

# Current CDBG Infrastructure Funding Programs



Vickie Miller  
Assistant Director of Community Development  
Department of Commerce  
Division of Community Assistance  
919.733.2850

[vmiller@nccommerce.com](mailto:vmiller@nccommerce.com)

NORTH CAROLINA  
*the state of minds*



# Department of Commerce Mission Statement

***To improve the economic well-being and  
quality of life for all North Carolinians.***



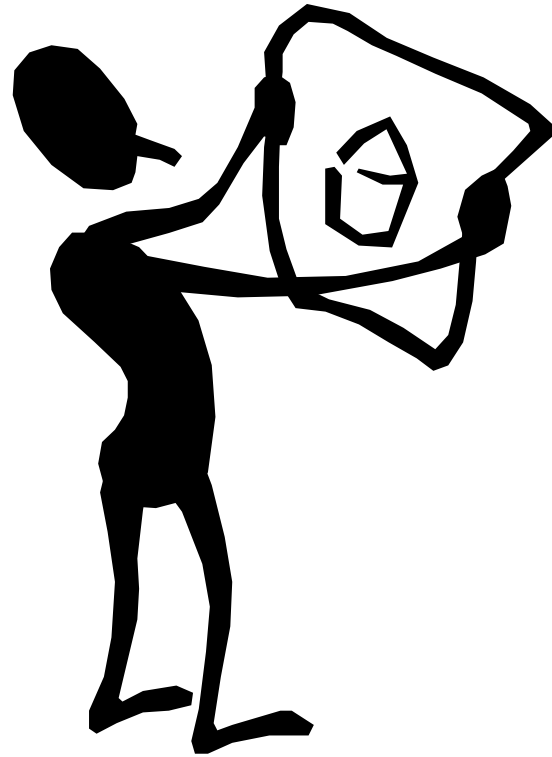
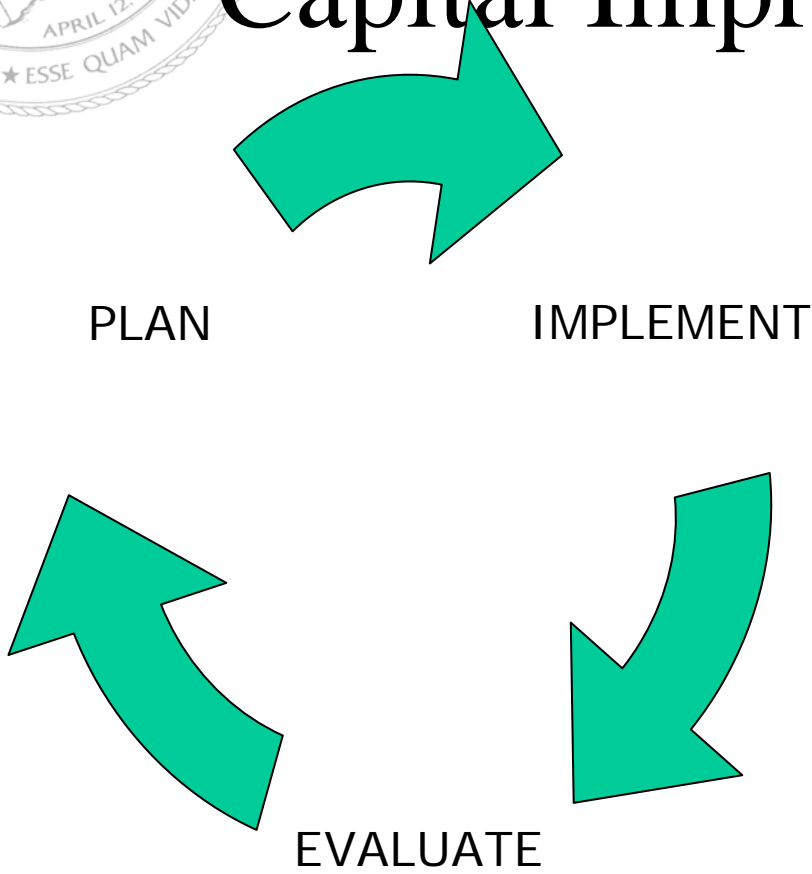
# **Division of Community Assistance Mission Statement**

