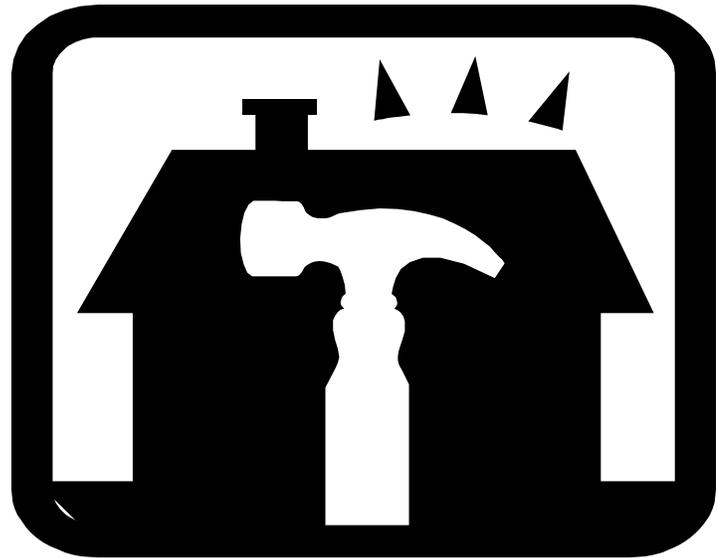


**Community Development Block Grant
2011 GUIDELINES & APPLICATION**

ATTACHMENT B

**SCATTERED SITE
HOUSING PROGRAM**



**North Carolina Department of Commerce
Community Investment and Assistance**

Mailing Address:

4313 Mail Service Center, Raleigh, NC 27699-4313

Street Address:

100 E. Six Forks Road, 2nd Floor, Raleigh, NC 27609

Phone: (919) 571-4900

Fax: (919) 571-4951

TDD: 1-800-735-2962 www.nccommerce.com

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Note and Deed of Trust Requirements (Bulletin 10-9)

Per **Bulletin 10-9, all CDBG housing rehabilitation, reconstruction, and relocation loans must be secured with a Note and Deed of Trust along with the completion of a professional title search prior to any work commencing on the unit.** The Note and Deed of Trust must be signed by the owner(s) *prior to or at same time as the rehabilitation contract is signed* by the homeowner, contractor and grantee. Rehabilitation of the unit may begin on or after the date the Note and Deed of Trust is signed by the homeowner, contractor and grantee. The Deed must have recapture provisions on rehabilitation activities. Urgent and emergency repair units are not required to have a Note and Deed of Trust unless the repair costs paid for with CDBG funds exceeds \$5,000.

Additionally, the grantee is responsible for ensuring that the Note and Deed of Trust is filed within five (5) business days of the date the Note and Deed of Trust is signed by the homeowner(s), contractor and grantee, and recorded with the Register of Deeds within sixty (60) calendar days of the filing date. In the event the Note and Deed of Trust is not recorded with the Register of Deeds within sixty (60) calendar days of the date the Note and Deed of Trust is filed, the grant funds will be frozen without further notice and the expended and encumbered funds for that specific dwelling may be consider a disallowed cost.

Distribution of Funds to the Lead Entity

The county is the lead entity to receive funds and is required to work with all interested non-entitlement municipalities within the county. The county and interested municipalities are to determine how SSH funds are to be distributed within the county.

Option to Opt Out of Funding Cycle

Any county in the 2011 funding cycle may notify the CI in writing if it wishes to not submit an application this program cycle. The letter must be on the county's letterhead and signed by the Chief Elected Official.

Option to Opt Out of SSH Program

Additionally, if the county is not interested in participating in the SSH Program, they are to provide written notification to the other municipalities within their county of their intention. A non-entitlement municipality within the county can become the lead entity and receive funds. In becoming the applicant of record, the municipality will be responsible for implementation countywide.

Requirement to Design Program Using a Public Process

SSH grants will be available every three years to participating counties and their interested municipalities. Funding will be subject to successful performance in CDBG programs, completion of prior projects, and funding availability. **The county, as the lead entity, must include as "full and active" partners all its municipalities interested in participating in the program.** "Full and active" partner means the municipality is a member of the beneficiary selection committee and is involved in the planning and development of the funding distribution plan.

CI requires the lead entity and interested non-entitlement municipalities to complete a public process in designing the SSH Program. At a minimum, each local government is to adopt the SSH Program to be implemented in the county. If the local government is not participating in the program, a formal action by the governing body needs to be taken.

Requirement of Beneficiaries and Alternates List in Application

Applicants must include a list of all the units to be treated under the SSH grant. **Additionally, all beneficiaries must be qualified prior to submission of the application, and all title searches completed prior to starting any work on applicant's house (see note).** Also, include a list of alternative units in the event a beneficiary chooses not to participate or is withdrawn. In lieu of work write-ups, a summary sheet from a home inspection prepared by a North Carolina licensed home inspector must be submitted for each unit. If a unit is identified for clearance and reconstruction, in lieu of the inspection, a substantial rehab request must accompany the application.

Note: Grantee must verify that beneficiaries are income eligible with applicable documentation depending upon type of income received. In addition, the age of documentation should be no more than one year from the date the Chief Elected Official signed the application.

Award Amount

The maximum SSH award amount is \$400,000 for eligible counties.

Pre-Award and Administration Costs

Pre-award, planning, and administration is limited to 10% of the awarded grant amount. CI will allow reimbursement of pre-award costs incurred prior to the effective date of the grant award that are essential to negotiating in anticipation of receiving the grant. Up to \$7,000 of the 10 percent administration funds can be used for planning. The pre-award costs are also subject to following proper procurement regulations at 24 CFR 85.36. For eligible pre-award and administration costs, see OMB Circular A-87.

Use of N C Licensed Professionals

CI requires the use of North Carolina licensed professionals on all SSH projects. This includes housing inspectors, electricians, HVAC installers and repairers, plumbers, and general contractors.

Grant Limitations and Performance Expectations

Local governments receiving 2011 SSH funds **are not** subject to the \$1.25 million CDBG cap. 2011 SSH Grant progress is recommended by CI. Progress will be tracked according to the performance based contract. Projects that are 100% completed at the 24-month period may be eligible to receive additional funds subject to funding availability.

Housing Distribution Plan

The Housing Distribution Plan is the major component in the application. The plan must detail how the lead local government and the interested municipalities will distribute Scattered Site Housing funds. All items are to be answered. The responses to these items constitutes the plan that will govern the SSH Program for the county and its participating municipalities.

Note: Minutes from each SSH Selection Committee meeting must be recorded and maintained as part of the selection process. This should be incorporated as part of the SSH Selection Committee By-Laws maintained by the local government. Additionally, any changes to the Committees approved beneficiaries and submitted as part of this application, require a formal decision to be reflected in the SSH Selection Committee's minutes.

Scattered Site Housing Financial Design Model

Applicants with projects that use CDBG funds for housing rehabilitation must adopt and follow a written policy that includes a financial design. The financial design must be submitted for review by the Community Investment and Assistance and available for monitoring. Only owner occupied units may be rehabilitated or relocated in the SSH program. **The CDBG financial assistance must be in the form of a loan, not a grant.**

CDBG loans may be deferred, deferred forgivable, or amortized with low interest. A deferred loan is repaid when the house is sold or the recipient no longer occupies the home such as going into a nursing home or death during the recapture period. A deferred forgivable loan is proportionally forgiven over an applicable term of recapture. An amortized loan is repaid monthly during the term of the loan.

By signing the "State CDBG Program Regulations", the applicant's authorized official agrees that the applicant will adopt a financial design that meets the following minimum requirements:

- Low -income property owners that also occupy the house to be rehabilitated are not required but **may** contribute to the cost of rehabilitation for the life of the grant.
- Grantees must review existing loan(s) on the property to determine whether or not the CDBG loan in conjunction with the existing loan(s) will create a situation that causes the loans to equal or exceed the value of the unit. In instances where this occurs, the grantee must inform the loan recipient of the circumstances in writing.
- Programs, which propose amortized loans, should describe terms and interest rates for the loans. Terms should be selected that enable low and moderate-income owners to afford the monthly payments. **Programs proposing deferred forgivable loans that become payable at the time the property is sold or the recipient owner no longer occupies the home must ensure that the loan recipient clearly understands the terms of this type of loan.**
- As the level of CDBG assistance increases, the recapture period must lengthen according to the following table:

<u>CDBG Assistance</u>	<u>Recapture Period</u>
Less than \$12,000	5 years
\$12,001-16,000	6 years
\$16,001-\$20,000	7 years
\$20,001 or more	8 years

- After the rehabilitation, if other non-CDBG financial assistance for rehabilitation is obtained prior to the expiration of the CDBG recapture period or CDBG repayment period, the CDBG loan may be subordinated to the new rehabilitation loan.

