

**G.S. 150B-21.3A Report for 04 NCAC 19, NORTH CAROLINA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Agency - Department of Commerce

Comment Period - 11/01/2017 through 01/01/2018

Date Submitted to APO - Filled in by RRC staff

Subchapter	Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B-21.3A(c)(1)a]	Implements or Conforms to Federal Regulation [150B-21.3A(e)]	Federal Regulation Citation	Public Comment Received [150B-21.3A(c)(1)]	Agency Determination Following Public Comment [150B-21.3A(c)(1)]
SUBCHAPTER 19L - NORTH CAROLINA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM	SECTION .0100 - GENERAL PROVISIONS	04 NCAC 19L .0101	PROGRAM PURPOSE AND OBJECTIVE	Amended Eff. March 1, 1986	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570; 42 USCS 5301	No	Necessary without substantive public interest
		04 NCAC 19L .0103	DEFINITIONS	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570; 24 CFR 570.3; 24 CFR 570.481;	No	Necessary without substantive public interest
		04 NCAC 19L .0104	WAIVERS	Amended Eff. June 1, 1994	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.480	No	Necessary without substantive public interest
		04 NCAC 19L .0105	ELIGIBLE APPLICANTS	Amended Eff. March 1, 1995	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.480, 42 USCS 5306(d)	No	Necessary without substantive public interest
		04 NCAC 19L .0106	AMENDMENTS ADOPTED BY REFERENCE	Eff. April 1, 1989	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570	No	Necessary without substantive public interest
	SECTION .0300 - ELIGIBLE AND INELIGIBLE ACTIVITIES	04 NCAC 19L .0301	ELIGIBLE ACTIVITIES	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.482, 24 CFR 570.201-206	No	Necessary without substantive public interest
		04 NCAC 19L .0302	INELIGIBLE ACTIVITIES	Amended Eff. September 1, 1990	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489; 24 CFR 570.207	No	Necessary without substantive public interest
		SECTION .0400 - DISTRIBUTION OF FUNDS	04 NCAC 19L .0401	GENERAL	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	No
	04 NCAC 19L .0403		SIZE AND USE OF GRANTS MADE TO RECIPIENTS	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	Yes	Necessary without substantive public interest
	04 NCAC 19L .0404		GRANT CATEGORY ALLOCATION	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.482-3	No	Necessary without substantive public interest
	04 NCAC 19L .0407		GENERAL APPLICATION REQUIREMENTS	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570	Yes	Necessary without substantive public interest
	04 NCAC 19L .0408	SPECIAL ALLOCATIONS FROM HUD	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570	No	Necessary without substantive public interest	
	SECTION .0500 - COMMUNITY REVITALIZATION PROJECTS	04 NCAC 19L .0501	DESCRIPTION	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	No	Necessary without substantive public interest
		04 NCAC 19L .0502	ELIGIBILITY REQUIREMENTS	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	No	Necessary without substantive public interest

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		04 NCAC 19L .0505	SELECTION CRITERIA	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	No	Necessary without substantive public interest
	<b>SECTION .0700 - DEVELOPMENT PLANNING PROJECTS</b>	04 NCAC 19L .0706	DEFINITION	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	No	Necessary without substantive public interest
		04 NCAC 19L .0707	ELIGIBILITY REQUIREMENTS	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483, 489	No	Necessary without substantive public interest
		04 NCAC 19L .0708	SELECTION CRITERIA	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	No	Necessary without substantive public interest
	<b>SECTION .0800 - URGENT NEEDS/CONTINGENCY PROJECTS</b>	04 NCAC 19L .0801	DESCRIPTION	Amended Eff. March 1, 1986	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	No	Necessary without substantive public interest
		04 NCAC 19L .0802	ELIGIBILITY REQUIREMENTS	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	No	Necessary without substantive public interest
		04 NCAC 19L .0805	SELECTION CRITERIA	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 579.483	No	Necessary without substantive public interest
	<b>SECTION .0900 - GRANT ADMINISTRATION</b>	04 NCAC 19L .0901	GRANT AGREEMENT	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.483	Yes	Necessary without substantive public interest
		04 NCAC 19L .0902	METHOD OF ADMINISTRATION	Amended Eff. March 1, 1995	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.488, 489	Yes	Necessary without substantive public interest
		04 NCAC 19L .0903	METHOD OF PAYMENT	Amended Eff. March 1, 1995	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .0906	FINANCIAL MANAGEMENT SYSTEMS	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489, 496	Yes	Necessary without substantive public interest
		04 NCAC 19L .0907	PROGRAM INCOME	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	No	Necessary without substantive public interest
		04 NCAC 19L .0908	PROCUREMENT STANDARDS	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .0909	PROPERTY MANAGEMENT STANDARDS	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .0910	PROGRAM AMENDMENTS	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest

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		04 NCAC 19L .0911	RECORDKEEPING	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.490	Yes	Necessary without substantive public interest
		04 NCAC 19L .0912	AUDIT	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 cfr 570.489, 492; 24 CFR 44	Yes	Necessary without substantive public interest
		04 NCAC 19L .0913	GRANT CLOSEOUTS	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .0914	CONFLICT OF INTEREST	Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
	<b>SECTION .1000 - COMPLIANCE REQUIREMENTS</b>	04 NCAC 19L .1001	EQUAL OPPORTUNITY AND NONDISCRIMINATION	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489, 490, 496	Yes	Necessary without substantive public interest
		04 NCAC 19L .1002	CITIZEN PARTICIPATION	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.488	Yes	Necessary without substantive public interest
		04 NCAC 19L .1003	ACQUISITION AND RELOCATION	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.488	No	Necessary without substantive public interest
		04 NCAC 19L .1004	ENVIRONMENTAL REVIEW	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.488, 24 CFR Part 58	Yes	Necessary without substantive public interest
		04 NCAC 19L .1006	LABOR STANDARDS	Amended Eff. May 1, 1988	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487	Yes	Necessary without substantive public interest
		04 NCAC 19L .1007	ARCHITECTURAL BARRIERS	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487, 36 CFR Part 1190	No	Necessary without substantive public interest
		04 NCAC 19L .1008	HATCH ACT	Eff. July 1, 1982	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487	Yes	Necessary without substantive public interest
		04 NCAC 19L .1009	HOUSING REHABILITATION	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487	No	Necessary without substantive public interest
		04 NCAC 19L .1010	NATIONAL FLOOD INSURANCE PROGRAM	Amended Eff. March 1, 1984	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487	No	Necessary without substantive public interest
		04 NCAC 19L .1011	LEAD-BASED PAINT	Amended Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.487	No	Necessary without substantive public interest
		04 NCAC 19L .1012	CLEARINGHOUSE REVIEW	Amended Eff. March 1, 1995	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest

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		04 NCAC 19L .1013	COMMUNITY DEVELOPMENT PLAN	Eff. March 1, 1984	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.490	No	Necessary without substantive public interest
	<b>SECTION .1100 - PERFORMANCE</b>	04 NCAC 19L .1101	REPORTING	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.490; 24 CFR Part 91	Yes	Necessary without substantive public interest
		04 NCAC 19L .1102	MONITORING BY THE RECIPIENT	Eff. July 1, 1982	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.490	Yes	Necessary without substantive public interest
		04 NCAC 19L .1103	MONITORING BY THE DIVISION	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.492	Yes	Necessary without substantive public interest
		04 NCAC 19L .1104	REMEDIES	Amended Eff. June 1, 1993	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.492	Yes	Necessary without substantive public interest
		04 NCAC 19L .1105	ADMINISTRATIVE HEARINGS	Amended Eff. September 1, 1990	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	2 CFR 200.341	No	Necessary without substantive public interest
	<b>SECTION .1200 - CONTINGENCY PROJECTS</b>	04 NCAC 19L .1201	DESCRIPTION	Eff. March 1, 1986	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.482	No	Necessary without substantive public interest
		04 NCAC 19L .1202	ELIGIBILITY REQUIREMENTS	Amended Eff. June 1, 1994	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.482	No	Necessary without substantive public interest
		04 NCAC 19L .1203	SELECTION CRITERIA	Amended Eff. September 1, 1990	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.482	No	Necessary without substantive public interest
	<b>SECTION .1700 - SCATTERED SITE HOUSING CATEGORY</b>	04 NCAC 19L .1701	DESCRIPTION	Amended Eff. August 1, 2002	Unnecessary	No		No	Unnecessary
		04 NCAC 19L .1702	ELIGIBILITY REQUIREMENTS	Amended Eff. August 1, 2002	Unnecessary	No		No	Unnecessary
		04 NCAC 19L .1703	SELECTION CRITERIA	Amended Eff. August 1, 2002	Unnecessary	No		No	Unnecessary
	<b>SECTION .1800 - NORTH CAROLINA DEVELOPMENT LOAN FUND</b>	04 NCAC 19L .1801	GENERAL	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570 Subpart M	No	Necessary without substantive public interest
		04 NCAC 19L .1802	ELIGIBLE ACTIVITIES	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.703	No	Necessary without substantive public interest
		04 NCAC 19L .1803	ELIGIBILITY REQUIREMENTS	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570 Subpart M	No	Necessary without substantive public interest
		04 NCAC 19L .1804	SIZE OF LOAN APPROVALS	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570 Subpart M	No	Necessary without substantive public interest

