

## CHEROKEE COUNTY COMMUNITY DEVELOPMENT (CDBG)

### 2024 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 2024 CDBG Program Applications are available to the public on Thursday, April 27, 2023. Submit complete application packets to the CDBG Program Office no later than 4:00 p.m., Friday, June 30, 2023. These applications are available at <http://www.cherokee.com/CDBG/> or by calling the CDBG Program Office at (770) 721-7807.

#### **PY 2024 CDBG Application Workshops**

Application Preparation Workshops will be held on Thursday, May 11, 2023, at 3:00 p.m. and Tuesday, May 23, 2023 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.** Your input into the community needs assessment is invaluable planning information. Confirmation of attendance will be based on the Sign-in sheets.

#### **PY 2024 CDBG Application Submissions**

Completed application packets may be submitted by mail or hand delivered to the Cherokee County CDBG Program Office located at 884 Univeter Road, Canton, GA 30114. Any applications received after **4:00 p.m., June 30, 2023**, 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, also available at the same link (CDBG page of the County website under Departments). 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-month 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 2024 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, Nelson, 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 June 15, 2022**

No. of Persons	Extremely Low (30% MFI)	Very Low (50% MFI)	Low Income (80% MFI)
1	20,250	33,750	54,000
2	23,150	38,600	61,700
3	26,050	43,400	69,400
4	28,900	48,200	77,100
5	32,470	52,100	83,300
6	37,190	55,950	89,450
7	41,910	59,800	95,650
8	46,630	63,650	101,800

Source: U.S. Department of Housing & Urban Development [HUD]

\*Maximum household income limits are revised annually by HUD.

## APPENDIX

### Cherokee County 2022 LMI Summary

<u>COUNTYNAME</u>	<u>COUNTY</u>	<u>TRACT</u>	<u>BLKGRP</u>	<u>LOWMOD</u>	<u>LOWMODUNIV</u>	<u>LOWMOD_PCT</u>
Cherokee County	057	090601	3	1700	2035	83.54%
Cherokee County	057	090602	3	1105	1370	80.66%
Cherokee County	057	091005	1	2115	2935	72.06%
Cherokee County	057	090400	3	2610	3660	71.31%
Cherokee County	057	091001	2	540	790	68.35%
Cherokee County	057	090100	1	670	1000	67.00%
Cherokee County	057	090904	2	1020	1535	66.45%
Cherokee County	057	091003	2	990	1585	62.46%
Cherokee County	057	090702	2	765	1230	62.20%
Cherokee County	227	050600	4	1075	1730	62.14%
Cherokee County	057	091003	1	1860	3000	62.00%
Cherokee County	057	090601	2	2235	3620	61.74%
Cherokee County	057	090400	2	3015	4950	60.91%
Cherokee County	057	090702	3	1295	2195	59.00%
Cherokee County	057	090502	3	1865	3280	56.86%
Cherokee County	057	091001	1	440	800	55.00%
Cherokee County	057	090702	1	1505	2740	54.93%
Cherokee County	057	091102	1	1065	1965	54.20%
Cherokee County	057	090601	1	745	1405	53.02%
Cherokee County	057	090100	4	1655	3380	48.96%
Cherokee County	057	090904	4	665	1425	46.67%
Cherokee County	057	091005	3	1150	2470	46.56%
Cherokee County	057	090905	2	705	1525	46.23%
Cherokee County	057	091103	3	635	1395	45.52%
Cherokee County	057	090200	1	690	1550	44.52%
Cherokee County	057	090100	3	725	1650	43.94%
Cherokee County	057	090901	3	725	1695	42.77%
Cherokee County	057	091001	3	1150	2705	42.51%
Cherokee County	057	091005	2	320	780	41.03%
Cherokee County	057	090701	1	1660	4070	40.79%
Cherokee County	057	090701	3	2110	5275	40.00%
Cherokee County	057	091101	3	850	2165	39.26%
Cherokee County	057	090100	2	1125	2905	38.73%
Cherokee County	057	091101	1	715	1870	38.24%
Cherokee County	057	090602	1	1945	5100	38.14%
Cherokee County	057	090701	4	2735	7375	37.08%
Cherokee County	057	091103	2	1000	2700	37.04%
Cherokee County	057	091102	2	1180	3190	36.99%
Cherokee County	057	091102	4	735	2005	36.66%
Cherokee County	057	091003	3	955	2660	35.90%
Cherokee County	057	090300	1	1770	5040	35.12%
Cherokee County	057	090200	2	1085	3130	34.66%
Cherokee County	057	090701	2	715	2080	34.38%
Cherokee County	057	090802	2	635	1950	32.56%
Cherokee County	057	090501	1	575	1775	32.39%

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Cherokee County	057	090904	1	935	3010	31.06%
Cherokee County	057	090902	1	495	1605	30.84%
Cherokee County	057	090802	1	615	1995	30.83%
Cherokee County	057	090602	2	550	1810	30.39%
Cherokee County	057	091102	3	550	1830	30.05%
Cherokee County	057	090804	3	440	1560	28.21%
Cherokee County	057	090501	2	1250	4500	27.78%
Cherokee County	057	091103	4	665	2395	27.77%
Cherokee County	057	090901	1	720	2675	26.92%
Cherokee County	057	091006	1	620	2345	26.44%
Cherokee County	057	090400	1	290	1120	25.89%
Cherokee County	057	090905	1	530	2050	25.85%
Cherokee County	057	090802	3	770	2985	25.80%
Cherokee County	057	090902	3	1565	6170	25.36%
Cherokee County	057	090702	4	380	1520	25.00%
Cherokee County	057	090803	1	1385	5680	24.38%
Cherokee County	057	091101	2	475	1960	24.23%
Cherokee County	057	090901	2	810	3420	23.68%
Cherokee County	057	090803	2	530	2275	23.30%
Cherokee County	057	091007	2	620	2850	21.75%
Cherokee County	057	091103	1	455	2170	20.97%
Cherokee County	057	090200	3	560	2925	19.15%
Cherokee County	057	091008	3	355	1875	18.93%
Cherokee County	057	090502	1	1290	7230	17.84%
Cherokee County	057	090804	2	810	4685	17.29%
Cherokee County	057	090904	3	440	2560	17.19%
Cherokee County	057	091008	4	650	3895	16.69%
Cherokee County	057	091005	4	300	1835	16.35%
Cherokee County	057	090902	2	390	2420	16.12%
Cherokee County	057	090804	1	515	3220	15.99%
Cherokee County	057	090902	4	355	2280	15.57%
Cherokee County	057	090803	3	355	2300	15.43%
Cherokee County	057	091006	2	375	2550	14.71%
Cherokee County	057	090300	2	1020	7345	13.89%
Cherokee County	057	090902	5	235	1970	11.93%
Cherokee County	057	090502	4	160	1470	10.88%
Cherokee County	057	090502	2	180	1930	9.33%
Cherokee County	057	091007	3	140	1655	8.46%
Cherokee County	057	091007	1	165	2090	7.89%
Cherokee County	057	091008	1	50	1175	4.26%
Cherokee County	057	091008	2	50	1250	4.00%