- CDBG loans, regardless of the type of loan, may not be subordinated to **any other type of loan** other than a first mortgage that existed prior to the rehabilitation. All CDBG loans must be secured with a Note and Deed of Trust. The Deed of Trust must be filed with the Register of Deeds prior to signing a contract for rehabilitation.
- A **Notice of the Right to Cancel** and a **Truth-in-Lending Statement** must accompany every Deed of Trust and be provided to each owner at closing.

Local Option for Emergency Repairs

Applicants can use up to **10% (i.e., \$40,000) of the total \$400,000 grant** for an urgent or emergency repair local option project. A local option project must meet the following criteria:

- Houses must be occupied by homeowners with incomes at or below 50% of area median income.
- Houses must be structures that can be rehabilitated.
- No more than \$5,000 of CDBG funds per house can be spent on emergency repairs.
- There must be a written policy and a process for selecting the homeowners, which must be attached to the application selected by the SSH Committee.

The applicant may design their policy based on other criteria as long as it does not conflict with the required criteria listed above. The L-1 project may target housing systems needing repair such as a roof, heating system, electrical, etc. Other potential criteria an applicant may want to consider include the following:

- A house may be eligible for scattered site rehabilitation but is on a waiting list and there are not sufficient funds in the current grant to undertake the rehabilitation; an emergency repair may prevent further deterioration of the structure.
- An emergency repair such as a new roof that will prevent further deterioration to the housing unit.
- Accessibility modifications such as wheel chair ramps, doorways and bathrooms.

Lead-Based Paint Requirements

Lead-Based Paint Regulations are found at 24 CFR Part 35 and N.C. General Statute §130A-453.01-453.11 – Lead-Based Paint Hazard Management Program. All CDBG grantees awarded funds to rehabilitate any houses constructed prior to 1978 are required to follow the regulations. Lead-based paint required activities depend on the lower per unit cost of either (1) the amount of rehabilitation “hard costs” per unit or (2) the amount of federal assistance per unit when there are other federal funds in the unit. “Hard costs” do not include such costs as administrative costs, relocation costs, environmental reviews, acquisition of the property, or the costs of lead hazard evaluation and reduction.

CI Lead Based Paint Requirements

- All units must have a risk assessment and paint inspection by a certified risk assessor;
- All units must be cleared by a certified inspector or risk assessor who must be a third party entity;
- Local governments must use contractors trained in Safe Work Practices;
- Local governments that undertake temporary relocation must develop, adopt and follow an Optional Temporary Relocation Policy.
- It is our policy when lead based paint is identified in a unit being rehabilitated, the lead based paint be abated whenever possible. Cost for abatement may be charged to the rehabilitation unit.
- Homeowners and occupants, when relocated, must be moved to a lead safe environment.

Performance Measures

The Government Performance and Results Act of 1993 (GPRA) mandates that federal programs improve their effectiveness and public accountability by focusing on results. The U.S. Department of Housing and Urban Development (HUD) has developed the CPD Performance Measurements System for recipients of HUD funds to use to fulfill the requirements of the Act. The Scattered Site Housing category will use the following measures for all scattered site housing activities except administration, which has no performance measures.

C-1 Objective: Providing Decent Affordable Housing

C-1 Outcome: Sustainability

L-1 Objective: Providing Decent Affordable Housing

L-1 Outcome: Sustainability

Clarification of Program Activity Terms (Bulletin 10-2)

On July 19, 2010, CI issued **Bulletin 10-2** to all CDBG Recipients. The purpose of the bulletin was to clarify the following program activity terms:

Reconstruction: Reconstruction is defined as the rebuilding of a structure on the **same lot** in substantially the same manner. Reconstruction will be used when a house because of high cost (lead base paint cost, high building material cost, etc.) makes rehabilitation not feasible and replacing it on the same site.

Rehabilitation: The purpose of rehabilitation is to take an existing unit and bring it up to the required standards set by HUD and CI. To qualify as rehabilitation, parts of the existing house must be used in the process.

Relocation: Relocation is the result of a person (s) being displaced from their present lot and relocated to a **different lot**. Local governments should adopt and submit their Optional Coverage Relocation Plan that explains how the local government plans to handle the relocation activity.

Temporary Relocation: Temporary relocation can be given to person (s) who has/have voluntarily been displaced on a temporary basis while their unit is being treated on the same site. The activity associated with this is reconstruction or rehabilitation. The local unit of government must follow their adopted Optional Coverage Relocation Plan as to how the local government plans to carry out temporary relocation.

Clearance: Clearance is an activity that can be used in conjunction with both reconstruction and relocation or as an activity by itself.

Substantial Rehabilitation: Substantial rehabilitation is rehabilitation that has exceeded the following cost estimates based on the following two standards: Total CDBG rehabilitation costs for the unit (1) exceed \$40,000 or (2) \$38.00 per square foot of heated, occupiable space. When these guidelines are exceeded, CI approval must be obtained before proceeding. Once approved a new request is not needed as long as change orders do not exceed 10% of the cost.

Program Amendments, Budget Amendments and Budget Revisions

In an Advisory Notice called "Application Amendment" dated January 25, 2010 and posted on the North Carolina Commerce website CI outlined the application amendment process. Additionally, in September 2010, CI released **Bulletin 10-3** which replaces Bulletin 96-2 which defines what constitutes a change from

the approved application and requires prior approval by CI. The Bulletin also outlines the procedural requirements for submitting an amendment. When making any change to the approved application, grantees should contact the CI Grants Management Representative (GMR) assigned to the grant and discuss the changes. The GMR will assist the grantee with the program amendment, budget amendment, and/or budget revision process.

When changing housing activities, the environmental review record must be updated. Grantees must identify units 50 years old or older or ones that could be in a historic district and send the information to Historic Preservation for review. After Historic Preservation comments are returned to the grantee, the environmental review with the comments included must be submitted to the CI Compliance Specialist.

Compliance Requirements

The local government is responsible for conformity with all Federal and State regulations governing the CDBG program. Please refer to the Federal Certifications and State CDBG Regulations in the application for specific details. If you have questions about the documentation needed, please contact the SSH Program Manager for assistance.

Conflict of Interest

The following people or their immediate family members shall not have any direct or indirect financial interest in any contract, subcontract or the proceeds thereof for work to be performed in connection with the grant during their tenure or for one year thereafter: (1) employees or agents of the recipient who exercise any function or responsibility for the Community Development Block Grant (CDBG), and (2) officials of the recipient including members of the governing body. Consult with Community Investment and Assistance Staff regarding conflict of interest questions or North Carolina Community Development Block Grant Program Regulations (4NCAC 19L.Section.0914).

Financial Management Requirements

CI will monitor the grantee to determine compliance with the financial management requirements. In particular, the review will determine if records are maintained in compliance with 24 CFR Part 85, OMB Circular A-87 and other State of North Carolina requirements. This monitoring is performed through desktop audit and at each on-site visit. Typically, ledgers, invoices, canceled checks, bank statements and requisitions are reviewed to see that the grantee has an adequate system of financial management. CI staff may also make specific requests to review information or documentation relating to financial management of a grant.

In 2011, CI has modified its compliance requirements in the following categories:

Environmental Review

Recipients of CDBG funds are required to complete the document entitled "Environmental Review Procedures for the CDBG Program." **In 2011, this will be a post award requirement. Do not submit ERR with the application.** Copies of this document can be secured from CI and/or on the North Carolina

Department of Commerce website, under Community Development Block Grant, Forms and Publications, Environmental Review Record. The portions of the document constituting the Environmental Review Record (ERR) should be completed and two copies sent to CI as a funding condition. Once the ERR is received, CI will review for completeness and submit selected CDBG Environmental Review Records if required to the State Clearinghouse for other state agencies to review and comment.

