



City Council Agenda

Thursday, December 14, 2023

6:00 PM

City Hall

Cell phones are to be turned off or placed on vibrate during the meeting. Please exit the Council Chambers before using your cell phone.

The agenda is prepared and distributed on Friday preceding the meeting to Council and news media. A work session is then held on the Tuesday preceding the regular meeting at 4:00 pm.

I. Call to Order

II. Pledge of Allegiance and Moment of Silent Prayer

III. Approval of Minutes

October 24, November 7, and November 9, 2023.

IV. Organization and Procedure of City Council

1. Oath of Office administered to City Council Members Langford, Clay, Parsley-Hubbard, and Sweat.
2. Establishment of time and place for Council's regular meetings and work sessions.
3. Election of Mayor Pro-Tem for CY2024.

V. Presentations

1. Presentation of a retirement plaque recognizing Brian Dunlap for over 31 years of service with the City of Concord.

Brian Dunlap is retiring after 31 years and 6 months of service to the City of Concord. He began his career operating a leaf machine and knuckle boom truck. Brian was then given the opportunity to join the Traffic Services Division of the Transportation Department where he has spent much of his profession. Brian led the sign shop in the fabrication of thousands of traffic control signs, pavement markings, detours for utilities, events, and construction. Brian's leadership and work ethic will be greatly missed.

2. Presentation of retirement plaque to Gene Sechler for over 28 years of service with the City of Concord.

Gene began his career with the City of Concord in September of 1995 in the Engineering Department as an Engineering Tech I. In this position, Gene operated the field surveying instruments. In October of 1996, he transferred within the department to become CAD Technician I, and in May of 2000, was promoted to CAD Technician II. During his long career with the City, he worked on multiple water lines, sewer lines, and storm water projects. Gene's attention to detail creating design drawings saved the City money when bidding due to their accuracy and thoroughness. Gene provided excellent customer service to his internal customers and coworkers and will be sorely missed.

3. Presentation of retirement plaque to Captain Larry Hubbard for over 25 years of loyal and dedicated service with the City of Concord Police Department.

Captain Hubbard is retiring from the Concord Police Department on January 1, 2024. Captain Hubbard began his career as a patrol officer with the Charlotte-Mecklenburg Police Department in June 1994. Captain Hubbard's employment with the City of Concord started in September 1998 when he worked on patrol as an officer and served as a field training officer. He was promoted to Sergeant, Lieutenant, and Captain during his tenure. He served as a Watch Commander, SWAT, Planning and Logistics team, and Criminal Investigation Division. Captain Hubbard was a recipient of the Department's Officer of the Year Award, Medal of Meritorious Conduct, LifeSaver Award, Excellence in Police Services, and the Chief's Superior Leadership Award.

VI. Unfinished Business

VII. New Business

A. Informational Items

1. Presentation by Youth Council President, Tariq Johnson.

The President of Youth Council will provide an update to Council on CYC's accomplishments and service for the 2023 school year.

2. Presentation of the Independent Auditor's report on the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023.

G.S. 159-34 requires each unit of local government or public authority to have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts. The auditor shall be selected by and report directly to the governing board. As a minimum, the required report shall include the financial statements as prepared in accordance with generally accepted accounting principles, all disclosures in the public interest required by law, and the auditor's opinion and comments relating to the financial statements. A copy of the report is available on the City's website at: <https://concordnc.gov/Portals/0/Concord/Departments/Finance/Documents/Financial%20Archive%2023%20ACFR.pdf?ver=1vILx0TG25bzmR1SBwAqLw%3d%3d>

B. Departmental Reports

1. Downtown Streetscape Project update
2. Parks & Recreation Bond update

C. Recognition of Persons Requesting to be Heard

D. Public Hearings

E. Presentations of Petitions and Requests

1. Consider a motion to approve the purchase of 438 Allison Street NW. from Daniel Klussmeier for \$190,000 using Community Development Block Grant funds.

Earlier this year, Council approved the purchase of 228, 234, 236, and 240 McGill Avenue NW along with a vacant lot located on Allison Street NW in the Gibson Village Community. These properties were purchased with the goal of revitalizing the area by partnering with local non-profits to address the lack of food access and create a business incubator.

As work continues to demolish the existing structures, the property owner located behind 228 McGill Avenue NW has expressed his desire to sell. If purchased, this parcel will allow greater flexibility with the layout of the sites.

Tax value for the parcels is \$82,280. The home was sold to Mr. Klussmeier in 2018 at a cost of \$162,000. An offer, contingent on Council approval, has been accepted by the owner for \$190,000. If approved, Community Development Block Grant funds would be used for the purchase.

Recommendation: Motion to approve the purchase of 438 Allison Street NW. from Daniel Klussmeier for \$190,000 using Community Development Block Grant funds.

2. Consider approving the Concord Co-Sponsorship application for the MLK, Jr. Memorial March and Wreath Laying Ceremony on January 15, 2024.

Applicant is requesting in-kind services consisting of police officers to help with traffic and safety of participants during the Memorial March and at the Wreath Laying Ceremony, use of electricity at the MLK Plaza, a CK Rider small vehicle and driver to collect and deliver non-perishable items to Cooperative Christian Ministry, and a Parks and Recreation vehicle and driver to provide transportation for the March and Wreath Laying Ceremony participants, during the event. *Applicant is currently finalizing insurance quotes to secure coverage for this event and this approval will be contingent on successfully obtaining insurance coverage to meet the City requirements.*

Recommendation: Motion to approve the Concord Co-Sponsorship application for the MLK, Jr. Memorial March and Wreath Laying Ceremony on January 15, 2024.

3. Consider authorizing the City Manager to negotiate and execute a contract with Carolina Siteworks, Inc. for the construction of the Zion Church Rd. Water Line Extension.

The Zion Church Rd. Water Line Extension project consists of the installation of approximately 3,184 ± linear feet of 12" water main providing a loop system on Zion Church Rd. and replacing the existing 8" water line for the purpose of improving the water supply system. The project was bid under the formal bidding process. Bids were taken on October 31, 2023 and six (6) bids were received. The lowest responsible bidder was Carolina Siteworks, Inc. in the amount of \$1,023,861.85. The bid amount is under the budgeted amount.

Recommendation: Motion authorizing the City Manager to negotiate and execute a contract with Carolina Siteworks Inc. in the amount of \$1,023,861.85 for the construction of the Zion Church Rd. Water Line Extension.

4. Consider adopting a General Fund Capital Project Fund project budget amendment.

Staff is recommending that the funds not needed for the solidwaste shed project be moved to the future projects account. The shed came in \$1,458,981 under budget. The balance remaining in the project is due to scope reduction. The original scope of the project included a mezzanine, elevator lift, and conditioned office space. Scope was reduced to just include a restroom and open air shed. The funds in the future projects account will be used for projects in the CIP in future years.

Recommendation: Motion to adopt a General Fund Capital Project Fund project budget amendment.

5. Consider appointing or reappointing two members (1 board member and 1 alternate) to serve on the Centralina Regional Council Board of Delegates for CY 2024.

The Centralina Regional Council Board of Delegates is comprised of elected officials from the counties and municipalities throughout the region. Each member government should appoint an elected official to serve on the Board of Delegates. It is suggested that each member government also appoint at least one other elected official to serve as an Alternate to attend Board of Delegates meetings in the Delegate's absence. Currently, Council Member Langford serves as the appointed member. A new alternate member will need to be appointed to the Board.

Recommendation: Motion to appoint two members (1 board member and 1 alternate) to serve on the Centralina Regional Council Board of Delegates for CY 2024.

6. Consider making appointments or reappointments to the Transportation Advisory Committee (TAC) and the Technical Coordinating Committee (TCC) of the Cabarrus-Rowan Urban Area Metropolitan Planning Organization (CRMPO).

Each year, the North Carolina Department of Transportation (NCDOT) requires the MPO to supply a list of current TAC and TCC representatives and alternates. Currently, Mayor Pro-Tem McKenzie serves as the appointed member to the TAC and Council Member Crawford serves as the alternate. Transportation Director, Phillip Graham, serves as the appointed member to the TCC and Assistant City Manager, LeDerick Blackburn, serves as the alternate. The City Manager recommends the TCC appointees remain the same.

Recommendation: Motion to make appointments or reappointments to the Transportation Advisory Committee (TAC) and the Technical Coordinating Committee (TCC) of the Cabarrus-Rowan Urban Area Metropolitan Planning Organization (CRMPO).

7. Consider making an appointment to the CDDC Board of Directors. Assistant City Manager, Pam Hinson, currently serves on this Board. She is retiring; therefore, a new appointment needs to be

made. The City Manager recommends Assistant City Manager, Josh Smith, be appointed to serve the unexpired term until June 30, 2024.

Recommendation: Motion to appoint Assistant City Manager, Josh Smith, to the CDDC Board of Directors to fill an unexpired term until June 30, 2024.

VIII. Consent Agenda

A. Consider authorizing the City Manager to execute the 2023-2024 Grassroots Grant award agreement in the amount of \$10,000.

The City of Concord/ ClearWater Arts Center & Studios was awarded the 2023-2024 Grassroots Grant award from Cabarrus Arts Council in the amount of \$10,000. Acceptance of the 2023-2024 Grassroots Grant award agreement will help underwrite the proposed T-Shirt Design Contest 2024 project by funding the hard costs of T-shirt printing, marketing, and Honoraria Stipends for the (4) winning artists.

This facilitates ClearWater's ability to provide a new level of intensive marketing and outreach to area artists with a new emphasis on reaching local artists who may hail from different cultural backgrounds or perspectives focusing on the arena of fashion and graphic design and to help them showcase their talents as well as provide a financial boost to the winners' creative endeavors / businesses. The project will also produce T-shirts that ClearWater can sell to help market both the designers and the Arts Center, and in the process, ClearWater/ City staff will receive coaching in and collaboration on advanced social media marketing techniques from the Project Partner, Studio Print Shop (located on McGill Avenue across from Gibson Mill).

Recommendation: Motion to authorize the City Manager to execute the 2023-2024 Grassroots Grant award agreement attached and adopt a budget ordinance to appropriate the funds.

B. Consider authorizing the Diversity, Equity, and Inclusion Strategist to apply for a \$25,000 Language Access Grant.

The City of Concord has been involved with the Local Government Language Access Collaborative Program offered through The University of North Carolina at Chapel Hill since January 2022. The city-community collaboration is tasked with submitting a final plan for program review before submitting it to City Council for review. Part of the program is a request for a \$25,000 grant supplied by UNC Chapel Hill. The grant will be used to cover the initial costs of program implementation.

Recommendation: Motion to authorize the Diversity, Equity, and Inclusion Strategist to apply for a \$25,000 Language Access Grant.

C. Consider allowing the City of Concord Electric Systems to apply for the Energy Efficiency and Conservation Block Grant (EECBG) in the amount of \$153,940.

In April 2023, the City of Concord Electric Department was selected to apply for an Energy Efficiency and Conservation Block Grant (EECBG) in the amount of \$153,940.

The EECBG's purpose is to support state, local, and tribal governments to reduce fossil fuel emissions, reduce their total energy usage, and improve energy efficiency in the transportation, building, and other sectors.

The total funds appropriated by the government are \$550M across state, local and tribal governments with 1,878 local governments receiving \$299.9 million of those funds.

Recommendation: Motion to approve grant application for the Energy Efficiency and Conservation Block Grant (EECBG) in the amount of \$153,940.

D. Consider authorizing the Concord Police Department to accept the COPS Office FY 23 Law Enforcement Agency De-Escalation Grant-Community Policing Development Solicitation Grant

Award in the amount of \$105,320 over 2 years for the purchase of virtual reality training systems.

The Law Enforcement Agency De-Escalation Grants Solicitation is to direct funding to allow state and local agencies the ability to participate in de-escalation, implicit bias, and duty to intervene train-the-trainer programs to establish internal de-escalation implicit bias, and duty to intervene training programs, and/or the purchase of VR/AR de-escalation training technology to support and maintain officer de-escalation techniques. Each Law Enforcement Agency De-Escalation award is for two years (24 months) and there is no local match required.

Recommendation: Motion to authorize the Concord Police Department to accept the COPS Office FY 23 Law Enforcement Agency De-Escalation Grant Community Policing Development Solicitation Grant Award in the amount of \$105,320 over 2 years for the purchase of virtual reality training systems.

E. Consider authorizing the Concord Police Department to apply for grant funding from the NC Governor's Highway Safety Administration aimed at preventing traffic related deaths and injuries on streets and highways in the City of Concord.

The grant money would be used on overtime expenses, up to \$25,000, for traffic safety enforcement. The grant does not require a local match from the City. The application is due January 31, 2024. Grants awarded will be for the 2025 federal fiscal year, which begins October 1, 2024.

Recommendation: Motion to authorize the Concord Police Department to apply for grant funding from the NC Governor's Highway Safety Administration aimed at preventing traffic related deaths and injuries on streets and highways in the City of Concord.

F. Consider approving revised policies for Citizen Participation Plan, Affirmative Marketing Plan, and Section 3 Plan to include new requirements.

As an entitlement City, Concord annually receives Community Development Block Grant (CDBG) and HOME Investment Partnership Program funding from the Department of Housing and Urban Development (HUD). As such, Concord is responsible for ensuring all activities follow regulation changes which are routinely monitored by HUD. During recent HUD trainings, variations were noted between Concord's existing Plans (Citizen Participation, Affirmative Marketing, and Section 3) and required programmatic updates. The revised policies and procedure manual is now fully in compliance. All edits and corrections were guided by the Consortium HUD representative.

Recommendation: Motion to approve revised policies for Citizen Participation Plan, Affirmative Marketing Plan, and Section 3 Plan to include new requirements.

G. Consider approving an addition to the policies and procedures for the City of Concord HOME Consortium Manual, City of Concord HOME Manual, and Community Development Block Grant Manual to include fraud and abuse.

As the lead entity for the Cabarrus/Iredell/Rowan HOME Consortium, Concord is responsible for reporting activities and accomplishments to the Department of Housing and Urban Development (HUD) for all Consortium activities. As such, Concord is responsible for updating and amending policy changes released by HUD and disseminating new regulations to Consortium Members as well as subrecipients. In recent months HUD has released additional training related to fraud and abuse. It was determined certain citations were omitted in Concord's policies. This action will approve the additions to all manuals.

Recommendation: Motion to approve an addition to the policies and procedures for the City of Concord HOME Consortium Manual, City of Concord HOME Manual, and Community Development Block Grant Manual to include fraud and abuse.

H. Consider approving the 2024 Payment Standards for the Housing Choice Voucher Program to be effective on January 1, 2024.

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 requires housing authorities to establish a Housing Choice Voucher payment standard between 90% and 110% of the Fair Market Rents (FMRs), published by the U.S. Department of Housing and Urban Development (HUD), for applicable bedroom and unit sizes. The payment standard is used to calculate the amount of the monthly subsidy paid to landlords and takes into account tenant-paid utilities. The QHWRA also includes a provision that tenants initially receiving Housing Choice Voucher (HCV) tenant-based rental assistance may not be required to pay more than 40% of adjusted monthly income for rent and utilities. On August 31, 2023, HUD published a notice of FMRs that became effective on October 1, 2023. An allowance for utilities is included in the FMRs. The 2024 Payment Standards are consistent with the City's Comprehensive Housing Policy, specifically the components related to affordability, availability, and neighborhood stability. The payment standards are also in accordance with the departmental goal to increase and preserve supply of housing to maintain affordability for residents earning 50% or less of the area median income. The area median income for a family of four is currently \$85,100. The 2024 FMRs increased for all unit sizes. Due to the increase in FMRs and the analysis of the success rate of current voucher holder's ability to enter into assisted tenancies, the 2024 Payment Standards will increase from the 2023 Payment Standards. To determine appropriate payment standards for the HCV Program, staff reviewed the share of program participant's adjusted gross income paid towards rent and utilities over the past year to evaluate Rent Burden. Projections show an overall lowering of Rent Burden for program participants under the new Payment Standards. The attached table reflects the 2024 FMR and the proposed 2024 Payment Standards.

Recommendation: Motion to approve the 2024 Payment Standards for the Housing Choice Voucher Program to be effective on January 1, 2024.

I. Consider accepting an Offer of Dedication of utility easements and public rights-of-ways in various subdivisions.

In accordance with CDO Article 5, the following final plats and easements are now ready for approval: The Mills at Rocky River Townhomes and Christenbury Townhomes Phase 3. Various utility easements and public rights-of-way are offered by the owners.

Recommendation: Motion to accept the offer of dedication on the following plats and easements: The Mills at Rocky River Townhomes and Christenbury Townhomes Phase 3.

J. Consider accepting an offer of infrastructure at Cannon Run Subdivision PH 1A, Piper Landing Subdivision PH 1 MP 3 and PH 2 Map 1, and Skybrook Corners Subdivision.

In accordance with CDO Article 5, improvements have been constructed in accordance with the City's regulations and specifications. The following are being offered for acceptance: 757 LF of 12-inch water line, 5,370 LF of 8-inch water line, 2,349 LF of 6-inch water line, 204 LF of 2-inch water, 37 valves and 15 fire hydrants, 9,677 LF of 8-inch sanitary sewer line and 57 manholes.

Recommendation: Motion to accept an offer of infrastructure at Cannon Run Subdivision PH 1A, Piper Landing Subdivision PH1 MP3 and PH2 MP1, and Skybrook Corners Subdivision.

K. Consider adopting an ordinance amending the Rates and Charges Schedule for the Aviation Department to increase parking rates.

This Rates and Charges Schedule change would increase the parking rates in the commercial terminal parking deck to \$14/day from the current rate of \$12/day. Due to upcoming improvements in the parking deck, it is recommended to increase the rate 16% to offset the expense. This rate increase will be effective January 1, 2024.

Recommendation: Motion to adopt an ordinance amending the Rates and Charges Schedule parking rate increase for the Aviation Department.

L. Consider adopting budget ordinance amendments to amend the FY 2023/2024 budget for various funds impacted by the implementation of the compensation study recommendations.

At the second work session in November, Council approved the implementation of the compensation study recommendations related to changes to the compensation structure. These changes will be implemented effective January 8th and will be funded by a transfer from the self insurance fund reserves. The attached budget amendments for the various funds adjusts the budget for this transfer and the estimated impact of the compensation structure changes.

Recommendation: Motion to adopt budget ordinance amendments to amend the FY 2023/2024 budget for various funds impacted by the implementation of the compensation study recommendations.

M. Consider acceptance of the Tax Office reports for the month of October 2023.

The Tax Collector is responsible for periodic reporting of revenue collections for the Tax Collection Office.

Recommendation: Motion to accept the Tax Office collection reports for the month of October 2023.

N. Consider Approval of Tax Releases/Refunds from the Tax Collection Office for the month of October 2023.

G.S. 105-381 allows for the refund and/or release of tax liability due to various reasons by the governing body. A listing of various refund/release requests is presented for your approval, primarily due to overpayments, situs errors and/or valuation changes.

Recommendation: Motion to approve the Tax releases/refunds for the month of October 2023.

O. Receive monthly report on status of investments as of October 31, 2023.

A resolution adopted by the governing body on 12/9/1991 directs the Finance Director to report on the status of investments each month.

Recommendation: Motion to accept the monthly report on investments.

IX. Matters not on the Agenda

- Transportation Advisory Committee (TAC)
- Metropolitan Transit Committee (MTC)
- Centralina Regional Council
- Concord/Kannapolis Transit Commission
- Water Sewer Authority of Cabarrus County (WSACC)
- WeBuild Concord
- Public Art Commission
- Concord United Committee

X. General Comments by Council of Non-Business Nature

XI Closed Session (If Needed)

XII. Adjournment

*IN ACCORDANCE WITH ADA REGULATIONS, PLEASE NOTE THAT ANYONE WHO NEEDS AN ACCOMMODATION TO PARTICIPATE IN THE MEETING SHOULD NOTIFY THE CITY CLERK AT (704) 920-5205 AT LEAST FORTY-EIGHT HOURS PRIOR TO THE MEETING.



City Council

2024 Meeting Schedule

Location: 35 Cabarrus Ave, W, Concord, NC 28025

The Concord City Council meets every second Thursday of each month at 6:00 p.m.

A work session is held on the preceding Tuesday at 4:00 p.m.

****A 2nd Work Session will be held from 11:00 a.m. to 1:00 p.m. on Tuesday two weeks following the 1st Work Session ****

The meetings are held in the Council Room of City Hall located at 35 Cabarrus Avenue, West.

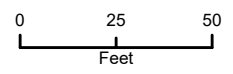
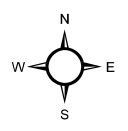
Month	Work Session date	Regular session date	2 nd Work Session date
January	9	11	23
February	6	8	20
March	12	14	26
April	9	11	23
May	7	9	21
June	11	13	25
July	9	11	23
August	6	8	20
September	10	12	24
October	8	10	22
November	12	14	26
December	10	12	*17

The December 2nd Work Session will be held 12/17/24 due to the City offices being closed on the 24th



Klussmeier Property
 438 Allison St NW

- Klussmeier Property
- City Property
- Addresses
- Parcels



1 inch = 50 feet

OFFER TO PURCHASE AND CONTRACT

For valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Buyer offers to purchase and Seller upon acceptance agrees to sell and convey the Property on the terms and conditions of this Offer To Purchase and Contract and any addendum or modification made in accordance with its terms (together the "Contract").

1. TERMS AND DEFINITIONS: The terms listed below shall have the respective meaning given them as set forth adjacent to each term

(a) "Seller": Daniel Klussmeier (unmarried)

(b) "Buyer": City of Concord, a North Carolina municipal corporation

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon and the fixtures and personal property listed in Paragraphs 2 and 3 below.

The Property will will not include a manufactured (mobile) home(s). (If a manufactured home(s) is included, Buyer and Seller should include the Manufactured (Mobile) Home provision in the Additional Provisions Addendum (Standard Form 2A11-T) with this offer.)

Street Address: 438 Allison Street
City: Concord, North Carolina Zip:28025
County: Cabarrus

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit _____, Block/Section _____, Subdivision/Condominium _____, as shown on Plat Book/Slide _____ at Page(s) _____

The PIN/PID or other identification number of the Property is: PIN: 5621-30-7425, Tax ID No. 12-015-0004.00

Other description: See Metes and Bounds Description Listed Below.

Some or all of the Property may be described in Deed Book 13309 at Page 5

(OLD DESCRIPTION)

One lot in Ward No. Five (5) of the City of Concord, N.C. on the East side of Allison Street, adjoining the property of Fred Rowe (now or formerly) and J.W. Propst, Jr. (now or formerly) and described as follows:

BEGINNING at an iron stake six feet from the curb line of Allison Street, a corner of J.W. Propst, Jr., and runs thence with his line, N. 88 1/2 W 100.4 feet to an iron stake, a new corner in the line of Sapp; thence with the line of Sapp, N. 5 3/4 W 54.6 feet to an iron stake, a new corner; thence with the line of Fred Rowe, S. 88 1/2 W. 112 feet to an iron stake, 5 feet from the curb line of Allison Street, a corner of Fred Rowe (now or formerly); thence with Allison Street, S. 4 1/2 E 54.6 feet to the BEGINNING, and in the property conveyed to Hattie Sapp by J.T. Sapp by Deed dated May 23, 1940 and recorded in Deed Book 158, Page 55, Cabarrus County Registry.

(d) "Purchase Price":

\$ 190,000.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 190,000.00

paid in U.S. Dollars upon the following terms:
BY DUE DILIGENCE FEE made payable and delivered to Seller by the Effective Date by [] cash [] personal check [] official bank check [] wire transfer
[] electronic transfer (specify payment service: _____)
BY INITIAL EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by [] cash [] personal check [] official bank check [] wire transfer, [] electronic transfer within five (5) days of the Effective Date of this Contract.
BY (ADDITIONAL) EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) no later than 5 p.m. on _____, TIME BEING OF THE ESSENCE by [] cash [] official bank check [] wire transfer [] electronic transfer.
BALANCE of the Purchase Price in cash at Settlement (some or all of which may be paid with the proceeds of a new loan)

NOTE: If the parties agree that Buyer will pay any fee or deposit described above by electronic or wire transfer, Seller agrees to cooperate in effecting such transfer, including the establishment of any necessary account and providing any necessary information to Buyer, provided, however, Buyer shall be responsible for additional costs, if any, associated with such transfer.

Should Buyer fail to deliver either the Due Diligence Fee or any Initial Earnest Money Deposit by their due dates, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice to deliver cash, official bank check, wire transfer or electronic transfer to the payee. In the event Buyer does not timely deliver the required funds, Seller shall have the right to terminate this Contract upon written notice to Buyer, and Seller shall be entitled to recover the Due Diligence Fee together with all Earnest Money Deposit paid or to be paid in the future. In addition, Seller may be entitled to recover reasonable attorney fees and court costs. See paragraph 23 for a party's right to attorneys' fees incurred in collecting the Earnest Money Deposit or Due Diligence Fee.

(e) **"Earnest Money Deposit"**: The Initial Earnest Money Deposit, the Additional Earnest Money Deposit and any other earnest monies paid or required to be paid in connection with this transaction, collectively the "Earnest Money Deposit", shall be deposited promptly and held in escrow by Escrow Agent until Closing, at which time it will be credited to Buyer, or until this Contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) a condition of any resulting contract is not satisfied, then the Earnest Money Deposit shall be refunded to Buyer. See paragraph 23 for remedies in the event of breach of this Contract.

(f) **"Escrow Agent"** (insert name): N/A _____
Buyer and Seller consent to disclosure by the Escrow Agent of any material facts pertaining to the Earnest Money Deposit to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

(g) **"Effective Date"**: The date that: (1) the last one of Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (2) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be. The parties acknowledge and agree that the initials lines at the bottom of each page of this Contract are merely evidence of their having reviewed the terms of each page, and that the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement.

(h) **"Due Diligence"**: Buyer's opportunity to investigate the Property and the transaction contemplated by this Contract, including but not necessarily limited to the matters described in Paragraph 4 below, to decide whether Buyer, in Buyer's sole discretion, will proceed with or terminate the transaction.

(i) **"Due Diligence Fee"**: A negotiated amount, if any, paid by Buyer to Seller with this Contract for Buyer's right to terminate the Contract for any reason or no reason during the Due Diligence Period. It shall be the property of Seller upon the Effective Date and shall be a credit to Buyer at Closing. The Due Diligence Fee shall be non-refundable except in the event of a material breach of this Contract by Seller, or if this Contract is terminated under Paragraph 23(b) or as otherwise provided in any addendum hereto. Buyer and Seller each expressly waive any right that they may have to deny the right to conduct Due Diligence or to assert any defense as to the enforceability of this Contract based on the absence or alleged insufficiency of any Due Diligence Fee, it being the intent of the parties to create a legally binding contract for the purchase and sale of the Property without regard to the existence or amount of any Due Diligence Fee. See paragraph 23 for a party's right to attorneys' fees incurred in collecting the Due Diligence Fee.

(j) **"Due Diligence Period"**: The period beginning on the Effective Date and extending through 5:00 p.m. on December 18th, 2023, **TIME BEING OF THE ESSENCE.**

(k) **"Settlement"**: The proper execution and delivery to the closing attorney of all documents necessary to complete the transaction contemplated by this Contract, including the deed, settlement statement, deed of trust and other loan or conveyance documents, and the closing attorney's receipt of all funds necessary to complete such transaction. **** See Below.**

DK (Initial) **** This Offer to Purchase and Contract, along with all required addendums will be presented to the Concord City Council for approval of the real property acquisition. Once the Offer to Purchase and Contract is approved by the Concord City Council, this contract will be considered valid and enforceable by all parties. Closing can then be completed 30 days from the DATE OF ACCEPTANCE (BY THE CONCORD CITY COUNCIL). The contract is executed before the presentation of the contract to the Concord City Council as evidence of Good Faith and Intent by all parties to bring this contract to its conclusion.**

(l) **“Settlement Date”**: The parties agree that Settlement will take place on or before **[30 Days from Acceptance by the Concord City Council]**, time being of the essence (the “Settlement Date”), unless otherwise agreed in writing, at a time and place designated by Buyer.

NOTE: See paragraph 12, **DELAY IN SETTLEMENT/CLOSING** for conditions under which Settlement may be delayed.

(m) **“Closing”**: The completion of the legal process which results in the transfer of title to the Property from Seller to Buyer, which includes the following steps: (1) the Settlement (defined above); (2) the completion of a satisfactory title update to the Property following the Settlement; (3) the closing attorney’s receipt of authorization to disburse all necessary funds; and (4) recordation in the appropriate county registry of the deed(s) and deed(s) of trust, if any, which shall take place as soon as reasonably possible for the closing attorney after Settlement. Upon Closing, the proceeds of sale shall be disbursed by the closing attorney in accordance with the settlement statement and the provisions of Chapter 45A of the North Carolina General Statutes. If the title update should reveal unexpected liens, encumbrances or other title defects, or if the closing attorney is not authorized to disburse all necessary funds, then the Closing shall be suspended, and the Settlement deemed delayed under Paragraph 12 (Delay in Settlement/Closing).

(n) **“Special Assessments”**: A charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners’ association in addition to any regular assessment (dues), either of which may be a lien against the Property. *This is also inclusive of any and all CODE ENFORCEMENT penalties assessed against the property.*

2023 Real Property Taxes are due to the County of Cabarrus Tax Collector.

WARNING: The North Carolina State Bar has determined that the performance of most acts and services required for a closing constitutes the practice of law and must be performed only by an attorney licensed to practice law in North Carolina. State law prohibits unlicensed individuals or firms from rendering legal services or advice. Although non-attorney settlement agents may perform limited services in connection with a closing, they may not perform all the acts and services required to complete a closing. A closing involves significant legal issues that should be handled by an attorney. Accordingly, it is the position of the North Carolina Bar Association and the North Carolina Association of REALTORS® that all buyers should hire an attorney licensed in North Carolina to perform a closing.

2. FIXTURES AND EXCLUSIONS:

WARNING: THE PARTIES SHOULD NOT ASSUME THAT AN ITEM WILL OR WILL NOT BE INCLUDED IN THE SALE BASED ON AN ORAL OR WRITTEN STATEMENT OR UNDERSTANDING THAT IS NOT A PART OF THIS CONTRACT. BUYER AND SELLER SHOULD BE SPECIFIC WHEN NEGOTIATING WHAT ITEMS WILL BE INCLUDED OR EXCLUDED FROM THE SALE.

(a) **Fixtures Are Included in Purchase Price:** ALL EXISTING FIXTURES ARE INCLUDED IN THE SALE AS PART OF THE PURCHASE PRICE, FREE OF LIENS, UNLESS EXCLUDED IN SUBPARAGRAPHS (d) OR (e).

(b) **Specified Items:** Buyer and Seller agree that the following items, if present on the Property on the date of the offer, shall be included in the sale as part of the Purchase Price free of liens, unless excluded in subparagraphs (d) or (e) below. ALL ITEMS LISTED BELOW INCLUDE BOTH TRADITIONAL AND "SMART" VERSIONS AND ANY EXCLUSIVELY DEDICATED, RELATED EQUIPMENT AND/OR REMOTE-CONTROL DEVICES.

- Alarm and security systems (attached) for security, fire, smoke, carbon monoxide or other toxins with all related access codes, sensors, cameras, dedicated monitors, hard drives, video recorders, power supplies and cables; doorbells/chimes
- All stoves/ranges/ovens; built-in appliances; attached microwave oven; vent hood
- Antennas; satellite dishes and receivers
- Basketball goals and play equipment (permanently attached or in-ground)
- Ceiling and wall-attached fans; light fixtures (including existing bulbs)
- Fireplace insert; gas logs or starters; attached fireplace screens; wood or coal stoves
- Floor coverings (attached)
- Garage door openers
- Generators that are permanently wired
- Invisible fencing with power supply
- Landscape and outdoor trees and plants (except in moveable containers); raised garden; landscape and foundation lighting; outdoor sound systems; permanent irrigation systems; rain barrels; landscape water features; address markers
- Mailboxes; mounted package and newspaper receptacles
- Mirrors attached to walls, ceilings, cabinets or doors; all bathroom wall mirrors
- Storage shed; utility building
- Swimming pools; spas; hot tubs (excluding inflatable pools, spas, and hot tubs)
- Solar electric and solar water heating systems
- Sump-pumps, radon fans and crawlspace ventilators; de-humidifiers that are permanently wired
- Surface-mounting brackets for television and speakers; recess-mounted speakers; mounted intercom system
- Thermostats
- Water supply equipment, including filters, conditioning and softener systems; re-circulating pumps; well pumps and tanks
- Window/Door blinds and shades, curtain/drapery rods and brackets, door and window screens and combination doors, awnings and storm windows

(c) **Unpairing/deleting data from devices:** Prior to Closing, Seller shall "unpair" any devices that will convey from any personal property devices (hubs, intelligent virtual assistants, mobile devices, vehicles, etc.) with which they are paired, delete personal data from any devices that will convey, and restore all devices to factory default settings unless otherwise agreed. Seller's obligations under this paragraph 2(c) shall survive Closing.

NOTE: ANY FIXTURE OR OTHER ITEM DESCRIBED IN SUBPARAGRAPHS (a) AND (b) THAT WILL NOT BE A PART OF THE SALE SHOULD BE IDENTIFIED IN SUBPARAGRAPHS (d) OR (e), AS APPLICABLE.

(d) **Items Leased or Not Owned:** Any item which is leased or not owned by Seller, such as antennas, satellite dishes and receivers, appliances, and alarm and security systems must be identified here and shall not convey:
N/A _____

In addition, any leased fuel tank identified in paragraph 7(d) shall not convey.

(e) **Other Items That Do Not Convey:** The following items shall not convey (*identify those items to be excluded under subparagraphs (a) and (b)*): N/A _____

Seller shall repair any damage caused by removal of any items excluded above.

3. **PERSONAL PROPERTY:** The following personal property present on the Property on the date of the offer shall be transferred to Buyer at closing at no value: N/A

4. **BUYER'S DUE DILIGENCE PROCESS:**

- (a) **Loan:** Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of the Loan if any.
- (b) **Property Investigation:** Buyer or Buyer's agents or representatives, at Buyer's expense, shall be entitled to conduct all desired tests, surveys, appraisals, investigations, examinations, and inspections of the Property as Buyer deems appropriate, including but NOT limited to the following:
 - (i) **Inspections:** Inspections to determine the condition of any improvements on the Property, the presence of unusual drainage

conditions or evidence of excessive moisture adversely affecting any improvements on the Property, the presence of asbestos or existing environmental contamination, evidence of wood-destroying insects or damage therefrom, and the presence and level of radon gas on the Property.

(ii) **Review of Documents:** Review of the Declaration of Restrictive Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, and other governing documents of any applicable owners' association and/or subdivision. If the Property is subject to regulation by an owners' association, it is recommended that Buyer review the completed Residential Property and Owners' Association Disclosure Statement provided by Seller prior to signing this offer. It is also recommended that the Buyer determine if the owners' association or its management company charges fees for providing information required by Buyer's lender or confirming restrictive covenant compliance.

(iii) **Insurance:** Investigation of the availability and cost of insurance for the Property.

(iv) **Appraisals:** An appraisal of the Property.

(v) **Survey:** A survey to determine whether the property is suitable for Buyer's intended use and the location of easements, setbacks, property boundaries and other issues which may or may not constitute title defects.

(vi) **Zoning and Governmental Regulation:** Investigation of current or proposed zoning or other governmental regulation that may affect Buyer's intended use of the Property, adjacent land uses, planned or proposed road construction, and school attendance zones.

(vii) **Flood Hazard:** Investigation of potential flood hazards on the Property, and/or any requirement to purchase flood insurance in order to obtain the Loan

(viii) **Utilities and Access:** Availability, quality, and obligations for maintenance of utilities including water, sewer, electric, gas, communication services, stormwater management, and means of access to the Property and amenities.

(ix) **Streets/Roads:** Investigation of the status of the street/road upon which the Property fronts as well as any other street/road used to access the Property, including: (1) whether any street(s)/road(s) are public or private, (2) whether any street(s)/road(s) designated as public are accepted for maintenance by the State of NC or any municipality, or (3) if private or not accepted for public maintenance, the consequences and responsibility for maintenance and the existence, terms and funding of any maintenance agreements.

(x) **Special Assessments:** Investigation of the existence of Special Assessments that may be under consideration by a governmental authority or an owners' association.

(c) **Sale/Lease of Existing Property:** As noted in paragraph 5(b), unless otherwise provided in an addendum, this Contract is not conditioned upon the sale/lease or closing of other property owned by Buyer. Therefore, if Buyer must sell or lease other real property in order to qualify for a new loan or to otherwise complete the purchase of the Property, Buyer should seek to close on Buyer's other property prior to the end of the Due Diligence Period or be reasonably satisfied that closing on Buyer's other property will take place prior to the Settlement Date of this Contract.

(d) **Repair/Improvement Negotiations/Agreement:** Buyer acknowledges and understands the following:

- Unless the parties agree otherwise, THE PROPERTY IS BEING SOLD IN ITS CURRENT CONDITION, AS IS, WHERE IS, without warranty.
- Seller may, but is not required to, engage in negotiations for repairs/improvements to the Property.

Buyer is advised to make any repair/improvement requests in sufficient time to allow negotiations to be concluded prior to the expiration of the Due Diligence Period. Any agreement that the parties may reach with respect to repairs/improvements is an addition to this Contract that must be in writing and signed by the parties in accordance with Paragraph 19.

(e) **Buyer's Obligation to Repair Damage:** Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices either approved by the N.C. Home Inspector Licensure Board or applicable to any other N.C. licensed professional performing reasonable appraisals, tests, surveys, examinations and inspections of the Property. This repair obligation shall survive any termination of this Contract.

(f) **Indemnity:** Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This indemnity shall survive this Contract and any termination hereof.

(g) **Buyer's Right to Terminate:** Provided that Buyer has delivered any agreed-upon Due Diligence Fee, Buyer shall have the right to terminate this Contract for any reason or no reason, by delivering to Seller written notice of termination (the "Termination Notice") during the Due Diligence Period (or any agreed-upon written extension of the Due Diligence Period), **TIME BEING OF THE ESSENCE**. If Buyer timely delivers the Termination Notice, this Contract shall be terminated and the Earnest Money Deposit shall be refunded to Buyer.

(h) **CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.**

5. BUYER REPRESENTATIONS:

(a) Funds to complete purchase:

X (Check if applicable) Cash. Buyer intends to pay cash in order to purchase the Property and does not intend to obtain a loan or funds from sources other than Buyer's own assets. Verification of cash available for Settlement is X is not attached.

OR:

(Check if applicable) Loan(s)/Other Funds: Buyer intends to obtain a loan(s) and/or other funds to purchase the Property from the following sources (check all applicable sources):

First Mortgage Loan:

Buyer intends to obtain a first mortgage loan of the following type in order to purchase the Property: FHA VA (attach FHA/VA Financing Addendum) Conventional USDA Other type: _____

in the principal amount of _____ plus any financed VA Funding Fee or FHA MIP.

Second Mortgage Loan:

Buyer intends to obtain a second mortgage loan of the following type in order to purchase the Property: _____

Other funds:

Buyer intends to obtain funds from the following other source(s) in order to purchase the Property: _____

(b) Other Property: Buyer DOES DOES NOT have to sell or lease other real property in order to qualify for a new loan or to complete the purchase. (Complete the following only if Buyer DOES have to sell or lease other real property:)

(c) Performance of Buyer's Financial Obligations: To the best of Buyer's knowledge, there are no other circumstances or conditions existing as of the date of this offer that would prohibit Buyer from performing Buyer's financial obligations in accordance with this Contract, except as may be specifically set forth herein.

(d) Residential Property and Owners' Association Disclosure Statement (check only one):

Buyer has received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to making this offer and acknowledges compliance with N.C.G.S. 47E-5 (Residential Property Disclosure Act).

Buyer has NOT received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to making this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the Effective Date; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.

Exempt from N.C. Residential Property and Owners' Association Disclosure Statement because (SEE GUIDELINES): _____

(e) Mineral and Oil and Gas Rights Mandatory Disclosure Statement (check only one):

Buyer has received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to making this offer and acknowledges compliance with N.C.G.S. 47E-5 (Residential Property Disclosure Act).

Buyer has NOT received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to making this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the Effective Date; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.

Exempt from N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement because (SEE GUIDELINES): _____

Buyer's receipt of a Mineral and Oil and Gas Rights Mandatory Disclosure Statement does not modify or limit the obligations of Seller under Paragraph 8(g) of this Contract and shall not constitute the assumption or approval by Buyer of any severance of mineral and/or oil and gas rights, except as may be assumed or specifically approved by Buyer in writing.

6. BUYER OBLIGATIONS:

(a) Responsibility for Special Assessments: Buyer shall take title upon payment in full of any outstanding Special Assessments, including all Code Enforcement Assessments as defined under 1(n).

(b) Responsibility for Certain Costs: Buyer shall be responsible for all costs with respect to:

(i) any loan obtained by Buyer;

(ii) charges by an owners' association or a management company/vendor as agent of the association under paragraph 9(b) of this Contract;

- (iii) appraisal;
- (iv) title search;
- (v) title insurance;
- (vi) any fees charged by the closing attorney for the preparation of the Closing Disclosure, Seller Disclosure and any other settlement statement;
- (vii) recording the deed; and
- (viii) preparation and recording of all instruments required to secure the balance of the Purchase Price unpaid at Settlement.

(c) **Authorization to Disclose Information:** Buyer authorizes the Buyer’s lender(s), the parties’ real estate agent(s) and closing attorney: (1) to provide this Contract to any appraiser employed by Buyer or by Buyer’s lender(s); and (2) to release and disclose any buyer’s closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer’s lender(s).

7. SELLER REPRESENTATIONS:

(a) **Ownership:** Seller represents that Seller:

- has owned the Property for at least one year.
- has owned the Property for less than one year.
- does not yet own the Property.

(b) **Lead-Based Paint** (*check if applicable*):

The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum {Standard Form 2A9-T}).

(c) **Owners’ Association(s) and Dues:** Seller authorizes and directs any owners’ association, any management company of the owners’ association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer’s agents, representative, closing attorney or lender true and accurate copies of the following items affecting the Property, including any amendments:

- Seller’s statement of account
- master insurance policy showing the coverage provided and the deductible amount.
- Declaration and Restrictive Covenants
- Rules and Regulations
- Articles of Incorporation
- Bylaws of the owners’ association
- current financial statement and budget of the owners’ association
- parking restrictions and information
- architectural guidelines

(specify name of association): N/A _____ whose regular assessments (“dues”) are \$ _____ per _____. The name, address and telephone number of the president of the owners’ association or the association manager is: _____

Owners’ association website address, if any: _____

(d) **Fuel Tank(s)/Fuel:** To the best of Seller’s knowledge, there is is not a fuel tank(s) located on the Property. *If “yes” complete the following:*

(i) **Description:**

Tank 1:

- Use: currently in use currently NOT in use
- Ownership: owned leased. If leased, name and contact information of tank lessor: _____

- Location: above ground below ground
- Type of fuel: oil propane gasoline and/or diesel other: _____
- Name and contact information of fuel vendor: _____

Tank 2:

- Use: currently in use currently NOT in use
- Ownership: owned leased. If leased, name and contact information of tank lessor: _____

- Location: above ground below ground
- Type of fuel: oil propane gasoline and/or diesel other: _____
- Name and contact information of fuel vendor: _____

(ii) **Tank(s) included in sale:** Buyer and Seller agree that any tank described above that is owned by Seller shall be included in the sale as part of the Purchase Price free of liens, unless excluded in paragraph 2(e) above.

(iii) **Fuel:** Seller may use fuel in the tank(s) described above through Settlement, but may not otherwise remove the fuel or resell it. Any fuel remaining in the tank(s) as of Settlement shall be included in the sale as part of the Purchase Price, free of liens.

- Seller's use of fuel in any fuel tank is subject to Seller's obligation under Paragraph 8(c) to provide working, existing utilities through the earlier of Closing or possession by Buyer.

8. SELLER OBLIGATIONS:

(a) Evidence of Title, Payoff Statement(s) and Non-Foreign Status:

(i) Seller agrees to use best efforts to provide to the closing attorney as soon as reasonably possible after the Effective Date, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust, leases, and easements relating to the Property.

(ii) Seller shall provide to the closing attorney all information needed to obtain a written payoff statement from any lender(s) regarding any security interest in the Property as soon as reasonably possible after the Effective Date, and Seller designates the closing attorney as Seller's agent with express authority to request and obtain on Seller's behalf payoff statements and/or short-pay statements from any such lender(s).

(iii) If Seller is not a foreign person as defined by the Foreign Investment in Real Property Tax Act, Seller shall also provide to the closing attorney a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act). In the event Seller shall not provide a non-foreign status affidavit, Seller acknowledges that there may be withholding as provided by the Internal Revenue Code.

(b) **Authorization to Disclose Information:** Seller authorizes: (i) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; (ii) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to

Buyer and both Buyer's and Seller's agents and attorneys and (iii) the closing attorney to release and disclose any seller's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).

(c) **Access to Property:** Seller shall provide reasonable access to the Property through the earlier of Closing or possession by Buyer, including, but not limited to, allowing Buyer and/or Buyer's agents or representatives, an opportunity to (i) conduct Due Diligence, (ii) verify the satisfactory completion of negotiated repairs/improvements, and (iii) conduct a final walk-through inspection of the Property. Seller's obligation includes providing existing utilities operating at Seller's cost, including any connections and de-winterizing.

(d) **Removal of Seller's Property:** Seller shall remove, by the date possession is made available to Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property.

(e) **Affidavit and Indemnification Agreement:** Seller shall furnish at Settlement an affidavit(s) and indemnification agreement(s) in form satisfactory to Buyer and Buyer's title insurer, if any, executed by Seller and any person or entity who has performed or furnished labor, services, materials or rental equipment to the Property within 120 days prior to the date of Settlement and who may be entitled to claim a lien against the Property as described in N.C.G.S. §44A-8 verifying that each such person or entity has been paid in full and agreeing to indemnify Buyer, Buyer's lender(s) and Buyer's title insurer against all loss from any cause or claim arising therefrom.

(f) **Designation of Lien Agent, Payment and Satisfaction of Liens:** If required by N.C.G.S. §44A-11.1, Seller shall have designated a Lien Agent, and Seller shall deliver to Buyer as soon as reasonably possible a copy of the appointment of Lien Agent. All deeds of trust, deferred ad valorem taxes, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Settlement such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(g) **Good Title, Legal Access:** Seller shall execute and deliver a **GENERAL WARRANTY DEED** for the Property in recordable form no later than Settlement, which shall convey fee simple marketable and insurable title, without exception for mechanics' liens, and free of any other liens, encumbrances or defects, including those which would be revealed by a current and accurate survey of the Property, except: ad valorem taxes for the current year (prorated through the date of Settlement); utility easements and unviolated covenants, conditions or restrictions that do not materially affect the value of the Property; and such other liens, encumbrances or defects as may be assumed or specifically approved by Buyer in writing. The Property must have legal access to a public right of way.

(h) **Deed, Taxes and Fees:** Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Contract, and for state and county excise taxes, and any deferred, discounted or rollback taxes, and local conveyance fees required by law. The deed is to be made to: **City of Concord, a North Carolina municipal corporation.**

(i) **Agreement to Pay Buyer Expenses:** Seller shall pay at Settlement \$0.00 toward any of Buyer's expenses associated with the

purchase of the Property, at the discretion of Buyer and/or lender, if any, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay.

(j) **Owners' Association Fees/Charges:** Seller shall pay any charges by an owners' association or a management company/vendor as agent of the association under paragraph 9(a) of this Contract.

(k) **Payment of Special Assessments:** Seller shall pay, IN FULL, at Settlement, all Special Assessments that are assessed prior to or at Settlement.

(l) **Late Listing Penalties:** All property tax late listing penalties, if any, shall be paid by Seller.

(m) **Negotiated Repairs/Improvements:** Negotiated repairs/improvements shall be made in a good and workmanlike manner and Buyer shall have the right to verify same prior to Settlement.

(n) **Home Warranty (Select one of the following):**

No home warranty is to be provided by Seller.

Buyer may obtain a one-year home warranty at a cost not to exceed \$ _____ which includes sales tax and Seller agrees to pay for it at Settlement.

Seller has obtained and will provide a one-year home warranty from _____ at a cost of \$ _____ which includes sales tax and will pay for it at Settlement.

(o) **Seller's Breach of Contract:** See paragraph 22 for Buyer's remedies in the event of breach of this Contract.

(p) **Removal of Tenants:** The Seller has disclosed there no tenants in the property.

9. CHARGES BY OWNERS' ASSOCIATION: Responsibility for payment of charges by an owners' association or a management company/vendor as agent of the association shall be allocated between Buyer and Seller as follows:

— (a) **Seller shall pay:**

(i) fees incurred by Seller in completing the Residential Property and Owners' Association Disclosure Statement, and resale or other certificates related to a proposed sale of the Property;

(ii) fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration, including any expedite fee permitted under N.C. Gen. Stat. § 47F-3-102 that is charged in connection with providing such information;

(iii) any fees charged for transferring or updating ownership records of the association; and

(iv) any fees other than those fees specifically required to be paid by Buyer under paragraph 9(b) below.

— (b) **Buyer shall pay:**

(i) charges for providing information required by Buyer's lender;

(ii) charges for working capital contributions, membership fees, or charges imposed for Buyer's use of the common elements and/or services provided to Buyer in connection with Buyer taking possession of the Property, such as "move-in fees"; and

(iii) charges for determining restrictive covenant compliance.

10. PRORATIONS AND ADJUSTMENTS: Unless otherwise agreed, the following items shall be prorated, with Seller responsible for the prorated amounts of any taxes through the date of Settlement.

(a) **Taxes on Real Property:** Ad valorem taxes and recurring governmental service fees levied with such taxes on real property shall be prorated on a calendar year basis;

(b) **Taxes on Personal Property:** Ad valorem taxes on personal property for the entire year shall be paid by Seller unless the personal property is conveyed to Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis;

(c) **Rents:** Rents, if any, for the Property;

(d) **Dues:** Owners' association regular assessments (dues) and other like charges.

11. CONDITION OF PROPERTY/RISK OF LOSS:

(a) **Condition of Property at Settlement:** If the Property is not in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted, Buyer may terminate this Contract by written notice delivered to Seller and the Due Diligence Fee and Earnest Money Deposit shall be refunded to Buyer. If the Property is not in such condition and Buyer does NOT elect to terminate this Contract, Buyer shall be entitled to receive, in addition to the Property, the proceeds of any insurance claim filed by Seller on account of any damage or destruction to the Property.

(b) **Risk of Loss:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

12. DELAY IN SETTLEMENT/CLOSING: This paragraph shall apply if one party is ready, willing and able to complete Settlement on the Settlement Date ("Non-Delaying Party") but it is not possible for the other party to complete Settlement by the Settlement Date ("Delaying Party"). In such event, the Delaying Party shall be entitled to a delay in Settlement and shall give as much notice as possible to the Non-Delaying Party and closing attorney. If the Delaying Party fails to complete Settlement and Closing within seven (7) days of the Settlement Date (including any amended Settlement Date agreed to in writing by the parties), then the Delaying Party shall be in breach and the Non-Delaying Party may terminate this Contract and shall be entitled to enforce any remedies available to such party under this Contract for the breach.

13. POSSESSION: Possession, including all means of access to the Property (keys, codes including security codes, garage door openers, electronic devices, etc.), shall be delivered upon Closing as defined in Paragraph 1(m) unless otherwise provided below:

- A Buyer Possession Before Closing Agreement is attached (Standard Form 2A7-T)
- A Seller Possession After Closing Agreement is attached (Standard Form 2A8-T)
- Possession is subject to rights of tenant(s)

14. ADDENDA: CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO.

- | | |
|---|--|
| <input type="checkbox"/> Additional Provisions Addendum (Form 2A11-T) | <input type="checkbox"/> New Construction Addendum (Form 2A3-T) |
| <input type="checkbox"/> Additional Signatures Addendum (Form 3-T) | <input type="checkbox"/> Owners' Association Disclosure Addendum (Form 2A12-T) |
| <input type="checkbox"/> Back-Up Contract Addendum (Form 2A1-T) | <input type="checkbox"/> Seller Financing Addendum (Form 2A5-T) |
| <input type="checkbox"/> FHA/VA Financing Addendum (Form 2A4-T) | <input type="checkbox"/> Short Sale Addendum (Form 2A14-T) |
| <input checked="" type="checkbox"/> Lead-Based Paint Or Lead-Based Paint Hazard Addendum (Form 2A9-T) | <input type="checkbox"/> Vacation Rental Addendum (Form 2A13-T) |
| <input type="checkbox"/> Loan Assumption Addendum (Form 2A6-T) | |

Identify other attorney or party drafted addenda: _____

15. ASSIGNMENTS: This Contract may not be assigned without the written consent of all parties except in connection with a tax-deferred exchange, but if assigned by agreement, then this Contract shall be binding on the assignee and assignee's heirs and successors.

16. PARTIES: This Contract shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

17. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

18. ENTIRE AGREEMENT: This Contract contains the entire agreement of the parties and there are no representations, inducements, or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

19. CONDUCT OF TRANSACTION: The parties agree that any action between them relating to the transaction contemplated by this Contract may be conducted by electronic means, including the signing of this Contract by one or more of them and any notice or communication given in connection with this Contract. Any written notice or communication may be transmitted to any mailing address, e-mail address or fax number set forth in the "Notice Information" section below. Any notice or communication to be given to a party herein, and any fee, deposit, or other payment to be delivered to a party herein, may be given to the party or to such party's agent. Delivery of any notice to a party via means of electronic transmission shall be deemed complete at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic address provided for such party in the "Notice Information" section below. Seller and Buyer agree that the "Notice Information" and "Acknowledgment of Receipt of Monies" sections below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

20. EXECUTION: This Contract may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument.

21. COMPUTATION OF DAYS/TIME OF DAY: Unless otherwise provided, for purposes of this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes

of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract was required to be performed or made. Any reference to a date or time of day shall refer to the date and/or time of day in the State of North Carolina.

22. REMEDIES:

(a) **Breach by Buyer:** In the event of material breach of this Contract by Buyer, Seller shall be entitled to any Earnest Money Deposit. The payment of any Earnest Money Deposit and any Due Diligence Fee to Seller (without regard to their respective amounts, including zero) together shall serve as liquidated damages ("Liquidated Damages") and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Paragraphs 4(e) and 4(f) for damage to the Property. It is acknowledged by the parties that the amount of the Liquidated Damages is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of a breach of this Contract by Buyer. The payment to Seller of the Liquidated Damages shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty of determining Seller's actual damages for such breach.

(b) **Breach by Seller:** In the event of material breach of this Contract by Seller, Buyer may (i) elect to terminate this Contract as a result of such breach, and shall be entitled to return of both the Earnest Money Deposit and the Due Diligence Fee, together with the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence ("Due Diligence Costs"), or (ii) elect not to terminate and instead treat this Contract as remaining in full force and effect and seek the remedy of specific performance.

(c) **Attorneys' Fees:** If legal proceedings are brought by Buyer or Seller against the other to collect the Earnest Money Deposit, Due Diligence Fee, or Due Diligence Costs, the parties agree that a party shall be entitled to recover reasonable attorneys' fees to the extent permitted under N.C. Gen. Stat. § 6-21.2. The parties acknowledge and agree that the terms of this Contract with respect to entitlement to the Earnest Money Deposit, Due Diligence Fee, or Due Diligence Costs each constitute "evidence of indebtedness" pursuant to N.C. Gen. Stat. § 6-21.2.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

This offer shall become a binding contract on the Effective Date. Unless specifically provided otherwise, Buyer's failure to timely deliver any fee, deposit or other payment provided for herein shall not prevent this offer from becoming a binding contract, provided that any such failure shall give Seller certain rights to terminate the contract as described herein or as otherwise permitted by law.

Date: December 5, 2023

Date: 12/1/2023

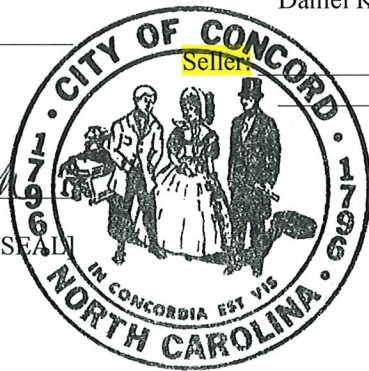
Buyer: City of Concord, a NC municipal corporation

Seller: D. Klussmeier

By: [Signature]
Lloyd Wm. Payne, City Manager

[Signature]
Daniel Klussmeier

ATTESTED
By: [Signature]
Kim J. Deason, City Clerk



APPROVED AS TO FORM
[Signature]
VaLerie Kolczynski, City Attorney

This instrument has been pre-audited in the manner required by the "Local Government Budget and Fiscal Control Act."

[Signature]
Jessica Jones, Finance Director

NOTICE INFORMATION

NOTE: INSERT AT LEAST ONE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: PO Box 308, Concord, NC 28026-0308

Buyer Telephone #: 704/920-5118

Buyer E-mail: kolczynv@concordnc.gov

SELLER NOTICE ADDRESS:

Mailing Address: 1634 Sweet Moss Loop. Denver, NC 28037

Seller Telephone #: 828 448 2926

Seller E-mail: D.klussmeyer@gmail.com

CONFIRMATION OF AGENCY/NOTICE ADDRESSES

Selling Firm Name: N/A
Acting as [] Buyer's Agent [] Seller's (sub)Agent [] Dual Agent

Firm License #: _____

Mailing Address: _____

Individual Selling Agent: _____

[] Acting as a Designated Dual Agent (check only if applicable)

Selling Agent License #: _____

Selling Agent Phone #: _____

Selling Agent Fax #: _____

Selling Agent E-mail: _____

Listing Firm Name: N/A
Acting as [] Seller's Agent [] Dual Agent

Firm License #: _____

Mailing Address: _____

Individual Listing Agent: _____

[] Acting as a Designated Dual Agent (check only if applicable)

Listing Agent License #: _____

Listing Agent Phone #: _____

Listing Agent Fax #: _____

Listing Agent E-mail: _____

LEAD-BASED PAINT OR LEAD-BASED PAINT HAZARD ADDENDUM

Property: 438 Allison Street, Concord, NC 28025

Seller: Daniel Klussmeier (unmarried)

Buyer: City of Concord, a North Carolina municipal corporation

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Seller and Buyer for the Property.

During the Due Diligence Period, Buyer shall have the right to obtain a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards* at Buyer's expense. Buyer may waive the right to obtain a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards at any time without cause.

*Intact lead-based paint that is in good condition is not necessarily a hazard. See EPA pamphlet "Protect Your Family From Lead in Your Home" for more information.

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every Buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based hazards is recommended prior to purchase.

Seller's Disclosure (initial)

Dk

- (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
[] Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
[] Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

Dk

- (b) Records and reports available to the Seller (check one)
[] Seller has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
[] Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Buyer's Acknowledgement (initial)

LWP

- (c) Buyer acknowledges receipt of Seller's statement set forth in (a) above, and copies of the records/reports listed in (b) above, if any.

LWP

- (d) Buyer has received the pamphlet Protect Your Family from Lead in Your Home.

LWP

- (e) Buyer (check one below):
[] Accepts the opportunity during the Due Diligence Period to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
[] Waives the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.



This form jointly approved by: North Carolina Bar Association's Real Property Section North Carolina Association of REALTORS®, Inc.



STANDARD FORM 2A9-T Revised 7/2021 © 7/2022

Buyer Initials LWP Seller Initials Dk

Agent's Acknowledgment (initial) N/A

(f) Agent has informed the Seller of the Seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: December 5, 2023

Date: 12/1/2023

Buyer: City of Concord, a NC municipal corporation

Seller: D. Klusmeier
Daniel Klusmeier

By: [Signature]
Lloyd Wm. Payne, City Manager

Seller: _____

ATTESTED

By: [Signature]
Kim J. Deason, City Clerk



APPROVED AS TO FORM

[Signature]
VaLerie Kolczynski, City Attorney

This instrument has been pre-audited in the manner required by the "Local Government Budget and Fiscal Control Act."

[Signature]
Jessica Jones, Finance Director



STATE OF NORTH CAROLINA
MINERAL AND OIL AND GAS RIGHTS MANDATORY DISCLOSURE STATEMENT

Instructions to Property Owners

- 1. The Residential Property Disclosure Act (G.S. 47E) ("Disclosure Act") requires owners of certain residential real estate such as single-family homes, individual condominiums, townhouses, and the like, and buildings with up to four dwelling units, to furnish purchasers a Mineral and Oil and Gas Rights Disclosure Statement ("Disclosure Statement"). This form is the only one approved for this purpose.
2. A disclosure statement is not required for some transactions. For a complete list of exemptions, see G.S. 47E-2(a). A DISCLOSURE STATEMENT IS REQUIRED FOR THE TRANSFERS IDENTIFIED IN G.S. 47E-2(b), including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement.
3. You must respond to each of the following by placing a check in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

Mineral rights and/or oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral rights and/or oil and gas rights from the owner or by reservation of the mineral rights and/or oil and gas rights by the owner. If mineral rights and/or oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface mineral and/or oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of mineral rights and/or oil and gas rights, Seller makes the following disclosures:

Table with 3 columns: Buyer Initials, Question, and Yes/No/No Representation checkboxes. Contains 6 rows of disclosures regarding mineral and oil/gas rights severance.

Note to Purchasers

If the owner does not give you a Mineral and Oil and Gas Rights Disclosure Statement by the time you make your offer to purchase the property, or exercise an option to purchase the property pursuant to a lease with an option to purchase, you may under certain conditions cancel any resulting contract without penalty to you as the purchaser. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of this Disclosure Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

Property Address: 438 Allison Street, Concord, NC 28025

Owner's Name(s): Daniel Klussmeier (unmarried)

Owner(s) acknowledge having examined this Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature: Daniel Klussmeier Date: 12/1/2023

Owner Signature: Date:

Purchaser(s) acknowledge receipt of a copy of this Disclosure Statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; and that the representations are made by the owner and not the owner's agent(s) or subagent(s).

Purchaser Signature: City of Concord, a North Carolina municipal corporation Date: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Purchaser Signature: Lloyd Wm. Payne, Jr., City Manager Date: December 5, 2023

REC 4.25 1/1/15

City of Concord Co-Sponsorship Application (page 1)

Today's Date: October 19, 2023 Amended Date - November 9, 2023	
Name of Event: MLK, Jr. Memorial March and Wreath Laying Ceremony	
Date(s) of Event: January 15, 2024	Location: Cabarrus Avenue
Brief Description of Event: A community/family walk from Barber-Scotia College to the MLK, Jr. Plaza for the Wreath Laying Ceremony.	
Lead Sponsor: Concord-Cabarrus MLK Planning Committee	
Contact Person for Event/Request:	Betty Stocks, Donald Anthony, Edison McCrae
Address: PO Box 883	
Phone: 7049578543	
Website & Email Address (if applicable): legata@msn.com	

This event is sponsored by (Place an X in the box in front of the one that applies):

	A non-profit with current tax-exempt status that provides direct services or funds to residents and businesses in Concord; <i>OR</i>
X	Another group that provides a service to the City of Concord residents. (please explain)

What is the primary service or product of the sponsoring organization?

Promote Diversity, Equity and Inclusion - To bring together citizens across all boundaries in Cabarrus County to honor and remember the life and legacy of Dr. Martin Luther King, Jr. The planning committee is the organizer of several events during over the MLK weekend. These events include partnerships and support of various entities in Cabarrus County, including but not limited to the City of Kannapolis Government and Cabarrus County Government.

City of Concord Co-Sponsorship Application (page 2)

What is the primary benefit of the event to the Concord community?

Primary benefits to the Concord community is to bring together people of all backgrounds to educate, reflect and continue the work of Dr. King to combat inequalities, inequities and injustices in society.

What in-kind support/resources from the City will this event require?

Monday, January 15, 2024 - Use of the MLK Plaza on Cabarrus Avenue; police officers to help with traffic and safety of participants during the Memorial March and at the Wreath Laying Ceremony; use of electricity at the MLK Plaza. Applications for a parade permit and noise permit has been filed with the Concord Police Department.
Note: PD has determined the number of officers in past years.
Saturday, January 13, 2024 (TBD) The Dream Day event will be held at the the Laureate Center in Kannapolis. A CK Rider small vehicle/driver is requ(sted to collect and deliver non-perishable items to Cooperative Christian Ministry at the end of the event.
A Parks and Recreation vehicle/driver to provide transportation for March/Wreath Laying Ceremony participants (as needed) during the event.

City of Concord Co-Sponsorship Application (page 3)

How can your organization demonstrate the experience and expertise to successfully execute this event?

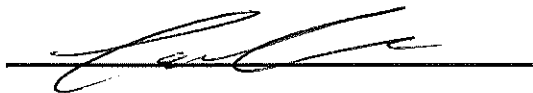
The MLK Planning Committee has successfully organized MLK, Jr. events since 2008. The City of Concord has been a true participant and involved supporter since the inception of such events.

CITY OFFICE USE ONLY

Emergency Management –
City Manager’s Office:

Date Received: 10/19/23

Authorized Signature:



Date final application is submitted to City
Manager 12/7/23

City Manager (or designee) -
City Manager’s Office:

Date Reviewed: 12/7/23

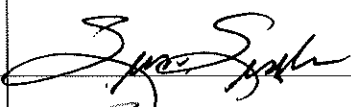



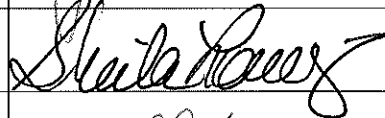
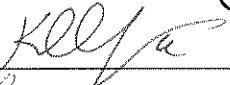
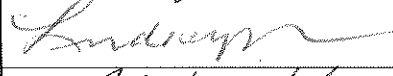

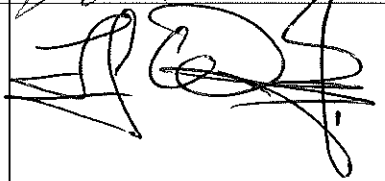
Authorized signature:



Final review for City Council submission

City of Concord Co-Sponsorship Application (page 4)

Review of In-Kind Support from City Departments if applicable:

Department	Date Application Received	Date Application Review Completed	Departmental Signature
Buildings & Grounds	10/19/23	12/7/23	
Electric			
Environmental Services			Robin R Barham
Downtown Office			
Fire			
Parks & Recreation			
Police			
Public Information Office			
Transportation/Streets	↓	↓	
Other Transit			

If applicable, values for in-kind support should be submitted to the Emergency Management Coordinator once the departmental review is completed.



