**Substantial Amendment to the 2016–2020 Consolidated Plan North Carolina and**

**2019 Annual Action Plan Add Acquisition of Real Property Activity to ESG-CV (12-16-2021)**

**Summary:** The State of North Carolina’s 2016-2020 Consolidated Plan details the funding strategy for the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The Annual Action Plan (AAP) details each year within the North Carolina Consolidated Plan and outlines the implementation of annual funding, which is developed through public input, analyses, and planning. In 2019, the State of North Carolina submitted the PY2019 AAP to the U.S. Department of Housing and Urban Development (HUD). Additionally, the State of North Carolina’s Citizen Participation Plan (CPP) describes the efforts that the State will take to encourage its residents to participate in developing these plans. The plan also includes the public process when a substantial amendment to the Annual Plan is proposed.

Amendments to the approved Consolidated Plan are required whenever a jurisdiction makes one or more of the following decisions:

1. Make a change in its allocation priorities or a change in the method of distribution of funds;
2. Carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the action plan; or
3. Change the purpose, scope, location, or beneficiaries of an activity.

**This Substantial Amendment addresses adding acquisition of real property as an activity for the Emergency Solutions Grant Coronavirus (ESG-CV) program.**

**Citizen Participation Plan Process**: Due to COVID-19, HUD has issued guidance that waives the Citizen Participation Plan requirements provided that: (1) no fewer than five days are provided for public comment and (2) reasonable notice and the opportunity to comment is provided. The public comment period is as follows:

* **5-Day Comment Period to Add Acquisition of Real Property to the ESG-CV**: The public comment period begins on **Thursday, December 16, 2021**, with the posting on the North Carolina Commerce website and distribution by e-mail to program stakeholders to inform the public of the proposed Substantial Amendment and inviting comments through **Monday, December 20, 2021**.

Citizens may review the Substantial Amendment and the Citizen Participation Plan at www.nccommerce.com or may request a hard copy, if needed. All comments received during the public comment period will be incorporated into the final Substantial Amendment submitted to HUD.

**Changes to the 2019 Annual Action Plan:** HUD has awarded supplemental funding through the CARES Act that requires programming within one program year. The State of North Carolina has selected the Program Year 2019 Annual Action Plan to expedite the receipt of CARES Act funds and the implementation of the programs.

**Substantial Change for ESG/ESG-CV 2019 AAP**

The North Carolina Department of Health and Human Services (NC DHHS), as the administrator of the North Carolina Emergency Solutions Grant (ESG) proposes a Substantial Amendment to the 2016-2020 State of North Carolina Consolidated Plan and the PY2019 AAP ***to add the acquisition of real property as an eligible activity to the ESG-CV program***.

In response to the COVID-19 pandemic, the U.S. Department of Housing and Urban Development (HUD) has allocated $54,371,413 to the North Carolina ESG Program. A portion, 10% or $5,437,141.30 is allowed for administrative costs incurred by the State or subrecipients that are units of local government. The Substantial Amendment to the 2016-2020 Consolidated Plan will allow ESG-CV funding to be distributed to current ESG subrecipients and/or eligible organizations who may apply for CARES Act Funding. ESG funds are part of a larger Community Development Block Grant (CDBG) funding package in partnership with the North Carolina Department of Commerce.

ESG-CV funds are to be used to prevent, prepare for, respond to, and mitigate the effects of the Coronavirus pandemic (COVID-19) among individuals and families who are literally homeless, may become homeless or currently receiving homeless assistance. The funds will also support additional homeless assistance and homelessness prevention activities to further mitigate the impacts of COVID-19.

Presently, ESG-CV funds may be used to conduct the following activities:

**Emergency Response Activities (COVID-19)**

1. Street Outreach
* Engaging COVID 19 impacted homeless individuals and families living on the street
1. Emergency shelter
* Improving the number and quality of COVID-19 impacted emergency shelters for homeless individuals and families;
* Supporting operating cost for COVID-19 impacted emergency shelters;
* Providing essential services to COVID-19 impacted emergency shelter residents

**Housing Stability Activities (COVID-19)**

1. Rapid Rehousing
* Rapidly Rehouse COVID-19 impacted homeless individuals and families
* Provide Financial Assistance and Services to COVID-19 impacted individuals and families.
1. Homeless Prevention
* Preventing COVID -19 impacted families and individuals from becoming homeless.
* Provide Financial Assistance and Services to COVID-19 impacted individuals and families

**HMIS/DV Comparable Database (COVID-19)**

* Participation, expansion, and administration

All current subrecipients receiving ESG/ESG-CV funding and eligible organizations wishing to participate to better serve the homeless population in their community will be invited to participate. With substantial input from Continuums of Care, stakeholders, NCDHHS and the public, the ESG office and its partners will look for innovative ways in which we can help resolve the effects of this pandemic as well as enhance and share existing programs that have experienced success.

**Public Comments:** The State of North Carolina is providing notice for the following public comment period:

* **Comment Period to Add Acquisition of Real Property as an Activity for ESG-CV**: A five-day public comment period begins on **Thursday, December 16,2021** with the posting on the North Carolina Commerce website and distribution by e-mail to program stakeholders to inform the public of the proposed Substantial Amendment and inviting comments through **Monday, December 20, 2021**.

The Substantial Amendment and NC Plan Partners Citizen Participation Plan is available on the North Carolina Commerce website at [**www.nccommerce.com**](http://www.nccommerce.com) . Comments and questions may be submitted:

By e-mail to **Valerie.Fegans@nccommerce.com** or

By mail to:

North Carolina Department of Commerce

Rural Economic Development Division

Attn: Valerie Fegans, Public Comment

4346 Mail Service Center,

Raleigh, NC 27699-4346.