*To provide aid to North Carolina counties, municipalities, and organizations through economic development, strategic and infrastructure planning, growth management, housing and community development.*



What is a

# Capital Improvement Plan?

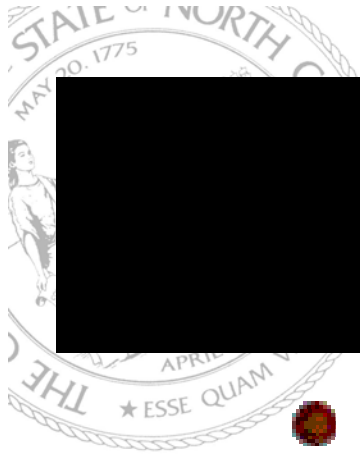




# WHY CIP?

- I. Making choices about which projects to implement
- II. How to finance them
- III. When to do so

Simply stated, it's the who-what-when-where-how of local government design.

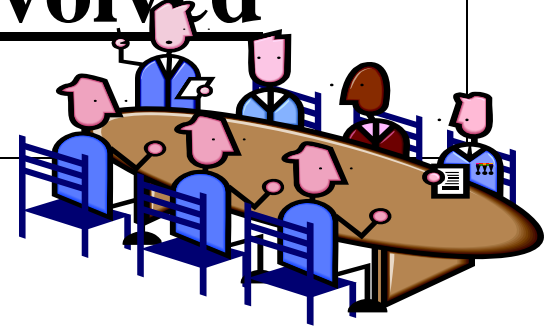


# Developing The CIP

- Organizing the Parties Involved
- Inventorying Assets
- Establish Priority Ranking
- Preparing Financial Forecasts
- Preparing Project Requests (funding request)
- Commitments

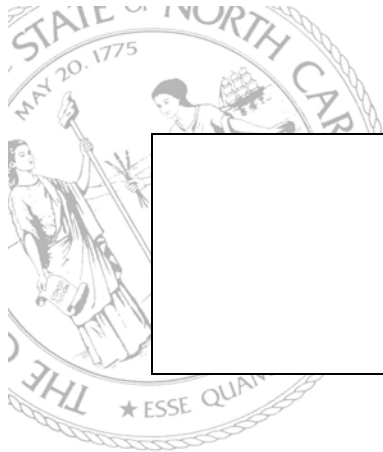


# Organize the Parties Involved



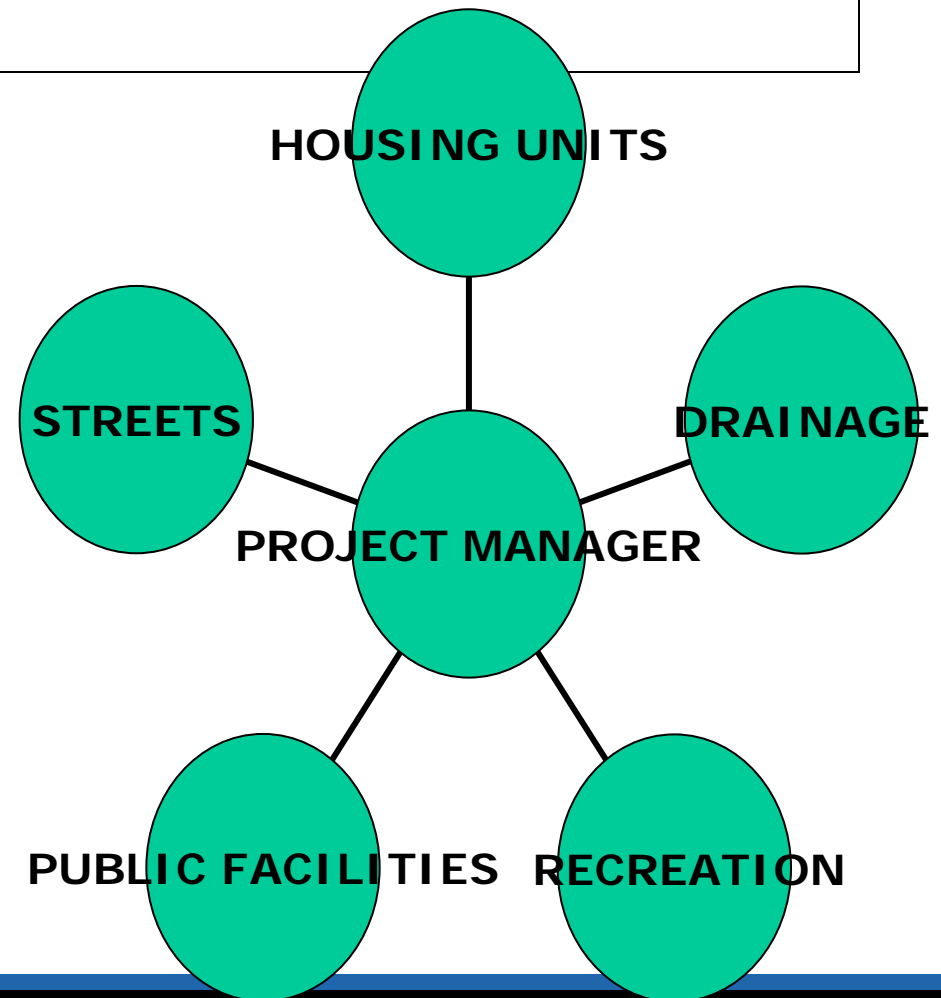
- Select a planning manager
- Others to involve-Department heads, elected officials, nonprofit executives, concerned citizens, consultants