Bid Tabulation Sheet Summary
 Zion Church Rd - City of Concord Project No. 2020-077 Bid No. 2602
 Bids Received October 31, 2023

CONTRACTOR: Carolina Siteworks, Inc.	Zoladz Construction Co., Inc.	Richard D Suggs Construction Inc.	State Utility Contractors, Inc.	Dawn Development Company, Inc.	Cleary Construction Inc.
ADDRESS: PO Box 280 China Grove, NC 28023	P.O. Box 157 Alden, NY 14004	4610 Paige Road Mt. Pleasant Nc 28124	P.O. Box 5019 Monroe, NC 28111 17793	1815 North Rocky River Road Monroe, North Carolina 28110	2006 Edmonton Road Tompkinsville, KY 42167 80668
LICENSE #:					

Item No.	Sect. No.	Description	Estimated Quantity	Unit	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	WSACC 01025	Mobilization	1	LS	\$ 17,040.00	\$ 17,040.00	\$ 51,000.00	\$ 51,000.00	\$ 50,000.00	\$ 50,000.00	\$ 24,000.00	\$ 24,000.00	\$ 50,000.00	\$ 50,000.00	\$ 90,000.00	\$ 90,000.00
2	NCDOT 801	Construction Surveying	1	LS	\$ 12,676.00	\$ 12,676.00	\$ 10,400.00	\$ 10,400.00	\$ 19,000.00	\$ 19,000.00	\$ 23,600.00	\$ 23,600.00	\$ 15,000.00	\$ 15,000.00	\$ 35,000.00	\$ 35,000.00
3	SP-01	Traffic Control	1	LS	\$ 10,985.00	\$ 10,985.00	\$ 13,700.00	\$ 13,700.00	\$ 36,000.00	\$ 36,000.00	\$ 6,000.00	\$ 6,000.00	\$ 55,000.00	\$ 55,000.00	\$ 50,000.00	\$ 50,000.00
4	SP-02	Comprehensive Grading	1	LS	\$ 109,775.00	\$ 109,775.00	\$ 179,150.00	\$ 179,150.00	\$ 72,960.00	\$ 72,960.00	\$ 47,500.00	\$ 47,500.00	\$ 125,000.00	\$ 125,000.00	\$ 35,000.00	\$ 35,000.00
5	SP-03	Rock Removal	200	CY	\$ 144.00	\$ 28,800.00	\$ 658.00	\$ 131,600.00	\$ 130.00	\$ 26,000.00	\$ 300.00	\$ 60,000.00	\$ 225.00	\$ 45,000.00	\$ 185.00	\$ 37,000.00
6	WSACC 01025	12" DIP Water Main	3064	LF	\$ 112.00	\$ 343,168.00	\$ 89.00	\$ 272,696.00	\$ 143.00	\$ 438,152.00	\$ 184.50	\$ 565,308.00	\$ 140.55	\$ 430,645.20	\$ 305.00	\$ 934,520.00
7	WSACC 01025	12" Restrained DIP Water Main	119	LF	\$ 131.00	\$ 15,589.00	\$ 104.00	\$ 12,376.00	\$ 150.00	\$ 17,850.00	\$ 190.00	\$ 22,610.00	\$ 150.00	\$ 17,850.00	\$ 1,250.00	\$ 148,750.00
8	WSACC 01025	12" DIP Bends 11-1/4 degree	17	EA	\$ 1,310.00	\$ 22,270.00	\$ 1,395.00	\$ 23,715.00	\$ 2,300.00	\$ 39,100.00	\$ 1,250.00	\$ 21,250.00	\$ 4,000.00	\$ 68,000.00	\$ 1,300.00	\$ 22,100.00
9	WSACC 01025	12" DIP Bends 22-1/2 degree	7	EA	\$ 1,345.00	\$ 9,415.00	\$ 1,422.00	\$ 9,954.00	\$ 2,250.00	\$ 15,750.00	\$ 1,280.00	\$ 8,960.00	\$ 4,000.00	\$ 28,000.00	\$ 1,400.00	\$ 9,800.00
10	WSACC 01025	12" DIP Bends 45 Degree	7	EA	\$ 1,453.00	\$ 10,171.00	\$ 1,512.00	\$ 10,584.00	\$ 2,400.00	\$ 16,800.00	\$ 1,375.00	\$ 9,625.00	\$ 4,000.00	\$ 28,000.00	\$ 1,500.00	\$ 10,500.00
11	WSACC 01025	6" Restrained DIP Water Main	120	LF	\$ 86.00	\$ 10,320.00	\$ 68.00	\$ 8,160.00	\$ 90.00	\$ 10,800.00	\$ 125.00	\$ 15,000.00	\$ 200.00	\$ 24,000.00	\$ 230.00	\$ 27,600.00
12	WSACC 01025	12"x12"x6" DIP Tee	1	EA	\$ 1,954.00	\$ 1,954.00	\$ 2,054.00	\$ 2,054.00	\$ 2,400.00	\$ 2,400.00	\$ 1,600.00	\$ 1,600.00	\$ 4,000.00	\$ 4,000.00	\$ 1,600.00	\$ 1,600.00
13	WSACC 01025	12" Gate Valve with Box	6	EA	\$ 6,121.00	\$ 36,726.00	\$ 5,001.00	\$ 30,006.00	\$ 4,710.00	\$ 28,260.00	\$ 5,000.00	\$ 30,000.00	\$ 5,500.00	\$ 33,000.00	\$ 6,000.00	\$ 36,000.00
14	WSACC 01025	6" Gate Valve with Box	7	EA	\$ 2,528.00	\$ 17,696.00	\$ 1,968.00	\$ 13,776.00	\$ 2,500.00	\$ 17,500.00	\$ 1,950.00	\$ 13,650.00	\$ 5,500.00	\$ 38,500.00	\$ 2,000.00	\$ 14,000.00
15	WSACC 01025	Hydrant Assembly (incl. Hydrant Tee)	6	EA	\$ 9,608.00	\$ 57,648.00	\$ 6,914.00	\$ 41,484.00	\$ 9,000.00	\$ 54,000.00	\$ 7,500.00	\$ 45,000.00	\$ 8,500.00	\$ 51,000.00	\$ 11,000.00	\$ 66,000.00
16	WSACC 01025	3/4" Residential Water Service - (City to Provide Meter Box)	2	EA	\$ 1,571.00	\$ 3,142.00	\$ 1,493.00	\$ 2,986.00	\$ 2,500.00	\$ 5,000.00	\$ 1,500.00	\$ 3,000.00	\$ 5,000.00	\$ 10,000.00	\$ 2,500.00	\$ 5,000.00
17	SP-04	Plumbing Permit and Requirements for Reconnecting Water Services	2	EA	\$ 250.00	\$ 500.00	\$ 1,880.00	\$ 3,760.00	\$ 300.00	\$ 600.00	\$ 1,400.00	\$ 2,800.00	\$ 500.00	\$ 1,000.00	\$ 2,250.00	\$ 4,500.00
18	SP-05	12" Connection to Ex. 12" Water Main - Transition Fittings	2	EA	\$ 13,037.00	\$ 26,074.00	\$ 4,056.00	\$ 8,112.00	\$ 3,598.00	\$ 7,196.00	\$ 48,500.00	\$ 97,000.00	\$ 7,000.00	\$ 14,000.00	\$ 4,000.00	\$ 8,000.00
19	SP-05	6" Connection to Ex. 6" Water Main - Transition Fittings	1	EA	\$ 12,358.00	\$ 12,358.00	\$ 2,696.00	\$ 2,696.00	\$ 5,200.00	\$ 5,200.00	\$ 28,500.00	\$ 28,500.00	\$ 4,000.00	\$ 4,000.00	\$ 6,500.00	\$ 6,500.00
20	WSACC 01025	24" by 0.250" thick Steel Casing w/ Stainless Steel Spiders and Blocking	93	LF	\$ 348.00	\$ 32,364.00	\$ 324.00	\$ 30,132.00	\$ 270.00	\$ 25,110.00	\$ 375.00	\$ 34,875.00	\$ 450.00	\$ 41,850.00	\$ 230.00	\$ 21,390.00
21	SP-06	Pump Around Operation	1	LS	\$ 13,648.00	\$ 13,648.00	\$ 5,690.00	\$ 5,690.00	\$ 8,000.00	\$ 8,000.00	\$ 16,300.00	\$ 16,300.00	\$ 40,000.00	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00
22	NCDOT 520	Aggregate Base Course	70	TN	\$ 75.00	\$ 5,250.00	\$ 59.00	\$ 4,130.00	\$ 55.00	\$ 3,850.00	\$ 55.00	\$ 3,850.00	\$ 50.00	\$ 3,500.00	\$ 75.00	\$ 5,250.00
23	NCDOT 607	Incidental Milling	210	SY	\$ 5.00	\$ 1,050.00	\$ 40.00	\$ 8,400.00	\$ 90.00	\$ 18,900.00	\$ 60.00	\$ 12,600.00	\$ 25.00	\$ 5,250.00	\$ 75.00	\$ 15,750.00
24	NCDOT 610	Asphalt Concrete Surface Course, Type S9.5B	1	TN	\$ 208.00	\$ 208.00	\$ 575.00	\$ 575.00	\$ 240.00	\$ 240.00	\$ 3,000.00	\$ 3,000.00	\$ 175.00	\$ 175.00	\$ 330.00	\$ 330.00
25	NCDOT 610	Asphalt Concrete Surface Course, Type S9.5C	105	TN	\$ 208.00	\$ 21,840.00	\$ 190.00	\$ 19,950.00	\$ 240.00	\$ 25,200.00	\$ 248.00	\$ 26,040.00	\$ 175.00	\$ 18,375.00	\$ 345.00	\$ 36,225.00
26	NCDOT 620	Asphalt Binder for Plant Mix	7	TN	\$ 700.00	\$ 4,900.00	\$ 747.00	\$ 5,229.00	\$ 240.00	\$ 1,680.00	\$ 1,550.00	\$ 10,850.00	\$ 800.00	\$ 5,600.00	\$ 2,000.00	\$ 14,000.00
27	SP-07	Flowable Fill (Excavatable)	90	CY	\$ 326.00	\$ 29,340.00	\$ 266.00	\$ 23,940.00	\$ 250.00	\$ 22,500.00	\$ 300.00	\$ 27,000.00	\$ 300.00	\$ 27,000.00	\$ 185.00	\$ 16,650.00
28	NCDOT 866	Woven Wire Fence, 47" Fabric	100	LF	\$ 25.00	\$ 2,500.00	\$ 33.00	\$ 3,300.00	\$ 11.75	\$ 1,175.00	\$ 35.00	\$ 3,500.00	\$ 35.00	\$ 3,500.00	\$ 20.00	\$ 2,000.00
29	NCDOT 866	4" Timber Post, 7'-6" Long	3	EA	\$ 100.00	\$ 300.00	\$ 61.00	\$ 183.00	\$ 35.00	\$ 105.00	\$ 475.00	\$ 1,425.00	\$ 150.00	\$ 450.00	\$ 175.00	\$ 525.00
30	NCDOT 866	5" Timber Post 8'-0" Long	8	EA	\$ 120.00	\$ 960.00	\$ 86.00	\$ 688.00	\$ 35.00	\$ 280.00	\$ 500.00	\$ 4,000.00	\$ 150.00	\$ 1,200.00	\$ 175.00	\$ 1,400.00
31	SP-08	Temporary Shoring at Hwy 49 Tie-in	180	SF	\$ 1.00	\$ 180.00	\$ 80.00	\$ 14,400.00	\$ 319.61	\$ 57,529.80	\$ 105.00	\$ 18,900.00	\$ 100.00	\$ 18,000.00	\$ 300.00	\$ 54,000.00
32	SP-08	Temporary Shoring at Southern Chase Ct. Tie-in	170	SF	\$ 1.00	\$ 170.00	\$ 83.00	\$ 14,110.00	\$ 323.53	\$ 55,000.10	\$ 80.00	\$ 13,600.00	\$ 100.00	\$ 17,000.00	\$ 120.00	\$ 20,400.00
33	NCDOT 1170	Portable Concrete Barrier	250	LF	\$ 89.00	\$ 22,250.00	\$ 68.00	\$ 17,000.00	\$ 40.00	\$ 10,000.00	\$ 36.00	\$ 9,000.00	\$ 100.00	\$ 25,000.00	\$ 30.00	\$ 7,500.00
34	NCDOT 1530	Remove Water Meter	2	EA	\$ 300.00	\$ 600.00	\$ 118.00	\$ 236.00	\$ 575.00	\$ 1,150.00	\$ 1,100.00	\$ 2,200.00	\$ 1,500.00	\$ 3,000.00	\$ 600.00	\$ 1,200.00
35	NCDOT 1530	Remove Fire Hydrant	2	EA	\$ 743.00	\$ 1,486.00	\$ 355.00	\$ 710.00	\$ 2,500.00	\$ 5,000.00	\$ 2,900.00	\$ 5,800.00	\$ 2,000.00	\$ 4,000.00	\$ 800.00	\$ 1,600.00
36	NCDOT 1605	Temporary Silt Fence	2750	LF	\$ 6.70	\$ 18,425.00	\$ 4.00	\$ 11,000.00	\$ 5.15	\$ 14,162.50	\$ 3.00	\$ 8,250.00	\$ 5.00	\$ 13,750.00	\$ 6.00	\$ 16,500.00
37	NCDOT 1610	Sediment Control Stone	10	TN	\$ 75.00	\$ 750.00	\$ 49.00	\$ 490.00	\$ 50.00	\$ 500.00	\$ 100.00	\$ 1,000.00	\$ 50.00	\$ 500.00	\$ 75.00	\$ 750.00
38	NCDOT 1630	1/4" Hardware Cloth	120	LF	\$ 7.75	\$ 930.00	\$ 22.00	\$ 2,640.00	\$ 4.79	\$ 574.80	\$ 5.00	\$ 600.00	\$ 2.00	\$ 240.00	\$ 6.00	\$ 720.00
39	SP-10	Safety Fence	1400	LF	\$ 4.00	\$ 5,600.00	\$ 3.00	\$ 4,200.00	\$ 5.28	\$ 7,392.00	\$ 3.00	\$ 4,200.00	\$ 5.00	\$ 7,000.00	\$ 2.00	\$ 2,800.00
40	NCDOT 1631	Matting for Erosion Control (Biodegradable Netting)	3600	SY	\$ 4.00	\$ 14,400.00	\$ 5.00	\$ 18,000.00	\$ 3.78	\$ 13,608.00	\$ 2.00	\$ 7,200.00	\$ 5.00	\$ 18,000.00	\$ 3.00	\$ 10,800.00
41	SP-11	Coir Fiber Matting	100	SY	\$ 10.00	\$ 1,000.00	\$ 8.00	\$ 800.00	\$ 4.00	\$ 400.00	\$ 5.00	\$ 500.00	\$ 5.00	\$ 500.00	\$ 6.00	\$ 600.00
42	SP-12	Live Staking	35	SY	\$ 60.00	\$ 2,100.00	\$ 23.00	\$ 805.00	\$ 100.00	\$ 3,500.00	\$ 50.00	\$ 1,750.00	\$ 10.00	\$ 350.00	\$ 85.00	\$ 2,975.00
43	NCDOT 1660	Seeding and Mulching	0.75	AC	\$ 5,634.00	\$ 4,225.50	\$ 8,798.00	\$ 6,598.50	\$ 8,000.00	\$ 6,000.00	\$ 5,000.00	\$ 3,750.00	\$ 5,000.00	\$ 3,750.00	\$ 76,000.00	\$ 57,000.00
Estimated Base Cost						\$930,783.50		\$1,021,415.50		\$1,144,425.20		\$1,245,593.00		\$1,299,985.20		\$1,852,235.00
10% Contingency						\$93,078.35		\$102,141.55		\$114,442.52		\$124,559.30		\$129,998.52		\$185,223.50
Total Estimated Cost						\$1,023,861.85		\$1,123,557.05		\$1,258,867.72		\$1,370,152.30		\$1,429,983.72		\$2,037,458.50
Bid Security (5%)						Yes		Yes		Yes		Yes		Yes		Yes
Irregularities (see highlighted areas on form)						None.		Math error in Item 43. It has been corrected and did not affect bid result.		Math error in Items 32 and 38. They have been corrected and did not affect bid result.		None.		None.		None.

CERTIFICATION: This is certified to be an accurate tabulation of bids received for the project.



Emigene A. Blot

**CAPITAL PROJECT ORDINANCE
General Capital Projects**

BE IT ORDAINED by the City Council of the City of Concord, North Carolina that pursuant to Section 13.2 Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby ordained:

SECTION 1. The projects authorized are General Capital Projects for Solid Waste Shed and Fleet Services Facility.

SECTION 2. The City Manager is hereby authorized to proceed with the implementation and amendments of the projects within the terms of the plans and specifications for the projects.

SECTION 3. The following revenues are anticipated to be available to the City of Concord for the project:

<u>Revenues</u>				
<u>Account</u>	<u>Title</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>(Decrease) Increase</u>
Total				

SECTION 4. The following amounts are appropriated for the project:

<u>Expenses/Expenditures</u>				
<u>Account</u>	<u>Title</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>(Decrease) Increase</u>
8800-5811293	Solid Waste Shed	2,622,000	1,163,019	(1,458,981)
8800-5811285	Fleet Srvcs Facility	26,825,329	28,284,310	1,458,981
Total				0

SECTION 5. Accounting records are to be maintained by the Finance Department of the City of Concord in such manner as (1) to provide all information required by the grant agreement and other agreements executed or to be executed with the various parties involved with the project; and (2) to comply with the Local Government Budget and Fiscal Control Act of the State of North Carolina.

SECTION 6. Within five (5) days after adopted, copies of this project amendment shall be filed with the City Manager, Finance Director, and City Clerk for direction in carrying out this project.

SECTION 7. The Finance Director is directed to report on the financial status of this project in accordance with the existing City policy. She shall also report to the City Manager any unusual occurrences.

Duly adopted by the City Council of the City of Concord, North Carolina this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
100-4350410	ClearWater Artist Studio	67,961	77,961	\$ 10,000
Total				\$10,000

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
6120-5800429	Grant Expenditures	\$0	\$10,000	\$10,000
Total				\$10,000

Reason: To appropriate the 2023-2024 Grassroots Grant award.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June, 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
100-4603200	Police Grants	\$306,997	\$362,305	\$ 55,308
Total				\$55,308

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
4310-5441000	License/Relicense Fee	\$827,613	\$882,921	\$55,308
Total				\$55,308

Reason: To appropriate the FY23 Law Enforcement Agency De-Escalation Grant award.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney



Department of Justice (DOJ)

Office of Community Oriented Policing Services (COPS Office)

Washington, D.C. 20531

Name and Address of Recipient:	CONCORD, CITY OF 35 CABARRUS AVE W		
City, State and Zip:	CONCORD, NC 28025		
Recipient UEI:	PKAGEXPV4EE8		
Project Title: FY23 City of Concord, NC De-Escalation Grant	Award Number: 15JCOPS-23-GG-02543-PPSE		
Solicitation Title: FY23 Law Enforcement Agency De-Escalation Grants -Community Policing Development Solicitation			
Federal Award Amount: \$105,320.00	Federal Award Date: 11/2/23		
Awarding Agency:	Office of Community Oriented Policing Services		
Funding Instrument Type:	Grant		
Opportunity Category: D			
Assistance Listing: 16.710 - Public Safety Partnership and Community Policing Grants			
Project Period Start Date: 10/1/23	Project Period End Date: 9/30/25		
Budget Period Start Date: 10/1/23	Budget Period End Date: 9/30/25		
Project Description: The Concord Police Department will train every officer in Crisis Intervention Team training (CIT), a 40-hour program is a community partnership of law enforcement, mental health and addiction professionals, individuals who live with mental illness and/or addiction disorders, their families, and other advocates. It is an innovative first-responder model of police-based crisis intervention training to help persons with mental disorders and/or addictions access medical treatment rather than place them in the criminal justice system due to illness related behaviors. It also promotes officer safety and the safety of the individual in crisis. We will partner with Axon on a multi-year contract to provide virtual reality scenerios based training to officers and the community. This platform will allow us track the training and analyze the scenario results in a way that we cannot do right now. This will allow us to better analyze our community efforts to ensure our officers are making sound use of force decisions. It will also allow the community particiapte in scenarios with us, which will lead to better discussions and increase trust in the community.			

Award Letter

November 2, 2023

Dear Keith Eury,

On behalf of Attorney General Merrick B. Garland, it is my pleasure to inform you the Office of Community Oriented Policing Services (the COPS Office) has approved the application submitted by CONCORD, CITY OF for an award under the funding opportunity entitled 2023 FY23 Law Enforcement Agency De-Escalation Grants -Community Policing Development Solicitation. The approved award amount is \$105,320.

Review the Award Instrument below carefully and familiarize yourself with all conditions and requirements before accepting your award. The Award Instrument includes the Award Offer (Award Information, Project Information, Financial Information, and Award Conditions) and Award Acceptance. For COPS Office and OVW funding the Award Offer also includes any Other Award Documents.

Please note that award requirements include not only the conditions and limitations set forth in the Award Offer, but also compliance with assurances and certifications that relate to conduct during the period of performance for the award. These requirements encompass financial, administrative, and programmatic matters, as well as other important matters (e.g., specific restrictions on use of funds). Therefore, all key staff should receive the award conditions, the assurances and certifications, and the application as approved by the COPS Office, so that they understand the award requirements. Information on all pertinent award requirements also must be provided to any subrecipient of the award.

Should you accept the award and then fail to comply with an award requirement, DOJ will pursue appropriate remedies for non-compliance, which may include termination of the award and/or a requirement to repay award funds.

Prior to accepting the award, your Entity Administrator must assign a Financial Manager, Grant Award Administrator, and Authorized Representative(s) in the Justice Grants System (JustGrants). The Entity Administrator will need to ensure the assigned Authorized Representative(s) is current and has the legal authority to accept awards and bind the entity to the award terms and conditions. To accept the award, the Authorized Representative(s) must accept all parts of the Award Offer in the Justice Grants System (JustGrants), including by executing the required declaration and certification, within 45 days from the award date.

To access your funds, you will need to enroll in the Automated Standard Application for Payments (ASAP) system, if you haven't already completed the enrollment process in ASAP. The Entity Administrator should have already received an email from ASAP to initiate this process.

Congratulations, and we look forward to working with you.

HUGH CLEMENTS

COPS Director

Office for Civil Rights Notice for All Recipients

The Office for Civil Rights (OCR), Office of Justice Programs (OJP), U.S. Department of Justice (DOJ) has been delegated the responsibility for ensuring that recipients of federal financial assistance from the OJP, the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW) are not engaged in discrimination prohibited by law. Several federal civil rights laws, such as Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, require recipients of federal financial assistance to give assurances that they will comply with those laws. Taken together, these civil rights laws prohibit recipients of federal financial assistance from DOJ from discriminating in services and employment because of race, color, national origin, religion, disability, sex, and, for grants authorized under the Violence Against Women Act, sexual orientation and gender identity. Recipients are also prohibited from discriminating in services because of age. For a complete review of these civil rights laws and nondiscrimination requirements, in connection with DOJ awards, see <https://ojp.gov/funding/Explore/LegalOverview/CivilRightsRequirements.htm>.

Under the delegation of authority, the OCR investigates allegations of discrimination against recipients from individuals, entities, or groups. In addition, the OCR conducts limited compliance reviews and audits based on regulatory criteria.

These reviews and audits permit the OCR to evaluate whether recipients of financial assistance from the Department are providing services in a nondiscriminatory manner to their service population or have employment practices that meet equal-opportunity standards.

If you are a recipient of grant awards under the Omnibus Crime Control and Safe Streets Act or the Juvenile Justice and Delinquency Prevention Act and your agency is part of a criminal justice system, there are two additional obligations that may apply in connection with the awards: (1) complying with the regulation relating to Equal Employment Opportunity Programs (EEOs); and (2) submitting findings of discrimination to OCR. For additional information regarding the EEO requirement, see 28 CFR Part 42, subpart E, and for additional information regarding requirements when there is an adverse finding, see 28 C.F.R. §§ 42.204(c), .205(c)(5).

The OCR is available to help you and your organization meet the civil rights requirements that are associated with DOJ grant funding. If you would like the OCR to assist you in fulfilling your organization's civil rights or nondiscrimination responsibilities as a recipient of federal financial assistance, please do not hesitate to contact the OCR at askOCR@ojp.usdoj.gov.

Award Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Recipient Information

Recipient Name

CONCORD, CITY OF

UEI

PKAGEXPV4EE8

ORI Number

NC01301

Street 1

35 CABARRUS AVE W

Street 2

City

CONCORD

State/U.S. Territory

North Carolina

Zip/Postal Code

28025

Country

United States

County/Parish

Province

Award Details

Federal Award Date

11/2/23

Award Type

Initial

Award Number

15JCOPS-23-GG-02543-PPSE

Supplement Number

00

Federal Award Amount

\$105,320.00

Funding Instrument Type

Grant

Assistance Listing Number	Assistance Listings Program Title
16.710	Public Safety Partnership and Community Policing Grants

Statutory Authority
The Public Safety Partnership and Community Policing Act of 1994, 34 U.S.C. § 10381 et seq

[]
I have read and understand the information presented in this section of the Federal Award Instrument.

Project Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Solicitation Title	Awarding Agency
2023 FY23 Law Enforcement Agency De-Escalation Grants -Community Policing Development Solicitation	COPS

Application Number
GRANT13883167

Grant Manager Name
LATOSHIA AUSTIN
Phone Number
[202-598-1548](tel:202-598-1548)
E-mail Address
Latoshia.Austin@usdoj.gov

Project Title
FY23 City of Concord, NC De-Escalation Grant

Performance Period Start Date	Performance Period End Date
10/01/2023	09/30/2025

Budget Period Start Date	Budget Period End Date
10/01/2023	09/30/2025

Project Description
The Concord Police Department will train every officer in Crisis Intervention Team training (CIT), a 40-hour program is a community partnership of law enforcement, mental health and addiction professionals, individuals who live with mental illness and/or addiction disorders, their families, and other advocates. It is an innovative first-responder model of police-based crisis intervention training to help persons with mental disorders and/or addictions access medical treatment rather than place them in the criminal justice system due to illness related behaviors. It also promotes officer safety and the safety of the individual in crisis. We will partner with Axon on a multi-year contract to provide virtual reality scenerios based training to officers and the community. This platform will allow us track the training and analyze the scenario results in a way that we cannot do right now. This will allow us to better analyze our community efforts to

ensure our officers are making sound use of force decisions. It will also allow the community participate in scenarios with us, which will lead to better discussions and increase trust in the community.

[]
I have read and understand the information presented in this section of the Federal Award Instrument.

Financial Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

A financial analysis of budgeted costs has been completed. All costs listed in the approved budget below were programmatically approved based on the final proposed detailed budget and budget narratives submitted by your agency to the COPS Office. Any adjustments or edits to the proposed budget are explained below.

Budget Clearance Date: 8/5/23 8:53 AM

Comments

No items

Budget Category	Proposed Change Budget		Approved Budget	Percentages
Sworn Officer Positions:	\$0	\$0	\$0	
Civilian or Non-Sworn Personnel:	\$0	\$0	\$0	
Travel:	\$0	\$0	\$0	
Equipment:	\$0	\$0	\$0	
Supplies:	\$0	\$0	\$0	
SubAwards:	\$0	\$0	\$0	
Procurement Contracts:	\$105,320	\$0	\$105,320	
Other Costs:	\$0	\$0	\$0	
Total Direct Costs:	\$105,320	\$0	\$105,320	
Indirect Costs:	\$0	\$0	\$0	
Total Project Costs:	\$105,320	\$0	\$105,320	
Federal Funds:	\$105,320	\$0	\$105,320	100.00%
Match Amount:	\$0	\$0	\$0	0.00%

Program Income: \$0 \$0 \$0 0.00%

Budget Category

Sworn Officer

Civilian Personnel

Travel

Equipment

Supplies

SubAwards

Procurement Contracts

Other Costs

Indirect Costs

I have read and understand the information presented in this section of the Federal Award Instrument.

Other Award Documents

I have read and understand the information presented in this section of the Federal Award Instrument.

No other award documents have been added.

Award Conditions

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

1
Reporting Subawards and Executive Compensation

The recipient agrees to comply with the following requirements of 2 C.F.R. Part 170, Appendix A to Part 170 – Award Term:

- I. Reporting Subawards and Executive Compensation
 - a. Reporting of first-tier subawards.

Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions

in paragraph e. of this award term).

2. Where and when to report.

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <http://www.fsr.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsr.gov> specify.

b. Reporting total compensation of recipient executives for non-Federal entities.

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. The total Federal funding authorized to date under this Federal award equals or exceeds \$30,000 as defined in 2 CFR 170.320;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards), and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and,

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at <https://www.sam.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier non-Federal entity subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) and,

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the

U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions.

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

i. Subawards, and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:

1. Federal Agency means a Federal agency as defined at 5 U.S.C. 551(1) and further clarified by 5 U.S.C. 552(f).

2. Non-Federal entity means all of the following, as defined in 2 CFR part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization; and,

iv. A domestic or foreign for-profit organization

3. Executive means officers, managing partners, or any other employees in management positions.

4. Subaward:

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.331).

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

5. Subrecipient means a non-Federal entity or Federal agency that:

i. Receives a subaward from you (the recipient) under this award; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

6. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)).

2

Restrictions on Internal Confidentiality Agreements: No recipient or subrecipient under this award, or entity that receives a contract or subcontract with any funds under this award, may require any employee or contractor to sign an

internal confidentiality agreement or statement that prohibits or otherwise restricts the lawful reporting of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information. Consolidated Appropriations Act, 2023, Public Law 117-328, Division E, Title VII, Section 742.

3

Prohibited conduct by recipients and subrecipients related to trafficking in persons (including reporting requirements and COPS Office authority to terminate award): The recipient and subrecipient agree to comply with the requirements in 2 C.F.R. § 175.15(b) – Award Term:

I. Trafficking in persons.

a. Provisions applicable to a recipient that is a private entity.

1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

- i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
- ii. Procure a commercial sex act during the period of time that the award is in effect; or
- iii. Use forced labor in the performance of the award or subawards under the award.

2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

- i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
- ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by DOJ at 2 C.F.R. Part 2867.

b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—

i. Associated with performance under this award; or

ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by DOJ at 2 C.F.R. Part 2867.

c. Provisions applicable to any recipient.

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended 22 U.S.C. 7104(g), and

ii. Is in addition to all other remedies for noncompliance that are available to us under this award.

3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

1. “Employee” means either:

i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section

103 of the TVPA, as amended (22 U.S.C. 7102).

4

Duplicative Funding: The recipient understands and agrees to notify the COPS Office if it receives, from any other source, funding for the same item or service also funded under this award.

5

Termination: Recipient understands and agrees that the COPS Office may terminate funding, in whole or in part, for the following reasons:

(1) When the recipient fails to comply with the terms and conditions of a Federal award.

(2) When an award no longer effectuates the program goals or agency priorities, to the extent such termination is authorized by law.

(3) When the recipient agrees to the termination and termination conditions.

(4) When the recipient provides the COPS Office written notification requesting termination including the reasons, effective date, and the portion of the award to be terminated. The COPS Office may terminate the entire award if the remaining portion will not accomplish the purposes of the award.

(5) Pursuant to any other termination provisions included in the award.

2. C.F.R. § 200.340.

6

Award Owner's Manual: The recipient agrees to comply with the terms and conditions in the applicable 2023 COPS Office Program Award Owner's Manual; DOJ Grants Financial Guide; COPS Office statute (34 U.S.C. § 10381, et seq.) as applicable; Students, Teachers, and Officers Preventing (STOP) School Violence Act of 2018 (34 U.S.C. § 10551, et seq.) as applicable; the requirements of 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) as adopted by the U.S. Department of Justice in 2 C.F.R. § 2800.101; 48 C.F.R. Part 31 (FAR Part 31) as applicable (Contract Cost Principles and Procedures); the Cooperative Agreement as applicable; representations made in the application; and all other applicable program requirements, laws, orders, regulations, or circulars.

Failure to comply with one or more award requirements may result in remedial action including, but not limited to, withholding award funds, disallowing costs, suspending, or terminating the award, or other legal action as appropriate.

Should any provision of an award condition be deemed invalid or unenforceable by its terms, that provision will be applied to give it the maximum effect permitted by law. Should the provision be deemed invalid or unenforceable in its entirety, such provision will be severed from this award.

7

Authorized Representative Responsibility: The recipient understands that, in accepting this award, the Authorized Representatives declare and certify, among other things, that they possess the requisite legal authority to accept the award on behalf of the recipient entity and, in so doing, accept (or adopt) all material requirements throughout the period of performance under this award. The recipient further understands, and agrees, that it will not assign anyone to the role of Authorized Representative during the period of performance under the award without first ensuring that the individual has the requisite legal authority.

8

Award Monitoring Activities: Federal law requires that recipients receiving federal funding from the COPS Office must be monitored to ensure compliance with their award conditions and other applicable statutes and regulations. The COPS Office is also interested in tracking the progress of our programs and the advancement of community policing. Both aspects of award implementation—compliance and programmatic benefits—are part of the monitoring process coordinated by the U.S. Department of Justice. Award monitoring activities conducted by the COPS Office include site visits, enhanced office-based grant reviews, alleged noncompliance reviews, financial and programmatic reporting, and audit resolution. As a COPS Office award recipient, you agree to cooperate with and respond to any requests for information pertaining to your award. This includes all financial records, such as general accounting ledgers and all supporting documents. All information pertinent to the implementation of the award is subject to agency review throughout the life of the award, during the close-out process and for three-years after the submission of the final expenditure report. 34 U.S.C. § 10385(a) and 2 C.F.R. §§ 200.334 and 200.337.

9

Contract Provision: All contracts made by the award recipients under the federal award must contain the provisions required under 2 C.F.R. Part 200, Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. Please see appendices in the Award Owner’s Manual for a full text of the contract provisions.

10

Assurances and Certifications: The recipient acknowledges its agreement to comply with the Assurances and Certifications forms that were signed as part of its application.

11

Conflict of Interest: Recipients and subrecipients must disclose in writing to the COPS Office or pass-through entity, as applicable, any potential conflict of interest affecting the awarded federal funding in 2 C.F.R. § 200.112.

12

Debarment and Suspension: The recipient agrees not to award federal funds under this program to any party which is debarred or suspended from participation in federal assistance programs. 2 C.F.R. Part 180 (Government-wide Nonprocurement Debarment and Suspension) and 2 C.F.R. Part 2867 (DOJ Nonprocurement Debarment and Suspension).

13

Employment Eligibility: The recipient agrees to complete and keep on file, as appropriate, the Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS) Employment Eligibility Verification Form (I-9). This form is to be used by recipients of federal funds to verify that persons are eligible to work in the United States. Immigration Reform and Control Act of 1986 (IRCA), Public Law 99-603.

14

Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information: Recipients and subrecipients agree not to discharge, demote, or otherwise discriminate against an employee as reprisal for the employee disclosing information that he or she reasonably believes is evidence of gross mismanagement of a federal contract or award, a gross waste of federal funds, an abuse of authority relating to a federal contract or award, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or award. Recipients and subrecipients also agree to provide to their employees in writing (in the predominant native language of the workforce) of the rights and remedies provided in 41 U.S.C. § 4712. Please see appendices in the Award Owner’s Manual for a full text of the statute.

15

Equal Employment Opportunity Plan (EEO): All recipients of funding from the COPS Office must comply with the federal regulations pertaining to the development and implementation of an Equal Employment Opportunity Plan. 28 C.F.R. Part 42 subpart E.

16

False Statements: False statements or claims made in connection with COPS Office awards may result in fines, imprisonment, debarment from participating in federal awards or contracts, and/or any other remedy available by law. 31 U.S.C. § 3729-3733.

17

Federal Civil Rights: The Applicant understands that the federal statutes and regulations applicable to the award (if any) made by the Department based on the application specifically include statutes and regulations pertaining to civil rights and nondiscrimination, and, in addition—
a. the Applicant understands that the applicable statutes pertaining to civil rights will include section 601 of the Civil Rights Act of 1964 (42 U.S.C. § 2000d); section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794); section 901 of the Education Amendments of 1972 (20 U.S.C. § 1681); and section 303 of the Age Discrimination Act of 1975 (42 U.S.C. § 6102);

b. the Applicant understands that the applicable statutes pertaining to nondiscrimination may include section 809(c) of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. § 10228(c)); section 1407(e) of the Victims of Crime Act of 1984 (34 U.S.C. § 20110(e)); section 299A(b) of the Juvenile Justice and Delinquency Prevention Act of 2002 (34 U.S.C. § 11182(b)); and that the grant condition set out at section 40002(b)(13) of the Violence Against Women Act (34 U.S.C. § 12291(b)(13)), which will apply to all awards made by the Office on Violence Against Women, also may apply to an award made otherwise;

c. the Applicant understands that it must require any subrecipient to comply with all such applicable statutes (and associated regulations); and

d. on behalf of the Applicant, I make the specific assurances set out in 28 C.F.R. §§ 42.105 and 42.204.

The Applicant also understands that (in addition to any applicable program-specific regulations and to applicable federal regulations that pertain to civil rights and nondiscrimination) the federal regulations applicable to the award (if any) made by the Department based on the application may include, but are not limited to, 2 C.F.R. Part 2800 (the DOJ "Part 200 Uniform Requirements") and 28 C.F.R. Parts 22 (confidentiality - research and statistical information), 23 (criminal intelligence systems), 38 (regarding faith-based or religious organizations participating in federal financial assistance programs), and 46 (human subjects protection).

18

Mandatory Disclosure: Recipients and subrecipients must timely disclose in writing to the Federal awarding agency or pass-through entity, as applicable, all federal criminal law violations involving fraud, bribery, or gratuity that may potentially affect the awarded federal funding. Recipients that receive an award over \$500,000 must also report certain civil, criminal, or administrative proceedings in SAM and are required to comply with the Term and Condition for Recipient Integrity and Performance Matters as set out in 2 C.F.R. Part 200, Appendix XII to Part 200. Failure to make required disclosures can result in any of the remedies, including suspension and debarment, described in 2 C.F.R. § 200.339. 2 C.F.R. § 200.113.

19

Reports/Performance Goals: To assist the COPS Office in monitoring and tracking the performance of your award, your agency will be responsible for submitting semi-annual programmatic performance reports that describe project activities during the reporting period and quarterly Federal Financial Reports using Standard Form 425 (SF-425). 2 C.F.R. §§ 200.328 - 200.329. The performance report is used to track your agency's progress toward implementing community policing strategies and to collect data to gauge the effectiveness of increasing your agency's community policing capacity through COPS Office funding. The Federal Financial Report is used to track the expenditures of the recipient's award funds on a cumulative basis throughout the life of the award.

20

Recipient Integrity and Performance Matters: For awards over \$500,000, the recipient agrees to comply with the following requirements of 2 C.F.R. Part 200, Appendix XII to Part 200 – Award Term and Condition for Recipient Integrity and Performance Matters:

A. Reporting of Matters Related to Recipient Integrity and Performance

1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

b. Reached its final disposition during the most recent five-year period; and

c. Is one of the following:

- (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
- (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
- (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
- (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;
 - (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
 - (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—

- (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
- (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

21

System for Award Management (SAM) and Universal Identifier Requirements: The recipient agrees to comply with the following requirements of 2 C.F.R. Part 25, Appendix A to Part 25 – Award Term:

I. System for Award Management and Universal Identifier Requirements

A. Requirement for System for Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain current

information in the SAM. This includes information on your immediate and highest level owner and subsidiaries, as well as on all of your predecessors that have been awarded a Federal contract or Federal financial assistance within the last three years, if applicable, until you submit the final financial report required under this Federal award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another Federal award term.

B. Requirement for Unique Entity Identifier

If you are authorized to make subawards under this Federal award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you until the entity has provided its Unique Entity Identifier to you.
2. May not make a subaward to an entity unless the entity has provided its Unique Entity Identifier to you. Subrecipients are not required to obtain an active SAM registration, but must obtain a Unique Entity Identifier.

C. Definitions

For purposes of this term:

1. System for Award Management (SAM) means the Federal repository into which a recipient must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM internet site (currently at <https://www.sam.gov>).
2. Unique Entity Identifier means the identifier assigned by SAM to uniquely identify business entities.
3. Entity includes non-Federal entities as defined at 2 CFR 200.1 and also includes all of the following, for purposes of this part:
 - a. A foreign organization;
 - b. A foreign public entity;
 - c. A domestic for-profit organization; and
 - d. A Federal agency.
4. Subaward has the meaning given in 2 CFR 200.1.
5. Subrecipient has the meaning given in 2 CFR 200.1.

22

Additional High-Risk Recipient Requirements: The recipient agrees to comply with any additional requirements that may be imposed during the award performance period if the awarding agency determines that the recipient is a high-risk recipient. 2 C.F.R. § 200.208.

23

Allowable Costs: The funding under this award is for the payment of approved costs for program-specific purposes. The allowable costs approved for your agency's award are limited to those listed in your agency's award package. In accordance with 2 C.F.R. § 200.400(g), the recipient must forgo any profit or management fee. Your agency may not use award funds for any costs not identified as allowable in the award package.

24

Computer Network Requirement: The recipient understands and agrees that no award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. Nothing in this requirement limits the use of funds necessary for any federal, state, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. Consolidated Appropriations Act, 2023, Public Law 117-328, Division B, Title V, Section 527.

25

Domestic preferences for procurements: Recipient agrees that it, and its subrecipients, to the greatest extent practicable, will provide a preference for the purchase, acquisition, or use of goods, products, and materials produced in, and services offered in, the United States. 2 C.F.R. § 200.322 and Executive Order 14005, Ensuring the Future is Made in All of America by All of America's Workers, January 25, 2021.

26

Extensions: Recipients may request an extension of the award period to receive additional time to implement their award program. Such extensions do not provide additional funding. Only those recipients that can provide a reasonable justification for delays will be granted no-cost extensions. Extension requests must be received prior to the end date of the award. 2 C.F.R. §§ 200.308(e)(2) and 200.309.

27

Copyright: If applicable, the recipient may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under this award in accordance with 2 C.F.R. § 200.315(b). The COPS Office reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use the work, in whole or in part (including create derivative works), for Federal Government purposes, and to authorize others to do so. The COPS Office also reserves the right, at its discretion, not to publish deliverables and other materials developed under this award as a U.S. Department of Justice resource.

Products and deliverables developed with award funds and published as a U.S. Department of Justice resource will contain the following copyright notice:

"This resource was developed under a federal award and may be subject to copyright. The U.S. Department of Justice reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use the work for Federal Government purposes and to authorize others to do so. This resource may be freely distributed and used for noncommercial and educational purposes only."

28

Evaluations: The COPS Office may conduct monitoring or sponsor national evaluations of its award programs. The recipient agrees to cooperate with the monitors and evaluators. 34 U.S.C. § 10385(b).

29

Human Subjects Research: The recipient agrees to comply with the provisions of the U.S. Department of Justice's common rule regarding Protection of Human Subjects, 28 C.F.R. Part 46, prior to the expenditure of Federal funds to perform such activities, if applicable. The recipient also agrees to comply with 28 C.F.R. Part 22 regarding the safeguarding of individually identifiable information collected from research participants.

30

Requirement to report actual or imminent breach of personally identifiable information (PII).

The recipient (and any subrecipient at any tier) must have written procedures in place to respond in the event of an actual or imminent breach (as defined in OMB M-17-12) if it (or a subrecipient)-- 1) creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of personally identifiable information (PII) (as defined in 2 C.F.R. 200.1) within the scope of a COPS Office grant-funded program or activity, or 2) uses or operates a Federal information system (as defined in OMB Circular A-130). The recipient's breach procedures must include a requirement to report actual or imminent breach of PII to the recipient's COPS Office Program Manager no later than 24 hours after an occurrence of an actual breach, or the detection of an imminent breach.

31

Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment: Recipient agrees that it, and its subrecipients, will not use award funds to extend, renew, or enter into any contract to procure or obtain any covered telecommunication and video surveillance services or equipment as described in 2 CFR §200.216. Covered services and equipment include telecommunications or video surveillance services or equipment produced or provided by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); Hytera

Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); or an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of China. The use of award funds on covered telecommunications or video surveillance services or equipment are unallowable.

2. C.F.R. § § 200.216 & 471. See also Section 889 of the John S. McCain National Defense Authorization Act of Fiscal Year 2019, Public Law 115-232.

32

Modifications: Award modifications are evaluated on a case-by-case basis in accordance with 2 C.F.R. § 200.308(f). For federal awards in excess of \$250,000, any modification request involving the reallocation of funding between budget categories that exceed or are expected to exceed 10 percent (10%) of the total approved budget requires prior written approval by the COPS Office. Regardless of the federal award amount or budget modification percentage, any reallocation of funding is limited to approved budget categories. In addition, any budget modification that changes the scope of the project requires prior written approval by the COPS Office.

33

The Paperwork Reduction Act Clearance and Privacy Act Review: Recipient agrees, if required, to submit all surveys, interview protocols, and other information collections to the COPS Office for submission to the Office of Management and Budget (OMB) for clearance under the Paperwork Reduction Act (PRA). Before submission to OMB, all information collections that request personally identifiable information must be reviewed by the COPS Office to ensure compliance with the Privacy Act. The Privacy Act compliance review and the PRA clearance process may take several months to complete. 44 U.S.C. §§ 3501-3520 and 5 U.S.C. § 552a.

34

Public Release Information: The recipient agrees to submit one copy of all reports and proposed publications resulting from this award ninety (90) days prior to public release. Any publications (written, curricula, visual, sound, or websites) or computer programs, whether or not published at government expense, shall contain the following statement:

"This project was supported, in whole or in part, by federal award number [YYYY-XX-XXXX] awarded to [Entity] by the U.S. Department of Justice, Office of Community Oriented Policing Services. The opinions contained herein are those of the author(s) or contributor(s) and do not necessarily represent the official position or policies of the U.S. Department of Justice. References to specific individuals, agencies, companies, products, or services should not be considered an endorsement by the author(s), contributor(s), or the U.S. Department of Justice. Rather, the references are illustrations to supplement discussion of the issues.

The Internet references cited in this publication were valid as of the date of publication. Given that URLs and websites are in constant flux, neither the author(s) nor the COPS Office can vouch for their current validity."

35

Sole Source Justification: Recipients who have been awarded funding for the procurement of an item (or group of items) or service in excess of \$250,000 and who plan to seek approval for use of a noncompetitive procurement process must provide a written sole source justification to the COPS Office for approval prior to obligating, expending, or drawing down award funds for that item or service. 2 C.F.R. § 200.325(b)(2).

36

Supplementing, not Supplanting: State, local, and tribal government recipients must use award funds to supplement, and not supplant, state, local, or Bureau of Indian Affairs (BIA) funds that are already committed or otherwise would have been committed for award purposes (hiring, training, purchases, and/or activities) during the award period. In other words, state, local, and tribal government recipients may not use COPS Office funds to supplant (replace) state, local, or BIA funds that would have been dedicated to the COPS Office-funded item(s) in the absence of the COPS Office award. 34 U.S.C. § 10384(a).

37

Travel Costs: Travel costs for transportation, lodging and subsistence, and related items are allowable with prior

approval from the COPS Office. Payment for allowable travel costs will be in accordance with 2 C.F.R. § 200.475.

38

Training Guiding Principles: Any training or training materials developed or delivered with award funding provided by the Office of Community Oriented Policing Services is to adhere to the following guiding principles –

1. Trainings must comply with applicable law.

In developing and conducting training under the award, recipients (and any subrecipients) shall not violate the Constitution or any federal law, including any law prohibiting discrimination.

2. The content of trainings and training materials must be accurate, appropriately tailored, and focused.

The content of training programs must be accurate, useful to those being trained, and well matched to the program's stated objectives. Training materials used or distributed at trainings must be accurate, relevant, and consistent with these guiding principles.

3. Trainers must be well-qualified in the subject area and skilled in presenting it.

Trainers must possess the subject-matter knowledge and the subject-specific training experience necessary to meet the objectives of the training. In selecting or retaining a trainer, recipients (or subrecipients) should consider such factors as the trainer's resume and written materials, interviews with the trainer, observation of other trainings conducted by the trainer, feedback from other entities with which the trainer has worked, training participant feedback and evaluations, and the general reputation of the trainer.

4. Trainers must demonstrate the highest standards of professionalism.

Trainers must comport themselves with professionalism. While trainings will necessarily entail varying teaching styles, techniques, and degrees of formality, as appropriate to the particular training goal, professionalism demands that trainers instruct in the manner that best communicates the subject matter while conveying respect for all.

[]

I have read and understand the information presented in this section of the Federal Award Instrument.

Award Acceptance

Declaration and Certification to the U.S. Department of Justice as to Acceptance

By checking the declaration and certification box below, I--

A. Declare to the U.S. Department of Justice (DOJ), under penalty of perjury, that I have authority to make this declaration and certification on behalf of the applicant.

B. Certify to DOJ, under penalty of perjury, on behalf of myself and the applicant, to the best of my knowledge and belief, that the following are true as of the date of this award acceptance: (1) I have conducted or there was conducted (including by applicant's legal counsel as appropriate and made available to me) a diligent review of all terms and conditions of, and all supporting materials submitted in connection with, this award, including any assurances and certifications (including anything submitted in connection therewith by a person on behalf of the applicant before, after, or at the time of the application submission and any materials that accompany this acceptance and certification); and (2) I have the legal authority to accept this award on behalf of the applicant.

C. Accept this award on behalf of the applicant.

D. Declare the following to DOJ, under penalty of perjury, on behalf of myself and the applicant: (1) I understand that, in taking (or not taking) any action pursuant to this declaration and certification, DOJ will rely upon this declaration and certification as a material representation; and (2) I understand that any materially false, fictitious, or fraudulent information or statement in this declaration and certification (or concealment or omission of a material fact as to either) may be the subject of criminal prosecution (including under 18 U.S.C. §§ 1001 and/or 1621, and/or 34 U.S.C. §§ 10271-10273), and also may subject me and the applicant to civil penalties and administrative remedies under the

federal False Claims Act (including under 31 U.S.C. §§ 3729-3730 and/or §§ 3801-3812) or otherwise.

Agency Approval

Title of Approving Official

COPS Director

Name of Approving Official

HUGH CLEMENTS

Signed Date And Time

9/13/23 1:48 PM

Authorized Representative



Section 3 Plan

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CITY OF CONCORD
Planning & Neighborhood Development Department
35 Cabarrus Avenue West
Concord, North Carolina 28025

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I. General Policy Statement

The City of Concord is pleased to provide this Section 3 Plan, which will assist staff, contractors, and developers in complying with the requirements of Section 3 of the HUD Act of 1968, as amended in 1994 and the Section 3 Final Rule that became effective as of November 30, 2020. It is the policy of the City of Concord to require its contractors to provide equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's, marital or economic status and to take affirmative action to ensure that all job applicants and existing employees are given fair and equal treatment. This Program will ensure that employment, training, and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are public housing residents, and to businesses that provide economic opportunities to low- and very low-income persons.

The City of Concord has established goals for both hiring and contracting that, when met, will demonstrate satisfactory efforts to comply with Section 3. The City's Section 3 Program affirms its commitment to maximize the creation of employment, training and contracting opportunities for low- and very low-income persons. The City also is committed to providing contractors and developers with procedural assistance on all matters relating to this Program, as needed, to achieve the Program's goals. This Program shall result in a reasonable level of success in the recruitment, employment, and utilization of low- and very low-income residents and other eligible persons and businesses by contractors that are awarded to work on contracts that are partially or wholly funded by the United States Department of Housing and Urban Development (HUD).

Examples of the City's Section 3 projects may include housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds \$200,000 of housing and community development financial assistance. The Office of Lead Hazard Control and Health Homes (OLHCHH) is not included in calculating whether the assistance exceeds the \$200,000 threshold. The project is defined as the site or sites together with any building (s) and improvements that are located on the site(s) that are under common ownership, management, and financing.

II. Purpose of Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) by the Housing and Community Development Act of 1994, and the Section 3 Final Rule, that was effective as of November 30, 2020, requires that, to the greatest extent feasible, employment and other economic and business opportunities generated by HUD funds be directed to public housing residents and other low- and very low-income residents, and business concerns that provide economic opportunities to low- and very low-income persons. 24 CFR Part 135 establishes the standards and procedures to be followed to ensure that the objectives of Section 3 are met. This regulation requires the City of Concord to make efforts to ensure that 30% of new hires of its contractors funded through development assistance, operating assistance or modernization assistance from HUD be Section 3 residents or very low- and low-income residents, in particular, public

housing residents, low- and very low-income persons who live in the metropolitan area or non-metropolitan county where a HUD-assisted project for housing or community development is located, workers whose incomes for the previous or annualized calendar year are below the income limit established by HUD, workers that are employed by a Section 3 business concern, and YouthBuild participants. As required by 24 CFR Part 75, the City's goal is to prioritize the hiring of targeted Section 3 workers that live in public or Section-8 assisted housing or within a one-mile radius of the project site. Furthermore, it requires that best efforts be made to ensure that 10% of total funds for construction or repair-related contracts be awarded to Section 3 businesses and 3% of the total funds for non-construction contracts be awarded to Section 3 businesses. A Section 3 business concern is defined as a business with 51% being owned and controlled by low- or very low-income persons, or a business where Section 3 workers perform over 75% of the labor hours over a three-month period, and a business that is at least 51% owned and controlled by current public housing or Section 8-assisted housing residents.

III. Section 3 Contracting Procedure & Policy

The City of Concord will incorporate Section 3 requirements in all procurements that include HUD funding. This policy and procedure contains goal requirements for awarding contracts to Section 3 Business Concerns. All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the City, be required to complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications shall be adequately supported with appropriate documentation as referenced in the form.

The City's existing Procurement Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (M/WBE).

IV. Section 3 Action Plan

The City of Concord developed this Section 3 Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

The City's will continue to seek input from various city departments and, where applicable, input from HUD and other agencies.

V. Employment & Training Goals

It is the policy of the City of Concord to utilize low- and very low-income residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). The City has established employment and training goals that contractors and subcontractors should meet to comply with Section 3 requirements. (Reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement and 24 CFR 75.9).

The City of Concord will seek all opportunities to provide employment and training to Section 3 workers in the following order of priority:

1. Residents of the public housing projects for which the public housing financial assistance is expended.
2. Residents of other public housing projects that are managed by the City of Concord's Housing Department or for residents of Section 8-assisted housing that is managed by the City of Concord's Housing Department.
3. Participants in YouthBuild programs.
4. Low- and very low-income persons residing within the metropolitan area in which the assistance is expended.

If the targeted reporting indicates that the City has not met the Section 3 benchmarks, the City must report in a form prescribed by HUD of a qualitative nature of its activities and those its contractors and subcontractors pursued, which could include but are not limited to the following:

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers;
- Provided training or apprenticeship opportunities;
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching);
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities or connecting residents to job placement services;
- Held one or more job fairs;
- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, or childcare);
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training;
- Assisted Section 3 workers to obtain financial literacy training and/or coaching;
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns;
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts;
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses;
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121 (2) of the Workforce Innovation and Opportunity Act.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals was not feasible. All contractors submitting bids or proposals to the City are required to certify that they comply with the

requirements of Section 3. The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included on page 14.

VI. Certification Procedure for Section 3 Program Participants

The City of Concord will certify Section 3 program participants who reside within the City and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (*see the Section 3 Preference Income Verification Form on page 35*).

- All persons living in the City of Concord who meet the Section 3 eligibility guidelines can, by appointment, visit with the Section 3 Coordinator to complete a job readiness assessment.
- Once this assessment is complete, the Section 3 Coordinator will determine if the individual meets the eligibility requirements and is job ready.
- If the individual is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual’s needs, i.e., substance abuse providers, etc.
- The Section 3 job readiness component is a part of the City’s commitment to provide economic opportunities and training to residents/eligible participants. The ultimate goal is to increase the number of residents that become gainfully employed as a result of the City’s efforts.

VII. Resident Hiring Requirements

The City of Concord has adopted the following scale for resident hiring that is to be used on all construction contracts, service contracts and professional service contracts that contain a labor component. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in the City’s contracted labor efforts. A prime contractor may satisfy resident hiring requirements through its subcontractors.

Total Labor Dollars (Total Contract Amount)	Resident Hiring as a % of Total Labor Dollars
When the lowest responsible bid is less than \$100,000	10% of the labor dollars
At least \$100,000, but less than \$200,000	9% of the labor dollars
At least \$200,000, but less than \$300,000	8% of the labor dollars
At least \$300,000, but less than \$400,000	7% of the labor dollars
At least \$400,000, but less than \$500,000	6% of the labor dollars
At least \$500,000, but less than \$1 million	5% of the labor dollars
At least \$1 million, but less than \$2 million	4% of the labor dollars
At least \$2 million, but less than \$4 million	3% of the labor dollars
At least \$4 million, but less than \$7 million	2% of the labor dollars
\$7 million or more	1%-½% of the labor dollars

With this sliding formula, it is expected that an appropriate number of public housing residents and low- and very low-income neighborhood residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy the City's resident hiring requirement set forth above.

VIII. Assisting Contractors to Achieve Section 3 Goals

The City of Concord will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- The Section 3 Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
- The Section 3 Coordinator will provide the contractor with a list of Section 3 business concerns interested and qualified for construction projects.
- The Section 3 Coordinator will inform the contractor of known issues that might affect Section 3 residents from performing job-related duties.
- The Section 3 Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete the proposed work to be performed with HUD (federal) funds.

IX. Preference for Contracting with Section 3 Business Concerns

The City of Concord, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order of priority:

- **Category 1:** Business concerns that are 51% or more owned and controlled by low- or very low-income persons or by current residents of the City's Housing Department or Section 8-assisted housing residents for which the work is being performed, or businesses where Section 3 workers perform over 75% of the labor hours over a three-month period.
- **Category 2:** Business concerns that are 51% or more owned and controlled by current residents of the City's Housing Department or Section 8-assisted housing residents, or businesses where the work is not performed and Section 3 workers perform over 75% of the labor hours over a three-month period.

- **Category 3:** HUD YouthBuild programs being carried out in the City of Concord in which Section 3 covered assistance is expended.
- **Category 4:** Business concerns that are 51% or more owned and controlled by current residents of the City's Housing Department or Section-8 assisted housing residents, or whose permanent, full-time workforce includes no less than 30% Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.

Contractors and subcontractors are expected to extend, to the greatest extent feasible, efforts to achieve the numerical goals established by the City of Concord.

X. Section 3 Business Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the City of Concord shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form, which can be obtained from the City's Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the City's Section 3 Coordinator prior to the submission of bids for approval. If the Section 3 Coordinator previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

XI. Resident-Owned Business Contracting

The City of Concord will consider utilizing the alternative procurement process (Section 24 CFR Part 963) when contracting with businesses owned in substantial part by housing agency residents (resident-owned business) for public housing services, supplies or construction.

To be eligible for the alternative procurement process, a business must submit evidence to the City of Concord that shows how each of the following requirements have been met:

- Submit certified copies of any city, state, or county municipal licenses that support the type of business activity for which it performs.
- Disclose to the Section 3 Coordinator, all owners of the business, as well as, each owners percentage of ownership and names of those individuals who possess the authority to make decisions on a day-to-day basis.
- Submit evidence that the business is able to perform successfully under the terms and conditions of the proposed contract.
- Provide a certified listing of all contracts awarded and received, under the alternative procurement process, within a two-year period. If a resident-owned business has received, under this alternative contracting procedure, one or more

contracts (within the two-year period) with total combined dollars of \$1,000,000, then it is no longer eligible for additional contracts under the alternative process until the two-year period is past.

This alternative procurement policy is based upon the procurement procedure and policy set forth in HUD's regulations at 24 CFR, Part 85.36, but applies only to solicitations of resident-owned businesses. The City of Concord will utilize the alternative contracting procedure for resident-owned businesses only in cases where it is considered to be in the best businesses, economic and service interests of the authority.

XII. Contracting with Section 3 Business Concerns

The City of Concord will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Host information sessions on the City's contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- Contact business assistance agencies, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities.
- Establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise (M/WBE) association, Community Development Corporations, and other sources as necessary to assist the City with educating and mentoring residents with a desire to start their own businesses.
- Seek out referral sources in order to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses.

XIII. Section 3 Recruitment, Training and Employment

The City of Concord will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the housing developments as well as all of the City of Concord's public housing management offices.
- The City's Housing Department and neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- Employment opportunities will be advertised by posting job vacancies in common areas of all of the City's housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed of certified Section 3 residents of public housing and other low- and very low-income residents.
- A database will be developed to maintain a skill assessment of all Section 3 residents of public housing and other Section 3 residents.
- A database will be developed of eligible qualified Section 3 Business Concerns to contact with respect to the availability of contract opportunities.
- Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to residents developing skills that will transfer into the external labor market.

XIV. Employment of Section 3 Program Participants

- The Section 3 Coordinator will conduct a pre-interview with all residents prior to being hired by a contractor.
- The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Only residents meeting the minimum qualifications of the contractor or subcontractor will be referred to the job site. Residents not deemed job ready would be referred elsewhere. It is imperative that the resident's basic needs are met prior to employment.
- Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and the employer, the Section 3 Coordinator will meet the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the Section 3 Coordinator.
- In order to qualify for employment with contractors, public housing and other low- and very low-income residents must have their name(s) on a lease, be current on

rent, be at least eighteen years of age, and not be involved in any legal action with the City (i.e., current documented eviction, criminal and drug activity or trespassing).

- Residents not interested in construction employment opportunities will be assessed for other skills (clerical, administrative, etc.) and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.
- Residents interested in pursuing a General Equivalency Diploma (GED) and continued training education will be referred to those resources by the Section 3 Coordinator.

XV. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the City of Concord encourages submittal of such complaints to its Section 3 Coordinator as follows:

- Complaints of non-compliance should be filed in writing to the Section 3 Coordinator and the complaint must contain the name of the complainant and a brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough, investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- The Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the City. The City will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their concerns considered outside of the City, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by Assistant Secretary for good cause shown.

XVI. Definitions

Applicant – Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Assistant – the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor – any entity which contracts to perform work that generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Authority (HA) – Public Housing Agency.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD’s public housing program regulations codified in 24 CFR Chapter IX.

HUD YouthBuild Programs – programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

JTPA – The Job Training Partnership Act (29 U.S.C. 1579 (a)).

Low-Income Person – families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with

adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient – any entity that receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a business concern is a business with the following characteristics:

- 1) That is 51 percent or more owned by Section 3 resident: or
- 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance –

- 1) public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- 2) public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- 3) public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- 4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings

or improvements, regardless of ownership).

Section 3 Clause – the contract provisions set forth in Section 135.38.

Section 3 Covered Contracts – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 covered contracts do not include contracts awarded under HUD’s procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project - the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Resident – a public housing resident or an individual who resides in the metropolitan area or a non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

Subcontractor – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very Low-Income Person – families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

XVII. Section 3 Clause

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 Clause):

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD- assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD’s regulations in 24 CFR

Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

- C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Reference: HUD Exchange and the Section 2 Final Rule Guidebook

SECTION 3 CONTRACTING

POLICY AND PROCEDURE

INTRODUCTION

It is the mission of the City of Concord to provide a variety of safe, sanitary, accessible, decent, and affordable housing to the citizens of the City of Concord while enhancing and promoting resident self-sufficiency.

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal State, and local laws and regulations, be directed to low and very low-income individuals, especially recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very low-income individuals. (Section 3 means section 3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C. 1701u).

Section 3 requirements apply to all contractors and subcontractors performing work in connection with projects and activities funded by public housing assistance covered by Section 3, regardless of the amount of the contract or subcontract. Section 3 covered contracts do not include contracts for the purchase of supplies and materials unless the contract includes the installation of the materials.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence that the business concern qualifies as a Section 3-business concern. (Refer to What Is A Section 3 Business Concern?). The Section 3 business must also be able to demonstrate its ability to complete the contract. The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36, 24 CFR 85.36b(8).

Contractors who do not qualify as Section 3 business concerns, but who enter into contracts with the City of Concord, must agree to comply with certain general conditions (refer to Section 3 Clause). All contractors and subcontractors, including Section 3 businesses, must comply with these general conditions. Included in these conditions is the requirement that each contractor and subcontractor submit with each pay request a report of Section 3 compliance (refer to Section 3 Compliance Report). Failure to comply with these general conditions may lead to sanctions which can include termination of the contract for default and suspension or debarment from future HUD-assisted contracts (refer to Sanctions for Contractor's Noncompliance).

Please direct any questions you may have regarding this information to:

Community Development Manager
35 Cabarrus Avenue West
Concord, NC 28025
Phone: 704-920-5142

WHAT IS A SECTION 3 BUSINESS CONCERN?

A Section 3 Business Concern is a business concern, as defined in this section—

1. That is fifty-one percent (51%) or more owned and controlled by low or very low-income persons; or
2. That allows Section 3 workers to perform over 75% of the labor hours during a three-month period; or
3. That is fifty-one percent (51%) or more owned and controlled by current City of Concord Housing Department residents or Section 8-assisted housing residents.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability Form – Exhibit 1)

WHO IS A SECTION 3 RESIDENT?

For purposes of the Housing Authority or the City of Concord, a Section 3 resident is:

1. A public housing resident;
2. An individual who lives with the City of Concord and whose income falls within the guidelines for low- or very low-income.

ORDER OF PROVIDING PREFERENCE SECTION 3 BUSINESS CONCERN

When considering the award of contracts to business concerns, and more than one Section 3 business concern is being considered, to the greatest extent possible, awards shall be made in the following order of priority:

1. A Section 3 business concern that is fifty-one percent (51%) or more owned by resident(s) of the public housing development in which the work is directed, or whose full-time, permanent employees include at least thirty percent (30%) of the residents of the public housing development in which the work is directed:
2. A Section 3 business that is majority owned by resident(s) of other developments owned by The Housing Authority or the City of Concord, but not the housing development in which the work is directed, or whose full-time, permanent employees include at least thirty percent (30%) residents

of other developments owned by The Housing Authority or the City of Concord, but not the housing development in which the work is directed;

3. HUD YouthBuild programs that are being carried out in the City in which the Section 3 covered assistance is expended.
4. A Section 3 business concern that is majority owned by a Section 3 resident who is not a public housing resident or whose permanent, full-time workforce includes no less than thirty percent (30%) Section 3 residents who are not public housing residents, or that subcontract in excess of twenty-five percent (25%) of the total amount of subcontracts to Section 3 business concerns.

Note: A Section 3 business concern seeking any of the above preferences shall submit evidence that it meets the guidelines of that preference.

WHAT IF MY BUSINESS DOES NOT QUALIFY AS A SECTION 3 BUSINESS?

The Housing Authority will, to the greatest extent feasible, offer contracting opportunities to Section 3 business concerns. However, in the event no Section 3 business bids on a contract, or bids but is not able to demonstrate to the Housing Authority's satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process.

That business concern must meet, as all business must (including Section 3 businesses), the general conditions of compliance (refer to Section 3 Clause [Construction Contracts] and Section 3 Clause [Non-Construction Contracts]).

This will include:

1. Submitting a list of all positions necessary to complete contract, name of employees who will fill those positions, names of all other employees.
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications for positions, place where applications will be received and starting date of employment.
3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 residents (all categories) in order to priority.
4. As positions are vacated during completion of contract, following guidelines enumerated in numbers 2 and 3 above.
5. Submitting Compliance Reports as required.
6. If notified of non-compliance, correcting non-compliance within allowable time period.

ORDER OF PROVIDING PREFERENCE EMPLOYMENT OF SECTION 3 RESIDENT

When considering the employment of a Section 3 resident, the following order of priority is followed as outlined in 24 CFR 135.32:

- 1. Category 1 – Section 3 Resident**
Residents of the housing development or developments in which the contract shall be expended.
- 2. Category 2 – Section 3 Resident**
Residents of other housing developments managed by the City’s Housing Department or the City of Concord.
- 3. Category 3 – Section 3 Resident**
Participants in HUD YouthBuild program being carried out.
- 4. Category 4 – Section 3 Resident**
All other residents (including Section 8 recipients) of the City of Concord who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

In all cases, applicants must meet the minimum qualifications for the position. In no instance shall it be construed that preference is given to Section 3 residents who do not meet these minimum qualifications.



SECTION 3 INCOME LIMITS

All residents of public housing developments qualify as Section 3 residents. Additionally, residents residing in the City of Concord who meet the income limits set forth below can also qualify for Section 3 status.

A photo identification card and proof of current residency is required.

FY 20XX Income Limits Summary

Cabarrus County, North Carolina										
FY 20XX Income Limit Area	Median Income	FY 20XX Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Cabarrus County	TBD	<u>Very Low (50%) Income Limits</u>	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
		<u>Extremely Low (30%) Income Limits</u>	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
		<u>Low (80%) Income Limits</u>	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

NOTE: Cabarrus County is part of the **Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area**. The **Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area** contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.*

*HUD Income Limits are updated each year. The City will provide updated information when required.



SECTION 3 SPECIAL CONDITIONS

The City of Concord has initiated efforts to enhance resident hiring in specific procurement areas. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of the City's Housing Department residents or other low income and/or very low- income residents residing in the City of Concord.

1. **Procurement Documents**

Each bidder/proposer must include a Section 3 Opportunities Plan or a Schedule D which indicates its commitment to meet the City's resident hiring requirements.

If a bidder/proposer fails to submit a Section 3 Opportunities Plan or a Schedule D and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive".

For invitations for Bids ("IFB") where awards are made to the lowest, responsive and responsible bidder, the bidder's commitment to satisfy the City's resident hiring requirements will be a factor used in determining whether the bidder is "responsive".

For RFQ's, RFP's and IFB's, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

2. **Resident Hiring Requirements**

In view of the City's desire to provide its residents and neighborhood residents with employment opportunities, the following scale for resident hiring will be utilized on all construction contracts, service contracts, and professional service contracts containing a "labor" component:

TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS	RESIDENT AS A % OF TOTAL LABOR DOLLARS
At least \$25,000, but less than \$100,000	10% of the labor dollars
\$100,000, but less than \$200,000	9% of the labor dollars
At least \$200,000, but less than \$300,000	8% of the labor dollars
At least \$300,000, but less than \$400,000	7% of the labor dollars
At least \$400,000, but less than \$500,000	6% of the labor dollars
At least \$500,000, but less than \$1 million	5% of the labor dollars
At least 1 million, but less than \$2 million	4% of the labor dollars
At least 2 million, but less than \$4 million	3% of the labor dollars
At least \$4 million, but less than \$7 million	2% of the labor dollars
\$7 million or more	1 – 1/2% of the labor dollars

With this sliding formula, it is expected that an appropriate number of public housing residents and neighborhood residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy the City's resident hiring requirements set forth above.

3. **Enforcement**

To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below.

During the post award or pre-bid conference, the objective shall be to impact critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail: (Non-construction contracts do not require Davis-Bacon.)

- Davis-Bacon
- Minority and Women Owned Business Participation
- Resident Hiring Professional

Each representative will define specific functional requirements and require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, resident hiring and Minority and Women Owned Business participation.

4. **Monitoring and Enforcement Authority and Responsibility**

The function of monitoring and enforcing resident hiring will be carried out by the Section 3 Coordinator, including all field activities.

DEFINITION:

For participation in the Resident Hiring effort, a resident is defined as anyone who is residing in the Housing Authority or the City of Concord's public housing developments, Section 8 residents and individuals residing within the City of Concord who can be classified as low- and very low-income.



**INSTRUCTIONS FOR COMPLETING THE SECTION 3 OPPORTUNITIES PLAN
(SERVICE & PROFESSIONAL CONTRACTS)**

The purpose of Section 3 is to ensure that jobs and economic opportunities generated by HUD financial assistance for housing and community development programs shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low and very low income persons.

The Section 3 Opportunities Plan is to be completed for service and professional contracts. There are four (4) ways in which Section 3 can be fulfilled. They are listed in order of preference:

- 1) Subcontract or joint venture with a resident owned business. The business must be 51% more owned by the City's low- and very low-income residents, or the City's public housing residents, or subcontractor/joint venture with a business that employs full-time, 30% or more of the City's public housing individuals, or low and very low-income individuals within the City limits, or
- 2) Direct hiring of the City's Housing Department's public housing residents and/or low- and very low-income neighborhood residents, or
- 3) Incur the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth. Such training shall be determined after consultation with the Section 3 Coordinator of the City.
- 4) Contribute to the City's resident educational fund in an amount commensurate with the sliding scale included in the Section 3 Conditions.

If a prime contractor is unable to satisfy the City's resident hiring requirements per the above, the requirements may be satisfied through any subcontractors that may be involved in the project.

In paragraph number one (1), if the (sub)contractor has identified a resident owned business or a business which employs 30% or more of the City's public housing or low- and very low-income neighborhood residents, this paragraph is to be completed by indicating the number of resident owned businesses that will be used on the contract/spec number shown at the end of the paragraph.

If the (sub)contractor plans to hire the City's public housing or low- and very low-income neighborhood residents to work for its company, paragraph two (2) must be completed with the contract/spec number and the percentage of compliance in hiring the resident(s). For example, if your contract amount is \$100,000.00, the Section 3 dollar amount that must be expended is 10% of your labor dollars or \$10,000.00. If the whole dollar amount is to be expended on the resident's salary, then 100% is to be inserted on the percent line. If a percentage amount less than 100% will be expended on the resident's salary, that amount must be inserted on the line and the remaining percentage must be expended through subcontracting/joint venturing with a resident owned business or a business that employs 30% or more residents, or placed into the City's Section 3 Resident Educational Fund. In which case, the corresponding paragraph must be completed.

If the (sub)contractor has exhausted the first two (2) options, then the full amount of the contractor's Section 3 obligations will be placed into the City's Resident Educational Fund, in which case paragraph three (3) must be completed and paragraphs one (1) and two (2) will contain zeroes in the percentage lines.

The second portion of the Section 3 Opportunities Plan begins with the specification or request for proposal title and number.

The third section is to be completed by listing current staff to be used to complete the work bid upon.

- (1) List the job titles,
- (2) Complete the Needed column if additional staff will be required to fulfill the classification,
- (3) In the Total column, list the total number of staff plus the number needed,
- (4) In the LIHDR and LIAR columns, list the number of current staff who are residents of the City's public housing, or who are low or very low income neighborhood residents,
- (5) In the To Be Filled column, list the number of positions that fit into the low- and very low-income Housing Department Residents (LIHDR) and low- and very low-income Area Residents (LIAR) who will be hired.
- (6) In the Hiring Goal column, list the number of the City's public housing residents or low and very low-income neighborhood residents you intend to hire.

The final section is to be completed after the contract has been awarded; interviews have taken Place and residents have been hired. The completed Section 3 Opportunities Plan must be submitted to the Section 3 Coordinator and Procurement/Contracts Department.

The City of Concord's public housing and low- and very low-income neighborhood residents are screened, and skills assessed by the Section 3 Coordinator. Each contractor is required to attend a pre- construction conference where contractual obligations will be explained, the contractor's Section 3 dollar amount will be determined, and the contractor's hiring goals will be discussed. The Section 3 Coordinator will refer qualified residents to be interviewed by the contractor.

The Section 3 Opportunities Plan that is submitted with the RFQ/RFP/IFB and the final copy that is submitted to the Section 3 Coordinator must be signed and include the title of person executing the plan.

NAME OF PRIME CONTRACTOR: _____
TITLE OF RFP OR SPEC: _____
SPEC.# OR RFP# OR PURCHASE ORDER#: _____
CONTRACT #: _____

SECTION 3 COORDINATOR
PROCUREMENT/CONTRACT COMPLIANCE DEPARTMENT

WARNING: THIS DOCUMENT IS REQUIRED FOR ALL CONSTRUCTION OR LABOR RELATED PROCUREMENTS.

1. Employment and Training of the City of Concord's Public Housing Residents and Low- and Very Low-Income Area Residents.

The Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.38 implementing Section 3 requirements. The contractor hereby submits this Schedule D as its Section 3 Opportunities Plan.

The Contractor shall provide a status report identifying its progress in meeting the Section 3 goals established in this Section D on a quarterly basis throughout the contract period. The quarterly status report shall be submitted no later than 10 days after the end of each calendar quarter of the contract (e.g., April 10 for calendar quarter January 1 to March 31). The status report shall be in at least the same level of detail as the approved Schedule D. For any goal not met, the report shall identify any other economic opportunities, which the contractor has provided, or intend to provide to qualified City residents.

The failure of the Contractor to comply with the approved plan shall be a material breach of the contract.

Each Bidder/Proposer for a construction or labor related contract must complete this Schedule D and submit all relevant information required herein. A prime contractor, through its' subcontractors may satisfy the City's Resident Hiring Requirements. Please complete the Skill Needs Table in Section 1 of Section 3 Opportunities Plan in the following columns.

- 1) indicate each category of employment for all phase of this contract;
- 2) the number of positions which will be needed in each category;
- 3) how many of those positions are currently filled;
 - (a) the number filled by neighborhood residents, excluding the City's Housing Department and other low and very low-income residents;
 - (b) the number filled by the City of Concord's Housing Department residents;
 - (c) how many positions need to be filled.
- 4) Indicate your goal for the number of positions you intend to fill with:
 - (a) Section 3 Residents
 - (b) Low and Very low income area residents.

NOTE: The minimum of trainees is that which can reasonably be utilized in each occupation, and no less than the number established by the U.S. Secretary of Labor for construction and non-construction labor related occupations. The contractor shall fill all vacant positions with low-income persons (earning less than 80% of the median income in the City of Concord and these positions shall not be filled immediately prior to undertaking work in order to circumvent regulations as set forth at 24 C.F.R. Part 135 et seq.: as amended.

II. SECTION 3 BUSINESSES SUBCONTRACTING OPPORTUNITIES

In a one (1) page letter on your company's letterhead:

- 1) Indicate the goals, expressed in terms of percentage of planning subcontracting dollars, for the use of Section 3 business concerns as subcontractors.
- 2) A statement of the total dollar amount to be subcontracted, total dollar amount to be subcontracted to Section 3 business concerns for building trades, and total dollar amount to be subcontracted to Section 3 business concerns for other than building trades work (maintenance, repair, modernization and redevelopment).
- 3) A description of the method used to develop the goals above and the efforts to be undertaken by the Contractor to meet those goals.

Acknowledged by:

(President or Authorized Officer)

Date: _____



SECTION 3 BUSINESS CONCERN CERTIFICATION

In an effort to comply with the federal Section 3 regulations, §24 CFR 135, - to promote contract, employment and training opportunities for the City of Concord's public housing residents- the City has instituted a Section 3 Certification application process. The City is seeking to extend the benefits of and to promote compliance with Section 3 by identifying Section 3 business concerns and targeting Section 3 business concerns for the City's business opportunity events and educational programs. For detailed Section 3 information, refer to <http://www.hud.gov/offices/fheo/section3/section3.cfm>.

The City's Community Development Division is charged with administering the Authority's Section 3 certification program. Any business concern seeking Section 3 preferences in the awarding of contracts or purchase agreements shall complete appropriate certification forms and provide adequate documentation as evidence of eligibility for preference under the Section 3 program. Business concerns seeking to file for Section 3 preference shall contact:

Section 3 Coordinator
Planning & Neighborhood
Development Department
704-920-5152, planning@concordnc.gov

Applicants seeking this recognition must complete and submit the attached Section 3 Business Concern Application form and:

1. If your company is qualified because it is 51% or more owned and controlled by low or-very low-income persons*, then complete the form entitled, **"Section 3 Business Concern – Resident Business Owner(s)" & the Section 3 Preference Income Verification Form** for the owner along with income documentation;

OR

2. If your company is qualified because Section 3 workers perform over 75% of the labor hours over a three-month period, then complete the form entitled, **"Section 3 Business Concern – 30% + Workforce" & the Section 3 Preference Income Verification Form** for each employee;

OR

3. If your company is qualified because it is 51% or more owned and controlled by current City of Concord Housing Department residents or Section 8-assisted housing residents, then complete form entitled, **"Section 3 Business Concern-Contracts Awarded"**. 24 CFR 135.5 – Definitions. Section 3 Business Concern

*Section 3 Residents: Persons living in the Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area whose household income falls below HUD's established income limits. The Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.

