CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

> March 6, 2023 4:00 PM

1. CALL TO ORDER - CHAIRMAN

2. APPROVAL OF WORK SESSION AGENDA - CHAIRMAN

2.1. BOC - Changes to the Agenda Pg. 3

3. DISCUSSION ITEMS - NO ACTION

- 3.1. 2022 Child Protection and Fatality Team Report Pg. 5
- 3.2. Cabarrus Health Alliance Project Public Health Ready Recognition Pg. 23
- 3.3. County Manager Cooperative Christian Ministry Project Updates Pg. 30
- 3.4. Strategic Planning Process Continued Pg. 109
- 3.5. Infrastructure and Asset Management Courthouse Expansion Project Update Pg. 111
- 3.6. Infrastructure and Asset Management Emergency Medical Services Headquarters Project Update Pg. 121
- 3.7. Infrastructure and Asset Management Fullytime Funkytown Public Art Agreement at Rotary Square Discussion Pg. 128

4. DISCUSSION ITEMS FOR ACTION

- 4.1. ALP Camp T.N. Spencer Pool Contract Pg. 136
- 4.2. BOC Appointments to Boards and Committees Pg. 176
- 4.3. County Manager Allocation of Bottle Tax for Rehabilitation Pg. 179
- 4.4. County Manager Cabarrus Rowan Community Health Center Funding Request Pg. 180
- 4.5. County Manager Supplemental Agreement for Additional Opioid Funds Pg. 183
- 4.6. CVB MONDO Track Change Order Pg. 187
- 4.7. EMS RACE CARS Grant Funds Pg. 196
- 4.8. Finance Audit Contract for Fiscal Year Ending June 30, 2023 Pg. 210
- 4.9. Finance ARPA Budget Amendment and CARES Relief Funds Special Revenue Project Ordinance Pg. 222
- 4.10. Finance Grant Acceptance and Budget Amendment Pg. 228
- 4.11. Infrastructure and Asset Management Request for Permission to Temporarily Display Public Art at Historic Courthouse Front Porch Pg. 277

- 4.12. Infrastructure and Asset Management Rob Wallace Park Veterans Memorial Flagpole Lighting Discussion Pg. 281
- 4.13. Infrastructure and Asset Management Surplus and Sale of County Property Pg. 290
- 4.14. Infrastructure and Asset Management Transfer of Surplus Courthouse Chiller to Cabarrus County Schools Pg. 294
- 4.15. Planning and Development Community Development Budget Amendment Pg. 299
- 4.16. Planning and Development HOME ARP Contract Pg. 302

5. APPROVAL OF REGULAR MEETING AGENDA

5.1. BOC - Approval of Regular Meeting Agenda Pg. 426

6. ADJOURN

In accordance with ADA regulations, anyone in need of an accommodation to participate in the meeting should notify the ADA coordinator at 704-920-2100 at least 48 hours prior to the meeting.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Approval of Work Session Agenda - Chairman

SUBJECT: BOC - Changes to the Agenda

BRIEF SUMMARY: A list of changes to the agenda is attached.

REQUESTED ACTION: Motion to approve the agenda as amended.

EXPECTED LENGTH OF PRESENTATION: 1 Minute

SUBMITTED BY: Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED: No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Changes to the Agenda



CABARRUS COUNTY BOARD OF COMMISSIONERS CHANGES TO THE AGENDA MARCH 6, 2023

UPDATED:

Discussion Items – No Action

- 3.3 County Manager Cooperative Christian Ministry Project Updates
 - PowerPoint Presentation
 - Letters of Support

Discussion Items For Action

- 4.16 Planning and Development HOME ARP Contract
 - PowerPoint Presentation
 - Housing Units Reconstruction
 - Budget Ordinance

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

2022 Child Protection and Fatality Team Report

BRIEF SUMMARY:

A representative from the Cabarrus County Child Protection and Fatality Team will present the annual review of our child fatalities and current issues impacting our children's welfare.

REQUESTED ACTION:

Receive input.

EXPECTED LENGTH OF PRESENTATION:

30 Minutes

SUBMITTED BY:

Paula Yost, JD, LPCA Chair, Cabarrus County Child Protection and Fatality Team

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- Presentation
- CPFT Legislative Handout

The State of our Children: A 2022 Report

Paula J. Yost, JD, LCMHC, Chair Cabarrus County, Child Protection & Fatality Team

What is CPFT?

- CPFT = Child Protection & Fatality Team
- In Cabarrus County, it has made sense to combine both teams. Thus, we combined with the goal of becoming one of the top CPFTs in the state.
- A focus is on examining the deaths of children in the county during the previous calendar year.
- We discuss each case and ponder ways that the deaths could have been prevented and look at issues county wide that lead to better protection of our children.
- We are mandated by G.S. 7B 1407
- An interdisciplinary group of community representatives who meet regularly to promote a community-wide approach to the problem of child abuse and neglect.

2022 DHS Numbers

- Investigations worked with 4,717 children, an increase from 4,470 in 2021, and 3,728 children from 2020.
- For Cabarrus County, we accepted 1721 cases up from 1038 cases in 2021. Of those accepted cases, 484 were forensic cases which is down from 506 forensic cases in 2021. Forensic cases involve physical or sexual abuse.
- Out of the total amount of cases accepted 204 of them had substance abuse allegations and out of those 27 cases alleged opiate use.
- Cabarrus County has completed 554 assist requests from other counties up from 423 in 2021. DHS probably needs more social workers.
- We also had 57 substance abuse impacted infants, 158 domestic violence cases, and 3 human trafficking cases.
- Due to crime increases, we need your support in requesting additional Assistant District Attorneys from the legislature.

Child Abuse – DHS Numbers

- 44 families per month in in home services as opposed to last year's 54
- 158 (2022), 161 (2021) children in foster care as opposed to last year's 152 (2020), 133 (in 2019)

DHS - PREVENTION

- The Prevention Unit has received a total of 453 referrals from January 2022 December 2022.
- The Prevention Unit has served 197 Families thus far from January 2022 December 2022
- 155 families were successfully diverted from repeated maltreatment reports. (Did not need follow up.)
- The Parenting Specialist has received a total of 33 referrals. 15 families participated in Parenting with the Parenting Specialist. (due to wait list many families were referred outside the agency)
- The Prevention Team invited 217 Cabarrus County churches to partner with the sponsorship of families for Thanksgiving and Christmas; 91 families were fed for Thanksgiving; 158 children were sponsored for Christmas with gifts.

2021 Cabarrus County Child Fatalities

•Illness-6: 1-Leukemia, 1-Cardiomegaly, 1-Secondary Pulmonary Hypertension, 1-Disease of Stomach, 1- Chronic Respiratory Failure, 1-Cardiomypathy

•Prematurity-4

•Accidental-5: 2-Car accident, 1-pedestrian hit by car when crossing road to check mail, 2-skateboarder hit by car when crossing road, 1-unsafe sleep (no known substances)

• Substance affected-3: 3-unsafe sleep (marijuana use in home)

•Abuse-0

•DA's review/pending-2

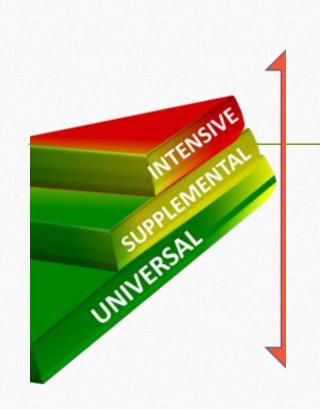
TOTAL = 20 (2015 – 23; 2016-22; 2017-21, 2018-24, 2019-23, 2020-18)







Whole Child Approach to Student Safety



Physical & Psychological Safety

Safety checks	Safety audits	Security Cameras	Tinted Windows
Vestibules/Access control	Drills	Behavioral threat assessment	Anonymous Reporting System
Online monitoring Crisis P		rotocols	t wellness eeners

Interventions

- School Mental Health Teams: school counselors, school psychologist, school social worker, and nurse (aka SISP) work directly with school resource officer to provide brief-solution focused interventions
- Welfare Checks
- Trauma-informed approached and resilience-focused practices
- School safety plans





Crisis Response

- District Incident Command System (ICS)
- School ICS Teams
- Common language for parallel communication across departments and agencies
- Crisis information shared on "need-to-know" basis
- Parent outreach and resources shared as needed

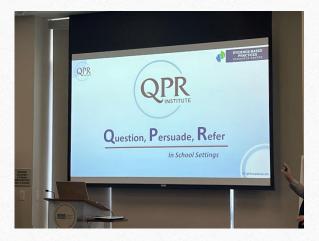


Professional Development

• PREPaRE Workshops 1 & 2

- National evidence-based K-12 school crisis response model
- Certified trainers through the National Association of School Psychologists
- CRASE
 - Civilian Response to Active Shooter Event
- QPR
 - Suicide prevention & intervention
- Reconnect for Resilience
 - Emotional Regulation
- Reunification





School Safety Partnerships

- Cabarrus County Sheriff's Office
- Concord Police Department
- Emergency Management
- Emergency Medical Services
- National Threat Assessment Team

- Fire Department
- Department of Human Services
- Daymark/Mobile Engagement
- State Bureau of Investigation
- Center for Safer Schools

