



GRANT APPLICATION GUIDELINES

FY 2025-26 Community Development Block Grant Public Service Activities

Key Information

Total funds available: Estimated amount \$50,000

Application deadline: Must be received by 5pm on March 31, 2025

Eligible applicants: Non-profits registered as 501(c)3 organizations

All requested funds will be evaluated and recommended based upon their own merit. Applying for funds is in no way a guarantee for future funding. The City Council reserves all rights to fund fully, partially, or none of agency requests.

Nonprofit agencies may apply for funding under any one or both types of grants but will only be awarded one grant request:

Start-up grant for new programs or new nonprofit agencies (up to \$15,000)

- A grant for new agencies.
- A grant for new programs within established nonprofit agencies.
- Programs are only eligible within the first two years of existence.
- If a second consecutive year of funding is approved, this amount shall be no more than 50% of the initial year's funding.

Sustaining grant (up to \$5,000)

- These grants fund core operational expenses such as overhead costs including rent, utilities, director's salaries, phone, etc.
- Agencies must be providing an essential service that the City would have to provide at a potentially greater expense if the nonprofit agency were not available to do so.

Submission instructions: All applications must be typed. If necessary, provide additional information as attachments. Separate applications **must be** submitted for each grant request.

Email applications to: jlogan@kannapolisnc.gov.



NOTE: IT IS THE APPLICANT'S RESPONSIBILITY TO CONFIRM RECEIPT OF ALL APPLICATIONS

Award date: Estimated September 1, 2025

Timeframe of project implementation: July 1, 2025 through June 30, 2026. No project expenses incurred prior to or after the time frame are eligible for reimbursement.

Obtaining application: Download from www.kannapolisnc.gov or request from contact below.

Questions regarding eligible projects: Sherry Gordon, Community Development Program Administrator; sgordon@kannapolisnc.gov or 704-920-4332

Overview

The City of Kannapolis receives a Community Development Block Grant (CDBG) annually from the U.S. Department of Housing and Urban Development (HUD) to fund activities that benefits low and moderate income (LMI) residents of the city. The CDBG program provides Kannapolis with the opportunity to develop a strong community by funding activities that provide decent housing and a suitable living environment and by expanding economic opportunities for low and moderate income persons. Funds may be used to carry out a wide range of community development activities such as neighborhood revitalization, economic development, and the provision of improved community facilities and services.

The City uses a competitive application process to make a portion of its CDBG funds available to applicants in the form of public service grants.

To help potential applicants determine whether or not their project might be eligible for a grant, it is important to be familiar with the basic requirements of the Federal program that provides the funding for the grants. Potential applicants should also review the contractual requirements they will be expected to meet if they are selected for Federal funding.

CDBG National Objectives

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet. The City of Kannapolis must assure that all activities meet one of these two national objectives of the program. Each activity must: 1) benefit people with low and moderate incomes (LMI); 2) aid in the prevention of slums and blight. Activities that do not meet one of these two broad national objectives cannot be undertaken with CDBG funds.

Low and Moderate Income Benefit: Generally, public service activities meet the first requirement – benefit to LMI persons, or those whose family income is up to 80% of the area median income (AMI). For an activity to meet this objective, it must either have income eligibility requirements that limit the activity's benefits to LMI persons, or the activity must be located in and serve an area that is predominantly inhabited by LMI residents. Under the CDBG regulations, programs that serve the elderly or adult persons with disabilities are usually considered to benefit low and moderate-income



persons. The income limits that determine who is considered to have low and moderate incomes are shown below and are based on AMI:

Low Income Limits (up to 50% AMI) 2024*

| | | Kannapolis Residents within: | |
|--|----------|------------------------------|--------------|
| | | Cabarrus County | Rowan County |
| Household Size (Number of Household Members) | 1-person | 37,100 | 28,150 |
| | 2-person | 42,400 | 32,150 |
| | 3-person | 47,700 | 36,150 |
| | 4-person | 53,000 | 40,150 |
| | 5-person | 57,250 | 43,400 |
| | 6-person | 61,500 | 46,600 |
| | 7-person | 65,750 | 49,800 |
| | 8-person | 70,000 | 53,000 |