A section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. 24 CFR 135.36 (c)

Please answer all questions and sign the forms. Send completed forms to the Section 3 Coordinator via email, planning@concordnc.gov, fax, 704-920-6964 or mail to 35 Cabarrus Avenue West, Concord, NC 28025. If you have any questions, feel free to contact the Planning office at 704-920-5152.



SECTION 3 BUSINESS CONCERN APPLICATION

Business Name: _____

D.B.A. (If different from above): _____

Address: _____

Street City State Zip

Business Phone: _____ Fax: _____

E-mail Address: _____ Business Website: _____

Contact Person & Title: _____

Contact Phone: _____

Employer ID Number: _____ Owner's Social Security Number (if no EIN): _____

NC Business License #: _____

Number of employees: Full-time: _____ Part-time: _____ Contract: _____ Total: _____

Section 3 employees: Full-time: _____ Part-time: _____ Contract: _____ Total: _____

Has business worked directly for the City of Concord before: Yes No

M/WBE Status: Woman Business Enterprise Yes No *Minority Business Enterprise Yes No

* Ethnic/Racial Code: African-American; Native American; Latino/Hispanic American; Asian/Pacific American; Hasidic Jew

List primary product or service: (check all that apply)

- General Contractor
- Electrical Contractor
- Material Supplier
- Mechanical Contractor
- Consultant Services
- Other _____

Professional or Contractor License Number (if applicable): _____

List additional products or services your business can provide:

Type of Business Entity (check one):

- Corporation
- Partnership
- Sole Proprietorship
- Limited Liability Corporation (LLC)
- Limited Liability Partnership (LLP)
- Joint Venture
- Other (describe): _____

Capacity limit: (Contract limit your business could manage)

- Up to \$300,000
- \$300,000 – \$500,000
- \$500,000 - \$1 million
- \$1-\$5 million
- \$5-\$10 million
- Other _____

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Print Name _____ Date _____

Signature _____



**SECTION 3 BUSINESS CONCERN
Resident Business Owner(s)**

Name of Owner: _____

Home Address: _____

Name of Business: _____

Percentage of Ownership: _____

Check the appropriate box for your family size and income and submit a Section 3 Preference Income Form:

Check Box	# of Persons in Household	Gross Household Income Max.
<input type="checkbox"/>	1 individual	TBD
<input type="checkbox"/>	2 individuals	TBD
<input type="checkbox"/>	3 individuals	TBD
<input type="checkbox"/>	4 individuals	TBD
<input type="checkbox"/>	5 individuals	TBD
<input type="checkbox"/>	6 individuals	TBD
<input type="checkbox"/>	7 individuals	TBD
<input type="checkbox"/>	8 individuals	TBD

I certify that I am a resident of the Charlotte-Concord-Gastonia NC-SC Metropolitan Area and my total household income last year was less than the amount shown above for my family size. *(Note: Cabarrus County is part of the **Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area**. The **Charlotte-Gastonia-Concord HUD Metro FMR Area** contains the following areas: Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC; and York County, SC.) FY 20XX Income Limits Documentation*

If the business is owned by more than one Section 3 resident, each should submit a separate Section 3 Resident Income Preference Claim Form. List each owner below:

NAME & POSITION	ADDRESS	PERCENTAGE OF OWNERSHIP

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Name: _____ **Title:** _____

Company Name: _____

Signature: _____ **Date:** _____

Notary Signature and Seal: _____



**SECTION 3 BUSINESS CONCERN
30% + Workforce**

A business can be certified as a Section 3 Business Concern if at least 30% of its permanent, full-time employees are Section 3 residents, or were Section 3 residents within three years of the date of the first employment with the business. For your firm to be eligible UNDER THIS CRITERIA, you must provide the following information for **all permanent full-time employees**. Copy this form if necessary.

List All Employees	Date Hired	Section 3 Resident (Submit the Section 3 Preference Income Verification Form)	Job Title/Trade
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Name: Address: City/Zip		<input type="checkbox"/>	
Total Number of Employees:			
Number of Section 3 Residents			
Section 3 % of Total Workforce:			

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.

Name: _____ **Title:** _____

Company Name: _____

Signature: _____ **Date:** _____

Notary Signature and Seal: _____



**SECTION 3 BUSINESS CONCERN
Contracts Awarded**

List all work performed by businesses meeting Section 3 business conditions:

Name of Business & Contact Information	Qualifying Condition	Total Contract Award

I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 Business Concern.

Name: _____ Title: _____

Company Name: _____

Signature: _____ Date: _____

Notary Signature and Seal: _____

Use additional sheets if needed and you may attach a résumé.

Education:

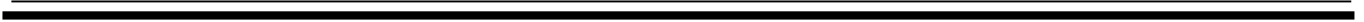
Circle Highest Level Completed: 12th Grade GED College 1 2 3 4 Graduate 1 2 3 4

College Courses (Specify): _____ College Degree (Specify): _____

Certificates (Specify): _____

Technical Training _____ (Specify): _____

Do you currently hold any licenses which are necessary for your present job or a past job? If so, what license?



Work Experience

Last or current job: _____ Employment dates from: _____ to _____

Business: _____ Job
title: _____ Specific

duties: _____



Next most recent job: _____ Employment dates from: _____ to _____

Business: _____ Job
title: _____ Specific

duties: _____



Next most recent job: _____ Employment dates from: _____ to _____

Business: _____ Job
title: _____ Specific

duties: _____



Next most recent job: _____ Employment dates from: _____ to _____

Business: _____ Job
title: _____ Specific

duties: _____



Internal Use Only:

Verified by: _____

Referred to: _____

Results: _____



Section 3 Plan Certification

The Section 3 awarded contractor, _____ agrees to implement the following steps to increase opportunities for training and employment for low- and very low-income residents of the Section 3 covered area (Cabarrus County), and increase the utilization of business concerns within the Section 3 covered area or owned by Section 3 area resident in the City of Concord:

- A. To ascertain, from the locality’s CDBG program official, the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.
- B. To attempt to recruit from, within the City of Concord, the necessary number of lower income residents through: local advertising media, sign placed at the proposed site for the project, community organizations, and public and private institutions operating within or serving the project area.
- C. To maintain a list of all lower income residents who have applied either on their own or through a referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exists.
- D. To insert this Section 3 Plan in all bid documents; and to require all bidders and subcontractors to submit a Section 3 Plan including utilization goals and the specific steps planned to accomplish these goals.
- E. To ensure that subcontracts, which are typically negotiated rather than awarded through a bid process, in areas other than Section 3 covered project areas, are also negotiated, whenever feasible, in a Section 3 covered project area.
- F. To formally contact unions, subcontractors and trade associations to secure their cooperation from this program.
- G. To insure that all appropriate project area business concerns are notified of pending sub-contractual opportunities.
- H. To maintain records, including copies of correspondence, memoranda, etc., which document that all of the abortive steps have been taken.
- I. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of the Section 3 Plan.

As officers and representatives of _____, we, the undersigned, have read and fully agree to this Section 3 Plan, and agree to actively pursue the full implementation of this program.

(Signature)	(Title)	(Date)
-------------	---------	--------

(Signature)	(Title)	(Date)
-------------	---------	--------



Section 3 Compliance Report

Must be completed by every contractor or subcontractor awarded a construction contract of \$100,000 or more on a Community Development Block Grant project.

Grantee: City of Concord	Grant Type: CDBG
Contractor:	
Contract Amount: \$	

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD (U.S. Department of Housing and Urban Development) financial assistance for housing and community development programs, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing. Check all that apply:

- Attempted to recruit low-income resident through local advertising media, signs prominently displayed at the project site, contracts with community organizations and public or private agencies operating within the metropolitan area or nonmetropolitan county in which the Section 3 covered program or project is located or similar methods.
- Participated in a HUD program or other program that promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program that promotes the award of contracts to business concerns, which meet the definition of Section 3 business concerns.
- Coordinated with YouthBuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other. Describe: _____

Job Category Professional, Technician, Office/Clerical Construction: List by Trade:	Staff		New Hires/Trainees Total # of new Hires/Trainees that are Section 3 Residents	Staff Hours	
	Total # of Employees	Total # of Section 3 Employees		Total # of Staff Hours for New Hires that are Section 3 Residents	Total Staff Hours for Section 3 Employee
1.					
2.					
3.					
4.					
5.					
6.					

Submit to the City of Concord or the City's Representative within 15 days after your contract is complete.



**Sample Section 3 Job Opportunities Letter
(Place on Company Letterhead)**

(Add the date here)

(Add the Name of the Recipient)

(Add the Address of the Recipient)

(Add the City, State and Zip for the Recipient)

RE: Job Opportunities as Required by Section 3 Regulations

Dear Sirs or Madam:

Please be advised that this firm will be performing a contract for the City of Concord, North Carolina on (insert name of project here).

Employment Opportunities are available in the following skills or trades:

(List trades and anticipated number of openings here)

In compliance with Section 3 Regulations, this firm will accept applications from all interested, qualified individuals, and will retain on file all qualified applications throughout the duration of the job.

It is our desire to locate individuals from the Section 3 area or individuals that fall within the required income guidelines and employ them to fill vacant positions. All interested individuals may contact our office to receive an e-mailed or faxed version of the application, or applications can be received in person at our job office located at the site or (insert address of firm here).

Sincerely,

(Add Name of Company Representative)

(Add Title Here)



**Sample Section 3 Business and Employment Notice
(On behalf of the City of Concord)**

(Instructions: Publish as a display advertisement in the local newspaper's non-legal section or post in City Hall and other Section 3 area locations.)

The City of Concord is preparing to carry out the (insert Name of Project) through the use of Community Development Block Grant Funds. In the implementation of this project, the following job types may be available:

(Insert List of Job Classifications to be available during the project. The awarded contractor will provide this list, if any positions may be available.)

All job openings will be posted at the City of Concord's Planning Office, on the City's website, and through community organizations and public or private institutions operating within or serving lower-income residents within the project area or within the City's limits. To the greatest extent feasible, employment and training positions will be made available to qualified persons located in the City's designated low-income areas. Qualified persons for the jobs listed should register at the following locations:

(Insert Name and Address of the Office or Other Location where qualified persons can apply for positions.)

Additionally, the following contracts and procurements will/may be made, and to the greatest extent feasible, businesses located in and owned by persons residing in the City's designated low-income areas will be utilized:

(Insert list of construction, non-construction, and service contracts to be procured during the project. Also, insert the list of construction subcontracts, major, specific equipment and general types of materials to be used during the project.)

All above-referenced procurements will be made on a competitive basis. The names of businesses who respond to this notice will be included on procurement lists for this project. Names of job seekers will be given to contractors.

Any person residing or firm located in the above-named areas may request to participate in procurement opportunities associated with this project by contacting *(Insert local contact information)*.



Citizen Participation Plan

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CITY OF CONCORD
Planning & Neighborhood Development Department
35 Cabarrus Avenue West
Concord, North Carolina 28025

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I. INTRODUCTION

The City of Concord has designed this community-wide Citizen Participation Plan to provide all citizens of the community with adequate opportunity to participate in an advisory role in the planning, implementation, and evaluation of the City's federally-funded Community Development Block Grant (CDBG) and HOME Investment Partnerships Programs (HOME). Citizens also are encouraged to provide ideas and input on behalf of other federal, state, and local resources that are accessed to enhance the City's communities. The Citizen Participation Plan sets forth policies and procedures for citizen participation, which are designed to maximize the opportunity for citizen participation in the community development process. Special emphasis has been placed on encouraging participation by persons of low and moderate incomes, residents of slum and blighted areas, residents of areas where community development funds are utilized, and by residents of predominantly low- and moderate-income neighborhoods.

In the City of Concord, participation is viewed as a communication process in which a beneficial exchange of ideas will occur among citizens, elected officials, and City staff. This Plan outlines the citizen participation process in the development and implementation of the Consolidated Plans/The Assessments of Fair Housing, and the Annual Action Plans.

The Consolidated Plan (CP), also proposed to be named as the Assessment of Fair Housing (AFH), is a five-year plan that documents the City's housing and community development needs, outlines strategies to address those needs, and identifies proposed program accomplishments. The CP/AFH includes an Annual Action Plan (AAP) that describes specific CDBG and HOME-funded projects that will be undertaken over the course of each upcoming program year. The CP/AFH is the basis of eligibility for federally-funded entitlement and competitive programs designed to address the needs of the respective community and, as stated in the Housing and Community Development Act of 1974, to obtain "...viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

In 1995, HUD mandated that all CDBG recipients prepare a Consolidated Plan every five (5) years and an Annual Action Plan every year. The regulations governing these activities, which were revised in 2006, can be found at 24 CFR Parts 91 and 570. In May of 2012, HUD introduced the eCon Planning Suite, including the Consolidated Plan template in the Integrated Disbursement and Information System (IDIS) nationwide online database and the Community Planning and Development (CPD) Maps website. By creating a more cohesive planning and grants management framework and providing better data and a tool for analysis, the eCon Planning Suite supports grantees and the public to assess the community's specific needs and make strategic investment decisions. HUD grantees are now required to submit the Consolidated Plan and year one Annual Action Plan using the Consolidated Plan template in IDIS online.

The purpose of the Consolidated Plan is to encourage Grantees to make longer-term strategic decisions based on current market conditions in consultation with all important stakeholders. The document lays out the City's plans for using federal CDBG funds in the following programs:

While the Consolidated Plan lays out a broad vision of need and funding priorities, HUD also requires Grantees to submit Annual Action Plans. These plans identify anticipated funding resources for the upcoming year, the City's plans for allocating the identified funding, and the anticipated outcomes of the funding. Detailed information about the Annual Action Plan requirements can be found at 24 CFR 91.220.

HUD requires that the public be given the opportunity to comment on the Consolidated and Annual Action plans for no less than 30 days (24 CFR Parts 91.200). To fulfill this requirement, the City, following the procedures in its Citizen Participation Plan, publishes a notice of the plan in the local newspaper and posts notices at highly visible locations, including the City Hall Building, located at 35 Cabarrus Avenue West in Concord, NC. To ensure that the City provides several opportunities for the required information to be viewed by citizens for comments, at a minimum, the full documents are available on the City's website at <https://www.concordnc.gov/Departments/Planning/Community-Development>. The City also shares information on all of its social media platforms to promote the draft plans and to encourage comments. Prior to the global pandemic, public hearings were held at the City Hall Building that can accommodate individuals with disabilities. The City also provided accommodations for non-English speaking residents to provide comments. The City now offers online public hearings to receive citizen comments and questions about the planned uses of its federal funds. The City has continued to offer online public hearings for citizens because of the tremendous increase in feedback from citizens that is received during each comment period through the City's public engagement software system (PublicInput.com).

The Five-Year Consolidated Plan is required to include following elements:

- Information that includes the amount of grant funds and program income it expects to receive.
- The range of activities that may be undertaken.
- The estimated amount that will benefit persons of low and moderate income.
- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from.
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.

The Annual Plan is required to include the following elements:

- Form Application - Standard Form 424
- Federal and Other Resources Available
- Activities to Be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions:
 - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure and enhance

- coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives.
- o Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
- o Amendments to the Consolidated Plan.

Public Hearings

The City holds two (2) public hearings, which includes one (1) online public hearing, each year prior to the submission of the AAP. The public hearings are required to receive comments on the draft CP/AFH and the AAP, address the City's housing and community development needs, determine the proposed activities to include in the plans, and review the proposed fund uses for the next fiscal year.

The City also holds two (2) public hearings each year, which includes one (1) online public hearing, prior to the submission of the Consolidated Annual Performance and Evaluation Report (CAPER). The public hearings provide summaries of the housing and community development needs that were addressed and the program accomplishments during each fiscal year.

Consolidated Plan /Action Plan Amendments

Prior to making any additions, deletions, or changes to the Community Development Block Grant Program Consolidated Plan or Annual Action, the following determination will be made on the amendment:

- a. If the proposed change is a minor amendment defined as an amendment to the program that costs less than 10% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plans; or
- b. If the proposed change is a substantial amendment when:
 - the amendment makes changes in its allocation priorities or a change in the method of distribution of funds;
 - the amendment carries out an activity, using funds from any program covered by the consolidated Plan (including program income), not previously described in the action plan; or
 - the amendment changes the purpose, scope, location or beneficiaries of an activity.

II. GOALS OF THE CITIZEN PARTICIPATION PLAN

- A. To provide for continuous involvement of citizens in all aspects of the Community Development (CD) program, including identification of housing and community development needs, the development of proposed activities and an assessment of program performance.

- B. To enable the City to respond to the needs of its citizens through CD programs, policies and plans.
- C. To encourage citizens, particularly low- and moderate-income persons, minorities, non-English speaking persons, persons with disabilities, residents of targeted neighborhoods*, public and assisted housing residents, members of minority groups, local and regional institutions and other organizations (including businesses, developers and faith-based organizations), to submit their comments, questions and proposals in the process of developing and implementing the CP/AFH or the AAP and of prioritizing the usage of and the changes to the plans for the City's Community Development Program funds. Note: Residents of targeted neighborhoods include residents of predominantly low- and moderate-income neighborhoods with area median incomes of 30%-80% of the Metropolitan Statistical Area (MSA). The City uses the federal funding allocations and other resources in these specific areas.
- D. To help residents to become aware of and more involved in the City's CD Programs and to help residents to understand the importance of receiving their comments and feedback that provides the CD staff with relevant information to develop plans and programs that address the critical CD needs within the City.

III. THE PARTICIPATION PROCESS

A. Two Levels

The citizen participation process is conducted at two levels: city-wide and in neighborhoods where community development activities are proposed or underway. The city-wide process includes official public hearings before the CP/AFH or the AAP is adopted, and forums for citizens and City officials to discuss community development and housing issues at various stages during this process.

The neighborhood process involves citizens through organized neighborhood association meetings, where they exist, and general meetings for all City residents. Neighborhood associations give citizens a stronger, collective voice and provide a democratic, on-going body to participate in advising elected officials and City staff on program development.

B. Advisory Role of Participation Process

The role of the citizens and organizations in the process is to provide feedback about the proposed community development programs and activities to City staff and elected officials. This includes activities such as working with staff to develop neighborhood plans, monitoring and assisting with implementing the programs, evaluating the program results, and participating in neighborhood meetings.

The fundamental policy-setting and decision-making role in community development, as in any other activity, lies with the elected officials. Through the participation process, citizens advise and inform the staff, which in turn, identifies

problems, issues and needs, and recommends activities and projects to be considered for each program year. In essence, the staff advises the elected officials on the program that best addresses the community's needs as perceived by citizens and derived from an examination of data and trends. Ultimately, the participation process is a process to involve citizens in the decision-making process for the City's community development programs and activities.

C. The Consolidated Plan Process Cycle

Although much involvement occurs around the preparation of the CP/AFH or the AAP for funds from the U. S. Department of Housing and Urban Development (HUD), the planning process is a continuous cycle. Soon after the beginning of each program year in July, the preliminary planning for the following year begins with participation encouraged in all stages.

Agency consultations are also a part of the ongoing process that includes service providers, advocacy groups and other organizations that are responsible for providing services, especially to populations with special housing needs.

The CP Process cycle includes the following:

1. Identification of community development and housing needs. As the initial step in the development of the CP/AFH or the AAP, this shall include at least two (2) in-person public hearings that will be advertised at least 6 days prior to the hearings;
2. Staff development of the CP/AFH or the AAP as an overall strategy, and the determination of funding priorities;
3. Implementation of the Community Development Programs' projects and activities;
4. Assessment of the City's program performance;
5. Creating new proposals and programs;
6. Refining the Citizen Participation process and updating the CD Plan.

D. Neighborhood Participation

1. General Planning Input

The Community Development staff will work with existing and potential CD project neighborhoods through neighborhood associations where such organizations exist. In project neighborhoods without a formal association, the staff will encourage residents, owners and businesses to form an organization. The CD staff will provide technical assistance, as needed.

The community may hold periodic neighborhood meetings to invite area residents to hear their views and proposals. The process allows for indirect communication with elected officials through suggestions that are voiced to the City's CD staff. The CD staff can then convey the views, criticisms and opinions that are provided by citizens during such meetings.

The concentration of neighborhood-level participation efforts in CD project neighborhoods should achieve the objective of involving people most likely to be affected by the program, which includes many low- and moderate- income citizens.

2. Support of Neighborhoods

The CD staff will be available to attend the regularly-scheduled meetings of neighborhood associations upon request. If issues are identified that cannot be immediately resolved, referrals will be made by staff to the appropriate department and monitored to ensure that the concern is addressed. All concerns will be recorded, and a written response will be given to the neighborhood association within ten working days. This ensures that the association receives a response within a reasonable amount of time. Various departments also may be invited to attend meetings, especially if a concern involves the department's area of expertise. The number of residents that are reached through this process substantially exceeds the number of citizens that are generally attracted to City-wide meetings. CD staff will also provide electronic surveys to allow residents to provide feedback and input as an additional form of communication with residents.

The local newspaper(s), the City's electronic newsletter, and social media platforms will be used to promote and advertise upcoming events and staff will attend neighborhood association meetings, when appropriate, to share information about the important community services that are available and to increase the overall efforts to provide good customer service.

E. City-Wide Participation

The City-wide process consists of public hearings that provide both online and in-person options, which is over and above the requirements for HUD.

1. Online and in-person public hearings will be held within each budget preparation cycle.
 - a. At the beginning of the CP/AFH or the AAP preparation cycle, the public hearings will be held to review past program performance, to obtain citizen views on community development and housing needs and priorities for funding. The notice for this hearing will include the amount of grant assistance expected (plus program income anticipated), and the range of activities that may be undertaken.

- b. After staff has drafted the proposed CP/AFH or the AAP, the in-person public hearing will be scheduled for consideration by citizens and elected officials prior to the submission to HUD. The notice for this hearing will be posted to the City's website six (6) days before the scheduled public hearing. This public hearing will include a summary of the contents, the purpose of the Plan, and the location(s) where the full Plan can be obtained.

The City will advertise through its social media platforms and on its website when the online information has been posted. Citizens will have a minimum of thirty (30) days to submit written or oral comments. All comments received will be considered in the preparation of the Plan and a summary of the comments will be included in the final submission to HUD along with the reasons why some comments were not accepted.

Written comments must be addressed to the Office of Planning and Neighborhood Development, City of Concord, P.O. Box 308, Concord, NC 28026. Citizens also can provide direct feedback to the CD staff within the 30-day period. The CD staff will respond to written comments within two (2) weeks of receipt.

All in-person public hearings will be advertised in local newspapers of general and minority community circulation at least thirty (30) days prior to the scheduled date.

All in-person public hearings will be held at locations that will accommodate disabled persons. All requests for appropriate auxiliary aids and services, such as an interpreter for the hearing impaired, must be made 24 hours prior to the public hearing. Persons requiring TDD service assistance may call 1-800-735-8262. A translator will be provided for non-English speaking persons within the community. To ensure that a translator will be available during the public hearing, the City requests to be notified at least 24 hours prior to the hearing.

2. Agency Consultation Process

CD staff will regularly meet with local and state-wide housing, social service, homeless and educational agencies to determine the supportive housing needs of specific populations and groups. Staff will also provide technical assistance, when needed, and will sponsor educational forums to bring similar agencies together to share information and develop more effective programs.

3. Public Housing Residents

The CD staff will work closely with the City's Housing Department to define and address the housing needs of the residents. Staff encourages the involvement of public housing residents in the citizen participation process by attending resident meetings and by sharing information about CD programs

and Section 3-related information with the public housing staff and at the public housing office to ensure that residents are aware of the City's CD programs and the planned activities that also will benefit the public housing residents.

4. Community Meetings

CD staff will attend community meetings throughout the year and the feedback that is received during these meetings will be recorded and included in the City's community development plans for each fiscal year.

These community meetings are valuable because the CD staff shares valuable program information and receives direct feedback from residents during these meetings. The City's neighborhoods are encouraged to discuss their needs and ideas and to provide this feedback to the CD staff.

5. Annual Performance Report

The CAPER is a summary of Community Development Block Grant and HOME program accomplishments for the previous fiscal year. Prior to its submission to HUD, citizens will have an opportunity to review and comment on the CAPER, which will also be discussed at the initial public hearing on the CP/AFH or the AAP. A public notice to advertise the availability of the CAPER will be published in local newspapers of general circulation and added to the City's website. Physical copies of the draft document are made available for review in the City's Planning and Neighborhood Development office. A summary of all comments (including oral comments that were received during an in-person public hearing) will be attached as a part of the final CAPER submission to HUD.

F. Amendments to the Community Development Program

The CD staff must amend the City's Community Development Programs when changes are necessary due to new regulations and requirements that are mandated by the U.S. Department of Housing and Urban Development (HUD). Funds may be moved between budget line items within an authorized program or project with appropriate approvals, i.e., moving housing rehabilitation program funds between the full rehabilitation assistance line item and emergency repair line item. Funds that are moved between programs or projects for activities that are included in the approved Plan are subject to local policy authorization, e.g., between infrastructure and rehabilitation. Amendments to fund projects or activities that are not in the approved Annual Plan, that change the use of Community Development funds from one eligible activity to another, or cumulative amendments that exceed 25% of the CD budget for the program year or substantial amendments will require a Program Amendment. The Program Amendment process includes a fifteen (15) day public notice, a public hearing, a 30-day comment period, local approval, and submission to HUD for approval. A summary

of the comments and the reasons why some comments were not accepted are included in the submission to HUD.

G. Displacement Policy

Minimizing displacement is a local public policy. The objective is attained through the community planning and review process through which projected displacement requires justification and incorporation as an element of project feasibility assessment. Some community development activities will require the displacement, or relocation, of a person or household. Displacement can occur on a temporary or a permanent basis when the need to rehabilitate properties, or to acquire and demolish substandard properties for redevelopment projects in communities is deemed necessary as the result of concentrated code enforcement efforts. Any person or household that is displaced because of a CD program activity will receive a full range of relocation services.

H. Availability of Documents

The City will provide a reasonable number of free copies of documents, such as the Citizen Participation Plan, the CP/AFH or AAP, CAPERs, applications to HUD, and other related CD information. The City also will provide these documents in a format that is accessible to persons with disabilities or persons with Limited English Proficiency (LEP), upon request.

Documents that require a public comment period will be available for review at the following locations:

- 1) The Department's Website:
<https://www.concordnc.gov/Department/Planning/Community-Development>
- 2) City of Concord/City Hall
Planning & Neighborhood Development
35 Cabarrus Avenue West
Concord, NC 28025

I. Responding to Questions, Comments and Complaints

The CD staff is required to respond to comments. Responses to all views and comments will be as follows:

1. Verbal responses will be given at all public hearings when possible.
2. Written responses will be given to all written comments. The CD staff will make every reasonable effort to provide a written response to all written comments within fifteen (15) working days of receipt of the comment.
3. Since the CP/AFH and the AAP include collective responses to all comments, it will be available for public inspection before the public hearing and approval.

J. Providing Timely Information

At the beginning of the planning cycle for each year, the City's CD staff will provide the following information to neighborhood organizations and interested citizens:

1. The amount of funds available from HUD or other sources and the amount of anticipated program income;
2. The estimated amount of funds that will benefit persons of low- and moderate-income;
3. The range of activities permissible and the types of activities previously funded;
4. The plans to minimize displacement of citizens and how the City will assist any displaced citizens.
5. The process to be followed to develop and approve the local application and a schedule of meetings and hearings;
6. The ways citizens can participate;
7. A summary of other requirements.

K. Technical Assistance

During planning and implementation of all of the City's CD Programs, information and technical assistance will be provided to citizens through:

1. Media - radio, TV, newspapers, electronic newsletters, social media platforms and electronic surveys;
2. Neighborhood association meetings;
3. Groups representative of persons of low- and moderate-income that request such assistance in commenting on the CP/AFH or the AAP and in developing proposals for or substantially amending any of the programs and use of CD funding assistance.
4. Public hearings that are open to all citizens;
5. Documents on file at a convenient location in the City and on the City's website;
6. Monitoring results and evaluation reports being shared with neighborhood associations and other citizens.

CD staff will provide information and technical assistance to neighborhoods and other interested citizens upon request. Examples of technical assistance include information on the CD law, planning, review of accomplishments, briefings on CD requirements and opportunities, development of goals and objectives, and the design of the City's programs.

L. Implementing the Citizen Participation Plan

While administering the various program activities, the CD staff will work closely with neighborhood-based citizen groups and other interested citizens. This on-going involvement in the program will ensure that activities and program performance are consistent with the goals and plans that are developed by the CD staff. Throughout the program, the CD staff will request feedback from neighborhoods and citizens to develop program priorities and address the critical community development needs within the City.

Program amendments and details regarding CD plans will be advertised and posted for citizen feedback and comments. Ideas, suggestions, and revisions to adopted plans will be reviewed by CD staff and included in future programs and activities in the CP/AFH and AAP.

Where citizens groups do not exist, residents will be encouraged to express their views and opinions to the CD staff. The CD staff will provide a timely, substantive written response to every written resident complaint within an established period of 15 working days, where practicable.

M. Amending the Citizen Participation Plan

The Citizen Participation Plan will be reviewed annually after each planning cycle is completed to identify any areas where the participation process can be improved. The CD staff will consider any comments or views of citizens received in writing or orally during public hearings, and when preparing amendments and substantial amendments to any of the CD Plans. If formal revisions are needed, the revisions will be made after a public hearing. The in-person public hearing will be preceded by thirty (30) day notice and the public will be provided a minimum of thirty (30) days to submit written comments on the proposed changes. Minor changes can be made by the CD Manager.

N. Access to Records

The City of Concord will provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records concerning the City's CP/AFH or the AAP, and the City's use of assistance under the programs covered in the Plans. All interested parties may review CD information and records for the past three years at the Office of Planning and Neighborhood Development during normal business hours. This information is made available subject to applicable laws regarding confidentiality and personal privacy.



AFFIRMATIVE MARKETING PLAN AND PROCEDURES

HOME Investment Partnerships Program (HOME)



**City of Concord
Planning & Neighborhood Development Department
35 Cabarrus Avenue West
Concord, NC 28025**

OVERVIEW OF THE AFFIRMATIVE FAIR HOUSING MARKETING PLAN

The Affirmative Fair Housing Marketing Plan (AFHMP) is a marketing strategy designed to attract renters and buyers of all majority and minority groups, regardless of sex, handicap and familial status to assisted rental units and sales of dwellings that are being marketed. The City of Concord, the Cabarrus/Iredell/Rowan HOME Consortium, and project owners must adopt affirmative marketing procedures and requirements for any housing with five (5) or more Home-assisted units. Affirmative marketing differs from general marketing activities because it specifically targets potential tenants and homebuyers who are least likely to apply for the housing, in order to make them aware of available affordable housing opportunities.

This marketing plan and procedure is a guide to assist the City of Concord, the Cabarrus/Iredell/Rowan HOME Consortium and its recipients and subrecipients that receive HOME funding. It summarizes AFHM plans and affirmative marketing procedures as required by the U.S. Department of Housing and Urban Development.

In developing an Affirmative Marketing Plan, the City of Concord and the Cabarrus/Iredell/Rowan HOME Consortium requires all applicants to do the following:

1. **Targeting:** Identify the segments of the eligible population.
2. **Outreach:** Outline an outreach program that includes special measures designed to attract those groups identified as least likely to apply and other efforts designed to attract persons from the total population.

- 3. Indicators:** State the indicators to be used to measure the success of the marketing program. The effectiveness of the marketing program can be determined by noting if the program effectively attracted renters or buyers who are:
- ✓ from the majority and minority groups, regardless of gender, as represented in the population of the housing market area;
 - ✓ person with disabilities and their families; and
 - ✓ families with children, if applicable.

All applicants are required to make a “good faith effort” to carry out the provisions of the Department of Housing and Urban Development’s Affirmative Marketing requirements (see Appendix B). Good faith efforts are recorded activities and documented outreach to those individuals identified as least likely to apply. Examples of such efforts include:

- 1. Advertising** in print and electronic media that is used and viewed or listened to by those identified as least likely to apply;
- 2. Marketing** housing to specific community, religious or other organizations frequented by those least likely to apply;
- 3. Developing a brochure or handout** that describes facilities to be used by buyers or renters, e.g., transportation services, schools, hospitals, industry, and recreational facilities. The brochure should also describe how the proposed project will be accessible to physically handicapped persons and describes any reasonable accommodations made to persons with disabilities; and
- 4. Insuring** that the management staff has read and understood the Fair Housing Act, and the purpose and objectives of the AFHM Plan.

**THE AFFIRMATIVE FAIR MARKETING PLAN
HUD FORM -935.2
(EXP. 11/30/2006)**

PLEASE SEE APPENDIX A FOR FORM

AFFIRMATIVE FAIR HOUSING MARKETING PROCEDURES

Recipients and subrecipients of HOME funds through the City of Concord and the Cabarrus/Iredell/Rowan Home Consortium for rental and homebuyer projects containing five (5) or more HOME-assisted housing units must use affirmative marketing practices when soliciting renters or buyers.

HUD's definition of affirmative marketing is marketing efforts intended to reach those persons who are least likely to apply for HOME-assisted housing.

All project owners are required to do the following:

Outreach Documentation

At least once annually, all project owners will conduct a public outreach effort that will make available public information on all rental units that have received assistance.

- 1.** All marketing and advertising of HOME-assisted housing should reach the entire audience within each jurisdiction and all advertising must be placed in sources of wide circulation.
- 2.** Media sources should specifically reach particular audiences, (e.g. newspapers that serve protected classes).
- 3.** All advertisements, brochures and other written materials should be published in multiple languages, in order to reach non-English speaking audiences, and include the equal opportunity logotype or slogan.
- 4.** Organizations whose membership or clientele consists primarily of protected class members should be contacted to display information.

5. The project owner must display the Equal Opportunity logo and fair housing poster in an area accessible to the public (e.g., rental office).

File Documentation

The City of Concord and the Cabarrus/Iredell/Rowan HOME Consortium Members will review the project owners' AFHM plan in accordance with compliance procedures as set forth in 24 CFR Part 108. All project owners must keep the following materials in the AFHM file for future monitoring of records:

1. Copies of advertisements, brochures, leaflets, and letters to community contacts.
2. Maintenance of information on the race, sex and ethnicity of applicants and tenants to demonstrate the results of the owner's affirmative marketing efforts.

In instances of noncompliance by a project owner, a finding will be issued and corrected action taken by the project owner in the time specified. The project owner will,, for the period of affordability,, maintain information demonstrating compliance with the requirements in this marketing plan.

APPENDIX A
HUD FORM AND INSTRUCTIONS AFFIRMATIVE
FAIR HOUSING MARKETING PLAN

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2529-0013
(exp.1/31/2021)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify)

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly

Family

Mixed (Elderly/Disabled)

Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies		
To place applicants on a waiting list	(which currently has	individuals)
To reopen a closed waiting list	(which currently has	individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

White	American Indian or Alaska Native	Asian	Black or African American
Native Hawaiian or Other Pacific Islander		Hispanic or Latino	Persons with Disabilities
Families with Children	Other ethnic group, religion, etc. (specify)		

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be x
The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
 - (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
 - (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

 - (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
 - (5) If yes, how and how often?
-

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

 - (2) What staff positions are/will be responsible for tenant selection?
-

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only	
Reviewing Official:	Approval	Disapproval
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)	
Name (type or print)	Name (type or print)	
Title	Title	

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

**Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)**

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino					
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
% Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

APPENDIX B

**TITLE 24 SUBPART H, SECTION 92.351
AFFIRMATIVE MARKETING; MINORITY OUTREACH PROGRAM**

(2) *Eligible sponsors.* A loan may be provided only to a community housing development organization that has, with respect to the project concerned, site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

(3) *Repayment.* The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the community housing development organization.

§ 92.302 Housing education and organizational support.

HUD is authorized to provide education and organizational support assistance, in conjunction with HOME funds made available to community housing development organizations in accordance with section 233 of the Act. HUD will publish a notice in the FEDERAL REGISTER announcing the availability of funding under this section, as appropriate. The notice need not include funding for each of the eligible activities, but may target funding from among the eligible activities.

§ 92.303 Tenant participation plan.

A community housing development organization that receives assistance under this part must adhere to a fair lease and grievance procedure approved by the participating jurisdiction and provide a plan for and follow a program of tenant participation in management decisions.

Subpart H—Other Federal Requirements

§ 92.350 Other Federal requirements and nondiscrimination.

(a) The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and

equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and housing counseling.

(b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

[62 FR 28930, May 28, 1997, as amended at 81 FR 90657, Dec. 14, 2016]

§ 92.351 Affirmative marketing; minority outreach program.

(a) *Affirmative marketing.* (1) Each participating jurisdiction must adopt and follow affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing requirements and procedures also apply to all HOME-funded programs, including, but not limited to, tenant-based rental assistance and downpayment assistance programs. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If participating jurisdiction's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with § 92.253(d)(3), the participating jurisdiction must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

(2) The affirmative marketing requirements and procedures adopted must include:

(i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);

(ii) Requirements and practices each subrecipient and owner must adhere to

§ 92.352

in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);

(iii) Procedures to be used by subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);

(iv) Records that will be kept describing actions taken by the participating jurisdiction and by subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions; and

(v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(3) A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

(b) *Minority outreach.* A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 200.321 of title 2 Code of Federal Regu-

24 CFR Subtitle A (4-1-19 Edition)

lations describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013; 80 FR 75935, Dec. 7, 2015]

§ 92.352 Environmental review.

(a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (tenant-based rental assistance) as a whole, not on the type of the cost paid with HOME funds.

(b) *Responsibility for review.* (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decisionmaking, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

(2) A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.

(3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013]

APPENDIX C
24 CFR PART 108
COMPLIANCE PROCEDURES
FOR AFFIRMATIVE
FAIR HOUSING MARKETING;

Federal Register

Thursday
August 12, 1999

Part III

Department of Housing and Urban Development

24 CFR Part 108
Compliance Procedures for Affirmative
Fair Housing Marketing; Nomenclature
Change; Final Rule

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 108

[Docket No. FR-4514-F-01]

RIN 2529-AA87

Compliance Procedures for Affirmative Fair Housing Marketing; Nomenclature Change

AGENCY: Office of the Assistant Secretary for Fair Housing and Equal Opportunity, HUD.

ACTION: Final rule.

SUMMARY: HUD's regulations at 24 CFR part 108 cover compliance procedures for affirmative fair housing marketing. As a result of internal HUD organizational changes, the offices referred to in these regulations no longer exist as they did when the regulations were issued. This final rule updates these references. This final rule also incorporates language that all correspondence that could lead to an enforcement action against a small entity (such as audits, investigations, or compliance reviews) will notify the small entity of its right to comment to the National Small Business Ombudsman. This requirement is added in accordance with the Small Business Regulatory Enforcement Fairness Act. **DATES:** *Effective date:* September 13, 1999.

FOR FURTHER INFORMATION CONTACT: Pamela D. Walsh, Office of Fair Housing and Equal Opportunity, Room 5224, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC, 20410-2000; telephone (202) 708-2288 (this is not a toll-free number). Hearing-or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION:

I. Background Information

HUD's regulations at 24 CFR part 108 cover compliance procedures for affirmative fair housing marketing. These regulations were published in 1979. Since then, HUD and the Office of Fair Housing and Equal Opportunity have experienced several reorganizations. As currently promulgated, the regulations define a compliance process that requires two offices to perform complementary monitoring and reviewing functions. An Area Office is primarily responsible for monitoring functions and a Regional Office is primarily responsible for reviewing functions. As a result of

recent internal HUD organizational changes, however, these offices no longer exist as they did when the regulations were issued in 1979.

This final rule replaces references to Area Office and Regional Office with the terms *monitoring office* and *civil rights/compliance reviewing office*, respectively. These terms do not correspond to actual offices within HUD, but are intended to reflect the functions of each office within the compliance process. HUD will publish concurrently with this final rule a notice in the **Federal Register** that designates the specific offices within HUD that will act as monitoring and civil rights/compliance reviewing offices under this part. In the future, should HUD's internal organizational structure change again, the specific offices that will act as monitoring and civil rights/compliance reviewing offices will again be designated through a notice published in the **Federal Register**.

With respect to compliance reviews, which are addressed in 24 CFR part 108, HUD is cognizant that section 222 of the Small Business Regulatory Enforcement Fairness Act (SBREFA) requires the Small Business and Agriculture Regulatory Enforcement Ombudsman to "work with each agency with regulatory authority over small businesses to ensure that small business concerns that receive or are subject to an audit, on-site inspection, compliance assistance effort or other enforcement related communication or contact by agency personnel are provided with a means to comment on the enforcement activity conducted by this personnel." To implement this statutory provision, the Small Business Administration has requested that agencies include the following language on agency publications and notices that are provided to small businesses concerns at the time the enforcement action is undertaken. The language is as follows: **Your Comments Are Important**

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of [insert agency name], call 1-888-REG-FAIR (1-888-734-3247).

As HUD stated in its notice describing HUD's actions on implementation of SBREFA, which was published on May 21, 1998 (63 FR 28214), HUD intends to work with the Small Business Administration (SBA) to provide small entities with information on the

Fairness Boards and National Ombudsman program, at the time enforcement actions are taken, to ensure that small entities have the full means to comment on the enforcement activity conducted by HUD. Accordingly, this rule adopts the language requested by the SBA and it is included in § 108.25(b).

II. Justification for Final Rulemaking

HUD generally publishes a rule for public comment before issuing a rule for effect, in accordance with its own regulations on rulemaking at 24 CFR part 10. Part 10 provides for exceptions to the general rule if the agency finds good cause to omit advance notice and public participation. The good cause requirement is satisfied when prior public procedure is "impracticable, unnecessary, or contrary to the public interest" (24 CFR 10.1). For the following reasons, HUD finds that good cause exists to publish this rule for effect without first soliciting public comment.

This final rule makes nomenclature changes to 24 CFR part 108. As a result of internal HUD organizational changes the offices referred to in the current regulations no longer exist as they did when the regulations were issued. This final rule merely replaces references to Area Office and Regional Office with the terms *monitoring office* and *civil rights/compliance reviewing office*, respectively. This rule also amends 24 CFR part 108 to include "notification" language to small entities, consistent with SBREFA, which the SBA has requested Federal agencies adopt in their enforcement regulations, and which HUD has agreed to adopt in its enforcement regulations. Neither of these two amendments make any substantive changes to the compliance procedures contained in part 108. Therefore, we have determined that it is unnecessary to publish this rule for public comment prior to publishing the rule for effect.

III. Findings and Certifications

Environmental Impact

This final rule involves regulations that set out fair housing or nondiscrimination standards or enforcement procedures. Accordingly, under 24 CFR 50.19(c)(3), this final rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852, codified as amended at 42 U.S.C. 4321-4347).

Regulatory Flexibility Act

Section 605(b). The Secretary has reviewed this final rule before publication and by approving it certifies, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), that this final rule would not have a significant economic impact on a substantial number of small entities. This final rule implements a nomenclature change only and does not make any substantive changes to the regulations at 24 CFR part 108. Therefore, the action taken by this rule (the nomenclature change) does not create any additional burden.

Section 610. HUD notes, however, that changes were last made to this rule in 1985. Section 610 of the Regulatory Flexibility Act requires Federal Agencies to review every ten years existing regulations that have or will have a significant economic impact on a substantial number of small entities. The purpose of the review is to determine whether existing rules should be left unchanged, or whether they should be revised or rescinded in order to minimize significant economic impacts on a substantial number of small entities. In deciding whether change is necessary, the Regulatory Flexibility Act establishes several factors that must be considered:

- (1) Whether the rule is still needed;
- (2) What type of complaints or comments were received from the public concerning the rule;
- (3) The complexity of the rule;
- (4) How much the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and
- (5) How long it has been since the rule has been evaluated or how much the technology, economic conditions, or other factors have changed in the area affected by the rule.

During the years that the regulations in 24 CFR part 108 have been in effect, HUD has not received any data that indicates that the requirements of this part have had a significant economic impact on a substantial number of small entities. Nevertheless, HUD has reviewed this rule in accordance with the principles of section 610.

(1) This rule is only applicable to participants in certain HUD programs, as specified in § 108.1. Because HUD's mission is to provide a decent, safe and sanitary home and suitable living environment for every American, and this mission encompasses fighting for fair housing and increasing affordable housing and homeownership, HUD believes that this rule is needed for

HUD's programs. HUD's programs should provide the leadership in marketing sales and rentals of homes that affirmatively furthers fair housing.

(2) HUD has not received complaints about this rule.

(3) The rule is not complex.

(4) The rule does not overlap, duplicate or conflict with other Federal rules, nor, to the extent feasible, with State and local governmental rules. Again, this rule is only applicable to HUD programs.

(5) The rule was last evaluated in 1995 as part of President Clinton's directive to all Federal agencies to review all existing regulations and determine which regulations were obsolete, no longer necessary or could be consolidated with other regulations. In 1995, HUD determined, as it has now, that this rule is needed, and that the rule did not duplicate other HUD regulations, and therefore consolidation with other regulations was not appropriate.

The marketing techniques addressed by this rule have changed given the change in technology. The rule, however, does not regulate the type of marketing techniques used. Rather, the rule provides that whatever marketing techniques the HUD program participant commits to utilize in its Affirmative Fair Housing Marketing (AFHM) plan, the participant utilizes such techniques to affirmatively further fair housing.

As noted earlier, although this rule makes no substantive changes to 24 CFR part 108, only nomenclature changes, HUD welcomes comments from its program participants about its part 108 regulation and their experience with its requirements to date. Comments that provide a factual basis for any views or suggestions presented are particularly helpful to HUD in its evaluation of this regulation. Comments should be submitted to: Office of the General Counsel, Rules Docket Clerk, Room 10276, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-0500. Comments should refer to the docket number of FR-4514-F-01.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4, 109 Stat. 48, 64, codified at 2 U.S.C. 1531-1538) (UMRA) requires Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and on the private sector. This final rule does not impose, within the meaning of the UMRA, any Federal mandates on any State, local, or

tribal governments or on the private sector.

Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612 (entitled "Federalism"), has determined that the policies contained in this rule will not have substantial direct effects on States or their political subdivisions, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among various levels of government.

List of Subjects in 24 CFR Part 108

Fair housing, Reporting and recordkeeping requirements.

For the reasons discussed in the preamble, HUD proposes to amend 24 CFR part 108 as follows:

PART 108—COMPLIANCE PROCEDURES FOR AFFIRMATIVE FAIR HOUSING MARKETING

1. The authority citation for part 108 is revised to read as follows:

Authority: 42 U.S.C. 3608, 3535(d); E.O. 11063, 27 FR 11527, 3 CFR, 1958-1963 Comp., p. 652; E.O. 12892, 59 FR 2939, 3 CFR, 1994 Comp., p. 849.

2. Add new paragraphs (e) and (f) to § 108.1 to read as follows:

§ 108.1 Purpose and application.

* * * * *

(e) The term monitoring office includes any office within HUD designated by HUD to act as a monitoring office. As necessary, HUD will designate specific offices within HUD to act as monitoring offices through a notice published in the **Federal Register**.

(f) The term *civil rights/compliance reviewing office* includes any office within HUD designated by HUD to act as a civil rights/compliance reviewing office. As necessary, HUD will designate specific offices within HUD to act as civil rights/compliance reviewing offices through a notice published in the **Federal Register**.

3. Revise the first and second sentences of § 108.15 to read as follows:

§ 108.15 Pre-occupancy conference.

Applicants shall submit a Notification of Intent to Begin Marketing to the monitoring office no later than 90 days prior to engaging in sales or rental marketing activities. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office shall review any previously approved plan and may schedule a pre-occupancy conference. * * *

4. Revise § 108.20 to read as follows:

§ 108.20 Monitoring office responsibility for monitoring plans and reports.

(a) *Submission of documentation.*

Pursuant to initiation of marketing, the applicant shall submit to the monitoring office reports documenting the implementation of the AFHM plan, including sales or rental reports, as required by the Department. Copies of such documentation shall be forwarded to the civil rights/compliance reviewing office by the monitoring office as requested.

(b) *Monitoring of AFHM plan.* The monitoring office is responsible for monitoring AFHM plans and providing technical assistance to the applicant in preparation or modification of such plans during the period of development and initial implementation.

(c) *Review of applicant's reports.* Each sales or rental report shall be reviewed by the monitoring office as it is received. When sales or rental reports show that 20% of the units covered by the AFHM plan have been sold or rented, or whenever it appears that the plan may not accomplish its intended objective, the monitoring office shall notify the civil rights/compliance reviewing office.

(d) *Failure of applicant to file documentation.* If the applicant fails to file required documentation, the applicant shall be sent a written notice indicating that if the delinquent documentation is not submitted to the monitoring office within 10 days from date of receipt of the notice, the matter will be referred to the civil rights/compliance reviewing office by the monitoring office for action which may lead to the imposition of sanctions.

5. Revise § 108.21 to read as follows:

§ 108.21 Civil rights/compliance reviewing office compliance responsibility.

The civil rights/compliance reviewing office shall be responsible for determining whether an applicant's actions are in apparent compliance with its approved AFHM plan, the AFHM regulations, and this part and for determining changes or modifications necessary in the plan after initiation of marketing.

6. Revise paragraphs (a), (b), (d), (e), (f), (g), and (h) of § 108.25 to read as follows:

§ 108.25 Compliance meeting.

(a) *Scheduling meeting.* If an applicant fails to comply with requirements under § 108.15 or § 108.20 or it appears that the goals of the AFHM plan may not be achieved, or that the implementation of the Plan should be

modified, the civil rights/compliance reviewing office shall schedule a meeting with the applicant. The meeting shall be held at least ten days before the next sales or rental report is due. The purpose of the compliance meeting is to review the applicant's compliance with AFHM requirements and the implementation of the AFHM Plan and to indicate any changes or modifications which may be required in the Plan.

(b) *Notice of Compliance Meeting.* A Notice of Compliance Meeting shall be sent to the last known address of the applicant, by certified mail or through personal service. The Notice will advise the applicant of the right to respond within seven (7) days to the matters identified as subjects of the meeting and to submit information and relevant data evidencing compliance with the AFHM regulations, the AFHM Plan, Executive Order 11063 and title VIII of the Civil Rights Act of 1968, when appropriate. If the applicant is a small entity, as defined by the regulations of the Small Business Administration, the Notice shall include notification that the entity may submit comment on HUD's actions to the Small Business and Agriculture Regulatory Enforcement Ombudsman, and shall include the appropriate contact information.

* * * * *

(d) *Preparation for the compliance meeting.* The monitoring office will provide information concerning the status of the project or housing involved to be presented to the applicant at the meeting. The monitoring office shall be notified of the meeting and may send representatives to the meeting.

(e) *Resolution of matters.* Where matters raised in the compliance meetings are resolved through revision to the plan or its implementation, the terms of the resolution shall be reduced to writing and submitted to the civil rights/compliance reviewing office within 10 days of the date of the compliance meeting.

(f) *Determination of compliance.* If the evidence shows no violation of the AFHM regulations and that the applicant is complying with its approved AFHM plan and this part, the civil rights/compliance reviewing office shall so notify the applicant within 10 days of the meeting.

(g) *Determination of possible noncompliance.* If the evidence indicates an apparent failure to comply with the AFHM plan or the AFHM regulation, or if the matters raised cannot be resolved, the civil rights/compliance reviewing office shall so notify the applicant no later than ten (10) days after the date the compliance

meeting is held, in writing by certified mail, return receipt requested, and shall advise the applicant that the Department will conduct a comprehensive compliance review or refer the matter to the Assistant Secretary for Fair Housing and Equal Opportunity for consideration of action including the imposition of sanctions. The purpose of a compliance review is to determine whether the applicant has complied with the provisions of Executive Order 11063, title VIII of the Civil Rights Act of 1968, and the AFHM regulations in conjunction with the applicant's specific AFHM plan previously approved by HUD.

(h) *Failure of applicant to attend the meeting.* If the applicant fails to attend the meeting scheduled pursuant to this section, the civil rights/compliance reviewing office shall so notify the applicant no later than ten (10) days after the date of the scheduled meeting, in writing by certified mail, return receipt requested, and shall advise the applicant as to whether the civil rights/compliance reviewing office will conduct a comprehensive compliance review or refer the matter to the Assistant Secretary for Fair Housing and Equal Opportunity for consideration of action including the imposition of sanctions.

7. Revise the first and second sentences of § 108.35 to read as follows:

§ 108.35 Complaints.

Individuals and private and public entities may file complaints alleging violations of the AFHM regulations or an approved AFHM plan with any monitoring office, civil rights/compliance reviewing office, or with the Assistant Secretary for FH&EO. Complaints will be referred to the civil rights/compliance reviewing office.

* * *

8. Revise paragraphs (a) and (b) of § 108.40 to read as follows:

§ 108.40 Compliance reviews.

(a) *General.* All compliance reviews shall be conducted by the civil rights/compliance reviewing office. Complaints alleging a violation(s) of the AFHM regulations, or information ascertained in the absence of a complaint indicating an applicant's failure to comply with an AFHM plan, shall be referred immediately to the civil rights/compliance reviewing office. The monitoring office shall be notified as appropriate of all alleged violations of the AFHM regulations or alleged failure to comply with an AFHM plan.

(b) *Initiation of compliance reviews.* Even in the absence of a complaint or other information indicating

noncompliance pursuant to paragraph (a), the civil rights/compliance reviewing office may conduct periodic compliance reviews throughout the life of the mortgage in the case of multi-family projects and throughout the duration of the Housing Assistance Payments Contract with the Department in the case of housing assisted under

section 8 of the United States Housing Act of 1937, as amended, 42 U.S.C. 1437.

* * * * *

§ 108.45 [Amended]

9. Remove the last sentence of § 108.45.

Dated: July 26, 1999.

Eva M. Plaza,

Assistant Secretary for Fair Housing and Equal Opportunity.

[FR Doc. 99-20801 Filed 8-11-99; 8:45 am]

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Community Development Block Grant Program
(CDBG)
Policies and Procedures Manual

City of Concord
Planning & Neighborhood Development Department
35 Cabarrus Avenue West
Concord, NC 28025

Adopted:

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I. INTRODUCTION

The Community Development Block Grant (CDBG) Program

The City of Concord receives a yearly allocation of Community Development Block Grant Program (CDBG) funding as an Entitlement grantee from the U.S. Department of Housing & Urban Development (HUD). As required by this program, the City of Concord contractually agrees to implement the program in accordance with the Housing and Community Development Act of 1974, the related CDBG program regulations in 24 CFR 570, and all cross cutting federal regulations. The City of Concord's grants management system is structured to comply with HUD and the Office of Management and Budget's (OMB's) regulations for governmental and public agencies found in related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR Part 200 (formerly, OMB Circulars A-110 (2 CFR Part 225), OMB Circulars A-110 and A-122 (2 CFR Part 230)), and OMB Circulars A-87 and A-133.

Purpose of Policies and Procedures

This Policies and Procedures Manual is offered to provide an overview of the City of Concord's policies and procedures that pertain to the federal Community Development Block Grant Program. This Manual is not a substitute for CDBG Program regulations, but this information is provided in addition to the federal regulations. Although this Manual was developed with reasonable care and diligence, it is not fully comprehensive, and it does not include all of the requirements that affect the uses of CDBG Program funds. The City of Concord reserves the right to implement additional policies as needed.

This Policies and Procedures Manual addresses the following purposes:

- Provides a uniform guide for the administration of the City of Concord's CDBG Program locally. Although the Program conforms to federal rules and guidelines, it focuses primarily on locally-crafted procedures.
- Ensures that all City stakeholders, including applicants for funding, local jurisdictions and interested residents, have access to information about program administration.
- Demonstrates to HUD that the CDBG Program is administered in a way that is consistent with federal regulations and guidelines.

Amendments to Policies and Procedures

As an administrative document, this Manual may be amended at any time with the approval of the Concord City Council.

A copy of this Manual will be distributed to key stakeholders prior to each funding cycle and the copy is available at <https://www.concordnc.gov/Departments/Planning/Community-Development/Plans-Reports>.

Key Documents Governing the CDBG Program

The CDBG Program is administered in compliance with a complex structure of federal and local rules. The principal documents describing these rules, as well as the goals and performance of the City of Concord, are summarized in the table below.

Authority	Documents	Description	Links
Federal	CDBG Regulations and Guidance	Provides the binding rules (Code of Federal Regulations), agency guidance and advice for the CDBG program nationally.	CDBG Laws and Regulations: https://www.hudexchange.info/programs/cdbg/cdbg-laws-and-regulations/ Training materials on CDBG Program: https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/
Consortium	Consolidated Plan	Required plan that contains needs assessment, housing market analysis, priorities and strategies for use of CDBG funds over the five-year period ending June 30, 2024.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Consolidated%20Plan%202020-2024.pdf
Consortium	Analysis of Impediments to Fair Housing Choice	Required assessment of Fair Housing issues in the tri-county region and measures to address them.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Fair_Housing_Impediments_July_2020.pdf
Consortium	Action Plan	Time-specific goals and annual budget describing how the available CDBG resources will be spent.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/ConsolidatedActionPlan2023-2024.pdf
Consortium	CAPER	Annual performance report on the actual use of CDBG funds and what was produced.	chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/CAPER2021-2022.pdf

Contact Information

For any questions about this Manual, please contact:

Pepper Bego, Federal Programs Coordinator
 Planning & Neighborhood Development Department
 City of Concord
 35 Cabarrus Avenue West
 Concord, NC 28025
 Phone: (704) 920-5152
 Email: <https://concordnc.gov/Departments/Planning/Contact-Us> or [Contact Form](#)

For CDBG Program questions, contact the Greensboro HUD Office:

Greensboro HUD Office
 Ashville Building
 1500 Pinecroft Road, Suite 401
 Greensboro, NC 27407-3838
 Phone: (336) 547-4000
 Fax: (336) 547-4138
 TTY: (336) 547-4054
 NC Relay: 711 (Voice/TTY)

CDBG Regulations

The CDBG program is a complex federal program that grew from eight distinct national programs. The CDBG regulations were dramatically revised from 1995 to 2006, primarily to add more flexibility for grantees when carrying out funded activities, to reflect statutory changes, and to respond to audits of the program by the Inspector General.

The basic program regulations governing management and administrative systems for the CDBG program are in [24 CFR Part 570, Subpart J](#). Other important CDBG program requirements such as civil rights laws, National Environmental Policy Act, Anti-displacement and Relocation Assistance Act, Americans with Disabilities Act, Davis- Bacon Act, etc. are in [24 CFR 570 Subpart K](#). Subrecipients shall also comply with 2 CFR 200, Uniform Administrative Requirements, cost Principles and Audit Requirements for Federal Awards. This manual provides the highlights of the most common federal regulations that apply to most CDBG-funded applications. For more information on CDBG programs and HUD regulations, please visit and <https://www.hudexchange.info/programs/cdbg/> and search for resources, trainings and toolkits.

CDBG Program Management

The City of Concord's Planning and Neighborhood Development Department administers the City's CDBG programs and is responsible for ensuring that the activities of the CDBG Program are conducted in compliance with the Act and federal implementing regulations. HUD is responsible for monitoring participating jurisdictions to ensure compliance with CDBG program requirements.

The City is required to complete an array of plans and reports for the use of CDBG funds. Program management includes development of the five-year Consolidated Plan, the annual Action Plan, Consolidated Annual Performance Evaluation Report (CAPER), compliance with the Citizen Participation Plan, Analysis of Impediments to Fair Housing, creating environmental review records, monitoring, and other required reporting per 24 CFR Part 570.

To achieve the national objectives, the City awards funds through a competitive process to Subrecipients. The Subrecipient is a public or private nonprofit agency, authority, or organization that receives CDBG funds from the City to undertake eligible activities.

CDBG National Objectives

The primary objective of the programs authorized under title I of the [Housing and Community Development Act of 1974](#), as amended, is described in section 101(c) of the Act ([42 U.S.C. 5301\(c\)](#)). A basic requirement of the CDBG authorizing statute is that the primary objective of the program is the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate- income.

The program rules state that to be eligible for funding, every CDBG-funded activity must qualify as meeting one of the three (3) national objectives of the program. This requires that each activity, except certain activities carried out under the eligibility categories of Planning and Capacity Building, Program Administration, and Technical Assistance, meet specific tests for either:

1. The project must benefit low- and moderate-income persons. The LMI national objective is often referred to as the "primary" national objective because the statute requires that recipients expend 70 percent of their CDBG funds to benefit LMI persons.
2. The project must eliminate slum and blight as defined by HUD.
3. The project must meet an urgent need because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

National Objective #1 – Benefit to Low and Moderate Income (LMI) People

The benefit to low and moderate-income individuals (also known as Low/Mod or LMI) is the “primary” National Objective because Federal regulations require that 70% of the proposed activities, when taken as a whole, will not benefit moderate-income persons to the exclusion of low-income persons. This does not mean that the activity must include both low- and moderate-income beneficiaries, but it further ensures that the CDBG program will primarily benefit low-income persons. The definition of a low- or moderate-income person or household is having an income equal to or less than the income limits that are established by HUD. HUD publishes new income limits for each fiscal year typically in the Spring. The current HUD income limits are listed on the City’s website at <https://concordnc.gov/Departments/Planning/Community-Development/Federal-Grant-Programs#CDBG>.

The four categories of activities that can be used to meet the LMI objective are listed below:

- Area benefit activities
- Limited clientele activities
- Housing activities
- Job creation or retention activities.

National Objective #2 – Prevention or Elimination of Slums or Blight

This category covers activities that aid in the prevention or elimination of slums or blight in designated areas.

Examples include:

- Rehabilitation of substandard housing located in a designated blight area when the housing is brought up to standard conditions;
- Emergency repairs that are urgent in nature and are necessary to protect the health and safety of the occupants;
- Infrastructure improvements in a deteriorated area; and
- Economic development assistance in the form of a low-interest loan to a business as an inducement to locate a branch store in a redeveloping blighted area.

Projects may qualify if benefiting an area defined under state or local law as a slum or blighted area, and which contains a substandard number of deteriorating or dilapidated building or infrastructure. To meet eligibility requirements, the activity must be designed to address one or more of the conditions which qualified the area as slum and blighted. Residential rehabilitation qualifies if the property is considered substandard per local definition.

National Objective #3 – Urgent Need

This category provides funding to meet other community development needs with urgency because existing conditions that pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available, which also includes natural disasters. HUD provided additional funding under this objective during the global pandemic. The City received two (2) rounds of CDBG CARES Act (CDBG-CV) to address the needs within the City during this unprecedented time.

More information about the CDBG Program’s National objectives can be accessed via the link below:

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

HUD Objectives and Outcomes

All eligible activities must also be associated with HUD’s performance measurement framework which includes three objectives and three outcomes.

The three objectives include:

- Decent Housing: The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- Suitable Living Environment: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- Creating Economic Opportunities: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

The three outcome categories include:

- Availability/Accessibility: This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate- income people where they live.
- Affordability: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
- Sustainability: This outcome promotes livable or viable communities through activities that improve communities or neighborhoods, helping to make them livable or viable by providing benefit to LMI people or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Consolidated Plan and Annual Action Plan

In 1995, HUD mandated that all CDBG recipients prepare a Consolidated Plan every five years and an Annual Action Plan every year. The regulations governing these activities, which were revised in 2006, can be found at 24 CFR Parts 91 and 570. In May of 2012, HUD introduced the eCon Planning Suite, including the Consolidated Plan template in the Integrated Disbursement and Information System (IDIS) nationwide online database and the Community Planning and Development (CPD) Maps website. By creating a more cohesive planning and grants management framework and providing better data and a tool for analysis, the eCon Planning Suite supports grantees and the public to assess the community's specific needs and make strategic investment decisions. HUD grantees are now required to submit the Consolidated Plan and year one Annual Action Plan using the Consolidated Plan template in IDIS online.

The purpose of the Consolidated Plan is to encourage Grantees to make longer-term strategic decisions based on current market conditions in consultation with all important stakeholders. The document lays out the City's plans for using federal CDBG funds in the following programs:

While the Consolidated Plan lays out a broad vision of need and funding priorities, HUD also requires Grantees to submit Annual Action Plans. These plans identify anticipated funding resources for the upcoming year, the City's plans for allocating the identified funding, and the anticipated outcomes of the funding. Detailed information about the Annual Action Plan requirements can be found at 24 CFR 91.220.

HUD requires that the public be given the opportunity to comment on the Consolidated and Annual Action plans for no less than 30 days (24 CFR Parts 91.200). To fulfill this requirement, the City, following the procedures in its Citizen Participation Plan, publishes a notice of the plan in the local newspaper and posts notices at highly visible locations, including the City Hall Building, located at 35 Cabarrus Avenue West in Concord, NC. To ensure that the City provides several opportunities for the required information to be viewed by citizens for comments, at a minimum, the full documents are available on the City's website at <https://www.concordnc.gov/Departments/Planning/Community-Development>. The City also shares information on all of its social media platforms to promote the draft plans and to

encourage comments. Prior to the global pandemic, public hearings were held at the City Hall Building that can accommodate individuals with disabilities. The City also provided accommodations for non-English speaking residents to provide comments. The City now offers virtual public hearings to receive citizen comments and questions about the planned uses of its federal funds. The City has continued to offer virtual public hearings for citizens because of the tremendous increase in feedback from citizens that is received during each comment period through the City's public engagement software system (PublicInput.com).

The Five-Year Consolidated Plan is required to include following elements:

- Information that includes the amount of grant funds and program income it expects to receive.
- The range of activities that may be undertaken.
- The estimated amount that will benefit persons of low and moderate income.
- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from.
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.

The Annual Plan is required to include the following elements:

- Form Application - Standard Form 424
- Federal and Other Resources Available
- Activities to Be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions:
 - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure and enhance coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives.
 - Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
 - Amendments to the Consolidated Plan.

Consolidated Plan /Action Plan Amendments

Prior to making any additions, deletions, or changes to the Community Development Block Grant Program Consolidated Plan or Annual Action, the following determination will be made on the amendment:

- a. If the proposed change is a minor amendment defined as an amendment to the program that costs less than 10% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plans; or
- b. If the proposed change is a substantial amendment when:
 - the amendment makes changes in its allocation priorities or a change in the method of distribution of funds;
 - the amendment carries out an activity, using funds from any program covered by the consolidated Plan (including program income), not previously described in the action plan; or
 - the amendment changes the purpose, scope, location or beneficiaries of an activity.

II. CDGB PROGRAM RESPONSIBILITIES

The City of Concord's Responsibilities

As a Community Development Block Grant (CDBG) entitlement community, the City of Concord receives CDBG funds directly from the U.S. Department of Housing and Urban Development and the City is responsible for managing these funds. The City of Concord must submit the plan for expenditures to HUD and provide reports that detail each amount that is drawn down and spent for CDBG activities. The City of Concord is responsible for completing all administrative duties that are listed below on behalf of the CDBG program:

- Preparing and submitting the Annual Action Plan and revises the Plan as required by HUD.
- Sending annual agreements to Subrecipients for required signatures.
- Preparing and completing Environmental Review Records for activities.
- Preparing and submitting the Request for Release of Funds to HUD.
- Preparing and submitting the Annual Action Plan (AAP) and Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Preparing and processing all pay requests for each project activity.
- Reviewing program activities and rules to ensure that money is being spent in support of an eligible project and in accordance with HUD rules.
- Setting up files in the Integrated Disbursement and Information System (IDIS) for each project.
- Tracking program income for projects.
- Sending letters and notices regarding any project issues to subrecipients.
- Preparing and updating program forms and documents as needed.
- Responding to Subrecipients' inquiries concerning their projects.
- Providing technical assistance to Subrecipients as needed.
- Monitoring and inspecting all projects for Subrecipients on an annual basis.

Written Agreements

The City of Concord requires execution of a written agreement before any CDBG funds are committed or disbursed to any entity. As appropriate, the City of Concord will work with its Legal Department to draft all contracts, agreements, and other legal documents. In addition, the City of Concord's staff will provide legal counsel with information to assist them in understanding CDBG program rules and their intent.

Written agreements shall contain the following provisions:

- Use of Funds: Description of the CDBG-funded activities, tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement.
- Reversion of Assets/Program Income Requirements: States all program income proceeds, unexpended funds or other assets will be retained and accounted for every 30 days within the disbursement and information system established by HUD by the City of Concord for other eligible activities.
- Uniform Administrative Requirements: Compliance with applicable federal administrative requirements (2 CFR Part 200, 24 CFR Part 200, applicable provisions of 24 CFR Part 85 for governmental entities, and 24 CFR Part 84 for non-profits, and 18.U.S.C.1001 and 31.U.S.C.3729)
- Other Program Requirements: Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict of interest.
- Affirmative Marketing: Requirements for affirmative marketing in projects containing five (5) or more

CDBG-assisted units.

- Requests for Disbursement of Funds: Requirement that CDBG funds may not be requested until funds have been expended as repayment for eligible costs. The amount of each request is limited to the amount that is eligible for reimbursement only. Program income must be expended before requesting CDBG funds, if applicable.
- Records and Reports: Lists records that must be maintained and information and reports that must be submitted.
- Enforcement of the Agreement: Means of enforcing the provisions of the written agreement. This provision is in the agreement with all parties including owners.
- Duration of Agreements: The agreement must specify the duration of the agreement along with the applicable Period of Affordability based on the project type.
- Amending the Documents: Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustment to funding levels or other conditions related to a specific project are needed.

III. GENERAL CDBG PROGRAM POLICIES & PROCEDURES

Eligible Activities

The following is a list of approved activities for which CDBG funding can be used. This list is not exhaustive and may not cover all eligible activities.

Activities Related to Real Property

- Acquisition of real property including costs of surveys, appraisals, preparation of legal documents, recordation fees, and other costs necessary to effect the acquisition.
- Disposition of real property (through sale, lease, donation, or otherwise) acquired with CDBG funds.
- Code enforcement. The payment of salaries and overhead costs directly related to the enforcement of state and/or local codes in deteriorating or deteriorated areas where such enforcement, along with other services, may be expected to arrest the decline of the area.
- Public improvements or facilities. Acquisition, construction, reconstruction, rehabilitation, or installation of public improvement or facilities such as homeless shelters, nursing homes, neighborhood facilities, streets, sidewalks, curbs, gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, etc.
- Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites.
- Rehabilitation of private residences, public housing, and commercial buildings. Types of assistance include the following: acquisition of properties; labor, materials, and other costs of rehabilitation of properties; energy efficiency; water efficiency; sewer and/or water line connections; lead-based paint testing and abatement; tools to be lent to those doing rehabilitation work; accessibility renovations; historic preservation; etc.
- Privately-owned utilities. Acquire, construct, reconstruct, rehabilitate, or install the distribution lines and related facilities for privately-owned activities.
- Homeownership assistance (financial assistance to low- and moderate-income persons to assist them in the purchase of a home) including second mortgage assistance, mortgage insurance premium, closing costs, and down payment assistance.
- Interim assistance to arrest severe deterioration or alleviate emergencies.

Activities Related to Economic Development

- Microenterprise assistance such as financial support, technical assistance, and related services.
- Economic development assistance activities that produce certain public benefits (jobs or retail services) through acquisition, construction, rehabilitation, or installation of commercial or industrial buildings, equipment, or other improvements. Other activities include financial and technical assistance as well as related services.

Activities Related to Public Services

- Public services such as job training and employment services; health care and substance abuse services; child care; child prevention; and fair housing counseling.

Activities Related to Planning and Administration

- Planning activities including plans; studies; and policy-planning, management, and capacity building activities.

Assistance to Community Based Development Organizations (CBDOs)

- Grants or loans to CBDOs to carry out the following types of projects: neighborhood revitalization, community economic development, and energy conservation.

Other Types of Activities

- Payment of non-Federal share of grants in connection with CDBG activities.
- Relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, and nonprofit organizations, where appropriate.
- Technical assistance to public or non-profit entities for capacity building.
- Assistance to institutions of higher education with the capacity to carry out other eligible activities.

Ineligible Activities

The following is a list of activities for which CDBG funding cannot be used. Generally, any activity not listed as eligible may not be funded with CDBG monies. The following list is not exhaustive and may not cover all ineligible activities.

For more information about ineligible activities, please contact the Housing and Neighborhood Services staff or visit the HUD website at <http://www.hud.gov/offices/cpd/communitydevelopment/library/deskguid.cfm>. View Chapter 2 of Community Development Block Grant Program – Guide to National Objectives and Eligible Activities for Entitlement Communities. This is the same document which discusses eligible activities, but information about ineligible activities can be found throughout the document and more specifically on page 70.