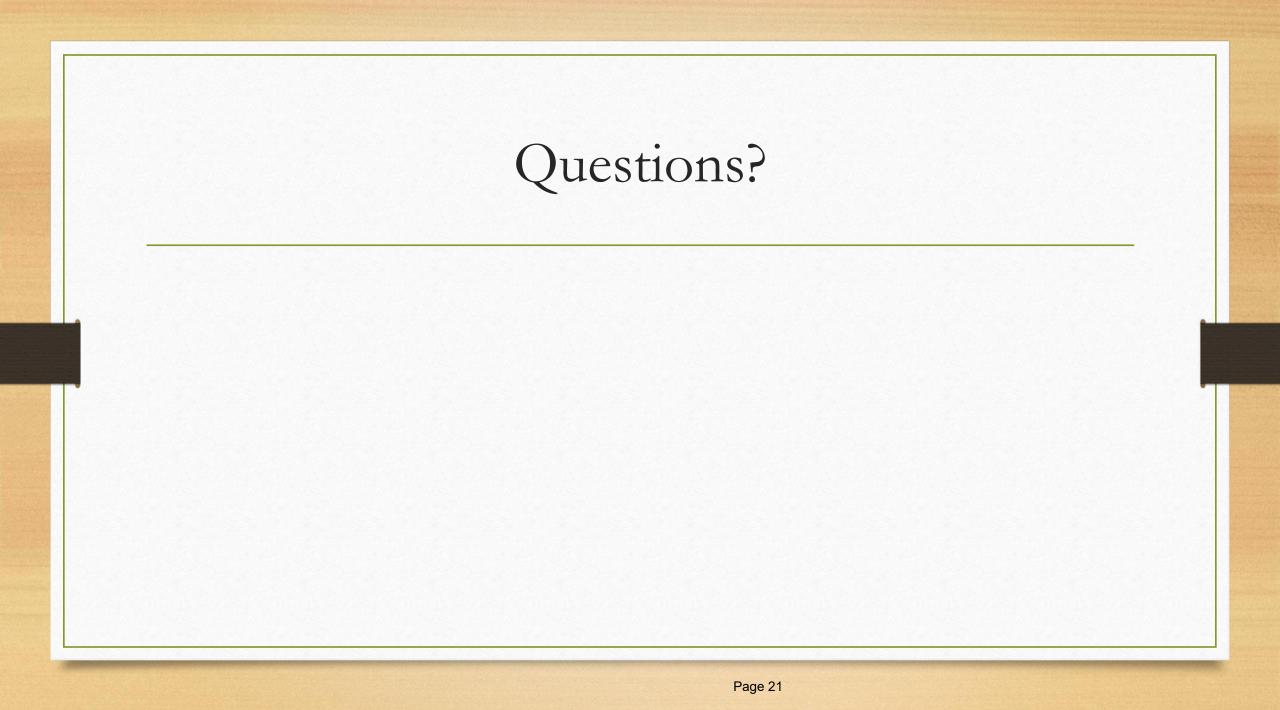


SCHOOL THREAT CHARGES

District Attorney Ashlie Shanley

Threats Cause Trauma to Students, Staff, and Parents

Felony Charge Threat of Mass Violence Educational Property NCGS 14-277.6 --Class H Felony



CPFT Legislative Handout

- A State Data Tracker for child fatalities.
- An increase in PRTF beds.
- An increase in treatment services for juveniles.
- An additional Medical Examiner's Office and some educational pathway to incentivize doctor's to become Medical Examiners.
- Raising possession of a firearm by a juvenile from a misdemeanor to a felony.
- Making it a felony to assault a social worker or a guardian ad litem volunteer.
- An instrument at the State laboratory to test the THC values of a vape pen.
- Raise the Age needs to equal a raise the services programs.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Cabarrus Health Alliance - Project Public Health Ready Recognition

BRIEF SUMMARY:

Cabarrus Health Alliance (CHA) has been recognized by the National Association of County and City Health Officials (NACCHO) for its ability to plan for, respond to, and recover from public health emergencies. CHA is the only health department in North Carolina that has demonstrated these capabilities by again meeting the comprehensive preparedness benchmarks required by Project Public Health Ready (PPHR), a unique partnership between NACCHO and the Centers for Disease Control and Prevention. CHA maintains its recognition along with a cohort of more than 520 local health departments across the country that have been distinguished for excellence in preparedness through PPHR, either individually or as part of a region.

REQUESTED ACTION:

Receive input.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

PowerPoint Presentation

CHA Project Public Health Ready Recognition

2017, 2022 (5-year cycle)



What is PPHR?

- Project Public Health Ready (PPHR) is a criteria-based training and recognition program created by the NACCHO and the CDC
- Helps local health departments develop core public health, emergency preparedness competencies
- Provides structure to build training and preparedness capacity using a continuous quality improvement model



What does PPHR require?

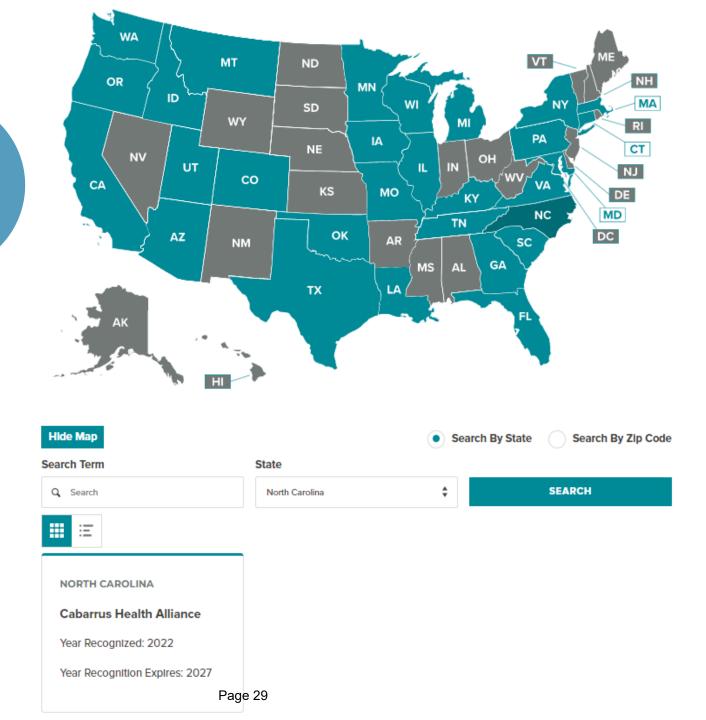


The Criteria are divided into three (3) goals: **Goal I: All-Hazards Response Plan Goal II: Workforce Capacity** Development **Goal III: Exercise/Real-Event**

Why seek PPHR?

- Become more fully integrated into the response community and to be prepared to respond to any emergency
- Build partnerships with state and federal leads, community response partners and other stakeholders
- Facilitate collaboration and team-building across the entire health department
- Develop a written all-hazards response plan that aligns with national and federal standards, including 15 capabilities

CHA is the only PPHR Recognized Health Department in the state.



CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

County Manager - Cooperative Christian Ministry Project Updates

BRIEF SUMMARY:

The Board appropriated \$2 million of American Rescue Plan funds to Cooperative Christian Ministry for the Grace Place and/or The Rebuilders Campus projects. Chief Executive Officer Ed Hosack will provide a progress report including final funding decisions from Concord and Kannapolis.

REQUESTED ACTION:

Receive report.

EXPECTED LENGTH OF PRESENTATION:

15 Minutes

SUBMITTED BY:

Ed Hosack, Chief Executive Officer, Cooperative Christian Ministry

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- PowerPoint Presentation
- Letters of Support



A CAPITAL CAMPAIGN TO CREATE HOUSING SOLUTIONS

CCM's Bold New Initiative

RESTORATION

RISIS

Hunger Fighting Program

- Drive-through Pantry/Food Pantry Network
- Mobile Food Pantries
- Samaritan's Table
- Backpack Program

Education & Support Services

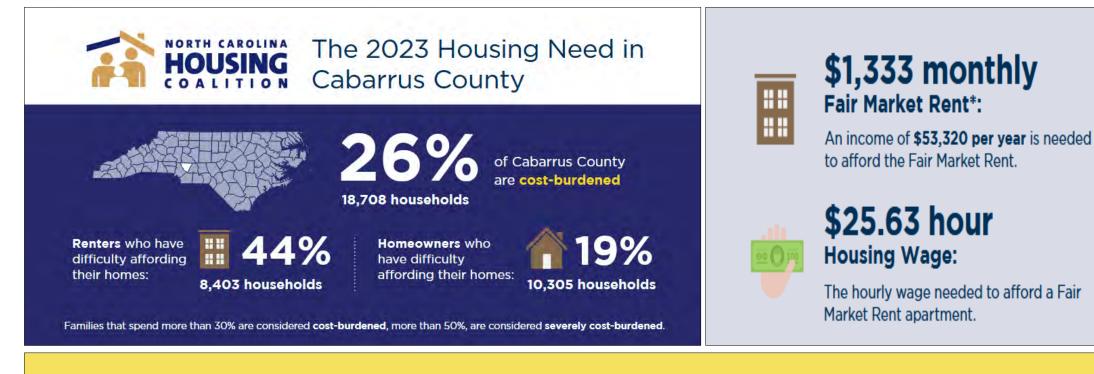
- Bridges out of Poverty
- Breaking Free from the Money Traps
- Getting Ahead
- Pathways to Progress

Financial Assistance Program

- Assistance with rent or utilities
- Neighbor Helping Neighbor

Transitional Housing Program

- My Father's House
- Mothers & Children Home
- Teaching Housing

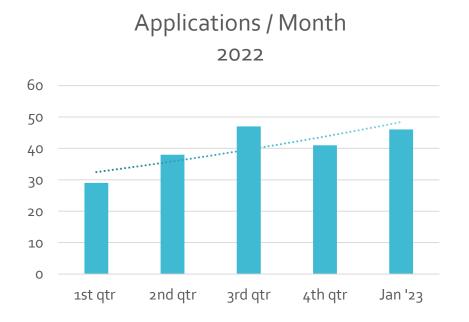


When Housing Costs Too Much

When housing costs become too much, a family can lose their home. This takes an incredible toll not only on a family, but also on the entire community.

18,708 households @ 2.93 per household = 54,000 people in housing crisis

January 2023 Cabarrus County - Homeless PIT Count 441 people, including 181 children (41%)



CCM Housing Applications Third Quarter 2022 (140)

84% made by female73% were single head of household77% said they are currently homeless

<u>Housing Applications</u>				
January 2021	13			
January 2022	30	+130%		
January 2023	46	+ 53%		



C O O P E R A T I V E C H R I S T I A N M I N I S T R Y

HelpwithHousing.net (100)

81% made by a female head of household3.14 the average family size

23% were children o-17 years16% were 55 years of age or older8% were pregnant

35% indicated they needed a place to sleep that night78% said they were able to work at least 30 hours per week





Housing Program OUTCOMES

My Father's House

Mothers & Children Housing _ _ _ _ Teaching

Housing





95% of households DECREASE DEBT







*Based on Fiscal Year 2020/2021 cumulative data

Senior adults in our community who are:

- ✓ Extremely low income
- ✓ Able to live independently
- \checkmark In housing crisis



✓ Living in borrowed space
 ✓ Being used for their stable income
 ✓ Forced out by increasing rent
 ✓ Living in constant fear



Finally!... a solution,

for our neighbors who are Seniors, Disabled, our Veterans or their Widows







Supportive Community Living







Structured Activities Supervised Setting Case Management



C O O P E R A T I V E C H R I S T I A N M I N I S T R Y

Page 44



Vital Resources Biblical Encouragement







Kannapolis, NC

✓ Restored HOPE



Isaiah 58:12

"Your people will **Rebuild** the ancient ruins and will raise up the age-old foundations; you will be called Repairer of Broken Walls, Restorer of Streets with Dwellings."