Fair Housing

Recipients of CDBG funds will be required to comply with fair housing and non-discrimination laws and regulations. Applicants should consult Section .1001 of the CDBG administrative rules for further information on equal opportunity requirements. Applicants will be required to submit a fair housing plan for the municipality and or county. Applicants with 10,000 persons or more will be required to complete an Analysis to Impediments to Fair Housing Choice Study. For each year that a CDBG project is active, a recipient must describe the actions it will take in the areas of enforcement, education and removal of barriers and impediments to affirmatively further fair housing. For guidance for developing a Fair Housing Plan, grantees will refer to CI Bulletin 93-4 and the Implementation Notebook.

Language Access Plan (LAP)

As recipients of federal financial assistance, grantees have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important government programs, services, and activities. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and its implementing regulations require that recipients take responsible steps to ensure meaningful access by LEP persons. Applicants will be required to submit a language access plan using the approved template from CI. The plan will be submitted for municipality and/or county using the thresholds established by CI. The plan will address the LAP policy, translation of required vital documents, and requirements for citizen participation.

Local Economic Benefit (Section 3)

For each year that a CDBG project is active, the recipient must describe a strategy whereby opportunities in employment and procurement arising out of a CDBG assisted project are identified and made available to low income residents within the county to the greatest extent feasible.

This strategy must include (1) identification of training and technical assistance resources to prepare low income residents for employment and procurement opportunities, (2) attempts to reach the numerical targets for new hires set forth in the Section 3 regulation, which applies to recipients receiving \$200,000 or more in non-administrative line items expended for construction contracts and (3) education of low-income residents within the CDBG assisted area about the components and opportunities of the program.

Once applicants are awarded, recipients will be required to submit a Section 3 plan using the approved CI template. In addition, applicants will be required to coordinate additional activities as it relates to Section 3 with the CI Compliance Office.

Procurement

Grantees must contract for the procurement of goods, services, and construction projects including design services. CDBG grantees must enter procurement solicitation for any contract over \$25,000 in the

Statewide Interactive Purchasing System (IPS) as well as provide the information to the CI Compliance Office. All notices must be posted in IPS at least three days before the procurement process begins.

The local government only must set-up in IPS to post solicitation documents electronically. The process takes 15 minutes. The local government should contact Ms. Peggy Crawley, N C Department of Administration at (919) 807-4502 or peggy.crawley@doa.nc.gov for information. The use of IPS will be added to the program compliance monitoring process. Grantees must also ensure compliance with 24 CFR Part 85.36 Procurement Process in addition to the IPS requirement.

Scattered Site Housing Program Contacts

The Program Manager will answer questions about individual projects over the telephone, by fax machine, or by e-mail from the date the application is put on the website to the date the final applications are due on **Friday, March 30, 2012**. CI encourages communities to come together at a central location to discuss common interests. If a regional site meeting is requested then it needs to be in writing from the lead local government.

The Program Manager's contact information is:
Iris C. Payne, CDGB Program and Compliance Section Chief
E-mail: ipayne@nccommerce.com
Telephone: (919) 571-4900, extension 249 Fax: (919) 571-4951

For questions regarding rehabilitation, new construction, and lead based paint, please contact:
Jim Liles, Rehabilitation & New Construction Section Chief
E-mail: jliles@nccommerce.com
Telephone: (919) 571-4900, extension 254 Fax: (919) 571-4951

Application Process and Submission Requirements

Applications must be physically received at CI's Raleigh office by 5:00 p.m. Friday, March 30, 2012 whether hand-delivered, mailed through the US Post Office or delivered by private and overnight delivery companies such as UPS, Fed Ex, etc. If the application has not been received by the deadline, 2011 SSH funds will be de-obligated unless special arrangements have been made with CI. The SSH Program Manager is available should you have questions.

Applicants must submit two (2) complete originals of the application. Both applications must have the original signature of the chief elected official on the Application Summary Form and any other documents that require official signatures.

If using the U. S. Postal Service, mail to: Vickie L. Miller, Director Department of Commerce Community Investment and Assistance 4313 Mail Service Center Raleigh, N.C. 27699-4313	If using overnight or in-person delivery, deliver to: Community Investment and Assistance Anderson Plaza 100 E. Six Forks Road, 2 nd Floor Raleigh, N.C. 27609
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Attachment 1

Federal Program Regulations for Recipients of CDBG Funds

It is important that applicants understand the commitment they will be undertaking with a CDBG grant. This description of requirements and responsibilities of grantees should be read carefully. Please contact CI Staff with any questions regarding federal program regulations.

Projects must meet all federal and state administrative requirements. A summary of the implementing regulations is listed below.

A. Environmental Review

Recipients of CDBG funds are required to complete the document entitled "Environmental Review Procedures for the North Carolina Community Development Block Grant Program," Dated 1992 or later. Copies of this document can be secured from CI. The portions of the document constituting the Environmental Review Record (ERR) should be completed, and copies sent to CI as soon as possible following the project award. CI may submit selected CDBG applications to the State Clearinghouse for other state agencies' review and comments.

B. Equal Opportunity

Applicants are required to take into consideration equal opportunity and non-discrimination laws in designing CDBG programs to insure that people in protected categories are not excluded from participation, denied the benefit of, or subjected to discrimination under any program or activity funded in whole or in part with CDBG funds. The recipient of CDBG funds must describe the actions it will take annually for each year the grant is open in the areas of enforcement, education and removal of barriers and impediments that affirmatively further equal access in employment and procurement. This includes a description of steps to be taken in the areas of advertisement, compliance and complaint tracking.

C. Fair Housing

Recipients of CDBG funds will be required to comply with fair housing and non-discrimination laws and regulations. Applicants should consult Section .1001 of the CDBG administrative rules for further information on equal opportunity requirements. For each year that a CDBG project is active, a recipient must describe the actions it will take in the areas of enforcement, education and removal of barriers and impediments to affirmatively further fair housing. For guidance for

developing a Fair Housing Plan, grantees will refer to CI Bulletin 93-4 and the Implementation Notebook.

D. Local Economic Benefit

For each year that a CDBG project is active, the recipient must describe a strategy whereby opportunities in employment and procurement arising out of a CDBG assisted project are identified and made available to low income residents within the county to the greatest extent feasible.

This strategy must include (1) identification of training and technical assistance resources to prepare low income residents for employment and procurement opportunities, (2) attempts to reach the numerical targets for new hires set forth in the Section 3 regulation, which applies to recipients receiving \$200,000 or more in non-administrative line items expended for construction contracts of at least \$100,000 per contract, and (3) education of low income residents within the CDBG assisted area about the components and opportunities of the program.

E. Residential Anti-displacement and Relocation Assistance

All occupied and vacant inhabitable low and moderate income dwelling units demolished or converted to a use other than as low/moderate income housing must be replaced within three years of the commencement of the demolition or rehabilitation related to the conversion.

Once CDBG funds are awarded, recipients must have a plan to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner. Compliance with the plan must be documented, including the information made public and the means used to make it public.

The plan must include a description of the activity, a location map, a time schedule, dwelling data on target and replacement homes, funding sources, a schedule for replacement or relocation and the basis for concluding that replacement dwellings will remain low/moderate income for at least 10 years. A guide for developing the plan should be obtained from CI once an award is received. See Program Bulletin 94-1 for more specific information.

F. Section 504 of the Rehabilitation Act of 1973

Recipients of CDBG funds are required to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, and the HUD implementing regulations at 24 CFR, Parts 8 and 9. The requirements of Section 504 apply to any recipient of federal CDBG funds for any program or activity carried out directly or through another recipient, successor, assignee, or transferee.

The Grant Agreement will require recipients to complete the Section 504 Survey and Transition Plan, covering policies, practices and physical accessibility and notify affected persons that it does not discriminate on the basis of handicap.

This plan will not satisfy all the requirements of the Americans with Disabilities Act, but it will meet the minimum requirements for a CDBG assisted project.

G. Americans with Disabilities Act (ADA)

State and local governments are required to comply with the provisions of Title I of the Americans with Disabilities Act (ADA) which protects qualified individuals with disabilities from discrimination in all state and local government programs and activities including employment.