- Buildings for the general conduct of government.
- General government expense which are required to carry out the regular responsibilities of the unit of general local government.
- Political activities such as financing the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
- New housing construction except under certain conditions or when carried out by Community Based Development Organizations.
- Income payments such as supplements to a household's monthly income.
- Purchase of equipment such as fire protection or construction equipment or furnishings and personal property unless authorized as a special economic development activity or when carried out by a CBDO.
- Operating and maintenance expenses of public facilities, improvements and services except when associated with eligible public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program or unless authorized as a special economic development activity or when carried out by a CBDO.
- Religious activities or provided to primarily religious entities for activities; acquisition, construction, or rehabilitation of properties used for religious purposes; or to promote religious interests regardless the use of properties.
 - o NOTE: CDBG funds may be provided for the rehabilitation of property owned by a religious organization for a wholly secular purpose under certain limited circumstances.
- Architectural, engineering, and other details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details.

For more information about eligible activities, please contact the City's Federal Programs Coordinator or visit the HUD website <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>. This HUD Exchange link provides direct access to the Community Development Block Grant Program Guide to National Objectives and Eligible Activities for Entitlement Communities. Chapter 2 of the Program specifies the eligible activities for this program.

Eligible Applicants

Public agencies, nonprofit organizations, and for-profit entities, and income-qualified residents are all eligible to apply to the City of Concord for CDBG funds. Fund recipients are classified into one (1) of four (4) categories:

- Community Based Development Organizations (CBDOs): CBDOs are generally nonprofit organizations that undertake specific kinds of CDBG-funded activities. CBDOs can be for-profit or nonprofit organizations but cannot be governmental entities. A CBDO may be designated as a subrecipient by the City.
- Subrecipients: A subrecipient is a public agency or nonprofit housing service provider selected by the City of Concord to administer CDBG subrecipient.
- Developers, Owners, Sponsors: For-profit entities, housing authorities, nonprofit organizations, and CBDOs can receive CDBG funds in the roles of developers, owners, and sponsors of eligible activities.
- Homeowners: Housing rehabilitation assistance is available to qualified low- and moderate-income homeowners whose homes are in substandard condition. The applicant must own and reside in the home and meet HUD's income limits. Single-family homes and manufactured homes are eligible for assistance, but the City also may approve mobile homes for assistance. Condos are not eligible for assistance.

Definition of Income

HUD's "Technical Guide for Determining Income and Allowances for the CDBG Program" provides the method by which income for CDBG-assisted projects must be calculated. Applicants must use HUD's "CPD Income Eligibility Calculator" to determine eligibility and document records. See <https://www.onecpd.info/incomecalculator/>

- For CDBG projects and for new construction of owner-occupied housing using CDBG funds, annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as defined in 24 CFR Part 5 (Part 5 annual income). This is called the "Section 8 income determination method." For rental projects, initial income must be verified using source documentation. Income must be recertified annually, and source documentation obtained every six years.

- **Eligible Administrative and Planning Costs**

Funds are provided for the administration of the CDBG program. The City of Concord's staff is responsible for administering all aspects of the CDBG program; coordinating activities for the CDBG program, monitoring compliance with written funding agreements and federal regulations, and coordinating with HUD to ensure compliance with federal regulations. The City of Concord uses funds for a pro-rata share of the salaries, fringe, and overhead that can be directly attributable to the CDBG Program. Adequate records are maintained to justify the allocation of CDBG administration funds for these purposes.

- Eligible costs include the City of Concord's staff and overhead costs directly related to carrying out projects, such as work specifications preparation, inspections, lead-based paint evaluations (visual assessments, inspections, and risk assessments) and other services related to assisting potential owners, tenants and homebuyers.
- Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling and other assistance necessary to minimize hardship.
- Costs may be charged as administrative costs or as project costs, at the discretion of the City of Concord; however, these costs (except housing counseling) cannot be charged to or paid by the low-income families.

Uniform Administrative Requirements

- 2 CFR Part 200

- 24 CFR Part 200
- Provisions of 24 CFR Part 85

Distribution of CDBG Funding

The City of Concord distributes CDBG funds within the boundaries of its City limits, and among different categories of need, according to the priorities of need identified in its approved Consolidated Plan.

CDBG funds are provided to the City of Concord by HUD annually. The City's distribution plan for CDBG funds includes:

- Administration (20%) Funds are used for planning, administration, allocation of indirect costs and monitoring of the program. Funds are also used to conduct training and technical assistance to entities interested in applying for and implementing CDBG-funded projects.
- Public Services (15%): Funds are used to improve public services and facilities, including, but not limited to those concerned with child care, healthcare, job training, recreation programs, education programs, public safety services, Fair Housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, and welfare (but excluding provisions of income payments described at §570.207(b)(4)).

Before committing funds to a project, the City of Concord will determine the eligible projects to undertake and prepare all appropriate documentation.

Program Income

Some housing activities generate program income, which must be disbursed before seeking reimbursement/draw down of additional CDBG funds. Program income is defined as "gross income received by the City of Concord, or an agency, which was generated from the use of CDBG funds. Income generated by housing projects or programs would typically fall into one of the following categories:

- Payments of principal and/or interest on loans made with CDBG funds.
- Proceeds from the sale of real property that was purchased or rehabilitated with CDBG funds.

For example, funds for housing are often provided as low-interest or deferred payment loans. The loan repayments are considered as program income. The federal regulations require that:

- Program income be spent before drawing funds from the City of Concord's CDBG account;
- Program income be spent only for eligible activities; and
- Written agreements with agencies that will generate program income must specify whether program income must be returned to the City's CDBG account or be used by the City for an eligible activity.

The City is required to track and report program income that is generated during each fiscal year.

Subrecipient Funding Requests

Subject to availability, CDBG funds may be requested by a Subrecipient through a formal written request process through Neighborly Software that can be accessed [here](#). The request should include the type and location of the services to be undertaken, identify other available funding sources, and include the specific amount of the request.

Written funding requests will be scored based on a point system. Requests also are scored for clarity of the proposal, the likelihood of success, the project's financial feasibility, the funding need, the track record of the organization, the creditworthiness of the organization, and the ability to implement the project within one funding year. The Concord City Council determines the agencies and the amount of funding for each fiscal year.

Technical Assistance Visits for Subrecipients: A technical assistance visit is an informal visit. The intent of this meeting is to share information that will enable the City of Concord to meet the various State and Federal requirements for its grant. A technical assistance visit could consist of explanations of project start-up requirements and the establishment of program files. The City of Concord must demonstrate compliance with applicable regulations and document this by maintaining accurate and complete records and files. The filing system must provide a historical account of the City's activities, be easy to use, and centrally located.

Monitoring Visits for Subrecipients: A monitoring visit is more formal than a technical assistance visit. The monitoring visit is utilized to determine if the project is being conducted in compliance with applicable Federal and State laws and requirements. The review also determines the City of Concord's ability to implement the program in a timely manner.

The monitoring visit consists of a review of project files, records and documentation, and may include a visit to the project site. All records, files, and documentation should be available for review at the monitoring visit. If other public agencies, attorneys, or consultants have assisted in program implementation, these records must be available for review for the monitoring visit. Failure to produce such records upon request will result in issuance of either a program "concern" or "finding" of non-compliance and will jeopardize the organization's eligibility for future CDBG project funding. The issuance of a program "concern" or "finding" may, at the discretion of the City of Concord's staff, result in the recapture of funds provided by the City of Concord.

Affordability Period

At a minimum, all housing rehabilitation projects for owner-occupied properties must comply with the following CDBG affordability periods:

- o CDBG investment of less than \$15,000 per unit: 5 years
- o CDBG investment of \$15,000 - \$40,000 per unit: 10 years
- o CDBG investment of more than \$40,000 per unit: 15 years

Termination of Affordability Restrictions:

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- The City of Concord may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.
- The affordability restrictions will be enforced according to the original terms if, during the original affordability period, the owner of record, obtains an ownership interest in the housing prior to the termination event.

Financial Management

As a direct recipient of HUD funds, the City of Concord must abide by the financial management requirements of the Federal Office of Management and Budgets found at 2 CFR part 200.

Audit Requirements

The City of Concord also must follow OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal awards. All subrecipients that expend more than \$750,000 in federal funds must have an A-133 audit completed and submitted to the City of Concord.

IDIS Drawdowns

A separation of duties has been established by the City of Concord and the City's Finance Department to provide proper checks and balances from grant set-up, project and activity set-up, sub-funding, sub-granting and drawdown process in the following manner:

IDIS Administrator Procedures:

- The City of Concord submits completed IDIS Access Request Forms in the IDIS system to gain approval for access by function for all the City's projects.
- The City of Concord also maintains drawdown request vouchers with copies of deposit transactions and payment disbursement documentation.

Procurement

All projects must comply with the most restrictive of the applicable federal or state, competitive procurement regulations or costs may not be reimbursable.

Federal procurement requirements at 2 CFR Part 200 apply to all non-profit organizations' actions as a Subrecipient and to all public entities. The owners/sponsors/developers are not subject to the federal procurement requirements.

Nonprofit organizations receiving CDBG funds must comply with the procurement requirements of 24 CFR Part 84. Procurement requirements are provided in the City of Concord's funding notices and written agreements. The City will provide a copy of its procurement policies and procedures that meet applicable federal and state requirements. If a project includes any construction or rehabilitation, a required component of a completed request for funding will be a written description of how the City or any subrecipients plan to procure prime or general contractors, subcontractors, architects, engineers, consultants, etc. in a competitive manner.

For construction or facility improvement projects exceeding \$100,000, minimum Federal requirements located in 24 CFR 85.36 or 84.48(c)) for bid guarantees, performance bonds, and payment bonds must be met. Prior to publishing a Notice of Bid Opening in the local newspapers, as a minimum requirement, and through other approved forms of communication mediums, the City must review and approve all bid documents to ensure that all federal, state, and program requirements are included.

Only contractors and subcontractors that are not federally barred or suspended and have current State of North Carolina business licenses with current Workers' Compensation accounts, including proper insurance and bonding, can work on capital construction projects. The City of Concord will check the status of the general contractor and all subcontractors for federal debarment and suspension, licensing, insurance, bonding, and Workers' Compensation accounts for capital construction projects. The City also is responsible for checking the licensing and debarment status for owner-occupied housing rehabilitation and minor home repair clients.

The City of Concord's subrecipients are subject to the procurement requirements of 24 CFR parts 84 and 85 as well as state and local laws and regulations. Subrecipients will be monitored annually to ensure compliance with these regulations.

Contractor Procurement

The City of Concord staff must obtain a minimum of two (2) bids on planned repairs, based on the preliminary work write-up prepared by the City's Construction Coordinator. Bids are to be returned on the specific due date. -staff will record the total amount of the bid and the date and time the bid was received. The City's staff will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- The submitting contractor currently meets all program requirements and is not debarred or suspended from

participating in the CDBG Owner-Occupied Rehabilitation Program.

- The contractor is not currently on probation, suspended or debarred by the state licensure board.
- The total dollar amount of the bid is within 10% of the total cost listed on the initial work write-up prepared for or by the City of Concord.

Debarred Contractors

Prior to entering into a contract with a contractor or subcontractor, the City of Concord must verify that they are not listed in the Federal publication of debarred, suspended and ineligible contractors. CDBG funds may not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of a contractor during a period of debarment, suspension, or ineligibility.

Environmental Review

Prior to completing a contract, the City of Concord will complete a federal Environmental Review in compliance with the National Environmental Policy Act (NEPA) and other related federal and state environmental laws. No choice-limiting activities may be undertaken by the applicant for CDBG funds during the time between the submission of the written request for funding and the completion of the Environmental Review (prior to the receipt of the Authority to Use Grant Funds from HUD).

Public Records

Materials and information submitted to or received by the City of Concord are subject to public disclosure unless otherwise exempt from disclosure under the North Carolina General Assembly's G.S. §132. No assurances can be given that any materials provided can be protected from public review and copying.

Recordkeeping and Retention of Records

Records related to CDBG-funded projects and programs must be retained for at least five (5) years. For rental and homeownership development projects, general records must be kept for five (5) years after project completion, and tenant/homeowner data must be maintained for the most recent five (5) years, until five years after the conclusion of the affordability period.

Project Completion Deadline and Terminated Projects

As required in 24 CFR §92.205(e), the City of Concord's staff must be able to execute a written agreement with the Subrecipient for the project within 12 months of July 1 of the year in which funding is awarded. The Subrecipient must typically be able to complete the project and expend all funds within one (1) year of the execution of the written agreement.

IV. Overarching Program Regulations and Requirements

The City of Concord and all subrecipients and participating jurisdictions will adhere to this requirement according to the stipulations that are enforced by the U.S. Department of Housing and Urban Development.

Appeals

A person who disagrees with a determination concerning whether the person or project qualifies or the amount of assistance for which the person may be eligible, may file a written appeal of that determination with the City of Concord within 30 days of the decision. The appeal must be addressed to the Planning Department Director, 35 Cabarrus Ave. W., Concord, NC 28025. A person who is dissatisfied with the City's determination on his or her appeal may submit a written request for review of that determination to HUD'S Columbia, SC Field Office.

Lead-Based Paint

The Lead-Based Paint Regulations described in 24 CFR Part 35 require that lead hazard evaluation and reduction activities be carried out for all single and multi-family residences constructed prior to 1978 that receive CDBG Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel.

If lead-based paint is present in the unit, the written funding request must also include a detailed lead hazard reduction plan, in accordance with the regulations, and separately identify within the rehabilitation budget, the costs associated with the reduction of lead hazards in accordance with the regulation and guidelines.

All CDBG program fund allocations are contingent upon the applicant agreeing to complete lead hazard reduction, evidenced by a clearance report performed by appropriate lead-certified personnel. The City of Concord permits use of CDBG funds for lead-based paint testing, assessment, abatement and the clearance report. In a multi-family project where CDBG Program funds will be used for only a portion of the units, lead-based paint requirements apply to ALL units and common areas in the project.

Fair Housing and Civil Rights

Agencies must comply with federal, State, and local fair housing and civil rights laws, regulations, and Executive Orders, including Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq); the Fair Housing Act (42 U.S.C. 3601-3602); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259); and the Age Discrimination Act of 1975, as amended (42 U.S. C. 6101-6107).

Discrimination in the provision of housing is prohibited on the basis of a protected class; federal and North Carolina State protected classes include:

- Race
- Color
- National Origin
- Religion
- Disability
- Sex
- Familial Status

Advertising and Outreach

The City of Concord must undertake outreach efforts in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach, and access to the Program.

The City must inform potential applicants of the program via flyers, public notices, local media advertisements. The marketing information will include basic eligibility requirements, a general description of the Program, and the appropriate Fair Housing logo.

The City's marketing approach must address: (1) how the program will be announced (i.e., through all media platforms and other sources); (2) when applications will be accepted (i.e., online or daily during normal working hours); and (3) the method for taking applications (i.e., in person, by mail, and online).

The City must maintain a file that contains all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letters, etc.) The records, which help assess the results of these actions, must be available for inspection.

The City also has an obligation to assure that information about the program reaches the broadest possible range of potentially qualified applicants.

To further fair housing objectives, the City should identify those households that have been determined to be "least likely to apply," and determine what special outreach activities, including placing advertising in minority-specific media, will ensure that this population is fully informed about the program. The City will assure that all marketing initiatives and materials adequately reflect the available assistance types.

Fraud and Corruption

The City of Concord upholds a zero-tolerance approach regarding fraud and corruption. Concord will identify and promptly investigate any suspected fraudulent or related dishonest activity against the City or other parties with whom the organization has dealings. The City will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

Forgery or alteration of documents (checks, bank draft, bank records, time sheets, invoices, agreements, etc.)
Misrepresentation of information on documents
Bid rigging, kickbacks, billing schemes, etc.
Misappropriation of funds, supplies, or assets
Theft, disappearance, or destruction of assets
Improprieties in the handling or reporting of money or financial transactions
Authorizing or receiving payments for goods not received or services not performed
Authorizing or receiving payment for hours not worked
Inappropriate use of records and disclosing confidential and proprietary information to outside parties

Corruption is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

Bribery
Conspiracy
Extortion

Preventing Fraud and Corruption

To prevent fraud and corruption, the City of Concord has established internal controls, policies, and procedures to deter, prevent, and detect fraud and corruption such as;

- Verify all applicants' information provided
- Including an acknowledgement of penalties for fraud, providing false statements, and corruption on applicable

forms.

- Vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business
- Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a suspended or debarred party
- Contractual agreements with Concord will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption
- Vendor, contractors, and suppliers will receive fraud and corruption awareness training

Reporting Fraud and Corruption

Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act to the City of Concord Community Development Manager, local HUD field office, and/or the Office of Inspector General immediately. Person(s) reporting potential abuse may elect to remain anonymous. Any applicant, vendor, contractor, or supplier who is found to have committed fraud or provided false information will automatically be deemed ineligible. This designation may result in legal action, repayment of funds, or other penalties resulting from any investigation. Failure to report suspected fraudulent or corrupt activity in a timely manner may also result in being subject to disciplinary action as determined by the City of Concord or any other investigating organizations.

Conflict of Interest

In the procurement of property and services by the City of Concord, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with CDBG funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may not have an interest in any contract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, board member, loan committee member, elected official or appointed official of the City of Concord that is receiving CDBG funds.

The City of Concord shall ensure that officers, employees, agents or consultants will not occupy any CDBG-assisted affordable housing units in the project. This provision does not apply to an individual who receives CDBG funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the City who occupies a housing unit as the project manager or maintenance worker.

The City of Concord may provide an exception to the provisions listed above on a case-by-case basis when the City determines that the exception will serve to further the purposes of the CDBG program and the effective and efficient administration of the City's CDBG-assisted project. For the City to provide this exception, the City must make a written request to its Legal Department to make its determination based on the following factors:

- a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group;
- b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- c. Whether the tenant protection requirements of Section 92.53 are being observed;
- d. Whether the affirmative marketing requirements of Section 92.351 are being observed and followed; and
- e. Any other factor relevant to the City's determination, including the timing of the requested exception.

The City of Concord must maintain a written code of standards of conduct that will govern the performance of its officers, employees, or agents engaged in the award and administration of contracts funded with federal dollars.

Program Accessibility

Section 504 of the Rehabilitation Act of 1973 requires that a CDBG-funded activity, when viewed in its entirety, is usable and accessible to persons with disabilities. The obligation to provide accessible units, in accordance with 24 CFR 8.22 and 8.23 is broader and includes the following:

All program activities, including public hearings, homebuyer briefings, counseling sessions, and meetings should be held in locations that are accessible to persons with disabilities.

Information about all programs and activities should be disseminated in a manner that is accessible to persons with disabilities. Auxiliary aids and special communication systems should be used for program outreach, public hearings related to housing programs, and other program activities.

Reasonable steps should be taken to provide information about available accessible units to eligible persons with disabilities. Homebuyer projects are not required to produce accessible units, but reasonable accommodations during the application process are required for any buyers with accessibility needs. Program advertising should acknowledge that the program will work with households with accessibility needs. Should a successful homebuyer applicant have a need for a unit with an accessible design, the program must accommodate those needs.

Equal Opportunity

Federally-funded housing projects/programs are subject to Executive Order 11246, as amended, which prohibits agencies from discriminating against employees or applicants for employment on the basis of race, color, religion,

national origin, citizenship status, unfair documentary practices regarding employment verification, sex, age, and disability. These requirements are included in all contracts with Subrecipients.

- Section 3 of the Housing and Urban Act of 1968 (Section 3):
The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance is directed to low- and very low-income persons to the greatest extent feasible. In accordance with the Section 3 Plan, solicitation of Section 3 businesses is required during procurement for any construction contract of \$100,000 or more and is encouraged for contracts of lesser amounts. The Section 3 Plan also requires contractors/subcontractors to follow a specific hiring plan in order to target Section 3 residents.
- Women- and Minority-Owned Business Enterprises:
The City of Concord is required to take affirmative actions to allow Women- and Minority-Owned Business Enterprises (WMBE) to benefit from federal funds. The City passes this requirement on to funded agencies, which must make a good faith effort to employ WMBE firms when implementing projects/programs. These efforts can include advertising for professional services or construction contractors in minority publications, notifying WMBE firms directly of employment opportunities, or requiring that contractors hire WMBE subcontractors. Solicitation of MBE firms is required during procurement for any construction contract of \$50,000 or more.

Non-Discrimination

No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status, physical or mental disability, gender identity or expression of a person, national origin, ancestry, military status, or other arbitrary cause.

Reasonable Accommodations for Persons with Disabilities

Employers receiving CDBG funds may not discriminate against prospective or current employees with disabilities.

Employers must remove physical and administrative barriers to employment and provide reasonable accommodations for employees with known disabilities.

If a subrecipient has 15 or more employees, it must designate a Section 504 Coordinator and notify program participants and employees of its non-discrimination policies.

Business Enterprises Owned by Minorities, Women and Disadvantaged Business Enterprises

The City of Concord encourages participation by business enterprises owned by minorities and women, and disadvantaged business enterprises (M/W/D-BE). Contracts for the procurement of services should be awarded to the maximum extent possible to M/W/D-BE. Section 24 CFR 84.44(b) of the Uniform Administrative Requirements outlines recommended steps for achieving participation goals.

Section 3 Economic Opportunity

Section 3 requirements apply to recipients of Housing and/or Community Development Assistance exceeding \$200,000 combined from all sources in any one year, per 24 CFR §135. Section 3 covers the expenditure of any portion of those funds for any activity that involves housing construction, rehabilitation, or other public construction. All contractors or subcontractors that receive covered contracts in excess of \$100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3. The purpose of Section 3 to ensure that employment (e.g., new hires) and other economic opportunities generated by this HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.

Prevailing Wages and Labor Standards Requirements

Labor standards requirements may impact the cost of construction work and should be factored in during the development of the project budget. The labor standards processes may require additional reporting and documentation during construction. Monitoring for compliance with labor standards requirements will be performed by the City of Concord.

Applicants should assume that state prevailing wage rates will apply and build the requisite costs into all project development budgets, unless they obtain a determination otherwise from the North Carolina Department of Labor (NCDOL). Applicants are advised to consult with the NCDOL and/or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

If an applicant receives a loan that is incurring interest, is not forgivable, and is required to be repaid in full, such loan in and of itself is not expected to trigger a requirement that prevailing wages be paid on the project. However, if the applicant is receiving other public funds and/or is a public entity (e.g., housing authority), it may be required to pay state prevailing wages on the project. A definitive determination regarding the applicability of state Prevailing Wage law can only be obtained from the NCDOL.

Federal Davis Bacon prevailing wages apply to all projects with 12 or more CDBG-assisted units regardless of whether CDBG funds were used for construction or other projects costs. When triggered, Davis Bacon wages apply to the entire project. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. In cases where Davis-Bacon wages are triggered, Davis-Bacon monitoring procedures are followed.

Related Acts:

- The Contract Work Hours and Safety Standards Act (CWHSSA) requires contractors and subcontractors to pay laborers and mechanics one and one-half (1.5) times their standard rate of pay for all hours worked in excess of 40 hours in a workweek.

- The Copeland Anti-Kickback Act prohibits a contractor or subcontractor from coercing an employee into giving up any part of their earned wages.

The Uniform Act and Section 104 (d)

CDBG-assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. In addition, projects that include demolition or conversion of low-income housing are subject to Section 104(d) (also called the Barney Frank amendment).

Acquisition

The URA requirements apply to any and all real property acquisition for a project that receives any amount of CDBG funding, regardless of whether the funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first intended to apply for CDBG funds for the project.

Agencies are exempt from complying with most acquisition requirement of the Uniform Act (Subpart B) only if an identified site can be acquired “voluntarily” in accordance with Section 49 CFR § 24.101 of Subpart B.

A “voluntary” acquisition requires the Agency (buyer) to inform the seller, prior to executing an agreement to purchase:

- That it does not have the power of eminent domain (buyers with eminent domain authority, must agree not to use it, and must not have specific site needs);
- That it will not be able to purchase the property if negotiations fail to result in an amicable agreement; and
- Of the buyer’s estimate of fair market value (FMV) of the property to be acquired.

Estimating Fair Market Value:

An appraisal is not required to establish the FMV of a property, but there must be documentation that includes an explanation, with reasonable evidence, of the basis for the estimate. A Comparative Market Analysis is acceptable for this purpose.

Section 104(d)

Section 104(d) of the Housing and Community Development Act of 1974, as amended (104(d)) requirements apply when CDBG assistance is used for a project involving demolition or conversion.

Section 104(d) has two (2) distinct components:

- One-for-One Replacement: Requires one-for-one replacement of lower-income dwelling units that are demolished or converted to another use. For Section 104(d) purposes, “conversion” is defined as: Altering a housing unit that would rent at or below the fair market rent (FMR) so that it is used for non-housing purposes, rents for above the FMR or is used as an emergency shelter.
- Relocation of Lower-Income Tenants: Requires relocation assistance for displaced lower-income residential tenants and does not provide protection or assistance for persons with incomes above the Section 8 Low Income Limit.

Housing Replacement

The City of Concord has adopted a “Residential Anti-displacement and Relocation Assistance Plan”, which addresses the Section 104(d) requirement for one-for-one replacement of low-income housing units:

The City may replace all occupied and vacant occupiable low- and moderate- income dwelling units demolished or converted to a use other than as low- and moderate- income housing as a direct result of activities assisted with CDBG funds.

Replacement units do not need to be provided by the same fund recipient whose project resulted in the housing loss. The City will count any net gain in units achieved through the investment of CDBG funds as having met the one-for-one replacement requirement.

Relocation

The City strongly discourages the permanent displacement of low-income households by project and programs. The URA stipulates the content and timing of notices for residents of properties to be acquired with CDBG funds. If residents are displaced by the project, they must receive moving cost reimbursements, relocation assistance payments, and relocation assistance services. If an otherwise feasible and fundable project does necessitate permanent or temporary displacement and relocation, the relocation must be carried out in strict compliance with the URA. Prior to selection for funding, the Agency must demonstrate that:

- Both personnel and budget resources are available to implement relocation, and
- Such projects must have qualified City-approved relocation personnel as part of the development team.

A pre-application conference with staff is required for any project which may involve relocation to ensure that the Agency understands the URA requirements and that proper relocation notices are given.

No relocation may be initiated prior to funding award except with the prior written approval of the City of Concord. If relocation is required, a detailed Relocation Plan must be submitted with an application for CDBG funds.

Temporary Relocation

All conditions of temporary relocation must be reasonable and the tenant shall be provided with reimbursement for all reasonable out-of-pocket expenses incurred in connection with temporary relocation.

The tenant shall receive advisory services, including written notice of the date and approximate duration of the temporary relocation, address of suitable temporary unit, and the terms and conditions under which the tenant may lease and occupy the building/complex upon completion of the project.

Temporary relocation may not extend beyond one year before the person is returned to his or her previous unit or location. Any residential tenant who has been temporarily relocated for more than one (1) year must be offered permanent relocation assistance, which may not be reduced by the amount of any temporary relocation assistance previously provided.

If the project requires tenants to be temporarily relocated off site, a detailed Temporary Relocation Plan is required.

Violence Against Women Act Reauthorization Act of 2022

VAWA is a federal law originally enacted in 1994, as amended ([34 U.S.C. 12291 et seq.](#)), that protects individuals who are survivors of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, sexual orientation, or gender identity. These protections also apply to individuals with disabilities, including those with mental health disabilities, and people of color that also are disproportionately impacted by problematic laws and policies. It includes protections for survivors and others who are applying for or residing in covered housing programs. VAWA 2022 reauthorizes, amends, and strengthens VAWA. It added to, and did not replace, the existing VAWA housing protections for survivors. Covered housing providers must continue to provide VAWA protections as required by law. On March 15, 2022, President Biden signed into

law the [Consolidated Appropriations Act of 2022](#), which included the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022).

Many of the amendments enacted as part of VAWA 2022 took effect on October 1, 2022. On January 4, 2023, the U.S. Department of Housing and Urban Development (HUD) published a notice in the Federal Register (VAWA 2022 Notice4) in which HUD: (1) describes how the VAWA 2022 amendments affect HUD's programs; and (2) seeks comment on certain provisions.

Under this new provision, there are some additional requirements and obligations for CDBG recipients, which include: (1) reporting to HUD problematic local laws and policies of the jurisdiction and those of the subrecipients that impose penalties that are being enforced, and (2) Certifying that the jurisdictions are in compliance or will be in compliance within 180 days of submitting the report to HUD. The goal is to prevent adoption of these laws, policies, and programs and address harms that may have occurred. A copy of the VAWA 2022 Notice is available online at:

<https://www.federalregister.gov/documents/2023/01/04/2022-28073/the-violence-against-women-act-reauthorization-act-of-2022-overview-of-applicability-to-hud-programs>

See HUD 1 Public Law 117-103, <https://www.congress.gov/117/plaws/publ103/PLA> and adhere to the requirements for Community Development Block Grant (CDBG) recipients and subgrantees concerning the Right to Report Crime and Emergencies from One's Home law in the Violence Against Women Act (VAWA) Reauthorization of 2022 ([34 U.S.C. 12495](#)). For further guidance concerning VAWA 2022, also see 34 U.S.C. 12491, 24 C.F.R. part 5, subpart L, and 24 CFR part 576.409 (ESG) and part 578.99(j) (CoC program).

Build America, Buy America Act (BABA)

The Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States. BABA established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. BABA also established the Buy America Preference (BAP) for iron, steel, manufactured products, and construction materials used in covered infrastructure projects to be produced in the United States. BABA applies to all expenditures by a Federal agency to a non-federal entity for an infrastructure project, including construction, alteration, maintenance, or repair.

The HUD Community Planning and Development (CPD) programs that are impacted by BAP include CDBG, CDBG-CV, HOME and HOME-ARP. Agencies may waive the domestic content procurement preference if (1) a waiver is in the public interest, (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality, or (3) the application of the domestic content preference would increase the cost of the overall project by more than 25 percent. Public Law 117-58, §70912(3): <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

National Standards for the Physical Inspection of Real Estate (NSPIRE)

In May 2016, in response to instructions from Congress, the Department of Housing and Urban Development (HUD) initiated an effort to consolidate, update, and enhance the Housing Quality Standards (HQS) and the Uniform Physical Condition Standards (UPCS). The aim was to establish a unified inspection protocol for public housing and voucher units. After dedicating seven years to this goal, HUD has published the NSPIRE Final Rule, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes. Further information can be found in the Federal Register at

<https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>.

The NSPIRE Final Rule will be implemented in two phases. Starting on July 1, 2023, Public Housing will transition to NSPIRE, followed by the Multifamily Housing programs, Housing Choice Voucher (HCV), Project Based Voucher (PBV) programs, and the Community Planning and Development programs on October 1, 2023. Under this new requirement, which takes effect on HUD programs must use the new NSPIRE inspection framework for all units assisted with acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services (24 CFR 574.300(b)(3)); new construction (24 CFR 574.300(b)(4)); project or tenant-based rental assistance (24 CFR 574.300(b)(5)); and operating costs (24 CFR 574.300(b)(8)). Additional information can be found in the Federal Register. <https://www.federalregister.gov/documents/2023/07/07/2023-14362/national-standards-for-the-physical-inspection-of-real-estate-and-associated-protocols-scoring>. All NSPIRE Score Calculator features are based on the Proposed NSPIRE Scoring Notice (88 FR 18268) and Proposed NSPIRE Standards Notice located at https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-02nspire_propose-standards.pdf.

Appraisal and Real Property Acquisition

If the applicant is proposing the purchase of real property and/or building(s), a full appraisal must support the purchase price. Appraisals and acquisition must comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. The URA generally applies to federally-funded projects involving acquisition, rehabilitation, or demolition, and requires compliance with following the real property acquisition process, unless the project meets the requirements of 49 CFR 24.101(b)(1)-(5).

Applicants must follow the procedures for a Voluntary Acquisition under the URA. Prior to making an offer for the property, the applicant must, in writing, advise the owner of the property that federal funds may be involved in the purchase of the property, let the owner know that the applicant does not have the power of eminent domain and that it will be unable to acquire the property if negotiations fail to result in agreement, and provide the owner with what it currently believes to be the market value of the property. If the applicant has not yet completed an appraisal of the property at the time of the offer, the statement of market value provided to the seller must have a reasonable basis (e.g., assessed value).

The request for CDBG funding must include a current appraisal. An appraisal must be dated no more than 12 months prior to the funding request submission date. A letter updating an appraisal completed more than 12 months prior to the funding request submission date will be accepted. The appraisal must be conducted by someone with a current general appraisal certificate in the State of North Carolina.

Minimum Property Standards

New Construction Projects

The City of Concord may complete Only in specific circumstances. New construction projects are only allowed for a house that is being reconstructed on the same footprint.

Projects also must comply with the N.C. State Building Codes that are applicable to new construction, residential, and existing structures, which the City of Concord has adopted as its construction performance standards. Housing must meet all applicable requirements upon project completion.

All new construction CDBG-assisted projects will also meet the requirements described below:

- **Accessibility.** All housing will meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205,

which implements the Fair Housing Act (42 U.S.C. 3601-3619).

- Disaster mitigation. Where relevant, housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with municipal, county, State ICC or IFC codes, or such other requirements as HUD may establish.
- Written cost estimates, construction contracts and construction documents. The City of Concord will ensure that construction contracts and construction documents describe the work to be undertaken in adequate detail to conduct inspections. The City must review and approve written cost estimates for construction and determine that costs are reasonable.
- Construction progress inspections. The City's staff also must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents (draw requests).

Rehabilitation Projects

For existing single-family properties assisted with the City of Concord's CDBG funds, the unit must meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. The scope of work for home repairs will be determined during the initial inspection. During the initial visit, the Construction Coordinator must be able to see all aspects of the home, such as floors, walls, electrical outlets, the attic, the crawlspace, etc., to fully assess the needs of the home to complete the Work Write-Up. If all aspects of the home are not visible during the initial visit, staff will provide additional resources to assist the resident(s) to clear the required area(s) of the home. If the home is not accessible after receiving resources to assist with cleaning up the home and 30 days have passed, assistance may be denied. Projects must also comply with the N.C. Building Code and the Concord Development Ordinance, and must address the major systems of the unit in the following manner:

Structural support

- If the initial inspection by the City of Concord or the approved designee shows any evidence of foundation, sill, joist or other structural support damage, these items must be corrected as part of the initial rehabilitation of unit prior to lease.

Roofing

- If deemed as not meeting the five-year threshold of useful life, the roofing, including all wood sheeting, framing, boxing and fascia that is identified as compromised (rotted, missing, etc.) must be replaced along with the shingles.
- If the roofing is deemed as meeting the five-year threshold of useful life, any specifically-identified issues (damaged fascia, guttering, boxing, etc.) must be corrected as part of the initial rehabilitation of the unit prior to lease.
- All attics must be vented.

Cladding and Weatherproofing (e.g., windows, doors, siding)

- If initial inspection by the City of Concord, or approved designee, shows any evidence of specified damage, the items must be corrected as part of the initial unit rehabilitation prior to lease.
- If existing windows are single-pane and determined to be in working order, the City of Concord, developer, or subrecipient must ensure that all windows have been properly sealed, both inside and out, to remove any potential air leakage.

Plumbing and Water Heater

- All plumbing issues identified in the initial inspection by the City of Concord or approved designee must be corrected.
- If the water heater is deemed as not meeting the five (5) year threshold of useful life, it must be replaced.
- Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code, only if located in living space.
- Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.

Electrical

- If deemed as not meeting the five-year threshold of useful life, the electrical system must be replaced as part of the initial rehabilitation of the unit prior to lease.
- If deemed as meeting the five (5) year threshold of useful life, any specifically-identified issues associated with the wiring must be corrected prior to lease.
- Wall switch-controlled Energy Star rated overhead lighting is required in all rooms.
- Each bedroom and hallway, etc. must have, as required by Code (local, state or Federal) a hard-wired or battery back-up smoke detector.

Heating, Ventilation, and Air Conditioning

- If the unit is not properly insulated, a minimum of R19 insulation must be installed under all living space flooring and a minimum of R-38 insulation must be installed above all living space ceilings.
- If the heating or air conditioning systems do not meet the five (5) year threshold of useful life, they must be replaced with a proper-capacity, high-efficiency system with proper seer capacity for heated and cooled space.

Site and Neighborhood Standards

A site for newly-constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- The site must promote greater choice of housing opportunities.
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

Accessibility

- All housing must meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, also must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

Disaster Mitigation

- Where relevant, the City of Concord requires housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements.

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Compliance with State/Local Codes, Ordinances, and Zoning Requirements

- The City of Concord's standards require that rehabilitated housing meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

National Standards for the Physical Inspection of Real Estate (NSPIRE)

- HUD published the NSPIRE Final Rule on May 11, 2023, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes.
- The City of Concord will adhere to NSPIRE physical construction requirements for all CDBG-assisted projects to ensure that units will be decent, safe, sanitary and in good repair.

Construction Documents and Cost Estimates

- The City of Concord's staff will ensure that the work to be undertaken meets the City of Concord's rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance standards. The City of Concord's Construction Coordinator will review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.

Frequency of Inspection

- The City of Concord must conduct an initial property inspection to identify the deficiencies that must be addressed. The City's inspectors will conduct progress and final inspections to determine that work was done in accordance with work write-ups.
- The City of Concord will document compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of CDBG assistance. If the property does not meet these standards, CDBG funds will not be used to acquire the property unless it is rehabilitated to meet the standards.
- The City of Concord will adhere to the following guidelines:
 - On-site inspections will be performed within one (1) year following project completion and every one (1) to three (3) years during the affordability period.

Inspection Procedures

- The City of Concord will establish written inspection procedures. The procedures must include detailed inspection checklists, a description of how and by whom inspections will be carried out, and procedures for training and certifying qualified inspectors. The procedures also must describe how frequently the property will be inspected.

Compliance and Monitoring

During the course of a project, monitoring shall be implemented through periodic on-site visits so that any problems that may occur will be resolved as soon as possible. The goal of monitoring is to assist and support recipients in complying with applicable State, Federal, and Local requirements and in implementing their project activities in a timely manner.

The City of Concord is required to maintain complete financial and program files and to comply with program reporting requirements. The City must also provide citizens with reasonable access to records pertaining to the use of funds.

Project Completion Deadline and Terminated Projects

As required in 24 CFR §92.205(e), the City of Concord's staff must be able to execute a written agreement with the Subrecipient for the project within 12 months of July 1 of the year in which funding is awarded. The Subrecipient must typically be able to complete the project and expend all funds within one (1) year of the execution of the written agreement.

Corrective and Remedial Actions

The inability to properly execute the terms of the contract and/or maintain records in the prescribed manner may result in a finding that the City of Concord has failed to meet the applicable requirement of the contract. Remedial actions may include technical assistance to bring the project into compliance, or recapture of CDBG funds.

Phase 1 Environmental Site Assessment

Development projects must provide proof that a Phase 1 Environmental Site Assessment (ESA) is underway at the time of submitting the written funding request to ensure that any environmental hazards are recognized and mitigated. The Phase I ESA should be prepared in accordance with the requirements of ASTM E-1527 "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," and must clearly document compliance with 24 CFR 58.5(i)(2) or 50.3(i). Each assessment will include limited surveys of lead-based paint, asbestos, mold, and wetlands as applicable. If any hazards are identified, they will be abated or mitigated before occupancy. The Phase I ESA must be dated six months or less from the submission of the written funding request. If, at the time that the City of Concord undertakes the federal Environmental Review, the Phase I ESA is more than six months old, an update will be required. If the Phase I ESA is more than a year old at the time that the City undertakes the federal Environmental Review, a new Phase I ESA must be completed. Development projects must also meet state requirements under the State Environmental Policy Act (SEPA) and federal environmental review requirements under the National Environmental Policy Act (NEPA) as applicable.

Relocation

CDBG-funded projects are subject to relocation requirements contained in the Uniform Relocation Act (URA) and, in some cases, Section 104(d) of the Housing and Community Development Act (also known as the Barney Frank Amendments). URA relocation requirements are triggered whenever displacement occurs as a direct result of rehabilitation, demolition or acquisition of a CDBG-assisted project. Displacement includes residential and commercial tenants and owners. More information is available in HUD Handbooks 1378 and 1374.

As a practical matter, the City of Concord discourages projects that involve permanent displacement because of the impact on residents, the cost, and the delay.

Mixed-Use Projects

The City of Concord's funds may be used in developing missed-use structures that contain residential and other uses (i.e., retail space, commercial office space, spaces for the provision of services). The inclusion of non-residential spaces for the exclusive use of the residents does not create a mixed-use project. Residential spaces include common area, corridors, stairways, laundry areas, storage areas, office space for management of the building, entry ways and lobbies.

CDBG funds may only be used for costs associated with the infrastructure of the building. The costs must represent a portion of the total development cost that does not exceed the proportion of residential space in the entire project.

Rehabilitation Not Involving Acquisition

Housing that is currently owned by an eligible household qualifies as affordable housing only if:

- The housing is the principal residence of an owner whose household qualifies as a low-income family at the time CDBG funds are committed to the housing. The income of all persons living in the housing must be used to determine income eligibility.
- The households with residents that are 60 years of age or older with total household incomes between 50% to 80% of the area median income will not suffer undue burdens when applying for rehabilitation assistance because the City of Concord established forgivable liens with no repayment requirements and a maximum affordability period of 15 years.
- The homeowner must be current on taxes, mortgage payments, and insurance on the property.

Types of Ownership Interest

- **Inherited Property:** Inherited property with multiple owners is defined as: housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The owner-occupant may be assisted if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).
- **Life Estate:** The person who holds the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. The person holding the life estate may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- **A Living Trust:** A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. The person holding the living trust may be assisted if the person is low-income and occupies the housing as his or her principal residence.

New Construction without Acquisition

Only when necessary, the City may use CDBG Funds to demolish and reconstruct housing that is built within the same footprint on land that is owned by the family that will reoccupy the housing upon completion. The household must qualify as low-income, and the housing must be their permanent residence.

V. APPENDIX A: GLOSSARY

This section provides definitions of key CDBG topics and terms.

The Act: The Housing and Community Development Act of 1974 makes funds available to qualified cities to develop viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities.

Action Plan: An annual plan that outlines proposed housing and community development objectives, activities, and budget. The plan includes information regarding federal, state, and local funding resources; a description of each activity to be implemented; and other actions that the City will take to address barriers to affordable housing, support anti-poverty strategies, and facilitate fair housing.

Annual Income: The CDBG Program allows the use of two definitions of annual income: Section 8 annual income and adjusted gross income as defined for reporting on IRS Form 1040.

Administrative Cap: A maximum of 20 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on planning and administration costs.

Affirmatively Furthering Fair Housing Plan (AFFH): An analysis of fair housing that will assist a community to take meaningful actions to combat discrimination, end segregation, and foster inclusive communities.

CDBG: The Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to over 1,200 general units of local government and States.

CDBG Recipient: Local governments are deemed as grantees or recipients, and also referred to as units of general local government (UGLG). Under the Entitlement CDBG Program, the City of Concord receives funding directly from HUD.

CFR: The Code of Federal Regulations is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.

Citizen: A person living within the corporate limits of the City of Concord. Unless otherwise distinguished by HUD or applicable statute, citizen and resident are used interchangeably.

Citizens Advisory Committee (CAC): An advisory body to the City of Concord, which encourages a planned and orderly approach to the development of community services in the City. The CAC reviews, evaluates, and makes recommendations to the City Council on proposals submitted by agencies seeking CDBG funding; along with recommendations on funding City programs. CAC members are appointed by the Mayor and the Concord City Council.

Citizen Participation Plan: A plan prepared by the City in accordance with 24 CFR 570.486 which describes how the City will include and encourage citizen participation, especially by low- and moderate-income citizens.

Conflict of Interest: When an individual or organization is involved in multiple interests, one of which could corrupt or be perceived as corrupting the fair and objective allocation of funds or procurement of goods and services.

Consolidated Annual Performance and Evaluation Report (CAPER): An annual report prepared by the City and submitted to HUD in accordance with 24 CFR Part 91, on the objectives, activities, and budget set forth in the Annual Action Plan and the progress on the three-to five-year consolidated plan.

Consolidated Plan: The Consolidated Plan is a three-to five-year strategic plan prepared by the City in accordance with 24 CFR Part 91, and describes the needs, resources, priorities and proposed activities to be undertaken with respect to HUD's Office of Community Planning and Development (CPD) formula programs, including CDBG. An approved Consolidated Plan is one which has been approved by HUD.

Contractors: A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.

CPD: The Office of Community Planning and Development is an office within HUD that administers and provides federal oversight of the CDBG program, along with other federal programs that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

Davis-Bacon Act: Establishes the requirement for paying the local prevailing wages and fringe benefits, as determined by the U.S. Department of Labor. It applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000.

Draw Down: Refers to the process of requesting and receiving CDBG funds from HUD. Grantees draw down funds from a line of credit established by HUD in IDIS. Subrecipients typically draw down funds from grantees.

Entitlement Community: A city in a metropolitan area with a population of 50,000 or more, a principal city of a metropolitan area, or an urban county with a population of at least 200,000 (excluding the population of metropolitan cities located therein) that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program. Entitlement Communities that lose population may still be "grandfathered" into the program and continue to receive grant funding. An Entitlement Community is sometimes referred to by HUD as a grantee or recipient.

Entitlement Grant: Federal funds received by an entitlement community in a program year.

Environmental Review Record (ERR): An assessment report of the effects a CDBG funded project will have on the environment and must be completed before any funds are expended on a project. The assessment is completed in HEROS and follows the requirements of 24 CFR Parts 50 and 58.

Funding Cycle: The time period associated with the City of Concord's allocation of projected CDBG funds for the upcoming program year(s). The funding cycle is most commonly an annual cycle that runs concurrently with the City of Concord's fiscal year of July 1 to June 30.

Household: All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.

Housing Rehabilitation: Activities that assist homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.

HUD: CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD). HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

HUD Guidelines: All tools, guidebooks, trainings, notices, and other guiding materials and correspondence provided by HUD or CPD regarding the laws and regulations of CDBG Programs.

Integrated Disbursement and Information System (IDIS): An on-line nationwide database that provides HUD with current information regarding program activities and funding data. The City uses IDIS to fund and access reports for the CDBG Program.

Income: Gross income for a household as defined by 24 CFR Part 5 is used for all City of Concord CDBG-funded programs.

Indirect Costs: Costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

Low- and Moderate Income: Low- and moderate income (also referred to in this manual as LMI) means family or household annual income less than HUD income limit, generally 80 percent of the area median income, or a person within such household, as established by HUD. A minimum of 70% of all households receiving services using CDBG funding must have a low-moderate income benefit.

Low-Income Household/Family: A household/family having an income equal to or less than the established HUD Income limit (50% of the area median income).

Minimum Contracting Standards: A set of standards required before the execution of a Subrecipient Agreement. The standards indicate the minimum administrative and financial framework required to manage public funds.

Minority Business Enterprise (MBE): A business concern that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian-Pacific American or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners.

Moderate Income Household/Family: A household/family having an income equal to or less than the Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low-Income limit (50% of the area median income) established by HUD.

Monitoring Visits: Visits to subrecipients by Concord's Community Development Department staff to evaluate the progress/performance of the program and/or to provide technical assistance.

Neighborhood Revitalization Strategy Area (NRSA): A geographic area approved by HUD that meets certain criteria. The local community can develop comprehensive approaches to address economic development and housing needs.

OMB: The Office of Management and Budget (OMB) is the largest office within the Executive Office of the President of the United States. The main function of the OMB is to assist the President in preparing the budget. The OMB issues budget instructions or information, known as circulars, to Federal agencies.

Presumed Benefit: Benefit a group of clientele that is presumed to be principally low- moderate income. Presumed benefit groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly persons over 62 years of age.

Program Income: Program income is the gross income received by the City and its subrecipients that is directly generated from the use of CDBG funds.

Public Service Activity: Eligible public service activities including, but not limited to those concerning with education, employment, crime prevention, child care, health, homelessness, drug abuse, fair housing counseling, senior services and youth services.

Public Services Cap: A maximum of 15 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on public service activities.

Resident: Unless otherwise distinguished by HUD or applicable statute, resident and citizen are used interchangeably.

Section 3: Section 3 of the Housing and Urban Development Act of 1968 established the Section 3 Program, which requires recipients of HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.

Scope of Work: The project description, intended beneficiaries (number and type), detailed budget and location(s) of the program-related activity.

Subrecipient: An entity charged with implementation of one or more activities funded with City of Concord CDBG funds.

Subrecipient Agreement: A written agreement between the City and the subrecipient that is required before CDBG funds are disbursed.

Target Areas: A geographic area within the corporate limits of the City of Concord that has a minimum of 51.0% low-moderate income population. The City must take formal action to concentrate CDBG funds and programs into the target area(s).

Technical Assistance: Assistance provided by the City to increase the capacity or knowledge of CDBG requirements for Subrecipients.

Timeliness: Carrying out CDBG funded activities in a timely manner.

Timeliness Spending Test: A test conducted sixty days prior to the end of the current program year, to ensure that the amount of entitlement grant funds available to the City under grant agreements, but undisbursed by the U.S. Treasury is not more than 1.5 times the entitlement grant amount for the current program year.

Urgent Need: Activities designed to alleviate existing conditions of recent origin (18 months) that pose serious threats to the health and welfare of the community. This objective may only be used if the community cannot finance necessary activities with other sources.

Very Low-Income Household/Family: A household/family having an income equal to or less than the established HUD Income limit (30% of the area median income).

Women's Business Enterprise (WBE): A business concern that is at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more of those owners.

Source: Basically CDBG For Entitlements

<https://www.hudexchange.info/resource/2368/building-home-a-home-program-primer/>



HOME Investment Partnerships Program Policies and Procedures Manual

City of Concord
Planning & Neighborhood Development Department
35 Cabarrus Avenue West
Concord, NC 28025

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I. INTRODUCTION

The HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) (24 CFR Parts 91 and 92) provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities, which includes building, buying, and/or rehabilitation of affordable housing for rent or homeownership or providing direct rental assistance to low-income individuals and families. It is the largest federal block grant to state and local governments that is designed exclusively to create affordable housing for low-income households.

Purpose of Policies and Procedures

This Policies and Procedures Manual is offered to provide an overview of the City of Concord’s policies and procedures that pertain to the federal HOME Investment Partnerships Program. This Manual is not a substitute for HOME Program regulations, but this information is provided in addition to the federal regulations. Although this Manual was developed with reasonable care and diligence, it is not fully comprehensive, and it does not include all the requirements that affect the uses of HOME Program funds. The City of Concord reserves the right to implement additional policies as needed.

This Policies and Procedures Manual addresses the following purposes:

- Provides a uniform guide for the administration of the City of Concord’s HOME Program locally. Although the Program conforms to federal rules and guidelines, it focuses primarily on locally crafted procedures.
- Ensures that all City stakeholders, including applicants for funding, local jurisdictions and interested residents, have access to information about program administration.
- Demonstrates to HUD that the HOME Program is administered in a way that is consistent with federal regulations and guidelines.

Amendments to Policies and Procedures

As an administrative document, this Manual may be amended at any time with the approval of the Concord City Council.

A copy of this Manual will be distributed to key stakeholders prior to each funding cycle and the copy is available at <https://www.concordnc.gov/Departments/Planning/Community-Development/Plans-Reports>.

Key Documents Governing the HOME Program

The HOME Program is administered in compliance with a complex structure of federal and local rules. The principal documents describing these rules, as well as the goals and performance of the City of Concord, are summarized in the table below.

Authority	Documents	Description	Links
Federal	HOME Regulations and Guidance	Provides the binding rules (Code of Federal Regulations), agency guidance and advice for the HOME program nationally.	Comprehensive source for HOME policy guidance, including laws and regulations, CPD Notices, HOME FACTS and HOMEfires: https://www.hudexchange.info/programs/home/ Training materials on HOME Program: https://www.hudexchange.info/trainings/building-home/

Consortium	Consolidated Plan	Required plan that contains needs assessment, housing market analysis, priorities and strategies for use of HOME funds over the five-year period ending June 30, 2024.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Consolidated%20Plan%202020-2024.pdf
Consortium	Analysis of Impediments to Fair Housing Choice	Required assessment of Fair Housing issues in the tri-county region and measures to address them.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Fair_Housing_Impediments_July_2020.pdf
Consortium	Action Plan	Time-specific goals and annual budget describing how the available HOME resources will be spent.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/ConsolidatedActionPlan2023-2024.pdf
Consortium	CAPER	Annual performance report on the actual use of HOME funds and what was produced.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/CAPER%202021-2022.pdf
Consortium	Policies & Procedures Manual	Information and rules about the administration of the Consortium's HOME Program (this document)	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/HOME%20Consortium%20Manual.pdf

Contact Information

For any questions about this Manual, please contact:

Federal Programs Coordinator
 Planning & Neighborhood Development Department
 City of Concord
 35 Cabarrus Avenue West
 Concord, NC 28025
 (704) 920-5152

<https://concordnc.gov/Departments/Planning/Contact-Us> or [Contact Form](#)

II. HOME PROGRAM RESPONSIBILITIES

The City of Concord's Responsibilities

As a Community Development Block Grant (CDBG) entitlement community, the City of Concord received HOME funds directly from the U.S. Department of Housing and Urban Development and the City is responsible for managing these funds. The City of Concord must submit the plan for expenditures to HUD and provide reports that detail each amount that is drawn down and spent for HOME activities. The City of Concord is responsible for completing all administrative duties that are listed below on behalf of the HOME program:

- Preparing and submitting the Annual Action Plan and revises the Plan as required by HUD.
- Sending annual agreements to The Consortium Members for required signatures.
- Approving Environmental Review Records on behalf of The Consortium Members.
- Preparing and submitting the Request for Release of Funds to HUD.
- Setting up new files for each Consortium Member, based on the plans for each new fiscal year.
- Tracking the match liabilities and credits for each Consortium Member.
- Preparing and submitting the annual match report to HUD.
- Preparing and submitting the annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Preparing and processing all pay requests on behalf of The Consortium Members.
- Reviewing program activities and rules to ensure that money is being spent in support of an eligible project and in accordance with HUD rules.
- Setting up files in IDIS for each project.
- Tracking program income for each Consortium Member on a quarterly basis.
- Track Consortium Members' progress by addressing any slow progress or other problems.
- Sending letters and notices regarding any project issues to The Consortium Members.
- Preparing and updating Consortium forms and documents as needed.
- Holding annual Consortium Meetings.
- Responding to Consortium Members' inquiries concerning their projects.
- Providing technical assistance to Consortium Members as needed.
- Monitoring and inspecting all Consortium projects on an annual basis.

Written Agreements

The City of Concord requires execution of a written agreement before any HOME funds are committed or disbursed to any entity. As appropriate, the City of Concord will work with its Legal Department to draft all contracts, agreements, and other legal documents to ensure compliance with 24 CFR 92.2, specifically 92.504(c). In addition, the City of Concord's staff will provide legal counsel with information to assist them in understanding HOME program rules and their intent.

Written agreements shall contain the following provisions:

- Use of Funds: Description of the HOME-funded activities, tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance, specify the location of the project is within the jurisdiction of Concord and the period of the agreement.
- Reversion of Assets/Program Income Requirements: States all program income proceeds, unexpended funds or other assets will be retained and accounted for every 30 days within the disbursement and information system established by HUD by the City of Concord for other eligible activities.
- Uniform Administrative Requirements: Compliance with applicable federal administrative requirements (24 CFR Part 200, applicable provisions of 24 CFR Part 85 for governmental entities, and 24 CFR Part 84 for non-profits, and 18.U.S.C.1001 and 31.U.S.C.3729)
- Other Program Requirements: Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation, and

acquisition; labor standards; lead-based paint; and conflict of interest.

- **Affirmative Marketing:** Requirements for affirmative marketing in projects containing five (5) or more HOME-assisted units.
- **Requests for Disbursement of Funds:** Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before requesting HOME funds, if applicable.
- **Records and Reports:** Lists records that must be maintained and information and reports that must be submitted.
- **Enforcement of the Agreement:** Means of enforcing the provisions of the written agreement. This provision is in the agreement with all parties including owners.
- **Duration of Agreements:** The agreement must specify the duration of the agreement along with the applicable Period of Affordability based on the project type.
- **Amending the Documents:** Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustment to funding levels or other conditions related to a specific project are needed.
- **Fixed or Floating Units:** Fixed and Floating HOME Units: In a project containing HOME-assisted and other units, the City of Concord may designate fixed or floating HOME units. This designation must be made at the time of project commitment in the written agreement between the City of Concord and the owner, and the HOME units must be identified not later than the time of initial unit occupancy.
 - Fixed units remain the same throughout the period of affordability.
 - Floating units are changed to maintain conformity with the requirements of this section during the period of affordability to ensure that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and the number of bedrooms to the originally designated, HOME-assisted unit.

III. GENERAL HOME PROGRAM POLICIES & PROCEDURES

Eligible Activities

Consortium HOME funds may be used to support the following activities:

- New construction
- Homes purchased within five years of the application for assistance with a complete inspection report and license number will be assessed during the initial inspection
- Reconstruction
- Homebuyer activities
- Conversion
- Site improvements
- Acquisition of property
- Acquisitions of vacant land
- Demolition
- Relocation costs
- Refinancing existing secured debt
- Initial operating reserve
- Capitalization of project reserves
- Project-related hard costs
- Project-related soft costs
- Tenant-Based Rental Assistance (TBRA)
- Lease-purchase programs
- Development of homeownership housing
- Development or acquisition of rental housing
- Community Housing and Development Organization (CHDO) operating support

Ineligible Activities

Consortium HOME funds may not be used to support the following activities:

- Acquisition of vacant land for demolition only
- Project reserve accounts
- Match for other programs
- Development, operations, or modernization of public housing
- Homes purchased within five (5) years of the date of application for assistance without a qualified/licensed home inspection
- Any unpermitted work (including additions) completed outside of Cabarrus County's code of ordinances
- Substantial housing repair costs that exceed 75% of the tax value
- Properties receiving assistance under 24 CFR Part 248 (Payment of Low-Income Housing Mortgages)
- Double-dipping
- Reinvesting HOME dollars during the affordability period
- Acquisition of PJ-owned property
- Payments for delinquent taxes, fees, or charges
- Project-based rental assistance
- Tenant-based rental assistance for certain purposes
- Match for other Federal programs
- Any activity or cost not permitted by the HOME regulations

The Notice of Funding Availability will identify which of these activities may be funded in that funding cycle. All applications must be submitted in the format and with the information prescribed by the program or Notice of Funding Availability (NOFA).

Eligible Applicants

Public agencies, nonprofit organizations, and for-profit entities are all eligible to apply to the City of Concord for HOME funds. Fund recipients (hereafter called "Consortium Members") are classified into one of three (3) categories:

- Subrecipients: A subrecipient is a public agency or nonprofit housing service provider selected by the City of Concord to administer the HOME Program. A nonprofit organization that is administering HOME funds is deemed a HOME subrecipient. Designated nonprofit organizations that are subrecipients (including a Community Housing Development Organization (CHDO) when acting as a subrecipient) must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.
- Developers, Owners, Sponsors: For-profit entities, housing authorities, nonprofit organizations, and CHDOs can receive HOME funds in the roles of developers, owners, and sponsors of eligible activities.
- Community Housing Development Organizations (CHDOs): A CHDO is a private nonprofit organization that meets certain specific criteria, including having 1) IRS tax exempt status, 2) a mission/purpose related to housing and service to a low-income community, and 3) a board composition that includes one-third low-income residents or their representatives.

Definition of Income

HUD's "Technical Guide for Determining Income and Allowances for the HOME Program" provides the method by which income for HOME-assisted projects must be calculated. Applicants must use HUD's "CPD Income Eligibility Calculator" to determine eligibility and document records. See <https://www.onecpd.info/incomecalculator/>

- For HOME Rental Housing projects and for new construction of owner-occupied housing using HOME funds, annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as defined in 24 CFR Part 5 (Part 5 annual income). This is called the "Section 8 income determination method." For rental projects, initial income must be verified using source documentation. Income must be recertified annually, and source documentation obtained every six years.

Eligible Administrative and Planning Costs

Funds are provided for the administration of the HOME program. The City of Concord's staff is responsible for administering all aspects of the HOME program; coordinating activities for the HOME program, monitoring compliance with written funding agreements and federal regulations, and coordinating with HUD to ensure compliance with federal regulations. The City of Concord uses funds for a pro-rata share of the salaries, fringe, and overhead that can be directly attributable to the HOME Program. Adequate records are maintained to justify the allocation of HOME administration funds for these purposes.

- Eligible costs include the City of Concord's staff and overhead costs directly related to carrying out projects, such as work specifications preparation, inspections, lead-based paint evaluations (visual assessments, inspections, and risk assessments) and other services related to assisting potential owners, tenants, and homebuyers.
- Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship.
- Costs may be charged as administrative costs or as project costs, at the discretion of the City of Concord; however, these costs (except housing counseling) cannot be charged to or paid by the low-income families.

Uniform Administrative Requirements

The City of Concord adheres to the administrative requirements identified in:

- 24 CFR Part 200
- Provisions of 24 CFR Part 85

Distribution of HOME Funding

The City of Concord distributes HOME funds within the boundaries of its City limits, and among different categories of housing needs, according to the priorities of housing need identified in its approved Consolidated Plan.

HOME funds are provided to the City of Concord by HUD annually. The City of Concord's distribution plan for HOME funds includes:

- Administration (10%) Funds are used by the City of Concord for planning, administration, allocation of indirect costs and monitoring of the program. Funds are also used to conduct training and technical assistance to entities interested in applying for and implementing HOME-funded projects.
- Balance of HOME Funds: The City of Concord allocates HOME funds to projects within its City limits. The City also may invest its HOME funds in eligible projects within its Extraterritorial Jurisdiction (ETJ), or in jointly funded projects within the boundaries of Concord. For a project to be jointly funded, all jurisdictions must make a financial contribution to the project. The financial contribution can be a grant or loan (including funds from other sources that are in the jurisdiction's control, such as relief provided through a significant tax or fee (i.e., a waiver of impact fees, property taxes, or other fees and taxes).

Before committing funds to a project, the City of Concord will determine the eligible projects to undertake and prepare all appropriate documentation. HUD match conditions also must be met for these projects.

Matching Funds

The Consortium Members, excluding the CHDOs, are required to match at least 25% of the HOME funds that are spent on projects/programs. "Match" can be provided through cash, assets, services, labor, and other contributions of value to the HOME program. Federal resources (i.e., CDBG funds) are not an eligible source of match. Match does not have to be provided on a project-by-project basis. The match requirement applies to the expenditure of HOME funds on projects/programs in a given federal fiscal year (July 1 - June 30). Match is tracked on an ongoing basis using a HUD-provided form (HUD form 40107). This information is monitored and maintained by the City of Concord. The City will only commit HOME funds up to the percent that banked match will allow.

Eligible sources of matching funds include:

- Cash from a non-federal source
- Value of donated land
- Cost of infrastructure improvements
- 25% to 50% (depending on the type of bonds) of the proceeds of government-issued housing bonds provided as a loan to a project
- Value of donated materials, equipment, labor, or professional services
- Sweat equity
- Cost of homebuyer counseling services. The City is responsible for calculating match credits and providing the required information for HUD.

Program Income

Some housing activities generate program income, which must be disbursed before seeking reimbursement/draw down of additional HOME funds. Program income is defined as "gross income received by the City of Concord, or an agency, which was generated from the use of HOME funds or HOME matching contributions." Income generated by housing projects or programs would typically fall into one of the following categories:

- Income from the use or rental of HOME-assisted real property owned by the City of Concord or a public or nonprofit agency that is selected by the City to operate a portion of its housing program minus the costs of generating the income.
- Payments of principal and/or interest on loans made with HOME funds.
- Proceeds from the sale of real property that was purchased or rehabilitated with HOME funds.

For example, funds for housing are often provided as low-interest or deferred payment loans. The loan repayments

are considered as program income. The federal regulations require that:

- Program income be spent before drawing funds from the City of Concord's HOME account;
- Program income be spent only for eligible activities; and
- Written agreements with agencies that will generate program income must specify whether program income must be returned to the City's HOME account or be used by the City for an eligible activity.

Program Income does not include gross income from the use, rental, or sale of real property received by the project owner, developer, or sponsor, unless the funds are paid by the project owner, developer, or sponsor to the City of Concord's HOME account. The City is required to track and report program income that is generated during each fiscal year. All receipt of program income will be entered every 30 days into the disbursement and information system established by HUD.

Subrecipient Funding Request

Subject to availability, HOME funds may be requested by a Subrecipient through a formal written request process. The request should state the type and location of the project to be undertaken, identify other available funding sources, and include the specific amount of the request.

Written funding requests will be scored based on a point system related to specific criteria that places an emphasis on revitalization of distressed neighborhoods and other community housing needs. Requests also are scored for clarity of the proposal, the likelihood of success, the project's financial feasibility, the funding need, the track record of the organization, the creditworthiness of the organization, and the ability to implement the project within one funding year.

Affordability Period

At a minimum, all projects must comply with the following HOME affordability periods, during which HOME regulations apply:

- New construction: 20 years
- New construction of homeownership housing or acquisition of rental housing:
 - HOME investment of less than \$15,000 per unit: 5 years
 - HOME investment of \$15,000 - \$40,000 per unit: 10 years
 - HOME investment of more than \$40,000 per unit: 15 years

For new construction of rental housing, an extended affordability period of a minimum of 20 years applies and begins upon project completion and runs concurrently with the HOME affordability period. HOME regulations do not apply after the HOME affordability expires, but the project must still comply with local affordability requirements as established by the City of Concord throughout the affordability period.

Multi-Family Projects

The HOME program permits less than all the units in a project to be designated as HOME units. HOME funds may only be expended on the actual costs, up to the maximum per-unit subsidy limit, of units that meet HOME affordability requirements. Consequently, the City must allocate development costs according to the actual costs of the HOME-assisted units. It is necessary for the City to identify the number and type of HOME-assisted and unassisted units and make a comparability determination. The City then uses the actual costs of the HOME units to ensure that at least the minimum required number of units will be designated as HOME-assisted units. The City may always designate more units as HOME-assisted units than the number required based on the actual costs charged to the HOME program. In addition, the comparability analysis will help the City to determine whether to designate HOME units as fixed or floating during the period of affordability. Additional information concerning the adjusted Basic Statutory Mortgage Limits for Multifamily Housing Programs can be found in the Federal Register. The Federal Register is updated yearly, but the most recent information is included in the Federal Register, Volume 85, No. 108 that is dated Monday, June 4, 2020.

Downpayment Assistance

- Existing housing acquired for homeownership, using down payment assistance, must be decent, safe, sanitary, and in good repair using the City of Concord's established standards or HUD's UPCS, whichever is more stringent.
- The City's inspector will inspect the housing and document this compliance requirement based upon an inspection conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds will not be used to acquire the property unless it is rehabilitated to meet the standards.
- For properties build before 1978, a lead inspection report or lead clearance report is required to determine the eligibility for a homebuyer seeking down payment assistance.
- The amount available for down payment assistance is \$10,000.

Mixed-Use Projects

The City of Concord's funds may be used in developing mixed-use structures that contain residential and other uses (i.e., retail space, commercial office space, spaces for the provision of services). The inclusion of non-residential spaces for the exclusive use of the residents does not create a mixed-use project. Residential spaces include common area, corridors, stairways, laundry areas, storage areas, office space for management of the building, entry ways and lobbies.

HOME funds may only be used for costs associated with the residential portion of the building. The costs must represent a portion of the total development cost that does not exceed the proportion of residential space in the entire project.

Lease-Purchase Programs

The City of Concord also has the option of administering a lease-purchase program to assist potential low-income households that may need additional time and resources to purchase an existing home or for housing to be constructed. The housing must be purchased by a first-time homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in §92.252 shall apply if the housing is not transferred to a homebuyer within 42 months after project completion. The City of Concord must have lease-purchase policies and procedures and state that the City will undertake lease-purchase programs in the Consolidated Plan.

Audit Requirements

The City of Concord also must follow OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards.

IDIS Drawdowns

A separation of duties has been established by the City of Concord and the City's Finance Department to provide proper checks and balances from grant set-up, project and activity set-up, sub-funding, sub-granting, and drawdown process in the following manner:

IDIS Administrator Procedures:

- The City of Concord submits completed IDIS Access Request Forms in the IDIS system to gain approval for access by function for all the City's projects.
- The City of Concord also maintains drawdown request vouchers with copies of deposit transactions and payment disbursement documentation.

Procurement

All projects must comply with the most restrictive of the applicable federal or state, competitive procurement regulations or costs may not be reimbursable.

Federal procurement requirements at 2 CFR Part 200 apply to all non-profit organizations' actions as a Subrecipient and to all public entities. The owners/sponsors/developers are not subject to the federal procurement requirements.

Nonprofit organizations receiving HOME funds must comply with the procurement requirements of 24 CFR Part 84, except for currently certified CHDOs undertaking CHDO-eligible projects (as stated in HUD CPD Notice 97-11).

Procurement requirements are provided in the City of Concord's funding notices and written agreements. The City will provide a copy of its procurement policies and procedures that meet applicable federal and state requirements. If a project includes any construction or rehabilitation, a required component of a completed request for funding will be a written description of how the City or any subrecipients intend to procure prime or general contractors, subcontractors, architects, engineers, consultants, etc. in a competitive manner.

For construction or facility improvement projects exceeding \$100,000, minimum Federal requirements located in 24 CFR 85.36 or 84.48(c) for bid guarantees, performance bonds, and payment bonds must be met. Prior to publishing a Notice of Bid Opening in the local newspapers, as a minimum requirement, and through other approved forms of communication mediums, the City must review and approve all bid documents to ensure that all federal, state, and program requirements are included.

Only contractors and subcontractors that are not federally barred or suspended and have current State of North Carolina business licenses with current Workers' Compensation accounts, including proper insurance and bonding, can work on capital construction projects. The City of Concord will check the status of the general contractor and all subcontractors for federal debarment and suspension, licensing, insurance, bonding, and Workers' Compensation accounts for capital construction projects. The City is also responsible for checking the licensing and debarment status for owner-occupied housing rehabilitation and minor home repair clients.

The City of Concord's subrecipients are subject to the procurement requirements of 24 CFR parts 84 and 85 as well as state and local laws and regulations. Subrecipients will be monitored annually to ensure compliance with these regulations.

Environmental Review

Prior to completing a contract, the City of Concord will complete a federal Environmental Review in compliance with the National Environmental Policy Act (NEPA) and other related federal and state environmental laws. No choice-limiting activities may be undertaken by the applicant for HOME funds during the time between the submission of the written request for funding and the completion of the Environmental Review (prior to the receipt of the Authority to Use Grant Funds from HUD).

Tenant-Based Rental Assistance is categorically excluded and not subject to §58.5 authorities. The City will document this determination, complete the Environmental Review Record, and keep the document in the Environmental Review Records files.

Public Records

Materials and information submitted to or received by the City of Concord are subject to public disclosure unless otherwise exempt from disclosure under the North Carolina General Assembly's G.S. §132. No assurances can be given that any materials provided can be protected from public review and copying.

Recordkeeping and Retention of Records

Records related to HOME-funded projects and programs must be retained for at least five (5) years. For rental and homeownership development projects, general records must be kept for five (5) years after project completion, and tenant/homeowner data must be maintained for the most recent five (5) years, until five years after the conclusion of the affordability period.

Contractor Procurement

The City of Concord must require all subrecipients to obtain a minimum of two (2) bids on planned repairs, based on the preliminary work write-up prepared by the municipality, county code enforcement or the City's inspector. Bids are to be returned on the specific due date. Subrecipient staff will record the total amount of the bid and the date and time the bid was received. The subrecipient will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in the HOME Owner-Occupied Rehabilitation Program.
- The contractor is not currently on probation, suspended or debarred by the state licensure board.
- The total dollar amount of the bid is within 10% of the total cost listed on the initial work write-up prepared for or by the City of Concord.

Debarred Contractors

Prior to completing a contract with a contractor or subcontractor, the City of Concord must verify that they are not listed in the Federal publication of debarred, suspended, and ineligible contractors. HOME funds may not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of a contractor during a period of debarment, suspension, or ineligibility.

IV. Overarching Program Regulations and Requirements

The City of Concord and all subrecipients and participating jurisdictions will adhere to this requirement according to the stipulations that are enforced by the U.S. Department of Housing and Urban Development.

Appeals

A person who disagrees with a determination concerning whether the person or project qualifies or the amount of assistance for which the person may be eligible, may file a written appeal of that determination with the City of Concord within 30 days of the decision. The appeal must be addressed to the Planning Department Director, 35 Cabarrus Ave. W., Concord, NC 28025. A person who is dissatisfied with the City's determination on his or her appeal may submit a written request for review of that determination to HUD'S Columbia, SC Field Office.

Lead-Based Paint

The Lead-Based Paint Regulations described in 24 CFR Part 35 require that lead hazard evaluation and reduction activities be carried out for all single and multi-family residences constructed prior to 1978 that receive HOME Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel.

For properties build before 1978, a lead inspection report or lead clearance report is required to determine the eligibility for a homebuyer seeking down payment assistance. If lead-based paint is present for a rehabilitation project, the written funding request must also include a detailed lead hazard reduction plan, in accordance with the regulations, and separately identify within the rehabilitation budget, the costs associated with the reduction of lead hazards in accordance with the regulation and guidelines.