Out of the rubble of past lives, to build anew... (paraphrase)



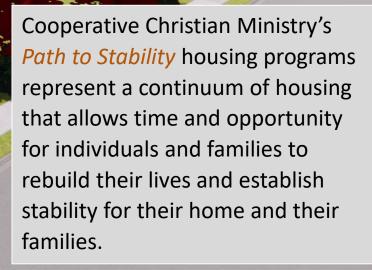


The Rebuilders Campus

at Brown Mill Commons

Home of the Rebuilders College





The Rebuilders College represents a multi-year commitment on the part of adult and youth participants to pursue a rigorous plan for personal growth and development.

F





Brown Mill Commons

- Employment opportunities
- Amenities to community
- Vocational training
- Wellness resources
- Nonprofit services

REBUILDERS CAMPUS

TO GOD BE THE

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Page 56



A CAPITAL CAMPAIGN TO CREATE HOUSING SOLUTIONS

Grace Place:

Government Private Donations Charitable Foundations Corporate Donations Church Donations

\$ 2,000,000

- \$ 1,000,000
- \$ 500,000
- \$ 300,000
- \$ 200,000

The Rebuilders College:

Cabarrus County ARPA Private Donations Corporate Donations Charitable Foundations Church Donations **\$ 13,500,000** \$ 2,000,000 \$ 7,000,000

- \$ 3,000,000 \$ 1,000,000
- \$ 500,000

HOUSING STABILITY is the foundation of resilient families and a reliable workforce. The safety and security of families with children and the wellbeing of senior adults are hallmarks of a healthy community. For these reasons and more, Cabarrus County has conveyed broad support for the proposed *Grace Place* and *The Rebuilders Campus*; transitional housing programs of CCM.

Organizations and entities who have to-date established support in writing: (3/1)

Institutions

Atrium Health-Cabarrus (Pending) Cabarrus County Schools Kannapolis City Schools Rowan-Cabarrus Community College

Elected Officials, Key Stakeholders & Community Members (other)

Rep. Kristen Baker Rep. Kevin Crutchfield Senator Paul Newton Cab Co GOP Diane Honeycutt Hugh Morrison Chip Buckwell Jack Lambert Keith Troutman Jim Monroe Reid & Jessica Castrodale Alan Goodman Alfred M. Brown Jr. Toby & Betty Jean Prewitt

Community Partners

Cabarrus Health Alliance NC Works Centralina Workforce Dev We Build Concord Lifeline Christian Mission United Way Aya House **Opportunity House** CVAN Habitat for Humanity-Cab **Elder** Orphan Care The S.T.U.D.I.O **CK Rider Transit** Cab. Partnership for Children **Big Brothers / Big Sisters Community Free Clinic** Cab. County Meals on Wheels

Boys & Girls Club Feeding Kannapolis Disability Rights & Resources El Puente Partners Health Management The Rev. Nancy Cox, All Saints Episcopal Church

Local Businesses The Chamber, Leading Cabarrus Cabarrus Co. – Economic Development Corp Ike's Construction Liles Construction Pinnacle Bank Hilbish Ford Morrison Law Allen Craven / Craven & Co. Realtors



January 6, 2023

Ed Hosack, CEO Cooperative Christian Ministry PO Box 1717 Concord, NC 28026-1717

Dear Mr. Hosack,

Determinate, a factor which decisively affects the nature or outcome of something.

Driver. one that provides impulse or motivation.

There is a movement in public health to change the term Social **Determinants** of Health to Social **Drivers** of Health. Social Determinants, or drivers, are things that impact their quality of life. Access to food, affordable health care, education resources, employment, and safe housing are examples of these things.

Current definitions mean that **determinants** are final. Once you have been labeled with a need, you have no opportunity to overcome that obstacle to achieve a successful life. A determinant means it is the ultimate predictor of the outcome. A **driver**, on the other hand, is a nudge, an impulse, a motivation. A driver can be time-limited.

This makes sense, doesn't it? Why would one experience, one moment in time, one bad decision or poor life circumstance, chosen or inherited, decisively define the outcome of one's life?

For decades, Cooperative Christian Ministry and Cabarrus Health Alliance have collaborated to ensure that our community continues to make progress towards addressing things that impact the health of our community. We've come together when Pillowtex closed their doors and left thousands uninsured. We've come together during economic recessions when community members wondered where their next meal would come from or how they would keep the lights on at home. We've worked together to support community members in making healthy choices.

It is my opinion that there is no other organizations in our community that is a better **driver** of health. Cooperative Christian Ministry's housing model is a journey -- a journey of hope, a journey of growth, and a journey of accountability. Housing program participants thrive from the wrap-around services and case management provided by CCM and partners. The model is not a hand out, but conversely, a partnership with one goal: **move people to independence**.

Cooperative Christian Ministry has taken a bold approach to driving solutions for the growing homeless and unaffordable housing crisis in our community. It will take every organization and leader in the community to successfully address this issue. Let's agree to be drivers of health and not determinants.

In continued partnership,

Erin Shoe Public Health Director



4401 Old Airport Road Concord, NC

January 6, 2023

Cooperative Christian Ministry PO Box 1717 Concord, NC 28026-1717

Re: Cabarrus County School support of CCM

Dear Colleagues:

Cabarrus County Schools has a decades long partnership with Cooperative Christian Ministries to support children and families facing housing crises. We fully support the Rebuilder's College Program's mission to support local families at high-risk of homelessness.

For children, housing instability and school transience serve as a risk factors and barriers to academic success. Our staff has worked closely with CCM to ensure students in shelter-based programs have access to tutoring services to offset some of the challenges homeless students face. We collaborate to help facilitate immediate enrollment in schools, establishing transportation, and ensuring students have access to nutrition services.

Our local needs assessment has demonstrated that affordable housing is a primary area of concern. CCM's new initiative creates an opportunity for families to succeed in the context of a community while helping foster stability for children in school settings.

Please consider our district's full support for our partners at Cooperative Christian Ministries.

Sincerely,

J. Kopuli

Dr. John Kopicki Cabarrus County School Superintendent



January 6, 2023

To Mayor Bill Dusch, City Manager Lloyd Payne and our esteemed Concord City Council Members:

In 2022, The Chamber, Leading Business in Cabarrus began working on an updated strategic plan with the goal of creating action items and pathways to improving our business community for all. As we dug into data and discussions with members, it became very apparent that workforce was the biggest issue facing our businesses, regardless of size.

But as we continued to question and dig, there were three barriers that affected our businesses the most and kept workers out of the workforce – available/affordable housing, available/affordable childcare and basic transportation.

We began working in earnest with our partners, Concord's subject matter experts, in these areas to help find solutions. Cooperative Christian Ministry had by far done the most work, had the best data and had identified solutions for moving the needle for families and individuals experiencing homelessness or unstable housing. We all know that without housing, work and school are nearly impossible. Not only will their plans move families out of crisis and into stability, they will also help increase our muchneeded workforce.

We applaud the outstanding work our city has done to recruit amazing jobs to Concord, but we need to make sure we also work with partners who can support and ensure success for those in need to stabilize their housing issues and transition to more productive lives for their families. CCM's Grace Place and Rebuilder's College would do that.

As we look at solutions for any of the beforementioned barriers, they are all expensive. But I encourage you to consider making this vital investment in our future by supporting these important housing initiatives.

Thank you for your consideration.

Best regards,

Barbi Jones, Executive Director The Chamber, Leading Business in Cabarrus



Kannapolis City Schools

100 DENVER STREET KANNAPOLIS, NC 28083 Kevin Garay Superintendent kevin.garay@kcs.k12.nc.us

704-938-1131 FAX: 704-933-6370

http:/www.kannapolis.k12.nc.us

January 12, 2023

To whom it may concern,

With enthusiasm, this letter is submitted as an endorsement from Kannapolis City Schools (KCS) of Cooperative Christian Ministry's (CCM) ongoing work in building and creating housing capacity for those facing housing crisis in Cabarrus County. Specifically, we support CCM's vision to build two new projects for housing: Grace Place and Rebuilder's College. CCM's quest to improve short- and long-term living conditions in our county is incredibly significant to us as many of our families will be impacted directly by these improvements. Further, in Kannapolis City Schools, we are currently immersed in several initiatives that support the needs of students and families who are faced with a housing crisis. CCM has been a longtime partner in many of our initiatives and we value CCM's willingness to continuously push forward with additional partnerships and improvements for the entire county. We sincerely believe that we all benefit from these efforts.

For KCS, CCM is our primary source of support for families experiencing homelessness or those at-risk of losing housing. CCM also consistently provides food pantry access for our families, financial assistance, education, and community referrals for other support needs. Moreover, CCM leads the Cabarrus County Homelessness Task Force and Hunger Task Force, both of which KCS participates in.

Rebuilder's College will impact KCS significantly. The transitional housing will support families with children. In addition to focusing on families with school-aged children, the program will dramatically increase the number of households that can be served in our county. There is little doubt that children we serve in KCS will be supported by this housing solution. Similarly, Grace Place will positively impact our families as well. Although Grace Place's focus may elicit a more indirect impact from the "domino effect" of improving transitional housing capacity for seniors, disabled adults, veterans, and widows, its presence is nonetheless critical to addressing our housing crisis in Cabarrus County.

Again, we value our longtime partnership with CCM and appreciate CCM's commitment to supporting the families of KCS. CCM is one of our most treasured partners and we look forward to continuing to work closely with CCM in new endeavors.

Sincerely,

Kevin Garay



Post Office Box 1595, Salisbury, North Carolina 28145-1595 • 704-216-RCCC (7222) • www.rccc.edu Concord, NC • Kannapolis, NC • Salisbury, NC

January 18, 2023

Dear Local Leaders and the Cabarrus Community at large,

Community partnerships are at the center of our aim to *build sustainable futures through the power of education*. As the eighth largest community college among the 58 North Carolina community colleges, Rowan-Cabarrus Community College stands ready to meet the changing needs of our service area for higher education and workforce training.

Active partnerships with organizations like Cooperative Christian Ministry (CCM) help us better understand and address the connection between basic needs and student success. In a **2021-22 Student** *Financial Wellness Survey* conducted by the Trellis Company, we found that 59% of Rowan-Cabarrus students reported being housing insecure, with the most common expression of homelessness occurring when students temporarily stayed with a relative or friend, or couch surfed while looking for housing.

