

State Water Infrastructure Authority

Meeting Date: February 21, 2023

Agenda Item E

Fall 2022 Application Round and Example Funding Scenario for Community Development Block Grant - Infrastructure

Division of Water Infrastructure Staff Report

North Carolina General Statute G.S. 159G-71 contains the powers and duties of the State Water Infrastructure Authority (Authority), which include the following:

- Review recommendations for grants and loans submitted to the Authority by the Division of Water Infrastructure (Division).
- Determine the rank of applications.
- Select the applications that are eligible to receive grants and loans.

Available Community Development Block Grant – Infrastructure (CDBG-I) Funding

The State of North Carolina received \$47,037,288 in Community Development Block Grant (CDBG) State funds for FY 2022. The CDBG-I FY2022 appropriation from that funding is \$19,323,243.

In addition, the Division has deobligated infrastructure funds as shown in Table 1.

Table 1: Deobligated Infrastructure Funds Balance as 2/2/23		
Funding Year	Balance	U.S. Dept. of Treasury Recapture Date*
FY 2016	\$ 49,165.32	September 2023
FY 2017	\$ 662,631.29	September 2024
FY 2018	\$ 563,190.39	September 2025
FY 2019	\$ 191,277.83	September 2026
FY 2020	\$ 5,000.00	September 2027
<i>*States have eight years to expend funds from its annual CDBG allocation. Funds not disbursed from State's line of credit after eight years will be cancelled and recaptured by the U.S. Department of Treasury [per 21 U.S.C 1552(a), as amended by the National Defense Authorization Act of 1991]</i>		

Funding Scenario

On September 30, 2022, the Division received six applications requesting a total of \$9,737,609 in funding from the CDBG-I program. After staff reviews, four applications, totaling \$5,905,609, were deemed complete and eligible applications. Table 2 lists the funding recommendations.

Table 2: CDBG-I Funding Scenario					
Project #	Applicant Name	Project Name	Funding Amount	Funding Year	County
1	Saratoga, Town of	2022 CDBG-I Speight School Road Hook-Up Project	\$ 305,609	FY 2018	Wilson
2	Kenansville, Town of	2022 Church St Sewer Improvements	\$ 2,000,000	FY 2022	Duplin
3	Ayden, Town of	Sewer Pump Station No. 1 Sanitary Sewer Improvements	\$ 1,600,000	FY 2022	Pitt
4*	Brunswick, Town of	Brunswick Water System - Resiliency Improvements	\$ 1,000,000	FY 2022	Columbus
Total:			\$ 4,905,609		

**Partial funding – see note below*

Note Regarding Project 4

Project Number 4, the Town of Brunswick, included in their project purpose project components that increase capacity. They proposed replacement of two existing hydropneumatic tanks (Well #1: 5,000-gallon tank installed in 2012 and Well #2: 5,000-gallon tank installed in 1991) with a 75,000-gallon elevated tank. Therefore, staff is recommending only funding the project components that will not increase capacity.