



CITY GRANTS

General Rules for Expenditures of City Funds

- (1) The City must have the authority to expend funds to undertake the activity.
- (2) The City's funds must be spent to benefit the citizens of the City (as opposed to benefit the citizens of Kannapolis).
- (3) The City's funds must be spent to benefit the citizens of the City generally and not solely to benefit private individuals or entities.

Generally, No Payment for Operating or Capital Expenses

In terms of nonprofits, generally, the City cannot simply contribute to the organizations operating expenses or capital expenditures (i.e., the City has to be contributing to some, appropriate program offered by the organization to the public). However, below are some exceptions where funds can go to operating costs or capital expenses:

1. **Animal Shelters** (NCGS § 160A-493) – So long as the shelter meets the standards for animal shelters set forth in Chapter 19A of the General Statutes, the City may appropriate funds “not otherwise limited as to use”
2. **Museum and Arts Programs** (NCGS § 160A-488(d)) – City is authorized to “support” which includes “acquisition, construction, and renovations of buildings, including acquisition of land and other property therefor; purchase of paintings and other works of art; acquisition, lease, or purchase of materials and equipment; compensation of personnel; and all operating and maintenance expenses of the program or facility.
3. **Historic Preservation** (NCGS § 153A-437) – “A...city may appropriate revenues not otherwise limited to use by law to a historical or preservation society, museum, or similar organization. Before such an appropriation may be made, the recipient organization shall adopt and present to the...city a resolution requesting the funds and describing the intended use for the funds...The ordinance making the appropriation shall state specifically what the appropriation is to be used for, and the governing board of the...city shall require that the recipient account for the appropriation at the close of the fiscal year.”

Authority and/or Definitions

(1) Animal Shelters

- a) “A city may establish, equip, operate, and maintain an animal shelter or may contribute to the support of an animal shelter...” (NCGS § 160A-493)
- b) An animal shelter must have a certificate of registration from the Director of the Animal Welfare Section of the Animal Health Division of the Department of Agriculture and Consumer Services (NCGS § 19A-26)
- c) “Animal Shelter” means a facility which is used to house or contain seized, stray, homeless, quarantined, abandoned, or unwanted animals.” (NCGS §19A-23(5))

(2) Art Galleries and Museums

- a) “Any city...may contract with...any public or non-profit private association, corporation or organization to establish and support museums, art galleries, arts centers, arts facilities, and arts programs...” (NCGS § 160A-488(c))
- b) For purposes of this authority, such galleries, centers, facilities, and programs must relate to “performing arts, visual arts, and literary arts and includes dance, drama, music, painting, drawing, sculpture,

printmaking, crafts, photography, film, video, architecture, design and literature, when part of a performing, visual, or literary arts program.” (NCGS § 160A-488(b))

(3) Historic Preservation

- a) “A...city may appropriate revenues...to a local historical or preservation society, museum, or other similar organization.” (NCGS § 153A-437)
- b) Funds may be used for “preserving historic sites, buildings, structures, areas, or objects; for recording and publishing materials relating to the history of the area; for establishing or maintaining historical museums or projects; for paying salaries of personnel employed in such museums or projects; for the costs of acquiring, recording, and maintaining materials and equipment; and for any other purposes that are approved by the...city and that contribute to the preservation of historic sites, buildings, structures, areas, or objects, or historic materials.” (NCGS § 153A-437(a))

(4) Fire Protection

- a) The City is permitted to levy property taxes for the purpose of providing fire protection services and fire prevention programs. (NCGS § 160A-209(c)(13))
- b) “A city is authorized to appoint a fire chief, employ other firemen; to establish, organize, equip, and maintain a fire department; and to prescribe the duties of the fire department.” (NCGS § 160A-291)

(5) Human Relations

- a) “The governing body of any city...is hereby authorized to undertake, and to expend tax or nontax funds for, human relations, community action and manpower development programs.” (NCGS § 160A-492)
- b) The City is permitted to levy property taxes for the purposes of human relations programs. (NCGS § 160A-209(c)(16))
- c) “Human relations program” means a program that is “devoted to (i) the study of problems in the area of human relations, (ii) the promotion of equality of opportunity for all citizens, (iii) the promotion of understanding, respect and goodwill among all citizens, (iv) the provision of channels of communication among the races, (v) dispute resolution, (vi) encouraging the employment of qualified people without regard to race, or (vii) encouraging youth to become better trained and qualified for employment.” (NCGS § 160A-492)

(6) Job Training

- a) “The governing body of any city...is hereby authorized to undertake, and to expend tax or nontax funds for, human relations, community action and manpower development programs.” (NCGS § 160A-492)