Our students understand that education and workforce training is the way forward but often face barriers that impede progress. Broad community support to address housing-related challenges is essential. Rowan-Cabarrus Community College encourages local leaders to invest in CCMs *Rebuilders Campus* and *Grace Place*.

CCM's commitment to serving working-age adults in transition aligns well with the strategic priorities of Rowan Cabarrus Community College.

In Service,

Natasha J. Lipsut

Natasha P. Lipscomb Vice President, Student Success Services Rowan-Cabarrus Community College

Centralina Workforce Services

January 30, 2023

Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026

Dear Colleagues,

I'm writing a letter of support of CCM's Bold Initiative addressing problems with the county's housing crisis. Stable housing is essential to the stability of families which is one of the critical steps to self-sufficiency. The Rebuilders College will focus on transitional housing for individuals and families facing homelessness and Grace Place will provide services to low-income individuals to establish stability and assist with community engagement.

Over the past decade, we have partnered with Cooperative Christian Ministries to aid in employment and training opportunities with individuals we serve. We are committed to supporting this initiative and leveraging services of the NC Works Career Center for both adult and youth services assisting individuals with career coaching, employment, and training services.

We know that Cooperative Christian Ministries will continue their great work serving families who are in need. As their partner, we will continue to assist those that are able to return to the workforce and be productive citizens of Cabarrus County.

We look forward to the continuous partnership on this project.

Sincerely,

Denisha Nesbit, Center Leader

NC Works Career Center



P (704) 786.3183 ext. 104 F (704) 786.3471

denisha.nesbit@equusworks.com





10735 David Taylor Drive, Suite 250 Charlotte, North Carolina 28262 (704) 348-2717 Fax: (704) 899-5624 E-Mail: <u>dhollars@centralina.org</u> www.centralinaworkforce.com

January 18, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

Dear Mr. Hosack:

The Centralina Workforce Development Board (WDB) is pleased to partner with and support Cooperative Christian Ministry on The Rebuilders Campus and Grace Place initiatives. The Rebuilders Campus' focus on establishing new transitional housing capacity that will help individuals and families experiencing homelessness and housing crisis to achieve stable housing and the commitment of Grace Place to provide the basic needs of food, housing, and community in an environment that allows an individual to establish stability and connect with vital resources while promoting personal responsibility and community engagement are important elements in assisting individuals who are seeking employment and a better way of life find the needed stability in order to achieve their goals.

The Centralina Workforce Development Board is excited to leverage our long-standing relationship with Cooperative Christian Ministry on these two new initiatives and system-level changes to support the overall needs of our community. We are committed to supporting the project activities and leveraging WIOA support, the services of our NCWorks Career Centers, and our Centralina WDB NextGen services for young adults to assist individuals pursuing employment and training opportunities. We are excited about the proposed project outcomes that will definitely make Cabarrus County an even better place to live and work.

We look forward to working with you on this project and more to come. If you would like to speak with me directly, you may contact me at (704)348-2717 or <u>dhollars@centralina.org.</u>

Sincerely,

and & Ala

David Hollars, Executive Director Centralina Workforce Development Board



Centralina Workforce Development Board Serving – Anson, Cabarrus, Iredell, Lincoln, Rowan, Stanly, and Union Counties Equal Opportunity/Affirmative Action Employer/Program

Auvilians aide and consiste available upon request to individuals with disabilities



Dear Local Leaders and the Cabarrus Community at large:

Cabarrus Economic Development makes a measurable impact on individuals and families in our community through strategic partnerships that not only allow us to provide support to local startups, assist existing businesses, and recruit new industry, but also drive workforce development. We are proud to partner with organizations like Cooperative Christian Ministry (CCM) to help us better understand the overall needs of our community and how we convey those needs at the business level.

One of the greatest unmet needs in Cabarrus County is housing stability, with the most vulnerable population being senior adults and families with children. This unmet need impacts our workforce development as the homeless population faces challenges when trying to re-enter the workforce due to reasons that can include the lack of vocational skills and workforce training. As a result, this can prevent job readiness and cause individuals who show great promise to miss out on desirable job opportunities.

We believe that CCM is uniquely positioned and capable of establishing safe, transitional housing and improving access to housing resources for individuals and families facing homelessness here in Cabarrus County. Currently, CCM is pursuing two transitional housing projects: Grace Place and The Rebuilder's Campus. Cabarrus Economic Development supports the goal of these transitional housing projects, which is to offer sustainable solutions to effectively address a critical need in our community.

I encourage your support and engagement in CCM's efforts to provide housing stability for the homeless population, help them transition into more productive lives in our community, and make a positive impact in Cabarrus County. Let's agree to thrive together.

Sincerely,

Page Costrodde

Page Castrodale Executive Director Cabarrus Economic Development

January 18, 2023

Mr. Ed Hosack Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717



Dear Mr. Hosack:

WeBuild Concord is a Cooperative Christian Ministry (CCM) partner and supports The Rebuilders Campus and Grace Place initiatives. As part of the housing continuum, both initiatives develop a greater capacity to help individuals experiencing a housing crisis or homelessness. The need for transitional housing while developing plans for permanent homes is essential to families facing social and economic challenges and our housing system.

WeBuild Concord is the lead agency for permanently affordable housing development for the City of Concord and the community land trust for Cabarrus County. We develop homes for affordable ownership and rental. Our agency builds mixed-income and mixed-use developments to stabilize communities, create wealth, enhance linkages to economic and workforce development, and lead community policy discussions related to housing and related sectors.

Over the next two years, WeBuild and its partners will develop over **120 affordable and mixedincome housing units.** CCM's transitional initiatives will help move some individuals and families into our permanent homes near economic development. Thus, our partnership will lead to stability and more significant talent opportunities for our area.

If you have any questions regarding this letter or our agency, please get in touch with me at pgraham@webuildconcord.org or 704.784.0039.

Sincerely,

Petrick (grapan

Patrick Graham, Ph.D. Chief Executive Officer WeBuild Concord

4 Barbrick Avenue SW, Suite 10, Concord, North Carolina 28025 704.784.0039 | info@webuildconcord.org | webuildconcord.org



January 23, 2023

To Cabarrus County leaders:

Lifeline Charlotte exists to create opportunities for our community to serve and be a vital part of bringing HOPE to our community through a simple meal. Our mission is to mobilize, develop, and empower people and communities- both here in Cabarrus County, and abroad. As we continue to grow and develop our strategies to serve those in need, our partnerships with other local organization here in our community are vital and help us to have a much greater IMPACT as a whole.

Lifeline partners with Cooperative Christian Ministries to both engage and encourage our community to give back, serve, and feed those in need. It is both an honor and privilege to serve alongside an organization that aspires to continue to be bold in their initiative for the homeless and less fortunate. Lifeline Charlotte is committed to stand hand in hand to support and help promote all initiatives that help to bring HOPE- through better nutrition & feeding programs, new housing programs, and beyond! *The Rebuilders Campus* and *Grace Place initiatives* help to make our community better for everyone.

The need in our community is great. Housing projects such as these are a great example of how we as a community desire to continue the work to help move our community forward. CCM is a key driver in dreaming BIG- in their efforts to provide safe places for families, continued education programs, providing nutrition, and doing it with compassion- all in the HOPE to move people into opportunities that ignite a better tomorrow and jumpstart independence.

We are Better Together-

Hollie Gregory

Director, Lifeline Charlotte Centre

Hollie Gregory | Charlotte Centre Director Lifeline Christian Mission, Charlotte Centre 325 McGill Ave NW, Suite 175, Concord, NC 28027 980-268-3070 | Mobile: 704-305-3501 Lifeline.org | Centres



January 26, 2023

To our neighbors in Cabarrus County and beyond:

United Way's goal in Cabarrus County is to strengthen the overall health and well-being of Cabarrus County Citizens. To do this, we cannot ignore our neighbors' basic needs like food, clothing, housing, safety and mental well-being. We are blessed to have an organization like Cooperative Christian Ministry investing in Bold Initiatives like Grace Place and the Rebuilders College to address these needs.

We all want to do more than just survive--we want to *thrive*. This includes the almost 25,000 people in Cabarrus County living in poverty. According to the 2020 Cabarrus Community Needs Assessment, our entire community has been impacted by a significant need for better housing affordability, homelessness, substandard housing and access to sufficient mental healthcare. Cooperative Christian Ministry's Grace Place and Rebuilders College serves our community members experiencing poverty, homelessness, substandard housing and provides a sense of community and stability that helps people to achieve mental well-being.

We encourage those in our local, state and national communities to support Cooperative Christian Ministry's Bold Initiatives Grace Place and the Rebuilders College. Success means improved generational economic mobility for families. Success also means positive economic impact for Cabarrus and the surrounding communities, as well as a potential scalable model for others.

United Way supports Cooperative Christian Ministry's efforts to restore hope among struggling families in our community.

Sincerely,

Kellie W. Cartwright

Kellie W. Cartwright Director of Regional Development

57 Union Street South, #1002 | Concord, NC 28027



HILBISH FORD 2600 S. Cannon Bivd. At I-85 Kannapolis, N.C. 28083 Phone: (704) 938-3121 Fax: (704) 938-3125 hilbishford.com Since 1954

February 13, 2023

To Fellow Business owners and County/Municipal Leaders:

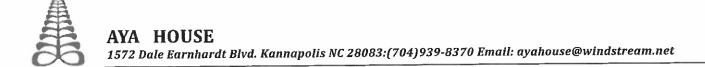
I can speak firsthand to the need for CCM's Bold New Initiative which will address homelessness and the housing crisis we all face in Cabarrus County.

Several times a year, our company faces homeless camps behind Hilbish Ford. The area is down near a creek that borders our property. Tent cities pop up and it leads to drug issues, violence and theft. In many instances, children are with them. How tragic!

CCM has been at the forefront in this battle! The Grace Place and Rebuilder's College is by design a great start. Please support this.

Best,

THO angle Timothy F. Vaughn VP/GM



01/19/2023

To Whom It May Concern:

This letter is to support the efforts of Cooperative Christian Ministries in their pursuit to build and create housing solutions (capacity) for those facing housing crisis in our county. We, at AYA House, have seen firsthand the outcomes of the work of Cooperative Christian Ministries. Their mission and work to move individuals and families from crisis to stability has truly had a positive effect on Cabarrus County as a community.

Specifically, Cooperative Christian Ministries has partnered with AYA House to provide housing, support, and education for our residents. Through our collaborations, CCM has been able to impact not only women, children and families, their support has benefitted the chronically homeless, justice involved, and individuals in recovery. Their reach is into every corner of our county in the areas of food distribution, financial assistance, homelessness, housing, services for the elderly, families and children, and individuals. Their new projects, Grace Place and Rebuilder's College, will continue to positively impact the crisis prone populations in our county.