All HOME program fund allocations are contingent upon the determination of a clearance report performed by appropriate lead-certified personnel. The City of Concord permits use of HOME funds for lead-based paint testing, assessment, abatement, and the clearance report. In a multi-family project where HOME Program funds will be used for only a portion of the units, lead-based paint requirements apply to ALL units and common areas in the project.

Fair Housing and Civil Rights

Agencies must comply with federal, State, and local fair housing and civil rights laws, regulations, and Executive Orders, including Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq); the Fair Housing Act (42 U.S.C. 3601-3602); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259); and the Age Discrimination Act of 1975, as amended (42 U.S. C. 6101-6107).

Discrimination in the provision of housing is prohibited based on the federal and North Carolina State protected classes below:

- Race
- Color
- National Origin
- Religion
- Disability
- Sex
- Familial Status

Affirmative Marketing and Outreach

The City of Concord must undertake outreach efforts in accordance with state and federal fair lending regulations to

assure nondiscriminatory treatment, outreach, and access to the Program.

The City must inform potential applicants of the program via flyers, public notices, local media articles, or meetings with Subrecipient staff. The marketing information will include basic eligibility requirements, a general description of the Program, and the appropriate Fair Housing logo.

The City's marketing approach must address: (1) how the program will be announced (i.e., through media and other sources); (2) where applications will be taken (i.e., at one site or more); (3) when applications will be accepted (i.e., daily, during normal working hours, or extended hours for a specified period); and (4) the method for taking applications (i.e., in person, by mail).

The City must maintain a file that contains all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letters, etc.) The records, which help assess the results of these actions, must be available for inspection.

The City also has an obligation to assure that information about the program reaches the broadest possible range of potentially qualified applicants.

To further fair housing objectives, the City should identify those households that have been determined to be "least likely to apply," and determine what special outreach activities, including placing advertising in minority-specific media, will ensure that this population is fully informed about the program. The City will ensure that all marketing initiatives and materials adequately reflect the available assistance types.

Fraud and Corruption

The City of Concord upholds a zero-tolerance approach regarding fraud and corruption. Concord will identify and promptly investigate any suspected fraudulent or related dishonest activity against the City or other parties with whom the organization has dealings. The City will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

Forgery or alteration of documents (checks, bank draft, bank records, time sheets, invoices, agreements, etc.)
Misrepresentation of information on documents
Bid rigging, kickbacks, billing schemes, etc.
Misappropriation of funds, supplies, or assets
Theft, disappearance, or destruction of assets
Improprieties in the handling or reporting of money or financial transactions
Authorizing or receiving payments for goods not received or services not performed
Authorizing or receiving payment for hours not worked
Inappropriate use of records and disclosing confidential and proprietary information to outside parties

Corruption is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

Bribery
Conspiracy
Extortion

Preventing Fraud and Corruption

To prevent fraud and corruption, the City of Concord has established internal controls, policies, and procedures to deter, prevent, and detect fraud and corruption such as;

- Verify all applicants' information provided
- Including an acknowledgement of penalties for fraud, providing false statements, and corruption on applicable forms.
- Vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business
- Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a suspended or debarred party
- Contractual agreements with Concord will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption
- Vendor, contractors, and suppliers will receive fraud and corruption awareness training

Reporting Fraud and Corruption

Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act to the City of Concord Community Development Manager, local HUD field office, and/or the Office of Inspector General immediately. Person(s) reporting potential abuse may elect to remain anonymous. Any applicant, vendor, contractor, or supplier who is found to have committed fraud or provided false information will automatically be deemed ineligible. This designation may result in legal action, repayment of funds, or other penalties resulting from any investigation. Failure to report suspected fraudulent or corrupt activity in a timely manner may also result in being subject to disciplinary action as determined by the City of Concord or any other investigating organizations.

Conflict of Interest

In the procurement of property and services by the City of Concord, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may not have an interest in any contract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, board member, loan committee member, elected official or appointed official of the City of Concord that is receiving HOME funds.

The City of Concord shall ensure that officers, employees, agents, or consultants will not occupy any HOME-assisted affordable housing units in the project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the City who occupies a housing unit as the project manager or maintenance worker.

The City of Concord may provide an exception to the provisions listed above on a case-by-case basis when the City determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the City's HOME-assisted project. For the City to provide this exception, the City must make a written request to its Legal Department to make its determination based on the following factors:

- Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group;
- Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- Whether the tenant protection requirements of Section 92.53 are being observed;
- Whether the affirmative marketing requirements of Section 92.351 are being observed and followed; and
- Any other factor relevant to the City's determination, including the timing of the requested exception.

The City of Concord must maintain a written code of standards of conduct that will govern the performance of its officers, employees, or agents engaged in the award and administration of contracts funded with federal dollars.

Program Accessibility

Section 504 of the Rehabilitation Act of 1973 requires that a HOME-funded activity, when viewed in its entirety, is usable and accessible to persons with disabilities. The obligation to provide accessible units, in accordance with 24 CFR 8.22 and 8.23 is broader and includes the following:

All program activities, including public hearings, homebuyer briefings, counseling sessions, and meetings should be held in locations that are accessible to persons with disabilities.

Information about all programs and activities should be disseminated in a manner that is accessible to persons with disabilities. Auxiliary aids and special communication systems should be used for program outreach, public hearings related to housing programs, and other program activities.

Reasonable steps should be taken to provide information about available accessible units to eligible persons with disabilities. Homebuyer projects are not required to produce accessible units, but reasonable accommodations during the application process are required for any buyers with accessibility needs. Program advertising should acknowledge that the program will work with households with accessibility needs. Should a successful homebuyer applicant have a need for a unit with an accessible design, the program must accommodate those needs.

Information about the accessibility requirements of HOME-funded multifamily housing is included in the rental housing section of this manual.

Equal Opportunity

Federally-funded housing projects/programs are subject to Executive Order 11246, as amended, which prohibits agencies from discriminating against employees or applicants for employment on the basis of race, color, religion, national origin, citizenship status, unfair documentary practices regarding employment verification, sex, age, and disability. These requirements are included in all contracts with Subrecipients.

- Section 3 of the Housing and Urban Act of 1968 (Section 3):
The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance is directed to low- and very low-income persons to the greatest extent feasible. In accordance with the Section 3 Plan, solicitation of Section 3 businesses is required during procurement for any construction contract of \$100,000 or more and is encouraged for contracts of lesser amounts. The Section 3 Plan also requires contractors/subcontractors to follow a specific hiring plan to target Section 3 residents.
- Women- and Minority-Owned Business Enterprises:
The City of Concord is required to take affirmative actions to allow Women- and Minority-Owned Business Enterprises (WMBE) to benefit from federal funds. The City passes this requirement on to funded agencies, which must make a good faith effort to employ WMBE firms when implementing projects/programs. These efforts can include advertising for professional services or construction contractors in minority publications, notifying WMBE firms directly of employment opportunities, or requiring that contractors hire WMBE subcontractors. Solicitation of MBE firms is required during procurement for any construction contract of \$50,000 or more.

Non-Discrimination

No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with HOME funds on the basis of religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status, physical or mental disability, gender identity or expression of a person, national origin, ancestry, military status, or other arbitrary cause.

Reasonable Accommodations for Persons with Disabilities

Employers receiving HOME funds may not discriminate against prospective or current employees with disabilities. Employers must remove physical and administrative barriers to employment and provide reasonable accommodations for employees with known disabilities.

If a subrecipient has 15 or more employees, it must designate a Section 504 Coordinator and notify program participants and employees of its non-discrimination policies.

Business Enterprises Owned by Minorities, Women and Disadvantaged Business Enterprises

The City of Concord encourages participation by business enterprises owned by minorities and women, and disadvantaged business enterprises (M/W/D-BE). Contracts for the procurement of services should be awarded to the maximum extent possible to M/W/D-BE. Section 24 CFR 84.44(b) of the Uniform Administrative Requirements outlines recommended steps for achieving participation goals.

Section 3 Economic Opportunity

Section 3 requirements apply to recipients of Housing and/or Community Development Assistance exceeding \$200,000 combined from all sources in any one year, per 24 CFR §135. Section 3 covers the expenditure of any portion of those funds for any activity that involves housing construction, rehabilitation, or other public construction. All contractors or subcontractors that receive covered contracts of more than \$100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3. The purpose of Section 3 to ensure that employment (e.g., new hires) and other economic opportunities generated by this HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.

The Uniform Act and Section 104 (d)

HOME-assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. In addition, projects that include demolition or conversion of low-income housing are subject to Section 104(d) (also called the Barney Frank amendment).

Acquisition

The URA requirements apply to all real property acquisition for a project that receives any amount of HOME funding, regardless of whether the funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first intended to apply for HOME funds for the project.

Agencies are exempt from complying with most acquisition requirement of the Uniform Act (Subpart B) only if an identified site can be acquired “voluntarily” in accordance with Section 49 CFR § 24.101 of Subpart B.

A “voluntary” acquisition requires the Agency (buyer) to inform the seller, prior to executing an agreement to purchase:

- That it does not have the power of eminent domain (buyers with eminent domain authority, must agree not to use it, and must not have specific site needs);
- That it will not be able to purchase the property if negotiations fail to result in an amicable agreement; and
- Of the buyer’s estimate of fair market value (FMV) of the property to be acquired.

Estimating Fair Market Value:

An appraisal is not required to establish the FMV of a property, but there must be documentation that includes an explanation, with reasonable evidence, of the basis for the estimate. A Comparative Market Analysis is acceptable for this purpose.

Section 104(d)

Section 104(d) of the Housing and Community Development Act of 1974, as amended (104(d)) requirements apply when HOME assistance is used for a project involving demolition or conversion.

Section 104(d) has two (2) distinct components:

- One-for-One Replacement: Requires one-for-one replacement of lower-income dwelling units that are demolished or converted to another use. For Section 104(d) purposes, “conversion” is defined as: Altering a housing unit that would rent at or below the fair market rent (FMR) so that it is used for non-housing purposes, rents for above the FMR or is used as an emergency shelter.
- Relocation of Lower-Income Tenants: Requires relocation assistance for displaced lower-income residential tenants and does not provide protection or assistance for persons with incomes above the Section 8 Low Income Limit.

Housing Replacement

The City of Concord has adopted a “Residential Anti-displacement and Relocation Assistance Plan”, which addresses the Section 104(d) requirement for one-for-one replacement of low-income housing units:

The City may replace all occupied and vacant occupiable low- and moderate- income dwelling units demolished or converted to a use other than as low- and moderate- income housing as a direct result of activities assisted with HOME funds.

Replacement units do not need to be provided by the same fund recipient whose project resulted in the housing loss. The City will count any net gain in units achieved through the investment of HOME funds as having met the one-for-one replacement requirement.

Relocation

Concord strongly discourages the permanent displacement of low-income households by projects and programs. The URA stipulates the content and timing of notices for residents of properties to be acquired with HOME funds. If residents are displaced by the project, they must receive moving cost reimbursements, relocation assistance payments, and relocation assistance services. If an otherwise feasible and fundable project does necessitate permanent or temporary displacement and relocation, the relocation must be carried out in strict compliance with the URA. Prior to selection for funding, the Agency must demonstrate that:

- Both personnel and budget resources are available to implement relocation, and
- Such projects must have qualified City-approved relocation personnel as part of the development team.

A pre-application conference with staff is required for any project which may involve relocation to ensure that the Agency understands the URA requirements and that proper relocation notices are given.

No relocation may be initiated prior to funding award except with the prior written approval of the City of Concord. If relocation is required, a detailed Relocation Plan must be submitted with an application for HOME funds.

Temporary Relocation

All conditions of temporary relocation must be reasonable, and the tenant shall be provided with reimbursement for all reasonable out-of-pocket expenses incurred in connection with temporary relocation.

The tenant shall receive advisory services, including written notice of the date and approximate duration of the temporary relocation, address of suitable temporary unit, and the terms and conditions under which the tenant may lease and occupy the building/complex upon completion of the project.

Temporary relocation may not extend beyond one year before the person is returned to his or her previous unit or location. Any residential tenant who has been temporarily relocated for more than one (1) year must be offered permanent relocation assistance, which may not be reduced by the amount of any temporary relocation assistance previously provided.

If the project requires tenants to be temporarily relocated off site, a detailed Temporary Relocation Plan is required.

Violence Against Women Act Reauthorization Act of 2022

VAWA is a federal law originally enacted in 1994, as amended ([34 U.S.C. 12291 et seq.](#)), that protects individuals who are survivors of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, sexual orientation, or gender identity. These protections also apply to individuals with disabilities, including those with mental health disabilities, and people of color that also are disproportionately impacted by problematic laws and policies. It includes protections for survivors and others who are applying for or residing in covered housing programs. VAWA 2022 reauthorizes, amends, and strengthens VAWA. It added to, and did not replace, the existing VAWA housing protections for survivors. Covered housing providers must continue to provide VAWA protections as required by law. On March 15, 2022, President Biden signed into law the [Consolidated Appropriations Act of 2022](#), which included the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022).

Many of the amendments enacted as part of VAWA 2022 took effect on October 1, 2022. On January 4, 2023, the U.S. Department of Housing and Urban Development (HUD) published a notice in the Federal Register (VAWA 2022 Notice4) in which HUD: (1) describes how the VAWA 2022 amendments affect HUD's programs; and (2) seeks comment on certain provisions.

Under this new provision, there are some additional requirements and obligations for HOME recipients, which include: (1) reporting to HUD problematic local laws and policies of the jurisdiction and those of the subrecipients that impose penalties that are being enforced, and (2) Certifying that the jurisdictions are complying or will be in compliance within 180 days of submitting the report to HUD. The goal is to prevent adoption of these laws, policies, and programs and address harms that may have occurred. A copy of the VAWA 2022 Notice is available online at:

<https://www.federalregister.gov/documents/2023/01/04/2022-28073/the-violence-against-women-actreauthorization-act-of-2022-overview-of-applicability-to-hud-programs>

See HUD 1 Public Law 117-103, <https://www.congress.gov/117/plaws/publ103/PLA> for guidance that affects Home Investment Partnerships Program (HOME) recipients concerning the Right to Report Crime and Emergencies from One's Home law in the Violence Against Women Act (VAWA) Reauthorization of 2022 ([34 U.S.C. 12495](#)). For further guidance concerning VAWA 2022, also see 34 U.S.C. 12491, 24 C.F.R. part 5, subpart L, and 24 CFR part 576.409 (ESG) and part 578.99(j) (CoC program).

Build America, Buy America Act (BABA)

The Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States. BABA established a domestic content procurement preference for all Federal financial

assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. BABA also established the Buy America Preference (BAP) for iron, steel, manufactured products, and construction materials used in covered infrastructure projects to be produced in the United States. BABA applies to all expenditures by a Federal agency to a non-federal entity for an infrastructure project, including construction, alteration, maintenance, or repair.

The HUD Community Planning and Development (CPD) programs that are impacted by BAP include CDBG, CDBG-CV, HOME and HOME-ARP. Agencies may waive the domestic content procurement preference if (1) a waiver is in the public interest, (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality, or (3) the application of the domestic content preference would increase the cost of the overall project by more than 25 percent. Public Law 117-58, §70912(3): <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

National Standards for the Physical Inspection of Real Estate (NSPIRE)

In May 2016, in response to instructions from Congress, the Department of Housing and Urban Development (HUD) initiated an effort to consolidate, update, and enhance the Housing Quality Standards (HQS) and the Uniform Physical Condition Standards (UPCS). The aim was to establish a unified inspection protocol for public housing and voucher units. After dedicating seven years to this goal, HUD has published the NSPIRE Final Rule, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes. Further information can be found in the Federal Register at <https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>.

The NSPIRE Final Rule will be implemented in two phases. Starting on July 1, 2023, Public Housing will transition to NSPIRE, followed by the Multifamily Housing programs, Housing Choice Voucher (HCV), Project Based Voucher (PBV) programs, and the Community Planning and Development programs on October 1, 2023. Under this new requirement, which takes effect on HUD programs must use the new NSPIRE inspection framework for all units assisted with acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services (24 CFR 574.300(b)(3)); new construction (24 CFR 574.300(b)(4)); project or tenant-based rental assistance (24 CFR 574.300(b)(5)); and operating costs (24 CFR 574.300(b)(8)). Additional information can be found in the Federal Register. <https://www.federalregister.gov/documents/2023/07/07/2023-14362/national-standards-for-the-physical-inspection-of-real-estate-and-associated-protocols-scoring>. All NSPIRE Score Calculator features are based on the Proposed NSPIRE Scoring Notice (88 FR 18268) and Proposed NSPIRE Standards Notice located at https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-02nspire_propose-standards.pdf.

Financial Management

As a direct recipient of HUD funds, the City of Concord must abide by the financial management requirements of the Federal Office of Management and Budgets found at 2 CFR part 200.

Section 504 Barrier Removal Standards for Multifamily Housing

For new construction of rental or owner-occupied multifamily projects of four or more units, a minimum of 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2%, at a minimum, of the units (but not less than one (1) unit) must be accessible to individuals with sensory impairments. The total number of units in a HOME-assisted project, regardless of whether they are all HOME-assisted, is used as the basis for determining the minimum number of accessible units. Also, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non- HOME-assisted. The standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards,

although deviations are permitted in specific circumstances. Accessible units must be, to the maximum extent feasible, distributed throughout the projects and sites and must be available in a sufficient range of sizes and amenities so as not to limit choice.

Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals. When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.

Prevailing Wages and Labor Standards Requirements

Labor standards requirements may impact the cost of construction work and should be factored in during the development of the project budget. The labor standards processes may require additional reporting and documentation during construction. Monitoring for compliance with labor standards requirements will be performed by the City of Concord.

Applicants should assume that state prevailing wage rates will apply and build the requisite costs into all project development budgets, unless they obtain a determination otherwise from the North Carolina Department of Labor (NCDOL). Applicants are advised to consult with the NCDOL and/or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

If an applicant receives a loan that is incurring interest, is not forgivable, and is required to be repaid in full, such loan in and of itself is not expected to trigger a requirement that prevailing wages be paid on the project. However, if the applicant is receiving other public funds and/or is a public entity (e.g., housing authority), it may be required to pay state prevailing wages on the project. A definitive determination regarding the applicability of state Prevailing Wage law can only be obtained from the NCDOL.

Federal Davis Bacon prevailing wages apply to all projects with 12 or more HOME-assisted units regardless of whether HOME funds were used for construction or other projects costs. When triggered, Davis Bacon wages apply to the entire project. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. In cases where Davis-Bacon wages are triggered, Davis-Bacon monitoring procedures are followed.

Related Acts:

- The Contract Work Hours and Safety Standards Act (CWHSSA) requires contractors and subcontractors to pay laborers and mechanics one and one-half (1.5) times their standard rate of pay for all hours worked more than 40 hours in a workweek.
- The Copeland Anti-Kickback Act prohibits a contractor or subcontractor from coercing an employee into giving up any part of their earned wages.

Anti-Predatory Lending Policy

The City of Concord supports the expansion of affordable and equitable homeownership and recognizes that predatory lending practices are inconsistent with advancing homeownership. To discourage predatory lending practices, the City of Concord established this Anti-Predatory Lending Mortgage Policy (the "Policy").

A residential mortgage loan is ineligible for funding from the City of Concord's HOME Investment Partnerships Program if it does not comply with all applicable federal, state, and local predatory lending laws and other laws designed to prevent unfair or abusive lending practices (collectively, "Anti-Predatory Lending Laws"). Neither the City of Concord, nor any of its funded Subrecipients, will knowingly fund a Mortgage Loan that involves any of the following practices or characteristics:

- Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance as a condition of the loan;
- Including in loan documents a mandatory arbitration provision with respect to dispute resolution;
- Charging prepayment penalties for paying off a loan;
- Lending without regard to a borrower’s ability to make payments on the mortgage;
- Loans that violate the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (collectively, “HOEPA Requirements”) or other Anti-Predatory Lending Laws;
- Loans that are ineligible for inclusion in a structured finance transaction due to a rating agency’s determination that it cannot rate a transaction that includes such loans;
- Loans where the terms of, or practices in connection with, such loans do not comply with the provisions of Regulation Z (12 CFR Part 226) relating to Higher-priced Mortgage Loans; or
- Loans that fail to comply with any requirement of the MPF Program relating to predatory lending, including with limitation, Section 2.6 of the MPF Origination Guide.

ADDITIONAL GENERAL POLICIES AND PROCEDURES FOR DEVELOPMENT PROJECTS

The remaining provisions in this chapter apply to HOME-funded rental housing development, rental housing acquisition (no rehabilitation), and homebuyer development projects, collectively referred to as “Development Projects.”

Applicant Standards

Requests for HOME Development Funds will need to demonstrate, with a reasonable level of assurance, that the sponsoring organization is fiscally sound and has reliable systems to manage and account for public funds. The following documents will be submitted at the City of Concord’s request:

- Complete audit reports for each of the past two (2) years for the applicant, including an OMB circular A-133 supplement as appropriate, any audit findings, corrective action plan, management letter and agency response.
 - If the applicant’s organization has not been audited, financial statements for each of the past two (2) fiscal years and a year-to-date statement certified by the applicant's Chief Financial Officer. Financial statements will include balance sheets and cash flow, revenue, and long-term debt statements.
- Nonprofit organizations must submit an IRS Form 990 for the prior two (2) years.
- Outstanding HOME Annual, Close-out, or Monitoring Reports.

Applicants must demonstrate that the skills and experience of the development team and the property management team, and the capacity of the organization are appropriate to the size and complexity of the project. If the applicant does not have prior experience in affordable housing development or has not had experience within the past ten (10) years, they must partner with a development consultant experienced in affordable housing development.

Applicants will need a signed board resolution or board minutes authorizing submittal of a written request for funding. If selected for funding, the organization's board must designate in writing the person(s) authorized to execute agreements on behalf of the organization.

Eligible Development Costs

HOME development funds may be used for, but are not limited to:

- Site preparation or improvement, including demolition if construction begins within 12 months
- Securing buildings
- Construction materials and labor
- Onsite improvements in keeping with surrounding projects, including sidewalks, utility laterals, etc. Offsite infrastructure is not eligible as a HOME expense.
- Relocation costs, including moving costs, replacement housing costs, advisory services, and staff costs related to relocation assistance
- Financing fees
- Credit reports
- Title binders and insurance
- Recording fees and transaction taxes
- Legal and accounting fees, including project audit costs
- Appraisals
- Architectural and engineering fees
- Environmental reviews
- Developer fees (subject to a limit)
- Permit fees
- System development charges
- Affirmative marketing, initial leasing, and marketing costs

- Initial operating deficit reserve during lease-up: limited to 18 months (new construction projects only)
- Homebuyer counseling to purchasers of HOME-assisted housing units only

Appraisal and Real Property Acquisition

If the applicant is proposing the purchase of real property and/or building(s), a full appraisal must support the purchase price. Appraisals and acquisition must comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. The URA generally applies to federally funded projects involving acquisition, rehabilitation, or demolition, and requires compliance with following the real property acquisition process, unless the project meets the requirements of 49 CFR 24.101(b)(1)-(5).

Applicants must follow the procedures for a Voluntary Acquisition under the URA. Prior to making an offer for the property, the applicant must, in writing, advise the owner of the property that federal funds may be involved in the purchase of the property, let the owner know that the applicant does not have the power of eminent domain and that it will be unable to acquire the property if negotiations fail to result in agreement, and provide the owner with what it currently believes to be the market value of the property. If the applicant has not yet completed an appraisal of the property at the time of the offer, the statement of market value provided to the seller must have a reasonable basis (e.g., assessed value).

The request for HOME funding must include a current appraisal. An appraisal must be dated no more than 12 months prior to the funding request submission date. A letter updating an appraisal completed more than 12 months prior to the funding request submission date will be accepted. The appraisal must be conducted by someone with a current general appraisal certificate in the State of North Carolina.

Minimum Property Standards

New Construction Projects

Projects also must comply with the N.C. State Building Codes that are applicable to new construction, residential, and existing structures, which the City of Concord has adopted as its construction performance standards. Housing must

meet all applicable requirements upon project completion.

All new construction HOME-assisted projects will also meet the requirements described below:

- **Accessibility.** All housing will meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).
- **Disaster mitigation.** Where relevant, housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with municipal, county, State ICC or IFC codes, or such other requirements as HUD may establish.
- **Written cost estimates, construction contracts and construction documents.** The City of Concord will ensure that construction contracts and construction documents describe the work to be undertaken in adequate detail to conduct inspections. The City must review and approve written cost estimates for construction and determine that costs are reasonable.
- **Construction progress inspections.** The City's staff also must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents (draw requests).

Rehabilitation Projects

For existing single-family properties assisted with the City of Concord's HOME funds, the unit must meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. The scope of work for home repairs will be determined during the initial inspection. During the initial visit, the Construction Coordinator must be able to see all aspects of the home, such as floors, walls, electrical outlets, the attic, the crawlspace, etc., to fully assess the needs of the home to complete the Work Write-Up. If all aspects of the home are not visible during the initial visit, staff will provide additional resources to assist the resident(s) to clear the required area(s) of the home. If the home is not accessible after receiving resources to assist with cleaning up the home and 30 days have passed, assistance may be denied. Projects must also comply with the N.C. Building Code and the Concord Development Ordinance, and must address the major systems of the unit in the following manner:

Structural support

- If the initial inspection by the City of Concord or the approved designee shows any evidence of foundation, sill, joist or other structural support damage, these items must be corrected as part of the initial rehabilitation of unit prior to lease.

Roofing

- If deemed as not meeting the five-year threshold of useful life, the roofing, including all wood sheeting, framing, boxing, and fascia that is identified as compromised (rotted, missing, etc.) must be replaced along with the shingles.
- If the roofing is deemed as meeting the five-year threshold of useful life, any specifically identified issues (damaged fascia, guttering, boxing, etc.) must be corrected as part of the initial rehabilitation of the unit prior to lease.
- All attics must be vented.

Cladding and Weatherproofing (e.g., windows, doors, siding)

- If initial inspection by the City of Concord, or approved designee, shows any evidence of specified damage, the items must be corrected as part of the initial unit rehabilitation prior to lease.
- If existing windows are single-pane and determined to be in working order, the City of Concord, developer, or subrecipient must ensure that all windows have been properly sealed, both inside and out, to remove any potential air leakage.

Plumbing and Water Heater

- All plumbing issues identified in the initial inspection by the City of Concord or approved designee must be corrected.
- If the water heater is deemed as not meeting the five (5) year threshold of useful life, it must be replaced.
- Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code, only if located in a living space.
- Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.

Electrical

- If deemed as not meeting the five-year threshold of useful life, the electrical system must be replaced as part of the initial rehabilitation of the unit prior to lease.
- If deemed as meeting the five (5) year threshold of useful life, any specifically identified issues associated with the wiring must be corrected prior to lease.
- Wall switch-controlled Energy Star rated overhead lighting is required in all rooms.
- Each bedroom and hallway, etc. must have, as required by Code Regulations (local, state, or Federal) a hard-wired or battery back-up smoke detector.

Heating, Ventilation, and Air Conditioning

- If the unit is not properly insulated, a minimum of R19 insulation must be installed under all living space flooring and a minimum of R-38 insulation must be installed above all living space ceilings.
- If the heating or air conditioning systems do not meet the five (5) year threshold of useful life, they must be replaced with a proper-capacity, high-efficiency system with proper seer capacity for heated and cooled space.

Site and Neighborhood Standards

A site for newly constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- The site must promote a greater choice of housing opportunities.
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

Accessibility

- All housing must meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the

Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, also must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permits use by a person with disabilities.

Disaster Mitigation

- Where relevant, the City of Concord requires housing to be improved to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements.

Compliance with State/Local Codes, Ordinances, and Zoning Requirements

- The City of Concord's standards require that rehabilitated housing meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

Uniform Physical Condition Standards

- The City of Concord will use the Uniform Physical Conditions Standards (UPCS), HUD's prescribed physical inspection procedures. UPCS requires that upon completion, all HOME assisted projects and units will be decent, safe, sanitary and in good repair.

Capital Needs Assessments

- For multifamily rental housing projects of 26 or more total units, the City of Concord will determine all work to be performed on the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment.

Construction Documents and Cost Estimates

- The City of Concord's staff will ensure that the work to be undertaken meets the City of Concord's rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance with the Consortium Members' standards. The Consortium Members will review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.

Frequency of Inspection

- The City of Concord must conduct an initial property inspection to identify the deficiencies that must be addressed. The City's inspectors will conduct progress and final inspections to determine that work was done in accordance with work write-ups.
- All other existing housing that is acquired with HOME assistance for rental housing must meet the rehabilitation property standards requirements.
- The City of Concord will document compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds will not be used to acquire the property unless it is rehabilitated to meet the standards.
- The City of Concord will adhere to the following guidelines:

- On-site inspections will be performed within one (1) year following project completion and each one (1) to three (3) years during the affordability period.
- Property owners must annually certify to the City of Concord that each building and all HOME-assisted units in the project are suitable for occupancy.
- For projects with one (1) to four (4) HOME-assisted units, 100% of the HOME-assisted units will be inspected for site, building exterior, building systems, and common areas for each building that houses HOME-assisted units.

Ongoing Property Condition Standards for Rental Housing

- As with all other types of HOME-assisted housing, the City of Concord’s established construction standards will be used to ensure that owners of all rental housing maintain the housing as safe, decent, sanitary and in good repair throughout the affordability period.

Inspection Procedures

- The City of Concord will establish written inspection procedures. The procedures must include detailed inspection checklists, a description of how and by whom inspections will be carried out, and procedures for training and certifying qualified inspectors. The procedures also must describe how frequently the property will be inspected.

Compliance and Monitoring

During a project, monitoring shall be implemented through periodic on-site visits so that any problems that may occur will be resolved as soon as possible. The goal of monitoring is to assist and support recipients in complying with applicable State, Federal, and Local requirements and in implementing their project activities in a timely manner.

The City of Concord is required to maintain complete financial and program files and to comply with program reporting requirements. The City must also provide citizens with reasonable access to records pertaining to the use of funds.

Technical Assistance Visit: A technical assistance visit is an informal visit. The intent of this meeting is to share information that will enable the City of Concord to meet the various State and Federal requirements for its grant. A technical assistance visit could consist of explanations of project start-up requirements and the establishment of program files. The City of Concord must demonstrate compliance with applicable regulations and document this by maintaining accurate and complete records and files. The filing system must provide a historical account of the City’s activities, be easy to use, and centrally located.

Monitoring Visit: A monitoring visit is more formal than a technical assistance visit. The monitoring visit is utilized to determine if the project is being conducted in compliance with applicable Federal and State laws and requirements. The review also determines the City of Concord’s ability to implement the program in a timely manner.

The monitoring visit consists of a review of project files, records, and documentation, and may include a visit to the project site. All records, files, and documentation should be available for review at the monitoring visit. If other public agencies, attorneys, or consultants have assisted in program implementation, these records must be available for review for the monitoring visit. Failure to produce such records upon request will result in issuance of either a program “concern” or “finding” of non-compliance and will jeopardize the organization’s eligibility for future HOME project funding. The issuance of a program “concern” or “finding” may, at the discretion of the City of Concord’s staff, result in the recapture of funds provided by the City of Concord.

Project Completion Deadline and Terminated Projects

As required in 24 CFR §92.205(e), the City of Concord's staff must be able to execute a written agreement with the Subrecipient for the project within 12 months of July 1 of the year in which funding is awarded. The Subrecipient must typically be able to complete the project and expend all funds within two (2) years of the execution of the written agreement.

When HOME funds are expended for projects that are terminated before completion, for whatever reason, the HOME funds that have been expended are ineligible and must be repaid. The City of Concord must terminate any project that does not meet the HOME requirements for affordable housing (i.e., affordability provisions, income targeting, property standards, etc.) and repay HOME funds that are expended for the project.

Corrective and Remedial Actions

The inability to properly execute the terms of the contract and/or maintain records in the prescribed manner may result in a finding that the City of Concord has failed to meet the applicable requirement of the contract. Remedial actions may include technical assistance to bring the project into compliance, or recapture of HOME funds.

HOME-assisted Development Projects must meet the following standards:

- New construction: New construction is required to meet all state and local codes and ordinances plus the Model Energy Code and all Handicapped Accessibility requirements. While new single-family homes are not required to comply with Section 504 accessibility standards, if the applicant for the housing is disabled, the home must meet their accessibility needs. Where it is practical to do so, new single-family homes should be constructed to be accessed by a person with mobility impairments and adaptable to the needs of future residents seeking to age in place. New construction of rental housing must meet HOME site and neighborhood standards.
- Acquisition (no rehabilitation): Acquired housing must meet applicable state and local housing quality standards, if relevant standards exist, including lead-based paint hazard requirements. If none exists, then acquired housing must comply with Section 8 Housing Quality Standards.

Construction contracts and construction documents must be provided in adequate detail and reviewed by the City of Concord to ensure that the documents address minimum housing and property standards, as well as city and/or state code requirements. Applicants also must provide written cost estimates prior to the execution of construction contracts to ensure that costs are reasonable.

Site Control

Site control is typically required at the time of requesting funds for development projects. Site control documentation includes the following: a deed of trust, current option, current purchase and sale agreement, a current title report showing the entity holding fee simple title, an executed lease agreement for the length of the commitment to serve low-income households, or an executed disposition or development agreement.

Phase 1 Environmental Site Assessment

Development projects must provide proof that a Phase 1 Environmental Site Assessment (ESA) is underway at the time of submitting the written funding request to ensure that any environmental hazards are recognized and mitigated. The Phase I ESA should be prepared in accordance with the requirements of ASTM E-1527 "Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process," and must clearly document compliance with 24 CFR 58.5(i)(2) or 50.3(i). Each assessment will include limited surveys of lead-based paint, asbestos, mold, and wetlands as applicable. If any hazards are identified, they will be abated or mitigated before occupancy. The Phase I ESA must be dated six months or less from the submission of the written funding

request. If, at the time that the City of Concord undertakes the federal Environmental Review, the Phase I ESA is more than six months old, an update will be required. If the Phase I ESA is more than a year old at the time that the City undertakes the federal Environmental Review, a new Phase I ESA must be completed. Development projects must also meet state requirements under the State Environmental Policy Act (SEPA) and federal environmental review requirements under the National Environmental Policy Act (NEPA) as applicable.

Relocation

HOME-funded projects are subject to relocation requirements contained in the Uniform Relocation Act (URA) and, in some cases, Section 104(d) of the Housing and Community Development Act (also known as the Barney Frank Amendments). URA relocation requirements are triggered whenever displacement occurs as a direct result of rehabilitation, demolition, or acquisition of a HOME-assisted project. Displacement includes residential and commercial tenants and owners. More information is available in HUD Handbooks 1378 and 1374.

As a practical matter, the City of Concord discourages projects that involve permanent displacement because of the impact on residents, the cost, and the delay.

Subsidy Layering and Underwriting Guidelines

The City of Concord must determine that no more than the necessary and allowable amount of HOME funds (in combination with other governmental funds), are invested in projects. The procedure for making this determination is the layering review.

The layering review will be conducted for those projects that include state or other public funds. It will take place as part of the review for funding and again at the time of funding commitment. The review will consider the sources and uses of funds proposed for a project, the reasonableness of project development costs, the proposed project operating costs, and the amount of cash flow generated over time.

Subsidy layering also applies to homebuyer units with multiple government funding awards.

Before committing funds to a project, the City of Concord must evaluate the project in accordance with the following guidelines that determine a reasonable level of profit or return on the owner's or developer's investment in a project.

- Reasonable Costs:
 - Rental Development Projects: Rental development project costs are considered reasonable if they are within the Total Development Cost (TDC) Limits set by the North Carolina Housing Finance Agency. If the project exceeds these limits, the owner or developer will be required to submit a waiver request that identifies project characteristics that create cost levels above these limits.
 - Homebuyer Projects: No housing purchase value, constructed or after-rehabilitation, may exceed 95 percent of the median purchase price of owner-occupied homes or exceed the maximum per unit HOME-investment value.
- Debt Coverage Ratio for Rental Projects: Projects must have an overall Debt Coverage Ratio (DCR) that provides a cushion against risk that may result from unforeseen circumstances, including higher than anticipated vacancy rates. Deferred loans are not considered in the DCR calculation during the deferral period, only the year when they become due and payable. The annual contributions to operating and replacement reserves must be included in the operating expenses when calculating the DCR. Projects should have an overall DCR of at least 1.10:1. The City of Concord reserves the right, during contract development, to direct the use of excess cash flow when a project has an overall DCR greater than 1.20:1.
- Developer Fee: A reasonable maximum developer fee is ten percent (10%). For projects serving homeless, special needs populations or with 12 or fewer units, a reasonable developer fee is 15 percent (15%).
- Project Contingencies: If the City of Concord is providing funds for construction of housing, a 10% contingency for new construction is required, with the right to request an exception, if needed.

- Market Demand: Applicants must, at a minimum, describe efforts to identify properties that are within the proposed project's market area and are available to the target population. A third-party market study must accompany the written funding request if the project involves low-income housing tax credits or if another funder requires a market study. Market studies are not required for the following projects:
 - Projects for persons with Developmental Disabilities (DD)
 - Projects for persons with chronic mental illness (CMI)
 - Projects for homeless persons
 - Domestic violence (DV) projects
 - Special needs projects for persons with chronic substance abuse issues combined with homelessness and/or other conditions requiring intensive support services
 If the project does not meet any of the above criteria, a market study is required. The market study must be submitted with the written funding request for funding if the applicant has site control. If site control has not been obtained, the market study must be submitted upon receipt of site control.
- Vacancy Rates: Applicants should use a 5% residential vacancy rate for rental projects and a 10% non-residential vacancy rate when preparing their operating pro forma. Exceptions will be allowed if adequate justification is provided, such as in the case of very small or special needs projects.

Costs Associated with the Administration of Development Projects

The City of Concord incurs the costs associated with the oversight and administration of individual development projects, including both those that occur during the development phase (e.g., environmental review, underwriting, subsidy layering analysis, loan processing, and construction inspection/oversight) and those that occur during the affordability periods (e.g., monitoring and inspections). The City of Concord may charge these costs to individual projects.

The costs incurred during the development phase will be included in the project's per-unit subsidy and match calculations, but they will not be included in any indebtedness incurred by the City of Concord and thus are not included in the loan amount.

Costs incurred during the affordability periods will be charged as they are incurred by the City of Concord. The City must include the estimated monitoring costs as an allowable operating expense in their operating budget for the project.

V. DEVELOPMENT OF HOMEOWNERSHIP HOUSING

The City of Concord may fund the development of homeownership units for first-time homebuyers.

Please refer to the section entitled “General Policies and Procedures for Development Projects” for information related to:

- a. Applicant Standards
- b. Eligible Development Costs
- c. Appraisal and Real Property Acquisition
- d. Minimum Property Standards
- e. Site and Neighborhood Standards
- f. Accessibility
- g. Disaster Mitigation
- h. Compliance with State/Local Code, Ordinances, and Zoning Regulations
- i. Uniform Physical Condition Standards
- j. Gap Needs Assessment
- k. Construction Documents and Construction Estimates
- l. Frequency of Inspections
- m. Ongoing Property Condition Standards for Rental Housing
- n. Inspection Procedures
- o. Compliance and Monitoring
- p. Project Completion and Termination of Projects
- q. Corrective and Remedial Actions
- r. Site Control
- s. Phase 1 Environmental Site Assessment
- t. Relocation
- u. Subsidy Layering and Underwriting Guidelines
- v. Costs Associated with the Administration of Development Projects

Project Eligibility

- Eligible Activities
Activities allowed with the use of City of Concord’s HOME funds are activities that support the development of affordable homes for first-time homebuyers and that address the needs identified in the Consolidated Plan.
- New Construction:
 - Financial assistance provided for the construction of affordable housing units for first-time homebuyers.
- Eligible Properties
 - Properties eligible for HOME development assistance must serve as the purchaser’s principal residence throughout the period of affordability.
 - Property types:
 - Single-family dwelling
 - Condominium
 - Manufactured Home
 - b. Eligible homeownership types
 - Fee simple title to the property
 - Own a condominium
 - Housing located on land owned by a community land trust, for at least 50 years
 - Manufactured housing on a ground lease that is at least equal to the applicable affordability period.

- c. Homebuyer Eligibility
 - First-time homebuyer: Applicant must not have owned a home during the previous 3 years prior to receiving federal funds excluding:
 - A displaced homemaker who owned a home with his or her spouse or resided in a home owned by the spouse.
 - A single parent who owned a home with his or her spouse or resided in a home owned by the spouse.
 - Homebuyer households assisted must have incomes at, or below, 80% of the area median income (AMI) and occupy the home as their primary residence.
- d. Maximum Property Value
 - For new construction or acquisition of standard housing to be considered an eligible property, the property must have a purchase price that does not exceed 95% of the median purchase price for single-family housing in the area.
 - HUD establishes the median purchase price limits and these limits can be found on its website: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>. The City of Concord will provide current and updated limits, but the developer is responsible for confirming maximum property values for each transaction.
- e. Resale Policy

The City of Concord has elected to use a resale methodology for ensuring compliance with HUD homebuyer affordability requirements. The City of Concord’s resale policies and guidelines ensure that the HOME-assisted units remain affordable and owner-occupied over the entire affordability period. Before each HOME-assisted unit purchase, the resale restrictions and affordability period are set forth in a funding agreement and restrictive covenant. Upon sale of the property by the initial homebuyer(s) during the period of affordability, the subsequent homebuyer must be an income-qualified household that will occupy the property as their principal residence. The initial homebuyer must receive net proceeds from the sale that represent a fair return on their investment.

The Homeownership Development Program is designed to provide financial assistance to a developer who agrees to sell homes to income-qualified homebuyers, resulting in a direct benefit to the homeowner households. In this case, HOME funding, known as “Development Subsidy,” is provided directly to a developer to assist with or reduce development costs, when the developer agrees to sell homes to income-qualified homebuyers under terms that make the monthly cost of the home affordable to the homebuyer. These funds are not provided directly to the homebuyer but are a "development subsidy" that enables the homes to be affordable to a low-income homebuyer. This includes HOME assistance that helps to close the gap between the cost of producing the home and the market value of the property (i.e., the development subsidy where the cost of development is higher than that market price of the home) but excludes any additional public funds that will reduce the purchase price from fair market value to an affordable price. When HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is the HOME subsidy.

Enforcement of Resale Provisions

The resale policy is enforced with a Written Agreement and Restrictive Covenant signed by the

homebuyer and developer, if applicable, at or before the closing of an escrow account for the sale of the home. The Written Agreement and Restrictive Covenant will specify:

1. Affordability Period. The resale policy is enforced for the affordability period and is based on the total amount of HOME funds invested in the unit. The typical affordability period for HOME-assisted home purchases is ten years (\$15,000 to \$40,000 of HOME funds) but may be five years if less than \$15,000 or fifteen years if more than \$40,000. For newly constructed homes by the City of Concord or approved developer, the term is twenty years. If more than one type of funding is used to assist the homebuyer, the home may be subject to multiple affordability periods. Where multiple affordability periods exist in a home, resale of the home will be restricted to the longest period set forth in the Funding Agreement and Restrictive Covenant.
2. Initial Homebuyer Requirement. The initial homebuyer must occupy the home as their principal residence, and permanent sublease or renting is not allowable.
3. Subsequent Homebuyer Requirements and Reasonable Range of Low-Income Homebuyers. When sold, the home must be made affordable to a reasonable range of low-income households. Affordable is defined as a monthly housing cost for mortgage principal, interest, taxes, and insurance of not more than 30% of the gross monthly income for a household between 60% and 80% of the area median income, adjusted for household size.

The initial homebuyer may not sell the home during the affordability period except in a manner that results in a subsequent homeowner who will occupy the home as their principal residence and whose household income is between 60% and 80% of area median income, adjusted for household size. To accomplish this, proceeds from the sale that exceed the fair return on investment will be returned to the HOME account to be used to make the unit affordable for a subsequent homebuyer.

The City of Concord will verify the subsequent buyer's income eligibility. To determine maximum purchase price paid by the subsequent homebuyer, the City will use the HOME affordable homeownership limits for the area provided by HUD in accordance with 24 CFR 92.254(a)(2)(i).

4. Security. Any HOME funds invested in housing that does not meet the affordability and resale requirements must be repaid to the City of Concord. The City will secure its financial interest in the affordability requirements through a recorded Restrictive Covenant, a Recoverable Grant Agreement, a Deed of Trust and/or Promissory Note or any combination thereof that will ensure repayment if the affordability requirements are not met.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.

In the event of foreclosure, the City of Concord may be at risk of losing its HOME investment in the home and may be required to repay the funds to the HOME Investment Trust Fund Treasury account or the local City account. To minimize the City of Concord's risk for repayment in the event of foreclosure, the City will adhere to the following policies:

- a. If the City of Concord’s HOME investment is a development subsidy, the City will require the developer to provide other suitable security or assurance that the funds will be repaid to the City of Concord.
- b. If the City of Concord’s HOME investment assists a homebuyer on property leased from a community land trust, the City will require the community land trust to secure the HOME investment with a recorded Restrictive Covenant, Recoverable Grant Agreement, Deed of Trust and/or Promissory secured against the leased land.
- c. If the City of Concord’s HOME investment assists a homebuyer on property not leased from a community land trust, the City will require the homebuyer to secure the HOME investment with a recorded Restrictive Covenant, Recoverable Grant Agreement, Deed of Trust and/or Promissory secured against the land.

If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing can be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.

- 5. Fair Return to Initial Buyer. A homeowner that sells HOME-assisted homes is provided with a fair return on her/his investment. The homeowner that sells a home may receive from sale proceeds their original contribution (down payment), plus amounts paid towards mortgage principal, plus the value of any credit-eligible improvements paid by the homeowner plus/less any agreed-upon appreciation/depreciation. The calculation is further described below:
 - a. Cash down payment. The amount of cash paid by the homebuyer to acquire the property.
 - b. Amount paid to the principal. The amount of cash paid by the homebuyer that is credited to the principal on a mortgage on the property.
 - c. Capital improvements. The addition of livable space (bedroom, bathroom, finished basement, finished attic space, porch or deck, the addition of a garage (either attached or detached)) shall be considered a Qualified Capital Improvement. To receive credit for a Qualified Capital Improvement, the homebuyer must submit to the City of Concord (or leaseholder, if a community land trust), prior to commencing construction, detailed plans, itemization of expected costs and permits for the proposed construction. The City (and leaseholder, if a community land trust) may agree to the scope of the proposed construction and timeline for completion, in addition to the future affordability of the improvements for subsequent resale to qualified low-income homebuyers. Fifty percent of the value of the qualified Capital Improvements that is agreed to in advance by the City (or community land trust) shall qualify as Capital Improvement Credit.
 - d. Capital Systems Replacement. For qualifying as a Capital Systems Replacement, the roof, plumbing (excluding fixtures), foundation, electrical (excluding fixtures), heating, sewer line, insulation, or windows, shall be considered Capital Systems if at least fifty percent of the Capital System is replaced, and the new Capital System has an expected lifespan of at least thirty years. The addition of alternative energy production system(s) shall qualify for credit under this passage. To receive a credit for Capital Systems Replacement, the homeowner must consult with the City of Concord (or community land trust) prior to

replacing a Capital System, and an agreement must be reached between the homeowner and the City of Concord (or community land trust) regarding the scope and cost of the proposed replacement. The intention of this credit is to encourage and create incentives for homeowners to maintain the functionality of these systems and to increase the quality of energy efficiency, durability, and ease of maintenance over time while simultaneously maintaining affordability. Provided all conditions of this paragraph and the agreement between the City of Concord (or community land trust) and homeowner described herein are met, the following payment schedule shall apply:

If the home sale is less than 10 years from Capital System Replacement, 100 percent of the cost can be credited. If the home sale is between 10 and 20 years from Capital System Replacement, 50 percent of the cost can be credited. Replacement of less than fifty percent of any Capital System will be considered repair and the cost of such a repair will not be eligible for credit under this section.

- e. Appreciation/Depreciation. The City of Concord uses the housing price index (HPI) calculator, provided by the Federal Housing Finance Agency, to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer. The calculator can be accessed at the following link: <https://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx>

The resale formula stipulates that the homeowner, should they choose to sell, will be able to sell the home for the original price paid (not including the HOME subsidy at the time of purchase) plus 25% of any increase in the combined value of the home and land based on the HPI during the time of ownership. Additionally, at resale, the homeowner is allowed to receive an equity “credit” for qualified capital improvements made, as follows: 100% of the increase in appraised value attributable to the addition of one (1) or more bedroom and one (1) or more bathroom and 50% of the actual cost for the work of other qualified capital improvements.

By using a market-rate appraisal conducted by an independent, state-licensed appraiser to establish the value of the property prior to the initial purchase of the home, the City of Concord follows the standard practice for all real estate purchase transactions. By using the Housing Price Index to determine the value, upon notice of intent to sell by the homeowner, the City ensures that the previous and prospective homeowners and the public have a transparent method of determining the home price. In this way, the market values are easily measured, professionally determined, and publicly accessible. No subjective judgments are made by the City of Concord or the homeowner as to what constitutes value and how value is determined.

6. Resale Process. The homebuyer must notify the City of Concord prior to offering the home for sale. The homebuyer will need to provide the City with documentation of principal paid, capital improvements made, and capital systems replaced to help determine the homebuyer's fair return on investment. Within thirty days, the City will provide a written response regarding the homeowner's fair return on investment.

Proceeds from the sale that exceed the fair return on investment will be returned to the HOME

account to be used to make the unit affordable for a subsequent homebuyer.

Termination of Affordability Restrictions:

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- The City of Concord may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.
- The affordability restrictions will be enforced according to the original terms if, during the original affordability period, the owner of record obtains an ownership interest in the housing prior to the termination event.
- Under the following conditions, certain housing may be presumed to meet the resale restrictions during the period of affordability without the imposition of enforcement mechanisms by the City of Concord:
 - The presumption must be based upon a market analysis/appraisal of the neighborhood in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area.
 - An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing.
 - The City of Concord will periodically update its market analysis to verify continued affordability.

Recapture

Recapture Provisions: For all homebuyer down payment and closing cost assistance and housing development subsidies that cause the unit to be sold below fair market value projects, a recapture provision shall be utilized. These subsidies represent a direct subsidy to the homebuyer. If the home is sold during the period of affordability, the City of Concord must be notified of the sale. The City of Concord will execute written agreements that reflect the recapture provisions at or before the time of sale and will be forced via a recorded lien. Affordability periods are based on the amount of HOME investment. Any Subrecipients will be required to enforce these recapture provisions. The City of Concord will allow a pro-rata reduction of the recapture amount during the affordability period. The reduction will be void if repayment is triggered. These provisions will be included in the loan documents.

Recapture Method: In the event of a voluntary or involuntary sale, the City of Concord will recapture and retain all appreciation before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. The homebuyer will then retain remaining funds after the City retains its investment up to 100 percent (100%) including project related soft costs. The net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

If the property owner no longer uses the property as a principal residence, violates other HOME principal residency requirements of the property, is unable to continue ownership, or violates the affordability requirements of the HOME program, any outstanding amount of HOME assistance will be recaptured by the City of Concord from the net sales proceeds. Any proceeds from the recapture of HOME funds will be used to facilitate the acquisition, construction and/or rehabilitation of housing for the purposes of promoting affordable housing.

- The City of Concord will structure its recapture provisions based on its Homeownership Program design and market conditions.
- Recapture provisions may permit the subsequent homebuyer to assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability), if the subsequent homebuyer is low-income, and no additional HOME assistance is provided.

This assistance could be directly, in the form of down-payment assistance, a first or second mortgage, or indirectly, such as through the sale of the home to the buyer at less than fair market value.

Therefore, the borrower acknowledges that the affordability period information has been provided and is encouraged to read and understand the HOME Regulations.

Recapture Options: The City of Concord can use the following options regarding the recapture of HOME funds:

- **Recapture Entire Amount:** The City of Concord may recapture the entire amount of the HOME investment from the homeowner.
- **Reduction during Affordability Period:** The City of Concord may reduce the HOME investment amount to be recaptured on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
- **Shared Net Proceeds:** If the net proceeds are not sufficient to recapture the full HOME investment, plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the City of Concord will share the net proceeds. Net proceeds equal the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Funds to be Recaptured}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$$

- **Owner Investment Returned First:** The City of Concord may permit the homebuyer to recover the homebuyer's entire investment (down payment and capital improvements made by the owner since purchase) before recapturing the HOME investment.
- **Amount Subject to Recapture:** The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduces the purchase price from fair market value to an affordable price but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- **Recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part.** If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

- Lease-Purchase: HOME funds may be used to assist homebuyers through lease-purchase programs for existing housing and for housing to be constructed. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If the HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in §92.252 shall apply if the housing is not transferred to a homebuyer within 42 months after project completion.

- Preserving Affordability of Housing that was Previously Assisted with HOME Funds: To preserve the affordability of HOME-assisted housing, the City of Concord may use additional HOME funds for the following costs:
 - Costs to acquire the housing through a purchase option, right of first refusal, or other preemptive right before foreclosure, or at the foreclosure sale. (The foreclosure costs to acquire housing with a HOME loan in default are eligible. However, HOME funds may not be used to repay a loan made with HOME funds.)
 - Costs to undertake any necessary rehabilitation for the housing acquired.
 - Costs of owning/holding the housing pending resale to another homebuyer.
 - Costs to assist another homebuyer in purchasing the housing.
 - When HOME funds are used to preserve the affordability of such housing, the additional investment must be treated as an amendment to the original project. The housing must be sold to a newly eligible homebuyer within a reasonable period, typically nine (9) months or less.
 - The total amount of the original and additional HOME assistance may not exceed the maximum per unit subsidy amount.
 - The cost can be charged to the HOME program as a reasonable administrative cost so that the additional HOME funds for the housing are not subject to the maximum per-unit subsidy amount. To the extent administrative funds are used, they may be reimbursed, in whole or in part, when the housing is sold to a new eligible homebuyer.

Rehabilitation Not Involving Acquisition

Housing that is currently owned by an eligible household qualifies as affordable housing only if:

- The estimated value of the property, after rehabilitation, does not exceed 95 percent (95%) of the median purchase price for the area; and
- The housing is the principal residence of an owner whose household qualifies as a low-income family at the time HOME funds are committed to the housing. The income of all persons living in the housing must be used to determine income eligibility.
- The households with residents that are 60 years of age or older with total household incomes between 50% to 80% of the area median income will not suffer undue burdens when applying for rehabilitation assistance because the City of Concord established forgivable liens with no repayment requirements and a maximum affordability period of 15 years.

- The homeowner must be current on taxes, mortgage payments, and insurance on the property.

Types of Ownership Interest

- **Inherited Property:** Inherited property with multiple owners is defined as: housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The owner-occupant may be assisted if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).
- **Life Estate:** The person who holds the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. The person holding the life estate may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- **A Living Trust:** A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. The person holding the living trust may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- **New Construction without Acquisition:** Newly constructed housing that is built on property currently owned by a family that will occupy the housing upon completion. The household must qualify as low-income, and the housing must be their permanent residence.

Converting Rental Units to Homeownership Units for Existing Tenants

- The City of Concord can allow the owner of the HOME-assisted rental units to convert the units to homeownership units by selling, donating, or otherwise conveying the units to the existing tenants to become homeowners. Refusal by the tenant to purchase the housing does not constitute grounds for eviction or for failure to renew the lease.
- If there are no additional HOME funds that can be used to assist tenants in becoming homeowners, the units are subject to a minimum period of affordability equal to the remaining affordable period if the units continued as rental units.
- If additional HOME funds are used to assist tenants to become homeowners, the minimum period of affordability will be based on the amount of direct homeownership assistance provided.

Homebuyer Program Policies

The City of Concord will work to preserve and expand the area's affordable housing stock by providing grants, deferred loans and/or low-interest loans to housing partners to produce affordable housing units. The City of Concord's HOME funds will be leveraged with other, non-HOME funding to maximize the numbers of units produced while minimizing the cost burden to new homeowners.

To qualify for homebuyer assistance, individual participants must complete a comprehensive housing counseling program through a HUD-certified counselor or agency.

In addition to the educational resource on housing and financial literacy that the counseling program provides, home

buyer assistance may also provide some gap financing to make purchases more affordable in for forms of closing costs and/or down payment assistance.

To qualify for first-time homebuyer assistance the person must:

- Occupy the property as their primary residence;
- Have not owned a home within the previous three (3) years;
- Be at or below 80 percent (80%) of area median income;
- Qualify for a first mortgage through a lending entity approved by the City of Concord; and
- Have completed a qualified homebuyer education and counseling class and be able to demonstrate ability to repay the loan.
- The maximum price of the purchased home cannot exceed those limits published by HUD.
- The prospective homeowner's housing costs cannot exceed 30% of their gross income and debt-to-income ratio limits must meet standard underwriting guidelines.

These funds may be used with other available funding to assist the same segment of the regional population. As mentioned above, the City of Concord may use local funds to directly assist homebuyers. The City also may use de-obligated subrecipient funding for homeownership initiatives.

VI. DEVELOPMENT OR ACQUISITION OF RENTAL HOUSING

Please refer to the section entitled “General Policies and Procedures for Development Projects” for information related to:

- a. Applicant Standards
- b. Eligible Development Costs
- c. Appraisal and Real Property Acquisition
- d. Minimum Property Standards
- e. Site and Neighborhood Standards
- f. Accessibility
- g. Disaster Mitigation
- h. Compliance with State/Local Code, Ordinances, and Zoning Regulations
- i. Uniform Physical Condition Standards
- j. Gap Needs Assessment
- k. Construction Documents and Construction Estimates
- l. Frequency of Inspections
- m. Ongoing Property Condition Standards for Rental Housing
- n. Inspection Procedures
- o. Compliance and Monitoring
- p. Project Completion and Termination of Projects
- q. Corrective and Remedial Actions
- r. Site Control
- s. Phase 1 Environmental Site Assessment
- t. Relocation
- u. Subsidy Layering and Underwriting Guidelines
- v. Costs Associated with the Administration of Development Projects

Qualification as Affordable Housing: Rental Housing

All HOME-assisted rental units must be occupied by households that are low-income eligible with rents conforming to high and low HOME rents for the area median income and adjusted for household size.

- Rental units must have initial occupancy within 18 months of completion.
 - If at six (6) months a unit is still vacant, the City of Concord may require changes to the marketing efforts.
 - If the unit is still vacant at 18 months, repayment of HOME funds invested must be made.

Rent Limitation (High HOME Rents)

The maximum HOME rents (High HOME Rents) are the lesser of:

- The fair market rent for units by number of bedrooms, and the HOME 65% rents for a comparably sized unit. The lower of the two rents is the High HOME Rent.
- Rent plus monthly utilities, or the utility allowance, cannot exceed 30 percent of the adjusted income of a family whose annual income equals 65% of the area median income (AMI) for the area, with adjustments for number of unit bedrooms.
- The HOME rent limits provided by HUD will include the average occupancy per unit and the adjusted income assumptions.

Additional Rent Limitations (Low HOME Rents)

In rental projects with five or more HOME-assisted rental units, at least 20 percent (20%) of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements:

- The rent does not exceed 30 percent (30%) of the annual income of a family whose income equals 50 percent (50%) of AMI, as determined by HUD, with adjustments for smaller and larger families.
- The rent does not exceed 30 percent (30%) of the family's adjusted income, if the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent (30%) of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Additional Rent Limitations for Single Room Occupancy (SRO) Projects

- For SRO units that have both sanitary and food preparation facilities, the maximum HOME rent is based on the zero-bedroom fair market rent.
- For SRO units that have no sanitary or food preparation facilities or only one of the two, the maximum HOME rent is based on 75 percent (75%) of the zero-bedroom fair market rent. The project does not require low HOME rents but must meet occupancy requirements.

Initial Rent Schedule and Utility Allowances

- The City of Concord will establish maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually. The City of Concord will use the HUD Utility Schedule Model <http://huduser.org/portal/resources/utimodel.html> to determine the utility allowance for the project based on the type of utilities used at the project.
- The City of Concord will review and approve rents proposed by the owner for units designated as high or low HOME rents. For all units subject to the maximum rent for which the tenant is paying utilities and services, the City of Concord will ensure that the rents do not exceed the maximum rents minus the monthly allowances for utilities and services.

AFFORDABILITY PERIODS

Rental Housing Activity	Maximum Period of Affordability in Years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New Construction or acquisition of newly constructed housing	20

Affordability Periods: HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the table above, beginning after project completion.

- Affordability requirements will apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of ownership;

- The City of Concord will impose affordability requirements through a deed restriction, a covenant running with the land, an agreement restricting the use of the property, or other mechanisms approved by HUD.
- Purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure can be used to preserve affordability.

Subsequent Rents During the Affordability Period

For subsequent income determinations during the period of affordability, the City of Concord will use one of the following methods:

- Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.
- Obtain a written statement from the administrator of a government program under which the family receives benefits and that examines the family's annual income.
 - The statement must indicate the tenant's family size and the amount of the family's annual income; or
 - The statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.
- HOME rents for a project are not required to be lower than the HOME rent limits established for the project at the time of project commitment.
- Annually, the owners of rental properties must provide the City of Concord with information on rents and occupancy for HOME-assisted units to show compliance. The City of Concord will review and approve any rent increases.
- Owners must provide tenants of HOME-assisted units with 30 days prior written notice before implementing any increase in rents.
- HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the project's continued financial viability, and only by an amount that HUD determines is necessary.

Designating HOME-Assisted Units

The HOME Program distinguishes between the units in a project that are assisted with HOME funds and those that are not, hence the term HOME-assisted unit. In deciding the number of HOME-assisted units to designate in a project, the following factors should be considered:

- a. Maximum HOME assisted unit investment: HUD has established the maximum per-unit subsidy limit as 100 percent of the dollar limits for a Section 234-Condominium Housing basic mortgage limits, for elevator-type projects. These limits change annually and will be provided by the City of Concord.
- b. If there are 12 or more HOME-assisted units in a project, Davis-Bacon wage rates apply.

All HOME-assisted units must be designated as "fixed" or "floating" at the time of project commitment.

- c. Fixed: When HOME-assisted units are "fixed," the specific units that are HOME-assisted (and,

therefore, subject to HOME rent and occupancy requirements) are designated and never change.

- d. Floating: When HOME-assisted units are “floating,” the units that are designated as HOME-assisted may change over time as long as the total number of HOME-assisted units in the project remains constant.

Most applicants will choose to designate HOME-assisted units as floating because it provides greater flexibility.

Maximum Incomes and Rents for HOME-Assisted Units

In projects of five or more HOME-assisted rental units, at least 20% of the HOME-assisted units must be occupied by households who have annual incomes that are 50% or less of median income. These very low-income tenants must occupy units with rents at or below the Low HOME Rent level. The balance of HOME-assisted units must be occupied by households who have annual incomes that are 60% or less of median income, and the rents must be at or below the High HOME Rent level. More than 20% of HOME-assisted units may be designated as 50% or less of median income/Low HOME Rent units.

Site and Neighborhood Standards

New construction of rental housing must meet the site and neighborhood standards outlined in 24 CFR § 983.57(e)(2) and (3). The site must not be located in an area of minority concentration, except as permitted, and must not be located in a racially mixed area, if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

Additionally, the applicant must demonstrate the residents will have access to core services, such as grocery, transportation, and relevant social services (homeless projects), within easy access. The City of Concord will use a ½ mile radius to measure maximum distance to these services. If the development is within ¼ mile of a bus stop, this requirement may be waived.

Form of HOME Investment

The City of Concord may provide rental housing development awards in the form of amortized loans, deferred loans, recoverable grants, grants or a combination of these.

Grants may be provided to housing projects serving the lowest-income, highest-need populations that require public operating subsidy to cover basic operating expenses. These projects will typically not have the cash flow or financial ability to service additional debt reflected in the operating pro forma submitted and reviewed as part of the written funding request process. Grants may need to be structured based on the nature and additional sources being leveraged as in the case of HUD-funded projects.

Loans may be amortized or deferred. Loans will be structured based on the project’s operating pro forma. Deferred loans will have principal and interest, if interest is being charged, due and payable in full on or before the termination date of the contract. Loan terms may be set based on the needs of other funding sources such as the federal Low-Income Housing Tax Credit program. The City of Concord’s interest in the property will be secured by appropriate collateral and documentation. The City may authorize deferred payment and/or forgivable loans for those projects with inadequate sources to repay the loans. Deferred payment and/or forgivable loans shall be secured in a manner to ensure that if the project no longer provides the benefits of affordable housing as approved by the City, that the loan (with interest) will become due and payable.

Project Deadlines

HOME-funded projects must meet the following deadlines or face loss or required repayment of HOME funds:

1. Before the City of Concord can enter into a HOME funding commitment, the City must provide evidence of firm written financial commitments from all other funders for the project. Projects failing to obtain these commitments within twelve months of the time of the award letter face the loss of their preliminary allocation

of HOME funds.

2. Construction must begin within twelve months of project commitment (Written Agreement signature).
3. If the HOME-funded unit is not occupied by eligible tenants within six months following the date of project completion, the City must develop marketing information and a marketing plan to attract eligible tenants. If the HOME units remain vacant after 18 months from the date of project completion, the City of Concord will be required to repay the HOME funds invested in those units.

Tenant Protections and Selections

1. Tenants must be offered written leases for a period of not less than one year, unless by mutual agreement between the tenant and the owner, a shorter period is specified.
 2. Lease terms must be consistent with the tenant protections set forth in the HOME Rules, 24 CFR § 92.253 (HOME Lease Addendum).
 3. Owners of rental housing must comply with the affirmative marketing requirements pursuant to 24 CFR § 92.351(a) and (b).
 4. The owner must adopt and follow written tenant selection policies and criteria consistent with 24 CFR § 92.253(d).
- Project Owners must adopt written tenant selection policies and criteria. These policies and criteria must be based on local housing needs and priorities consistent with the City of Concord's Consolidated Plan. Selection policies must:
 - Comply with the City's affirmative marketing requirements.
 - Limit housing to very low-and low-income people.
 - Not limit eligibility or give preference to a particular segment of the population, unless specifically authorized in the written agreement.
 - Not exclude applicants with vouchers or TBRA.

HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of §92.252 to qualify as affordable housing.

- Utility allowances must be calculated using the HUD Utility Schedule Model. This model can be found at <http://huduser.org/portal/resources/utimodel.html>.
- Applicants for rental housing must submit, along with their application, the following documentation that must be dated within a reasonable amount of time from the date that the application was completed and submitted:
 - Valid photo ID, such as driver's license, state photo ID or passport.
 - Social Security Card.
 - Most recent year's state and federal income tax returns (additional years may be required if a potential homebuyer is self-employed or had 1099 income).
 - W-2 statements for most recent years.
 - Two months of pay stubs.
 - Last two (2) consecutive months of financial statements for all accounts.
 - Proof of any additional household income that may include but is not limited to: social security disability (for children as well as adults), veteran's pension or disability, social security retirement, child support payments or alimony, or TANF.
 - Credit score and statement of current debts.

There must be a written lease for all HOME-assisted rental units, and the statutory tenant protections must be integrated into the lease.

- Mandatory supportive services: Lease terms that make tenant acceptance of supportive services mandatory are prohibited.
- Tenants in transitional housing may be required to accept supportive services as part of an overall program.
- Tenants must receive a 30-day written notice prior to evictions.
- Tenants must also receive a 30-day written notice prior to rent increases.
- Rental assistance subsidy holders cannot be turned down for HOME-assisted housing because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable HOME tenant-based assistance document.

DISPLACEMENT, RELOCATION AND ACQUISITION

Minimizing Displacement

The City of Concord will ensure that all reasonable steps are taken to minimize the displacement of people (families, individuals, businesses, nonprofit organizations, and farms) because of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided with a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

Temporary Relocation

The following policies will cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

- Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.
- Appropriate advisory services, including reasonable advance written notice of:
 - The date and approximate duration of the temporary relocation;
 - The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
 - The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project.

Relocation Assistance for Displaced Persons

- A “displaced person” must be advised of his or her rights under the Fair Housing Act.
- In the event of any temporary or permanent relocation of residents because of a HOME-funded activity, the City of Concord will follow its policies on displacement, relocation, acquisition, and replacement of housing as applicable.

A person does not qualify as a displaced person if any of the following circumstances apply:

- The person has been evicted for a cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State, or local law, or other good cause, and the City of Concord determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.
- The effective date of any termination or refusal to renew must be preceded by at least 30 days’ advance written notice to the tenant specifying the grounds for the action.

- HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
- All prospective tenants, prior to signing the lease and beginning occupancy, must be informed, and provided written notice of the displacement policy and all related rules.
- Appeals: A person who disagrees with the project owner's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the City of Concord. A person who is dissatisfied with the City's determination on his or her appeal may submit a written request for review of that determination to HUD'S Columbia, SC Field Office.

Troubled Home-Assisted Rental Housing Projects

If rental housing is not fully leased by eligible tenants within six (6) months following the date of project completion, the City of Concord will submit marketing information and, if appropriate, a marketing plan to HUD.

- If HOME-assisted rental units are not rented to eligible tenants 18 months after the date of project completion, the City of Concord will be required to repay the HOME funds invested in any housing unit to HUD.
 - The City of Concord will also implement the recapture of HOME funds from the grantee for any rental units that are not rented by 18 months after the date of project completion.
 - The affordability requirements also apply to the HOME-assisted, non-owner-occupied units in single-family housing purchased with HOME funds in accordance with §92.254. The tenant must have a written lease that complies with §92.253.
 - 24 CFR §92.210 provides participating jurisdictions with flexibility to assist in averting foreclosures and would enable HUD to approve these actions without the process required to grant waivers that can be time-consuming. However, 24 CFR §92.210 limits total investment in the project to the maximum per-unit subsidy in 24 CFR §92.250(a) and provides HUD with the option of requiring an extension of the period of affordability as a condition of permitting the investment of additional HOME funds in the project. 24 CFR §92.210 also permits a reduction in the number of HOME-assisted units, but only if the project contains more than the minimum number of units required to be designated as HOME-assisted units under 24 CFR §92.205(d).

Recordkeeping

One of the City of Concord's/Project Owner's responsibilities is to keep adequate records, to be able to demonstrate compliance with HOME requirements. The City of Concord/Project Owner should keep both project and tenant records.

- a. Project records should include documentation to back-up rent and utility allowance calculations. If the project's HOME-assisted units are "floating," the owner should also keep records to show how HOME occupancy targets were met (for example, rental logs to show that as units were vacated or tenants became over-income, HOME-assisted units were properly replaced). General rental housing records must be kept for five (5) years after the conclusion of the City of Concord's/Project Owner's period of affordability.
- b. Tenant files should include the documentation necessary to demonstrate that each HOME-assisted unit is properly occupied by an income-eligible tenant. Such documentation includes: the tenant's

application, initial income verification documents, subsequent annual income recertification documents and the tenant's lease. Tenant income, rent and inspection information must be kept for the most recent five years, and until five years after the HOME affordability period.

Project Monitoring

Project owners must submit information on tenant incomes and rents annually on the form provided by the City of Concord.

With advance notice to the project owner, the City of Concord will conduct an on-site inspection of HOME properties at least as frequently as follows throughout the HOME affordability period:

- Annually: Projects with 26 or more total units
- Every two years: Projects with 5-25 total units
- Every three years: Projects with 1-4 total units

The City of Concord will inspect at least 15 percent to 20 percent of the HOME-assisted units in a project, and a minimum of one unit in every building to ensure compliance with property standards. The City of Concord will also ask to see a sample of the files of residents of HOME-assisted units to review income documentation, rent calculations, HOME lease provisions, and compliance with other HOME regulations.

VII. TENANT-BASED RENTAL ASSISTANCE (TBRA) OVERVIEW

The Tenant Based Rental Assistance (TBRA) Program provides targeted, very low-income households with utility, deposit, and rent costs for up to two (2) years.

Eligible Activities and Costs

1. Up to 24 months of rent assistance per household to help pay the costs of monthly rent and utilities. A household may continue to receive assistance for the initial 24 months, dependent on available funding.
2. Security deposits, regardless of whether the household will be receiving rental assistance.
3. Utility deposit assistance, only in conjunction with rental assistance.
4. Project delivery costs, which specifically includes administrative time determining income eligibility.
5. When HOME TBRA is combined with other subsidies, the HOME TBRA assistance may only be used as a supplement to further reduce the household rent payment to 30 percent of income.

Ineligible Activities

1. Project-based rental assistance. Households must be free to use the assistance in any eligible unit.
2. Rental assistance to a household already receiving rental assistance under another Federal program, or a state or local rental assistance program that reduces the tenant rent payment to 30% of income.
3. Providing TBRA for overnight or temporary shelter.
4. Move-in costs and credit checks.
5. Case management and support services.
6. Utility deposits without rental assistance.
7. Payment of rent arrearages.

Subrecipient Eligibility

Eligible applicants are public housing authorities and nonprofit community-based organizations assisting households within Concord's city limits and its approved extraterritorial jurisdiction (ETJ). Applicants must have prior experience administering a tenant based rental assistance program unless an experienced entity has agreed to mentor the applicant for the term of the contract.

Target Populations

This program targets households that are literally homeless or exhibit characteristics that make them highly vulnerable to becoming homeless. Persons within the target population shall be identified through locally determined, coordinated entry access and referral policies and procedures.

