

# CITY OF NEW BERN, NORTH CAROLINA



**NEW BERN**

CITY OF NEW BERN

## SUBSTANTIAL AMENDMENT TO THE FY 2018 CDBG PROGRAM

**SUBMITTED BY:**

Department of Development Services  
303 First Street, New Bern, NC 28560

**SUBMITTED TO:**

U.S. Department of Housing & Urban Development  
Greensboro Field Office, Community Planning & Development  
1500 Pinecroft Road, Suite 401, Greensboro NC 27407



**CITY OF NEW BERN, NORTH CAROLINA  
SUBSTANTIAL AMENDMENT  
FY 2018 CDBG PROGRAM YEAR**

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**CITY OF NEW BERN, NORTH CAROLINA  
SUBSTANTIAL AMENDMENT  
FY 2018 CDBG PROGRAM YEAR**

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**A. EXECUTIVE SUMMARY –**

The City of New Bern was devastated by the flooding and high winds caused by Hurricane Florence in September 2018. The City has been recovering ever since. However, with the destruction of property and loss of housing. There is a need for replacement of affordable rental housing in the City, especially for 3 or more bedroom homes.

The City owns several pieces of property which are out of the 100 year flood plain that it proposes to transfer title to its Redevelopment Commission. The Redevelopment Commission will then develop four (4) new single family homes on this property, utilizing the services of Habitat for Humanity. The houses will have affordable rents and Twin Rivers Opportunities, Inc., the local Section 8 Housing Voucher Administrating Agency, will assign Project Based Section 8 Vouchers to the homes so they will remain affordable.

In order to meet the need for affordable rental housing, the City is proposing to reallocate funds in its FY 2018 CDBG Program Year to the development of affordable housing. Several line item activities will be detected and the funds will be reallocated to this expendable activity, Development of Affordable Rental Housing in the amount of \$200,000. The only other activity under the FY 2018 CDBG Program will be General Administration in the reduced amount of \$42,771.

This is considered a “substantial amendment” since three (3) activities are being eliminated (Public Service Set-Aside, Housing Rehabilitation, and Demolition). The Affordable Housing line item activity will be increased by more than 50% from \$32,000 to \$200,000.

The City has properly advertised the Substantial Amendment, placed the document on public display for a period of 30 days, held a public hearing, and received approval from the City Council.



## CITY OF NEW BERN, NORTH CAROLINA SUBSTANTIAL AMENDMENT FY 2018 CDBG PROGRAM YEAR

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### **B. CITIZEN PARTICIPATION –**

The City of New Bern has placed the proposed “Substantial Amendment” on public display for review and comment beginning Saturday, March 16, 2019 for a period of 30 days. The end of the period of public display is Monday, April 15, 2019.

The “Substantial Amendment” to the FY 2018 CDBG Program is on display at the following locations:

- **City Clerks’ Office**  
City Hall, 303 Pollock Street  
New Bern, NC 28560
- **Office of the Department of Development Services**  
303 First Street  
New Bern, NC 28560
- **New Bern-Craven County Public Library**  
400 Johnson Street  
New Bern, NC 28560

Attached is a copy of the notice that appeared in the newspaper, the “New Bern Sun Journal,” a local newspaper of general circulation in the area. The City of New Bern scheduled a Public Hearing at 6:00 PM prevailing time, Tuesday, April 9, 2019, in the Courtroom of the New Bern City Hall.

The Board of Aldermen in their capacity as the City Council of the City of New Bern will consider approving the proposed “Substantial Amendment” at its regularly scheduled Council Meeting on Tuesday, April 23, 2019 at 6:00 PM, prevailing time.

Page : 1 of 2 03/12/2019 13:49:03

Order Number : 15500379  
PO Number :  
Customer : 89029 City of New Bern - Legals  
Contact : ACCOUNTS PAYABLE  
Address1 : PO Box 1129  
Address2 :  
City St Zip : New Bern NC 28563  
Phone : (252) 639-2717  
Fax : (252) 636-4108

Printed By : Gwen Landry  
Entered By : Gwen Landry

Keywords : FY 2018 Block Grant  
Notes :  
Zones :

Ad Number : 16977940  
Ad Key :  
Salesperson : GL - Gwen Landry  
Publication : New Bern Sun Journal  
Section : Classifieds  
Sub Section : Classifieds  
Category : 015 Legal Notices  
Dates Run : 03/16/2019-03/16/2019  
Days : 1  
Size : 2 x 8.44, 76 lines  
Words : 549  
Ad Rate : L1  
Ad Price : 327.98  
Amount Paid : 0.00  
Amount Due : 327.98