Please accept our genuine support and respect for the work that Cooperative Christian Ministries has done and is doing in our community now, and with the City's support, is looking to grow and expand for years to come. CCM's impact on our community is immeasurable and we sincerely hope the City will support their endeavors.

Respectfully,

Dennis Brown Executive Director, AYA House



72 CORBAN AVE, SW CONCORD, NC 28025 (704) 785-4020 JIM HOOD, PASTOR

KIMANI VARNER. EXECUTIVE DIRECTOR

January 20, 2023

RE: Letter of Support for Cooperative Christian Ministry

To whom it may concern:

Since 2007 Opportunity House has operated as a Day Shelter, providing resources to meet the essential needs of people experiencing homelessness in Cabarrus County. These needs have evolved and have increased to a larger population since the COVID-19 Pandemic in 2020. In fact, last year, our numbers increased to 50% of new unduplicated persons experiencing homelessness in Cabarrus County. This is an alarming amount and it is a clear indication that the need for a housing solution is more important now than ever.

We have partnered with Cooperative Christian Ministry (CCM) in an effort to address the homelessness and housing crisis in our community as they have served our community faithfully for over 40 years. This service has included pioneering hunger relief programs, financial assistance for families in need, and transitional housing and programs designed to restore families toward stable housing. CCM has recognized the challenges that many of our neighbors are facing and the challenges that are to come for so many who can not afford rising rental rates and an increasing housing market. This has led them to pioneer, once again, a solution to the housing crisis within our community.

We ask for your support of CCM's Bold New Initiative which will have a profound impact in immediately addressing the housing crisis for extremely low-income families, senior citizens and disabled veterans on fixed incomes, and individuals experiencing homelessness in Cabarrus County. It is our pleasure and privilege to continue to partner with CCM in this effort, by providing support for Grace Place & The Rebuilders College which will serve as a beacon of hope and opportunity for our neighbors experiencing homelessness to retain dignity, attain stability, and achieve forward mobility.

Thank you for your consideration.

Sincerely,

Kimani Varner Executive Director

WWW.OPPHOUSE.NET



February 1, 2023

Cooperative Christian Ministry PO Box 1717 Concord, NC 28026

To Whom It May Concern:

CVAN has worked with Cooperative Christian Ministry (CCM) for our entire 40 years. When CVAN started in 1982, CCM gave us the use of a small office in their location in downtown Concord where we started our 24-hour Hotline.

Over the years, CVAN has continued to partner with CCM, including providing transitional housing together for close to a decade. CCM addresses problems including hunger; financial assistance; and housing. CCM's Bold New Initiative to create transitional housing capacity with the *Grace Place* and *Rebuilders Campus* are examples of these type of solutions.

Over the past 40 years, the housing crisis in Cabarrus County continues to grow, including a growing homeless population; access to affordable housing; and the rising cost of rent and housing. Neighborhoods, schools and businesses see the strain on families who are in housing crisis. Innovative solutions will be necessary to gain control of a growing problem.

CVAN continues to recognize and appreciate the work being done by CCM to address these needs. We hope that members of our community will continue to support these two vital projects.

Thank you.

Sincerely,

Mary Margaret Flynn Executive Director

PO Box 1749 • Concord, NC 28026-1749 bus 704.788.1108 • 24-hour hotline 704.788.2826 www.cvan.org • thrift store 704.721.9020



January 17, 2023

OFFICERS

Nick Lovelace President

David La Franque Vice President

Gina Moore Secretary

Beth Belk Treasurer

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Bill Shelton CEO

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MISSION

Guided by God, Habitat Cabarrus transforms lives and our community by uniting all of Cabarrus County around the cause of decent, affordable housing for everyone.



To our Cabarrus County Community Family:

Habitat for Humanity Cabarrus County is proud to partner with CCM to make our beautiful County the best livable and safe in America. This community deserves the best services and stewardship of donated dollars to make our community second to none; CCM is a leader in helping this County sustain this reality.

Habitat for Humanity - Cabarrus County and Cooperative Christian Ministry (CCM) are partners in providing stable housing and home ownership to households in our community who strive to create a future for themselves and their children.

Even today, Habitat for Humanity and CCM are establishing a new homeowner who began in homelessness and, on January 26, 2023, at noon, will move into her own home. Habitat for Humanity will continue collaborating with CCM to build a more robust continuum for our community and strengthen the programs and outcomes of each organization.

Transitional housing is essential for many households to achieve the stability that qualifies them for the Habitat for Humanity program. *The Rebuilders College* and *Grace Place* transitional housing programs reflect CCM's Path to Stability model.

Habitat for Humanity encourages our community to engage and support this bold new initiative to strengthen our local housing continuum and serve a more significant number of families in our community.

I submit this letter of support for this CCM initiative because of the past, present, and future work that CCM has done and will do.

Sincerely,

Bill Shelton CEO



Habitat for Humanity Cabarrus County is a 501 (c) (3) non-profit, tax-exempt organization, Federal Tax ID #56-1678395. No goods or services were provided in return for this donation. Please keep this written acknowledgment of your donation for your records.



To: Ed Hosack and the CCM Team

January 27, 2023

Re: Support of CCM's Bold New Initiative

There's talk and then there's action.

Elder Orphan Care's staff, board of directors and volunteers hold Cooperative Christian Ministry in the highest regard because for over 40 years, through labors of love and by the grace of God, your compassion for those in need has been transformed into tangible results.

Any thinking, feeling person in Cabarrus County knows we have a housing crisis. We commend CCM for having a prayerful, well-researched plan of action in your Grace Place and Rebuilder's College initiatives.

Elder Orphan Care serves older adults aging without adequate assistance in our community. We see firsthand the need for safe and affordable housing. We currently have clients who, although we have done everything within our power to help them remain safe and loved in their own homes, are, for a variety of reasons, in need of a housing solution such as Grace Place will offer.

Our staff was honored when asked to serve on a task force early in the development of CCM's bold new initiative. We pray our insights were helpful and we look forward to supporting CCM in any way we can as these projects come to fruition.

We believe our collaboration, which is already solid, will grow even stronger in the days to come. We are grateful and excited to come alongside CCM's hard working staff to assist you as we are able.

CCM's track record regarding caring for Cabarrus County residents is above reproach. I believe the best is yet to come.

im Jackson

Executive Director

Mailing Address: 349-L Copperfield Blvd., Box 211, Concord, NC 28025

Office Address: 246 Country Club Dr NE, Concord, NC 28025

Providing Help and Hope for Older Adults in Need



January 23, 2023

Dear Local Leaders and the Cabarrus County Community,

The S.T.U.D.I.O. (Simple Things You Do Inspire Others) has been honored to be in partnership with Cooperative Christian Ministry as they have consistently played a key role in removing barriers for the vulnerable population we serve.

For the past year, The S.T.U.D.I.O. has worked with Cabarrus County Schools to focus on the homeless community's most fragile members: the homeless children. Each week, we see an increase in referrals from families who have lost or are at risk of losing their homes. Many have resorted to local hotels and motels because they cannot afford the current cost of living in Cabarrus County. There are consistent reports of feeling forced to prioritize food, clothing, and shelter. All of which are categorized as physiological needs for us all.

With Cooperative Christian Ministry at the forefront of the fight for homelessness in Cabarrus County, we have been blessed to be able to turn to them to assist with meeting the needs of our families.

We support the Cooperative Christian Ministry and share the urgent need for them to receive muchneeded support from our local leaders. Your support will change the lives of our most vulnerable citizens and restore hope to the lives of children who must live in survival mode at such an early age.

Cooperative Christian Ministry has the capacity and passion for expanding its services to meet the needs of those often overlooked when considering advancement and development.

When you think of CCM's Bold initiative, I encourage you to think of the faces of our youth. With almost 600 students currently classified as homeless in the Cabarrus County Schools system, it is time to be BOLD in the approach.

With your support, Cooperative Christian Ministry can be just that and will have the support of The S.T.U.D.I.O. each step of the way.

Regards,

10000 Patterson

Tecola Patterson Executive Director 704-699-8230 <u>https://www.simplethingsyoudo.org/</u>



Dear Local Leaders and Elected Officials:

The Republican Party of Cabarrus County recognizes that homelessness is one the most pressing issues facing our county, state and nation today. We applaud private organizations like Cooperative Christian Ministries (CCM) for providing resources to help prevent homelessness in our area. CCM and their good works have been a staple of the Cabarrus County Community for decades. CCM has helped over 40,000 individuals with food, financial assistance and housing security over the years and routinely logs over 30,000 volunteer hours each year. We fully support the following CCM initiatives to address homelessness in our area:

Grace Place: A new facility that will house and provide services to extremely low income seniors.

As affirmed in the Platform of the Republican Party of the State of North Carolina "Liberty is founded upon a belief in the inherent dignity of the human person". The Cabarrus GOP believes that secure and stable housing is a critical barrier to many seniors in our area. Our seniors have sacrificed much for our community, and we must ensure that the most vulnerable among them are provided with resources so that they may live with the dignity our party and community hold dear.

The Rebuilders Campus: An expansion of current capabilities which will serve homeless families with children.

As Affirmed in the Platform of the Republican Party of the State of North Carolina "Our nation's strength lies with the family. It is the first school of discipline, responsibility, and good citizenship". The Cabarrus GOP applauds CCM on their commitment to families and developing their economic freedom through this bold and innovative program.

The Republican Party of Cabarrus County encourages the municipal governments of our county to partner with CCM in these endeavors. We thank our elected leaders who have taken steps to support this process and we would encourage other community members to do the same.

Sincerely,

Addul Ali - Chairman, Cabarrus County Republican Party Jack Lambert - Vice Chairman Cabarrus County Republican Party



North Carolina General Assembly House of Representatiles

REPRESENTATIVE KEVIN CRUTCHFIELD 83th District – Cabarrus and Rowan Counties

February 6, 2023

Office: 531 Legislative Office Building 300 N. Salisbury Street Raleigh, NC 27603-5925 Phone: (919)715-2009

Dear Mr. Hosack,

As a representative of the NC House for District 83 in Cabarrus and Rowan counties, I am writing to thank you for your hard work and endless effort to address homelessness and the housing crisis in our counties. Additionally, I would like to express my support of the two initiatives Cooperative Christian Ministries (CCM) is pursuing. The first is Grace Place, to serve extremely low-income senior adults including our veterans; and the second is the Rebuilders Campus, working to expand service to homeless families with children. Both of these efforts work to build on common elements of collaboration and community - features known to increase yield in outcomes.