(7) Recreation Programs

- a) “The lack of adequate recreational programs and facilities is a menace to the morals, happiness, and welfare of the people of [North Carolina]....The General Assembly therefore declares that the public good and the general welfare of the citizens of [North Carolina] require adequate recreation programs, that the creation, establishment, and operation of parks and recreation programs is a proper governmental function, and that it is the policy of North Carolina to forever encourage, foster, and provide these facilities and programs for all its citizens.” (NCGS § 160A-351)
- b) The City is permitted to levy property taxes for the purposes of establishing, supporting, and maintaining programs of supervised recreation (NCGS § 160A-209(c)(24))
- c) “‘Recreation’ means activities that are diversionary in character and aid in promoting entertainment, pleasure, relaxation, instruction, and other physical, mental, and cultural development and leisure time experiences.” (NCGS 160A-353)

(8) Senior Citizen Programs

- a) The City is permitted to levy property taxes for the purposes of undertaking programs for the assistance and care of its senior citizens. (NCGS § 160A-209(c)(27b))
- b) “Any city...may undertake programs for the assistance and care of its senior citizens including but not limited to programs for in-house services, food services, counseling, recreation, and transportation. (NCGS § 160A-497)
- c) A “senior citizen” is a citizen of the City who is at least 60 years old. (NCGS § 160A-497)

(9) Veterans' Services

- a) Authority is hereby granted to the governing body of any...city...to appropriate such amounts as it may deem necessary to provide a veterans service program, and the expenditure of such funds is hereby declared to be for a public purpose; such program shall be operated in affiliation with [the Department of Military and Veterans Affairs]...and in compliance with [Department of Military and Veterans Affairs] policies and procedures.” (NCGS § 143B-1211(23))
- b) Veterans services programs may be understood to include programs that address things like “quality of life issues unique to North Carolina’s military personnel and their families, the quality of educational opportunities for military children, the future of federal impact aid, preparedness, public safety and security concerns, transportation needs, alcoholic beverage law enforcement, substance abuse, [and] social service need...” (NCGS § 143B-1211(14))

Nonprofit agencies that serve a municipal public purpose listed above may apply for funding from one of these categories:

Grant Types:

1. One-time project grant

- Grant funding for capital campaigns or other types of special projects.

2. Start-up grant for new programs or nonprofit agencies excluding new positions/salaries.

- A grant for new agencies.
- A grant for new programs within established nonprofit agencies.
- Programs or Agencies are only eligible for a start-up grant during 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.

3. Sustaining grant

- This grant funds core operational expenses such as overhead costs including rent, utilities, director salaries, phone, etc.
- Agencies must support an essential service that the City provides or offer a standalone program or service that fills a void the City is not currently addressing.



CDBG REIMBURSEMENT FUND REQUIREMENTS

CDBG Funding Type: Community Development Block Grant (CDBG)

Subrecipient must meet 3 Federal guidelines to be considered for funding:

- I. Seventy percent (70%) of program funds must be dedicated to assisting low and moderate-income citizens.
- II. The agency must retain a 501(c)(3) IRS status.
- III. The agency must demonstrate a need for assistance.

Compliance by Applicant with Federal Requirements (monitoring required)

Applicants, in accepting and using Community Development Block Grant Funds, hereby assures and certifies that it will conduct and administer the activities and funds under this Agreement in compliance with the following Federal statutes, regulations, and circulars:

1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing regulations issued a 24 CFR Part I;
2. Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto;
3. Section 3 of the Housing and Urban Development Act of 1968, as amended;
4. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended; and implementing regulations when published for effect;
5. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and implementing regulation when published for effect;
6. The labor standards requirements as set forth in 24 CFR Part 570, Subpart K and HUD regulations issued to implement such requirements;
7. The regulations, policies, guidelines and requirements of OMB Circular Nos. A-122 and A-110 as they relate to the acceptance and use of Federal funds under this federally assisted program; and
8. The prohibition against employing, awarding contracts to, or engaging the services of any contractor or subcontractor debarred, suspended, or ineligible for Federal funds under 24 CFR Part 24.

Re-imbbursement fund - categories of eligible activity

Public Services include, but not limited to:

- **Child Care Services (under age 13) / Youth Services (over age 13)**
- **Health Services**
- **Mental Health Services**
- **Employment Training**
- **Crime Awareness/Prevention**
- **Fair Housing Activities**
- **Services for Senior Citizens**
- **Services for Abused or Neglected Children**
- **Services for Homeless Persons/Persons with AIDS**
- **Legal Services**
- **Services for Persons with Disabilities**
- **Substance Abuse Services**
- **Services for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking**
- **Tenant/Landlord Counseling**
- **Energy conservation counseling and testing**
- **Homebuyer downpayment assistance**
- **Food Banks**
- **Welfare (but excluding provisions of income payments described at §570.207(b)(4))**

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.