Moderate Income Limits (up to 80% AMI) 2024*

| | | Kannapolis Residents within: | |
|--|----------|------------------------------|--------------|
| | | Cabarrus County | Rowan County |
| Household Size (Number of Household Members) | 1-person | 59,400 | 45,000 |
| | 2-person | 67,850 | 51,400 |
| | 3-person | 76,350 | 57,850 |
| | 4-person | 84,400 | 64,250 |
| | 5-person | 91,600 | 69,400 |
| | 6-person | 98,400 | 74,550 |
| | 7-person | 105,200 | 79,700 |
| | 8-person | 111,950 | 84,850 |

***subject to change, please call for updates**

Eligible Activities

The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to:

- Employment services (e.g., job training);
- Crime prevention and public safety;
- Child care;



- Health services;
- Substance abuse services (e.g., counseling and treatment);
- Fair housing counseling;
- Education programs;
- Energy conservation;
- Services for senior citizens;
- Services for homeless persons;
- Welfare services (excluding income payments);
- Homebuyer down payment assistance; and
- Recreational services.

CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

Ineligible Activities

The provision of “income payments” is an ineligible CDBG activity if these payments are provided as a grant. Income payments are payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities) or clothing. However, such expenditures are eligible if the income payments do not exceed three consecutive months per client family and the payments are made directly to the provider of such services on behalf of an individual or family. Income payments that are provided as a loan are permissible within the public services cap.

Grant funds should be used for grant approved activities only. **Funds cannot be used to pay for food.**

Political activities are ineligible.

While faith-based organizations may use CDBG funds to sponsor eligible community activities, the activities may not be religious in nature, directly or indirectly, or be limited to or predominantly for members of specific churches or religions.

CDBG funding recipients may not discriminate on the basis of race, gender, nationality, ethnicity, religion, creed, or disability.

Award Timeline

The timeline for the application process is expected to be as follows:

- Mar. 1 – Nonprofit organizations notified about application
- Mar. 31– Applications due by 5:00pm
- April – Staff reviews applications for completeness and eligibility



- May – Community Improvement Commission reviews applications, invite agencies for presentations
- By Mid-June – Community Improvement Commission makes funding recommendations to City Council
- By June/July – City Council makes funding decisions

You will be notified as specific dates and decisions are determined.

Evaluation Criteria

Applications will be reviewed by staff and the Community Development Commission (a citizens advisory group). The applications will be evaluated on the criteria listed below. Recommendations will be made to City Council for final decision.

- Completeness of application
- Eligibility of proposed service per HUD guidelines and City of Kannapolis direction
- Meeting CDBG national objectives
- Community need for proposed service/program
- Impact of the project in terms of number of people served, progress towards addressing homelessness or educational services
- Experience and track record of nonprofit agency

Contractual Requirements

Each grantee selected to receive funds is required to sign a contract (subrecipient agreement) with the City. The contract will specify the amount of the award, the period for which the project is approved, the contract term and administrative provisions. Special conditions attached to the award will also be specified in the agreement. No costs incurred prior to the execution of an agreement with the City are reimbursable. The subrecipient may not change the terms or provisions in the contract or substitute approved budget line item expenditures without prior written approval by the City.

Grantees will be required to submit and file quarterly reports on expenditures and services. Staff will provide forms for these reports.

Projects under contract with the City must be in compliance with all applicable federal, state, and local laws, including nondiscrimination laws.

All recipients will be required to comply with the federal government's audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at [24 CFR Part 84](#).) All recipients must provide the most recent audited financial statement.

Disbursement of Funds

Subrecipients will be reimbursed for expenses incurred in accordance with the contract's scope of services and budget. Presentation of paid receipts and paid invoices for eligible expenses and a detailed description of expenditures will be required. The City makes the final decision whether a tendered receipt is eligible and valid. Availability of the CDBG funds from



HUD may delay the reimbursement. City staff will make every attempt to reimburse subrecipients in a timely manner.

Subrecipients will be expected to spend the grant in a timely manner by June 30, 2024. Subrecipients who cannot spend all or part of their grant must notify the City so that unneeded funds may be reallocated.

Records and Reports

The subrecipient is required to maintain and report demographics and statistics of its project beneficiaries, regardless of the amount of the grant, and to make quarterly reports to the City describing its expenditures and services. The subrecipient must agree to maintain its project records and copies of reports for a minimum of three years. Subrecipients who are late with reports may be suspended from applying for future CDBG funds during the next funding round.