Your projects take a multi-faceted different approach, organizing the housing of individuals and families around community centers, and community outreach interventions. This localized design eliminates isolation while ensuring safety, and capitalizes on access to evidence-based and social interventions. –

The work that CCM has done has been an asset to our community for the last four decades. Helping over 40,000 individuals with food, housing, and financial assistance. Your organization, supporters, and volunteers are dedicated to helping those in need and making our community a better place.

I am pleased to support these critical initiatives and look forward to working with the CCM team on their full implementation.

Best Regards,

Rep. Kevin Crutchfield District 83 – Cabarrus and Rowan Counties



North Carolina General Assembly Senate

SENATOR PAUL R. NEWTON 36TH DISTRICT

OFFICE:	SOOC LEGISLATIVE OFFICE BUILDING
	300 N. SALISBURY STREET
	RALEIGH, NC 27603-5925
PHONE:	(919) 733-7223
FAX:	(919) 754-3263
EMAIL:	PAUL.NEWTON@NCLEG.GOV
DISTRICT:	P.O. BOX 145
	MOUNT PLEASANT, NC 28124

COMMITTEES:

FINANCE, CO-CHAIR REDISTRICTING AND ELECTIONS, CO-CHAIR AGRICULTURE, ENERGY, AND ENVIRONMENT APPROPRIATIONS ON AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES COMMERCE AND INSURANCE JUDICIARY RULES

February 13, 2023

Dear Mr. Hosack,

Representing District 34, Cabarrus County, in the North Carolina Senate, I appreciate the work Cooperative Christian Ministries (CCM) does to improve and strengthen our community. I am writing today in support of the work CCM is doing to make a lasting impact by addressing homelessness and the housing crisis through Grace Place and Rebuilders College. These programs offer an opportunity to seniors, families with kids and adults with disabilities who are experiencing homelessness or housing crisis.

Grace Place will serve extremely low-income senior adults including our veterans, with special attention to the desire for independence and the need to restore dignity and purpose. Grace Place will provide services to assist residents to regain stability and relationships which will allow them to re-engage in community life.

The Rebuilders College is designed around a facility that can serve 50 family households to provide a stable housing environment including vital resources, healthy activity, and nutritional support, as well as access to public and other transportation, job training, career coaching and employment opportunities. Individuals and families enrolled in The Rebuilders College must go through a rigorous application process to qualify, ensuring that they are ready to meet the challenges of the program. At full capacity, this facility and program will serve 180-220 adults and children, which represents approximately half of the current level of need for these populations.

Addressing the needs of a community's residents for housing not only strengthens those individuals and families directly impacted, but also benefits the community as a whole. I applaud the work Cooperative Christian Ministries is doing and look forward to seeing the promise of Grace Place and Rebuilders College fulfilled.

Warm regards,

ParQuesta

Senator Paul Newton District 34 Cabarrus County





North Carolina General Assembly House of Representatives

REPRESENTATIVE KRISTIN D. BARER, M.D. 82ND DISTRICT

OFFICE:	306A3 LEGISLATIVE OFFICE BUILDING
	300 N. SALISBURY STREET
	RALEIGH, NC 27603-5925
PHONE:	(919) 733-5861
FAX:	(919) 733-2599
EMAIL:	kristin.baker@ncleg.gov

COMMITTEES:

HEALTH - CHAIR APPROPRIATIONS, HEALTH AND HUMAN SERVICES - CHAIR APPROPRIATIONS - VICE-CHAIR EDUCATION, UNIVERSITIES FAMILIES, CHILDREN AND AGING INSURANCE

HOUSE SELECT COMMITTEE ON ADVANCING WOMEN IN STEM HOUSE SELECT COMMITTEE ON TRANSPORTATION UNC BOARD OF GOVERNORS NOMINATIONS

January 24, 2023

Dear Mr. Hosack,

As a representative to the NC House for District 82 in Cabarrus County, I am writing to thank you for your critical efforts to address homelessness and the housing crisis in our county. Specifically, I want to lend my support to two initiatives CCM is pursuing: Grace Place, to serve extremely low-income senior adults including our veterans, and The Rebuilders Campus, to expand service to homeless families with children. While these projects vary in target populations, both build on common elements of collaboration and community, features known to increase yield in outcomes.

As a psychiatrist by profession, I can attest to the expanse of data demonstrating impacts of homelessness, including markedly increased risks of poor physical and mental health and substance abuse, along with other issues of social instability including joblessness, risk of victimization and other crime related events. As a legislator, I am aware of the economic impacts of homelessness on both the individual and family, and on the taxpayers in the community. Studies demonstrate that housing returns a savings of \$15 over shelters, and \$45 over jail, per person, per night.

As a physician specializing in child and adolescent psychiatry, I am particularly aware of the relationship between homelessness and poor nutrition, developmental delays, psychological problems, abuse of all types, and educational underachievement in children. Frequent, prolonged, or acute hardship in early childhood (sometimes referred to as adverse childhood experiences) can permanently affect development of the brain and related symptoms. In short, homelessness may impact the entire trajectory of a child's life and future.

Too often, well meaning attempts to address homelessness or its co-occurring issues remain siloed, and therefore limited in efficacy. Your projects take a decidedly different approach, organizing the housing of individuals and families around community centers, and community outreach interventions. This multilayered, localized design eliminates isolation while ensuring safety, and capitalizes on access to evidence based clinical and social interventions.

I am pleased to support these critical initiatives and look forward to working with you on their full implementation.

Respectfully,

Kustin Datur

Rep. Kristin Baker, M.D. District 82 - Cabarrus County



Troutman Enterprises of Concord, Inc.

Est. 1944

February 28, 2023

Cooperative Christian Ministry PO Box 1717 Concord, NC 28026-1717

To Fellow Business Owners and County/Municipal Leaders:

Troutman Enterprises has had a long partnership and history with Cooperative Christian Ministries (CCM) to support children and families facing housing and food crises. We have experienced, first hand, homeless persons on our properties in tents and needing places to stay and needs for other means also.

We, Troutman Enterprises and the Troutman family, are pleased to partner and support CCM on The Rebuilders Campus and Grace Place programs for the betterment of Cabarrus County.

From day one, back in 1981, my father was a big supporter of CCM of Cabarrus County and I want to encourage each local business and individual to support and be a part of this outstanding program.

We look forward to working with CCM for many years to come.

Sincerely,

Much Scoutman

Keith Troutman Troutman Enterprises of Concord, Inc. President/Owner

PO Box 507 Concord, NC 28026 (704) 782-3105



January 25, 2023

Dear Ed,

It is with great hope and appreciation that I write this letter in support of Grace Place and The Rebuilders Campus. The opportunity that these two projects will provide homeless families and low income senior adults will have a positive lasting impact for so many in need for years to come. As a resident of Cabarrus County and a Realtor, I appreciate CCM's endeavors along with other community partners in working to find creative steps toward helping solve the homeless needs.

Having been a licensed real estate agent for 44 years actively practicing for 33 years, I know the sense of security, stability and happiness a home provides for people. Over the years, I have seen the sense of peace a home provides for families as they create their memories and give their children the stability they need to be successful in life. It has been a blessing to be able to be a part of helping so many families find their family home.

A home is a physical structure that provides a roof over the heads of families but just as important is the emotional stability, sense of community and dignity that a home offers. A home is the center of a family. All of these things play into a person's ability to live life successfully.

I can only imagine what it must be like for homeless families and low income seniors who have housing challenges. These housing opportunities you are working on will establish stability and the ability for those served to reconnect with vital relationships that will help them not only provide security for their families but engage in community life.

Please know the positive impact of CCM's leadership in the homeless efforts in this community will make to so many. As I said, I am so appreciative and supportive of these efforts and am full of hope knowing the positive opportunities that lie ahead for the homeless in our community.

I look forward to celebrating your success with these projects!

Diane Honyout

Diane Honeycutt

MORRISON LAW, LLP

ATTORNEYS AT LAW 167 Church Street NE Concord, North Carolina 28025 704.782.2237 FAX 704.782.2263

H. HOLT MORRISON, JR.

ANNE W. MORRISON

January 25, 2023

Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

Dear Friends and Colleagues:

We are writing today to show our unwavering support of Cooperative Christian Ministry ("CCM") in its current Grace Place and The Rebuilders Campus initiatives.

For many years, CCM has been at the forefront of supporting our community's most vulnerable people. The need for our support of agencies such as CCM continues to grow. CCM has an underlying philosophy to provide a "hand up" rather than a "hand out." Programs such as Grace Place not only provide basic needs such as food and housing, but access to resources and a support system and network so that individuals can seek employment and a better way of life for themselves and their families. This not only helps the individuals and their families but will help our community as a whole.

We are proud to be past CCM Board members and have witnessed firsthand the diligent, thoughtful work that CCM employees and volunteers display on a daily basis. Please prayerfully consider supporting CCM now and in the years to come.

Sincerely,

Anne W. Morrison Partner, Morrison Law, LLP H. Holt Morrison, Jr. Partner, Morrison Law, LLP



CHITECT, P.A.

Established 1987

222 Church Street North + Concord, NC 28025 + 704-788-8333 + Fax 704-782-0487 + www.cmoorearch.com

February 20, 2023

Cooperative Christian Ministries PO Box 1717 Concord NC 28026-1717

Attn: Ed Hosack, CEO

Dear Sir,

Our company and our family have historically supported the mission of CCM. We have done this through architectural services as well as donations to the food pantry. One particular memory stands out for me; after my Mom had died my Dad went and bought an entire truck bed full of food for the food pantry. It was important to him to give back and to do something meaningful. That may seem small but it mattered to someone needing the assistance. We adhere to these same beliefs and willingness to support CCM and all of their projects and missions.

We support the efforts that CCM is making to address our current housing needs through both the Grace Place project and the Rebuilders College. The Grace Place project is addressing the senior citizens, the disabled, and veterans by providing affordable, accessible housing, counseling, food security, and a space for learning how to grow their own vegetables. Grace Place will also allow them to bring their pet, which I believe to be important to their mental well being. A local veterinarian has called me on several occasions regarding someone needing help with their dog in an emergency situation. One particular time was a dog having a heat stroke and the family was living in their car because the shelter would not allow them to bring their pet. I think this is an important aspect of the Grace Place development and I am excited that they are willing to address this need of being pet friendly.