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		04 NCAC 19L .1805	SELECTION CRITERIA	Eff. August 1, 1998	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570 Subpart M	No	Necessary without substantive public interest
	<b>SECTION .2000 - INFRASTRUCTURE</b>	04 NCAC 19L .2001	DESCRIPTION	Amended Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .2002	ELIGIBILITY REQUIREMENTS	Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest
		04 NCAC 19L .2003	SELECTION CRITERIA	Eff. August 1, 2002	Necessary without substantive public interest	Yes If yes, include the citation to the federal law	24 CFR 570.489	Yes	Necessary without substantive public interest

**EXAMPLE**

Agency	Rule	Name	Type of Comment	Comment	Agency Response
<b>Copy all columns in this row to the right of this yellow cell and paste in new rows</b>					
Department of Commerce	04 NCAC 19L	North Carolina Community Development Block Grant Program	Select One	<p>From: Teresa Campo To: Wilson, Mary E Subject: [External] My Inquiry About Rules - 04 NCAC 19L Date: Thursday, December 7, 2017 3:02:03 PM</p> <p>Please provide guidance in the regulations regarding affordability periods.</p> <p>Teresa V. Campo, MPA, CZO, CDA Community Development Coordinator Planning Department City of Monroe PO Box 69 Monroe, NC 28111 p. 704.282.4526 f. 704.282.4735 tcampo@monroenc.org "E-mail correspondence to and from this address may be subject to North Carolina's public records laws and if so, may be disclosed."</p>	We do not believe this is a public comment as defined in G.S. 150B-21.3(a)(5), but rather a recommendation that DOC engage in further rulemaking on this issue. DOC will review this suggestion.
			Other Statement	<p>From: Teresa Campo To: Wilson, Mary E Subject: [External] CDBG Scattered Sites - Administrative Rules Date: Thursday, December 7, 2017 3:04:19 PM</p> <p>Can you call me when you have a chance, thank you.</p>	We do not believe this is a public comment as defined in G.S. 150B-21.3(a)(5).
			Other Statement	<p>Teresa V.  Campo, MPA, CZO, CDA Community Development Coordinator Planning Department City of Monroe PO Box 69 Monroe, NC 28111 p. 704.282.4526 f. 704.282.4735 tcampo@monroenc.org "E-mail correspondence to and from this address may be subject to North Carolina's public records laws and if so, may be disclosed."<sup>3</sup> See Attachment</p>	Included in Attachment

## REVIEW OF THE NC DEPARTMENT OF COMMERCE'S 04 NCAC 19L REGULATIONS AS THEY PERTAIN TO THE NC DEPARTMENT OF ENVIRONMENTAL QUALITY'S COMMUNITY DEVELOPMENT BLOCK GRANT-INFRASTRUCTURE PROGRAM

Session Law 2013-413 requires that all agency regulations be publicly reviewed at least once every ten years. The North Carolina Department of Commerce's (NCDOC) regulations are currently under public review; this document comprises the public comment from the North Carolina Department of Environmental Quality. These regulations include Commerce infrastructure project requirements. Comments are due December 31, 2017.

As you may be aware the North Carolina Department of Environmental Quality (NCDEQ) has been discussing a new Memorandum of Understanding (MOU) with the NCDOC regarding the administration of the state Community Development Block Grants (CDBG) related to the infrastructure category. Part of these discussions have included the applicability of the NCDOC rules and NCDEQ has communicated that in our opinion these rules are not applicable to NCDEQ. Even though these discussions continue, a final determination has not been reached and, therefore, NCDEQ has determined it is prudent to provide comments during the public comment period. Broadly, rules within 04 NCAC 19L that may (or may not) be applicable to the infrastructure category or the administration of such projects do constitute rules that are either necessary with substantive public interest (i.e., if the rules are determined applicable to NCDEQ) or are not needed (i.e., if the rules are determined not applicable to NCDEQ). NCDEQ does not agree for the infrastructure category that the NCDOC has the rule making authority to implement rules as outlined below. Depending on the resolution of the applicability question, NCDEQ may also have additional comments on the ambiguity and necessity of the rules.