Governments with 25 or more employees were subject to the ADA law after July 26, 1992, and governments with 15 or more employees after July 26, 1994. All governments receiving federal financial assistance will continue to be covered by Section 504.

H. Labor Standards under Davis-Bacon and Related Acts

Public Facilities

Public facility contracts in excess of \$2,000 must comply with Davis-Bacon and Related Acts.

Private Facilities constructed with CDBG Funds

Contracts in excess of \$2,000 for building constructed with CDBG funds, must comply with Davis-Bacon and Related Acts.

Rehabilitation of Single Family Dwellings

As a rule, Davis-Bacon and Related Acts (DBRA) do not apply to the rehabilitation of a single-family dwelling. However, under special circumstances the rehabilitation of eight or more single dwellings, typically rental units, can trigger DBRA. To avoid any delays in the rehabilitation program, applicants are encouraged to determine if their projects have the potential for triggering DBRA at the time of application.

HUD has established the following criteria as a test to determine when "related" units become a covered "property" governed by DBRA:

- (1) The property includes eight or more units.
- (2) The property initially will be commonly operated, meaning dwellings are to be rehabilitated as part of the CDBG project activities.
- (3) The property initially will be commonly owned.
- (4) The property for the most part is located on contiguous lots or parcels.

For situations where it is unclear as to whether the "contiguous lots" criterion is applicable, CI will request a determination from HUD officials. Grantees are responsible for initiating the request with CI, and should allow 45 days for a reply.

North Carolina CDBG
Scattered Site Housing Program

APPLICATION

Please note that the SSH Grant Agreement consists of the SSH program guidelines, approved applications, including the certifications, maps, schedules and other submissions in the application, any subsequent amendments to the Grant Agreement, the approved application, and funding approval.

North Carolina CDBG Scattered Site Housing Program

SSH APPLICATION CHECKLIST

When submitting an application, use the following checklist as a table of contents. Make sure all of the items are included. **Include labeled tabs for each section of the application. Please note that the attachments listed below are required in the application.** If any one of the items in **CAPITAL AND BOLD** letters is not included, the application will not be approved for funding.

	TAB
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PUBLIC INFORMATION FORM	<u>2</u>
HUD IDIS: ACCOMPLISHMENTS & BENEFICIARIES FORM	<u>3</u>
HOUSING DISTRIBUTION PLAN	<u>4</u>
IMPLEMENTATION SCHEDULE FORM (2 original copies)	<u>5</u>
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COMMUNITY DEVELOPMENT PLAN	<u>7</u>
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MAPS (PROJECT MAP; LOCATION MAP WITH MINORITY AND LMI CONCENTRATIONS)	<u>10</u>
CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS	<u>11</u>
COMMITMENT LETTERS for NON-CDBG FUNDS (all listed below)	<u>N/A</u>
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DRAWDOWN PLAN (NEW IN 2011)	<u>4</u>

Application Summary for Scattered Site Housing

1. Applicant's name		Yancey County		2. Date	
a. Mailing Address		110 Town Square, Room 11		<input checked="" type="checkbox"/> Original, dated: 3/15/2012 <input type="checkbox"/> Amendment, dated:	
b. City and Zip Code		Burnsville, NC 28714			
c. County		Yancey			
d. Contact Person		Nathan Bennett			
e. Telephone Number		(828) 682-3971			
f. Fax Number		(828) 682-4301			
g. e-mail address		Nathan.bennett@yanceycountync.gov			
h. DUNS Number		029281094			
3. Preparer's Name		Michelle Ball		c. Telephone Number	
a. Firm's Name		High Country Council of Governments		828-265-5434	
b. Mailing Address		468 New Market Blvd.		Ext 115	
c. City and Zip Code		Boone, NC 28607		f. Fax Number	
d. e-mail address		mball@regiond.org		828-265-5439	
4. Program Category		5. Project Number		6. Project Name	
C		1		Yancey County Scattered Site Housing Program	
L		1		Emergency Repair Program	
				7. CDBG Funds Requested	
				\$ 360,000.00	
				\$ 40,000.00	
				Total	
				\$ 400,000.00	
10. Certification by the Chief Elected Official					
(a) I certify that to the best of my knowledge and belief:					
(1) Data in this application is true and correct,					
(2) Opportunities have been provided for citizen participation and access to information concerning the proposed activities,					
(3) This document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached certifications and state standards if the assistance is approved.					
(b) I acknowledge that, if funded, this application is part of the Grant Agreement.					
(c) Typed Name of Chief Elected Official ➤		Johnny Riddle			
(d) Typed Title ➤		Chairman			
(e) Signature ➤					
(f) Typed Date ➤		March 15, 2012			
For CI Use Only		Date Received:		Application Number:	

Public Information for Scattered Site Housing

Name of Applicant: Yancey County Allocation Region: West

General Information

Applicant Funds Committed: \$ 0 Senate District No. 47

Percentage of Project Benefit to LMI Families 100 % House District No. 84 & 118

C-1: Proposed Activities and Project Information

(both CDBG and non-CDBG funded activities)

Number of Owners:	4	Water (Give number for the following:)	
Number of Tenants:		Total Wells Installed:	1
Number of Vacant Units:		Total Linear Feet of Water Lines:	
On-Site Wastewater Problems (Give number of occupied units with problem:)		Total Units To Hook Up:	
Outhouses/Pit Privies:		Sewer (Give numbers for the following :)	
No Wastewater System:		Total Linear Feet of Sewer Lines:	
Black Water Straight Piping:		Total Units To Hook Up:	
Failed Septic Tanks:		Total On-Site Wastewater Systems Installed:	
On-Site Water Problems (Give number of occupied units with problem)		Streets (Give numbers for the following:)	
No water supply:		Linear Feet of New Streets:	
Dry wells:		Linear Feet of Resurfaced Streets:	
Contaminated water:		Total Linear Feet for Streets:	
Non-potable water:		Total Units Benefiting:	
Springs:		Flood/Drainage (Give numbers for the following :)	
Unapproved wells:		Linear Feet of Ditching:	
Housing (Give number for the following :)		Linear Feet of Pipe:	
Total Units Rehabilitated:	4	Total Linear Feet for Flood/Drainage:	
Total Units/Parcels Acquired:		Total Units Benefiting:	
Total Households Relocated:			
Total Lots Disposed:			
Total Dilapidated Units Cleared:	3		

Public Information – continued:

Basic Local Option: Proposed L-1 Activities and Project Information
(both CDBG and non-CDBG funded activities)

Activities	Provide the Number of Households to be Assisted
Scattered Site Housing	
• Rehabilitation	1
• Reconstruction	3
• Relocation	
▪ Acquisition	
▪ Clearance	3
▪ Disposition	
Emergency Repairs	8
On-Site Water	
• Well installation	1
• Well repair	
• Connect to public water	
On-Site Septic Tank	
• Install new septic tank	
• Repair to septic tank	
• Connect to public sewer	
Hook-Ups	
• Public water	
• Public sewer	

FEDERAL CERTIFICATIONS

A. Regulations

The applicant hereby assures and certifies that:

- (a) It will comply with all applicable federal and state laws, regulations, and rules and Executive Orders.
- (b) It possesses legal authority to apply for the grant, and to execute the proposed program.
- (c) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with application and to provide such additional information as may be required.
- (d) It is following a detailed, written citizen participation plan, which will provide opportunities for citizen participation, hearings, and access to information with respect to its community development program that are comparable to those required of grantees under Section 104 (a) of the Act and in accordance with Rule .1002 of the North Carolina Community Development Block Grant Administrative Rules.
- (e) Its chief elected official or other officer of the applicant if assistance is approved by Commerce:
 - (1) Consents to assume the status of the “responsible Federal Official” as that term is used in Section 102 of the National Environmental Policy Act (NEPA), Section 104(f) of Title 1 of the Housing and Community Development Act of 1974, as amended, and other provisions of Federal law, as specified in 24 CFR 58.5 which further the purposes of NEPA.
 - (2) Is authorized and consents on behalf of the applicant and Himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such official.
 - (3) Consents to review and comment on all Environmental Impact Statements prepared for Federal projects which may have an impact on the applicant’s/recipient’s community development program CDBG 2-97.
 - (4) Consents to perform all coordination functions required under 24 CFR Part 58 and 40 CFR Parts 1500-1508.