Once the parties to the planning process have been determined, meetings are conducted by the Planning Manager with the other parties to outline the purpose of the capital planning process and define responsibilities. Follow-up meetings are held to assist the parties in completing forms and for the purpose of prioritizing projects.



# Inventorying Assets

- **Purpose:** Assesses the condition of capital assets already owned, controlled or maintained by the governing unit.



BRAND CAMP

by Tom Fishburne

### FIVE DAY PRIORITY FORECAST

MONDAY



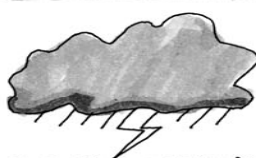
RESEARCH  
TEST RESULTS  
20% CHANCE  
OF CHANGING  
PRIORITIES

TUESDAY



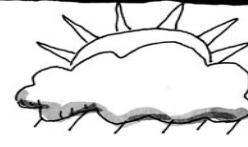
BOARD  
MEETING  
40% CHANCE  
OF CHANGING  
PRIORITIES

WEDNESDAY



MANAGEMENT  
OFFSITE  
80% CHANCE  
OF CHANGING  
PRIORITIES

THURSDAY



COMPETITIVE  
ACTIVITY  
40% CHANCE  
OF CHANGING  
PRIORITIES

FRIDAY



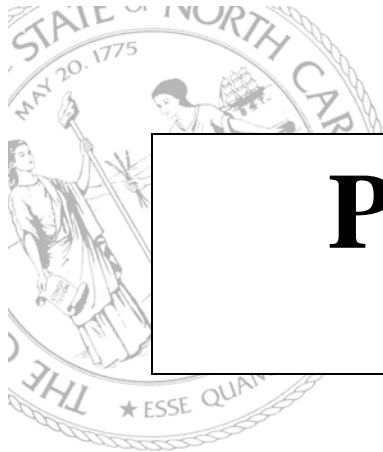
NEW  
DIRECTOR  
60% CHANCE  
OF CHANGING  
PRIORITIES