**NOTICE OF PUBLIC HEARING  
CITY OF NEW BERN, NORTH CAROLINA  
FY 2018 COMMUNITY DEVELOPMENT BLOCK GRANT  
PROGRAM SUBSTANTIAL AMENDMENT**

Notice is hereby given that the City of New Bern, Craven County, NC will hold a public hearing on Tuesday, April 9, 2019 at 6:00 PM, prevailing time, in the courtroom on the second floor of City Hall, 303 Pollock Street, New Bern, NC 28560. The City Hall and the courtroom are not accessible to persons with physical disabilities. If special arrangements need to be made for residents in order for them to participate in the public hearing, please call Mr. Jeffrey Ruggieri, Director, Department of Development Services, at (252) 639-7587 to make arrangements. Persons with hearing and/or speech impediments may contact the City through 711.

The purpose of this public hearing is to present a substantial amendment to the City of New Bern's FY 2018 Annual Action Plan for the use of Community Development Block Grant funds.

The City of New Bern adopted its FY 2018 Annual Action Plan and Budget for the use of CDBG funds on May 22, 2018. In accordance with CDBG program regulations, the City is allowed to make substantial amendments to its Annual Plan and Budget in accordance with the City's Citizen Participation Plan.

The City has determined that it is necessary to amend the approved CDBG program budget for the previously approved program year for FY 2018. The funds will be reprogrammed from the following projects/activities: Public Services, Affordable Housing, Housing Rehabilitation, and Demolition.

This is considered a substantial amendment in accordance with the City's Citizen Participation Plan as the following applies: the deletion of previously approved project activities and the addition of a new activity.

The amendment to FY 2018 CDBG Annual Action Plan is proposed as follows:

**PROPOSED FY 2018 ACTIVITIES**

**General Administration** – reduce the line item budget amount from \$48,500 to \$42,771.

**Public Service Set Aside** – eliminate this line item amount of \$30,771.

**Affordable Housing** – revise the activity description from construction of new affordable housing for sale to new affordable rental housing. Increase the budget amount from \$32,000 to \$200,000.

**Housing Rehabilitation** – eliminate this line item amount of \$100,000.

**Demolition** – eliminate this line item amount of \$32,000.

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Copies of the Substantial Amendment are on public display for a period of 30 days from Monday, March 16, 2019 to Monday, April 15, 2019. Copies are available at the following locations and may be viewed between normal business hours of 8:00 AM to 5:00 PM:

**City Clerks' Office**  
City Hall, 303 Pollock Street, New Bern, NC 28560

**Office of the Department of Development Services**  
303 First Street, New Bern, NC 28560

**New Bern-Craven County Public Library**  
400 Johnson Street, New Bern, NC 28560

All interested residents are encouraged to attend this public hearing and they will be given the opportunity to present oral or written testimony concerning the Substantial Amendment for the FY 2018 CDBG Program. All comments received during the period of display will be presented to the City Council at its Regular Meeting of Tuesday, April 23, 2019 at 6:00 PM. Written comments may be addressed to Mr. Jeffrey Ruggieri, Director, Department of Development Services, 303 First Street, New Bern, NC 28560.

**Dana E. Outlaw, Mayor**  
City of New Bern, NC

March 16, 2019 (adv)

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FY 2018 COMMUNITY DEVELOPMENT BLOCK GRANT  
PROGRAM SUBSTANTIAL AMENDMENT**

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The City has determined that it is necessary to amend the approved CDBG program budget for the previously approved program year for FY 2018. The funds will be reprogrammed from the following projects/activities: Public Services, Affordable Housing, Housing Rehabilitation, and Demolition.

This is considered a substantial amendment in accordance with the City's Citizen Participation Plan as the following applies: the deletion of previously approved project activities and the addition of a new activity.

The amendment to FY 2018 CDBG Annual Action Plan is proposed as follows:

**Proposed FY 2018 Activities**

1. **General Administration** – reduce the line item budget amount from \$48,500 to \$42,771.
2. **Public Service Set Aside** – eliminate this line item amount of \$30,771.
3. **Affordable Housing** – revise the activity description from construction of new affordable housing for sale to new affordable rental housing. Increase the budget amount from \$32,000 to \$200,000.
4. **Housing Rehabilitation** – eliminate this line item amount of \$100,000.
5. **Demolition** – eliminate this line item amount of \$32,000.