Audits, Inspections, and Monitoring

The City will audit and/or monitor the progress of the subrecipient via quarterly reports, telephone calls, and on-site monitoring visits. The subrecipient must facilitate monitoring visits and have appropriate records and copies of reports available for inspection upon request by the City and/or HUD.

**CITY OF KANNAPOLIS
FY 2025-26 COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC SERVICES: EXTERNAL AGENCY FUNDING APPLICATION**

Agency Information

1. Agency Name: _____
2. Mailing Address: _____
3. Physical Address, if different: _____
4. Main Phone #: _____
5. Website: _____
5. Contact Person and Title: _____
6. Contact's Phone #: _____
7. Contact's Email: _____
8. Agency's Director: _____
9. Federal Tax ID Number: _____
10. Amount of City Funding Appropriated in FY 2023-2024: _____
11. Amount of City Funding Appropriated in FY 2024-2025: _____
12. **Amount of City Funding Requested for FY 2025-2026**: _____
13. Provide a brief overview of your agency and its mission.

14. What type of grant are you requesting: (see Appendix A)

SEPARATE APPLICATIONS MUST BE SUBMITTED FOR EACH GRANT REQUEST

Please specify:

- Start-up Grant for a New Program
- Start-up Grant for a New Nonprofit Agency
- Sustaining Grant

15. List your agency's top three to five sources of funding, starting with your largest source of funding. Provide the name/description of the source and the amount.

Program Information

16. Give a description of the program/project/service for which you are requesting funds.

17. Is this a: New project/program Existing/ongoing project/program

18. If this is an existing program, did your agency receive any funds (other than CDBG) from the City of Kannapolis for this program between May 15, 2024 and May 15, 2025? Yes No

19. If yes, please explain the source, amount, and purpose of the funds.

20. Why are City of Kannapolis funds being requested, and how would those funds be used?

21. Provide a summary of your agency's experience and track record in carrying out the proposed program/project/services.

22. For existing programs, provide the accomplishments of your program in terms of the number of clients served in Kannapolis, impact of your agency's work, and any other metrics.

23. Describe the population of clients who will be served with the proposed program/project/service. (Discuss age, gender, race disability, etc along with unique characteristics such as special needs, risk factors, barriers, etc.)

24. What is the geographic service area of this project/program?

25. Please provide the total number of unduplicated households or persons expected to be served with this project/program (including non-City funding sources). See HUD income limits in Application Guidelines to determine income categories for your clients.

| Income Level of Clients (Households or Persons) | City of Kannapolis Residents or Households | Non-City Residents or Households | Total |
|--|---|---|--------------|
| Total number of clients to be served | | | |
| Extremely low to low income (0 to 50% of median income) | | | |
| Low to moderate income (51 to 80% of median income) | | | |

26. Of the City of Kannapolis residents to be served, how many households or residents can be served with the grant amount you are requesting from the City? _____ How many of these are estimated to be low and moderate income (LMI) – up to 80% of area median income? _____

27. If City of Kannapolis CDBG funds were received for the past grant cycle, please provide the following:

| Of the Total Persons served Number of: | Number of Persons |
|---|-------------------|
| With New or Continuing Access to a Service or Benefit | |
| With Improved Access to a Service or Benefit | |
| Receive a Service or Benefit that is no No Longer Substandard | |
| | |

28. National Objective Qualifiers: In order to be considered as benefiting low and moderate income (LMI) persons (up to 80% of area median income), the proposed activity must fall into one of the categories below. Please check the applicable box.

A: Area Benefit – At least 51% of the residents within the targeted geographic area are LMI income persons (up to 80% of area median income). The activity may be available to all persons in the area regardless of income. Be sure to describe the specific geographic area as requested in question 21.

B: Limited Clientele – To qualify under this subcategory, a limited clientele activity must meet one of the following tests. Please check the appropriate box.

i: Clientele must be one of the following groups presumed to be LMI: abused children; elderly persons; battered spouses; homeless persons; adults meeting Bureau of Census' definition of severely disabled persons; illiterate adults; persons living with AIDS; or migrant farm workers.

ii: Clientele must be at least 51% LMI.

iii: The activity must have income-eligibility requirements which limit the service to persons meeting the LMI income requirement, as evidenced by the administering agency's procedures, intake/application forms, income limits, and other sources of documentation.

iv: The activity must be of such a nature that it may be reasonable to conclude that the clientele will be LMI persons.

