



## Legislation Text

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**TO: Mayor and Members of City Council**

**THRU: Jay Reinstein, Assistant City Manager**

**FROM: Cynthia Blot, Economic and Community Development Director**

**DATE: February 26, 2018**

**RE:**  
**Consideration of a Community Development Block - Disaster Recovery (CDBG DR) Agreement with Cumberland County**

**COUNCIL DISTRICT(S):**  
All

**Relationship To Strategic Plan:**

Goal IV: Desirable Place to Live, Work & Recreate

**Executive Summary:**

The Community Development Block Grant - Disaster Recovery (CDBG-DR) is a program intended to address the impact of Hurricane Matthew on those that have a need for affordable housing. This grant is a pass-through from the Federal government to the State of North Carolina and then onward to counties that suffered the worst damage from the hurricane. The City of Fayetteville and Cumberland County have collaborated to develop a plan to address post-hurricane housing needs. This plan has been reviewed and approved by the State, and a Memorandum of Agreement between the County and the State has been executed so that funding can now be accessed by the County. In order to continue forward and allow the City of Fayetteville to request funding for its projects from the County, a sub-sub recipient agreement between the County and the City is required.

The attached agreement adheres to HUD requirements and has been reviewed and approved by the State, the City Attorney's Office and County Attorney's Office. Proposed projects will be brought back to the City Council for approval prior to being finalized.

**Background:**

The State of North Carolina is receiving \$198 million dollars of CDBG-DR funds from the Department of Housing and Urban Development as a result of damage caused by Hurricane Matthew. Cumberland County is expected to receive \$34,945,328 million of this amount over a three year

period. Eligible Cumberland County residents who were directly impacted by the hurricane will have an opportunity to apply for assistance from a variety of Housing Recovery Programs.

This Housing Recovery Program will provide assistance to low and moderate income homeowners and businesses who experienced major to severe damage to their homes and businesses and have remaining unmet needs, after subtracting benefits from FEMA, SBA and private insurance. This program will include reconstruction activities, acquisition and construction of new homes and insurance subsidies to eligible low and moderate income families. Affordable housing is the State's number one priority associated with the CDBG-DR program.

City staff worked with Cumberland County to develop a proposal to carry out a variety of housing and recovery programs. The proposal includes a Homeowner Recovery Program, Small Rental Repair Program, Multi-family Rental Housing, and a Community Recovery Program that will include a Day Center and a Homeless Shelter. Businesses will have to apply directly to the North Carolina Department of Commerce.

On December 11, 2017 Council adopted Special Revenue Project Ordinance (SRO) 2018-12 to appropriate \$15,325,000 of Community Development Block Grant - Disaster Recovery funding to be received from Cumberland County and approve the agreement with the County for the CDBG-DR program.

On August 28, 2017, City Council approved submission of the grant application to the State for the CDBG-DR funding.

Cumberland County was awarded the CDBG-DR funds from the NC Department of Public Safety as a sub-recipient. The City will receive funding of \$15,325,000 for the first two years of the program through Cumberland County as a sub-recipient to carry out the various programs. Additional funding may be awarded to the County at a later date for the third year of the program.

The CDBG-DR Action Plan and the Cumberland County Resilient Redevelopment Plan was used by the State as the basis for local priorities and projects that address unmet needs as it relates to affordable housing. The proposed projects, presented in November, 2017 are consistent with the City's Consolidated Plan which includes providing decent affordable housing and in meeting HUD's national objectives of the Community Development Block Grant Program.

#### **Issues/Analysis:**

The State is only releasing to Cumberland County two-thirds of the funding for a two year period in the amount of \$23,260,000. The City's portion of this amount is \$15,325,000. The remaining funds of \$11,685,328 will be made available in year three to Cumberland County, with the City receiving \$8,042,500 of third year funding.

#### **Budget Impact:**

There is no impact to the General Fund as no local match is required.

**Options:**

- 1) City Council to adopt the CDBG-DR sub recipient agreement between the City and the County.
- 2) City Council does not adopt the CDBG-DR sub recipient agreement between the City and the County and provides direction to the City Manager.

**Recommended Action:**

Staff recommends approval of the CDBG-DR sub recipient agreement between the City and the County and requests the City Manager be authorized to execute the agreement.

**Attachments:**

Interlocal Agreement with Cumberland County for CDBG-DR Program  
CDBG-DR 2 Year Adjusted Project Budget