© 7/21/03

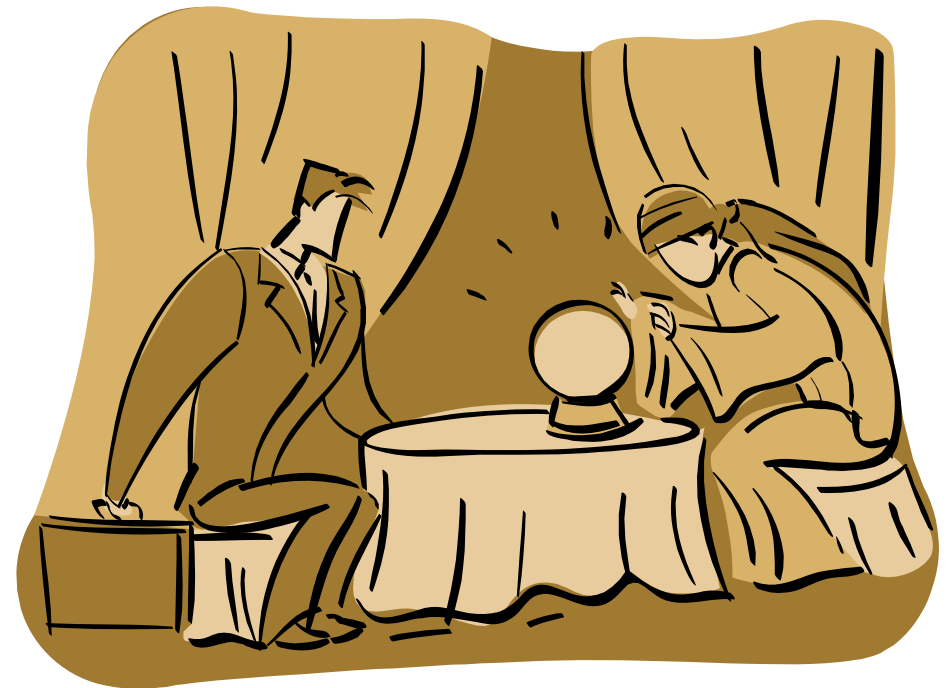
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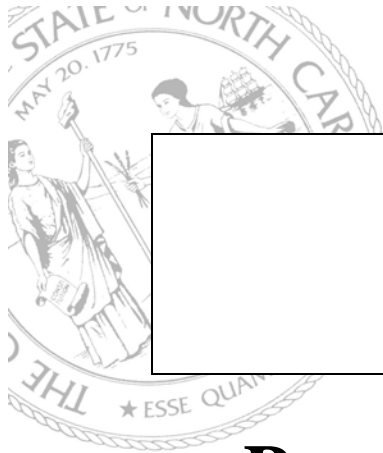
TOM



# Prepare Financial Forecasts

- **Purpose:** to determine the level of capital expenditures which the governing body can make over the period covered by the capital plan.





# Prepare Project Requests

- **Purpose:** to request capital funding for the repair, renovation, upgrading or replacement of assets identified through the inventory process. Requests are also made for the construction or acquisition of new capital assets.
- The information included in the requests should facilitate the prioritizing of projects. Accordingly, the requests should include the following information:



# Prepare Project Requests

**Project Description:** A description of the proposed construction project or the vehicles or equipment to be acquired.

**Existing Condition:** A description of the existing condition to be alleviated by the project.

**Goals And Benefits:** The goals and benefits to be derived through the construction or acquisition project.

**Funding Schedule:** The estimated cost of the project and the timing for funding are set forth. Project timing is based on the assessment of need by the department manager and may be changed through the prioritizing process.

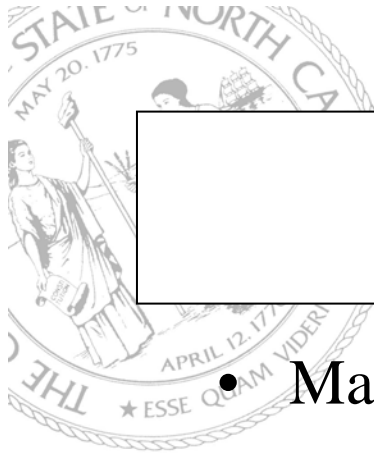
**Project Funding:** Should identify whether the project will be funded by the governing body's own resources, through an intergovernmental grant or loan, or a combination of such sources.



# 2007 Infrastructure category

Non-competitive

Open window cycle



## Important points to remember

- Maximum award amount **\$750,000**
  - Planning and administration limited to 12%
- 2 pools of funds at \$2.10 million per pool
  - 21<sup>st</sup> Century Communities
  - Regular (rest of the state)
- 2 types of projects allowed
  - Project area for a residential neighborhood
  - Jurisdictional-wide



# Two Pools of Funds

- **21<sup>st</sup> Century Communities**

- 6 Counties
- Window opens
- No local match
- Funds available through period of time

- **Regular**

- Rest of the state
- Window opens
- 5% local match
- Remaining 21<sup>st</sup> Century funds roll over and open to everyone (if any)



