CHEROKEE COUNTY COMMUNITY DEVELOPMENT (CDBG)

2019 APPLICATION HANDBOOK

The purpose of this handbook is to provide an explanation of Cherokee County's Community Development Block Grant (CDBG) Program Application process. This handbook provides an overview of the eligibility/program requirements and is for informational purposes only. It is not intended to be a full disclosure of all applicable, federal, state or local rules, regulations or reporting requirements.

Application Process

The PY 2019 CDBG Program Applications are available to the public on Friday, April 20, 2018. Submit complete application packets to the CDBG Program Office no later than 4:00 p.m., Friday, June 22, 2018. These applications are available at http://www.cherokeega.com/CDBG/ or by calling the CDBG Program Office at (770) 721-7807.

PY 2019 CDBG Application Workshops

Application Preparation Workshops will be held on Thursday, May 17, 2018 at 3:00 p.m. and Tuesday, May 22, 2018 at 9:00 a.m., at 1130 Bluffs Parkway, Canton, GA 30114 [Upper Level]. **We encourage all applicants to attend one session of the application workshop.** Confirmation of attendance will be based on the Sign-in sheets.

PY 2018 CBGB Application Submissions

Completed application packets may be submitted by mail or hand delivered to the Cherokee County CDBG Program Office located at 1130 Bluffs Parkway, Canton, GA 30114. Any applications received after **4:00 p.m., June 22, 2018** will not be considered for funding. Faxed, e-mailed, incomplete, and/or late applications will not be accepted. Please refer to the Application Submission Checklist to ensure your application packet is complete. E-verify Affidavit forms are available at Transparency Affidavits. If awarded grant funds for public services, recipients must complete a S.A.V.E. affidavit for your beneficiaries to complete, also available at the same link. Scroll to the bottom of the page and click on the appropriate hyperlink on the right side.

Other Important Documents to Review:

The U. S. Department of Housing and Urban Development regulations, 24 CFR Part 84 or 24 CFR Part 85, must be followed in order to be eligible for CDBG funding.

All federally-funded subrecipients on or after December 26, 2014 shall comply with the policies, guidelines, and requirements of 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance), which supersedes A-87(Cost Principles for State, Local, and Indian Tribal governments), A-110 (Uniform Administrative Requirements for Grants and Agreements with institutions of Higher Education, Hospitals, and Other Non-Profit Organizations), A-122 (Cost Principles for Non-Profit Organizations), and A-133 (Audits of States, Local Governments, and Non-Profit Organizations).
24 CFR Part 84 24 CFR Part 85 2 CFR Part 200

Introduction to the Federal Community Development Block Grant (CDBG) Program

Overview

The Community Development Block Grant (CDBG) program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The U.S. Department of Housing and Urban Development (HUD) provides annual grants on a formula basis to entitled metropolitan cities and urban counties to implement a wide variety of community and economic development activities directed towards neighborhood revitalization and the provision of improved community facilities and services. CDBG activities are initiated and developed at the local level based upon a community's perceptions of its local needs, priorities, and benefits to the community. Each entitlement grantee (i.e., Cherokee County) receiving CDBG funds is free to determine what activities it will fund as long as certain requirements are met, each activity is eligible and meets one of the following national objectives: benefits persons of low and moderate income, aids in the prevention or elimination of slums or blight, or meets other community development needs of particular urgency.

National Objectives

The purpose of the CDBG Program is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. All projects must meet at least one of the following national objectives:

1. **Projects Providing Primary Benefit to Low and Moderate Income Persons.** Activities that benefit low and moderate income (LMI) persons are divided into four categories:

   a) **Area Benefit Activities** - An area benefit activity addresses the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all persons in the area regardless of income. Examples of potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities and park renovations. Area benefit can be determined based upon census tract data or a neighborhood survey. Please refer to the Appendix for block group data. Follow this hyperlink to use an interactive map to locate LMI areas in your community:
   http://hud.maps.arcgis.com/apps/Viewer/index.html?appid=9642c475e56f49efb6e62f2d8a846a78

   b) **Limited Clientele Activities** - A limited clientele activity benefits a specific group of people (rather than all the residents in a particular area), at least 51% of whom are LMI persons. To qualify under this category, the activity must meet one of the three (3) following tests:

   - Benefit a clientele who are generally presumed to be principally LMI. The following groups are presumed by HUD to meet this criterion:

     - ✓ Abused children
     - ✓ Elderly persons
     - ✓ Battered spouses
     - ✓ Homeless persons
     - ✓ Handicapped persons
     - ✓ Illiterate persons
     - ✓ Migrant farm workers

- Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limits.

