January 8, 2020

North Carolina Office of Recovery and Resiliency
Notice of Funds Available:
State Grants for Financially Distressed Local Governments

The North Carolina Office of Recovery and Resiliency is pleased to announce new funding to assist local governments adversely affected by recent natural disasters through the State Grants for Financially Distressed Local Governments program established last year.

In response to the impact of recent major storms on the budget and cash positions of certain local governments, the North Carolina General Assembly established this grant program to provide assistance to jurisdictions under the following Presidential Disaster Declarations:
- Hurricane Florence (DR-4393)
- Hurricane Dorian (DR-4465)

State Grants for Financially Distressed Local Government

According to Section 2.1(4)(c) of S.L 2019-224 and Section 1.2(3)(b) of S.L. 2019-250, North Carolina Office of Recovery and Resiliency (NCORR) will award grants up to $1,000,000 to eligible counties and municipalities for assistance with operating budget expenses, disaster-related expenses, facility and infrastructure repairs, and developing capacity to support disaster recovery efforts.

Eligible Expenses
Awardees may use grant funds to provide one-time support for the following types of local government expenses:
- General payroll obligations
- Payments to vendors for goods and services, where nonpayment would result in a negative financial outcome.
- Disaster Response and Recovery Expenses **denied for federal reimbursement**
- Disaster-related repairs to facilities and infrastructure **denied for federal reimbursement**
• Debt service payments

Please note that funds expended on obligations that are otherwise reimbursable through various federal disaster response, recovery, or resiliency programs shall result in cancellation of the award and state recapture of grant award proceeds.

Disaster Recovery Capacity
Eligible local governments may also elect to use their grant funds to establish up to two positions to provide disaster recovery support – examples include planners, engineers, building inspectors, code enforcement officers, housing recovery specialists, and long-term recovery personnel. Grant funds may be used to fund salaries, benefits, and operating expenses for these positions for up to three years. Grant proposals may also include contracting for professional recovery services or entering into agreements with other local governments or organizations such as Councils of Government. Local governments may also use their grant funds to purchase a vehicle or equipment to support disaster recovery work.

Eligibility
This grant program is open to county governments as set out in G.S. 153A-10 or incorporated municipalities as defined in G.S. 160A-1(2) and designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence (DR-4393) or Hurricane Dorian (DR-4465).

In order to be considered for a grant award, eligible counties and municipalities must complete and submit (1) a grant application and (2) a NCORR Application Unit Financial Information form. The application period will remain open until all program funds are awarded.

Award Criteria
In consultation with the Local Government Commission and the Office of State Budget and Management, NCORR will evaluate all grant submissions and award based on the following criteria:

• FY 2019-20 budgeted General Fund revenue and expenditures
• Completed “NCORR Application Unit Financial Information” form
• General Fund debt service for FY2019-20
• All other non-General Fund debt service for FY2019-20
• Insufficient budget to cover operating expenses such as payroll or vendor payments
• Diminishing tax or auxiliary revenues due to outmigration of population or other disruptions to services.
• Increased risk of not servicing debt payments

Associated Deadlines
1. Application Deadline: NCORR will be accepting and awarding program funds on a rolling basis. NCORR will continue to accept applications until all program funds are awarded.
2. NCORR Notice of Grant Award Deadline: 10 business days from the Application Submission Date.
3. Grant Period of Performance: 3 years from the execution of the grant agreement.
4. Quarterly Progress Reports due to NCORR Staff: 31 March, 30 June, 30 September, and 31 December.
5. Final report due: Once all grant funds are expensed or 31 March 2023, whichever date comes first.

Application Submission and Q&A Conference Call

Eligible local governments are encouraged to apply for the State Grants for Financially Distressed Local Governments by returning the completed application form, NCORR Application Unit Financial Information form, and required supporting documentation to ncorrgrants@ncdps.gov.

NCORR will host a conference call including the Department of State Treasury and the Office of State Budget and Management to answer questions by local governments seeking to apply for these programs. The conference call will be held on January 21, 2020 at 10 a.m. To participate, please RSVP to the following link and you will receive a teleconferencing number at a later date https://forms.gle/FMCNMs1ZkrBmK3Ui6. For best use of time, participants should submit their questions ahead in writing to ncorrgrants@ncdps.gov.