In 2013, the North Carolina General Assembly appropriated Community Development Block Grant funds to the then-North Carolina Department of Environment and Natural Resources (NCDENR), now the North Carolina Department of Environmental Quality (NCDEQ). NC Session Law 2013-363, Section 5.3, stated the Water Infrastructure Division of the North Carolina Department of Environment and Natural Resources was provided the responsibility for *"...administering the program whereby local government units are awarded funds by the State Water Infrastructure Authority created in Section 14.21(b) of this act for infrastructure projects from the community development block grant funds."* Session Law 2013-363 went further and stated in Section 15.14(g): *"For purposes of this section, eligible activities under the category of infrastructure in subsection (a) of this section shall be defined as provided in the HUD State Administered Community Development Block Grant definition of the term "infrastructure" are limited to critical public water and wastewater projects. **Notwithstanding any State law or rule, eligible activities as defined in this subsection are limited only by applicable HUD regulations and federal law.**"*

The NCDEQ Division of Water Infrastructure sees itself as a separate, equal entity to the NCDOC Division of Rural Economic Development subject only to the state laws, federal laws, federal regulations and executive orders issued by the federal government. We do not believe that this program is subject to the 04 NCAC 19L regulations promulgated by the Department of Commerce, but we are dedicated to complying with all applicable federal requirements.

NCDEQ will not comment on regulatory requirements that do not impact the infrastructure program; it will only comment on the regulations that address infrastructure and the administration of the program. The pertinent regulations from 04 NCAC 19L are listed in a table on the following pages, and describes how NCDEQ follows state statute and federal law and regulation to comply with the requirements of the Community Development Block Grant Program as administered by the U.S. Department of Housing and Urban Development.

*DOC RESPONSE:*

*DOC is the cognizant agency accountable to HUD for the State CDBG program. NCDEQ is correct that S.L. 2013-360 transferred federal block grant funds allocated to the infrastructure category from NCDOC to NCDEQ; subsequent appropriations acts have maintained similar allocations and DOC reimburses DEQ for costs according to those allocations. An initial MOU was entered into between the agencies in 2015 to encompass this allocation of funds, and NCDEQ and NCDOC are in the processes of developing a new agreement to address various concerns with the initial agreement raised by HUD.*

*While DEQ now administers critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-360, as amended by Section 5.16(c) of S.L. 2013-363 and Section 15.14.(g) of S.L. 2014-100, DOC continues to administer various grants that include components viewed by HUD to be infrastructure, such as broadband infrastructure, infrastructure components of Economic Development and Neighborhood Revitalization grants and infrastructure grants made through deobligated funds. 04 NCAC 19L continues to be the means by which DOC complies with N.C.G.S. § 150B in its administration of Community Development Block Grant funds. Rule specific comments provided by DEQ are addressed below.*



<b>Regulation Cite</b>	<b>Title</b>	<b>Purpose of regulation</b>	<b>Comments from NCDEQ</b>	<b>DOC Response</b>
04 NCAC 19L .0403	Size and Use of Grants made to Recipients	Establishes maximum award amounts for each category of grant and establishes a maximum annual award per local government	The maximum award of \$850,000 per infrastructure award, set in 2002, is established in this regulation. The maximum award set by the State Water Infrastructure Authority (SWIA) for all DEQ CDBG water infrastructure awards is \$2.0 million. SWIA has the authority over these funds (SL 2013-360 section 14.21(a); and section 14.21(b) amending GS 159G-71(4) and (8), and 159G-30.	<i>This does not appear to be an objection to this maximum, but rather points to a policy on maximums used by the SWIA. As noted above DOC continued to have administrative responsibility for certain infrastructure programs, and the rulemaking authority for those programs under N.C.G.S. § 143B-430(c). As such we believe this comment is without merit as it pertains to 19L and is not a public comment as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .0407	Grant Application Requirements	Describes the requirements of each grant category	State statute under 159G-71 (3) and (4) places the authority to establish grant and loan application requirements with the State Water Infrastructure Authority.	<i>Not an objections as defined by § 150B-21.3(a)5. DEQ's separate authority under § 159G-71 is without merit as it pertains to 04 NCAC 19L and DOC's authority to administer its CDBG programs.</i>
04 NCAC 19L .0901	Grant Agreement	Describes the requirements for grant agreements with the NCDOC	SL 2013-363 establishes infrastructure grant administration in the NCDEQ, see SL 2013-363 section 15.15(a), subject to federal regulation only per 2013-363, section 15.14(g).	<i>Not an objection as defined by § 150B-21.3(a)5. An objection based upon DEQ's separate authority under § 159G-71 is without merit as it pertains to 04 NCAC 19L and DOC's authority to administer its CDBG programs.</i>