- Have income eligibility requirements, which limit the activity exclusively to LMI persons.

Some examples of limited clientele activities include construction of senior centers, public services for the homeless, meals on wheels, remedial reading for adults and provision of job training activities for the handicapped.

c) **Housing Activities*** - A housing activity adds or improves permanent, residential structures that will be occupied by LMI persons upon completion. The housing can be either owner or renter occupied. Rental units occupied by LMI persons must be at affordable rents based on established standards.

Occupancy of housing shall be determined using the following rules and shall be maintained for a period of at least fifteen (15) years:

- Residential rehabilitation: Compliance is based upon household income of occupants.

- Housing construction: Compliance is based on the same rules as for residential rehabilitation with the following exception: Non-elderly, multi-family rental structures must have at least 20% of the units occupied by LMI persons. Where LMI occupancy is between 20% and 50%, the CDBG portion of the total development cost may not be greater than the portion of units occupied by LMI persons. Total development costs include the cost of all work from design and engineering through completion of the physical improvements and, if integral to the project, the cost of acquisition.

- Acquisition of property or conversion of buildings for permanent housing: Compliance is based on household income of the occupants in the structures, according to the applicable rules listed above for residential rehabilitation and new housing construction.

d) **LMI Jobs** - An LMI jobs activity creates or retains permanent jobs, at least 51% of which are either taken by LMI persons or considered to be available to LMI persons.

- Jobs are considered to be *"available to"* LMI persons only when both:
  Special skills that can only be acquired with substantial (i.e., one year or more) training or work experience or education beyond high school are not a prerequisite to fill such job, or the business nevertheless agrees to hire unqualified persons and train them; and

*Any residential unit that is to be rehabilitated must, at a minimum, be brought into conformance with the 2000 International Property Maintenance Code as adopted by Cherokee County. Any non-residential structure that is to be rehabilitated must, at a minimum, be brought into conformance with the Building Officials and Code Administrator's (BOCA) minimum property standards. All properties built before 1978 must be evaluated for lead-based paint

- Local government or the assisted business takes actions that would ensure that LMI persons receive "first consideration" for filling such jobs.

- Principles involved in providing "first consideration": The business must use a hiring practice that in all likelihood will result in over 51% of persons hired being LMI persons; and

the business must seriously consider a sufficient number of LMI jobs applicants to meet this intent; and the distance from residence and availability of transportation to job site must be considered in determining whether a particular LMI person can be seriously considered an applicant for the job.

An example of an eligible activity is: A business incubator which is designed to offer both space and assistance to new firms to help them become viable small businesses.

2. **Projects Which Aid in the Prevention or Elimination of Slums and Blight.** An activity will be considered to address prevention or elimination of slums and blight in an area if:

   a) The deteriorated area meets the definition of slums, blight, or deteriorated or deteriorating area and is formally designated a slum or blighted area in accordance with State Law, and
   b) It is in an area with a substantial number of deteriorated buildings or improvements, and
   c) It is in an area designated by the local government as in need of physical improvements due to blighted effects, with clearly delineated boundaries, and
   d) It addresses at least one or more of the conditions which contributed to the deterioration.

3. **Projects Which Address An Urgent Community Development Need.** An activity will be considered to address this objective if the following conditions are met:

   a) The activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health, safety or welfare of the community, and
   b) The conditions are of recent origin or recently became urgent. Recent is defined as being within an 18 months period immediately preceding the application deadline, and
   c) There are no other funds available to address the problem, and
   d) There exists a current declaration of emergency by the Governor of Georgia or of a health threat by the State Health Commissioner.

   Major catastrophes or emergencies such as floods or earthquakes are examples of urgent needs.

NOTE: PROJECTS THAT CANNOT DEMONSTRATE THAT AT LEAST ONE OF THE THREE NATIONAL OBJECTIVES OF THE PROGRAM WILL BE MET WILL NOT BE CONSIDERED FOR FUNDING.