- (f) The Community Development Program has been developed so as to give maximum feasible priority to activities, which will benefit low and moderate income families or aid in the prevention or elimination of slums and blight. The requirement for this certification will not preclude Commerce from approving an application where the applicant certifies, and Commerce determines, that all or part of the Community Development Program activities are designed to meet other community development needs having particular urgency as specifically explained in the application in accordance with Section .0800 of 4 NCAC 19L of the North Carolina Administrative Code.
- (g) Its program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284, and that will affirmatively further fair housing.
- (h) It will comply with all provisions of 4 NCAC 19L of the North Carolina Administrative Code, entitled North Carolina Community Development Block Grant Program.
- (i) It will give Commerce, HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers or documents related to the grant.
- (j) It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- (k) It will follow a residential anti-displacement and relocation assistance plan that is in accordance with the provisions of Section 104(d) and all other provisions of the Act.
- (l) It will not attempt to recover any capital costs of public improvements assisted in whole or part under Section 106 of the Act or with amounts resulting from a guarantee under Section 108 of the Act by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged to assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under Section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (ii) for purposes of assisting any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the Secretary of such State, as the case may be, that it lacks sufficient funds received under Section 106 to comply with requirements of clause (l).

- (m) It has or will develop a plan that identifies community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.
- (n) Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR 570.608.
- (o) When issuing statements, press releases, request for proposals, bid solicitation and other documents describing the above-mentioned program such as the environmental review, public hearings, fair housing notices, etc., it shall clearly state:
 - (1) the percentage of the total cost of the project, which will be financed with CDBG money, and
 - (2) the dollar amount of CDBG funds for the project.
- (p) (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.
- (q) It has adopted and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and has adopted and is enforcing a policy of enforcing applicable state and local laws against any individuals engaged in nonviolent civil rights demonstrations and has adopted and is enforcing a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the

subject of such nonviolent civil rights demonstration within its jurisdiction in accordance with Section 519 of Public Law 101-144, (the 1990 HUD Appropriations Act).

- (r) All project areas are either not in a floodplain, or if the project area is in a floodplain, the applicant participates in the flood insurance program. All properties assisted in the project will be covered for flood insurance prior to beginning construction and all public facilities will be constructed to comply with applicable floodplain regulations.

CERTIFICATION OF ABILITY

The Yancey County hereby certifies its ability to meet Federal Performance and Procurement Requirements with Certification as further expanded in the preceding attachments.

SIGNATURE OF CEO _____

DATE _____

TITLE _____

B. Disclosure Report

Instructions

Who should complete the report:

All applicants who expect to receive an aggregate amount of covered federal assistance for a project or activity that exceeds \$200,000 are required to make certain disclosures. State CDBG funds are covered by the requirement, as are most other programs where funds are administered by or passed through the U.S. Department of Housing and Urban Development. Therefore, all applicants of more than \$200,000 in N. C. CDBG funds, including anticipated program income, should complete the report. In addition, any applicants to a State grantee for a subgrant should complete the report if more than \$200,000 in covered assistance is or can reasonably be anticipated. The requirement addresses the aggregate amount of assistance. Therefore, if the applicant anticipates less than \$200,000 in CDBG assistance, but intends to combine the funds with enough other covered assistance (such as Section 8 project-based Housing Assistance Payments) to exceed \$200,000 in total assistance, the applicant must make the disclosures. Any applicant/recipient who is required to complete a disclosure report for another agency in conjunction with a project assisted with State CDBG funds may submit a copy of that disclosure report to the Department of Commerce rather than completing a separate report.

Recipients who have previously filed disclosure reports must file update reports if the information in the original report changes either because of later developments subject to disclosure, or because of changes in the amount of government assistance, the sources of funds, or the uses of funds equal to the lower of \$250,000 or 10 percent of the applicable base (usually total project costs), or because of an increase in the financial interest of a person equal to the lower of \$50,000 or 10 percent of such interest.

Detailed Instructions:

1. Enter the name, address, and telephone number, including area code, of the applicant or recipient.
2. Indicate whether the report is an initial report or an update report.
3. Enter the Social Security Number or the Employer Identification Number of the applicant or recipient.
4. Enter the project name and indicate the location as specifically as possible. In the case of update reports, give the CDBG grant number.
5. Enter the total amount of assistance being requested as stated in the application, including anticipated program income. In the case of update reports, enter the total amount of assistance provided according to the funding approval and anticipated program income.
6. Indicate whether other government assistance is being provided, or can reasonably be expected to be provided, for the project. Other government assistance includes any loan, grant, guarantee, insurance payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is being sought.

If other government assistance is provided, or expected to be provided for the project, all such assistance must be disclosed on attachments incorporated into the report. The disclosures should list the granting agency, the program and type of assistance (e.g., grant, loan, guarantee), and the amount expected to be made available.

Disclosures need only be made once, so that if this information is given in the Sources and Uses attachments, this may be indicated by checking the appropriate blank under “6. Other Government Assistance” on the Attachments page of the report.

7. Indicate whether there are persons with a reportable financial interest in the project. “Person” means an individual, corporation or business, unit of general local government or other governmental entity or agency or any other organization or group of people. A reportable financial interest is any financial involvement in the project including equity interest, shares in any profit on resale or distribution of cash or other assets, or receipt of compensation for goods or services provided in connection with the project or activities, which can be expected to exceed the lower of \$50,000 or 10 percent of the assistance sought. Compensation for performance of a contract procured under Federal procurement regulations is not, by itself, a covered financial interest. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

If there are parties with a reportable financial interest, the name and pecuniary interest of the parties must be disclosed in referenced attachments. If the party is an entity such as a unit of government or a corporation, the disclosure must include an identification of each officer, director, and/or principal stockholder. The pecuniary interest disclosure must include the type of participation (such as owner, contractor, investor) and the amount of the financial interest expressed both as a dollar amount and as a percentage of the amount of assistance involved.

8. Reference the statement or statements attached to the report showing the sources and uses of the funds available for, or expected to be available for, the project. Disclosure must be made of the gross amount of funds from all sources, including both governmental and non-governmental sources of funds and private capital resulting from tax benefits. For most projects, the financial forms in the appropriate guidelines will be adequate to document sources and uses. Please note, however, that if the “Other Government Assistance” disclosure section references the Sources and Uses Disclosures, then these Disclosures must identify the program and type of assistance.

Disclosure Report

1. Applicant/Recipient Name, Address, and Phone:
- Yancey County
110 Town Square, Room 11
Burnsville, NC 28714
(828) 682-3971**
2. Check one: Initial Report
 Update Report
3. Social Security Number or Employer ID Number:
56-6000453
4. Project Name and Location:
- Yancey County Scattered Site Housing Program**
5. Total Amount requested/received (Including anticipated program income): \$ 400,000.00
6. Other government assistance. Check one:
- No other government assistance is, or is expected to be, provided for this project;
- All other government assistance provided for this project is listed on the attached page(s).
7. Interested Parties. Check one:
- No parties have a reportable financial interest in this project. Interested parties include developers, contractors, consultants, individuals, entities including units of government with a financial interest greater than \$50,000 or 10 percent of the assistance (whichever is **lower**; being a party to a contract procured under Federal procurement regulations at 24 CFR Part 85 does not, by itself, constitute a reportable financial interest).
- All parties with a reportable financial interest are listed on the attached page(s).
8. All expected sources of funds available or expected to be available for the project or activity and all reportable uses of funds are included in the application for funds and on the following forms (check all that apply):
- CDBG PROJECT BUDGET
- CDBG LOCAL COMMITMENT FORM
- Other attachment(s). Describe: _____

Disclosure Report

Attachments

9. Other Government Assistance (Attachment)

(Note: Disclosures must be complete and accurate, but need to be made only once for this report. If assistance is reported in the Sources and Uses disclosure section, then it need not also be reported here. If there is assistance reportable here, but reported only in the Sources and Uses disclosure, check here:

_____ Assistance is disclosed in Sources and Uses Attachments

<u>Agency Name and Address</u>	<u>Program and Type of Assistance</u>	<u>Amount Requested/Received</u>
--------------------------------	---------------------------------------	----------------------------------

7. Interested Parties (attachment)

<u>Name and Address</u>	<u>Type of Participation</u>	<u>Interest (\$ and %)</u>
-------------------------	------------------------------	----------------------------

State CDBG Program

Regulations

Citizen Participation

If funded, the grantee will have documentation on file of compliance with citizen participation requirements in the application process 4 NCAC 19L. 1002 (b): publisher's affidavits of notices and minutes signed by the town or county clerk of the two required public hearings.