04 NCAC 19L .0902	Method of Administration	Describes various arrangements for administration of grant awards.	SL 2013-363 establishes infrastructure grant administration in the NCDEQ, see SL 2013- 363 section 15.15(a), subject to federal regulation only per 2013-363, section 15.14(g).	<i>Not an objection as defined by § 150B- 21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i>
04 NCAC 19L .0903	Method of Payment	Describes conditions for payment to grantees. Describes penalty for three-day-rule violations.	SL 2013-363 establishes infrastructure grant administration in the NCDEQ, see SL 2013- 363 section 15.15(a), subject to federal regulation only per 2013-363, section 15.14(g).	<i>Not an objection as defined by § 150B- 21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i>
04 NCAC 19L .0906	Financial Management Systems	Describes financial management requirements for grantees	SL 2013-363 establishes infrastructure grant administration in the NCDEQ, see SL 2013- 363 section 15.15(a), subject to federal regulation only per 2013-363, section 15.14(g). The current federal regulation of 2 CFR Part 200 supersedes OMB Circular A-87 and A- 110, and is what the NCDEQ follows.	<i>Not an objection as defined by § 150B- 21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i>  <i>As of December 26, 2016, various OMB circulars were revised into a new uniform</i>

				<p><i>guidance format 2 CFR 200. A-87 and A110 are now found at 2 CFR 225 and 2 CFR 215 respectively. DOC is aware of this consolidation and intends to update this rule upon completion of the Periodic Review Process, however compliance with the underlying requirements remains necessary.</i></p>
04 NCAC 19L .0908	Procurement Standards	Describes requirements for procurement of goods and services for grantee local governments.	NCDEQ CDBG program is subject to federal regulation only per 2013-363, section 15.14(g). The current federal regulation of 2 CFR Part 200 supersedes OMB Circular A-87 and A-110, and is what the NCDEQ follows.	<p><i>Not an objection as defined by § 150B-21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i></p> <p><i>As of December 26, 2016, various OMB circulars were revised into a new uniform guidance format 2 CFR 200. A-87 and A110 are now found at 2 CFR 225 and 2 CFR 215 respectively. DOC is aware of this consolidation and intends to update this rule upon completion of the Periodic Review Process, however compliance with the</i></p>

				<i>underlying requirements remains necessary.</i>
04 NCAC 19L .0909	Property Management Standards	Describes requirements for the management of real and personal property for local government grantees.	NCDEQ CDBG program is subject to federal regulation only per 2013-363, section 15.14(g). The current federal regulation of 2 CFR Part 200 supersedes OMB Circular A-87 and A-110, and is what the NCDEQ follows.	<p><i>Not an objection as defined by § 150B-21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i></p> <p><i>As of December 26, 2016, various OMB circulars were revised into a new uniform guidance format 2 CFR 200. A-87 and A110 are now found at 2 CFR 225 and 2 CFR 215 respectively. DOC is aware of this consolidation and intends to update this rule upon completion of the Periodic Review Process, however compliance with the underlying requirements remains necessary.</i></p>
04 NCAC 19L .0910	Program Amendments	Describes procedures for amending the scope or budget	NCDEQ administers the CDBG infrastructure funds, per NC GS 159G-30.	<i>Not an objection as defined by § 150B-21.3(a)5 and without merit as applied to 19L.</i>

		of a grantee's project.		<i>DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i>
04 NCAC 19L .0911	Recordkeeping	Describes recordkeeping requirements for grantees.	NCDEQ complies with 2 CFR Part 200, 24 CFR Part 570.506, and NCGS 132.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .0912	Audit	Describes requirements for Commerce audits and annual audits performed for the Local Government Commission	NCDEQ complies with 24 CFR Part 570.492 and 2 CFR Part 200.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .0913	Grant Closeouts	Describes grant close out procedures for grantee local governments.	NCDEQ complies with 2 CFR Part 200.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .0914	Conflicts of Interest	Defines terms used in 24 CFR Part 570.489(h).	NCDEQ complies with 24 CFR Part 570.489(h) and 2 CFR Part 200.112.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1001	Equal Opportunity and Nondiscrimination	Describes the various federal laws, regulations and executive orders required by the program.	NCDEQ complies with Civil Rights Act of 1964, (P.L. 88-352), the Civil Rights Act of 1968 (P.L. 90-284), Section 109 of the HCDA of 1974 (P.L. 93-383), the Age Discrimination Act of 1975, Section 504 of the rehabilitation Act of 1973, Executive	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>