Introduction to the Cherokee County Community Development Block Grant [CDBG] Program

Entitlement Grantee

In September of 2008, Cherokee County achieved Urban County status with a population exceeding 200,000 and became eligible to receive federal Community Development Block Grant (CDBG) funds as an entitlement grantee. As an entitlement grantee, the County receives an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD) to be used primarily for the benefit of low and moderate income residents. The FY 2018 allocation from HUD is not known at this time. The purpose of the program is to enable entitled communities to develop a wide range of activities and programs geared towards revitalizing neighborhoods, improving community facilities/services and expanding economic development.

Cherokee County CDBG Goal and Objectives

In 2013, the Cherokee County Board of Commissioners adopted the Consolidated Plan for PY 2014-2018. The Consolidated Plan provides a comprehensive approach to the housing and community development needs of Cherokee County, including the five incorporated cities of Ball Ground, Canton, Holly Springs, Waleska and Woodstock. The City of Nelson was included for the PY 2013. The Consolidated Plan's goal and objectives were developed after extensive input from numerous stakeholders including county agencies, human service providers, business groups, and interested citizens.

Goal 1: ***Increase the Capacity of Public Facilities.***

Goal 2: ***Increase the Capacity of Public Improvements.***

Goal 3: ***Increase the Capacity of Public Services.***

Goal 4: ***Increase Access to Affordable Housing for LMI persons.***

Goal 5: ***Eliminate substandard Housing for LMI Individuals and Families.***

Cherokee County Project/Activity Selection

Applications submitted to Cherokee County will be reviewed and evaluated by a Planning Committee. Each activity should be a new service or expansion of an existing service and should be able to be sustained by the organization without CDBG Funding. Cherokee County CDBG Office uses a two-year-on and one-year-off funding philosophy.

Determining Eligibility for Cherokee County Community Development Block Grant [CDBG] Program

Eligible Applicants

- Applicants must be:
  1) A governmental entity such as Cherokee County or the incorporated cities of Ball Ground, Canton, Holly Springs, Waleska and Woodstock; or
  2) A non-profit organization with 501(c) (3) tax-exempt status; or
  3) A for-profit organization that holds state and county business licenses.
- Applicant's organization must have been in business for at least two (2) years.
- Applicants for the development of new affordable housing construction projects (including design/engineering costs) must meet the requirements of a Community-Based Development Organization [CBDO] (§570.204 (c) (1)).

Eligible Projects/Activities

- Proposed projects/activities must:
  1) Occur within Cherokee County or participating cities to serve Cherokee County residents.
  2) Address one or more of the three HUD national objectives (see pp. 1-3);
  3) Relate to one or more of the Cherokee County CDBG goals (see p. 4);
  4) Be eligible under the following HUD categories of eligible activities.

HUD Eligible Activities

- **Acquisition of Real Property**
  Acquire real property in whole, or, in part, by purchase, long-term lease (15 years or more), donation, or otherwise. CDBG funds may be used under this category by the county, another public agency, a public non-profit entity or a private non-profit entity to acquire property for a public purpose.
- **Disposition**
  Pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program.
- **Public Facilities and Improvements**
  Acquire, construct, reconstruct, rehabilitate or install public improvements or facilities (except for buildings for the general conduct of government). Activities include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a non-profit, and operated so as to be open to the general public.
- **Clearance**
  Demolition of buildings and improvements; removal of demolition products (rubble) and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites qualify.
- **Public Services**
  Provide public services (including labor, supplies, materials and other costs). The public service must be either a new service or a quantifiable increase in the level of a service. The amount of

CDBG funds obligated in a program year to support public service activities may not exceed 15% of the total grant award.