Project Administration

- The grantee is responsible for CDBG oversight. If funded, the grantee will supervise the implementation of the project as follows:
- The local government manager reviews and signs off on all project reports.
- The project administrator or local government staff will present and give at least quarterly written status reports to the elected board. A signed copy of the quarterly report must be submitted to the grant representative for review.
- At least two persons from the local government listed on the signatory cards will review and sign off on invoices and requests for payment.
- Maintain all project files at the local government offices and make them available to citizens during regular business hours.

Audits/Compliance

CDBG grantees expending \$25,000 or more in a fiscal year are required to have funds audited for the CDBG program. CDBG funds can be used to pay for the CDBG portion of the audit provided the grantee has expended \$500,000 or more in the fiscal year in total federal awards (CDBG and other federal funds). If the grantee has expended less than \$500,000 in total federal awards, the grantee may budget local funds in the administrative line item in the CDBG application to pay for the CDBG portion of the audit and claim the local administrative funds as local commitment.

Housing

Substantial Rehabilitation: Any rehabilitation cost above \$40,000 per unit or 38 per square foot which would include the Lead Based Paint cost and any other additional funds is considered substantial rehabilitation and requires the prior approval of CI.

Manufactured Homes Policy: Manufactured homes rehabilitated with CDBG funds must be converted into real property (according to G.S. 105-273 paragraph 13) that is owned and occupied by the homeowner prior to any rehabilitation.

The CDBG assistance must be secured by a Note and Deed of Trust at the time of rehabilitation. The maximum amount that may be spent rehabilitating a manufactured home is \$20,000. No CDBG funds may be spent to rehabilitate any manufactured home built prior to 1978.

In addition, the grantee will adhere to the following:

1. Adopt a financial design for rehabilitation that meets the minimum CI criteria. The financial design must be submitted to CI for review.
2. Prior to rehabilitating a house with a pit privy/outhouse or no wastewater disposal system, if public sewer is unavailable, contact the local health department for a determination whether the property can be permitted for an on-site wastewater system. If not, the family should be relocated.
3. Clear titles as required in the application.
4. **Have houses inspected by a North Carolina licensed home inspector. Attach the summary from each inspection to the SSH application.**
5. Work with the State Health Hazard Control Unit and local government departments to comply with federal and state lead-based paint requirements. In addition, ensure rehabilitation design will address lead-based paint hazards.
6. Voluntary withdrawal from the program, document with evidence on file.
7. Establish and implement a home maintenance program to instruct occupants of rehabilitated houses, including (1) maintenance of any on-site wastewater systems and/or wells or (2) maintenance of newly installed indoor plumbing.
8. Install water saving devices in houses with on-site septic tanks. If facets need to be replaced install a water saving device. See Bulletin 02-5, Low Flow Plumbing Fixtures.
9. If undertaking voluntary clearance, document with evidence on file that property owners are Aware of and agree to voluntary clearance.
10. If undertaking rehabilitation, acquisition and/or clearance of dwellings, comply with state notification, certification and disposal requirements for asbestos.
11. If acquiring property with a dwelling, maintain a plan for residential reuse of the residential property.
12. If undertaking temporary or permanent relocation, budget adequate funds based on the costs of housing in the area.

13. If abandoning outhouses or septic tanks, budget adequate funds to cover related costs in accordance with state and local health department regulations.
14. Establish a written recipient referral procedure to address non-CDBG needs (i.e. social services, credit counseling, employment etc.)
15. Low and moderate beneficiaries may not be charged for tap fees or assessments for water or sewer improvements.
16. All items rehabilitated, if required under the building code, must be permitted and inspected.
17. Under procurement, and bid request for rehabilitation should include a section for estimated man hours expended on the project. It should include both administration and labor.

The applicant hereby assures and certifies that by his/her signature, its duly authorized official has read and understands the State CDBG Program Regulations and, if funded, will adhere to all regulations applicable to the funded project.

Date

Signature of Authorized Official

Title

Disclosure of Civil Rights Complaints/Lawsuits

The Yancey County hereby assures and certifies that there are no open, unresolved or pending Civil Rights Lawsuits against the participating local governments in this Scattered Site Housing project.

Signature of CEO

Date

Local Government Participation Certification

Background:

The North Carolina Community Investment and Assistance (CI) has conditionally awarded _____ County and its interested municipalities \$400,000 in Community Development Block Grant (CDBG) funds as part of the FY 2011 Scattered Site Housing Program (SSH). These funds are to be used to address the most critical housing needs of very low-income families within _____ County. Activities paid with SSH funds must benefit persons with incomes at or below 50% of the _____ County median income. In addition to FY 2008 funding, _____ County and its municipalities will be eligible for additional funding every three years on a non-competitive basis.

Eligible uses of these SSH funds in the C-1 project include rehabilitation of very low-income owner occupied single-family housing. If it has been determined that rehabilitation of the property is not feasible, the following activities may be implemented: 1) acquisition 2) clearance 3) relocation 4) code enforcement-limited to CDBG related units. Emergency repairs, as defined in the SSH Application Guidelines, are eligible as a local option project.

Prior to being awarded the SSH funds officially, _____ County, as lead Agent of this project must complete and submit an application to the Community Investment and Assistance by July 31, 2011. This application must include the following plans: 1) a Community Development Plan-identifying the housing needs within the county; 2) a Housing Distribution Plan-identifying how the SSH assistance will be delivered within the County and participating municipalities-identifying members of the selection participation committee and that committee's role in the SSH project-identifying the personnel that deliver the assistance on behalf of the Project.

In addition to these plans, the application must include the following: 1) Federal and State Certifications; 2) an Application Summary Page; 3) a Financial Design Model; 4) a Project Schedule; 5) Project Budget Form; 6) Civil Rights Lawsuits Disclosure Form; and, 7) a Local Government Participation Certification 8) Disclosure Report.

The purpose of the Local Government Participation Certification is to have written documentation for the file that demonstrates the intent of the municipalities within _____ County to either participate or choose not to participate in this SSH Project. By not participating in this Project, the municipality waives its rights to be included in the aforementioned plans and committees for the FY 2011 Project. However, rights of participation in future SSH Projects within _____ County will not be waived or forfeited.

County Certification as Lead Agency

By signing below I certify that Yancey County has allowed all interested municipalities to participate in the planning and development of the distribution plan. As the lead agency, Yancey County will continue to include all interested municipalities as full and active partners on the selection committee, any other committees and in all activities relating to this SSH project.

*Signature of Chairman or Chief
Administrative Officer*

Date

Municipality Certification

By signing below I certify that _____(town/city) will participate in the FY 2011 Scattered Site Housing Program in _____ County and request the Town/City of _____ be considered in all committees, plans and activities relating to this SSH project.

*Signature of Mayor or Chief
Administrative Officer*

Date

By signing below I certify that _____(town/city) **declines** participation in the FY 2011 Scattered Site Housing Program in _____ County.

*Signature of Mayor or Chief
Administrative Officer*

Date

Community Development Plan

Provide the following information:

- Description of the housing/community development needs in the jurisdiction
- Description of the housing/community development needs of low and moderate income persons in the jurisdiction
- Description of the housing/community development priorities in the jurisdiction as it relates to needs, objectives, program design and how the local government plans to implement and evaluate its efforts.
- Explanation of how does this project relates to other activities in the jurisdiction. and should include the following items:

PLANNING

1. Describe the process the lead government has used to engage all interested municipalities in the planning of the SSH Program. Include specific information on what was done. (Attach documentation).
2. Describe the official actions taken by the lead government and municipalities regarding the SSH Program.