Eligible Beneficiaries

The following is an overview of the criteria that households must meet to be eligible for TBRA. Further details regarding eligibility verification and documentation can be found in Program Administration and Implementation: Eligibility Verification and Documentation.

- a. The household’s verified income must be below 50 percent of the area median income (AMI) for the area being served.
- b. The household must apply and be referred to the TBRA HOME program through the area’s local coordinated entry system, in compliance with all coordinated entry policies and procedures as established by the local continuum. Coordinated entry eligibility and referral must be clearly documented in the client file.

PROGRAM ADMINISTRATION AND IMPLEMENTATION

Tenant Selection

Tenants must be selected from the target population as detailed in the TBRA Overview. Within the target population, Subrecipients will use a vulnerability index or assessment tool to prioritize applicants for selection, as indicated by local coordinated entry policies and procedures. Subrecipients should not administer their TBRA program on a first-come, first-served basis.

The Subrecipient’s program cannot be administered in a manner that limits the opportunities of persons based on race, color, religion, sex, national origin, handicap, sexual orientation, gender identification, or familial status. A person selected for the TBRA program may not be prohibited from applying for or participating in other available programs or forms of assistance for which he or she might qualify.

Subrecipients must administer the TBRA HOME program in compliance with Fair Housing Law and the North Carolina Law Against Discrimination.

Eligibility Verification and Documentation

Initial eligibility documentation must be dated within 6 months of the lease start date, and must include the following:

- 1. Housing Status and Coordinated Entry Referral Verification
 - a. The Subrecipient must verify and document the housing status of the household, as well as coordinated entry eligibility and referral as determined by local coordinated entry policies and procedures.
 - b. The Subrecipient shall verify housing status per the following situations and documentation methods:

Situation	Documentation
Persons who are homeless or in short-term emergency shelter	Information should be obtained to indicate that the participant is homeless or in short-term emergency shelter. This may include names of organizations or outreach workers who have assisted them in the past, whether the client receives any general assistance checks and where the checks are delivered, or any other information regarding the participant’s activities in the recent past that might provide documentation. If unable to verify that the person is homeless or in a short- term emergency shelter, the participant or staff person may prepare a short, written statement about the participant’s previous living place. The participant should sign the statement and date it.
Persons coming from transitional housing for homeless persons	Obtain written verification from the transitional housing staff that the participant has been residing at the transitional housing facility. The verification should be signed and dated by the referring agency personnel. The Subrecipients also should obtain written verification that the participant was homeless or

	in an emergency shelter prior to living in the transitional housing facility (see above for required documentation for emergency shelter) or was discharged from an institution or evicted from a private dwelling prior to living in the transitional housing and would have been homeless if not for the transitional housing (see below for required documentation for eviction from a private dwelling).
Persons being evicted from a private dwelling	<p>Obtain evidence of formal eviction notice indicating that the participant was being evicted within a week before receiving homeless assistance. Also obtain information on the participant's income and efforts made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.</p> <p>If the participant's family is evicting, a statement describing the reason for eviction must be signed by the family member and dated. In other cases where there is no formal eviction process, persons are considered evicted when they are forced out of the dwelling unit by circumstances beyond their control. In those instances, obtain a signed and dated statement from the participant describing the situation. The Subrecipient must make efforts to confirm that these circumstances are true and have written verification describing the efforts and attesting to their validity. The verification should be signed and dated.</p>
Persons from a short-term stay (up to 90 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Obtain written verification from the institution's staff that the participant has been residing in the institution for less than 91 days and information on the previous living situation. See above for guidance.
Persons being discharged from a longer stay in an institution	Obtain evidence from the institution's staff that the participant was being discharged within the week before receiving homeless assistance. Obtain information on the income of the participant, what efforts were made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.
Persons fleeing domestic violence	Obtain written verification from the participant that he/she is fleeing a domestic violence situation. If a participant is unable to prepare verification, the grantee/recipient may prepare a written statement about the participant's previous living situation for the participant to sign and date.

2. Income Verification

- a. The Subrecipient must verify and document that the household income is below 50 percent of the area median income (AMI) for the area being served. Verification and documentation of income eligibility must be completed before assistance is provided.
- b. Updated income limits are published annually by the U.S. Department of Housing and Urban Development (HUD). The City of Concord will distribute updated income limits as soon as they are available, which may be prior to the date of implementation for the updated area median income. The Subrecipient must implement updated income limits in accordance with "effective by" dates as published by the HUD.
- c. Income must be counted for all household members, including non-related individuals, according to the requirements of 24 CFR 5.609.
- d. At least two months of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) must be examined when determining household income for potential TBRA beneficiaries. A tax return is not an acceptable form of income documentation for the purposes of TBRA.

- e. The City of Concord’s TBRA program uses the Section 8 definition of income, also known as the Part 5 definition, found at 24 CFR 5.609.
- f. Use of the HUD exchange CPD Income Eligibility Calculator is now the required method for Subrecipients to determine and document income eligibility. This tool can be accessed by the following link: <https://www.hudexchange.info/incomecalculator/dashboard/>.
 - i. Once income verification has been conducted using the CPD Income Eligibility Calculator, a hard copy of this income verification must be retained in the client file.
 - ii. Subrecipients should not record any identifying information in the CPD Income Eligibility Calculator.
 - iii. If a situation arises when the CPD Income Eligibility Calculator cannot be used to verify the income eligibility of a household, the Subrecipient must communicate with the staff of the City of Concord regarding the situation. The Subrecipient must also clearly document in the client file the reasons for not utilizing the CPD Income Eligibility Calculator.

TENANT INCOME ELIGIBILITY

- Before a tenant occupies a HOME unit, the City of Concord requires the project owner to determine that the tenant is income eligible with verification of household income documentation.
- Total household income includes the income of all persons over the age of 18, who reside in the household.
- Required income source documentation includes two (2) months of wage statements, pay stubs, or interest income (such as financial statements) that have amounts that can vary from month to month.
- Income sources also include pensions, social security disability and retirement, veteran’s benefits, Supplemental Security Income (SSI) for children and adults, child support and alimony, and Temporary Assistance for Needy Families (TANF).
- Verification of all asset income is required.

Over-income Tenants: HOME-assisted units can continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to the City of Concord and HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

- Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent (30%) of the family's adjusted income.
- Tenants residing in HOME units designated as floating, who no longer qualify as low-income, are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

UNIT SELECTION AND APPROVAL

Unit Type

Approved applicants may select units that are publicly or privately owned and located within Concord’s city limits or its approved ETJ as determined by the Subrecipient’s county of service. TBRA may not be provided to a family who proposes to rent a unit that receives project-based rental assistance through federal, state, or local programs, if the TBRA assistance would lower the household’s rent and utility costs to less than 30% of the household income. Student housing units are not eligible for TBRA assistance.

Rent Reasonableness

Units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. Subrecipients must document the basis of their rent reasonableness determinations, using the Rent Reasonableness Checklist and Certification form. Although documentation of three (3) comparable units is preferable, in some rural areas this may be difficult or impossible. In these cases, comparable units from neighboring communities are acceptable if the rents are similar. Documentation of fewer than three (3) units is also acceptable with a written explanation.

A rental lease must be disapproved if the rent is not reasonable, based on rents charged for comparable unassisted units.

Housing Quality Standards (HQS)

All units must meet Section 8 Housing Quality Standards (HQS). Inspections must be made at initial occupancy and annually during the length of assistance. A copy of the inspection must be retained in the client file. If tenants are occupying a unit owned by the contractor, the unit must be inspected by a third party.

Units must comply with the North Carolina State Building Code Carbon Monoxide Alarm Laws (N.C. General Statute §143-138). Alarms must be located outside of each separate sleeping area, in the immediate vicinity of the bedroom and on each level of the residence. Single station carbon monoxide alarms must be listed as complying with UL 2034 and installed in accordance with code and the manufacturer's instructions. Combined carbon monoxide or CO detectors and smoke alarms are permitted.

Lead-Based Paint

HUD Lead Regulation 24 CFR Part 35, Subpart M applies to the TBRA program. The regulation only applies to structures built before 1978 that house children under the age of six. Please consult the regulation itself to make sure that your agency implements this regulation fully and properly.

1. Evaluation

The Subrecipient must conduct a visual assessment of a unit prior to occupancy and at least annually thereafter. The visual assessment identifies deteriorated paint, dust, debris, and other residue. The visual assessment must be done by a person who is trained in visual assessment.

2. Paint Stabilization

The property owner must correct any conditions identified in the HQS inspection, including stabilizing deteriorated paint identified in the visual inspection. Paint stabilization can involve repairing the substrate, scraping, and repainting the surface. All deteriorated paint must be stabilized by properly trained or supervised workers using lead-safe work practices.

Documentation of safe work practices is required and consists of having copies of certificates of safe work practices training completion on file for those doing the lead reduction work.

When work is complete, the Subrecipient must ensure that the unit passes clearance and keep a copy of the clearance report. Failure to get clearance on any unit where lead hazard reduction activities have occurred will result in rental assistance being discontinued on the unit. Keep records of any unit where clearance is required but has not been obtained to ensure that the unit does not become rent assisted, even if another eligible household wants to live there.

3. Communication with Residents

The Subrecipient must ensure that residents receive the following communications:

- a. Lead Hazard Information Pamphlet: Prior to occupying the unit, the Subrecipient must provide the resident with the most up to date Protect Your Family from Lead in Your Home pamphlet. This

document can be accessed in multiple languages at the following link: <https://www.epa.gov/lead/lead-safety-documents-and-outreach-materials>. The Subrecipient must retain in the client file documentation of receipt of this pamphlet by the resident prior to occupation of the unit, which must include a signature of acknowledgement signed by the resident.

- b. Lead Disclosure Notice: Residents must receive, from the owner, a Lead Disclosure Form notifying them of any known lead-based paint or hazards in the unit, prior to occupying the unit. The Subrecipient must retain in the client file documentation of any Lead Disclosure provided to the resident by the owner, which must include a signature of acknowledgement signed by the resident.
- c. Notice of Lead Hazard Reduction: For instances in which visual assessment and lead hazard evaluation determines a need for paint stabilization and/or abatement, and the owner has conducted paint stabilization activities, the resident must receive a Notice of Lead Hazard Reduction within 15 days of the completion of paint stabilization and clearance. The Subrecipient must retain this documentation in the client file, which must include a signature of acknowledgement signed by the resident.
- d. Notice of Lead Hazard Evaluation: Because a visual assessment is not a method of lead hazard evaluation, a notice of lead hazard evaluation is not required. However, if any lead hazard evaluation is conducted, for example in the event of a child with an Environmental Intervention Blood Lead Level (EIBLL), such a notice is required and must be posted at the applicable work site. The Subrecipient must retain all related documentation in the client file.

4. Child with an Elevated Blood Lead Level (EIBLL)

- a. Should the Subrecipient be made aware that a child less than 6 years of age living in a dwelling unit participating in the TBRA program has been identified as having elevated blood lead levels, the Subrecipient must conduct an inspection of the dwelling unit for Lead-Based Paint risk. The Subrecipient must immediately notify the household and the owner of the unit of the results of the inspection, and the owner must conduct paint stabilization and/or abatement in compliance with the requirements of 24 CFR Part 35, Subpart M. Hazard reduction must occur within 30 calendar days of notification to the owner. The Subrecipient must retain all documentation of the EIBLL, as well as subsequent inspections, notifications, and stabilization and/or abatement in the client file.

Occupancy Standards

Occupancy standards are used to determine the unit size for which the household is eligible and thus, the amount of assistance to be provided. Fair housing rules permit a household to select smaller units that do not create seriously crowded conditions. Participants may also select larger units, but the Subrecipient is not required to increase the subsidy to cover the increased costs of a larger unit.

Subrecipients will use the Section 8 Housing Quality Standards (HQS) basic occupancy standard of two persons per living/sleeping area. This basic standard can be modified when a specific household composition or circumstance warrants the need to deviate from this standard. In conjunction with the annual re-examination of income, the Subrecipient should re-examine the household's size and composition to determine whether the current unit is still suitable and appropriate.

Unit and Lease Approval

In addition to ensuring that the unit selected by the household meets the above requirements for Rent Reasonableness, Housing Quality Standards, and Occupancy Standards, the Subrecipient must also ensure that the unit lease meets all requirements of the HOME program, as outlined in 24 CFR 92.253. The lease may not contain any of the provisions prohibited in 24 CFR 92.253(b):

- a. Agreement to be sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
- b. Treatment of property: Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the right of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law.
- c. Excusing owner from responsibility: Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.
- d. Waiver of notice: Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.
- e. Waiver of legal proceedings: Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant could present a defense, or before a court decision on the rights of the parties.
- f. Waiver of a jury trial: Agreement by the tenant to waive any right to a trial by jury.
- g. Waiver of right to appeal to the court decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- h. Tenant chargeable with cost of legal actions regardless of outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- i. Mandatory supportive services: Agreement by the tenant to accept supportive services that are offered.

Rent Standard

Rent standards are determined annually for each county based upon HUD's most recent fair market Rents. Current rent standards will be posted on HUD's Fair Market Rent Documentation System's webpage, located at the following: <https://www.huduser.gov/portal/datasets/fmr.html>.

The rent study will typically be conducted in the fall to allow for the release of updated rent standards in January of each year. The City of Concord may choose to review the rent standard more frequently to assure that limits remain appropriate for the City.

Payment Standard

The City of Concord uses the Rent Standard for calculating the TBRA subsidy rather than using a separate payment standard. Utility allowances are deducted from the tenant portion of the monthly rent.

The Subrecipient may exercise the option of recalculating beneficiary subsidies when rent standard updates are made available.

Calculating the Subsidy

Subrecipients of the City of Concord's HOME funds must use a modified Rental Coupon Model to determine the household subsidy amount. While the Rental Coupon model assumes a fixed Subrecipient payment and flexible tenant payment, the HOME calculations may result in variations in both the Subrecipient payment and household payment amounts depending on the utility allowance for a particular unit.

Use of the CPD Income Calculator is the required method for determining the household subsidy amount. This tool can be accessed by the following link: <https://www.hudexchange.info/incomecalculator/dashboard/>.

Documentation from the CPD Income Calculator for the determination of adjusted income and the rental assistance payment must be retained in the client file.

Underwriting Standards

- Household income requires documentation of all people living in the household over the age of 18.
- Applicants for homeownership assistance must submit, along with their application, the following minimum documentation that must be dated within a reasonable amount of time from the date that the application was completed and submitted:
 - Valid photo ID, such as driver's license, state photo ID or passport.
 - Social Security Card.
 - Two (2) months of pay stubs.
 - Last two (2) consecutive months of financial statements for all accounts.
 - Proof of any additional household income that may include but is not limited to: social security disability (for children as well as adults), veteran's pension or disability, social security retirement, child support payments or alimony, or TANF.
 - Credit score and statement of current debts.

Deposit Assistance

Deposits will be provided as a grant. Subrecipients can decide to provide security and utility deposit assistance to eligible applicants. Security deposit payments may be made to the household or the owner; utility deposits to the household or the appropriate utility company.

a. Security Deposits:

The amount of security deposit paid should be based on the landlord's policies. However, the maximum amount of a security deposit is the equivalent of two months' rent for the unit. Only the prospective tenant, not the owner, may apply for TBRA security deposit assistance.

b. Utility Deposits:

Utility deposits must be in conjunction with rental assistance. Utility deposits may be paid for any of the tenant-paid utility services included on the utility allowance schedule. This includes fuel for cooking, heating and lighting (electric, gas, propane, etc.), water/sewer, and trash collection, if not provided as a city service, but does not include telephone, internet, or cable deposits.

Access to Rent Standard Exception

The City of Concord may allow an exception to the published Rent Standard for up to 30% of households on the TBRA program. Exceptions to the Rent Standard will be granted by the City and must be requested on a case-by-case basis by the Subrecipient on behalf of the household. The rent standard exception cannot exceed the established rent standard for the unit size by more than 10%. To request a rent standard exception, the Subrecipient must submit an explanation to the City of Concord detailing the household situation and the unique circumstances of the household which merit consideration of a unit above the rent standard.

In instances in which the City of Concord grants an exception to the rent standard for a household, the Subrecipient is not obligated to cover the additional unit cost above the rent standard. The Subrecipient must maintain policies and procedures that detail how the Subrecipient will determine if/when to bear responsibility for the additional unit cost associated with a household who is provided with a rent standard exception, and if/when the household will

be responsible for the additional unit cost above the rent standard. If the Subrecipient elects to cover the additional cost of the unit under a Rent Standard Exception, the TBRA subsidy must not reduce the household's rent and utility costs below 30% of the household's adjusted income or 10% of the household's gross income. Documentation that the City of Concord has granted a rent standard exception must be maintained in the client file.

ANNUAL ASSISTANCE RENEWAL

The Subrecipient may renew TBRA assistance after the conclusion of the first year of assistance for a household, so long as the annual renewal requirements detailed below are met.

Annual Eligibility Determination

Each household's eligibility to participate in the program and its share of the rent must be confirmed annually. If a participating household's income exceeds the HUD Income Limit, the household's assistance must be ended. In order to assure that the re-examination is completed on time and that adequate notice is given to both the owner and the tenant of changes in the household's eligibility or share of the rent, the re-examination process should begin 60- 90 days in advance of the household's one-year anniversary.

Using the same basic procedures described previously to determine the household's initial eligibility and share of the rent, the Subrecipient must re-verify household size, composition, and income. The Subrecipient will exclude, from annual income, certain increases in the income of a disabled member of families who receive TBRA assistance in order to further their economic self-sufficiency. These include annual increases that result from:

1. The employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment.
2. Increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program.
3. Annual income documentation must be retained in the client file.

Annual HQS Unit Inspection

The TBRA Program regulation requires that all units assisted with TBRA funds meet Section 8 Housing Quality Standards (HQS). Each unit under contract must be inspected by the Subrecipient, at least annually, to assure that this requirement is met. Units may also be inspected because of housing quality complaints initiated by the owner or the tenant.

If a unit fails to pass inspection, the owner may be given a reasonable period to correct the deficiencies. If the owner fails to make the needed corrections, the Subrecipient has several options. The Subrecipient may, with adequate notice to the owner and household, terminate the TBRA Rental Assistance Contract and require the household to move to another location to continue to receive assistance. Inspection documentation shall be retained in the client file.

Processing Requests for Rent Increases

Typically, owners offer leases that specify the rent for one year. This means that, unless the Subrecipient has negotiated a two-year rent, most owners will request a rent increase at the end of the first year of the contract. The Subrecipient must again determine that the proposed rent is reasonable in comparison to rents charged for comparable, unassisted units, and also that it is within any other limitations established in the Subrecipient's program.

Moves and Termination of Tenancy

Subrecipients should, at a minimum, require that owners comply with local landlord-tenant ordinances and may impose some additional requirements.

TERMINATION: The Subrecipient must notify the tenant in writing when terminating tenant assistance. The Subrecipient must follow landlord tenant rules of the State of North Carolina.

1. **End of Assistance Time Period:** Provide notice in writing to tenant and landlord. If deposit assistance was provided at the beginning of the lease term, all returned deposits shall belong to the tenant.
2. **Property Owner Termination:** If a property owner terminates the tenancy through no fault of the tenant, and the tenant is still eligible for assistance, the Subrecipient will work to find another unit. Any deposit assistance received at the beginning of the original lease term that is returned to the tenant must be applied to the new unit if assistance is continued.
3. **Tenant Caused Eviction:** If the tenant is evicted due to breaking the lease or participating in illegal activities, the agency is under no obligation to continue to provide rental assistance. If it is determined that the tenant may continue to receive assistance and is eligible to receive their security deposit back, the returned deposit must be applied to the required deposits for the new unit.
4. **Tenant Moves:** Tenant moves are accommodated only in rare instances such as family size, job change, unit not meeting annual HQS standards, or other extenuating circumstances that pose a threat to the tenant's health, safety, or wellbeing as documented by a case manager. Any deposit assistance received at the beginning of the original lease term that is returned to the tenant must be applied to the new unit if assistance is continued.

Notices of moves and terminations of tenancy must be documented in writing and maintained in the tenant file. Acceptable forms of documentation include eviction letters issued by the landlord, notice of lease ending, etc. Documentation should detail why the tenant is moving or tenancy is being terminated. All types of deposits may only be provided using HOME funds twice during a 12-month period per household.

Progressive Engagement

Subrecipients are highly encouraged to consider the implementation of progressive engagement strategies in conjunction with the requirements of the HOME-TBRA program. Progressive engagement can be applied to voluntary supportive services that may support the stability and progress of households on the TBRA program and can be applied to the level of subsidy assistance provided with TBRA funds. For example, while HOME requires that households on the TBRA program be annually re-evaluated for income eligibility and the amount of subsidy assistance provided, Subrecipients may elect to more frequently evaluate the income and subsidy level of the household in the context of case management focused on increasing the household's income and independence. Any application of progressive engagement strategies utilized by Subrecipients in the TBRA program must be implemented in accordance with written policies and procedures and must be consistently applied to all households on the program. For example, if a Subrecipient determines that it will re-evaluate income and subsidy level quarterly, the Subrecipient must have written policies and procedures documenting this progressive engagement strategy, and this strategy must be applied to all households on the HOME-TBRA program.

Billing and Administration

Billing Procedures

The Subrecipient must bill the City of Concord monthly for reimbursement of allowable costs. Invoices must be

submitted within 30 days of the end of the month of service. Payment will be made within 30 days of invoice approval. To receive reimbursement, Subrecipients must also submit the TBRA Report monthly. Failure to submit a monthly invoice packet in a timely manner will result in a delayed or withheld payment.

The Subrecipient must submit any billing adjustments within 60 days of the end of the month of service. All end-of-year billings must be submitted by the Subrecipient no later than the 10th of January.

The Subrecipient must maintain records that disclose all costs allowable for reimbursement.

Reports

The Subrecipient is responsible for submitting required reports by the due dates on the required forms.

Report	Due Date
Quarterly Report	Due on the 15 th of the month following the end of the quarter. The Subrecipient will be notified of changes in the report due date.
TBRA Beneficiary Record	Due monthly on the 15 th of the month following provision of services. The Subrecipient will be notified of any changes in report due date.

Monitoring

The City of Concord will monitor TBRA Subrecipients through data and documentation collected in periodic program reports and on-site monitoring visits. Subrecipients also will be subject to monitoring and evaluation by the U.S. Department of Housing and Urban Development.

Performance Measures

Subrecipients must perform services defined in the Subrecipient’s TBRA Program Application (as updated) for the contract period, with amendments, if any; in accordance with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments. The City of Concord reserves the right to modify the terms of the performance standards, measures, and outcomes by contract amendment at any time for the duration of the term of the contract.

Number of Households Served

The City of Concord will regularly monitor the number of households served by the Subrecipient. If the Subrecipient falls short of serving the number of households identified in their scope of work, the City may request a written explanation for this shortfall. The City also may accept the explanation and require the Subrecipient to submit a revised Scope of Work for the remainder of the current contract or choose to reduce any future requests for funding.

Fixed-Unit Projects

If a tenant’s household income increases over 80 percent (80%) of AMI at recertification, the project owner should take the following steps to maintain the correct numbers of High and Low HOME rent fixed units:

- If the income of a tenant occupying a Low HOME rent unit increases above 50 percent (50%) of AMI but does not exceed 80 percent (80%) of AMI, that unit remains a Low HOME rent unit until a HOME-assisted unit can

be substituted.

- The owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the low-income household whose income increased above 50 percent (50%) of AMI but does not exceed 80 percent (80%) of AMI.
 - When a High HOME rent unit in the property vacates, that unit must be re-designated as a Low HOME rent unit. This unit must be rented to a very low-income tenant, at no more than the Low HOME rent.
 - Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant at between 50% and 80% of AMI must be re-designated as a High HOME rent unit. At this time, the owner can increase the tenant's rent up to the High HOME rent, subject to the terms of the lease.
- If a tenant's income increases above 80 percent (80%) of the area median income, the unit this tenant occupies is still considered to be a HOME-assisted unit, but the tenant's rent must be adjusted as described below:
 - Over-income tenants with incomes over 80 percent (80%) of AMI in HOME- assisted "fixed" units must pay 30 percent (30%) of their adjusted income for rent and utilities. There is no rent cap for "fixed" units.
 - If the person whose income went over 80 percent (80%) of AMI was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50 percent (50%) of AMI and the unit must be rented at a Low HOME rent.
 - If the person whose income went over 80 percent (80%) of AMI was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 80 percent (80%) of AMI and the unit must be rented at a High HOME rent.

Floating-Unit Projects

- The owner must use the following procedures to maintain the correct numbers of High and Low HOME rent floating units:
- The owner can draw on all the units in the property to designate High and Low HOME rent units. This means that the owner is not restricted to those units initially designated as HOME-assisted units when looking to re-designate a comparable unit as the new Low or High HOME unit.
 - At no point is the owner required to designate more HOME-assisted units than was agreed upon in the written agreement with the PJ.
 - When the income of a tenant occupying a Low HOME rent unit increases over 50 percent (50%) of AMI but does not exceed 80 percent (80%) of AMI, the unit that is occupied by the over-income tenant is considered a Low HOME rent unit until a comparable unit can be substituted.
 - The rent of the tenant whose income has increased above 50 percent (50%) of AMI must not exceed the Low HOME rent limit while the unit has a Low HOME rent unit designation.
 - To replace the Low HOME rent unit, the owner must rent the next available High HOME-assisted unit to a very low-income tenant. The newly designated Low HOME rent unit must be rented to a tenant whose income does not exceed the very low-income limit (50% of median), at a rent that does not exceed the Low HOME rent limit.

- Once a new Low HOME rent unit has been designated, subject to the terms of the lease, the rent of the initial tenant whose income has increased may be increased to the High HOME rent for the unit. This process should not increase the number of assisted units.

Expenditures

The City of Concord shall review the Subrecipient's expenditures as reported on the monthly TBRA invoices and compare them to the Subrecipient's expenditure projections. If a Subrecipient fails to expend TBRA funds at the projected rate, The City may request that the Subrecipient submit a written explanation. The City also may accept the explanation and require an updated budget that reflects the Subrecipient's ability to spend down the grant before the end date as stated on the contract or choose to reduce any future requests for funding.

Unexpended Funds

The level of funds reduction for failure to meet performance standards, outcomes or expenditure projections shall be negotiated between the City of Concord and the Subrecipient, with the City retaining the authority to set the reduction level. Any unused funds will first be reallocated to other TBRA Subrecipients and then placed in the HOME General Fund for use in all HOME programs.

Repayments

HOME-TBRA funds used to assist households who do not meet the eligibility requirements, or to lease units not in compliance with HOME requirements, must be repaid.

Environmental Review

Because the proposed project involves the provision of rental assistance to private landlords on behalf of tenant, it is exempt from the National Environmental Policy Act (NEPA) requirements of 24 CFR 58. There are no circumstances that require compliance with laws and authorities in 24 CFR 58.5; therefore, the project is found to be exempt pursuant to Section 58.34(a)(10). The City of Concord must certify that the proposed project is exempt from NEPA and SEPA requirements (RCW 43.21C.110).

VIII. APPENDIX A: GLOSSARY

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the Participating Jurisdiction's (PJ's) annual application for HOME funds.

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME-assisted activity (i.e., homeownership or rental housing).

Annual Income: The HOME Program allows the use of two definitions of annual income: Section 8 annual income and adjusted gross income as defined for reporting on IRS Form 1040.

Commitment: Commitment means one of three (3) things: (1) The PJ has executed a legally-binding agreement with a State recipient, subrecipient, or contractor to use a specific amount of HOME funds to produce affordable housing or to provide tenant-based rental assistance; or (2) has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) has met the requirements to commit to a specific local project as defined below.

Commitment to a specific local project. Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements: (1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. If the project is owned by the PJ or state recipient, the project must be set up in the disbursement and information system and construction must reasonably be expected to start within 12 months of the set-up date. (2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the PJ is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date. (4) If the project consists of TBRA, the PJ must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 that describes community needs, resources, priorities, and proposed activities to be undertaken under certain HUD programs, including HOME.

Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

Draw-Down: The process of requesting and receiving HOME funds. PJs and authorized state recipients draw down funds from a line of credit established by HUD.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996, and became effective on October 16, 1996.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund: The term given to the two accounts - one at the Federal level and one at the local level - that "hold" the PJ's HOME funds. The Federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Household: One or more people occupying a housing unit.

Jurisdiction: A state or unit of general local government.

Low-Income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

Match: Match is the PJ's contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The PJ's match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

New Construction: The creation of new dwelling units. Any project that includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Participating Jurisdiction (PJ): The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

Program Income: Gross income received by the PJ, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Project: A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management, and financing, and are to be assisted with HOME funds, under a commitment by the owner as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four-block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD.

For TBRA, project completion means the final draw-down has been disbursed for the project.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities, if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

Subrecipient: A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ's HOME Program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

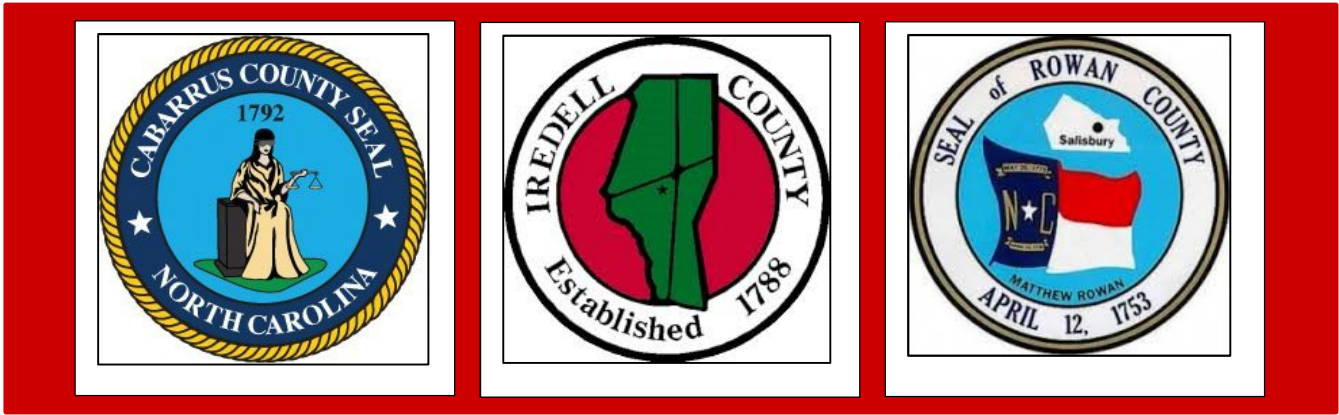
Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Tenant-Based Rental Assistance (TBRA): A form of direct rental assistance in which the recipient tenant may move from a dwelling unit with a right to continued assistance. TBRA includes security and utility deposits associated with the rental of dwelling units.

Very-Low-Income Families: Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

Source: Building HOME: A Home Program Primer-Training,

<https://www.hudexchange.info/resource/2368/building-home-a-home-program-primer/>



Cabarrus/Iredell/Rowan HOME Consortium

HOME Investment Partnerships Program Policies and Procedures Manual

Lead Entity:
City of Concord
35 Cabarrus Avenue West
Concord, NC 28025

Adopted: September 10, 2020
Readopted: Draft

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HOME Investment Partnerships Program~Policies and Procedures Manual

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I. INTRODUCTION

The HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) (24 CFR Parts 91 and 92) provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities, which includes building, buying, and/or rehabilitation of affordable housing for rent or homeownership or providing direct rental assistance to low-income individuals and families. It is the largest federal block grant to state and local governments that is designed exclusively to create affordable housing for low-income households.

The Cabarrus/Iredell/Rowan HOME Consortium Program

The HOME Program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing. The national objectives of the program are to:

- Provide decent, affordable housing for low-income households
- Develop the capacity of nonprofit housing agencies to address the housing needs of low-income households
- Provide funding for state and local governments to address low-income housing needs
- Leverage private sector participation

The Cabarrus/Iredell/Rowan HOME Consortium represents a unique HOME collaboration between three (3) counties in North Carolina: Cabarrus County, Iredell County, and Rowan County. The City of Concord is the Lead Entity for the HOME Consortium, which also includes the City of Kannapolis, the City of Salisbury, Cabarrus County, Iredell County, the City of Statesville, Rowan County, and the Town of Mooresville. The Consortium enjoys the size and strength that a regional approach provides while remaining flexible enough to meet local needs.

Purpose of Policies and Procedures

This Policies and Procedures Manual is offered to provide an overview of the Cabarrus/Iredell/Rowan HOME Consortium policies and procedures that pertain to the federal HOME Investment Partnerships Program. This Manual is not a substitute for HOME Program regulations, but this information is provided in addition to the federal regulations. Although this Manual was developed with reasonable care and diligence, it is not fully comprehensive and does not include all of the requirements that affect the uses of HOME Program funds. HOME Consortium Members are encouraged to consult with the City of Concord's staff, as the Lead Entity, to verify the correct interpretation of policies and regulations. The Cabarrus/Iredell/Rowan HOME Consortium reserves the right to implement additional policies as needed.

This Policies and Procedures Manual addresses the following purposes:

- Provides a uniform guide for the administration of the Cabarrus/Iredell/Rowan HOME Consortium's Program locally. Although the Program conforms to federal rules and guidelines, it focuses primarily on locally-crafted procedures.
- Ensures that all Consortium stakeholders, including applicants for funding, local jurisdictions and interested residents, have access to information about program administration.
- Demonstrates to HUD that the HOME Program is administered in a way that is consistent with federal regulations and guidelines.

Amendments to Policies and Procedures

As an administrative document, this Manual may be amended at any time with the approval of the Cabarrus/Iredell/Rowan HOME Consortium Members.

The latest version of this Manual will be distributed to key stakeholders prior to each funding cycle. The most recent copy may be found at <https://www.concordnc.gov/Departments/Planning/Community-Development/Plans-Reports>.

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Key Documents Governing the HOME Program

The HOME Program is administered in compliance with a complex structure of federal and local rules. The principal documents describing these rules, as well as the goals and performance of the Cabarrus/Iredell/Rowan HOME Consortium, are summarized in the table below.

Authority	Documents	Description	Links
Federal	HOME Regulations and Guidance	Provides the binding rules (Code of Federal Regulations), agency guidance and advice for the HOME program nationally.	Comprehensive source for HOME policy guidance, including laws and regulations, CPD Notices, HOME <i>FACTS</i> and HOMEfires: https://www.hudexchange.info/programs/home/ Training materials on HOME Program: https://www.hudexchange.info/trainings/building-home/
Consortium	Consolidated Plan	Required plan that contains needs assessment, housing market analysis, priorities and strategies for use of HOME funds over the five-year period ending June 30, 2024.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/Consolidated%20Plan%202020-2024.pdf
Consortium	Analysis of Impediments to Fair Housing Choice	Required assessment of Fair Housing issues in the tri-county region and measures to address them.	https://www.concordnc.gov/Portals/0/Documents/Planning/CD/Fair_Housing_Impediments_July_2020.pdf
Consortium	Action Plan	Time-specific goals and annual budget describing how the available HOME resources will be spent.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/ConsolidatedActionPlan2023-2024.pdf
Consortium	CAPER	Annual performance report on the actual use of HOME funds and what was produced.	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/CAPER%2021-2022.pdf
Consortium	Policies & Procedures Manual	Information and rules about the administration of the Consortium's HOME Program (this document)	https://apps.concordnc.gov/legacy/planningweb/CommunityDevelopment/HOME%20Consortium%20Manual.pdf

Contact Information

For any questions about this Manual, please contact:

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 Concord, NC 28025
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<https://concordnc.gov/Departments/Planning/Contact-Us> or [Contact Form](#)

II. CONSORTIUM GOVERNANCE

The Cabarrus/Iredell/Rowan HOME Consortium was created in 2005 to serve the housing needs of Cabarrus, Iredell, and Rowan Counties in North Carolina. The Cabarrus/Iredell/Rowan HOME Consortium receives an annual allocation of federal HOME funds that must be used to assist with the housing needs of households with an annual income below 80 percent of the area median income, as determined by the U.S. Department of Housing and Urban Development (HUD). Each Consortium Member within the three-county area must agree to be a part of the HOME Consortium. Each funding cycle, the Consortium Members receive Consortium Agreements that include the amount of the funding allocations, which is calculated based on the percentage of the population per area, the percentage of low- and moderate-income residents per area, and the percentage of citizens that are considered to be in poverty in each area. Every three (3) years, each Consortium Member is asked to formally verify their continued participation by notifying the City of Concord if they no longer wish to continue their participation to receive HOME funding.

Composition of the Board

Each Consortium Member provides staff representatives that form the Cabarrus/Iredell/Rowan HOME Consortium Board. Each Consortium Member has only one vote on any issues, which ensures that decisions are made to the benefit of the entire consortium area. Other staff also may attend the meetings.

Lead Entity Responsibilities

The City of Concord serves as the lead entity for the HOME Consortium. As a Community Development Block Grant (CDBG) entitlement community, the City can receive the HOME funds and manage the Cabarrus/Iredell/Rowan HOME Consortium. The funds are disbursed through the lead entity. The City is responsible for the submission of the plan for expenditures to HUD and for reporting and drawing down funds spent for programs operated by the Consortium. The City of Concord is responsible for completing all administrative duties on behalf of the Cabarrus/Iredell/Rowan HOME Consortium, which is included in the list below:

- Preparing and submitting the Annual Action Plan and revises the Plan as required by HUD.
- Sending annual agreements to The Consortium Members for required signatures.
- Approving Environmental Review Records on behalf of The Consortium Members.
- Preparing and submitting the Request for Release of Funds to HUD.
- Setting up new files for each Consortium Member, based on the plans for each new fiscal year.
- Tracking the match liabilities and credits for each Consortium Member.
- Preparing and submitting the annual match report to HUD.
- Preparing and submitting the annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Preparing and processing all pay requests on behalf of The Consortium Members.
- Reviewing program activities and rules to ensure that money is being spent in support of an eligible project and in accordance with HUD rules.
- Setting up files in IDIS for each project.
- Tracking program income for each Consortium Member on a quarterly basis.
- Track Consortium Members' progress by addressing any slow progress or other problems.
- Sending letters and notices regarding any project issues to The Consortium Members.
- Preparing and updating Consortium forms and documents as needed.
- Holding annual Consortium Meetings.
- Responding to Consortium Members' inquiries concerning their projects.
- Providing technical assistance to Consortium Members as needed.
- Monitoring and inspecting all Consortium projects on an annual basis.

Written Agreements

The Cabarrus/Iredell/Rowan HOME Consortium requires execution of a written agreement **before any HOME funds are committed or disbursed to any entity**. As appropriate, the City of Concord will work with its Legal Department to draft all contracts, agreements and other legal documents. In addition, the City of Concord's staff will provide legal counsel with information to assist them in understanding HOME program rules and their intent.

Written agreements shall contain the following provisions:

Cabarrus/Iredell/Rowan HOME Consortium
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- **Use of Funds:** : Description of the HOME-funded activities, tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance, specify the location of the project is within the jurisdiction of the Cabarrus/Iredell/Rowan HOME Consortium and the period of the agreement.
- **Reversion of Assets/Program Income Requirements:** States all program income proceeds, unexpended funds or other assets will be retained and accounted for every 30 days within the disbursement and information system established by HUD by the City of Concord for other eligible activities or the funds will be returned to the Cabarrus/Iredell/Rowan HOME Consortium.
- **Uniform Administrative Requirements:** Compliance with applicable federal administrative requirements (24 CFR Part 200, and applicable provisions of 24 CFR Part 85 for governmental entities, and 24 CFR Part 84 for non-profits, and 18.U.S.C.1001 and 32.U.S.C.3429)
- **Other Program Requirements:** Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict of interest.
- **Affirmative Marketing:** Requirements for affirmative marketing in projects containing five (5) or more HOME-assisted units.
- **Requests for Disbursement of Funds:** Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before requesting HOME funds, if applicable.
- **Records and Reports:** Lists records that must be maintained and information and reports that must be submitted.
- **Enforcement of the Agreement:** The means of enforcing the provisions of the written agreement. This provision is in the agreement with all parties including owners.
- **Duration of Agreements:** The agreement must specify the duration of the agreement. If the housing assisted under the agreement involves rental housing, the agreement must be in effect through the affordability period required by the PJ. If the housing assisted under this agreement involves homeownership, the agreement must be in effect at least until the completion of the project by the low-income family.
- **Amending the Documents:** Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustment to funding levels or other conditions related to a specific project are needed.
- **Fixed or Floating Units:** Fixed and Floating HOME Units: In a project containing HOME-assisted and other units, the Consortium Members may designate fixed or floating HOME units. This designation must be made at the time of project commitment in the written agreement between the Consortium Member and the owner, and the HOME units must be identified not later than the time of initial unit occupancy.
 - Fixed units remain the same throughout the period of affordability.
 - Floating units are changed to maintain conformity with the requirements of this section during the period of affordability to ensure that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and the number of bedrooms to the originally-designated, HOME-assisted unit.

III. GENERAL HOME PROGRAM POLICIES & PROCEDURES

Eligible Activities

Consortium HOME funds may be used to support the following activities:

- New construction
- Rehabilitation
- Reconstruction
- Homebuyer activities
- Conversion
- Site improvements
- Acquisition of property
- Acquisitions of vacant land
- Demolition
- Relocation costs
- Refinancing existing secured debt
- Initial operating reserve
- Capitalization of project reserves
- Project-related hard costs
- Project-related soft costs
- Tenant-Based Rental Assistance (TBRA)
- Lease-purchase programs
- Development of homeownership housing
- Development or acquisition of rental housing
- Community Housing and Development Organization (CHDO) operating support

Ineligible Activities

Consortium HOME funds may not be used to support the following activities:

- Acquisition of vacant land or demolition only
- Project reserve accounts
- Match for other programs
- Development, operations, or modernization of public housing
- Properties receiving assistance under 24 CFR Part 248 (Payment of Low-Income Housing Mortgages)
- Double-dipping
- Reinvesting HOME dollars during the affordability period
- Acquisition of PJ-owned property
- Payments for delinquent taxes, fees, or charges
- Project-based rental assistance
- Tenant-based rental assistance for certain purposes
- Match for other Federal programs
- Any activity or cost not permitted by the HOME regulations

The Notice of Funding Availability will identify which of these activities may be funded in that particular funding cycle. All applications must be submitted in the format and with the information prescribed by the program or Notice of Funding Availability (NOFA).

Eligible Applicants

Public agencies, nonprofit organizations, and for-profit entities are all eligible to apply to Cabarrus/Iredell/Rowan HOME Consortium for HOME funds. Fund recipients (hereafter called “Consortium Members”) are classified into one of three (3) categories:

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- **Subrecipients:** A subrecipient is a public agency or nonprofit housing service provider selected by the Cabarrus/Iredell/Rowan HOME Consortium to administer the HOME Program. A nonprofit organization that is administering HOME funds is considered to be a HOME subrecipient. Designated nonprofit organizations that are subrecipients (including a Community Housing Development Organization (CHDO) when acting as a subrecipient) must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.
- **Developers, Owners, Sponsors:** For-profit entities, housing authorities, nonprofit organizations, and CHDOs can receive HOME funds in the roles of developers, owners, and sponsors of eligible activities.
- **Community Housing Development Organizations (CHDOs):** A CHDO is a private nonprofit organization that meets certain specific criteria, including having 1) IRS tax exempt status, 2) a mission/purpose related to housing and service to a low-income community, and 3) a board composition that includes one-third low-income residents or their representatives.

Definition of Income

HUD's "Technical Guide for Determining Income and Allowances for the HOME Program" provides the method by which income for HOME-assisted projects must be calculated. Applicants must use HUD's "CPD Income Eligibility Calculator" to determine eligibility and document records. See <https://www.onecpd.info/incomecalculator/>

- For HOME Rental Housing projects and for new construction of owner-occupied housing using HOME funds, annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as defined in 24 CFR Part 5 (Part 5 annual income). This is called the "Section 8 income determination method." For rental projects, initial income must be verified using source documentation. Income must be recertified annually, and source documentation obtained every six years.

Eligible Administrative and Planning Costs

Funds are provided for the administration of the HOME program. The City of Concord's staff is responsible for administering all aspects of the HOME program; coordinating activities for the HOME program, monitoring compliance with written funding agreements and federal regulations, administering grants provided by the City of Concord, and coordinating with HUD to ensure compliance with federal regulations. The City of Concord uses funds for a pro-rata share of the salaries, fringe, and overhead that can be directly attributable to the HOME Program. Adequate records are maintained to justify the allocation of HOME administration funds for these purposes.

- Eligible costs include the City of Concord's staff and overhead costs directly related to carrying out projects, such as work specifications preparation, inspections, lead-based paint evaluations (visual assessments, inspections, and risk assessments) and other services related to assisting potential owners, tenants and homebuyers.
- Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling and other assistance necessary to minimize hardship.
- Costs may be charged as administrative costs or as project costs, at the discretion of the City of Concord; however, these costs (except housing counseling) cannot be charged to or paid by the low-income families.

Uniform Administrative Requirements

The Cabarrus/Iredell/Rowan HOME Consortium adheres to the administrative requirements identified in:

- 24 CFR Part 200
- Provisions of 24 CFR Part 85

Distribution of HOME Funding

As the Lead Entity for the Consortium, the City of Concord distributes HOME funds within the boundaries of the

Cabarrus/Iredell/Rowan HOME Consortium
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Cabarrus/Iredell/Rowan HOME Consortium area, and among different categories of housing need, according to the priorities of housing need identified in its approved Consolidated Plan.

HOME funds are provided to the Cabarrus/Iredell/Rowan HOME Consortium by HUD annually using a formula allocation. The Cabarrus/Iredell/Rowan HOME Consortium's distribution plan for HOME funds includes:

- **Administration (10%)** Funds are used by the Cabarrus/Iredell/Rowan HOME Consortium for planning, administration, allocation of indirect costs and monitoring of the program. Funds also are used to conduct training and technical assistance to entities interested in applying for and implementing HOME-funded projects.
- **CHDO Set Aside (15%)** In accordance with HOME regulations, a minimum of 15 percent of annual HOME funds are set-aside for use exclusively by HOME-designated community housing development organizations (CHDOs) for specific allowable activities (housing owned, developed and/or sponsored by the CHDO). CHDO applicants are required to submit documentation to request approval to become a CHDO for the Consortium. After the documentation is received, the CHDO applicants are approved by a formal vote from the Consortium Members. These funds are distributed equally among the Consortium CHDOs annually.
- **Balance of HOME Funds (75%):** The Cabarrus/Iredell/Rowan HOME Consortium distributes the balance of HOME funds to projects in Cabarrus County, Iredell County, and Rowan County via a formula process that calculates the percentage of the population per area, the percentage of low- and moderate-income (LMI) residents per area, and the percentage of citizens that are considered to be in poverty in each area of the above-named jurisdictions. The Cabarrus/Iredell/Rowan HOME Consortium only invests HOME funds in eligible projects within the boundaries of Cabarrus, Iredell and Rowan Counties. Allocations to the Cabarrus/Iredell/Rowan HOME Consortium Members are automatic with no competitive process for funding.

The Cabarrus/Iredell/Rowan HOME Consortium Members may only invest its HOME funds in eligible projects within its boundaries, or in jointly-funded projects within the boundaries of the jurisdictions that serve residents within the Consortium jurisdiction boundaries. For a project to be jointly funded, all jurisdictions must make a financial contribution in the project. The financial contribution can be a grant or loan (including funds from other sources that are in the jurisdiction's control, such as relief provided through a significant tax or fee (i.e., a waiver of impact fees, property taxes, or other fees and taxes). Before committing funds to a project, each Consortium Member will determine the eligible projects to undertake and prepare all appropriate documentation to the City of Concord for review. HUD match conditions also must be met for these projects.

Matching Funds

The Consortium Members, excluding the CHDOs, are required to match at least 25% of the HOME funds that are spent on projects/programs. "Match" can be provided through cash, assets, services, labor, and other contributions of value to the HOME program.

Federal resources (i.e., CDBG funds) are not an eligible source of match. Match does not have to be provided on a project-by-project basis. The match requirement applies to the expenditure of HOME funds on projects/programs in a given federal fiscal year (July 1 - June 30). Match is tracked on an ongoing basis using a HUD-provided form (HUD form 40107). This information is monitored and maintained by the Consortium Members and the City of Concord. The Consortium Members will only commit HOME funds up to the percent that banked match will allow.

Eligible sources of matching funds include:

- Cash from a non-federal source
- Value of donated land
- Cost of infrastructure improvements
- 25% to 50% (depending on the type of bonds) of the proceeds of government issued housing bonds provided as a loan to a project
- Value of donated materials, equipment, labor, or professional services
- Sweat equity
- Cost of homebuyer counseling services. The Consortium Members are responsible for calculating

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match credits and providing the required information for HUD.

Program Income

Some housing activities generate program income, which must be disbursed before seeking reimbursement/draw down of additional HOME funds. Program income is defined as “gross income received by the Consortium Members, or an agency, which was generated from the use of HOME funds or HOME matching contributions.” Income generated by housing projects or programs would typically fall into one of the following categories:

- ***Income from the use or rental of HOME-assisted real property*** owned by The Consortium Members, or a public or nonprofit agency that is selected by the Consortium Members to operate a portion of its housing program minus the costs of generating the income.
- ***Payments of principal and/or interest on loans*** made with HOME funds.
- ***Proceeds from the sale of real property*** that was purchased or rehabilitated with HOME funds.

For example, funds for housing are often provided as low-interest or deferred payment loans. The loan repayments are considered as program income. The federal regulations require that:

- Program income be spent before drawing funds from the Consortium’s HOME account;
- Program income be spent only for eligible activities; and
- Written agreements with agencies that will generate program income must specify whether program income must be returned to the Consortium’s HOME account or be used by the Consortium Members for an eligible activity.

Program Income does not include gross income from the use, rental, or sale of real property received by the project owner, developer, or sponsor, unless the funds are paid by the project owner, developer, or sponsor to the Consortium’s HOME account or the Consortium Members. The Consortium Members are required to track and report program income upon receipt to the City of Concord’s staff. All receipt of program income will be entered every 30 days into the disbursement and information system established by HUD.

Subrecipient Application Process

Subject to availability, HOME funds may be requested by program subrecipients through an annual application process. If funds are made available to subrecipients, the Cabarrus/Iredell/Rowan HOME Consortium will issue a Notice of Funding Availability (NOFA) that provides information on how to apply for a grant and a timeline for submitting the application and all required attachments.

Written funding requests will be scored based on a point system related to specific criteria that place an emphasis on revitalization of distressed neighborhoods and other community housing needs. Requests also are scored for clarity of the proposal, the likelihood of success, the project’s financial feasibility, the funding need, the track record of the organization, the creditworthiness of the organization, and the ability to implement the project within one funding year.

Affordability Period

At a minimum, all projects must comply with the following HOME affordability periods, during which HOME regulations apply:

- New construction: 20 years
- New construction of homeownership housing or acquisition of rental housing:
 - HOME investment of less than \$15,000 per unit: 5 years
 - HOME investment of \$15,000 - \$40,000 per unit: 10 years
 - HOME investment of more than \$40,000 per unit: 15 years

For new construction of rental housing, an extended Consortium affordability period of a minimum of 20 years applies and begins upon project completion and runs concurrently with the HOME affordability period. HOME regulations

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do not apply after the HOME affordability expires, but the project must still comply with local affordability requirements as established by the Consortium Members throughout the Consortium affordability period.

Multi-Family Projects

The HOME program permits less than all of the units in a project to be designated as HOME units. HOME funds may only be expended on the actual costs, up to the maximum per-unit subsidy limit, of units that meet HOME affordability requirements. Consequently, a Consortium Member must allocate development costs according to the actual costs of the HOME-assisted units. It is necessary for a Consortium Member to identify the number and type of HOME-assisted and unassisted units and make a comparability determination. The Consortium Member then uses the actual costs of the HOME units to ensure that at least the minimum required number of units will be designated as HOME-assisted units. A Consortium Member may always designate more units as HOME-assisted units than the number required based on the actual costs charged to the HOME program. In addition, the comparability analysis will help a Consortium member to determine whether to designate HOME units as fixed or floating during the period of affordability. Additional information concerning the adjusted Basic Statutory Mortgage Limits for Multifamily Housing Programs can be found in the Federal Register. The Federal Register is updated yearly, but the most recent information is included in the Federal Register, Volume 85, No. 108 that is dated Monday, June 4, 2020.

Downpayment Assistance

- Existing housing acquired for homeownership, using down payment assistance, must be decent, safe, sanitary, and in good repair using the Consortium Members' established standards or HUD's UPCS, whichever is more stringent.
- The Consortium Members' inspector will inspect the housing and document this compliance requirement based upon an inspection conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds will not be used to acquire the property unless it is rehabilitated to meet the standards.

Mixed-Use Projects

The Cabarrus/Iredell/Rowan Home Consortium funds may be used in developing missed-use structures that contain residential and other uses (i.e., retail space, commercial office space, spaces for the provision of services). The inclusion of non-residential spaces for the exclusive use of the residents does not create a mixed-use project. Residential spaces include common area, corridors, stairways, laundry areas, storage areas, office space for management of the building, entry ways and lobbies.

HOME funds may only be used for costs associated with the residential portion of the building. The costs must represent a portion of the total development cost that does not exceed the proportion of residential space in the entire project.

Lease-Purchase Programs

The Consortium Members also have the option of administering a lease-purchase program to assist potential low-income households that may need additional time and resources to purchase an existing home or for housing to be constructed. The housing must be purchased by a first-time homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in §92.252 shall apply if the housing is not transferred to a homebuyer within 42 months after project completion. The Consortium Members must have lease-purchase policies and procedures and state that the Consortium Member will undertake lease-purchase programs in the Consolidated Plan.

Audit Requirements

The Consortium Members also must follow OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards.

IDIS Drawdowns

A separation of duties has been established by the Cabarrus/Iredell/Rowan HOME Consortium, the City of Concord's Finance Department, and the City of Concord as the designated Lead Entity for the Consortium, in order to provide proper

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checks and balances from grant set-up, project and activity set-up, sub-funding, sub-granting and drawdown process in the following manner:

IDIS Administrator Procedures:

- The City of Concord submits completed IDIS Access Request Forms in the IDIS system to gain approval for access by function for all Consortium Members' projects.
- The City of Concord also maintains drawdown request vouchers with copies of deposit transactions and payment disbursement documentation.

Procurement

All projects must comply with the most restrictive of the applicable federal or state, competitive procurement regulations or costs may not be reimbursable.

Federal procurement requirements at 2 CFR Part 200 apply to all non-profit organizations' actions as a Subrecipient and to all public entities. The owners/sponsors/developers are not subject to the federal procurement requirements.

Nonprofit organizations receiving HOME funds must comply with the procurement requirements of 24 CFR Part 84, with the exception of currently certified CHDOs undertaking CHDO-eligible projects (as stated in HUD CPD Notice 97-11).

Procurement requirements are provided in the Consortium Members' funding notices and written agreements. The Consortium Members are encouraged to contact the City of Concord's staff if they have any questions regarding the procurement requirements that apply to a specific project. The Consortium Members will be expected to provide a copy of their procurement policies and procedures that meet applicable federal and state requirements. If a project includes any construction or rehabilitation, a required component of a completed application for funding will be a written description of how the Agency intends to procure prime or general contractors, subcontractors, architects, engineers, consultants, etc. in a competitive manner.

For construction or facility improvement projects exceeding \$100,000, minimum Federal requirements located in 24 CFR 85.36 or 84.48(c) for bid guarantees, performance bonds, and payment bonds must be met. Prior to publishing a Notice of Bid Opening in the local newspapers, as a minimum requirement, and through other approved forms of communication mediums, each Consortium Member must review and approve all bid documents to ensure that all federal, state, and program requirements are included.

Only contractors and subcontractors that are not federally barred or suspended and have current State of North Carolina business licenses with current Workers' Compensation accounts, including proper insurance and bonding, can work on capital construction projects. The Consortium Members will check the status of the general contractor and all subcontractors for federal debarment and suspension, licensing, insurance, bonding, and Workers' Compensation accounts for capital construction projects. The Consortium Members also are responsible for checking the licensing and debarment status for owner-occupied housing rehabilitation and minor home repair clients.

The Cabarrus/Iredell/Rowan HOME Consortium's subrecipients are subject to the procurement requirements of 24 CFR parts 84 and 85 as well as state and local laws and regulations. Subrecipients will be monitored annually to ensure compliance with these regulations. Owners and developers, including CHDO's, are not subject to federal procurement requirements.

Environmental Review

Prior to entering into a contract with a Consortium Member, the City of Concord, as the Lead Entity for the Consortium, will review and approve a federal Environmental Review in compliance with the National Environmental Policy Act (NEPA) and other related federal and state environmental laws. No choice-limiting activities may be undertaken by the applicant for HOME funds during the time between the submission of the written request for funding and the completion of the Environmental Review (prior to the receipt by the Consortium Member and the City of Concord of the Authority to Use Grant Funds from HUD).

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Tenant-Based Rental Assistance is categorically excluded and not subject to §58.5 authorities. Each Consortium Member will document this determination, provide a complete copy of the Environmental Review Record to the City of Concord's staff for review and approval, and keep the document in the Environmental Review Records files.

Public Records

Materials and information submitted to or received by the Consortium Members are subject to public disclosure unless otherwise exempt from disclosure under the North Carolina General Assembly's G.S. §132. No assurances can be given that any materials provided can be protected from public review and copying.

Recordkeeping and Retention of Records

Records related to HOME-funded projects and programs must be retained for at least five (5) years. For rental and homeownership development projects, general records must be kept for five (5) years after project completion, and tenant/homeowner data must be maintained for the most recent five (5) years, until five years after the conclusion of the affordability period.

Contractor Procurement

The Consortium Members must require all subrecipients to obtain a minimum of two (2) bids on planned repairs, based on the preliminary work write-up prepared by the municipality, county code enforcement or the Consortium Members' inspector. Bids are to be returned on the specific due date. Subrecipient staff will record the total amount of the bid and the date and time the bid was received. The subrecipient will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in the HOME Owner-Occupied Rehabilitation Program.
- The contractor is not currently on probation, suspended or debarred by the state licensure board.
- The total dollar amount of the bid is within 10% of the total cost listed on the initial work write-up prepared for or by the Consortium Member.

Debarred Contractors

Prior to entering into a contract with contractor or subcontractor, the Consortium Member must verify that they are not listed in the Federal publication of debarred, suspended and ineligible contractors. HOME funds may not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of a contractor during a period of debarment, suspension, or ineligibility.

IV. Overarching Program Regulations and Requirements

The City of Concord and all subrecipients and participating jurisdictions will adhere to this requirement according to the stipulations that are enforced by the U.S. Department of Housing and Urban Development.

Appeals

A person who disagrees with a determination concerning whether the person or project qualifies or the amount of assistance for which the person may be eligible, may file a written appeal of that determination with the Consortium Member within 30 days of the decision. The appeal must be addressed to the Department Director and a second request sent to City of Concord, 35 Cabarrus Ave. W., Concord, NC 28025. A person who is dissatisfied with the Consortium Member's determination on his or her appeal may submit a written request for review of that determination to HUD'S Columbia, SC Field Office.

Lead-Based Paint

The Lead-Based Paint Regulations described in 24 CFR Part 35 require that lead hazard evaluation and reduction activities be carried out for all single and multi-family residences constructed prior to 1978 that receive HOME Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel.

If lead-based paint is present in the unit, the written funding request must also include a detailed lead hazard reduction plan, in accordance with the regulations, and separately identify within the rehabilitation budget, the costs associated with the reduction of lead hazards in accordance with the regulation and guidelines.

All HOME program fund allocations are contingent upon the applicant agreeing to complete lead hazard reduction, evidenced by a clearance report performed by appropriate lead-certified personnel. The Cabarrus/Iredell/Rowan HOME Consortium permits use of HOME funds for lead-based paint testing, assessment, abatement and the clearance report. In a multi-family project where HOME Program funds will be used for only a portion of the units, lead-based paint requirements apply to ALL units and common areas in the project.

Fair Housing and Civil Rights

Agencies must comply with federal, State, and local fair housing and civil rights laws, regulations, and Executive Orders, including Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq); the Fair Housing Act (42 U.S.C. 3601-3602); Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259); and the Age Discrimination Act of 1975, as amended (42 U.S. C. 6101-6107).

Discrimination in the provision of housing is prohibited on the basis of a protected class; federal and North Carolina State protected classes include:

- Race
- Color
- National Origin
- Religion
- Disability
- Sex
- Familial Status

Affirmative Marketing and Outreach

All Consortium Members must undertake outreach efforts in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach, and access to the Program.

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The Consortium Members must inform potential applicants of the program via flyers, public notices, local media articles, or meetings with Subrecipient staff. The marketing information will include basic eligibility requirements, a general description of the Program, and the appropriate Fair Housing logo.

The Consortium Members' marketing approach must address: (1) how the program will be announced (i.e., through media and other sources); (2) where applications will be taken (i.e., at one site or more); (3) when applications will be accepted (i.e., daily, during normal working hours, or extended hours for a specified period); and (4) the method for taking applications (i.e., in person, by mail).

The Consortium Members must maintain a file that contains all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letter, etc.) The records, which help assess the results of these actions, must be available for inspection by the Consortium.

The Consortium Members also has an obligation to assure that information about the program reaches the broadest possible range of potentially qualified applicants.

To further fair housing objectives, The Consortium Members should identify those households that have been determined to be "least likely to apply," and determine what special outreach activities, including placing advertising in minority-specific media, will ensure that this population is fully informed about the program. The Consortium Members should work with the Consortium to assure that all marketing initiatives and materials adequately reflect the available assistance types.

Fraud and Corruption

The Cabarrus/Iredell/Rowan HOME Consortium upholds a zero-tolerance approach regarding fraud and corruption. Consortium Member's will identify and promptly investigate any suspected fraudulent or related dishonest activity against the jurisdiction or other parties with whom the organization has dealings. The Member will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:

- Forgery or alteration of documents (checks, bank draft, bank records, time sheets, invoices, agreements, etc.)
- Misrepresentation of information on documents
- Bid rigging, kickbacks, billing schemes, etc.
- Misappropriation of funds, supplies, or assets
- Theft, disappearance, or destruction of assets
- Improprieties in the handling or reporting of money or financial transactions
- Authorizing or receiving payments for goods not received or services not performed
- Authorizing or receiving payment for hours not worked
- Inappropriate use of records and disclosing confidential and proprietary information to outside parties

Corruption is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

- Bribery
- Conspiracy
- Extortion

Preventing Fraud and Corruption

To prevent fraud and corruption, the Cabarrus/Iredell/Rowan HOME Consortium has established internal controls, policies,

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and procedures to deter, prevent, and detect fraud and corruption such as:

- Verify all applicants' information provided
- Including an acknowledgement of penalties for fraud, providing false statements, and corruption on applicable forms.
- Vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business
- Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a suspended or debarred party
- Contractual agreements with each Member will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption
- Vendor, contractors, and suppliers will receive fraud and corruption awareness training

Reporting Fraud and Corruption

Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act to the Consortium Member, local HUD field office, and/or the Office of Inspector General immediately. Person(s) reporting potential abuse may elect to remain anonymous. Any applicant, vendor, contractor, or supplier who is found to have committed fraud or provided false information will automatically be deemed ineligible. This designation may result in legal action, repayment of funds, or other penalties resulting from any investigation. Failure to report suspected fraudulent or corrupt activity in a timely manner may also result in being subject to disciplinary action as determined by the Member, City of Concord, or any other investigating organizations.

Conflict of Interest

In the procurement of property and services by the Consortium Members, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may not have an interest in any contract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, board member, loan committee member, elected official or appointed official of the participating jurisdiction or the Consortium Member that is receiving HOME funds.

The Consortium Members shall ensure that officers, employees, agents or consultants will not occupy any HOME assisted affordable housing units in the project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the CHDO who occupies a housing unit as the project manager or maintenance worker.

As lead agency for the Consortium, the City of Concord may provide an exception to the provisions listed above on a case-by-case basis when the Consortium Members determine that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the Consortium Member's HOME-assisted project. To provide this exception, the Consortium Members must make a written request and the City and the Consortium Members will make its determination based on the following factors:

- a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group;
- b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- c. Whether the tenant protection requirements of Section 92.53 are being observed;
- d. Whether the affirmative marketing requirements of Section 92.351 are being observed and followed; and
- e. Any other factor relevant to the City and the Consortium's determination, including the timing of the requested exception.

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The Consortium Members must maintain a written code of standards of conduct that will govern the performance of its officers, employees, or agents engaged in the award and administration of contracts funded with federal dollars.

Program Accessibility

Section 504 of the Rehabilitation Act of 1973 requires that a HOME-funded activity, when viewed in its entirety, is usable and accessible to persons with disabilities. The obligation to provide accessible units, in accordance with 24 CFR 8.22 and 8.23 is broader and includes the following:

All program activities, including public hearings, homebuyer briefings, counseling sessions, and meetings should be held in locations that are accessible to persons with disabilities.

Information about all programs and activities should be disseminated in a manner that is accessible to persons with disabilities. Auxiliary aids and special communication systems should be used for program outreach, public hearings related to housing programs, and other program activities.

Reasonable steps should be taken to provide information about available accessible units to eligible persons with disabilities. Homebuyer projects are not required to produce accessible units, but reasonable accommodations during the application process are required for any buyers with accessibility needs. Program advertising should acknowledge that the program will work with households with accessibility needs. Should a successful homebuyer applicant have a need for a unit with an accessible design, the program must accommodate those needs.

Information about the accessibility requirements of HOME-funded multifamily housing is included in the rental housing section of this manual.

Equal Opportunity

Federally-funded housing projects/programs are subject to Executive Order 11246, as amended, which prohibits agencies from discriminating against employees or applicants for employment on the basis of race, color, religion, national origin, citizenship status, unfair documentary practices regarding employment verification, sex, age, and disability. These requirements are included in all contracts with Agencies.

- **Section 3 of the Housing and Urban Act of 1968 (Section 3):**
The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance is directed to low- and very low-income persons to the greatest extent feasible. In accordance with the Section 3 Plan, solicitation of Section 3 businesses is required during procurement for any construction contract of \$100,000 or more and is encouraged for contracts of lesser amounts. The Section 3 Plan also requires contractors/subcontractors to follow a specific hiring plan in order to target Section 3 residents.
- **Women- and Minority-Owned Business Enterprises:**
The Consortium Members are required to take affirmative actions to allow Women- and Minority-Owned Business Enterprises (WMBE) to benefit from federal funds. The Consortium Members pass this requirement on to funded agencies, which must make a good faith effort to employ WMBE firms when implementing projects/programs. These efforts can include advertising for professional services or construction contractors in minority publications, notifying WMBE firms directly of employment opportunities, or requiring that contractors hire WMBE subcontractors. Solicitation of MBE firms is required during procurement for any construction contract of \$50,000 or more.

Non-Discrimination

No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with HOME funds on the basis of religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status, physical or mental disability, gender identity or expression of a person, national origin, ancestry, military status, or other arbitrary cause.

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Reasonable Accommodations for Persons with Disabilities

Employers receiving HOME funds may not discriminate against prospective or current employees with disabilities. Employers must remove physical and administrative barriers to employment and make reasonable accommodations for employees with known disabilities.

If a subrecipient has 15 or more employees, it must designate a Section 504 Coordinator and notify program participants and employees of its non-discrimination policies.

Business Enterprises Owned by Minorities, Women and Disadvantaged Business Enterprises

The Cabarrus/Iredell/Rowan HOME Consortium encourages participation by business enterprises owned by minorities and women, and disadvantaged business enterprises (M/W/D-BE). Contracts for the procurement of services should be awarded to the maximum extent possible to M/W/D-BE. Section 24 CFR 84.44(b) of the Uniform Administrative Requirements outlines recommended steps for achieving participation goals.

Section 3 Economic Opportunity

Section 3 requirements apply to recipients of Housing and/or Community Development Assistance exceeding \$200,000 combined from all sources in any one year, per 24 CFR §135. Section 3 covers the expenditure of any portion of those funds for any activity that involves housing construction, rehabilitation, or other public construction. All contractors or subcontractors that receive covered contracts in excess of \$100,000 for housing construction, rehabilitation, or other public construction are required to comply with the requirements of Section 3. The purpose of Section 3 to ensure that employment (e.g., new hires) and other economic opportunities generated by this HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.

The Uniform Act and Section 104 (d)

HOME-assisted projects are subject to the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4601-4655), and the government wide implementing regulations issued by the Federal Highway Administration at 49 CFR part 24. In addition, projects that include demolition or conversion of low-income housing are subject to Section 104(d) (also called the Barney Frank amendment).

Acquisition

The URA requirements apply to any and all real property acquisition for a project that receives any amount of HOME funding, regardless of whether the funds are used to purchase the property or for other project costs. The regulations may apply to any acquisition for which a purchase offer was made at any time after the date the applicant first *intended* to apply for HOME funds for the project.

Agencies are exempt from complying with most acquisition requirement of the Uniform Act (Subpart B) *only* if an identified site can be acquired “voluntarily” in accordance with Section 49 CFR § 24.101 of Subpart B.

A “voluntary” acquisition requires the Agency (buyer) to inform the seller, prior to executing an agreement to purchase:

- That it does not have the power of eminent domain (buyers with eminent domain authority, must agree not to use it, and must not have specific site needs);
- That it will not be able to purchase the property if negotiations fail to result in an amicable agreement; and
- Of the buyer’s estimate of fair market value (FMV) of the property to be acquired.

Estimating Fair Market Value:

An appraisal is not required to establish the FMV of a property, but there must be documentation that includes an explanation, with reasonable evidence, of the basis for the estimate. A Comparative Market

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Analysis is acceptable for this purpose.

Section 104(d)

Section 104(d) of the Housing and Community Development Act of 1974, as amended (104(d)) requirements apply when HOME assistance is used for a project involving demolition or conversion.

Section 104(d) has two (2) distinct components:

- **One-for-One Replacement:** Requires one-for-one replacement of lower-income dwelling units that are demolished or converted to another use. For Section 104(d) purposes, “conversion” is defined as: Altering a housing unit that would rent at or below the fair market rent (FMR) so that it is used for non-housing purposes, rents for above the FMR or is used as an emergency shelter.
- **Relocation of Lower-Income Tenants:** Requires relocation assistance for displaced lower-income residential tenants and does not provide protection or assistance for persons with incomes above the Section 8 Low Income Limit.

Housing Replacement

The City of Concord has adopted a “Residential Anti-displacement and Relocation Assistance Plan”, which addresses the Section 104(d) requirement for one-for-one replacement of low-income housing units:

The Consortium Members may replace all occupied and vacant occupiable low- and moderate- income dwelling units demolished or converted to a use other than as low- and moderate- income housing as a direct result of activities assisted with HOME funds.

Replacement units do not need to be provided by the same fund recipient whose project resulted in the housing loss. The Consortium Members will count any net gain in units achieved through the investment of HOME funds as having met the one-for-one replacement requirement.

Relocation

The Cabarrus/Iredell/Rowan HOME Consortium strongly discourages the permanent displacement of low-income households by project and programs. The URA stipulates the content and timing of notices for residents of properties to be acquired with HOME funds. If residents will be displaced by the project, they must receive moving cost reimbursements, relocation assistance payments, and relocation assistance services. If an otherwise feasible and fundable project does necessitate permanent or temporary displacement and relocation, the relocation must be carried out in strict compliance with the URA. Prior to selection for funding, the Agency must demonstrate that:

- Both personnel and budget resources are available to implement relocation, and
- Such projects must have qualified County-approved relocation personnel as part of the development team.

A pre-application conference with staff is required for any project which may involve relocation to ensure that the Agency understands the URA requirements and that proper relocation notices are given.

No relocation may be initiated prior to funding award except with the prior written approval of the Consortium Member. If relocation is required, a detailed **Relocation Plan** must be submitted with an application for HOME funds.

Temporary Relocation

All conditions of temporary relocation must be reasonable and the tenant shall be provided with reimbursement for all reasonable out-of-pocket expenses incurred in connection with temporary relocation.

The tenant shall receive advisory services, including written notice of the date and approximate duration of the temporary relocation, address of suitable temporary unit, and the terms and conditions under which the tenant may lease and occupy the building/complex upon completion of the project.

Temporary relocation may not extend beyond one year before the person is returned to his or her previous unit or location. Any residential tenant who has been temporarily relocated for more than one (1) year must be offered all permanent relocation assistance, which may not be reduced by the amount of any temporary relocation assistance previously provided.

If the project requires tenants to be temporarily relocated off site, a detailed **Temporary Relocation Plan** is required.

Violence Against Women Act Reauthorization Act of 2022

VAWA is a federal law originally enacted in 1994, as amended ([34 U.S.C. 12291 et seq.](#)), that protects individuals who are survivors of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, sexual orientation, or gender identity. These protections also apply to individuals with disabilities, including those with mental health disabilities, and people of color that also are disproportionately impacted by problematic laws and policies. It includes protections for survivors and others who are applying for or residing in covered housing programs. VAWA 2022 reauthorizes, amends, and strengthens VAWA. It added to, and did not replace, the existing VAWA housing protections for survivors. Covered housing providers must continue to provide VAWA protections as required by law. On March 15, 2022, President Biden signed into law the [Consolidated Appropriations Act of 2022](#), which included the Violence Against Women Act Reauthorization Act of 2022 (VAWA 2022).