The Rebuilders College project is also addressing the needs of affordable housing for the people who are experiencing a housing crisis. This campus uses part of the Old Brown Mill for its mission. We see parts and pieces of a building and we build back allowing the site to have a rebirth. This same rebirth can be achieved with the families experiencing homelessness or lack of affordable housing. This project provides an environment where kids can develop some security and self esteem by having safe places to play and do homework, a safe shelter, and an overall pleasant atmosphere. This project, like other CCM projects, has an education component to help ready the individuals or families for independence and stability.

We are excited that CCM is leading the way to address needs that are very visible and we are ready to assist in any way to help bring these initiatives to fruition.

Virginia L. Moore

February 11th, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC, 28026-1717

Dear Mr. Hosack,

I want to express my appreciation and admiration for all that Cooperative Christian Ministry has provided the community in years past. It goes without saying that the work being done is well needed, as they continue to give hope and an opportunity for those in need. As a resident of Cabarrus County for the majority of my life, I am writing to give my full and unconditional support of the Grace Place and Rebuilder's Campus projects that Cooperative Christian Ministry plans to implement within our community.

It is evident that the need for such initiatives is long overdue. Homelessness and poverty has increasingly become a pressing issue in Cabarrus County and the surrounding areas. In 2021, 13.4% of the county's population (28,400 +/- residents) suffered financial hardships, leaving too many to find alternative means of housing. In addition to that statistic, 10.9% of the population (21,800 +/- residents) suffered from extreme poverty. Cooperative Christian Ministry aims to combat these obstacles by establishing 2 sustainable initiatives that provide housing solutions while simultaneously furnishing a framework for participants to attain financial stability. Both Grace Place and the Rebuilder's Campus will serve as prime examples for what housing and financial relief could be and what benefits they would lend to those in need.

As a design professional, I believe it is critical for society to recognize these issues that plague communities and work to eradicate them as efficiently as possible. Organizations, Cooperative Christian Ministry in particular, is working to rectify the problems that aren't being addressed enough in our region by presenting viable, sustainable projects that will strengthen the community as a whole and give hope to those who need it the most. I personally appreciate CCM's willingness to take on these issues and give them my ongoing support as they work to better our community and the people therein.

Daniel O'Kelly, AIA Project Architect, Carlos J. Moore Architect, P.A.

February 23, 2023

To Local Leaders and the Greater Cabarrus County Community -

There are far too many people in American communities living in homeless shelters, cars, borrowed space, or simply on the streets. Cabarrus County is no exception to this tragedy.

Fortunately, the leadership at Cooperative Christian Ministry (CCM) understands that with supervision and direction, many of these people can learn to escape homelessness and live productively on their own. This action is proven everyday through CCM's teaching facilities. Unfortunately, there is not enough teaching space to meet the homeless needs in Cabarrus County. We cannot fail people who can learn how to be self-sustaining. Many communities have failed their citizens, and they are becoming more evident each day.

Teaching houses work! We support the efforts of CCM to provide these facilities in Cabarrus County. Please support "Grace Place" in Kannapolis and the "Builders Campus" in Concord.

Please join us in these efforts!

Betty Jean and Toby Prewitt



February 10, 2023

Dear Community Partners,

We are blessed to live and work in a community that has an extremely long history of supporting our neighbors in crisis. It is in our DNA and is simply part of who we are in this community that we call home.

With our continued population growth and the limited housing resources, the need to meet the challenge of affordable housing and homelessness continues to multiply. Now more than ever, the housing crisis has created visible signs of a growing homeless population in Cabarrus County. As evidenced by the most recent Cabarrus County Community Needs Assessment, housing is a top priority within the county and the time for action is now. It cannot be ignored.

Cooperative Christian Ministry (CCM) has been serving Cabarrus County for over forty years working diligently to address acute problems for food insecurity, financial and housing crisis. CCM's Bold New Initiative to create transitional housing capacity with the *Grace Place* and *Rebuilders Campus* demonstrates this continued commitment. Coupled with proven programs that support personal development and financial education, positive outcomes can become a reality for hundreds of individuals and families that are our neighbors in crisis.

Pinnacle Financial Partners recognizes the significant trust our community demonstrates in CCM, and we encourage members of our community to engage in supporting these two vital projects. At Pinnacle, it is one of our firm's core beliefs that supporting quality of life initiatives helps build stronger communities that allow for more people to prosper. Community investment takes many shapes, from our associate volunteer programs to supporting loan programs for affordable housing. It is in our DNA and who we are as a firm.

Working together through strong partnerships, we can face the challenge and meet the needs of the most vulnerable. The time to act is now.

Sincerely.

Britt L. Leathérman Pinnacle Financial Partners Senior Vice President

845 Church Street North, Suite 305, Concord, North Carolina 28025 704-652-7815 www.pnfp.com



January 30, 2023

Dear Ed,

In 2020 Concord, North Carolina was named the 24th BEST place to live in America by Money Magazine. This recognition is a validation to all of the residents, businesses, local government and other organizations who have lived and worked together to pave the way for a better tomorrow.

This accolade may have come as a surprise to a lot of people in North Carolina, but it was no surprise to me as someone whose family has resided here since the late 1800s. I've always said that you could live anywhere, but you would never find a better community than this one. This was true 50 years ago and it's still true today. We are always planning for a better tomorrow.

And as we focus on and adapt to the changes growth brings it is important that we not gloss over the obvious and focus on how to improve the conditions of the poor, the hungry, the homeless and the marginalized members of our community. This is as important to the future of our community as attracting new industry. The growth plan has to include benefits for all members of our community.

That's why I enthusiastically support the CCM vision and concept of Grace Place and The Rebuilders Campus and encourage the community to stand behind this game changing concept. Let's eliminate the eyesore of a closed and dilapidated building and replace it with a welcoming campus and village to provide safe shelter and hope to those in need in our community. I'm confident that history will prove this investment in our community to be one of the best decisions ever made and one that will serve as a model for successful growth for decades to come.

I'm particularly proud of Cooperative Christian Ministry and the role it has played and is playing in the life of our community. The mission to serve the poor, the hungry and the underserved is a never ending process. The more people becoming marginalized, the more important your work is. I've watched as CCM has served and respected others in their greatest time of need and offered hand up and not hand out assistance. Encompassing the vision of where are community is headed and how to avert real life crisis of homelessness and hunger is one of the most challenging components of your daily activities.

Thanks for your dedication and service to our community.

Allen Craven

Mr. Ed Hosack Chief Executive Officer Cooperative Christian Ministry P.O. Box 1717 Concord, North Carolina 28028-1717

Dear Ed,

As you know, in 1981, seven Concord churches came together to plant a mustard seed called Cooperative Christian Ministry. The mission was to provide food, clothing and financial assistance for those experiencing distress in our community via an all-volunteer staff.

Over the ensuing 40+ years, this mustard seed has grown exponentially! CCM's mission has remained the same but it's focus has broadened significantly. It has adapted to ever changing community needs to provide proactive services and to leverage other third-party resources all aimed at addressing the interrelated issues of homelessness, food insecurity, access to medical services, education and upward mobility via gainful and stable employment.

At the time of CCM's founding, Cabarrus County's population was approximately 86,000. Today our population is estimated to be 225,000. A UNC professor of demography estimates our county's population could reach 400,000 or a 78% increase by the end of this decade.

Recently, our county has been blessed with long awaited and significant economic development announcements which will create hundreds of new jobs and <u>HOPE</u> for a better future. This rising economic tide will raise "MANY BOATS" but <u>NOT ALL</u>.

Cabarrus County is about to embark on growth and change, the likes of which we have never experienced. Escalating land prices, construction costs, increasing rents and the general increase in the cost of living will exacerbate economic conditions for "the least of these" in our community.

CCM's "BOLD NEW INITIATIVES" is the product of trial by doing, thoughtful study of our current position, vision about the future and pro-active planning!!! With 12+ years of boots on the ground experience, CCM is well positioned to provide not only the <u>physical facilities</u> but also the <u>programming</u> to help Cabarrus County residents to overcome crisis and return to independent living!!!

CCM is one of the premier Cabarrus based non-profits who has, is and will lead our community in providing solutions to the ever-changing needs of OUR COMMUNITY. In my opinion, this statement can best be supported by the ever-increasing support it has received from the community which now amounts to over \$4 million per year!!!

I am honored to support this next phase of CCM's life cycle. This initiative is a collective community opportunity to plant an acorn, that over time will grow to become a tree which will provide HOPE and lasting benefits to countless Cabarrus County residents for generations to comell!

Warmest regards,

Prob

Robert O. Bratton



Concord Kannapolis Area Transit⁻

CONNECTING COMMUNITY

January 23rd, 2023

RE: Cooperative Christian Ministries: Grace Place and The Rebuilder's College Projects

To Our Cabarrus Communities and Partners,

On behalf of Rider Transit, I would like to express our full support for the two innovative projects listed above that Cooperative Christian Miniseries has developed to address the growing homelessness crisis in Cabarrus County. Everyday and month over month, the Rider team has noted the growing impact and number of users for which homelessness has created a significant impact in their lives and the lives of their families. Bold vision and new, innovative solutions are needed, and they are needed quickly, to try and at least slow the growth of this issue in Cabarrus County, while making a huge impact in the lives of dozens of individual and families and just the first few years.

Cooperative Christian Ministry (CCM) has been serving Cabarrus County for over forty years and addressing problems with food insecurity, financial and housing crisis. Rider and CCM have partnered over the years, from providing thousands of reduced rate bus ride tickets over the last 18 years, our Stuff the Bus campaigns to help restock the CCM food pantries during the holiday season or working together on Boards and Committees such as the Quadrennial Cabarrus Needs Assessment, Healthy Cabarrus, The Dream Center, and the Cabarrus Housing Collaborative to name a few. One that has become clear is that for many in our community, they often face both housing and transportation challenges at the same time.

CCM's Bold New Initiative to create transitional housing capacity with the *Grace Place* and *Rebuilders Campus* are just these type of solutions, which will address not only housing needs, but other challenges as well. Last year, I met with CCM staff and learned of these two new exciting projects. The purpose of the meeting was to not only to learn about the projects themselves, but to work out how transit access might work at each of the locations under consideration for the planned projects, as that was deemed a critical component to their success at address this critical need for housing, and therefor their final sit selection.

Rider Transit recognizes the significant trust our community demonstrates in CCM and we encourage members of our community to engage in supporting these two vital projects.

L.J. Weslowski Transit Director Concord Kannapolis Area Transit (Rider)



January 23, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

Dear Mr. Hosack:

The Cabarrus County Partnership for Children Board of Director is very excited to partner with and support Cooperative Christian Ministry on The Rebuilders Campus and Grace Place initiatives.