- **Interim Assistance**
  Limited improvements to a deteriorating area as a prelude to permanent improvements and to alleviate an emergency condition qualify.
- **Relocation**
  Relocation payments and assistance to displaced persons, including individuals, families, businesses, non-profit organizations, and farms when required by the Uniform Relocation and Assistance Act qualify.
- **Loss of Rental Income**
  Payments to housing owners for the loss of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG-assisted activities.
- **Privately-Owned Utilities**
  Acquire, construct, reconstruct, rehabilitate, or install the distribution lines and related facilities for privately-owned utilities. (A privately-owned utility may be defined as a publicly-regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.)
- **Rehabilitation**
  Activities include property-residential, commercial/industrial, other; also assistance-costs, financing, refinancing, property acquisition, security devices, insurance, conservation, water and sewer, tools, barrier removal, landscaping, sidewalks, and driveways, renovation of closed buildings, historic preservation, lead-based paint hazard evaluation and reduction, rehabilitation services, business in a residence.
- **Construction of Housing**
  CDBG funds may be used to construct permanent new housing if the project is implemented by an eligible Community-Based Development Organization under §570.204 (c) (1) (see CBDO checklist on page 28).
- **Code Enforcement**
  Involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area.
- **Special Economic Development Activities**
  Commercial or industrial improvements carried out by the County or a non-profit subrecipient, including acquisition, construction, rehabilitation, reconstruction, or installation of commercial or industrial buildings or structures and other related real property equipment and improvements. Assistance to private for-profit entities for an activity determined by the County to be appropriate to carry out an economic development project. This assistance may include, but is not limited to grants, loans, loan guarantees, interest supplements, technical assistance or any other form except for those described as political activities.
- **Microenterprise Assistance**
  Activities help facilitate economic development through the establishment, stabilization and expansion of microenterprises. This category authorizes the use of CDBG funds to provide financial

assistance to an existing microenterprise or to assist in the establishment of a microenterprise. (Microenterprise: A business having 5 or fewer employees, one or more of who owns the business.)

- **Special Activities by CBDOs**
  A Community-Based Development Organization (CBDO) may be designated by the County to carry out a range of activities the County may otherwise not carry out itself. The most frequent use of this provision has been to carry out new construction of housing. An organization must meet certain requirements to be designated a CBDO.
- **Homeownership Assistance**
  May provide financial assistance to low and moderate income households to assist them in the purchase of a home.
- **Planning and Capacity-Building**
  Funds may be used for studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans.

HUD Ineligible Activities

The following are examples of activities that may not be assisted with CDBG funds:

- Buildings used for the general conduct of government (Except removal of architectural barriers);
- General government expenses required to carry out the regular responsibilities of local government;
- Political activities;
- New construction of housing units, except as described above under Special Activities by CBDO's;
- Purchase of construction equipment, fire protection equipment, furnishings and personal property; and,
- Income payments (exception is emergency payments made over a period of up to three (3) consecutive months directly to the provider of such items or services as food, clothing, housing or utilities on behalf of an individual or family).

This is not an exhaustive list of ineligible activities; eligibility considerations will be made on a project-by-project basis.

Income Eligibility

CDBG projects generally must benefit at least 51% low and moderate income persons. An area benefit project must be substantiated by census tract or other supporting data. Cherokee County is an exception community, and the 51% LMI threshold is reduced. Census data, indicating the threshold for low-mod area benefit, is found in the Appendix to this handbook (activities located in the census tracts above the line may qualify for area benefit).

The following table lists current low and moderate income limits by family size. It is the responsibility of the applicant to obtain and provide the necessary information on income eligibility for the proposed CDBG project.

HUD Median Family Income (MFI) Limits

Effective April 10, 2018

No. of Persons	Extremely Low (30% MFI)	Very Low (50% MFI)	Low Income (80% MFI)
1	15,750	26,200	41,900
2	18,000	29,950	47,900
3	20,780	33,700	53,900
4	25,100	37,400	59,850
5	29,420	40,400	64,650
6	33,740	43,400	69,450
7	38,060	46,400	74,250
8	42,380	49,400	79,050

