation of 23,465 LF of 8 and 10 inch gravity sewer lines.