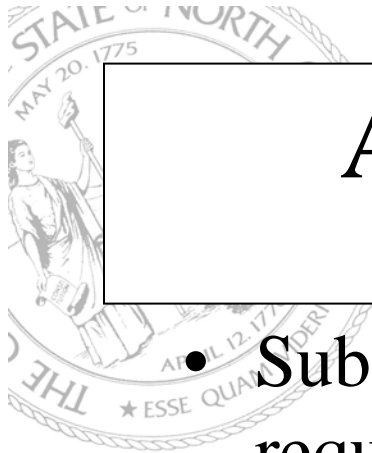
# Types of Water and/or Sewer Line Installation

- Simple in design-project small enough to be easily completed (CDBG and local funds only)
- PER required
- Engineer committed to preparing design and specs within 90 calendar days from release of conditions
- Project ready to proceed when release is given



# Types of Water and/or Sewer Line Installation Continued

- Complex in design-project area or jurisdictional-wide projects (multi-funding sources)
- PER completed
- NCDENR has approved final design and specs
- All non-CDBG funds have been awarded
- Project ready to go to bid once CDBG funds released



# Application Process – 3 steps

- Submit “Letter of Interest”-signed by CEO with required documentation outlined in application
- Meet with Program Development staff –**and bring required documentation showing readiness (applicant will be invited based on step 1)**
- Submit application to DCA
  - **Yes, if receive “Letter of Eligibility”**
  - **No, if receive “Letter of Ineligibility”**
  - **Funds will be tentatively marked for 60 calendar days)**



# Eligibility Requirements: Project Area

- **Severity of Need**

- 51% minimum of households with severe needs
- 25% minimum of households with moderate needs
- 76% total minimum need
  - 100% survey for needs

- **Low and Moderate-Income (LMI) National Objective**

- 70% minimum benefit to LMI
- 100% survey for incomes



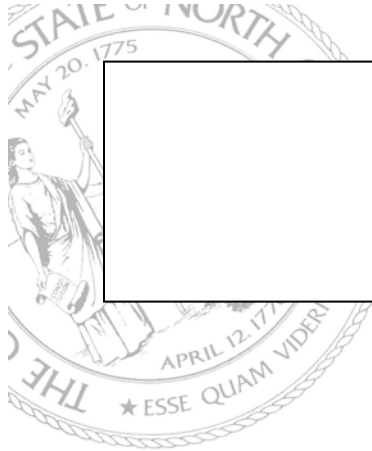
# Eligible water and sewer problems

- On-site Water
  - No water supply
  - Contaminated water
  - Non-potable water
  - Dry well
  - Spring
  - Unapproved well
- Public water failure
  - Not due to lack of maintenance/repair
- On-site Wastewater
  - No disposal system
  - Pit privy
  - Black water straight piping
  - Failed septic tank
- Public sewer failure
  - Not due to lack of maintenance/repair



# Jurisdictional-Wide Requests

- Need based on severity of the public water or sewer problem that affects the entire jurisdiction with the remedy benefiting everyone equally as documented by official source
- Must be at least 51% benefit to low and moderate-income based on HUD statistical data
- Must consult with DCA about project



# Financial Considerations

- Expect an ordinance requiring everyone to connect to a newly installed line
- Expect rates that will provide sufficient revenue for adequate operation, administration, and reasonable expansion and repairs



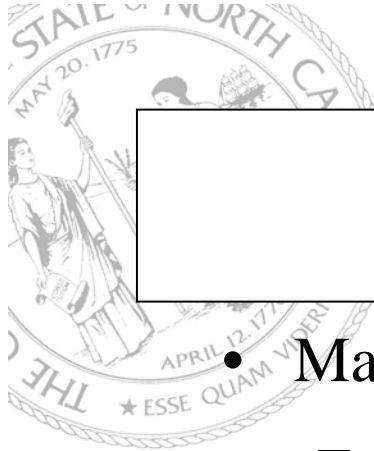
# Questions asked in the application:

- Water and sewer rates
  - ...and basis for the dollar amount charged
- Explanation on how improvements were determined to be fiscally self-sufficient , or
- Explanation on how revenues were estimated to provide funds for proper future operation, maintenance, and administration of new lines
- Capital Reserve Fund for water & sewer
- Capital Improvements Plan