ADMINISTRATIVE OVERSIGHT

3. Describe the role and functions the lead local government will play in the implementation of the SSH Program.
4. Describe the role and functions the interested municipal governments will play in the implementation of the SSH Program.
5. List the names of the lead government staff providing direct oversight of the SSH Program.

Describe how these persons identified in number 5 are to be employed, and their responsibilities. (Position descriptions may be attached).

6. If known, list the names of the Program Administrator and Rehabilitation Specialist.

7. Describe how these persons identified in question 7 are to be employed (staff, contract, subcontract, etc.), and their responsibilities. (Position descriptions may be attached).
8. List the names and titles of each member of your SSH Selection Committee.
9. List the responsibilities of the SSH Selection Committee.
10. Attach a copy of the By-Laws for the SSH Selection Committee. The selection committee is required to have written minutes on file as part of the Committee process.

SELECTING AND PROCESSING APPLICANTS

11. Describe the SSH Program. Include explanation of what will be done, activities to be implemented and who will be served.
12. Include a list providing the names and addresses of the potential applicants and process used to select these applicants.
13. Describe how applications for assistance were taken.
14. Describe the process for the verification of income, assets, and property ownership.
15. Describe how eligible beneficiaries were prioritized and selected.

PROCUREMENT

16. Explain the procurement procedures that will be utilized to retain construction contractors.

FINANCIAL ASSISTANCE

17. Please state the type of financial assistance that will be offered-low interest, deferred loans, or deferred forgivable loans.
18. Please state the term and interest rate you will apply to SSH loans.
19. Describe the recapture period using CI parameters as presented in the SSH program guidelines. See Scattered Site Housing Financial Design Model in the guidelines, for specific information. As of 2010, Grantees must review existing loan(s) on the property to determine whether or not the CDBG loan in conjunction with the existing loan(s) will create a situation that causes the loans to equal or exceed the value of the unit. In instances where this occurs, the grantee must inform the loan recipient of the circumstances in writing. Include this requirement as part of your SSH Financial design model description below.
20. Please identify your loan servicing agent and how they will be retained.
21. Describe your loan-servicing plan. Include items such as who will receive and post monthly payments, and how loan status will be tracked.
22. Explain your policy relative to defaults on loan payments.

CONSTRUCTION MANAGEMENT

23. Describe your inspection process. Please include an explanation of the various individuals involved (Rehab Specialist, Local Building Official, and Homeowner). Please distinguish between the preliminary work write-up inspection, construction inspections, payment inspection, and final inspection phases of the process.
24. Describe your construction payment procedures. Please specify what documentation is used and what approvals are required.
25. Describe how your program will ensure that construction work is done in a timely, cost effective manner with minimal disruption to the homeowner.
26. Describe the process and the rehabilitation standards that will be used.
27. Describe the role of the Program Administrator in establishing the eligibility of all rehabilitation work to be completed.
28. Describe how you plan to involve beneficiaries in the Rehab Process. (Optional)

FINANCIAL MANAGEMENT

29. Describe how you track the receipt and expenditure of SSH funds.
30. Describe how you will track, manage and use program income. Refer to the State CDBG Regulations at 04 NCAC 19L.0907 Program Income, regarding retaining Program Income.
31. List your planned schedule of production. Include a count of how many households you plan to assist given your budget.

32. Identify the estimated cost per unit to be assisted. Explain the basis for the cost i.e. materials, labor, lead-based paint etc.

33. **DRAWDOWN PLAN (NEW IN 2011)**
Please include and clearly identify the use of CDBG funds and the timeline over the project period for drawing down the funds. Also, please state whether or not the applicant (i.e., the local unit of government will use the Reimbursement or Advance (3-day rule applies) method of payment.

LEAD-BASED PAINT

34. Identify the strategy that will be taken to reduce Lead-Based Paint hazards. Please refer to the SSH guidelines for information concerning Lead-Based Paint regulations.

Activities Implementation Schedule

Name of Applicant: **Yancey County**

Month 1 begins as of the date of CI Director's signature on the Grant Agreement and Funding Approval.

List CDBG and non-CDBG activities to be implemented for both C-1 and L-1 and put an "X" in the columns for the beginning and ending months and connect with a straight line. CDBG Activities should correspond to those on the Budget and other packet forms. Add other activities as needed in the order they occur. in the planning and development of the distribution plan.

Activities	Months																													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1. Grant Agreement/ Funding Approval	X																													
2. Environmental Review			X																											
3. Clearing conditions			X																											
4. Planning			X																											
5. Rehabilitation																		X	-----	-----	-----	-----	-----	-----	-----	-----	-----	X		
6. Reconstruction						X	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	X		
7. Clearance						X	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	X		
8. Temporary Relocation						X	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	X		
9. Administration				X	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	X
10. L-1 Rehabilitation						X	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	X		
11.																														
12.																														
13.																														
14. Closeout of Grant																														X

Project Budget for C-1 Activities		Name of Applicant: Yancey County	
1. CDBG Grant Amount Requested		\$	360,000.00
2. Program Income		\$	0.00
3. Subtotal CDBG Resources		\$	360,000.00
4. Other Funds		\$	0.00
5. Total Project Resources		\$	360,000.00
6. Activity	7. CDBG Costs	8. Other Costs	9. Total Project Costs
a. Acquisition			
b. Disposition			
c. Public facilities and improvements			
(1) Senior and handicapped centers			
(2) Parks, playgrounds and recreation facilities			
(3) Neighborhood facilities			
(4) Solid waste disposal facilities			
(5) Fire protection and equipment			
(6) Parking facilities			
(7) Public utilities other than water and sewer			
(8) [Reserved]			
(9) Street improvements			
(10) Flood and drainage improvements			
(11) Pedestrian improvements			
(12) Other public facilities			
(13) Public sewer improvements			
(14) Public water improvements			
d. Clearance activities			
e. Public services			
f. Relocation assistance			
g. Construction, rehabilitation and preservation activities			
(1) Construction or rehabilitation of commercial and industrial buildings			
(2) Rehabilitation of privately owned dwellings			
a. Rehabilitation	\$ 45,000.00	\$ 0.00	\$ 45,000.00
b. Reconstruction	\$ 240,000.00	\$ 0.00	\$ 240,000.00
c. Clearance	\$ 20,000.00	\$ 0.00	\$ 20,000.00
d. Temporary Relocation Expenses	\$ 8,000.00	\$ 0.00	\$ 8,000.00
(3) Rehabilitation of publicly owned dwellings			
(4) Code enforcement			
(5) Historic preservation			
h. Development financing			
(1) Working capital			
(2) Machinery and equipment			
i. Removal of architectural barriers			
j. Other activities			
k. SUBTOTAL	\$ 313,000.00	\$ 0.00	\$ 313,000.00
l. Planning (should not exceed \$7,000)	\$ 7,000.00	\$ 0.00	\$ 7,000.00
m. Administration	\$ 40,000.00	\$ 0.00	\$ 40,000.00
n. TOTAL	\$ 360,000.00	\$ 0.00	\$ 360,000.00

Local Option Project Narrative

Applicant may use up to 10% of the application request for an emergency repairs project. Describe the project. Attach a written policy on the emergency repairs and the process of selecting the houses. Houses for the local option do not have to be identified at the application stage; however, CI strongly encourages applicants to include the houses if possible.