APPENDIX

Cherokee County 2017 LMI Summary

COUNTYNAME	COUNTY	TRACT	BLKGRP	LOWMOD	LOWMODUNIV	LOWMOD_PCT
Cherokee County	057	090601	3	885	970	91.24%
Cherokee County	057	090602	3	630	760	82.89%
Cherokee County	057	090400	3	2615	3260	80.21%
Cherokee County	057	091003	2	1210	2005	60.35%
Cherokee County	057	091001	2	325	540	60.19%
Cherokee County	057	090904	2	480	870	55.17%
Cherokee County	057	090702	2	320	585	54.70%
Cherokee County	057	090602	2	1350	2510	53.78%
Cherokee County	057	091003	1	1705	3215	53.03%
Cherokee County	057	091005	1	1415	2695	52.50%
Cherokee County	057	090904	3	880	1780	49.44%
Cherokee County	057	091001	1	380	775	49.03%
Cherokee County	057	090100	3	510	1065	47.89%
Cherokee County	057	090200	2	1390	2930	47.44%
Cherokee County	057	090902	2	1300	2775	46.85%
Cherokee County	057	091101	3	595	1290	46.12%
Cherokee County	057	091001	3	1145	2510	45.62%
Cherokee County	057	090905	2	1050	2325	45.16%
Cherokee County	057	091102	3	890	1975	45.06%
Cherokee County	057	090400	2	1910	4290	44.52%
Cherokee County	057	091103	1	695	1645	42.25%
Cherokee County	057	090200	3	945	2245	42.09%
Cherokee County	057	090702	3	855	2075	41.20%
Cherokee County	057	091005	3	955	2370	40.30%
Cherokee County	057	091103	3	745	1870	39.84%
Cherokee County	057	091102	1	710	1785	39.78%
Cherokee County	057	090904	1	745	1925	38.70%
Cherokee County	057	090701	4	2810	7280	38.60%
Cherokee County	057	091007	2	1220	3190	38.24%
Cherokee County	057	090601	2	1350	3550	38.03%
Cherokee County	057	090400	1	290	765	37.91%
Cherokee County	057	090100	4	995	2750	36.18%
Cherokee County	057	090602	1	1730	4920	35.16%
Cherokee County	057	090502	3	945	2705	34.94%
Cherokee County	057	090901	3	645	1865	34.58%
Cherokee County	057	090702	1	1015	3010	33.72%
Cherokee County	057	090200	1	545	1630	33.44%
Cherokee County	057	090905	1	525	1610	32.61%
Cherokee County	057	091103	2	595	1870	31.82%
Cherokee County	057	091003	3	730	2350	31.06%
Cherokee County	057	090501	2	1115	3600	30.97%
Cherokee County	057	091102	4	475	1590	29.87%
Cherokee County	057	090100	1	310	1055	29.38%
Cherokee County	057	090100	2	600	2065	29.06%
Cherokee County	057	090601	1	480	1660	28.92%

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Cherokee County	057	090501	1	560	1975	28.35%
Cherokee County	057	090300	1	1130	4295	26.31%
Cherokee County	057	090502	2	410	1630	25.15%
Cherokee County	057	091006	1	630	2545	24.75%
Cherokee County	057	091101	2	605	2445	24.74%
Cherokee County	057	090803	3	615	2515	24.45%
Cherokee County	057	090804	1	625	2620	23.85%
Cherokee County	057	090804	2	980	4335	22.61%
Cherokee County	057	090300	2	1425	6375	22.35%
Cherokee County	057	090701	2	470	2105	22.33%
Cherokee County	057	090702	4	425	1930	22.02%
Cherokee County	057	090904	4	435	2035	21.38%
Cherokee County	057	090803	2	440	2110	20.85%
Cherokee County	057	090902	5	375	1835	20.44%
Cherokee County	057	091005	2	200	1005	19.90%
Cherokee County	057	090902	3	905	4610	19.63%
Cherokee County	057	091102	2	310	1860	16.67%
Cherokee County	057	091005	4	145	890	16.29%
Cherokee County	057	091103	4	330	2035	16.22%
Cherokee County	057	091101	1	300	1855	16.17%
Cherokee County	057	090802	3	490	3105	15.78%
Cherokee County	057	090802	1	355	2260	15.71%
Cherokee County	057	090803	1	685	4385	15.62%
Cherokee County	057	090901	2	515	3455	14.91%
Cherokee County	057	090502	1	880	6065	14.51%
Cherokee County	057	090902	1	235	1635	14.37%
Cherokee County	057	090902	4	270	1885	14.32%
Cherokee County	057	090802	2	280	2010	13.93%
Cherokee County	057	091007	3	205	1515	13.53%
Cherokee County	057	090701	3	590	4485	13.15%
Cherokee County	057	091008	1	140	1275	10.98%
Cherokee County	057	090701	1	500	4600	10.87%
Cherokee County	057	091008	2	170	1630	10.43%
Cherokee County	057	090901	1	185	1825	10.14%
Cherokee County	057	090502	4	125	1450	8.62%
Cherokee County	057	091007	1	170	1990	8.54%
Cherokee County	057	091006	2	230	2810	8.19%
Cherokee County	057	091008	4	265	3445	7.69%
Cherokee County	057	091008	3	115	1990	5.78%
Cherokee County	057	090804	3	100	1750	5.71%