Copies of the Substantial Amendment are on public display for a period of 30 days from Monday, March 16, 2019 to Monday, April 15, 2019. Copies are available at the following locations and may be viewed between normal business hours of 8:00 AM to 5:00 PM:

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Dana E. Outlaw, Mayor  
City of New Bern, NC

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**City of New Bern, North Carolina  
FY 2018 Substantial Amendment  
Public Hearing in the Courtroom, Second Floor of City Hall  
Tuesday, April 9, 2019 at 6:00 P.M.**

| Name | Organization | Phone Number | Email Address |
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**CITY OF NEW BERN, NORTH CAROLINA  
SUBSTANTIAL AMENDMENT  
FY 2018 CDBG PROGRAM YEAR**

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**C. RESOLUTION –**

Attached is a copy of the Resolution of the City Council of the City of New Bern, approving the “Substantial Amendment” and authorizing the submission of the amendment to the U.S. Department of Housing and Urban Development.

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## RESOLUTION

BE IT RESOLVED BY THE BOARD OF ALDERMAN OF THE CITY OF NEW BERN:

WHEREAS, the City of New Bern, Craven County, NC is a recipient of Federal grant funds under the Housing and Community Development Act of 1974, as amended; and

WHEREAS, there is a need to develop affordable rental housing in the City of New Bern as a result of Hurricane Florence; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has previously approved the City of New Bern's FY 2018 Community Development Block Grant (CDBG) Program; and

WHEREAS, HUD permits grant recipients to revise and amend their previously approved budgets and annual action plans; and

WHEREAS, the City of New Bern's Department of Development Services has determined that the proposed changes to the FY 2018 CDBG Program constitute a substantial amendment, and the City has complied with its Citizen Participation Plan.

NOW THEREFORE, BE IT RESOLVED that the document entitled "City of New Bern FY 2018 Substantial Amendment," a copy of which is attached hereto and incorporated herein by reference, be and the same is hereby adopted and approved, as the "City of New Bern FY 2018 Substantial Amendment" and the Mayor is hereby authorized to sign any related documents on behalf of the City and is authorized to submit this document to the U.S. Department of HUD.

ADOPTED this 23<sup>rd</sup> day of April 2019.

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DANA E. OUTLAW, MAYOR

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BRENDA E. BLANCO, CITY CLERK



**CITY OF NEW BERN, NORTH CAROLINA  
SUBSTANTIAL AMENDMENT  
FY 2018 CDBG PROGRAM YEAR**

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**D. FY 2018 CDBG PROGRAM –**

The following items are attached:

1. Budget – See attached
2. Narrative – See attached

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## CITY OF NEW BERN, NORTH CAROLINA FY 2018 CDBG BUDGET AMENDMENT

The following chart illustrates the FY 2018 projects that are altered by this substantial amendment and the proposed budget amounts for each budget line item.

| Activity Number | Activity Name          | Project Description  | Proposed Budget |
|-----------------|------------------------|--|-----------------|
| 1               | General Administration | General administration, staffing and equipment; and develop, administer, revise, implement and evaluate day-to-day operation of entitlement programs. Activities include program design; develop Annual Plans and grant administration; Sub recipient compliance monitoring, program outreach, public relations training; environmental review and labor standards   | \$ 42,771.00    |
| 3               | Affordable Housing     | The City proposes to fund the construction of four (4) new single family homes on vacant sites owned by the City. The construction will be done in partnership with the local Habitat for Humanity organization. Habitat for Humanity will construct elevated concrete block foundations on the vacant sites, and install modular homes will on top of the foundations. The sites previously contained single family residential houses with foundations. The houses were demolished and the foundations were removed. | \$ 200,000.00   |





## CITY OF NEW BERN, NORTH CAROLINA FY 2018 CDBG BUDGET AMENDMENT

The following chart shows the FY 2018 projects that are altered by this substantial amendment. It also shows the amount budgeted for FY 2018 in the original Annual Action Plan, the amount the budget line item will increase or decrease, and the proposed budget for each line item.

| Activity Number            | Activity Name            | Previous Budget | Adjustment               | Proposed Budget      |
|----------------------------|--------------------------|-----------------|--------------------------|----------------------|
| 1                          | General Administration   | \$ 48,500.00    | <i>(-) \$ 5,729.00</i>   | \$ 42,771.00         |
| 2                          | Public Service Set-Aside | \$ 30,771.00    | <i>(-) \$ 30,771.00</i>  | \$ 0.00              |
| 3                          | Affordable Housing       | \$ 32,000.00    | <i>(+) \$168,000.00</i>  | \$ 200,000.00        |
| 4                          | Housing Rehabilitation   | \$ 100,000.00   | <i>(-) \$ 100,000.00</i> | \$ 0.00              |
| 5                          | Demolition               | \$ 32,000.00    | <i>(-) \$ 32,000.00</i>  | \$ 0.00              |
| <b>Total Reallocation:</b> |                          |                 |                          | <b>\$ 242,771.00</b> |