Project Budget for L-1 Activities		Name of Applicant:	
		Yancey County	
1. CDBG Grant Amount Requested		\$	40,000.00
2. Program Income		\$	0.00
3. Subtotal CDBG Resources		\$	40,000.00
4. Other Funds		\$	0.00
5. Total Project Resources		\$	40,000.00
6. Activity	7. CDBG Costs	8. Other Costs	9. Total Project Costs
a. Acquisition			
b. Disposition			
c. Public facilities and improvements			
(1) Senior and handicapped centers			
(2) Parks, playgrounds and recreation facilities			
(3) Neighborhood facilities			
(4) Solid waste disposal facilities			
(5) Fire protection and equipment			
(6) Parking facilities			
(7) Public utilities other than water and sewer			
(8) [Reserved]			
(9) Street improvements			
(10) Flood and drainage improvements			
(11) Pedestrian improvements			
(12) Other public facilities			
(13) Public sewer improvements			
(14) Public water improvements			
d. Clearance activities			
e. Public services			
f. Relocation assistance			
g. Construction, rehabilitation and preservation activities			
(1) Construction or rehabilitation of commercial and industrial buildings			
(2) Rehabilitation of privately owned dwellings			
a. Rehabilitation	\$ 40,000.00	\$ 0.00	\$ 40,000.00
b. Reconstruction			
c. Clearance			
d. Temporary Relocation Expenses			
(3) Rehabilitation of publicly owned dwellings			
(4) Code enforcement			
(5) Historic preservation			
h. Development financing			
(1) Working capital			
(2) Machinery and equipment			
i. Removal of architectural barriers			
j. Other activities			
k. SUBTOTAL	\$ 40,000.00	\$ 0.00	\$ 40,000.00
l. Planning (should not exceed \$7,000)			
m. Administration			
n. TOTAL	\$ 40,000.00	\$ 0.00	\$ 40,000.00

Certifications Regarding Debarment, Suspension and Other Responsibility Matters
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Applicants should refer to the regulations cited below. Applicants should also review the instructions for certification included in the regulations before completing this form, signature on this form provides for compliance with certification requirements implementing Federal Executive Order 12549 and guidance issued in the *Federal Register*, Volume 70, No. 168, pages 51863 through 51880 for "Government wide Debarment and Suspension (Nonprocurement)." The certification shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant or cooperative agreement.

1. DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

As required by Executive Order 12549, Debarment and Suspension, for prospective participants in primary covered transactions:

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification(s).

NAME OF APPLICANT/GRANTEE Yancey County	GRANT NUMBER AND PROJECT NAME Yancey County Scattered Site Housing Program
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE Johnny Riddle, Chairman	
SIGNATURE	DATE March 15, 2012

Instructions for Certifications Regarding Debarment, Suspension and Other Responsibility Matters

1. By signing and submitting this form, the prospective participant is providing the certification set out on the Certification Regarding Debarment, Suspension and Other Responsibility Matters” in accordance with these instructions.
2. Consequences of False Certification - The certification is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. Errors in Certifying. - The prospective participant shall provide immediate written notice to the person to which this proposal is submitted if, at any time, the prospective participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. Definitions and Further Guidance - The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause have the meanings set out in the Definitions and Coverage section of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations or you may refer to the *Federal Register*, Vol. 70, No. 168, pages 51863 –51880.
5. Certification Extends to Subcontractors - The prospective participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. Certification Included in Subcontracts - The prospective participant further agrees by submitting this form that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. Reliance on Certification - A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transition, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. New System of Records Not Required - Nothing contained in the foregoing should be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not

required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Consequences for Use of Ineligible Subgrantees - Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

HUD IDIS: Accomplishments & Beneficiaries

Applicant	Yancey County	Activity Name	Reconstruction
Other Funds	\$ _____	Project: C1 <input checked="" type="checkbox"/> L1 _____	Complete a separate form for each activity

Accomplishments & Beneficiaries	Proposed	Actual (N/A)
Linear Feet		
Properties	3	
Units, Dwelling		
Rental Units		
Multiunit Housing		
Households by percentage of HUD Median Family Income Levels		
Above Moderate Income Households>80%		
Moderate Income Households 51-80%		
Low Income Households 31-50%	1	
Very Low Income Hoseholds,+30%	2	
Total Households	3	
Persons by percentage of HUD Median Family Income Levels		
Above Moderate Income Households.80%		
Moderate Income Households 51-80%		
Low Income 31-50%	2	
Very Low Income Households<=30%	8	
Total Persons	10	
Jobs		
Micro Enterprise		
Female Head of Household	2	
Census Data		
County Code	199	
Census Tract		
Block Group		
Race Code		
11. White	10	
12. Black/African American		
13. Asian		
14. American Indian/Alaskan Native		
15. Native Hawaii/Other Pacific Islander		
16. American Indian/Alaskan Native & Black/African American		
17. Asian & White		
18. Black/African American &White		
19. American Indian/Alaskan Native & Black/African American		
20. Other multi-racial		
Elderly Persons	2	
Narrative Description of activities:		

HUD IDIS: Accomplishments & Beneficiaries

Applicant	Yancey County	Activity Name	Clearance
Other Funds	\$ _____	Project: C1 <u>X</u> L1 ___	Complete a separate form for each activity

Accomplishments & Beneficiaries	Proposed	Actual (N/A)
Linear Feet		
Properties	3	
Units, Dwelling		
Rental Units		
Multiunit Housing		
Households by percentage of HUD Median Family Income Levels		
Above Moderate Income Households>80%		
Moderate Income Households 51-80%		
Low Income Households 31-50%	1	
Very Low Income Hoseholds,+30%	2	
Total Households	3	
Persons by percentage of HUD Median Family Income Levels		
Above Moderate Income Households.80%		
Moderate Income Households 51-80%		
Low Income 31-50%	2	
Very Low Income Households<=30%	8	
Total Persons	10	
Jobs		
Micro Enterprise		
Female Head of Household	2	
Census Data		
County Code	199	
Census Tract		
Block Group		
Race Code		
11. White	10	
12. Black/African American		
13. Asian		
14. American Indian/Alaskan Native		
15. Native Hawaii/Other Pacific Islander		
16. American Indian/Alaskan Native & Black/African American		
17. Asian & White		
18. Black/African American &White		
19. American Indian/Alaskan Native & Black/African American		
20. Other multi-racial		
Elderly Persons	2	
Narrative Description of activities:		

HUD IDIS: Accomplishments & Beneficiaries

Applicant	Yancey County	Activity Name	Rehabilitation
Other Funds	\$ _____	Project: C1 <u>X</u> L1 ___	Complete a separate form for each activity

Accomplishments & Beneficiaries	Proposed	Actual (N/A)
Linear Feet		
Properties	1	
Units, Dwelling		
Rental Units		
Multiunit Housing		
Households by percentage of HUD Median Family Income Levels		
Above Moderate Income Households>80%		
Moderate Income Households 51-80%		
Low Income Households 31-50%	1	
Very Low Income Hoseholds,+30%		
Total Households	1	
Persons by percentage of HUD Median Family Income Levels		
Above Moderate Income Households.80%		
Moderate Income Households 51-80%		
Low Income 31-50%	2	
Very Low Income Households<=30%		
Total Persons	2	
Jobs		
Micro Enterprise		
Female Head of Household		
Census Data		
County Code	199	
Census Tract		
Block Group		
Race Code		
11. White	2	
12. Black/African American		
13. Asian		
14. American Indian/Alaskan Native		
15. Native Hawaii/Other Pacific Islander		
16. American Indian/Alaskan Native & Black/African American		
17. Asian & White		
18. Black/African American &White		
19. American Indian/Alaskan Native & Black/African American		
20. Other multi-racial		
Elderly Persons		
Narrative Description of activities:		

HUD IDIS: Accomplishments & Beneficiaries

Applicant	Yancey County	Activity Name	Temporary Relocation
Other Funds	\$ _____	Project: C1_X L1_	Complete a separate form for each activity

Accomplishments & Beneficiaries	Proposed	Actual (N/A)
Linear Feet		
Properties	3	
Units, Dwelling		
Rental Units		
Multiunit Housing		
Households by percentage of HUD Median Family Income Levels		
Above Moderate Income Households>80%		
Moderate Income Households 51-80%		
Low Income Households 31-50%	1	
Very Low Income Hoseholds,+30%	2	
Total Households	3	
Persons by percentage of HUD Median Family Income Levels		
Above Moderate Income Households.80%		
Moderate Income Households 51-80%		
Low Income 31-50%	2	
Very Low Income Households<=30%	8	
Total Persons	10	
Jobs		
Micro Enterprise		
Female Head of Household	2	
Census Data		
County Code	199	
Census Tract		
Block Group		
Race Code		
11. White	10	
12. Black/African American		
13. Asian		
14. American Indian/Alaskan Native		
15. Native Hawaii/Other Pacific Islander		
16. American Indian/Alaskan Native & Black/African American		
17. Asian & White		
18. Black/African American &White		
19. American Indian/Alaskan Native & Black/African American		
20. Other multi-racial		
Elderly Persons	2	
Narrative Description of activities:		