			Order (EO) 11063, EO 12259, EO 11246, Section 3 of the HUD Act of 1968 (P.L. 90-448), regulations under Title VI of the Civil Rights Act of 1964, 24 CFR Part 130, 24 CFR Part 135, and 24 CFR Part 107, and will enforce these and P.L. 101-336 in its grantee communities.	
04 NCAC 19L .1002	Citizen Participation	Describes state requirements for citizen participation in the program.	NCDEQ follows 24 CFR Part 570.486 in the same manner as 49 other states do: it requires one public hearing prior to the local government's submission of the application to the State, with a second public hearing required at the close-out of the project. A public hearing is also required when the contract for the project is amended, due to changes in project scope or budget.	<i>19L .1002 comports with 24 CFR 570.486. This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1004	Environmental Review	Describes environmental review requirements and the regulations grantees are required to follow.	NCDEQ follows an after-action monitoring plan, involving training local governments to conduct an environmental review themselves, and complies with 24 CFR Part 58, and 24	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>

			CFR Part 570.487. The program was designed with the assistance of the Region 4 environmental specialist.	
04 NCAC 19L .1006	Labor Standards	Describes the federal labor standards grantees are required to meet.	NCDEQ ensures grantee compliance with the Davis-Bacon Act, Contract Work Hours and Safety Standards Act, the Fair Labor Standards Act, and the federal anti-kickback laws.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1008	Hatch Act	Describes Hatch Act compliance for both state and local government staff.	NCDEQ complies with the Hatch Act.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1012	Clearinghouse Review	Describes grantee interactions between the environmental review clearinghouse and the Division.	NCDEQ follows an after-action monitoring plan, involving training local governments to conduct an environmental review themselves, and complies with 24 CFR Part 58, and 24 CFR Part 570.487. The program was designed with the assistance of the Region 4 environmental specialist.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1101	Reporting	Describes grantee requirements for submitting	NCDEQ submits data from our grantees as requested by NCDOC	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>

		reports to NCDDOC.	for their reporting to HUD.	
04 NCAC 19L .1102	Monitoring by the Recipient	Requires the grant recipient to monitor project progress.	NCDEQ requires detailed quarterly reports from the grantees to document that the grant recipients are monitoring project progress.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1103	Monitoring by the NCDDOC	Describes monitoring required by NCDDOC and the review criteria used by the staff.	NCDEQ has been monitored by NCDDOC, and is waiting on a final report. NCDEQ monitors every project awarded according to an SOP, and according to a risk assessment performed before the grant is contracted.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>
04 NCAC 19L .1104	Remedies	Describes remedies that NCDDOC may take for noncompliant grantees.	SL 2013-363 establishes infrastructure grant administration in the NCDEQ, see SL 2013-363 section 15.15(a), subject to federal regulation only per 2013-363, section 15.14(g). NCDEQ enforces using its own remedies, schedules, and technical assistance, per 24 CFR Part 570.492.	<i>Not an objection as defined by § 150B-21.3(a)5 and without merit as applied to 19L. DEQ's administration of critical public water and wastewater projects with its infrastructure allocation under S.L. 2013-363 does not preclude DOC's authority to administer its CDBG programs.</i>
04 NCAC 19L .2001	Description (Infrastructure)	Describes what kinds of infrastructure may be funded	NCDEQ follows 24 CFR Parts 570.482 and 570.489.	<i>This does not appear to be an objection as defined by § 150B-21.3(a)5.</i>



04 NCAC 19L .2002	Eligibility Requirements (Infrastructure)	Describes who is eligible for infrastructure grants	NCDEQ follows 24 CFR Part 570.482, - .483, and -.484 in determining eligibility. Also, NCDEQ follows GS 159G-71 regarding award of said grants.	<i>This does not appear to be an objection as defined by § 150B- 21.3(a)5.</i>
04 NCAC 19L .2003	Selection Criteria (Infrastructure)	Describes selection criteria for grant awards	NCDEQ follows GS 159G-71 regarding award of said grants.	<i>This does not appear to be an objection as defined by § 150B- 21.3(a)5.</i>