Many of the amendments enacted as part of VAWA 2022 took effect on October 1, 2022. On January 4, 2023, the U.S. Department of Housing and Urban Development (HUD) published a notice in the Federal Register (VAWA 2022 Notice4) in which HUD: (1) describes how the VAWA 2022 amendments affect HUD's programs; and (2) seeks comment on certain provisions.

Under this new provision, there are some additional requirements and obligations for HOME recipients, which include: (1) reporting to HUD problematic local laws and policies of the jurisdiction and those of the subrecipients that impose penalties that are being enforced, and (2) Certifying that the jurisdictions are in compliance or will be in compliance within 180 days of submitting the report to HUD. The goal is to prevent adoption of these laws, policies, and programs and address harms that may have occurred. A copy of the VAWA 2022 Notice is available online at:

<https://www.federalregister.gov/documents/2023/01/04/2022-28073/the-violence-against-women-act-reauthorization-act-of-2022-overview-of-applicability-to-hud-programs>

See HUD 1 Public Law 117-103, <https://www.congress.gov/117/plaws/publ103/PLA> for guidance that affects Home Investment Partnerships Program (HOME) recipients concerning the Right to Report Crime and Emergencies from One's Home law in the Violence Against Women Act (VAWA) Reauthorization of 2022 ([34 U.S.C. 12495](#)). For further guidance concerning VAWA 2022, also see 34 U.S.C. 12491, 24 C.F.R. part 5, subpart L, and 24 CFR part 576.409 (ESG) and part 578.99(j) (CoC program).

Build America, Buy America Act (BABA)

The Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act on November 15, 2021, focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States. BABA established a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022. The domestic content procurement preference requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States. BABA also established the Buy America Preference (BAP) for iron, steel, manufactured products, and construction materials used in covered infrastructure projects to be produced in the United States. BABA applies to all expenditures by a Federal agency to a non-federal entity for an infrastructure project, including construction, alteration, maintenance, or repair.

The HUD Community Planning and Development (CPD) programs that are impacted by BAP include CDBG, CDBG-CV, HOME and HOME-ARP. Agencies may waive the domestic content procurement preference if (1) a waiver is in the public interest, (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality, or (3) the application of the domestic content

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preference would increase the cost of the overall project by more than 25 percent. Public Law 117-58, §70912(3): <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>.

National Standards for the Physical Inspection of Real Estate (NSPIRE)

In May 2016, in response to instructions from Congress, the Department of Housing and Urban Development (HUD) initiated an effort to consolidate, update, and enhance the Housing Quality Standards (HQS) and the Uniform Physical Condition Standards (UPCS). The aim was to establish a unified inspection protocol for public housing and voucher units. After dedicating seven years to this goal, HUD has published the NSPIRE Final Rule, titled the Economic Growth Regulatory Relief and Consumer Protection Act: Implementation of National Standards for the Physical Inspection of Real Estate. This rule introduces HUD's modern approach to defining and evaluating housing quality while aiming to reduce regulatory burdens. The overarching objective is to prioritize health, safety, and functional defects over appearance, focusing on the areas that impact residents the most, their homes. Further information can be found in the Federal Register at <https://www.federalregister.gov/documents/2023/05/11/2023-09693/economic-growth-regulatory-relief-and-consumer-protection-act-implementation-of-national-standards>.

The NSPIRE Final Rule will be implemented in two phases. Starting on July 1, 2023, Public Housing will transition to NSPIRE, followed by the Multifamily Housing programs, Housing Choice Voucher (HCV), Project Based Voucher (PBV) programs, and the Community Planning and Development programs on October 1, 2023. Under this new requirement, which takes effect on HUD programs must use the new NSPIRE inspection framework for all units assisted with acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services (24 CFR 574.300(b)(3)); new construction (24 CFR 574.300(b)(4)); project or tenant-based rental assistance (24 CFR 574.300(b)(5)); and operating costs (24 CFR 574.300(b)(8)). Additional information can be found in the Federal Register. <https://www.federalregister.gov/documents/2023/07/07/2023-14362/national-standards-for-the-physical-inspection-of-real-estate-and-associated-protocols-scoring>. All NSPIRE Score Calculator features are based on the Proposed NSPIRE Scoring Notice (88 FR 18268) and Proposed NSPIRE Standards Notice located at https://www.hud.gov/sites/dfiles/PIH/documents/6092-N-02nspire_propose-standards.pdf.

Financial Management

The Consortium Members that receive HUD funds must abide by the financial management requirements of the Federal Office of Management and Budgets found at 2 CFR part 200.

Section 504 Barrier Removal Standards for Multifamily Housing

For new construction of rental or owner-occupied multifamily projects of four or more units, a minimum of 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2%, at a minimum, of the units (but not less than one (1) unit) must be accessible to individuals with sensory impairments. The total number of units in a HOME-assisted project, regardless of whether they are all HOME-assisted, is used as the basis for determining the minimum number of accessible units. Also, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non-HOME-assisted. The standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards, although deviations are permitted in specific circumstances. Accessible units must be, to the maximum extent feasible, distributed throughout the projects and sites and must be available in a sufficient range of sizes and amenities so as not to limit choice.

Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals. When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.

Prevailing Wages and Labor Standards Requirements

Labor standards requirements may impact the cost of construction work and should be factored in during the

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development of the project budget. The labor standards processes may require additional reporting and documentation during construction. Monitoring for compliance with labor standards requirements will be performed by the Consortium Members.

Applicants should assume that state prevailing wage rates will apply and build the requisite costs into all project development budgets, unless they obtain a determination otherwise from the North Carolina Department of Labor (NCDOL). Applicants are advised to consult with the NCDOL and/or private legal counsel prior to applying for funding to determine whether prevailing wages must be paid and, if so, whether commercial or residential rates apply.

If an applicant receives a loan that is incurring interest, is not forgivable, and is required to be repaid in full, such loan in and of itself is not expected to trigger a requirement that prevailing wages be paid on the project. However, if the applicant is receiving other public funds and/or is a public entity (e.g., housing authority), it may be required to pay state prevailing wages on the project. A definitive determination regarding the applicability of state Prevailing Wage law can only be obtained from the NCDOL.

Federal Davis Bacon prevailing wages apply to all projects with 12 or more HOME-assisted units regardless of whether HOME funds were used for construction or other projects costs. When triggered, Davis Bacon wages apply to the entire project. When federal funds trigger prevailing wages determined under the Davis-Bacon Act in a project, the higher of either the State Residential Prevailing Wage Rates (unless modified as stated below) or Davis-Bacon wage rates will apply to each job classification, unless applicable law requires otherwise. In cases where Davis-Bacon wages are triggered, Davis-Bacon monitoring procedures are followed.

Related Acts:

- The Contract Work Hours and Safety Standards Act (CWHSSA) requires contractors and subcontractors to pay laborers and mechanics one and one-half (1.5) times their standard rate of pay for all hours worked in excess of 40 hours in a workweek.
- The Copeland Anti-Kickback Act prohibits a contractor or subcontractor from coercing an employee into giving up any part of their earned wages.

Anti-Predatory Lending Policy

The Cabarrus/Iredell/Rowan HOME Consortium supports the expansion of affordable and equitable homeownership, and recognizes that predatory lending practices are inconsistent with advancing homeownership. To discourage predatory lending practices, the Cabarrus/Iredell/Rowan HOME Consortium established this Anti-Predatory Lending Mortgage Policy (the “Policy”).

A residential mortgage loan is ineligible for funding from the Consortium’s HOME Investment Partnerships Program if it does not comply with all applicable federal, state and local predatory lending laws and other laws designed to prevent unfair or abusive lending practices (collectively, “Anti-Predatory Lending Laws”). Neither the Consortium Members, nor any of their funded Subrecipients or CHDOs, will not knowingly fund a Mortgage Loan that involves any of the following practices or characteristics:

- Requiring the borrower to obtain prepaid, single-premium credit life, credit disability, credit unemployment, or other similar credit insurance as a condition of the loan;
- Including in loan documents a mandatory arbitration provision with respect to dispute resolution;
- Charging prepayment penalties for paying off a loan;
- Lending without regard to a borrower’s ability to make payments on the mortgage;
- Loans that violate the Home Ownership and Equity Protection Act of 1994 and its implementing regulations (collectively, “HOEPA Requirements”) or other Anti-Predatory Lending Laws;

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- Loans that are ineligible for inclusion in a structured finance transaction due to a rating agency's determination that it cannot rate a transaction that includes such loans;
- Loans where the terms of, or practices in connection with, such loans do not comply with the provisions of Regulation Z (12 CFR Part 226) relating to Higher-priced Mortgage Loans; or
- Loans that fail to comply with any requirement of the MPF Program relating to predatory lending, including with limitation, Section 2.6 of the MPF Origination Guide.

ADDITIONAL GENERAL POLICIES AND PROCEDURES FOR DEVELOPMENT PROJECTS

The remaining provisions in this chapter apply to HOME-funded rental housing development, rental housing acquisition (no rehabilitation), and homebuyer development projects, collectively referred to as “Development Projects.”

Applicant Standards

Requests for HOME Development Funds will need to demonstrate, with a reasonable level of assurance, that the sponsoring organization is fiscally sound and has reliable systems to manage and account for public funds. The following documents will be submitted at the Consortium Member’s request:

- Complete audit reports for each of the past two (2) years for the applicant, including an OMB circular A-133 supplement as appropriate, any audit findings, corrective action plan, management letter and agency response.
 - If the applicant organization has not been audited, financial statements for each of the past two (2) fiscal years and a year-to-date statement certified by the applicant's Chief Financial Officer. Financial statements will include balance sheets and cash flow, revenue, and long-term debt statements.
- Nonprofit organizations must submit an IRS Form 990 for the prior two (2) years.
- Outstanding HOME Annual, Close-out or Monitoring Reports.

Applicants must demonstrate that the skills and experience of the development team and the property management team, and the capacity of the organization are appropriate to the size and complexity of the project. If the applicant does not have prior experience in affordable housing development or has not had experience within the past ten (10) years, they must partner with a development consultant experienced in affordable housing development.

Applicants will need a signed board resolution or board minutes authorizing submittal of a Development written request for funding. If selected for funding, the organization's board must designate in writing the person(s) authorized to execute agreements on behalf of the organization.

Eligible Development Costs

HOME development funds may be used for, but are not limited to:

- Site preparation or improvement, including demolition if construction begins within 12 months
- Securing buildings
- Construction materials and labor
- Onsite improvements in keeping with surrounding projects, including sidewalks, utility laterals, etc. Offsite infrastructure is not eligible as a HOME expense.
- Relocation costs, including moving costs, replacement housing costs, advisory services, and staff costs related to relocation assistance
- Financing fees
- Credit reports

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- Title binders and insurance
- Recording fees and transaction taxes
- Legal and accounting fees, including project audit costs
- Appraisals
- Architectural and engineering fees
- Environmental reviews
- Developer fees (subject to a limit)
- Permit fees
- System development charges
- Affirmative marketing, initial leasing and marketing costs

- Initial operating deficit reserve during lease-up: limited to 18 months (new construction projects only)
- Homebuyer counseling to purchasers of HOME-assisted housing units only

Appraisal and Real Property Acquisition

If the applicant is proposing the purchase of real property and/or building(s), a full appraisal must support the purchase price. Appraisals and acquisition must comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. The URA generally applies to federally-funded projects involving acquisition, rehabilitation, or demolition, and requires compliance with following the real property acquisition process, unless the project meets the requirements of 49 CFR 24.101(b)(1)-(5).

The request must follow the procedures for a Voluntary Acquisition under the URA. Prior to making an offer for the property, the applicant must, in writing, advise the owner of the property that federal funds may be involved in the purchase of the property, let the owner know that the applicant does not have the power of eminent domain and that it will be unable to acquire the property if negotiations fail to result in agreement, and provide the owner with what it currently believes to be the market value of the property. If the applicant has not yet completed an appraisal of the property at the time of the offer, the statement of market value provided to the seller must have a reasonable basis (e.g., assessed value).

The request for HOME funding must include a current appraisal. An appraisal must be dated no more than 12 months prior to the funding request submission due date. A letter updating an appraisal completed more than 12 months prior to the application due date will be accepted. The appraisal must be conducted by someone with a current general appraisal certificate in the State of North Carolina.

Minimum Property Standards

New Construction Projects

All new construction projects within the Consortium's service areas will meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. Projects also must comply with the *N.C. State Building Codes that are applicable to new construction, residential, and existing structures*, which the Cabarrus/Iredell/Rowan HOME Consortium has adopted as its construction performance standards. Housing must meet all applicable requirements upon project completion.

All new construction HOME-assisted projects will also meet the requirements described below:

- **Accessibility.** All housing will meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multi-family dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

- **Disaster mitigation.** Where relevant, housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with municipal, county, State ICC or IFC

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codes, or such other requirements as HUD may establish.

- **Written cost estimates, construction contracts and construction documents.** The Cabarrus/Iredell/Rowan HOME Consortium will ensure that construction contracts and construction documents describe the work to be undertaken in adequate detail to conduct inspections. The Cabarrus/Iredell/Rowan HOME Consortium Members must review and approve written cost estimates for construction and determine that costs are reasonable.
- **Construction progress inspections.** The Consortium Members also must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents (draw requests).

Rehabilitation Projects

For existing single-family rental properties assisted with the Consortium Members' HOME funds, the unit must meet local codes, ordinances and zoning requirements for the municipality or county in which the project is located. Projects must also comply with the *N.C. Building Code and the Concord Development Ordinance*, and must address the major systems of the unit in the following manner:

Structural support

- If the initial inspection by the Consortium Members or the approved designee shows any evidence of foundation, sill, joist or other structural support damage, these items must be corrected as part of the initial rehabilitation of unit prior to lease.

Roofing

- If deemed as not meeting the five-year threshold of useful life, the roofing, including all wood sheeting, framing, boxing and fascia that is identified as compromised (rotted, missing, etc.) must be replaced along with the shingles.
- If the roofing is deemed as meeting the five-year threshold of useful life, any specifically-identified issues (damaged fascia, guttering, boxing, etc.) must be corrected as part of the initial rehabilitation of the unit prior to lease.
- All attics must be vented.

Cladding and Weatherproofing (e.g., windows, doors, siding)

- If initial inspection by the Consortium Members, or approved designee, shows any evidence of specified damage, the items must be corrected as part of the initial unit rehabilitation prior to lease.
- If existing windows are single-pane and determined to be in working order, the Consortium Member/developer/subrecipient must ensure that all windows have been properly sealed, both inside and out, to remove any potential air leakage.

Plumbing and Water Heater

- All plumbing issues identified in the initial inspection by the Consortium Members or the approved designee must be corrected.
- If the water heater is deemed as not meeting the five (5) year threshold of useful life, it must be replaced.
- Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code, only if located in living space.
- Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International Plumbing Code.

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Electrical

- If deemed as not meeting the five-year threshold of useful life, the electrical system must be replaced as part of the initial rehabilitation of the unit prior to lease.
- If deemed as meeting the five (5) year threshold of useful life, any specifically-identified issues associated with the wiring must be corrected prior to lease.
- Wall switch-controlled Energy Star rated overhead lighting is required in all rooms.
- Each bedroom and hallway, etc. must have, as required by Code (local, state or Federal) a hard-wired or battery back-up smoke detector.

Heating, Ventilation, and Air Conditioning

- If the unit is not properly insulated, a minimum of R19 insulation must be installed under all living space flooring and a minimum of R-38 insulation must be installed above all living space ceilings.
- If the heating or air conditioning systems do not meet the five-year (5) threshold of useful life, they must be replaced with a proper-capacity, high-efficiency system with proper seer capacity for heated and cooled space.

Site and Neighborhood Standards

A site for newly-constructed housing must meet the following site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- The site must promote greater choice of housing opportunities.
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

Accessibility

- All housing must meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, also must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

Disaster Mitigation

- Where relevant, the Cabarrus/Iredell/Rowan HOME Consortium requires housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements.

Compliance with State/Local Codes, Ordinances, and Zoning Requirements

- The Cabarrus/Iredell/Rowan HOME Consortium's standards require that rehabilitated housing meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

Uniform Physical Condition Standards

- The Cabarrus/Iredell/Rowan HOME Consortium will use the Uniform Physical Conditions Standards (UPCS), HUD's prescribed physical inspection procedures. UPCS requires that upon completion, all HOME assisted projects and units will be decent, safe, sanitary and in good repair.

Capital Needs Assessments

- For multifamily rental housing projects of 26 or more total units, the Consortium Members will determine all work to be performed on the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment.

Construction Documents and Cost Estimates

- The City of Concord's staff will ensure that work to be undertaken meets the Cabarrus/Iredell/Rowan HOME Consortium's rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance with the Consortium Members' standards. The Consortium Members will review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.

Frequency of Inspection

- The Consortium Members must conduct an initial property inspection to identify the deficiencies that must be addressed. The Consortium Members' and the City of Concord's inspectors will conduct progress and final inspections to determine that work was done in accordance with work write-ups.
- All other existing housing that is acquired with HOME assistance for rental housing must meet the rehabilitation property standards requirements.
- The Consortium Members will document compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds will not be used to acquire the property unless it is rehabilitated to meet the standards.
- The Consortium Members will adhere to the following guidelines:
 - On-site inspections will be performed within one (1) year following project completion and every one (1) to three (3) years during the affordability period.
 - Property owners must annually certify to the Consortium Members that each building and all HOME-assisted units in the project are suitable for occupancy.
 - For projects with one (1) to four (4) HOME-assisted units, 100% of the HOME-assisted units will be inspected for site, building exterior, building systems, and common areas for each building that houses HOME assisted units.

Ongoing Property Condition Standards for Rental Housing

- As with all other types of HOME-assisted housing, the Consortium Members' established construction standards will be used to ensure that owners of all rental housing maintain the housing as safe, decent, sanitary and in good repair throughout the affordability period.

Inspection Procedures

- The Consortium Members will establish written inspection procedures. The procedures must include detailed inspection checklists, description of how and by whom inspections will be carried out, and procedures for training and certifying qualified inspectors. The procedures also must describe how frequently the property will be inspected.

Compliance and Monitoring

During the course of a project, monitoring shall be implemented through periodic on-site visits so that any problems that may occur will be resolved as soon as possible. The goal of monitoring is to assist and support recipients in complying with applicable State, Federal, and Local requirements and in implementing their project activities in a timely manner.

The Consortium Members are required to maintain complete financial and program files and to comply with program reporting requirements. Recipients must also provide citizens with reasonable access to records pertaining to the use of funds.

Technical Assistance Visit: A technical assistance visit is an informal visit. The intent of this meeting is to share information that will enable the Consortium Members to meet the various State and Federal requirements for their grant. A technical assistance visit could consist of explanations of project start-up requirements and the establishment of program files. The Consortium Members must demonstrate compliance with applicable regulations and document this by maintaining accurate and complete records and files. The filing system must provide a historical account of the Consortium Members' activities, be easy to use, and centrally located.

Monitoring Visit: A monitoring visit is more formal than a technical assistance visit. The monitoring visit is utilized to determine if the project is being conducted in compliance with applicable Federal and State laws and requirements. The review also determines The Consortium Members' ability to implement the program in a timely manner.

The monitoring visit consists of a review of project files, records and documentation, and may include a visit to the project site. The Consortium Members should have all records, files, and documentation should be available for review at the monitoring visit. If other public agencies, attorneys, or consultants have assisted in program implementation, these records must be available for review at the locality for the monitoring visit. Failure to produce such records upon request will result in issuance of either a program "concern" or "finding" of non-compliance, and will jeopardize the organization's eligibility for future HOME project funding. The issuance of a program "concern" or "finding" may, at the discretion of the City of Concord's staff, result in the recapture of funds provided by the Cabarrus/Iredell/Rowan HOME Consortium.

Project Completion Deadline and Terminated Projects

As required in 24 CFR §92.205(e), the City of Concord's staff must be able to execute a written agreement with the Consortium Members for the project within 12 months of July 1 of the year in which funding is awarded. The Consortium Members must typically be able to complete the project and expend all funds within two (2) years of the execution of the written agreement.

When HOME funds are expended for projects that are terminated before completion, for whatever reason, the HOME funds that have been expended are ineligible and must be repaid. The Consortium Members must terminate any project that does not meet the HOME requirements for affordable housing (i.e., affordability provisions, income targeting, property standards, etc.) and repay HOME funds that are expended for the project.

Corrective and Remedial Actions

The inability to properly execute the terms of the contract and/or maintain records in the prescribed manner may result in a finding that the Consortium Member has failed to meet the applicable requirement of the contract. Remedial actions may include technical assistance to bring the project into compliance, or recapture of HOME funds.

HOME-assisted Development Projects must meet the following standards:

- *New construction*: New construction is required to meet all state and local codes and ordinances plus the Model Energy Code and all Handicapped Accessibility requirements. While new single-family homes are not required to comply with Section 504 accessibility standards, if the applicant for the housing is disabled, the home must meet their accessibility needs. Where it is practical to do so, new single-family homes should be constructed to be accessed by a person with mobility impairments and adaptable to the needs of future residents seeking to age in place. New construction of rental housing must meet HOME site and neighborhood standards.
- *Acquisition (no rehabilitation)*: Acquired housing must meet applicable state and local housing quality standards, if relevant standards exist, including lead-based paint hazard requirements. If none exist, then acquired housing must comply with Section 8 Housing Quality Standards.

Construction contracts and construction documents must be provided in adequate detail and reviewed by the Consortium Members to ensure that the documents address minimum housing and property standards, as well as city and/or state code requirements. Applicants also must provide written cost estimates prior to execution of construction contracts to ensure that costs are reasonable.

Site Control

Site control is typically required at the time of requesting funds for development projects. Site control documentation includes the following: a deed of trust, current option, current purchase and sale agreement, a current title report showing the entity holding fee simple title, an executed lease agreement for the length of the commitment to serve low-income households, or an executed disposition or development agreement.

Phase 1 Environmental Site Assessment

Development projects must provide a Phase 1 Environmental Site Assessment (ESA) at the time of application to ensure that any environmental hazards are recognized and mitigated. The Phase I ESA should be prepared in accordance with the requirements of ASTM E-1527 “Standard Practice for Environmental Site Assessments, Phase I Environmental Site Assessment Process,” and must clearly document compliance with 24 CFR 58.5(i)(2) or 50.3(i). Each assessment will include limited surveys of lead-based paint, asbestos, mold, and wetlands as applicable. If any hazards are identified, they will be abated or mitigated before occupancy. The Phase I ESA must be dated six months or less from the due date of the submission of the written funding request. If, at the time that the Consortium Member undertakes the federal Environmental Review, the Phase I ESA is more than six months old, an update will be required. If the Phase I ESA is more than a year old at the time that the Consortium Member undertakes the federal Environmental Review, a new Phase I ESA must be completed. Development projects must also meet state requirements under the State Environmental Policy Act (SEPA) and federal environmental review requirements under the National Environmental Policy Act (NEPA) as applicable.

Relocation

HOME-funded projects are subject to relocation requirements contained in the Uniform Relocation Act (URA) and, in some cases, Section 104(d) of the Housing and Community Development Act (also known as the Barney Frank Amendments). URA relocation requirements are triggered whenever displacement occurs as a direct result of rehabilitation, demolition or acquisition of a HOME-assisted project. Displacement includes residential and commercial tenants and owners. More information is available in HUD Handbooks 1378 and 1374.

As a practical matter, the Cabarrus/Iredell/Rowan HOME Consortium discourages projects that involve permanent

displacement because of the impact on residents, the cost, and the delay.

Subsidy Layering and Underwriting Guidelines

The Consortium must determine that no more than the necessary and allowable amount of HOME funds (in combination with other governmental funds), are invested in projects. The procedure for making this determination is the layering review.

The layering review will be conducted for those projects that include state or other public funds. It will take place as part of the review of applications for funding and again at the time of funding commitment. The review will consider the sources and uses of funds proposed for a project, the reasonableness of project development costs, the proposed project operating costs, and the amount of cash flow generated over time.

Subsidy layering also applies to homebuyer units with multiple government funding awards.

Before committing funds to a project, the Consortium Members must evaluate the project in accordance with the following guidelines that determine a reasonable level of profit or return on the owner's or developer's investment in a project.

- **Reasonable Costs:**
 - **Rental Development Projects:** Rental development project costs are considered reasonable if they are within the Total Development Cost (TDC) Limits set by the North Carolina Housing Finance Agency. If the project exceeds these limits, the owner or developer will be required to submit a waiver request that identifies project characteristics that create cost levels above these limits.
 - **Homebuyer Projects:** No housing purchase value, constructed or after-rehabilitation, may exceed 95 percent of the median purchase price of owner-occupied homes or exceed the maximum per unit HOME-investment value.
- **Debt Coverage Ratio for Rental Projects:** Projects must have an overall Debt Coverage Ratio (DCR) that provides a cushion against risk that may result from unforeseen circumstances, including higher than anticipated vacancy rates. Deferred loans are not considered in the DCR calculation during the deferral period, only the year when they become due and payable. The annual contributions to operating and replacement reserves must be included in the operating expenses when calculating the DCR. Projects should have an overall DCR of at least 1.10:1. The Consortium Members reserve the right, during contract development, to direct the use of excess cash flow when a project has an overall DCR greater than 1.20:1.
- **Developer Fee:** A reasonable maximum developer fee is ten percent (10%). For projects serving homeless, special needs populations or with 12 or fewer units, a reasonable developer fee is 15 percent (15%).
- **Project Contingencies:** If a Consortium Member is providing funds for construction of housing, a 10% contingency for new construction is required, with the right to request an exception, if needed.
- **Market Demand:** Applicants must, at a minimum, describe efforts to identify properties that are within the proposed project's market area and are available to the target population. A third-party market study must accompany the written funding request if the project involves low-income housing tax credits or if another funder requires a market study. Market studies are not required for the following projects:
 - Projects for persons with Developmental Disabilities (DD)
 - Projects for persons with chronic mental illness (CMI)
 - Projects for homeless persons
 - Domestic violence (DV) projects
 - Special needs projects for persons with chronic substance abuse issues combined with homelessness and/or other conditions requiring intensive support services

If the project does not meet any of the above criteria, a market study is required. The market study must be submitted with the written funding request if the applicant has site control. If site control has not been obtained, the market study must be submitted upon receipt of site control.

- **Vacancy Rates:** Applicants should use a 5% residential vacancy rate for rental projects and a 10% non-residential vacancy rate when preparing their operating pro forma. Exceptions will be allowed if adequate justification is provided, such as in the case of very small or special needs projects.

Costs Associated with the Administration of Development Projects

The Consortium Members will incur the costs associated with the oversight and administration of individual development projects, including both those that occur during the development phase (e.g., environmental review, underwriting, subsidy layering analysis, loan processing, and construction inspection/oversight) and those that occur during the affordability periods (e.g., monitoring and inspections). The Consortium Members may charge these costs to individual projects.

The costs incurred during the development phase will be included in the project's per-unit subsidy and match calculations, but they will not be included in any indebtedness incurred by The Consortium Members and thus are not included in the loan amount.

Costs incurred during the affordability periods will be charged as they are incurred by the Consortium Members. The Consortium Members must include the estimated monitoring costs as an allowable operating expense in their operating budget for the project.

V. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

Overview

A Community Housing Development Organization (CHDO) is a private non-profit, community-based service organization that has significant capacity and whose primary purpose is to develop affordable housing for the community it serves.

HOME regulations require a 15% set-aside of the Cabarrus/Iredell/Rowan HOME Consortium (herein referred to as the Consortium) annual HOME allocation exclusively for qualified, eligible CHDO projects. Once an organization becomes a certified CHDO, it is eligible to take advantage of the HOME funds set-aside, and financial support for a portion of the CHDO's operating expenses. The City of Concord will review and re-certify a CHDO's eligibility prior to the commitment of CHDO development set-aside funds.

Requirements for CHDO Certification

In keeping with the U.S. Department of Housing and Urban Development (HUD), The Consortium has established eleven (11) criteria for becoming a certified CHDO:

1. **Organized Under State/Local Law.** A nonprofit organization must show evidence in its Articles of Incorporation that it is organized under state or local law.
2. **Nonprofit Status.** The organization must be conditionally designated or have a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. A 501(c) certificate from the IRS must evidence the ruling.
3. **Purpose or Mission.** Among its primary purposes, the organization must have the provision of providing housing that is affordable to low- and moderate-income people. This must be evidenced by a statement in the organization's Articles of Incorporation and/or Bylaws.
4. **Board Structure.** The board of directors must be organized to contain no more than one-third representation from the public sector and a minimum of one-third representation from the low-income community.
5. **Prohibition of For-Profit Control.** The organization may not be controlled by, nor receive directions from, individuals or entities seeking profit from or that will derive direct benefit from the organization.
6. **No Individual Benefit.** No part of a CHDO's net earnings (profits) may benefit any members, founders, contributors, or individuals. This requirement must also be evidenced in the organization's Articles of Incorporation.
7. **Clearly Defined Service Area.** The organization must have a clearly defined geographic service area outlined in its Articles of Incorporation and/or Bylaws. CHDOs may serve individual neighborhoods or large areas. However, while the organization may include an entire community in their service area (such as a city, town, village, county, or multi-county area), they may not include their entire state.
8. **Low-Income Advisory Process.** A formal process must be developed and implemented for low-income program beneficiaries and low-income residents of the CHDO's service area to advise the CHDO in all its decisions regarding the design, location, development and management of affordable housing projects.
9. **Capacity/Experience.** The key staff and board of directors must have demonstrated experience and capacity to carry out HOME-assisted projects in its service area. At least one paid staff member must have demonstrated development experience.

10. Community Service. Organizations applying for CHDO certification must have a minimum of one year of related experience serving the community where it intends to develop affordable housing.
11. Financial Accountability Standards. The organization must meet and adhere to the financial accountability standards as outlined in 24 CFR 84.21, "Standards for Financial Management Systems."

CHDO Organizational Structure Requirements

The HOME Program establishes requirements for the organizational structure of a CHDO to ensure that the governing body of the organization is representative of the community it serves. These requirements are designed to ensure that the CHDO is capable of decisions and actions that address the community's needs without undue influence from external agendas.

There are four specific requirements related to the CHDO board of directors, which must be evidenced in the organization's Articles of Incorporation and/or Bylaws. These are:

1. Low Income Representation. At least one-third of the organization's board must be representatives of the low-income community served by the CHDO. There are three (3) ways a board member can meet the definition of a low-income representative:
 - The person lives in a low-income neighborhood where 51% or more of the residents are low-income. This person does not necessarily need to be low-income; or
 - The person is a low-income (below 80% area median income) resident of the community; or
 - The person was elected by a low-income neighborhood organization to serve on the CHDO board. The organization must be composed primarily of residents of the low-income neighborhood and its primary purpose must be to serve the interests of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups.

The CHDO is required to certify the status of low-income representatives.

2. Public Sector Limitations. No more than one-third of the organization's board may be representatives of the public sector, including elected public officials, appointees of a public official or any employees. If a person qualifies as a low-income representative and a public sector representative, their role as a public sector representative supersedes their residency or income status. Therefore, this person counts toward the one-third public sector limitation.
3. Low-Income Advisory Process. Input from the low-income community is not met solely by having low-income representation on the board. The CHDO must provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development and management of affordable housing. The process must be described in writing in the Articles of Incorporation and/or Bylaws. Each project undertaken by the CHDO should allow potential program beneficiaries to be involved and provide input on the entire project from project concept, design and site location to property management. One way to accomplish this requirement is to develop a project advisory committee for each project or community where a HOME assisted project will be developed. Proof of input from the low-income community will be required at the CHDO's annual recertification.
4. For-Profit Limitations. If a CHDO is sponsored by a for-profit entity, the for-profit may not appoint more than one-third of the board. The board members appointed by the for-profit may not appoint the remaining two-third of the board members.

Experience and Capacity Requirements

CHDOs must demonstrate that their key staff and board of directors have the *relevant* experience necessary to perform the HOME-assisted activities they plan to undertake. CHDOs must provide resumes of key staff members that describe their experience with successfully completing projects in comparison with proposed projects.

- a. Requirements: The Consortium may not commit annual HOME funds to a CHDO for development activities unless the Consortium has determined that the CHDO has staff with demonstrated development experience. The Consortium must ensure that the current CHDO staff has experience developing projects of the same size, scope and level of complexity as the activities for which HOME funds are being committed. CHDO staff is defined as paid employees responsible for the day-to-day operations of the CHDO. Staff does not include volunteers, board members, or consultants (except for consultants engaged during a CHDO's first year of operation).
- b. Paid Staff: A person whose salary, payroll taxes, and unemployment insurance are paid by the organization and from whom the organization withholds payroll and income taxes is considered paid staff. Paid staff may be full or part-time depending on the needs of the project.
- c. Use of Consultants: During the first year of a CHDO's operation, a consultant may be used to meet the staff requirement. However, the consultant must also train staff in housing development and management to ensure capacity is established after the first year.
- d. Applicability to the Consortium Activities: This requirement applies to all commitments of CHDO set-aside funds made from the Consortium's annual HOME allocation in which the CHDO is acting as the developer.
- e. HUD Implementation: Any time the Consortium sub-grants HOME funds from its annual CHDO set-aside fund to a CHDO for a project, the Consortium will certify in IDIS that it has carefully evaluated the development capacity of the CHDO staff and has determined that the CHDO staff has the knowledge, skills, and experience necessary to undertake eligible CHDO set-aside projects.

To ensure compliance with the HOME regulations, the recertification process will apply to CHDOs with active development projects including those under development and within the affordability period. Each CHDO will be required to submit specific information to City on an annual basis in conjunction with annual monitoring and compliance audits, including, but not limited to:

- The response to questions, numbered exhibits, and attachments listed in the City of Concord's CHDO certification application
- An updated **three-year** business plan and a description of how the low-income advisory process was implemented. If no HOME funds were used within the reporting period, a detailed description of all other affordable housing initiatives undertaken will be requested.

Recertification will be required annually when the City of Concord's staff monitors the CHDO for compliance. The CHDO must recertify as to its continued qualifications as a CHDO and its capacity to own, sponsor, or develop housing.

CHDOs that have not been allocated project funds from the HOME CHDO set-aside for three (3) consecutive years will be deemed inactive. At its discretion, the City may revoke the designation of inactive CHDOs based upon a review of other non-CHDO housing activities the organization has undertaken (if any), as well as other factors deemed appropriate by City.

Financial Accountability

CHDOs must have financial accountability standards that conform to the requirements detailed in 2 CFR 200-Subpart D, "Standards for Financial and Program Management." This can be evidenced by:

- f. A notarized statement by the president or chief financial officer of the organization.
- g. Certification from a certified public accountant.
- h. Audit completed by CPA.

CHDO Service Area

CHDOs must demonstrate a history of serving the community where the HOME assisted housing will be located. The Consortium requires that organizations show a history of serving the community by providing:

- i. A statement that documents at least one (1) year of experience serving one or more communities within the three-county area (Cabarrus, Iredell and Rowan Counties).
- j. For newly created organizations, provide a statement that the parent organization (if applicable) has at least one (1) year experience serving the community.

CHDOs will be required to provide updates and documentation on how it is ensuring that it is active and visible in the communities included in its service area.

CHDO Development Set-Aside

HOME regulations (24 CFR Part 92.300) require the Consortium to set aside at least 15% of its annual HOME allocation for projects owned, developed or sponsored by CHDOs. A certified CHDO must serve as the owner, developer, or sponsor of a HOME-eligible project when using funds from the 15% CHDO set-aside. A CHDO may serve in one of these roles or it may undertake projects in which it combines roles, such as being both an owner and developer.

Eligible and Ineligible Uses of HOME CHDO Set-Aside Funds

Eligible Activities-Owners, Sponsors and Developers

Using the 15% set-aside, a CHDO acting as an owner, sponsor, or developer may undertake any of the following activities:

- Acquisition and/or rehabilitation of rental property;
- New construction of rental housing;
- Acquisition, rehabilitation and resale of existing, vacant homebuyer property;
- New construction of homebuyer property;
- Direct financial assistance to purchasers of HOME-assisted housing developed by a CHDO with HOME CHDO set-aside funds.

Please note that to be considered a CHDO-eligible project, CHDO set-aside HOME funds must be used during the construction or rehabilitation of the project.

Ineligible CHDO Activities

Using the 15% set-aside, a CHDO may not undertake any of the following activities:

- Rehabilitation of existing homeowners' properties;
- Tenant-based rental assistance (TBRA); or

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- Down payment and/or closing cost assistance to purchasers of housing not developed with HOME CHDO set-aside funds.

Eligible Activities-Subrecipients

CHDOs may also act as subrecipients with non-set-aside funds by undertaking other HOME- eligible activities such as:

- Tenant-Based Rental Assistance (TBRA);
- Owner-occupied rehabilitation of single-family dwellings; and
- Down payment or closing cost assistance in the acquisition of single-family units.

Optional Operating Expenses

From time to time, funds may be available to provide general operating assistance to CHDOs receiving CHDO set-aside funds for activities. When funds are available, certified CHDOs that are administering an eligible project funded from the CHDO set-aside may be eligible to receive funds to be used for operating expenses. The regulations allow the City to allocate no more than **5%** of its HOME allocation for CHDO operating expenses (Operating Assistance Grants). However, the City reserves the right to further restrict the amount of funds an entity may receive for CHDO operating funds. This allocation does not count toward the required **15%** CHDO set- aside funds that are to be used by CHDOs for projects.

The amount of the optional Operating Assistance Grants awarded will be based on, but not limited to, the following factors:

1. The total amount of HOME funds City has available to allocate for reimbursable CHDO operating expenses;
2. The anticipated completion date and size of your current CHDO set-aside project(s); and
3. The CHDO's past performance as a CHDO developer.
4. The CHDO's capacity to complete the project in a timely manner.
5. The ability of the CHDO to retain CHDO proceeds.

The City will allocate Operating Assistance Grants on annually. Operating Assistance Grants will be provided on a fiscal year basis (October 1 – September 30) provided funds are available and the CHDO has demonstrated acceptable performance.

Although the disbursement of CHDO operating funds is not tied directly to the drawdown of the CHDO project funds, the City of Concord reserves the right to delay disbursement of operating funds if it is evident that the CHDO project is experiencing excessive delays.

The City of Concord reserves the right to reduce the amount of, or not award, operating funds based upon its evaluation of the CHDO's production and overall performance.

Eligible operating expenses for which CHDOs may use operating funds include:

- Salaries, wages, benefits, and other employee compensation
- Employee education, training and travel
- Rent and utilities
- Communication costs
- Taxes and insurance
- Equipment, materials and supplies

Because the purpose of providing CHDO operating support is to nurture successful CHDOs and ensure their continued growth and success, the City will periodically evaluate the performance of any CHDO wishing to receive CHDO operating funds.

Program Income

All income derived from the Consortium’s approved and funded projects must be used to further the goal of improving the availability and quality of low-income housing in the Consortium’s geographically-defined jurisdictional region.

Proceeds generated from the investment of CHDO set-aside funds in a HOME-eligible project and that are retained by the CHDO **are not** subject to the requirements of HOME regulations, *except in the event of repayment or recapture*. Therefore, CHDO proceeds have no federal identity and are not subject to lead-based paint requirements, the Davis-Bacon Act, Uniform Relocation Act, etc. Once CHDO proceeds are used, there is no further HOME requirements which must be met. **Funds generated from the use of CHDO proceeds are not CHDO proceeds.**

If a CHDO is acting as a subrecipient, the funds generated from HOME-assisted activities are program income and are subject to the Consortium’s program income requirements. In regard to administrative fees and CHDO proceeds, during the initial realization of CHDO proceeds, a CHDO may retain 10% for administrative costs. Thereafter, each time CHDO proceeds are realized, 20% may be retained for administrative purposes.

Unlike CHDO proceeds, program income earned for subrecipient projects never loses its federal identity and is always subject to HOME regulations. HOME funds that are a result of **repayment or recapture** are always considered program income, even if originally funded from the CHDO set-aside. **Repayment** occurs when a HOME-funded project, including CHDO set-aside, does not continue to be the principal residence of the HOME-assisted homebuyer for the full affordability period. No administrative fees may be retained on repaid or recaptured funds.

Income earned by CHDOs from THE CONSORTIUM MEMBERS-funded projects may be used in the following ways:

- a) Short-term new home construction or acquisition loans to qualified buyers.
- b) Maintenance and upkeep of the buildings, taxes, insurance, and other documented direct costs for low to moderate-income apartment complexes funded in whole or in part by HOME funds.

CHDO Procurement

As noted in HUD CPD Notice 97-11, CHDO organizations are not subject to the requirements of 2 CFR, Part 200 in regard to the procurement of goods and services. However, the City strongly encourages organizations to ensure that costs are reasonable and equitable. This exemption is only applicable to procurement associated with CHDO-eligible projects; CHDOs must still follow appropriate procurement procedures compliant with Part 200 for its non- CHDO projects. City may request a copy of the CHDO’s procurement policy for any non- CHDO project funding proposals.

Effective Period of CHDO Certification

To maintain its CHDO certification, the CHDO must submit at least **30** days prior to its annual compliance and monitoring audit a copy of the most recent audit financial statements along with all required attachments listed in the City's CHDO Certification Application, which is attached to this manual as **Exhibit “A” – City CHDO Application**. If the CHDO fails to submit the recertification packet, the CHDO may no longer qualify as a CHDO. Prior to awarding any City CHDO funds, the CHDO must recertify that no changes have occurred within the agency that would disqualify the entity as a CHDO for the specific type of activity being undertaken.

How to Apply for CHDO Certification

Complete the City's CHDO Certification Application including all requested attachments, documentation, and forms. The applicant has **30** days to respond to any request for additional information. If information is not received within **30** days, the CHDO certification application will be denied.

Probation/Suspension of CHDOs

Should a Cabarrus/Iredell/Rowan HOME Consortium-approved CHDO fail to achieve its stated objectives in using funds provided through the HOME Consortium, the City of Concord's staff may place the CHDO on probation. CHDOs on probation may not apply for new funds from the Consortium until their probationary status is lifted. The Consortium will provide any CHDO identified for probation with opportunity to respond in writing prior to placement on probation. The City of Concord's staff will provide notice in writing to the CHDO of placement on probation, as well as any subsequent decisions taken regarding the CHDO's probationary status.

The period of probation shall be determined by the Cabarrus/Iredell/Rowan HOME Consortium's Board and will be re-evaluated annually. The factors that will be used to consider removal of a CHDO from probation are:

1. **Successful completion of any delinquent projects funded by the Consortium.**
2. **Demonstrated changes in the CHDO's policies or structure to address stated deficiencies.**
3. **Overall responsiveness of the CHDO to the Consortium Members or the City of Concord's staff.**
4. **Initiative taken to obtain technical assistance and training provided by HUD and/or the City of Concord's staff.**

VI. DEVELOPMENT OF HOMEOWNERSHIP HOUSING

The Cabarrus/Iredell/Rowan HOME Consortium may fund the development of homeownership units for first-time homebuyers.

Please refer to the section entitled “General Policies and Procedures for Development Projects” for information related to:

- a. Applicant Standards
- b. Eligible Development Costs
- c. Appraisal and Real Property Acquisition
- d. Minimum Property Standards
- e. Site and Neighborhood Standards
- f. Accessibility
- g. Disaster Mitigation
- h. Compliance with State/Local Code, Ordinances, and Zoning Regulations
- i. Uniform Physical Condition Standards
- j. Gap Needs Assessment
- k. Construction Documents and Construction Estimates
- l. Frequency of Inspections
- m. Ongoing Property Condition Standards for Rental Housing
- n. Inspection Procedures
- o. Compliance and Monitoring
- p. Project Completion and Termination of Projects
- q. Corrective and Remedial Actions
- r. Site Control
- s. Phase 1 Environmental Site Assessment
- t. Relocation
- u. Subsidy Layering and Underwriting Guidelines
- v. Costs Associated with the Administration of Development Projects

Project Eligibility

- Eligible Activities
Activities allowed with the use of Consortium HOME funds are activities that support the development of affordable homes for first-time homebuyers and that address the needs identified in the Consolidated Plan.
 - New Construction:
 - Financial assistance provided for the construction of affordable housing units for first-time homebuyers.
 - Eligible Properties
 - Properties eligible for HOME development assistance must serve as the purchaser’s principal residence throughout the period of affordability.
 - Property types:
 - Single-family dwelling
 - Condominium
 - Manufactured Home
- b. Eligible homeownership types
- Fee simple title to the property
 - Own a condominium
 - Housing located on land owned by a community land trust, for at least 50 years
 - Manufactured housing on a ground lease that is at least equal to the applicable affordability period.

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c. Homebuyer Eligibility

- First-time home buyer: Applicant must not have owned a home during the previous 3 years prior to receiving federal funds excluding:
 - A displaced homemaker who owned a home with his or her spouse or resided in a home owned by the spouse.
 - A single parent who owned a home with his or her spouse or resided in a home owned by the spouse.
- Homebuyer households assisted must have incomes at, or below, 80% of the area median income (AMI).

d. Maximum Property Value

- For new construction or acquisition of standard housing, to be considered an eligible property, the property must have a purchase price that does not exceed 95% of the median purchase price for single-family housing in the area.
- HUD establishes the median purchase price limits and these limits can be found on its website: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>. The Consortium Member will provide current and updated limits, but the developer is responsible for confirming maximum property values for each transaction.

e. Resale Policy

The Cabarrus/Iredell/Rowan HOME Consortium has elected to use a resale methodology for ensuring compliance with HUD homebuyer affordability requirements. The Consortium Member's resale policies and guidelines ensure that the HOME-assisted units remain affordable and owner-occupied over the entire affordability period. Before each HOME-assisted unit purchase, the resale restrictions and affordability period are set forth in a funding agreement and restrictive covenant. Upon sale of the property by the initial homebuyer(s) during the period of affordability, the subsequent homebuyer must be an income-qualified household that will occupy the property as their principal residence. The initial homebuyer must receive net proceeds from the sale that represent a fair return on their investment.

The Homeownership Development Program is designed to provide financial assistance to a developer who agrees to sell homes to income-qualified homebuyers, resulting in a direct benefit to the homeowner households. In this case, HOME funding, known as "Development Subsidy," is provided directly to a developer to assist with or reduce development costs, when the developer agrees to sell homes to income-qualified homebuyers under terms that make the monthly cost of the home affordable to the homebuyer. These funds are not provided directly to the homebuyer, but are a "development subsidy" that enables the homes to be affordable to a low-income homebuyer. This includes HOME assistance that helps to close the gap between the cost of producing the home and the market value of the property (i.e., the development subsidy where the cost of development is higher than that market price of the home), but excludes any additional public funds that will reduce the purchase price from fair market value to an affordable price. When HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is considered to be the HOME subsidy.

Enforcement of Resale Provisions

The resale policy is enforced through the use of a Written Agreement and Restrictive Covenant signed by the homebuyer and developer, if applicable, at or before the closing of escrow account for the sale of the home. The Written Agreement and Restrictive Covenant will specify:

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1. Affordability Period. The resale policy is enforced for the affordability period and is based on the total amount of HOME funds invested in the unit. The typical affordability period for HOME-assisted home purchases is ten years (\$15,000 to \$40,000 of HOME funds) but may be five years if less than \$15,000 or fifteen years if more than \$40,000. If more than one type of funding is used to assist the homebuyer, the home may be subject to multiple affordability periods. Where multiple affordability periods exist in a home, resale of the home will be restricted to the longest period set forth in the Funding Agreement and Restrictive Covenant.
2. Initial Homebuyer Requirement. The initial homebuyer must occupy the home as their principal residence, and permanent sublease or renting is not allowable.
3. Subsequent Homebuyer Requirements and Reasonable Range of Low-Income Homebuyers. When sold, the home must be made affordable to a reasonable range of low-income households. Affordable is defined as a monthly housing cost for mortgage principal, interest, taxes and insurance of not more than 30% of the gross monthly income for a household between 60% and 80% of the area median income, adjusted for household size.

The initial homebuyer may not sell the home during the affordability period except in a manner that results in a subsequent homeowner who will occupy the home as their principal residence and whose household income is between 60% and 80% of area median income, adjusted for household size. To accomplish this, proceeds from the sale that exceed the fair return on investment will be returned to the HOME account to be used to make the unit affordable for a subsequent homebuyer.

The Consortium Members will verify the subsequent buyer's income eligibility. To determine maximum purchase price paid by the subsequent homebuyer, the Consortium Member will use the HOME affordable homeownership limits for the area provided by HUD in accordance with 24 CFR 92.254(a)(2)(i).

4. Security. Any HOME funds invested in housing that does not meet the affordability and resale requirements must be repaid to the Consortium Member. The Consortium Member will secure its financial interest in the affordability requirements through a recorded Restrictive Covenant, a Recoverable Grant Agreement, a Deed of Trust and/or Promissory Note that will ensure repayment in the event that the affordability requirements are not met.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.

In the event of foreclosure, the Consortium Member may be at risk of losing its HOME investment in the home and may be required to repay the funds to the HOME Investment Trust Fund Treasury account or the local Consortium Member's account. In order to minimize the Consortium Member's risk for repayment in the event of foreclosure, the Consortium Member will adhere to the following policies:

- a. If the Consortium Member's HOME investment is a development subsidy, the Consortium Member will require the developer to provide other suitable security or assurance that the funds will be repaid to the Consortium Member.

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- b. If the Consortium Member's HOME investment assists a homebuyer on property leased from a community land trust, the Consortium Member will require the community land trust to secure the HOME investment with a recorded Restrictive Covenant, Recoverable Grant Agreement, Deed of Trust and/or Promissory secured against the leased land.
- c. If the Consortium Member's HOME investment assists a homebuyer on property not leased from a community land trust, the Consortium Member will require the homebuyer to secure the HOME investment with a recorded Restrictive Covenant, Recoverable Grant Agreement, Deed of Trust and/or Promissory secured against the land.

In the event that the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing can be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence.

- 5. Fair Return to Initial Buyer. A homeowner that sells HOME-assisted homes is provided a fair return on her/his investment. The homeowner that sells a home may receive from sale proceeds their original contribution (down payment), plus amounts paid towards mortgage principal, plus the value of any credit-eligible improvements paid by the homeowner plus/less any agreed-upon appreciation/depreciation. The calculation is further described below:
 - a. Cash down payment. The amount of cash paid by the homebuyer to acquire the property.
 - b. Amount paid to the principal. The amount of cash paid by the homebuyer that is credited to the principal on a mortgage on the property.
 - c. Capital improvements. The addition of livable space (bedroom, bathroom, finished basement, finished attic space, porch or deck, the addition of a garage (either attached or detached)) shall be considered a Qualified Capital Improvement. In order to receive credit for a Qualified Capital Improvement, the homebuyer must submit to the Consortium Member (or leaseholder if a community land trust), prior to commencing construction, detailed plans, itemization of expected costs and permits for the proposed construction. The Consortium Member (and leaseholder, if a community land trust) may agree to the scope of the proposed construction and timeline for completion, in addition to the future affordability of the improvements for subsequent resale to qualified low-income homebuyers. Fifty percent of the value of the qualified Capital Improvements that is agreed to in advance by the Consortium Member (or community land trust) shall qualify as Capital Improvement Credit.
 - d. Capital Systems Replacement. For the purpose of qualifying as a Capital Systems Replacement, the roof, plumbing (excluding fixtures), foundation, electrical (excluding fixtures), heating, sewer line, insulation, or windows, shall be considered Capital Systems if at least fifty percent of the Capital System is replaced and the new Capital System has an expected life-span of at least thirty years. The addition of alternative energy production system(s) shall qualify for credit under this passage. In order to receive a credit for Capital Systems Replacement, the homeowner must consult with the Consortium Member (or community land trust) prior to replacing a Capital System, and an agreement must be reached between the homeowner and Consortium Member (or community land trust) regarding the scope and cost of the proposed replacement.

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The intention of this credit is to encourage and create incentives for homeowners to maintain the functionality of these systems and to increase the quality of energy efficiency, durability and ease of maintenance over time while simultaneously maintaining affordability. Provided all conditions of this paragraph and the agreement between the Consortium Member (or community land trust) and homeowner described herein are met, the following payment schedule shall apply:

If the home sale is less than 10 years from Capital System Replacement, 100 percent of the cost can be credited. If the home sale is between 10 and 20 years from Capital System Replacement, 50 percent of the cost can be credited. Replacement of less than fifty percent of any Capital System will be considered repair and the cost of such a repair will not be eligible for credit under this section.

- e. Appreciation/Depreciation. The Cabarrus/Iredell/Rowan HOME Consortium uses the housing price index (HPI) calculator, provided by the Federal Housing Finance Agency, to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer. The calculator can be accessed at the following link: <https://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx>

The resale formula stipulates that the homeowner, should they choose to sell, will be able to sell the home for the original price paid (not including the HOME subsidy at the time of purchase) plus 25% of any increase in the combined value of the home and land based on the HPI during the time of ownership. Additionally, at resale, the homeowner is allowed to receive an equity “credit” for qualified capital improvements made, as follows: 100% of the increase in appraised value attributable to the addition of one (1) or more bedroom and one (1) or more bathroom and 50% of the actual cost for the work of other qualified capital improvements.

By using a market-rate appraisal conducted by an independent, state-licensed appraiser to establish the value of the property prior to the initial purchase of the home, the Consortium Member follows the standard practice for all real estate purchase transactions. By using the Housing Price Index to determine the value, upon notice of intent to sell by the homeowner, the Consortium Members ensure that the previous and prospective homeowners and the public have a transparent method of determining the home price. In this way, the market values are easily measured, professionally determined, and publicly accessible. No subjective judgments are made by the Consortium Members or the homeowner as to what constitutes value and how value is determined.

6. Resale Process. The homebuyer must notify the Consortium Members prior to offering the home for sale. The homebuyer will need to provide the Consortium Member with documentation of principal paid, capital improvements made, and capital systems replaced in order to help determine the homebuyer's fair return on investment. Within thirty days, the Consortium Member will provide a written response regarding the homeowner's fair return on investment.

Proceeds from the sale that exceed the fair return on investment will be returned to the HOME account to be used to make the unit affordable for a subsequent homebuyer.

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Termination of Affordability Restrictions:

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- The Consortium Members may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.
- The affordability restrictions will be enforced according to the original terms if, during the original affordability period, the owner of record, obtains an ownership interest in the housing prior to the termination event.
- Under the following conditions, certain housing may be presumed to meet the resale restrictions during the period of affordability without the imposition of enforcement mechanisms by the Consortium Members:
 - The presumption must be based upon a market analysis/appraisal of the neighborhood in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area.
 - An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing.
- The Consortium Members will periodically update its market analysis to verify continued affordability.

Recapture

Recapture Provisions: For all homebuyer down payment and closing cost assistance and housing development subsidies that cause the unit to be sold below fair market value projects, a recapture provision shall be utilized. These subsidies represent a direct subsidy to the homebuyer. If the home is sold during the period of affordability, the **Consortium Members** must be notified of the sale. The **Consortium Members** will execute written agreements that reflect the recapture provisions at or before the time of sale and will be enforced via a recorded lien. Affordability periods are based on the amount of HOME investment. Any CHDO's or subrecipients will be required to enforce these recapture provisions. The **Consortium Members** will allow a pro-rata reduction of the recapture amount during the affordability period. The reduction will be void if repayment is triggered. These provisions will be included in the loan documents.

Recapture Method: In the event of a voluntary or involuntary sale, the **Consortium Members** will recapture and retain all appreciation before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. The homebuyer will then retain remaining funds after the **Consortium Members** retains its investment up to 100 percent (100%) including project related soft costs. The net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

If the property owner no longer uses the property as a principal residence, violates other HOME principal residency requirements of the property, is unable to continue ownership, or violates the affordability requirements of the HOME program, any outstanding amount of HOME assistance will be recaptured by the **Consortium Members** from the net sales proceeds. Any proceeds from the recapture of HOME funds will be used to facilitate the acquisition, construction and/or rehabilitation of housing for the purposes of promoting affordable housing.

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- The Consortium Members will structure its recapture provisions based on its Homeownership Program design and market conditions.
- Recapture provisions may permit the subsequent homebuyer to assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability), if the subsequent homebuyer is low-income, and no additional HOME assistance is provided.

This assistance could be directly, in the form of down-payment assistance, a first or second mortgage, or indirectly, such as through the sale of the home to the buyer at less than fair market value.

Therefore, the borrower acknowledges that the affordability period information has been provided and is encouraged to read and understand the HOME Regulations.

Recapture Options: The Consortium Members can use the following options regarding the recapture of HOME funds:

- **Recapture Entire Amount:** The Consortium Members may recapture the entire amount of the HOME investment from the homeowner.
- **Reduction during Affordability Period:** The Consortium Members may reduce the HOME investment amount to be recaptured on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
- **Shared Net Proceeds:** If the net proceeds are not sufficient to recapture the full HOME investment, plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, The Consortium Members will share the net proceeds. Net proceeds equal the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{HOME Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Funds to be Recaptured}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Investment} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$$

- **Owner Investment Returned First:** The Consortium Members may permit the homebuyer to recover the homebuyer's entire investment (down payment and capital improvements made by the owner since purchase) before recapturing the HOME investment.
- **Amount Subject to Recapture:** The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- Recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.
- **Lease-Purchase:** HOME funds may be used to assist homebuyers through lease-purchase programs for existing housing and for housing to be constructed. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If the HOME funds are used to acquire housing that will be

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resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in §92.252 shall apply if the housing is not transferred to a homebuyer within 42 months after project completion.

- ***Preserving Affordability of Housing that was Previously Assisted with HOME Funds:*** To preserve the affordability of HOME-assisted housing, the Consortium Members may use additional HOME funds for the following costs:
 - Costs to acquire the housing through a purchase option, right of first refusal, or other preemptive right before foreclosure, or at the foreclosure sale. (The foreclosure costs to acquire housing with a HOME loan in default are eligible. However, HOME funds may not be used to repay a loan made with HOME funds.)
 - Costs to undertake any necessary rehabilitation for the housing acquired.
 - Costs of owning/holding the housing pending resale to another homebuyer.
 - Costs to assist another homebuyer in purchasing the housing.
 - When HOME funds are used to preserve the affordability of such housing, the additional investment must be treated as an amendment to the original project. The housing must be sold to a new eligible homebuyer within a reasonable period of time, typically nine (9) months or less.
 - The total amount of the original and additional HOME assistance may not exceed the maximum per unit subsidy amount.
 - The cost can be charged to the HOME program as a reasonable administrative cost so that the additional HOME funds for the housing are not subject to the maximum per-unit subsidy amount. To the extent administrative funds are used, they may be reimbursed, in whole or in part, when the housing is sold to a new eligible homebuyer.

Rehabilitation Not Involving Acquisition

Housing that is currently owned by a household qualifies as affordable housing only if:

- The estimated value of the property, after rehabilitation, does not exceed 95 percent (95%) of the median purchase price for the area; and
- The housing is the principal residence of an owner whose household qualifies as a low-income family at the time HOME funds are committed to the housing. The income of all persons living in the housing must be used to determine income eligibility.

Types of Ownership Interest

- ***Inherited Property:*** Inherited property with multiple owners is defined as: housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The owner-occupant may be assisted if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).
- ***Life Estate:*** The person who holds the life estate has the right to live in the housing for the remainder of his or

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her life and does not pay rent. The person holding the life estate may be assisted if the person is low-income and occupies the housing as his or her principal residence.

- ***A Living Trust:*** A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. The person holding the living trust may be assisted if the person is low-income and occupies the housing as his or her principal residence.
- ***New Construction without Acquisition:*** Newly constructed housing that is built on property currently owned by a family which will occupy the housing upon completion. The household must qualify as low-income and the housing must be their permanent residence.

Converting Rental Units to Homeownership Units for Existing Tenants

- The Consortium Members can allow the owner of the HOME-assisted rental units to convert the units to homeownership units by selling, donating, or otherwise conveying the units to the existing tenants to become homeowners. Refusal by the tenant to purchase the housing does not constitute grounds for eviction or for failure to renew the lease.
- If there are no additional HOME funds that can be used to assist tenants in becoming homeowners, the units are subject to a minimum period of affordability equal to the remaining affordable period if the units continued as rental units.
- If additional HOME funds are used to assist tenant to become homeowners, the minimum period of affordability will be based on the amount of direct homeownership assistance provided.

Homebuyer Program Policies

The **Consortium Members** will work to preserve and expand the area's affordable housing stock by providing grants, deferred loans and/or low-interest loans to housing partners including Community Housing Development Organizations (CHDOs) for the production of affordable housing units. The Consortium's HOME funds will be leveraged with other, non-HOME funding in order to maximize the numbers of units produced while minimizing cost burden to new homeowners.

To qualify for homebuyer assistance, individual participants must complete a comprehensive housing counseling program through a HUD-certified counselor or agency.

In addition to the educational resource on housing and financial literacy that the counseling program provides, home buyer assistance may also provide for some gap financing to make purchases more affordable in the forms of closing costs and/or down payment assistance.

To qualify for first-time homebuyer assistance the person must:

- Occupy the property as their primary residence;
- Have not owned a home within the previous 3 years;
- Be at or below 80 percent (80%) of area median income;
- Qualify for a first mortgage through a lending entity approved by the Consortium Members;
and
- Have completed a qualified homebuyer education and counseling class, and be able to

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demonstrate ability to repay the loan.

- The maximum price of the purchased home cannot exceed those limits published by HUD.
- The prospective homeowner's housing costs cannot exceed 30% of their **gross income and debt-to-income ratio limits must meet standard underwriting guidelines.**

These funds may be used with other available funding to assist the same segment of the regional population. As mentioned above, the Consortium Members may use local funds to directly-assist homebuyers. The Consortium also may use de-obligated subrecipient funding for homeownership initiatives.

VII. DEVELOPMENT OR ACQUISITION OF RENTAL HOUSING

Please refer to the section entitled “General Policies and Procedures for Development Projects” for information related to:

- a. Applicant Standards
- b. Eligible Development Costs
- c. Appraisal and Real Property Acquisition
- d. Minimum Property Standards
- e. Site and Neighborhood Standards
- f. Accessibility
- g. Disaster Mitigation
- h. Compliance with State/Local Code, Ordinances, and Zoning Regulations
- i. Uniform Physical Condition Standards
- j. Gap Needs Assessment
- k. Construction Documents and Construction Estimates
- l. Frequency of Inspections
- m. Ongoing Property Condition Standards for Rental Housing
- n. Inspection Procedures
- o. Compliance and Monitoring
- p. Project Completion and Termination of Projects
- q. Corrective and Remedial Actions
- r. Site Control
- s. Phase 1 Environmental Site Assessment
- t. Relocation
- u. Subsidy Layering and Underwriting Guidelines
- v. Costs Associated with the Administration of Development Projects

Qualification as Affordable Housing: Rental Housing

All HOME-assisted rental units must be occupied by households that are low-income eligible with rents conforming to high and low HOME rents for the area median income and adjusted for household size.

- Rental units must have initial occupancy within 18 months of completion.
 - If at six (6) months a unit is still vacant, the Consortium may require changes to the marketing efforts.
 - If the unit is still vacant at 18 months, repayment of HOME funds invested must be made.

Rent Limitation (High HOME Rents)

The maximum HOME rents (High HOME Rents) are the lesser of:

- The fair market rent for units by number of bedrooms, and the HOME 65% rents for a comparably-sized unit. The lower of the two rents is the High HOME Rent.
- Rent plus monthly utilities, or the utility allowance, cannot exceed 30 percent of the adjusted income of a family whose annual income equals 65% of the area median income (AMI) for the area, with adjustments for number of unit bedrooms.
 - The HOME rent limits provided by HUD will include average occupancy per unit and the adjusted income assumptions.

Additional Rent Limitations (Low HOME Rents)

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In rental projects with five or more HOME-assisted rental units, at least 20 percent (20%) of the HOME- assisted units must be occupied by very low-income families and meet one of the following rent requirements:

- The rent does not exceed 30 percent (30%) of the annual income of a family whose income equals 50 percent (50%) of AMI, as determined by HUD, with adjustments for smaller and larger families.
- The rent does not exceed 30 percent (30%) of the family's adjusted income, if the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent (30%) of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Additional Rent Limitations for Single Room Occupancy (SRO) Projects

- For SRO units that have both sanitary and food preparation facilities, the maximum HOME rent is based on the zero-bedroom fair market rent.
- For SRO units that have no sanitary or food preparation facilities or only one of the two, the maximum HOME rent is based on 75 percent (75%) of the zero-bedroom fair market rent. The project is not required to have low HOME rents, but must meet occupancy requirements.

Initial Rent Schedule and Utility Allowances

- The Consortium Members will establish maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually. The Consortium Members will use the HUD Utility Schedule Model <http://huduser.org/portal/resources/utimodel.html> to determine the utility allowance for the project based on the type of utilities used at the project.
- The Consortium Members will review and approve rents proposed by the owner for units designated as high or low HOME rents. For all units subject to the maximum rent for which the tenant is paying utilities and services, the Consortium Members will ensure that the rents do not exceed the maximum rents minus the monthly allowances for utilities and services.

AFFORDABILITY PERIODS

Rental Housing Activity	Maximum Period of Affordability in Years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New Construction or acquisition of newly constructed housing	20

Affordability Periods: HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the table above, beginning after project completion.

- Affordability requirements will apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of ownership;

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- The Consortium Members will impose affordability requirements through a deed restriction, a covenant running with the land, an agreement restricting the use of the property, or other mechanisms approved by HUD.
- Purchase options, rights of first refusal or other preemptive rights to purchase the housing **before foreclosure or deed in lieu of foreclosure can be used to preserve affordability.**

Subsequent Rents During the Affordability Period

For subsequent income determinations during the period of affordability, the Consortium Members will use one of the following methods:

- Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.
- Obtain a written statement from the administrator of a government program under which the family receives benefits and that examines the family's annual income.
 - The statement must indicate the tenant's family size and the amount of the family's annual income; or
 - The statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.
- HOME rents for a project are not required to be lower than the HOME rent limits established for the project at the time of project commitment.
- Annually, the owners of rental properties must provide the Consortium Members with information on rents and occupancy for HOME-assisted units to show compliance. Consortium Members will review and approve any rent increases.
- Owners must provide tenants of HOME-assisted units with a 30-day prior written notice before implementing any increase in rents.
- HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the project's continued financial viability, and only by an amount that HUD determines is necessary.

Designating HOME-Assisted Units

The HOME Program distinguishes between the units in a project that are assisted with HOME funds and those that are not, hence the term HOME-assisted unit. In deciding the number of HOME-assisted units to designate in a project, the following factors should be considered:

- a. Maximum HOME-assisted unit investment: HUD has established the maximum per-unit subsidy limit as 100 percent of the dollar limits for a Section 234-Condominium Housing basic mortgage limits, for elevator-type projects. These limits change annually and will be provided by the Consortium.
- b. If there are 12 or more HOME-assisted units in a project, Davis-Bacon wage rates apply.

All HOME-assisted units must be designated as "fixed" or "floating" at the time of project commitment.

- c. Fixed: When HOME-assisted units are "fixed," the specific units that are HOME-assisted (and, therefore, subject to HOME rent and occupancy requirements) are designated and never change.
- d. Floating: When HOME-assisted units are "floating," the units that are designated as HOME-

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assisted may change over time as long as the total number of HOME-assisted units in the project remains constant.

Most applicants will choose to designated HOME-assisted units as floating because it provides greater flexibility.

Maximum Incomes and Rents for HOME-Assisted Units

In projects of five or more HOME-assisted unit rental units, at least 20% of the HOME-assisted units must be occupied by households who have annual incomes that are 50% or less of median income. These very low-income tenants must occupy units with rents at or below the Low HOME Rent level. The balance of HOME-assisted units must be occupied by households who have annual incomes that are 60% or less of median income, and the rents must be at or below the High HOME Rent level. More than 20% of HOME-assisted may be designated as 50% or less of median income/Low HOME Rent units.

Site and Neighborhood Standards

New construction of rental housing must meet the site and neighborhood standards outlined in 24 CFR § 983.57(e)(2) and (3). The site must not be located in an area of minority concentration, except as permitted, and must not be located in a racially-mixed area, if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

Additionally, the applicant must demonstrate the residents will have access to core services, such as grocery, transportation, and relevant social services (homeless projects), within easy access. The Consortium will use a ½ mile radius to measure maximum distance to these services. If the development is within ¼ mile of a bus stop, this requirement may be waived.

Form of HOME Investment

The Consortium Members may provide rental housing development awards in the form of amortized loans, deferred loans, recoverable grants, grants or a combination of these.

Grants may be provided to housing projects serving the lowest-income, highest-need populations that require public operating subsidy to cover basic operating expenses. These projects will typically not have the cash flow or financial ability to service additional debt reflected in the operating pro forma submitted and reviewed as part of the written funding request process. Grants may need to be structured based on the nature and additional sources being leveraged as in the case of HUD-funded projects.

Loans may be amortized or deferred. Loans will be structured based on the project's operating pro forma. Deferred loans will have principal and interest, if interest is being charged, due and payable in full on or before the termination date of the contract. Loan terms may be set based on the needs of other funding sources such as the federal Low-Income Housing Tax Credit program. The Consortium Member's interest in the property will be secured by appropriate collateral and documentation. The Consortium Member may authorize deferred payment and/or forgivable loans for those projects with inadequate sources to repay the loans. Deferred payment and/or forgivable loans shall be secured in a manner to ensure that if the project no longer provides the benefits of affordable housing as approved by the Consortium Member, that the loan (with interest) would become due and payable.

Project Deadlines

HOME-funded projects must meet the following deadlines or face loss or required repayment of HOME funds:

1. Before the Consortium Member can enter into a HOME funding commitment, the Consortium Member must provide evidence of firm written financial commitments from all other funders for the project. Projects failing to obtain these commitments within 12 months from the time of award letter face loss of their preliminary allocation of HOME funds.
2. Construction must begin within twelve months of project commitment (Written Agreement signature).
3. If the HOME-funded unit is not occupied by eligible tenants within six months following the date of project completion, the Consortium Member must submit marketing information and a marketing plan attract eligible

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tenants to the City of Concord. If the HOME units remain vacant after 18 months from the date of project completion, the Consortium Member will be required to repay the HOME funds invested in those units.

Tenant Protections and Selections

1. Tenants must be offered written leases for a period of not less than one year, unless by mutual agreement between the tenant and the owner a shorter period is specified.
 2. Lease terms must be consistent with the tenant protections set forth in the HOME Rules, 24 CFR § 92.253 (HOME Lease Addendum).
 3. Owners of rental housing must comply with the affirmative marketing requirements pursuant to 24 CFR § 92.351(a) and (b).
 4. The owner must adopt and follow written tenant selection policies and criteria consistent with 24 CFR § 92.253(d).
- Project Owners must adopt written tenant selection policies and criteria. These policies and criteria must be based on local housing needs and priorities consistent with the Consortium’s Consolidated Plan. Selection policies must:
 - Comply with the Consortium’s affirmative marketing requirements.
 - Limit housing to very low-and low-income persons.
 - Not limit eligibility or give preference to a particular segment of the population unless specifically authorized in the written agreement.
 - Not exclude applicants with vouchers or TBRA.

HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of §92.252 to qualify as affordable housing.

- Utility allowances must be calculated using the HUD Utility Schedule Model. This model can be found at <http://huduser.org/portal/resources/utimodel.html>
- Applicants for rental housing must submit, along with their application, the following documentation must be dated within a reasonable amount of time from the date that the application was completed and submitted:
 - Valid photo ID, such as driver’s license, state photo ID or passport.
 - Social Security Card.
 - Most recent year’s state and federal income tax returns (additional years may be required if a potential homebuyer is self-employed or had 1099 income).
 - W-2 statements for most recent years.
 - Two months of pay stubs.
 - Last two (2) consecutive months of financial statements for all accounts.
 - Proof of any additional household income that may include, but is not limited to: social security disability (for children as well as adults), veteran’s pension or disability, social security retirement, child support payments or alimony, or TANF.
 - Credit score and statement of current debts.

There must be a written lease for all HOME-assisted rental units, and the statutory tenant protections must be integrated into the lease.

- Mandatory supportive services: Lease terms that make tenant acceptance of supportive services mandatory are prohibited.
- Tenants in transitional housing may be required to accept supportive services as part of an overall program.
- Tenants must receive a 30-day written notice prior to evictions.
- Tenants must also receive a 30-day written notice prior to rent increases.

- Rental assistance subsidy holders cannot be turned down for HOME-assisted housing because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable HOME tenant-based assistance document.

DISPLACEMENT, RELOCATION AND ACQUISITION

Minimizing Displacement

The Consortium Members will ensure that all reasonable steps are taken to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

Temporary Relocation

The following policies will cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

- Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily-occupied housing and any increase in monthly rent/utility costs.
- Appropriate advisory services, including reasonable advance written notice of:
 - The date and approximate duration of the temporary relocation;
 - The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
 - The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project.