29. Unless you checked B. i.) above (groups presumed to be LMI), please indicate how you will verify that your program is serving LMI clientele. (i.e. pay stubs/wage statements, W-2s, income tax returns, social security documents, bank statements, support check documents, or other)

30. Describe the outcomes you hope to achieve with this project/program.

31. How will you measure whether the outcomes have been achieved? Describe the indicators and how you plan to track them.

32. What other area agencies provide similar services?

Financial Management

33. Is your agency:

- a. Licensed or Certified by the State of North Carolina? Yes No
- b. Chartered as a nonprofit corporation by the State of North Carolina? Yes No
- c. A 501(c)(3) organization? Yes No Other: _____

34. How is your agency governed and managed?

34. List the names and positions of members of the Board of Directors, officers, or employees of the organization who are on the City Council, Community Development Commission, or a City employee. If none, check here: NONE in organization

| Name | Position in Organization | Affiliation with City |
|------|--------------------------|-----------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Provide the name and title of all bonded agency officials responsible for the authorization of expenditures and the disbursal of funds, if any. Indicate the amount of each bond.

| | |
|-------------------------|--------------------|
| <u>Name & Title</u> | <u>Bond Amount</u> |
| _____ | \$ _____ |
| _____ | \$ _____ |

Does a licensed CPA perform an annual audit for all funds handled by your agency? Yes No

Budget

Please provide the revenue sources and amounts for the proposed program/project/service in the table below.

| Sources of Revenues | Column (A) City of Kannapolis | Column (B) Other Sources | Committed - C or Tentative - T | Col. (A) + (B) Total |
|-------------------------------|-------------------------------------|-----------------------------|-----------------------------------|-------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL PROGRAM REVENUES | | | | |

Please provide information about the anticipated expenses for the proposed program/project/service from July 1, 2025 to June 30, 2026. In the Category column, indicate whether the expense is one of the following:

- Personnel services – Mark “P” in category
- Contracted services – Mark “C” in category
- Supplies & miscellaneous – Mark “S” in category

| Category | Description of Expense | Amount |
|--------------|------------------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| TOTAL | TOTAL EXPENSES | |

Certification of Application

I certify that to the best of my knowledge the information provided in this application is true. I understand that if awarded a CDBG grant, my agency will follow federal regulations and be responsible for significant reporting requirements. I understand all CDBG funded activities will directly benefit City of Kannapolis residents. I understand project funding is contingent of receiving funds from HUD through the CDBG Program.

_____ (name of organization requesting CDBG funds) hereby proposes to provide the services or project in accordance with this application for Community Development Block Grant Funds. If this application is approved and this organization for receives CDBG funding from the City of Kannapolis, this organization agrees to adhere to all relevant Federal, State and local regulations and other assurances as required by the City. Furthermore, as the duly authorized representative of the organization, I certify that the organization is fully capable of fulfilling its obligation under this application as stated herein.

I further certify that this application and the information contained herein are true, correct and complete.

Unsigned applications will be deemed incomplete.

I also authorize the following person(s) to have signatory authority regarding this grant:

Completed by: _____ Title: _____

Signature: _____ Date: _____

If selected, your agency must be prepared to submit the following:

- 1) Copy of your current 501(c)(3) or nonprofit status certification letter
- 2) List of Board of Directors
- 3) Organizational Chart
- 4) Current copy of agency's by-laws and articles of incorporation
- 5) Copy of current detailed budget
- 6) Most recent copy of the organization's independently audited financial statement *(which should include both a Schedule of Expenditures of Federal and State Awards, if awards exceed \$500,000 in one fiscal year, and a Schedule of Findings and Questioned Costs. The audit should include a copy of the Corrective Action Plan, if the organization received a finding during the previous year's audit and a Summary Schedule of Prior Audit Findings, if applicable)*

Do not submit this information until requested. We anticipate contacting you to request this information in late May/June.

APPENDIX A: Grant Types

Start-up grant for new programs or new nonprofit agencies

- A grant for new programs within established nonprofit agencies.
- A grant for new nonprofit agencies.
- Programs are only eligible within the first two years of existence.
- If a second consecutive year of funding is approved, this amount shall be no more than 50% of the initial year's funding.

Sustaining grant

- These grants fund core operational expenses such as overhead costs including rent, utilities, director's salaries, phone, etc.
- Agencies must be providing an essential service that the City would have to provide at a potentially greater expense if the nonprofit agency were not available to do so.