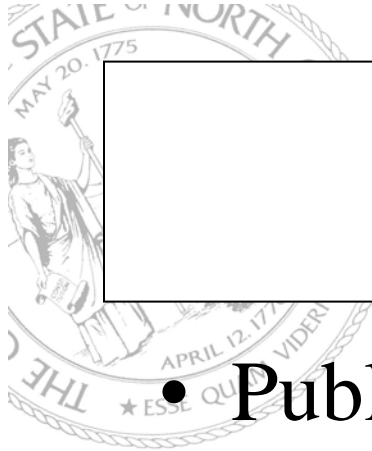
# 2007 Infrastructure Hook-Up Program

Non-competitive  
Open window cycle



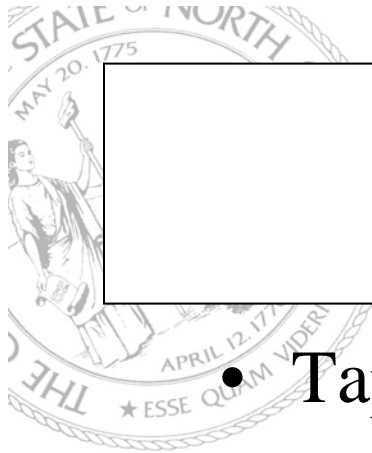
## Important points to remember

- Maximum award amount is \$75,000
  - \$1 million available
  - Administration costs limited to 15%
- Short-term grants of 15-month maximum
  - No amendments or extensions
  - After 15 months, grant funds de-obligated whether finished or not
- 2006 Hook-Up grantees ineligible to apply



## Criteria to apply

- Public water or sewer line must be in the ground prior to submission of the application
- No CDBG funds spent on the installation of the line
- Can connect only LMI owners or tenants with LMI owner
- Indoor plumbing must be in working order



# Allowable activities

- Tap-on fee
  - Service connection to the house
  - Use of special equipment such as grinder pumps
  - Costs to remove septic tanks or cap wells
  - Repairs to leaking pipes if it is documented that leaks a result of public water line connection
  - Grant administration



# Application Process – 2 steps

- Step 1: Call to see if funds available and request to be put on “Prospective Applicant List”
  - If available, the requested amount reserved
  - Given 90 days from the **date** of the request to submit an application
    - Reservation is rescinded if don’t make the 90 days
    - Funds made available to others
- Step 2: Submit the application within the 90 days



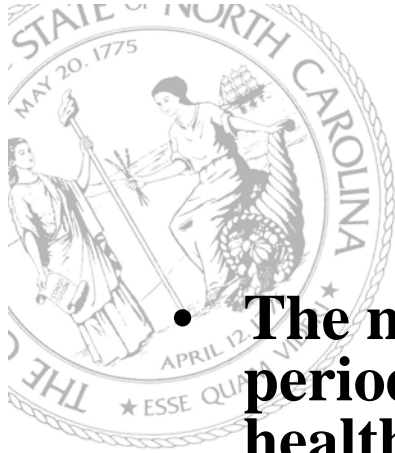
# 2007 Urgent Needs Program

Non-competitive  
Open window cycle



# Urgent Needs

- The North Carolina Department of Environment and Natural Resources (NCDENR) has identified the local government's public water supply as a Tier 1 Level of Vulnerability.
- The local government has declared an emergency mandatory or mandatory level of conservation.
- The local government proposes a permanent solution to the critical water supply problem.
- There is an economic development impact to the community, especially to the industries and/or businesses providing jobs to local residents.



# Urgent Needs

- **The need has arisen during the preceding 18-month period and represents an imminent threat to public health or safety.**
- **The activity is designed to alleviate existing conditions, which pose a serious and immediate threat to the health or welfare of the community, which are of recent origin or which recently became urgent.**
- **The applicant does not have sufficient local resources.**
- **Other financial resources are not available to alleviate the urgent need.**



# DCA Contacts

- [www.ncdca.org](http://www.ncdca.org)
- 919-733-2850
- [vmiller@nccommerce.com](mailto:vmiller@nccommerce.com)
- [vblanchard@nccommerce.com](mailto:vblanchard@nccommerce.com)