Relocation Assistance for Displaced Persons

- A “displaced person” must be advised of his or her rights under the Fair Housing Act.
- In the event of any temporary or permanent relocation of residents as a result of a HOME-funded activity, the Consortium Members will follow its policies on displacement, relocation, acquisition, and replacement of housing as applicable.

A person does not qualify as a *displaced person* if any of the following circumstances apply:

- The person has been evicted for a cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the Consortium Members determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.
- The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
- HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
- All prospective tenants, prior to signing the lease and beginning occupancy, must be informed and provided written notice of the displacement policy and all related rules.
- **Appeals:** A person who disagrees with the project owner’s determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be

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eligible, may file a written appeal of that determination with the Consortium Members. A person who is dissatisfied with the Consortium Member's determination on his or her appeal may submit a written request for review of that determination to HUD'S Columbia, SC Field Office

Troubled Home-Assisted Rental Housing Projects

If rental housing is not fully leased by eligible tenants within six (6) months following the date of project completion, the Consortium Members will submit marketing information and, if appropriate, a marketing plan to HUD.

- If HOME-assisted rental units are not rented to eligible tenants 18 months after the date of project completion, the Consortium Members will be required to repay the HOME funds invested in any housing unit to HUD.
 - The Consortium Members will also implement the recapture of HOME funds from the grantee for any rental units that are not rented by 18 months after the date of project completion.
 - The affordability requirements also apply to the HOME-assisted, non-owner-occupied units in single-family housing purchased with HOME funds in accordance with §92.254. The tenant must have a written lease that complies with §92.253.
 - 24 CFR §92.210 provides participating jurisdictions with flexibility to assist in averting foreclosures and would enable HUD to approve these actions without the process required to grant waivers that can be time-consuming. However, 24 CFR §92.210 limits total investment in the project to the maximum per-unit subsidy in 24 CFR §92.250(a), and provides HUD with the option of requiring an extension of the period of affordability as a condition of permitting the investment of additional HOME funds in the project. 24 CFR §92.210 also permits a reduction in the number of HOME-assisted units, but only if the project contains more than the minimum number of units required to be designated as HOME-assisted units under 24 CFR §92.205(d).

Recordkeeping

One of the Consortium Member's/Project Owner's responsibilities is to keep adequate records, to be able to demonstrate compliance with HOME requirements. The Consortium Member/Project Owner should keep both project and tenant records.

- a. Project records should include documentation to back-up rent and utility allowance calculations. If the project's HOME-assisted units are "floating," the owner should also keep records to show how HOME occupancy targets were met (for example, rental logs to show that as units were vacated or tenants became over-income, HOME-assisted units were properly replaced). General rental housing records must be kept for five (5) years after the conclusion of the Consortium Member's/Project Owner's period of affordability.
- b. Tenant files should include the documentation necessary to demonstrate that each HOME-assisted unit is properly occupied by an income-eligible tenant. Such documentation includes: the tenant's application, initial income verification documents, subsequent annual income recertification documents and the tenant's lease. Tenant income, rent and inspection information must be kept for the most recent five (5) years, until five (5) years after the HOME affordability period.

Project Monitoring

Project owners must submit information on tenant incomes and rents annually on the form provided by the Consortium Member.

With advance notice to the project owner, the Consortium Member and possibly the City of Concord will conduct

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an on-site inspection of HOME properties at least as frequently as follows throughout the HOME affordability period:

- c. Annually: Projects with 26 or more total units
- d. Every two years: Projects with 5-25 total units
- e. Every three years: Projects with 1-4 total units

The City of Concord will inspect at least 15 percent to 20 percent of the HOME-assisted units in a project, and a minimum of one unit in every building to ensure compliance with property standards. The City of Concord also will ask to see a sample of the files of residents of HOME-assisted units to review income documentation, rent calculations, HOME lease provisions, and compliance with other HOME regulations.

5. TENANT-BASED RENTAL ASSISTANCE (TBRA)

OVERVIEW

The Tenant Based Rental Assistance (TBRA) Program provides targeted, very low-income households with utility, deposit, and rent costs for up to two (2) years.

Eligible Activities and Costs

1. Up to 24 months of rent assistance per household to help pay the costs of monthly rent and utilities. A household may continue to receive assistance following the initial 24 months, dependent on available funding.
2. Security deposits, regardless of whether the household will be receiving rental assistance.
3. Utility deposit assistance, **only** in conjunction with rental assistance.
4. Project delivery costs, which specifically includes administrative time determining income eligibility.
5. When HOME TBRA is combined with other subsidies, the HOME TBRA assistance may only be used as a supplement to further reduce the household rent payment to 30 percent of income.

Ineligible Activities

1. Project-based rental assistance. Households must be free to use the assistance in any eligible unit.
2. Rental assistance to a household already receiving rental assistance under another Federal program, or a state or local rental assistance program that reduces the tenant rent payment to 30% of income.
3. Providing TBRA for overnight or temporary shelter.
4. Move-in costs and credit checks.
5. Case management and support services.
6. Utility deposits without rental assistance.
7. Payment of rent arrearages.

Subrecipient Eligibility

Eligible applicants are public housing authorities and nonprofit community-based organizations assisting households in areas throughout Cabarrus, Iredell and Rowan counties. Applicants must have prior experience administering a tenant based rental assistance program, unless an experienced entity has agreed to mentor the applicant for the term of the contract.

Target Populations

This program targets households that are literally homeless or exhibit characteristics that make them highly vulnerable to becoming homeless. Persons within the target population shall be identified through locally-determined, coordinated entry access and referral policies and procedures.

Eligible Beneficiaries

The following is an overview of the criteria that households must meet to be eligible for TBRA. Further details regarding eligibility verification and documentation can be found in Program Administration and Implementation: Eligibility Verification and Documentation.

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- a. The household’s verified income must be below 50 percent of the area median income (AMI) for the area being served.
- b. The household must apply and be referred to the TBRA HOME program through the area’s local coordinated entry system, in compliance with all coordinated entry policies and procedures as established by the local continuum. Coordinated entry eligibility and referral must be clearly documented in the client file.

PROGRAM ADMINISTRATION AND IMPLEMENTATION

Tenant Selection

Tenants must be selected from the target population as detailed in the TBRA Overview. Within the target population, Subrecipients will use a vulnerability index or assessment tool to prioritize applicants for selection, as indicated by local coordinated entry policies and procedures. Subrecipients should not administer their TBRA program on a first-come, first-served basis.

The Subrecipient’s program cannot be administered in a manner that limits the opportunities of persons based on race, color, religion, sex, national origin, handicap, sexual orientation, gender identification, or familial status. A person selected for the TBRA program may not be prohibited from applying for or participating in other available programs or forms of assistance for which he or she might qualify.

Subrecipients must administer the TBRA HOME program in compliance with Fair Housing Law and the North Carolina Law Against Discrimination.

Eligibility Verification and Documentation

Initial eligibility documentation must be dated within 6 months of the lease start date, and must include the following:

1. Housing Status and Coordinated Entry Referral Verification
 - a. The Subrecipient must verify and document the housing status of the household, as well as coordinated entry eligibility and referral as determined by local coordinated entry policies and procedures.
 - b. The Subrecipient shall verify housing status per the following situations and documentation methods:

Situation	Documentation
Persons living on the street or in short-term emergency shelter	Information should be obtained to indicate that the participant is living on the street or in short-term emergency shelter. This may include names of organizations or outreach workers who have assisted them in the past, whether the client receives any general assistance checks and where the checks are delivered, or any other information regarding the participant’s activities in the recent past that might provide documentation. If unable to verify that the person is living on the street or in short-term emergency shelter, the participant or staff person may prepare a short, written statement about the participant’s previous living place. The participant should sign the statement and date it.
Persons coming from transitional housing for homeless persons	Obtain written verification from the transitional housing staff that the participant has been residing at the transitional housing facility. The verification should be signed and dated by the referring agency personnel. The Subrecipients also should obtain written verification that the participant was living on the streets or in an emergency shelter prior to living in the transitional housing facility (see above for required documentation for emergency shelter), or was discharged from an insti-

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	tution or evicted from a private dwelling prior to living in the transitional housing and would have been homeless if not for the transitional housing (see below for required documentation for eviction from a private dwelling).
Persons being evicted from a private dwelling	<p>Obtain evidence of formal eviction notice indicating that the participant was being evicted within a week before receiving homeless assistance. Also obtain information on the participant’s income and efforts made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.</p> <p>If the participant’s family is evicting, a statement describing the reason for eviction must be signed by the family member and dated. In other cases where there is no formal eviction process, persons are considered evicted when they are forced out of the dwelling unit by circumstances beyond their control. In those instances, obtain a signed and dated statement from the participant describing the situation. The Subrecipient must make efforts to confirm that these circumstances are true and have written verification describing the efforts and attesting to their validity. The verification should be signed and dated.</p>
Persons from a short-term stay (up to 90 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Obtain written verification from the institution’s staff that the participant has been residing in the institution for less than 91 days and information on the previous living situation. See above for guidance.
Persons being discharged from a longer stay in an institution	Obtain evidence from the institution’s staff that the participant was being discharged within the week before receiving homeless assistance. Obtain information on the income of the participant, what efforts were made to obtain housing and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.
Persons fleeing domestic violence	Obtain written verification from the participant that he/she is fleeing a domestic violence situation. If a participant is unable to prepare verification, the grantee/recipient may prepare a written statement about the participant’s previous living situation for the participant to sign and date.

2. Income Verification

- a. The Subrecipient must verify and document that the household income is below 50 percent of the area median income (AMI) for the area being served. Verification and documentation of income eligibility must be completed before assistance is provided.
- b. Updated income limits are published annually by the U.S. Department of Housing and Urban Development (HUD). The Consortium Members will distribute updated income limits as soon as they are available, which may be prior to the date of implementation for the updated area median income. The Subrecipient must implement updated income limits in accordance with “effective by” dates as published by HUD.
- c. Income must be counted for all household members, including non-related individuals, according to the requirements of 24 CFR 5.609.
- d. At least two months of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) must be examined when determining household income for potential TBRA beneficiaries. A tax return is not an acceptable form of income documentation for the purposes of TBRA.
- e. The Cabarrus/Iredell/Rowan HOME Consortium’s TBRA program uses the Section 8 definition of income, also known as the Part 5 definition, found at 24 CFR 5.609.

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- f. Use of the HUD exchange CPD Income Eligibility Calculator is now the required method for Subrecipients to determine and document income eligibility. This tool can be accessed by the following link: <https://www.hudexchange.info/incomecalculator/dashboard/>.
- i. Once income verification has been conducted using the CPD Income Eligibility Calculator, a hard copy of this income verification must be retained in the client file.
 - ii. Subrecipients should not record any identifying information in the CPD Income Eligibility Calculator.
 - iii. If a situation arises when the CPD Income Eligibility Calculator cannot be used to verify the income eligibility of a household, the Subrecipient must communicate with the staff of the Consortium Member or the City of Concord regarding the situation. The Subrecipient must also clearly document in the client file the reasons for not utilizing the CPD Income Eligibility Calculator.

TENANT INCOME ELIGIBILITY

- Before a tenant occupies a HOME unit, the Consortium Members requires the project owner to determine that the tenant is income eligible with verification of household income documentation.
- Total household income includes the income of all persons, over the age of 18, who reside in the household.
- Required income source documentation includes two (2) months of wage statements, pay stubs, or interest income (such as financial statements) that have amounts that can vary from month to month.
- Income sources also include pensions, social security disability and retirement, veteran's benefits, Supplemental Security Income (SSI) for children and adults, child support and alimony, and Temporary Assistance for Needy Families (TANF).
- Verification of all asset income is required.

Over-income Tenants: HOME-assisted units can continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to the Consortium Members and HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

- Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent (30%) of the family's adjusted income.
- Tenants residing in HOME units designated as floating, who no longer qualify as low-income, are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

UNIT SELECTION AND APPROVAL

Unit Type

Approved applicants may select units that are publicly or privately-owned and located within Cabarrus County, Iredell County or Rowan County, as determined by the Subrecipient's county of service. TBRA may not be provided to a family who proposes to rent a unit that receives project-based rental assistance through federal, state, or local programs, if the TBRA assistance would lower the household's rent and utility costs to less than 30% of the household income. Student housing units are not eligible for TBRA assistance.

Rent Reasonableness

Units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. Subrecipients must document the basis of their rent reasonableness determinations, using the Rent Reasonableness Checklist and Certification form. Although documentation of three (3) comparable units is preferable, in some rural areas this may

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be difficult or impossible. In these cases, comparable units from neighboring communities are acceptable if the rents are similar. Documentation of fewer than three (3) units is also acceptable with a written explanation.

A rental lease must be disapproved if the rent is not reasonable, based on rents charged for comparable unassisted units.

Housing Quality Standards (HQS)

All units must meet Section 8 Housing Quality Standards (HQS). Inspections must be made at initial occupancy and annually during the length of assistance. A copy of the inspection must be retained in the client file. If tenants are occupying a unit owned by the contractor, the unit must be inspected by a third party.

Units must comply with the North Carolina State Building Code Carbon Monoxide Alarm Laws (N.C. General Statute §143-138). Alarms must be located outside of each separate sleeping area, in the immediate vicinity of the bedroom and on each level of the residence. Single station carbon monoxide alarms must be listed as complying with UL 2034, and installed in accordance with code and the manufacturer's instructions. Combined carbon monoxide or CO detectors and smoke alarms are permitted.

Lead-Based Paint

HUD Lead Regulation 24 CFR Part 35, Subpart M applies to the TBRA program. The regulation only applies to structures built before 1978 that house children under the age of six. Please consult the regulation itself to make sure that your agency implements this regulation fully and properly.

1. Evaluation

The Subrecipient must conduct a visual assessment of a unit prior to occupancy and at least annually thereafter. The visual assessment identifies deteriorated paint, dust, debris, and other residue. The visual assessment must be done by a person who is trained in visual assessment.

2. Paint Stabilization

The property owner must correct any conditions identified in the HQS inspection, including stabilizing deteriorated paint identified in the visual inspection. Paint stabilization can involve repairing the substrate, scraping and repainting the surface. All deteriorated paint must be stabilized by properly trained or supervised workers using lead-safe work practices.

Documentation of safe work practices is required, and consists of having copies of certificates of safe work practices training completion on file for those doing the lead reduction work.

When work is complete, the Subrecipient must ensure that the unit passes clearance and keep a copy of the clearance report. Failure to get clearance on any unit where lead hazard reduction activities have occurred will result in rental assistance being discontinued on the unit. Keep records of any unit where clearance is required but has not been obtained to ensure that the unit does not become rent assisted, even if another eligible household wants to live there.

3. Communication with Residents

The Subrecipient must ensure that residents receive the following communications:

- a. Lead Hazard Information Pamphlet: Prior to occupying the unit, the Subrecipient must provide the resident with the most up-to-date Protect Your Family from Lead in Your Home pamphlet. This document can be accessed in multiple languages at the following link: <https://www.epa.gov/lead/lead-safety-documents-and-outreach-materials>. The Subrecipient must retain in the client file documentation of receipt of this pamphlet by the resident prior to occupation of the unit, which must include a signature of acknowledgement signed by the resident.
- b. Lead Disclosure Notice: Residents must receive, from the owner, a Lead Disclosure Form notifying them of any known lead-based paint or hazards in the unit, prior to occupying the unit. The Subrecipient must retain in the client file documentation of any Lead Disclosure provided to the resident by the owner,

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- which must include a signature of acknowledgement signed by the resident.
- c. Notice of Lead Hazard Reduction: For instances in which visual assessment and lead hazard evaluation determines a need for paint stabilization and/or abatement, and the owner has conducted paint stabilization activities, the resident must receive a Notice of Lead Hazard Reduction within 15 days of the completion of paint stabilization and clearance. The Subrecipient must retain this documentation in the client file, which must include a signature of acknowledgement signed by the resident.
 - d. Notice of Lead Hazard Evaluation: Because a visual assessment is not a method of lead hazard evaluation, a notice of lead hazard evaluation is not required. However, if any lead hazard evaluation is conducted, for example in the event of a child with an Environmental Intervention Blood Lead Level (EIBLL), such a notice is required and must be posted at the applicable work site. The Subrecipient must retain all related documentation in the client file.
4. Child with an Elevated Blood Lead Level (EIBLL)
- a. Should the Subrecipient be made aware that a child less than 6 years of age living in a dwelling unit participating in the TBRA program has been identified as having elevated blood lead levels, the Subrecipient must conduct an inspection of the dwelling unit for Lead-Based Paint risk. The Subrecipient must immediately notify the household and the owner of the unit of the results of the inspection, and the owner must conduct paint stabilization and/or abatement in compliance with the requirements of 24 CFR Part 35, Subpart M. Hazard reduction must occur within 30 calendar days of notification to the owner. The Subrecipient must retain all documentation of the EIBLL, as well as subsequent inspections, notifications, and stabilization and/or abatement in the client file.

Occupancy Standards

Occupancy standards are used to determine the unit size for which the household is eligible and thus, the amount of assistance to be provided. Fair housing rules permit a household to select smaller units that do not create seriously crowded conditions. Participants may also select larger units, but the Subrecipient is not required to increase the subsidy to cover the increased costs of a larger unit.

Subrecipients will use the Section 8 Housing Quality Standards (HQS) basic occupancy standard of two persons per living/sleeping area. This basic standard can be modified when a specific household composition or circumstance warrants the need to deviate from this standard. In conjunction with the annual re-examination of income, the Subrecipient should re-examine the household's size and composition to determine whether the current unit is still suitable and appropriate.

Unit and Lease Approval

In addition to ensuring that the unit selected by the household meets the above requirements for Rent Reasonableness, Housing Quality Standards, and Occupancy Standards, the Subrecipient must also ensure that the unit lease meets all requirements of the HOME program, as outlined in 24 CFR 92.253. The lease may not contain any of the provisions prohibited in 24 CFR 92.253(b):

- c. Agreement to be sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
- d. Treatment of property: Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the right of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law.
- e. Excusing owner from responsibility: Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.
- f. Waiver of notice: Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.
- g. Waiver of legal proceedings: Agreement by the tenant that the owner may evict the tenant or household

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members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

- h. Waiver of a jury trial: Agreement by the tenant to waive any right to a trial by jury.
- i. Waiver of right to appeal court decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- j. Tenant chargeable with cost of legal actions regardless of outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- k. Mandatory supportive services: Agreement by the tenant to accept supportive services that are offered.

Rent Standard

Rent standards are determined annually for each county based upon HUD's most recent fair market Rents. Current rent standards will be posted on **HUD's Fair Market Rent Documentation System's webpage**, located at the following: <https://www.huduser.gov/portal/datasets/fmr.html>

The rent study will typically be conducted in the fall to allow for the release of updated rent standards in January of each year. The Cabarrus/Iredell/Rowan HOME Consortium may choose to review the rent standard more frequently to assure that limits remain appropriate for the Consortium area.

Payment Standard

The Cabarrus/Iredell/Rowan HOME Consortium uses the Rent Standard for calculating the TBRA subsidy rather than using a separate payment standard. Utility allowances are deducted from the tenant portion of the monthly rent.

The Subrecipient may exercise the option of recalculating beneficiary subsidies when rent standard updates are made available.

Calculating the Subsidy

Subrecipients of HOME Consortium funds must use a modified Rental Coupon Model to determine the household subsidy amount. While the Rental Coupon model assumes a fixed Subrecipient payment and flexible tenant payment, the HOME Consortium's calculations may result in variations in both the Subrecipient payment and household payment amounts depending on the utility allowance for a particular unit.

Use of the CPD Income Calculator is the required method for determining the household subsidy amount. This tool can be accessed by the following link: <https://www.hudexchange.info/incomecalculator/dashboard/>. Documentation from the CPD Income Calculator for the determination of adjusted income and the rental assistance payment must be retained in the client file.

Underwriting Standards

- Household income requires documentation of all persons living in the household over the age of 18.
- Applicants for homeownership assistance must submit, along with their application, the following minimum documentation that must be dated within a reasonable amount of time from the date that the application was completed and submitted:
 - Valid photo ID, such as driver's license, state photo ID or passport.
 - Social Security Card.
 - Two (2) months of pay stubs.
 - Last two (2) consecutive months of financial statements for all accounts.

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- Proof of any additional household income that may include, but is not limited to: social security disability (for children as well as adults), veteran's pension or disability, social security retirement, child support payments or alimony, or TANF.
- Credit score and statement of current debts.

Deposit Assistance

Deposits will be provided as a grant. Subrecipients can decide to provide security and utility deposit assistance to eligible applicants. Security deposit payments may be made to the household or the owner; utility deposits to the household or the appropriate utility company.

l. Security Deposits:

The amount of security deposit paid should be based on the landlord's policies. However, the maximum amount of a security deposit is the equivalent of two months' rent for the unit. Only the prospective tenant, not the owner, may apply for TBRA security deposit assistance.

m. Utility Deposits:

Utility deposits must be in conjunction with rental assistance. Utility deposits may be paid for any of the tenant-paid utility services included on the utility allowance schedule. This includes fuel for cooking, heating and lighting (electric, gas, propane, etc.), water/sewer, and trash collection, if not provided as a city service, but does not include telephone, internet, or cable deposits.

Access to Rent Standard Exception

The Cabarrus/Iredell/Rowan HOME Consortium may allow an exception to the published Rent Standard for up to 30% of households on the TBRA program. Exceptions to the Rent Standard will be granted by the Consortium Member and must be requested on a case-by-case basis by the Subrecipient on behalf of the household. The rent standard exception cannot exceed the established rent standard for the unit size by more than 10%. To request a rent standard exception, the Subrecipient must submit an explanation to the Cabarrus/Iredell/Rowan HOME Consortium detailing the household situation and the unique circumstances of the household which merit consideration of a unit above the rent standard.

In instances in which the Consortium Member grants an exception to the rent standard for a household, the Subrecipient is not obligated to cover the additional unit cost above the rent standard. The Subrecipient must maintain policies and procedures that detail how the Subrecipient will determine if/when to bear responsibility for the additional unit cost associated with a household who is provided with a rent standard exception, and if/when the household will be responsible for the additional unit cost above the rent standard. If the Subrecipient elects to cover the additional cost of the unit under a Rent Standard Exception, the TBRA subsidy must not reduce the household's rent and utility costs below 30% of the household's adjusted income or 10% of the household's gross income. Documentation that the Consortium has granted a rent standard exception must be maintained in the client file.

ANNUAL ASSISTANCE RENEWAL

The Subrecipient may renew TBRA assistance after the conclusion of the first year of assistance for a household, so long as the annual renewal requirements detailed below are met.

Annual Eligibility Determination

Each household's eligibility to participate in the program and its share of the rent must be confirmed annually. If a participating household's income exceeds the HUD Income Limit, the household's assistance must be ended. In order to assure that the re-examination is completed on time and that adequate notice is given to both the owner and the tenant of changes in the household's eligibility or share of the rent, the re-examination process should begin 60- 90

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days in advance of the household's one-year anniversary.

Using the same basic procedures described previously to determine the household's initial eligibility and share of the rent, the Subrecipient must re-verify household size, composition, and income. The Subrecipient will exclude, from annual income, certain increases in the income of a disabled member of families who receive TBRA assistance in order to further their economic self-sufficiency. These include annual increases that result from:

1. The employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment.
2. Increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program.
3. Annual income documentation must be retained in the client file.

Annual HQS Unit Inspection

The TBRA Program regulation requires that all units assisted with TBRA funds meet Section 8 Housing Quality Standards (HQS). Each unit under contract must be inspected by the Subrecipient, at least annually, to assure that this requirement is met. Units may also be inspected as a result of housing quality complaints initiated by the owner or the tenant.

If a unit fails to pass inspection, the owner may be given a reasonable period of time to correct the deficiencies. If the owner fails to make the needed corrections, the Subrecipient has several options. The Subrecipient may, with adequate notice to the owner and household, terminate the TBRA Rental Assistance Contract and require the household to move to another location in order to continue to receive assistance. Inspection documentation shall be retained in the client file.

Processing Requests for Rent Increases

Typically, owners offer leases that specify the rent for one year. This means that, unless the Subrecipient has negotiated a two-year rent, most owners will request a rent increase at the end of the first year of the contract. The Subrecipient must again determine that the proposed rent is reasonable in comparison to rents charged for comparable, unassisted unit, and also that it is within any other limitations established in the Subrecipient's program.

Moves and Termination of Tenancy

Subrecipients should, at a minimum, require that owners comply with local landlord-tenant ordinances and may impose some additional requirements.

TERMINATION: The Subrecipient must notify the tenant in writing when terminating tenant assistance. The Subrecipients must follow landlord/tenant rules of the State of North Carolina.

1. End of Assistance Time Period: Provide notice in writing to tenant and landlord. If deposit assistance was provided at the beginning of the lease term, all returned deposits shall belong to the tenant.
2. Property Owner Termination: If a property owner terminates the tenancy through no fault of the tenant, and the tenant is still eligible for assistance, the Subrecipient will work to find another unit. Any deposit assistance received at the beginning of the original lease term that is returned to the tenant must be applied to the new unit if assistance is continued.
3. Tenant Caused Eviction: If the tenant is evicted due to breaking the lease or participating in illegal activities, the Subrecipient is under no obligation to continue to provide rental assistance. If it is determined that the tenant may continue to receive assistance and is eligible to receive their security deposit back, the returned deposit must be applied to the required deposits for the new unit.
4. Tenant Moves: Tenant moves are accommodated only in rare instances such as family size, job change, unit not

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meeting annual HQS standards, or other extenuating circumstances that pose a threat to the tenant’s health, safety, or wellbeing as documented by a case manager. Any deposit assistance received at the beginning of the original lease term that is returned to the tenant must be applied to the new unit if assistance is continued.

5.

Notices of moves and terminations of tenancy must be documented in writing and maintained in the tenant file. Acceptable forms of documentation include eviction letters issued by the landlord, notice of lease ending, etc. Documentation should detail why the tenant is moving or tenancy is being terminated. All types of deposits may only be provided using HOME funds twice during a 12-month period per household.

Progressive Engagement

Subrecipients are highly encouraged to consider the implementation of progressive engagement strategies in conjunction with the requirements of the HOME-TBRA program. Progressive engagement can be applied to voluntary supportive services that may support the stability and progress of households on the TBRA program, and can be applied to the level of subsidy assistance provided with TBRA funds. For example, while HOME requires that households on the TBRA program be annually re-evaluated for income eligibility and the amount of subsidy assistance provided, the Subrecipients may elect to more frequently evaluate the income and subsidy level of the household in the context of case management focused on increasing the household’s income and independence. Any application of progressive engagement strategies utilized by Subrecipients in the TBRA program must be implemented in accordance with written policies and procedures, and must be consistently applied to all households on the program. For example, if a Subrecipient determines that it will re-evaluate income and subsidy level quarterly, the Subrecipient must have written policies and procedures documenting this progressive engagement strategy, and this strategy must be applied to all households on the HOME-TBRA program.

Billing and Administration

Billing Procedures

The Subrecipient must bill the Consortium Member on a monthly basis for reimbursement of allowable costs. Invoices must be submitted within 30 days of the end of the month of service. Payment will be made within 30 days of invoice approval. In order to receive reimbursement, Subrecipients must also submit the TBRA Report on a monthly basis. Failure to submit a monthly invoice packet within a timely manner will result in a delayed or withheld payment. The Subrecipient must submit any billing adjustments within 60 days of the end of the month of service. All end-of-year billings must be submitted by the Subrecipient no later than the 10th of January.

The Subrecipient must maintain records that disclose all costs allowable for reimbursement.

Reports

The Subrecipient is responsible for submitting required reports by the dates due on the required forms.

Report	Due Date
Quarterly Report	Due on the 15 th of the month following the end of the quarter. The Subrecipient will be notified of changes in the report due date.
TBRA Beneficiary Record	Due on the 15 th of the month following provision of services. The Subrecipient will be notified of any changes in report due date.

Monitoring

The Consortium Member and possibly the City of Concord, as the Lead Entity, will monitor TBRA Subrecipients through data and documentation collected in periodic program reports and on-site monitoring visits. The Subrecipients also will be subject to monitoring and evaluation by the U.S. Department of Housing and Urban Development.

Performance Measures

Subrecipients must perform services defined in the Subrecipient's TBRA Program Application (as updated) for the contract period, with amendments, if any; in accordance with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments. The Consortium Members reserve the right to modify the terms of the performance standards, measures, and outcomes by contract amendment at any time for the duration of the term of the contract.

Number of Households Served

The City of Concord and The Consortium Members will regularly monitor the number of households served by the Subrecipient. If the Subrecipient falls short of serving the number of households identified in their scope of work, the Consortium Members may request a written explanation for this shortfall. The Consortium Members may accept the explanation and require the Subrecipient to submit a revised Scope of Work for the remainder of the current contract, or choose to reduce any future requests for funding.

Fixed-Unit Projects

If a tenant's household income increases over 80 percent (80%) of AMI at recertification, the project owner should take the following steps to maintain the correct numbers of High and Low HOME rent fixed units:

- If the income of a tenant occupying a Low HOME rent unit increases above 50 percent (50%) of AMI, but **does not exceed 80 percent (80%)** of AMI, that unit remains a Low HOME rent unit until a HOME-assisted unit can be substituted.
- The owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the low-income household whose income increased above 50 percent (50%) of AMI but does not exceed 80 percent (80%) of AMI.
 - When a High HOME rent unit in the property vacates, that unit must be re-designated as a Low HOME rent unit. This unit must be rented to a very low-income tenant, at no more than the Low HOME rent.
 - Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant at between 50% and 80% of AMI must be re-designated as a High HOME rent unit. At this time, the owner can increase the tenant's rent up to the High HOME rent, subject to the terms of the lease.
- If a tenant's income **increases above 80 percent (80%)** of the area median income, the unit this tenant occupies is still considered to be a HOME-assisted unit, but the tenant's rent must be adjusted as described below:
 - Over-income tenants with incomes over 80 percent (80%) of AMI in HOME- assisted "fixed" units must pay 30 percent (30%) of their adjusted income for rent and utilities. There is no rent cap for "fixed" units.
 - If the person whose income went over 80 percent (80%) of AMI was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50 percent (50%) of AMI income and the unit must be rented at a Low HOME rent.

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- If the person whose income went over 80 percent (80%) of AMI was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 80 percent (80%) of AMI and the unit must be rented at a High HOME rent.

Floating-Unit Projects

- The Subrecipient must use the following procedures to maintain the correct numbers of High and Low HOME rent floating units:
- The Subrecipient can draw on all the units in the property to designate High and Low HOME rent units. This means that the Subrecipient is not restricted to those units initially designated as HOME-assisted units when looking to re-designate a comparable unit as the new Low or High HOME unit.
 - At no point is the Subrecipient required to designate more HOME-assisted units than was agreed upon in the written agreement with the PJ.
 - When the income of a tenant occupying a Low HOME rent unit increases over 50 percent (50%) of the median, but **does not exceed 80 percent (80%)** of the area median income, the unit that is occupied by the over-income tenant is considered a Low HOME rent unit until a comparable unit can be substituted.
 - The rent of the tenant whose income has gone above 50 percent (50%) of median must not exceed the Low HOME rent limit while the unit has a Low HOME rent unit designation.
 - To replace the Low HOME rent unit, the project owner must rent the next available High HOME-assisted unit to a very low-income tenant. The newly-designated Low HOME rent unit must be rented to a tenant whose income does not exceed the very low-income limit (50% of median), at a rent that does not exceed the Low HOME rent limit.
 - Once a new Low HOME rent unit has been designated, subject to the terms of the lease, the rent of the initial tenant whose income has increased may be increased to the High HOME rent for the unit. This process should not increase the number of assisted units.

Expenditures

The City of Concord shall review the Subrecipient's expenditures as reported on the monthly TBRA invoices and compare to the Subrecipient's expenditure projections. If a Subrecipient fails to expend TBRA funds at the projected rate, The Consortium Members also may request that the Subrecipient submit a written explanation. The Consortium Members may accept the explanation and require an updated budget that reflects the Subrecipient's ability to spend down the grant before the end date as stated on the contract, or choose to reduce any future requests for funding.

Unexpended Funds

The level of funds reduction for failure to meet performance standards, outcomes or expenditure projections shall be negotiated between the Consortium Member and the Subrecipient, with the Consortium Member retaining the authority to set the reduction level. Any unused funds will first be reallocated to other TBRA Subrecipients and then placed in the HOME General Fund for use in all HOME programs.

Repayments

HOME-TBRA funds used to assist households who do not meet the eligibility requirements, or to lease units not in compliance with HOME requirements, must be repaid.

Environmental Review

Because the proposed project involves the provision of rental assistance to private landlords on behalf of tenant, it is exempt from the National Environmental Policy Act (NEPA) requirements of 24 CFR 58. There are no circumstances that require compliance with laws and authorities in 24 CFR 58.5; therefore, the project is found to be exempt pursuant to Section 58.34(a)(10). The Consortium Members must certify that the proposed project is exempt from NEPA and SEPA requirements (RCW 43.21C.110).

6. APPENDIX A: GLOSSARY

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the Participating Jurisdiction's (PJ's) annual application for HOME funds.

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME-assisted activity (i.e., homeownership or rental housing).

Annual Income: The HOME Program allows the use of two definitions of annual income: Section 8 annual income and adjusted gross income as defined for reporting on IRS Form 1040.

Commitment: Commitment means one of three (3) things: (1) The PJ has executed a legally-binding agreement with a State recipient, subrecipient, or contractor to use a specific amount of HOME funds to produce affordable housing or to provide tenant-based rental assistance; or (2) has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) has met the requirements to commit to a specific local project as defined below.

Commitment to a specific local project. Commitment to a specific local project means that a legally-binding agreement was executed meeting one of the following sets of requirements: (1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. If the project is owned by the PJ or state recipient, the project must be set up in the disbursement and information system and construction must reasonably be expected to start within 12 months of the set-up date. (2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the PJ is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date. (4) If the project consists of TBRA, the PJ must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 that describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

Draw-Down: The process of requesting and receiving HOME funds. PJs and authorized state recipients draw down funds from a line of credit established by HUD.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996 and became effective on October 16, 1996.

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Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund: The term given to the two accounts - one at the Federal level and one at the local level - that "hold" the PJ's HOME funds. The Federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Household: One or more persons occupying a housing unit.

Jurisdiction: A state or unit of general local government.

Low-Income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

Match: Match is the PJ's contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The PJ's match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

New Construction: The creation of new dwelling units. Any project that includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Participating Jurisdiction (PJ): The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

Program Income: Gross income received by the PJ, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Project: A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management, and financing, and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four-block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For TBRA, project completion means the final draw-down has been disbursed for the project.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

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Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities, if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

Subrecipient: A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ's HOME Program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Tenant-Based Rental Assistance (TBRA): A form of direct rental assistance in which the recipient tenant may move from a dwelling unit with a right to continued assistance. TBRA includes security and utility deposits associated with the rental of dwelling units.

Very-Low-Income Families: Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

Source: Building HOME: A Home Program Primer-Training,

<https://www.hudexchange.info/resource/2368/building-home-a-home-program-primer/>

2024 PROPOSED Payment Standards - Effective 01/01/2024

	Payment Standard		Payment Standard		Payment Standard		Payment Standard		Payment Standard		Payment Standard
Zip Code	0 Bdrm		1 Bdrm		2 Bdrm		3 Bdrm		4 Bdrm		5 Bdrm
28025	1080		1100		1240		1540		1980		2277
28026	1170		1200		1350		1680		2160		2484
28027	1210		1250		1400		1740		2240		2576
28071	760		770		910		1180		1400		1610
28075	1919		1976		2213		2755		3534		4064
28081	970		990		1140		1450		1780		2047
28082	1111		1140		1282		1596		2062		2359
28083	1026		1054		1197		1520		1890		2174
28107	969		997		1121		1396		1786		2053
28124	1010		1040		1170		1460		1870		2150
28138	921		931		1111		1463		1691		1944
Some units in the Zips Codes below MAY fall within our jurisdiction (Cabarrus County) . Not all units in these Zip Codes are in Cabarrus County.											
28215	1159		1197		1339		1672		2137		2457
28078	1577		1624		1824		2270		2916		3353



MEMORADUM

DATE: Thursday, October 26, 2023
 TO: Sue Hyde, Director of Engineering
 FROM: Gary Stansbury, Construction Manager
 SUBJECT: Infrastructure Acceptance
 Cannon Run Subdivision (SF Homes-DEV D) PH 1
 MP 1A
 PROJECT NAME:
 PROJECT NUMBER: 2019-045
 DEVELOPER: Pulte Home Company, LLC
 FINAL CERTIFICATION - LOT NUMBERS: 145-152, 160-170
 INFRASTRUCTURE TYPE: Water and Sewer
 COUNCIL ACCEPTANCE DATE: Thursday, December 14, 2023
 ONE-YEAR WARRANTY DATE: Saturday, December 14, 2024

Water Infrastructure	Quantity
12-inch in LF	757.00
12-inch Valves	3
8-inch in LF	1004.00
8-inch Valves	6
6-inch in LF	18.00
Hydrants	3

Sanitary Sewer Infrastructure	Quantity
8-inch in LF	4792.00
Manholes as EA	24



MEMORADUM

DATE: Wednesday, November 08, 2023
 TO: Sue Hyde, Director of Engineering
 FROM: Gary Stansbury, Construction Manager
 SUBJECT: Infrastructure Acceptance
 PROJECT NAME: Piper Landing Subdivision PH 1 MP 3
 PROJECT NUMBER: 2020-017
 DEVELOPER: M/I Homes of Charlotte, LLC
 FINAL CERTIFICATION - LOT NUMBERS: 7-24, 69-100
 INFRASTRUCTURE TYPE: Water and Sewer
 COUNCIL ACCEPTANCE DATE: Thursday, December 14, 2023
 ONE-YEAR WARRANTY DATE: Saturday, December 14, 2024

Water Infrastructure	Quantity
6-inch in LF	1353.00
6-inch Valves	5
8-inch in LF	2083.00
8-inch Valves	9
Hydrants	5

Sanitary Sewer Infrastructure	Quantity
8-inch in LF	2044.00
Manholes as EA	12



MEMORADUM

DATE: Wednesday, November 08, 2023
 TO: Sue Hyde, Director of Engineering
 FROM: Gary Stansbury, Construction Manager
 SUBJECT: Infrastructure Acceptance
 PROJECT NAME: Piper Landing Subdivision PH 2 MP 1
 PROJECT NUMBER: 2020-017
 DEVELOPER: M/I Homes of Charlotte, LLC
 25-36, 63-68, 101-105, 174-188, 225, 230-241, 245-302
 FINAL CERTIFICATION - LOT NUMBERS:
 INFRASTRUCTURE TYPE: Water and Sewer
 COUNCIL ACCEPTANCE DATE: Thursday, December 14, 2023
 ONE-YEAR WARRANTY DATE: Saturday, December 14, 2024

Water Infrastructure	Quantity
8-inch in LF	1807.00
8-inch Valves	6
Hydrants	4

Sanitary Sewer Infrastructure	Quantity
8-inch in LF	1484.00
Manholes as EA	10



MEMORADUM

DATE: Wednesday, November 08, 2023
 TO: Sue Hyde, Director of Engineering
 FROM: Gary Stansbury, Construction Manager
 SUBJECT: Infrastructure Acceptance
 PROJECT NAME: Skybrook Corners
 PROJECT NUMBER: 2021-064
 DEVELOPER: Skybrook, LLC
 FINAL CERTIFICATION - LOT NUMBERS: 1-52
 INFRASTRUCTURE TYPE: Water and Sewer
 COUNCIL ACCEPTANCE DATE: Thursday, December 14, 2023
 ONE-YEAR WARRANTY DATE: Saturday, December 14, 2024

Water Infrastructure	Quantity
8-inch in LF	476.00
8-inch Valves	3
6-inch in LF	978.00
6-inch Valves	3
2-inch in LF	204.00
2-inch Valves	3
Hydrants	3

Sanitary Sewer Infrastructure	Quantity
8-inch in LF	1357.00
Manholes as EA	11

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
680-4401330	Airport Parking	1,350,000	1,525,000	175,000
Total				175,000

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
4530-5351000	Maintenance – Buildings	893,514	1,068,514	175,000
Total				175,000

Reason: To increase estimated airport parking revenues to actual based on an increase to the parking fee effective January 1, 2024.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

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NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
7420-5183500	Self Ins Fund Offset	(42,493)	(157,912)	(115,419)
7420-5121000	Regular	2,024,819	2,140,238	115,419
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

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Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0
 <u>Expenses/Expenditures</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
4530-5183500	Self Ins Fund Offset	(57,405)	(224,545)	(167,140)
4530-5121000	Regular	2,612,450	2,779,590	167,140
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

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Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
1000-5183500	Self Ins Fund Offset	(10,534)	(56,461)	(45,927)
1000-5411000	Administrative Salaries	254,173	300,100	45,927
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
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NORTH CAROLINA

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Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		
		Current Budget	Amended Budget	(Decrease) Increase
4200-5183500	Self Ins Fund Offset	(4,838)	(7,950)	(3,112)
4200-5121000	Regular	190,055	193,167	3,112
4215-5183500	Self Ins Fund Offset	(19,673)	(104,442)	(84,769)
4215-5121000	Regular	860,345	945,114	84,769
4220-5183500	Self Ins Fund Offset	(29,670)	(100,421)	(70,751)
4220-5121000	Regular	1,191,652	1,262,403	70,751
4230-5183500	Self Ins Fund Offset	(33,540)	(128,595)	(95,055)
4230-5121000	Regular	2,034,557	2,129,612	95,055
4250-5183500	Self Ins Fund Offset	(9,030)	(32,878)	(23,847)
4250-5121000	Regular	375,237	399,085	23,847
4270-5183500	Self Ins Fund Offset	(68,370)	(168,598)	(100,228)
4270-5121000	Regular	2,894,357	2,994,585	100,228
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

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CITY OF CONCORD
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NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0
<u>Expenses/Expenditures</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
4115-5183500	Self Ins Fund Offset	(1,290)	(23,494)	(22,204)
4115-5121000	Regular	152,407	175,901	22,204
4120-5183500	Self Ins Fund Offset	(10,964)	(79,424)	(68,460)
4120-5121000	Regular	1,070,384	1,138,844	68,460
4125-5183500	Self Ins Fund Offset	(15,480)	(84,830)	(69,350)
4125-5121000	Regular	1,032,638	1,101,988	69,350
4130-5183500	Self Ins Fund Offset	(16,770)	(113,348)	(96,578)
4130-5121000	Regular	1,058,685	1,155,263	96,578
4140-5183500	Self Ins Fund Offset	(1,289)	(6,211)	(4,922)
4140-5121000	Regular	79,614	84,536	4,922
4150-5183500	Self Ins Fund Offset	(6,450)	(44,885)	(38,435)
4150-5121000	Regular	627,874	666,309	38,435
4160-5183500	Self Ins Fund Offset	(20,640)	(86,691)	(66,051)
4160-5121000	Regular	1,531,592	1,597,643	66,051
4310-5183500	Self Ins Fund Offset	(272,190)	(1,083,862)	(811,672)
4310-5121000	Regular	13,677,758	14,489,430	811,672
4312-5183500	Self Ins Fund Offset	(11,610)	(32,401)	(20,791)
4312-5121000	Regular	556,948	577,739	20,791
4315-5183500	Self Ins Fund Offset	(32,788)	(103,950)	(71,162)
4315-5121000	Regular	1,256,854	1,328,016	71,162
4320-5183500	Self Ins Fund Offset	(1,290)	(10,625)	(9,335)
4320-5121000	Regular	102,303	111,638	9,335
4330-5183500	Self Ins Fund Offset	(7,095)	(43,784)	(36,689)
4330-5121000	Regular	334,361	371,050	36,689
4340-5183500	Self Ins Fund Offset	(329,661)	(1,449,588)	(1,119,927)
4340-5121000	Regular	15,666,815	16,786,742	1,119,927
4341-5183500	Self Ins Fund Offset	(13,545)	(69,103)	(55,558)
4341-5121000	Regular	739,165	794,723	55,558
4342-5183500	Self Ins Fund Offset	(7,740)	(23,755)	(16,015)

4342-5121000	Regular	532,126	548,141	16,015
4510-5183500	Self Ins Fund Offset	(45,150)	(204,226)	(159,076)
4510-5121000	Regular	2,076,365	2,235,441	159,076
4513-5183500	Self Ins Fund Offset	(10,213)	(38,395)	(28,182)
4513-5121000	Regular	582,079	610,261	28,182
4514-5183500	Self Ins Fund Offset	(6,450)	(31,758)	(25,308)
4514-5121000	Regular	306,599	331,907	25,308
4520-5183500	Self Ins Fund Offset	(76,025)	(218,845)	(142,820)
4520-5121000	Regular	3,080,585	3,223,405	142,820
4540-5183500	Self Ins Fund Offset	(10,449)	(22,101)	(11,652)
4540-5121000	Regular	402,899	414,551	11,652
4550-5183500	Self Ins Fund Offset	(76,025)	(134,201)	(58,176)
4550-5121000	Regular	915,869	974,045	58,176
4910-5183500	Self Ins Fund Offset	(23,220)	(87,662)	(64,442)
4910-5121000	Regular	1,382,650	1,447,092	64,442
4920-5183500	Self Ins Fund Offset	(1,290)	(10,836)	(9,546)
4920-5121000	Regular	84,663	94,209	9,546
6120-5183500	Self Ins Fund Offset	(29,670)	(179,436)	(149,766)
6120-5121000	Regular	1,459,516	1,609,282	149,766
	Total			\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
5000-5183500	Self Ins Fund Offset	(2,580)	(15,242)	(12,662)
5000-5121000	Regular	128,566	141,228	12,662
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		(Decrease) Increase
		Current Budget	Amended Budget	
1500-5183500	Self Ins Fund Offset	(6,299)	(12,966)	(6,667)
1500-5411000	Administrative Salaries	251,760	258,427	6,667
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

GRANT PROJECT ORDINANCE AMENDMENT

BE IT ORDAINED by the City Council of the City of Concord, North Carolina that pursuant to Section 13.2 Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

SECTION 1. The project authorized and amended are the projects included in the CDBG 2023 Grant

SECTION 2. The City Manager is hereby authorized to proceed with the implementation and amendments of the projects within the terms of the plans and specifications for the projects.

SECTION 3. The following revenues are anticipated to be available to the City of Concord for the completion of the projects:

Revenues

Account	Title	Current Budget	Amended Budget	(Decrease) Increase
Total				\$0

SECTION 4. The following amounts are appropriated for the project

Expenses/Expenditures

Account	Title	Current Budget	Amended Budget	(Decrease) Increase
3120-5183500	Self Ins Fund Offset	(1,290)	(3,473)	(2,183)
3120-5121000	Regular	64,712	66,895	2,183
Total				\$0

SECTION 5. Accounting records are to be maintained by the Finance Department of the City of Concord in such manner as (1) to provide all information required by the project agreement and other agreements executed or to be executed with the various parties involved with the project; and (2) to comply with the Local Government Budget and Fiscal Control Act of the State of North Carolina.

SECTION 6. Within five (5) days after adoption, copies of this grant projects ordinance shall be filed with the City Manager, Finance Director, and City Clerk for direction in carrying out this project.

SECTION 7. The Finance Director is directed to report on the financial status of this project in accordance with the existing City policy. She shall also report to the City Manager any unusual occurrences.

Duly adopted by the City Council of the City of Concord, North Carolina this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0
 <u>Expenses/Expenditures</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
7100-5183500	Self Ins Fund Offset	(27,425)	(100,119)	(72,694)
7100-5121000	Regular	1,332,230	1,404,924	72,694
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0
<u>Expenses/Expenditures</u>				
Account	Title	Current Budget	Amended Budget	(Decrease) Increase
7220-5183500	Self Ins Fund Offset	(24,510)	(82,048)	(53,258)
7220-5121000	Regular	1,383,633	921,677	53,258
7230-5183500	Self Ins Fund Offset	(12,900)	(69,030)	(7,101)
7230-5121000	Regular	539,916	918,880	7,101
7240-5183500	Self Ins Fund Offset	(46,440)	(69,030)	(133,839)
7240-5121000	Regular	2,663,442	918,880	133,839
7250-5183500	Self Ins Fund Offset	(10,320)	(69,030)	(31,243)
7250-5121000	Regular	624,203	918,880	31,243
7260-5183500	Self Ins Fund Offset	(3,870)	(221,473)	(2,031)
7260-5121000	Regular	180,282	2,475,877	2,031
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

AN ORDINANCE TO AMEND FY 2023-2024 BUDGET ORDINANCE

WHEREAS, the City Council of the City of Concord, North Carolina did on the 8th day of June 2023, adopt a City budget for the fiscal year beginning July 1, 2023 and ending on June 30, 2024, as amended; and

WHEREAS, it is appropriate to amend the expense/expenditures and the revenue accounts in the funds listed for the reason stated;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Concord that in accordance with the authority contained in G.S. 159-15, the following accounts are hereby amended as follows:

Account	Title	<u>Revenues</u>		(Decrease) Increase
		Current Budget	Amended Budget	
Total				\$0

Account	Title	<u>Expenses/Expenditures</u>		
		Current Budget	Amended Budget	(Decrease) Increase
7330-5183500	Self Ins Fund Offset	(18,705)	(82,048)	(63,343)
7330-5121000	Regular	858,334	921,677	63,343
7331-5183500	Self Ins Fund Offset	(18,705)	(69,030)	(50,325)
7331-5121000	Regular	868,555	918,880	50,325
7340-5183500	Self Ins Fund Offset	(51,881)	(221,473)	(169,592)
7340-5121000	Regular	2,306,285	2,475,877	169,592
Total				\$0

Reason: To fund the compensation study increases with funds from the self insurance fund.

Adopted this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

VaLerie Kolczynski, City Attorney

CAPITAL PROJECT ORDINANCE AMENDMENT

BE IT ORDAINED by the City Council of the City of Concord, North Carolina that pursuant to Section 13.2 Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

SECTION 1. The projects authorized and amended are the projects included for CK Rider Transit System.

SECTION 2. The City Manager is hereby authorized to proceed with the implementation and amendments of the projects within the terms of the plans and specifications for the projects.

SECTION 3. The following revenues are anticipated to be available to the City of Concord for the completion of the projects:

Revenues Account	Title	Current Budget	Amended Budget	(Decrease) Increase
				0

SECTION 4. The following amounts are appropriated for the project:

Exp. Account	Title	Current Budget	Amended Budget	(Decrease) Increase
7650-5183500	Self Ins Fund Offset	(9,522)	(32,392)	(22,870)
7650-5121000	Regular	1,705,224	1,728,094	22,870
				0

SECTION 5. Accounting records are to be maintained by the Finance Department of the City of Concord in such manner as (1) to provide all information required by the project agreement and other agreements executed or to be executed with the various parties involved with the project; and (2) to comply with the Local Government Budget and Fiscal Control Act of the State of North Carolina.

SECTION 6. Within five (5) days after adoption, copies of this capital projects ordinance shall be filed with the City Manager, Finance Director, and City Clerk for direction in carrying out this project.

SECTION 7. The Finance Director is directed to report on the financial status of this project in accordance with the existing City policy. She shall also report to the City Manager any unusual occurrences.

Duly adopted by the City Council of the City of Concord, North Carolina this 14th day of December, 2023.

CITY COUNCIL
CITY OF CONCORD
NORTH CAROLINA

William C. Dusch, Mayor

ATTEST: _____
Kim Deason, City Clerk

Valerie Kolczynski, City Attorney

Tax Report for Fiscal Year 2023-2024**FINAL REPORT****October****Property Tax Receipts- Munis**

2023 BUDGET YEAR	2,028,134.84
2022	53,054.26
2021	2,042.18
2020	357.80
2019	780.31
2018	46.37
2017	87.70
2016	87.70
2015	95.52
2014	95.52
Prior Years	201.79
Interest	7,398.72
Refunds	
	<u>2,092,382.71</u>

Vehicle Tax Receipts- County

2023 BUDGET YEAR	530,752.01
2022	
2021	
2020	
2019	29.97
2018	
2017	
Prior Years	
Penalty & Interest	7,488.79
Refunds	
	<u>538,270.77</u>

Fire District Tax - County

2023 BUDGET YEAR	5,875.37
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Less: Collection Fee from County

Net Ad Valorem Collections	<u>2,636,528.85</u>
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423:Vehicle Tag Fee-Transportation Impr Fund	35,986.60
100:Vehicle Tag Fee	146,095.80
630:Vehicle Tag Fee-Transportation Fund	35,986.60
Less Collection Fee - Transit	
Net Vehicle Tag Collection	<u>218,069.00</u>

Privilege License	60.00
Prepaid Privilege Licenses	
Privilege License interest	
Total Privilege License	<u>60.00</u>

Oakwood Cemetery current	7,500.00
Oakwood Cemetery endowment	-
Rutherford Cemetery current	2,558.34
Rutherford Cemetery endowment	566.66
West Concord Cemetery current	2,650.00
West Concord Cemetery endowment	1,100.00
Total Cemetery Collections	<u>14,375.00</u>

Total Collections	<u>\$ 2,869,032.85</u>
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Current Year	
Original Scroll	
Levy	
Penalty	
Adjustments	
Public Service	
Levy	
Penalty	
Discoveries/Annex	107,216.95
Discovery Penalty	9,609.04
Total Amount Invoiced - Monthly	<u>116,825.99</u>
Total Amount Invoiced - YTD	70,490,923.14

Current Year	
Less Abatements (Releases)	
Real	35,774.50
Personal	
Discovery	
Penalty - all	
Total Abatements	<u>35,774.50</u>

Adjusted Amount Invoiced - monthly	81,051.49
Adjusted Amount Invoiced - YTD	70,333,076.07

Current Levy Collected	2,028,134.84
Levy Collected from previous years	56,849.15
Penalties & Interest Collected	7,398.72
Current Month Write Off - Debit/Credit	-
Total Monthly Collected	<u>2,092,382.71</u>
Total Collected - YTD	12,376,381.82

Total Collected - net current levy -YTD 12,185,152.65

Percentage of Collected -current levy 17.32%

Amount Uncollected - current year levy 58,147,923.42

Percentage of Uncollected - current levy 82.68%

100.00%

CITY OF CONCORD

Summary of Releases, Refunds and Discoveries for the Month of October 2023

RELEASES		
CITY OF CONCORD	\$	35,774.50
CONCORD DOWNTOWN	\$	8.12

REFUNDS		
CITY OF CONCORD	\$	7,286.02
CONCORD DOWNTOWN	\$	-

DISCOVERIES							
CITY OF CONCORD							
TaxYear	Real	Personal	Total	Rate	Calculated	Penalties	
2017	0	0	0	0.0048	0.00	0.00	
2018	0	28,210	28,210	0.0048	135.41	81.25	
2019	0	270,725	270,725	0.0048	1,299.48	649.75	
2020	1,880,500	249,640	2,130,140	0.0048	10,224.67	479.29	
2021	1,880,500	1,270,725	3,151,225	0.0048	15,125.88	1,829.85	
2022	1,880,500	2,529,515	4,410,015	0.0048	21,168.07	2,428.34	
2023	2,692,391	9,654,159	12,346,550	0.0048	59,263.44	4,140.56	
Total	8,333,891	14,002,974	22,336,865		\$ 107,216.95	\$ 9,609.04	
DOWNTOWN							
TaxYear	Real	Personal	Total	Rate	Calculated	Penalties	
2018	0	0	0	0.0023	0.00	0.00	
2019	0	0	0	0.0023	0.00	0.00	
2020	0	0	0	0.0023	0.00	0.00	
2021	0	0	0	0.0023	0.00	0.00	
2022	0	0	0	0.0023	0.00	0.00	
2023	0	10,000	10,000	0.0023	23.00	2.30	
Total	0	10,000	10,000		\$ 23.00	\$ 2.30	

City of Concord
Portfolio Holdings
Monthly Investments to Council
Report Format: By Transaction
Group By: Security Type
Average By: Cost Value
Portfolio / Report Group: All Portfolios
As of 10/31/2023

Description	CUSIP/Ticker	Face Amount/Shares	Cost Value	Maturity Date	YTM @ Cost	% of Portfolio	Settlement Date	Cost Price	Days To Maturity
Commercial Paper									
CP MUFG BANK LTD 0 12/15/2023	62479MZF0	5,000,000.00	4,885,916.65	12/15/2023	5.680	1.22	7/20/2023	97.718333	45
CP MACQUARIE BK LTD 0 1/22/2024	55607KAN6	5,000,000.00	4,859,222.22	1/22/2024	5.762	1.21	7/25/2023	97.184444	83
CP ANGLESEA FUNDING 0 1/26/2024	0347M2AS5	5,000,000.00	4,860,529.17	1/26/2024	5.771	1.21	7/31/2023	97.210583	87
CP BARCLAYS US CCP 0 2/2/2024	06744HPS3	5,000,000.00	4,890,333.35	2/2/2024	5.766	1.22	9/15/2023	97.806667	94
CP LMA AMERS LLC 0 2/21/2024	53944QBM1	5,000,000.00	4,908,512.50	2/21/2024	5.735	1.22	10/27/2023	98.17025	113
CP LLOYDS BANK CORP 0 3/11/2024	53948ACB5	5,000,000.00	4,844,225.00	3/11/2024	5.759	1.21	8/23/2023	96.8845	132
CP CREDIT AGRICOLE CORP 0 3/22/2024	22533TCN4	5,000,000.00	4,863,780.56	3/22/2024	5.664	1.21	9/26/2023	97.275611	143
Sub Total / Average Commercial Paper		35,000,000.00	34,112,519.45		5.734	8.50		97.466092	100
FFCB Bond									
FFCB 0.31 11/30/2023-21	3133EMHL9	5,000,000.00	5,000,000.00	11/30/2023	0.310	1.25	11/30/2020	100	30
FFCB 0.23 1/19/2024	3133EMNG3	5,000,000.00	4,997,850.00	1/19/2024	0.244	1.25	1/19/2021	99.957	80
FFCB 0.25 3/1/2024-21	3133EMSD5	5,000,000.00	4,990,000.00	3/1/2024	0.317	1.24	3/4/2021	99.8	122
FFCB 0.33 4/5/2024-22	3133EMVD1	3,470,000.00	3,467,918.00	4/5/2024	0.354	0.86	9/22/2021	99.94	157
FFCB 0.46 8/19/2024-21	3133EM2U5	5,000,000.00	5,000,000.00	8/19/2024	0.460	1.25	8/19/2021	100	293
FFCB 0.43 9/10/2024-20	3133EL6V1	5,000,000.00	5,000,000.00	9/10/2024	0.430	1.25	9/11/2020	100	315
FFCB 0.63 10/21/2024-22	3133ENBM1	4,189,000.00	4,172,244.00	10/21/2024	0.768	1.04	11/12/2021	99.6	356
FFCB 0.97 12/9/2024-22	3133ENGN4	5,000,000.00	5,000,000.00	12/9/2024	0.970	1.25	12/10/2021	100	405
FFCB 5 3/10/2025	3133EPCW3	5,000,000.00	5,000,989.35	3/10/2025	4.984	1.25	8/10/2023	100.019787	496
FFCB 0.71 4/21/2025-22	3133EMWH1	5,000,000.00	5,000,000.00	4/21/2025	0.710	1.25	4/21/2021	100	538
FFCB 0.53 9/29/2025-21	3133EMBH4	5,000,000.00	5,000,000.00	9/29/2025	0.530	1.25	9/29/2020	100	699
FFCB 1.21 12/22/2025-22	3133ENHU7	5,000,000.00	5,000,000.00	12/22/2025	1.210	1.25	12/22/2021	100	783
FFCB 0.625 6/16/2026-21	3133EMKV3	5,000,000.00	5,000,000.00	6/16/2026	0.625	1.25	12/17/2020	100	959
FFCB 4.75 9/1/2026	3133EPUW3	5,000,000.00	4,971,300.00	9/1/2026	4.961	1.24	9/22/2023	99.426	1,036
FFCB 0.94 9/28/2026-22	3133EM6E7	5,000,000.00	5,000,000.00	9/28/2026	0.940	1.25	9/28/2021	100	1,063
FFCB 1.55 3/30/2027-23	3133ELUN2	5,000,000.00	5,000,000.00	3/30/2027	1.550	1.25	3/30/2020	100	1,246
FFCB 1.4 3/10/2028-22	3133EMSW3	5,000,000.00	5,000,000.00	3/10/2028	1.400	1.25	3/10/2021	100	1,592
FFCB 1.5 3/23/2028-22	3133EMUB6	5,000,000.00	5,000,000.00	3/23/2028	1.500	1.25	3/23/2021	100	1,605
FFCB 1.04 1/25/2029-22	3133EMNL2	5,000,000.00	4,986,250.00	1/25/2029	1.076	1.24	2/16/2021	99.725	1,913
FFCB 1.55 3/15/2029-22	3133EMSX1	5,000,000.00	4,960,000.00	3/15/2029	1.658	1.24	3/24/2021	99.2	1,962
Sub Total / Average FFCB Bond		97,659,000.00	97,546,551.35		1.267	24.31		99.88535	795
FHLB Bond									
FHLB 0.3 11/27/2023-21	3130AKGL4	5,000,000.00	5,000,000.00	11/27/2023	0.300	1.25	11/27/2020	100	27
FHLB 0.3 2/9/2024-21	3130AMHP0	5,000,000.00	5,000,000.00	2/9/2024	0.300	1.25	6/9/2021	100	101
FHLB 2.5 2/13/2024	3130AFW94	520,000.00	554,662.30	2/13/2024	0.225	0.14	3/4/2021	106.665827	105
FHLB 0.45 4/29/2024-21	3130ALYE8	5,000,000.00	5,000,000.00	4/29/2024	0.450	1.25	4/29/2021	100	181
FHLB 0.375 5/24/2024-21	3130AMPB2	5,000,000.00	5,000,000.00	5/24/2024	0.375	1.25	5/28/2021	100	206
FHLB 0.4 5/24/2024-21	3130AMEP3	5,000,000.00	5,000,000.00	5/24/2024	0.400	1.25	5/24/2021	100	206
FHLB 0.4 6/7/2024-21	3130AMKX9	5,000,000.00	5,000,000.00	6/7/2024	0.400	1.25	6/7/2021	100	220
FHLB 0.5 7/15/2024-21	3130AMXL1	5,000,000.00	5,000,000.00	7/15/2024	0.500	1.25	7/15/2021	100	258
FHLB 0.5 7/29/2024-21	3130ANCU2	5,000,000.00	5,000,000.00	7/29/2024	0.500	1.25	7/29/2021	100	272
FHLB 0.45 8/27/2024-20	3130AJZH5	5,000,000.00	5,000,000.00	8/27/2024	0.450	1.25	8/28/2020	100	301

FHLB 1.27 1/27/2025-23	3130AQMJ9	5,000,000.00	5,000,000.00	1/27/2025	1.270	1.25	1/27/2022	100	454
FHLB 0.4 7/15/2025-21	3130AKM29	5,000,000.00	4,999,000.00	7/15/2025	0.405	1.25	1/29/2021	99.98	623
FHLB 0.5 10/20/2025-21	3130AKNK8	5,000,000.00	4,999,000.00	10/20/2025	0.504	1.25	1/20/2021	99.98	720
FHLB Step 12/30/2025-21	3130AKLH7	5,000,000.00	5,000,000.00	12/30/2025	0.636	1.25	12/30/2020	100	791
FHLB Step 1/29/2026-21	3130AKRA6	5,000,000.00	5,000,000.00	1/29/2026	1.002	1.25	1/29/2021	100	821
FHLB 0.53 2/17/2026-21	3130AKWS1	5,000,000.00	4,995,000.00	2/17/2026	0.550	1.24	2/17/2021	99.9	840
FHLB 0.8 3/10/2026-21	3130ALFS8	5,000,000.00	5,000,000.00	3/10/2026	0.800	1.25	3/10/2021	100	861
FHLB Step 4/29/2026-21	3130ALZA5	5,000,000.00	5,000,000.00	4/29/2026	1.432	1.25	4/29/2021	100	911
FHLB 0.825 8/17/2027-21	3130AJXH7	5,000,000.00	4,986,250.00	8/17/2027	0.866	1.24	8/28/2020	99.725	1,386
FHLB 2.32 11/1/2029-22	3130AHEU3	5,000,000.00	5,000,000.00	11/1/2029	2.320	1.25	11/1/2019	100	2,193
Sub Total / Average FHLB Bond		95,520,000.00	95,533,912.30		0.706	23.81		100.017026	596
FHLMC Bond									
FHLMC 0.3 12/14/2023-21	3134GXEW0	5,000,000.00	5,000,000.00	12/14/2023	0.300	1.25	12/14/2020	100	44
FHLMC 5.05 6/14/2024-23	3134GY5E8	5,000,000.00	5,000,000.00	6/14/2024	5.050	1.25	12/14/2022	100	227
FHLMC 3 6/28/2024-22	3134GXWZ3	5,000,000.00	5,000,000.00	6/28/2024	3.000	1.25	6/28/2022	100	241
FHLMC 0.45 7/29/2024-22	3134GWFS0	2,250,000.00	2,250,000.00	7/29/2024	0.450	0.56	9/24/2021	100	272
FHLMC 1.5 2/12/2025	3137EAEP0	1,305,000.00	1,296,987.51	2/12/2025	1.715	0.32	3/4/2022	99.386016	470
FHLMC 5.25 3/21/2025-23	3134GYA77	5,000,000.00	5,000,000.00	3/21/2025	5.250	1.25	12/21/2022	100	507
FHLMC 5.25 6/30/2025-23	3134GY6T4	4,596,000.00	4,596,000.00	6/30/2025	5.250	1.15	12/30/2022	100	608
FHLMC Step 6/30/2025-22	3134GXVT8	5,000,000.00	5,000,000.00	6/30/2025	3.676	1.25	6/30/2022	100	608
FHLMC 0.375 7/21/2025	3137EAEU9	1,315,000.00	1,215,559.70	7/21/2025	3.063	0.30	8/4/2022	92.438	629
FHLMC 0.375 9/23/2025	3137EAEX3	1,570,000.00	1,405,668.10	9/23/2025	4.166	0.35	10/6/2022	89.533	693
FHLMC 0.375 9/23/2025	3137EAEX3	1,010,000.00	893,535.53	9/23/2025	4.694	0.22	11/4/2022	88.468864	693
FHLMC 0.375 9/23/2025	3137EAEX3	560,000.00	504,624.88	9/23/2025	4.156	0.13	12/6/2022	90.111586	693
FHLMC 5.75 6/8/2026-23	3134GYTK8	1,000,000.00	998,300.00	6/8/2026	5.818	0.25	10/27/2023	99.83	951
FHLMC 0.8 7/14/2026-21	3134GV5T1	5,000,000.00	5,000,000.00	7/14/2026	0.800	1.25	7/14/2020	100	987
FHLMC 5.05 9/25/2026-24	3134H1CK7	5,000,000.00	4,963,500.00	9/25/2026	5.322	1.24	10/27/2023	99.27	1,060
FHLMC 5.55 10/30/2026-24	3134H1GU1	5,000,000.00	4,996,250.00	10/30/2026	5.578	1.24	10/30/2023	99.925	1,095
FHLMC 5.55 9/27/2027-24	3134H1DG5	5,000,000.00	4,998,250.00	9/27/2027	5.560	1.25	9/27/2023	99.965	1,427
Sub Total / Average FHLMC Bond		58,606,000.00	58,118,675.72		3.811	14.48		99.237118	664
FNMA Bond									
FNMA 0.25 11/27/2023	3135G06H1	510,000.00	509,757.66	11/27/2023	0.266	0.13	12/3/2020	99.952483	27
FNMA 0.25 11/27/2023	3135G06H1	1,235,000.00	1,236,082.16	11/27/2023	0.220	0.31	1/7/2021	100.087624	27
FNMA 0.25 11/27/2023	3135G06H1	1,430,000.00	1,432,245.92	11/27/2023	0.194	0.36	2/4/2021	100.157057	27
FNMA 0.25 11/27/2023	3135G06H1	5,000,000.00	4,787,582.75	11/27/2023	4.800	1.19	12/9/2022	95.751655	27
FNMA 0.28 12/29/2023-21	3135GABN0	5,000,000.00	5,000,000.00	12/29/2023	0.280	1.25	12/29/2020	100	59
FNMA 2.5 2/5/2024	3135G0V34	1,500,000.00	1,590,870.00	2/5/2024	0.225	0.40	6/3/2021	106.058	97
FNMA 1.75 7/2/2024	3135G0V75	945,000.00	983,130.75	7/2/2024	0.390	0.24	7/7/2021	104.035	245
FNMA 1.75 7/2/2024	3135G0V75	565,000.00	588,487.72	7/2/2024	0.313	0.15	8/5/2021	104.157119	245
FNMA 0.455 8/27/2024-21	3136G4Y72	5,000,000.00	5,000,000.00	8/27/2024	0.455	1.25	8/28/2020	100	301
FNMA 2.625 9/6/2024	3135G0ZR7	3,167,000.00	3,093,525.60	9/6/2024	5.424	0.77	10/27/2023	97.68	311
FNMA 1.625 10/15/2024	3135G0W66	1,740,000.00	1,797,259.31	10/15/2024	0.527	0.45	10/6/2021	103.290765	350
FNMA 1.625 10/15/2024	3135G0W66	640,000.00	656,959.05	10/15/2024	0.714	0.16	11/4/2021	102.649852	350
FNMA 0.5 12/16/2024-21	3135G06M0	5,000,000.00	4,989,850.00	12/16/2024	0.560	1.24	7/19/2021	99.797	412
FNMA 1.625 1/7/2025	3135G0X24	1,055,000.00	1,072,574.78	1/7/2025	1.060	0.27	1/5/2022	101.665856	434
FNMA 0.625 4/22/2025	3135G03U5	1,360,000.00	1,268,407.71	4/22/2025	3.017	0.32	5/5/2022	93.265273	539
FNMA 0.5 6/17/2025	3135G04Z3	925,000.00	861,249.00	6/17/2025	2.892	0.21	6/6/2022	93.108	595
FNMA 0.5 6/17/2025	3135G04Z3	1,365,000.00	1,271,599.52	6/17/2025	2.943	0.32	7/7/2022	93.157474	595
FNMA 0.7 7/14/2025-21	3136G4YH0	5,000,000.00	5,000,000.00	7/14/2025	0.700	1.25	7/14/2020	100	622
FNMA 0.55 8/19/2025-22	3136G4H63	5,000,000.00	5,000,000.00	8/19/2025	0.550	1.25	8/19/2020	100	658
FNMA 0.58 8/25/2025-22	3136G4J20	5,000,000.00	5,000,000.00	8/25/2025	0.580	1.25	8/25/2020	100	664
FNMA 0.375 8/25/2025	3135G05X7	920,000.00	839,132.00	8/25/2025	3.521	0.21	9/7/2022	91.21	664

FNMA 0.5 11/7/2025	3135G06G3	1,295,000.00	1,169,555.72	11/7/2025	4.152	0.29	1/5/2023	90.313183	738
FNMA 0.5 11/7/2025	3135G06G3	830,000.00	743,924.04	11/7/2025	4.682	0.19	3/7/2023	89.629402	738
FNMA 0.5 11/7/2025	3135G06G3	885,000.00	815,301.29	11/7/2025	3.719	0.20	4/5/2023	92.12444	738
FNMA 2.125 4/24/2026	3135G0K36	545,000.00	519,466.75	4/24/2026	3.805	0.13	5/3/2023	95.315	906
FNMA 0.75 7/30/2026-20	3136G4D91	1,000,000.00	888,980.00	7/30/2026	5.116	0.22	10/27/2023	88.898	1,003
FNMA 0.73 10/29/2026-21	3136G46F5	5,000,000.00	5,000,000.00	10/29/2026	0.730	1.25	10/29/2020	100	1,094
FNMA 0.8 11/4/2027-22	3135GA2L4	5,000,000.00	5,000,000.00	11/4/2027	0.800	1.25	11/4/2020	100	1,465
Sub Total / Average FNMA Bond		66,912,000.00	66,115,941.73		1.484	16.47		98.925361	534
Local Government Investment Pool									
NCCMT LGIP	NCCMT599	96,649.99	96,649.99	N/A	5.270	0.02	6/29/2012	100	1
NCCMT LGIP	NCCMT481	28,916,055.53	28,916,055.53	N/A	5.270	7.21	12/31/2005	100	1
NCCMT LGIP	NCCMT271	212,935.72	212,935.72	N/A	5.270	0.05	12/31/2005	100	1
Sub Total / Average Local Government Investment Pool		29,225,641.24	29,225,641.24		5.270	7.28		100	1
Money Market									
PINNACLE BANK MM	PINNACLE	15,763,927.86	15,763,927.86	N/A	5.240	3.93	3/31/2019	100	1
Sub Total / Average Money Market		15,763,927.86	15,763,927.86		5.240	3.93		100	1
Treasury Bill									
T-Bill 0 1/11/2024	912797GC5	5,000,000.00	4,893,833.33	1/11/2024	5.387	1.22	8/17/2023	97.876667	72
Sub Total / Average Treasury Bill		5,000,000.00	4,893,833.33		5.387	1.22		97.876667	72
Total / Average		403,686,569.10	401,311,002.98		2.415	100		99.447374	529