The current housing crisis is creating visible signs of a growing homeless population in Cabarrus County. Neighborhoods, schools and businesses are beginning to recognize the strain on families are who struggling with stable housing. Innovative solutions will be necessary to gain control of this growing problem.

Cooperative Christian Ministry (CCM) has been serving Cabarrus County for over forty years and addressing problems with food insecurity, financial and housing crisis. CCM's Bold New Initiative to create transitional housing capacity with the Grace Place and Rebuilders Campus are possible solutions.

The Cabarrus County Partnership for Children recognizes the significant trust our community demonstrates in CCM and we encourage members of our community to engage in supporting these two vital projects.

Please consider the full support of the Cabarrus County Partnership for Children Board of Directors to help in any way we can to assist families in gaining housing stability.

and Benfuld

Ann Benfield Executive Director



" Together, we deliver!" TM

James B Corey President

Jessica Tucker Vice-President

Paige Crowe Treasurer

Directors Dr. Debasish Banerjee Bob Black Jennifer Cotton Wim DeNeef Kevin Durkee Robin Scharding Hilary Smith David Williams

Kimberly S Strong Executive Director



Tax ID: 56-1172942 January 27, 2023

To: Our Cabarrus Community

Cabarrus Meals on Wheels is honored to support CCM on the Rebuilders Campus and Grace Place initiatives. We are especially thrilled that CCM is remembering extremely low income senior adults with their Grace Place initiative. We look forward to this endeavor for our Cabarrus seniors.

The current housing crisis is creating visible signs of a growing homeless population in Cabarrus County. Neighborhoods, schools, and businesses are beginning to recognize the strain on families are who are in housing crisis. Innovative solutions will be necessary to gain control of a growing problem.

Cooperative Christian Ministry (CCM) has been serving Cabarrus County for over forty years and addressing problems with food insecurity, financial and housing crisis. CCM's Bold New Initiative to create transitional housing capacity with the *Grace Place* and *Rebuilders Campus* are these types of solutions.

Cabarrus Meals on Wheels recognizes the significant trust our community demonstrates in CCM, and we encourage members of our community to engage in supporting these two vital projects.

Kimberly & Strong

Kimberly S Strong Executive Director



To: Our Cabarrus Community:

The current housing crisis is creating visible signs of a growing homeless population in Cabarrus County. Neighborhoods, schools and businesses are beginning to recognize the strain on families are who are in housing crisis. Innovative solutions will be necessary to gain control of a growing problem.

Cooperative Christian Ministry (CCM) has been serving Cabarrus County for over forty years and addressing problems with food insecurity, financial and housing crisis. CCM's Bold New Initiative to create transitional housing capacity with the *Grace Place* and *Rebuilders Campus* are these types of solutions.

The Boys & Girls Club of Cabarrus County recognizes the significant trust our community demonstrates in CCM and we encourage members of our community to engage in supporting these two vital projects.

Di Melt

Valerie Melton Executive Director Boys & Girls Club of Cabarrus County

H.H. MORRISON INVESTMENTS, LLC

HUGH H. MORRISON

167 Church Street NE • Concord, NC 28025 P (704) 425-6740 • F (704) 782-2263 hugh@morrisonmillwork.com

January 30, 2023 Re: The Rebuilder's College Dear Ed,

I am very pleased to support CCM's initiative in "The Rebuilder's College". I am one who remembers the vibrancy of Brown Mill and who has driven by it every day since it shut down. I am thrilled with the opportunity to repurpose and bring it new life.

My commitment to CCM goes back many decades as I have always preferred to give back locally to this community.

Good luck in all of your future endeavors, both old and new!

Sincerely,

Hugh H. Morrison

High Homemaon

Community Free Clinic 🧐

January 30, 2023

To: The Cabarrus County Community,

Cabarrus County is experiencing a major housing crisis and uptick in homelessness. Many of these neighbors without homes are our patients. We know their struggles. We directly see the need for additional housing options to accommodate this community.

The Community Free Clinic is committed to serving low-income individuals with unmet health needs. Unfortunately, we can only do so much to help them improve their health when they are struggling without a safe place to live. New solutions are necessary to help these beautiful souls!

Cooperative Christian Ministry's new initiative to create transitional housing capacity with the Grace Place and Rebuilders Campus are these types of solutions. The Community Free Clinic encourages members of our community to engage in supporting these two vital projects.

Sincerely,

Laura Lyerly Milliken

Laura Lyerly Milliken Executive Director Community Free Clinic

North Carolina Association

Health Happens Here



FEEDING (ANNAPOLIS HUNGER

Dr. Jomari Torres & Jim Bramlett, Ph.D. Telephone: 980-621-7635 Web: www.feedingkannapolishunger.org

January 25, 2023

Ed Hosack, CEO Cooperative Christian Ministry ' PO Box 1717 Concord, NC 28026-1717

Feeding Kannapolis is a Community based non-profit providing access to health and wellness education, healthy cooking classes and local vegetables and eggs to food insecure families in Cabarrus and Southern Rowan Counties in North Carolina. Through our Bi-weekly free "Healthy Veggie and Egg Markets" we serve 150 to 220 families in need. Also, our weekend school backpack provides 120 plus school age children in Kannapolis City School's with healthy food for the weekend during the school year.

It is only through our partnership with Cooperative Christian Ministry and other community nonprofits we have been able to serve seniors on fixed income, food insecure elementary school children, single parent families, homeless and emigrants' families weekly.

For decades, CCM has through their crisis to restoration programs provided assistance to members of our Cabarrus and Southern Rowan Communities who are experiencing crisis in the areas of food, housing or finances. CCM is the primary ministry in our community impacting and transforming lives. CCM is God's love in action.

We at Feeding Kannapolis Hunger are excited to support and endorse Cooperatives Christian Ministry on their initiatives to establish truly needed new transitional housing and education, through its Rebuilders College, Brown Mill Commons and Grace Place projects. We believe these projects will provide insecure families and individuals in crisis a new foundation, structure and discipline to contribute to our community and fulfill Gods intends for their lives.

At Feeding Kannapolis Hunger, we look forward to a strong continued partnership, as both our ministries respond to Jesus charge to love our neighbor as our self.

Grace and Peace

Bramle

Jim Bramlett RN, CRNA, MBA, PhD. Director Operations Feeding Kannapolis Hunger



January 30, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

Big Brothers Big Sisters has a purposeful partnership with Cooperative Christian Ministry. We have been able to target children that need additional mentoring support throughout our history of working with CCM.

The current housing crisis is creating visible signs of a growing homeless population in Cabarrus County. Big Brothers Big Sisters recognizes the strain on families who are in housing crisis. Big Brothers Big Sisters supports CCM's initiative to create transitional housing with Grace Place and Rebuilders Campus to support local families in danger of homelessness.

Housing instability serves as a risk factor that would qualify children to be in our mentoring program. We have worked with CCM to identify families who may need extra support by providing our one-to-one mentoring services. Our mentors come along side the child to help them reach their full potential. Affordable housing is a concern in our community, and we will strive to work together to support our families in crisis.

CCM's Rebuilders College Program and Grace Place is one step towards helping a family become more successful, and in turn helping the children we serve have stability.

Our agency gives full support for Cooperative Christian Ministry.

Big Brothers Big Sisters of Central Carolinas, Cabarrus County

Elizabeth Hutchins Area Director

Signature: Elwath Artchin

Date: <u>1-30-23</u>



January 6, 2023

Ed Hosack Chief Executive Officer Cooperative Christian Ministry P.O. Box 1717 Concord, NC, 28026

To Whom It May Concern:

As the Regional Director of Community Operations that oversees Cabarrus County's behavioral health managed care efforts for Partners Health Management, I can attest to Cooperative Christian Ministry (CCM) being in good standing with regard to housing members of Cabarrus County, inclusive of food. Partners Health Management is a Managed Care Organization that manages behavioral health care services paid with federal, state, and local taxes. The sources of those funds include Medicaid (1915 (b)/(c) Medicaid Waiver), state and county funding, and grants. Partners makes sure that everyone who lives in Cabarrus County and is covered by Medicaid or state health insurance or has no insurance at all receives the best possible services for mental health, substance use disorders, and intellectual and developmental disabilities.

Partners Health Management has been working in collaboration with the Cooperative Christian Ministry since September 1,2022. In that time CCM has shown its ability to be well coordinated, family centered, accessible, and a vital to the success of Cabarrus residents. Partners has been working with CCM to help identify barriers, needs, and gaps, as well as come up with solutions to address these areas in the community. Grace Place and the Rebuilders Campus are two such solutions. We look forward to working with the Cooperative Christian Ministry along with key community partners to improve the system of care.

Sincerely,

Lashay Avery

Lashay Avery Regional Director Community Operations

> Corporate Office 901 S New Hope Rd. Gastonia, NC 28054 1-888-235-HOPE (4673) • www.PartnersBHM.org

Disability Rights & Resources

Fighting for Justice... Advancing Independence

February 2, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry P.O. Box 1717 Concord, NC 28026-1717

Dear Mr. Hosack,

Disability Rights & Resources is pleased to support Cooperative Christian Ministries' bold new initiative to address homelessness and the housing crisis in Cabarrus County through its two new projects - Grace Place and The Rebuilders Campus. Grace Place will serve very low income seniors, people with disabilities, and veterans or their widows with community-based, easily accessed housing that will allow them to live independently. The Rebuilders Campus will increase transitional housing capacity for families, seniors, and adults with disabilities experiencing housing crisis and homelessness.

In the 2020 Cabarrus County Community Needs Assessment, housing was identified as the number one priority need. Disability Rights & Resources receives frequent calls and inquiries from people with disabilities in Cabarrus County who have little to no income, need accessible housing, and are experiencing a housing crisis or are homeless. With only one emergency shelter and very little transitional housing in Cabarrus County, there are very few resources available to refer them to. Grace Place and The Rebuilders Campus will help to fill this unmet need in Cabarrus County for people with disabilities, seniors, veterans and families.

Warm Regards, Ra Dems

Executive Director

5801 Executive Center Drive Suite #101 Charlotte, NC 28212
 PHONE
 704.537.0550

 FAX
 704.566.0507

 WEB
 www.disability-rights.org



January 20, 2023

Mr. Ed Hosack, Chief Executive Officer Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

RE: Letter of Support

Dear Mr. Hosack:

As the president of El Puente Hispano, I am thrilled to share my support for Cooperative Christian Ministry on The Rebuilders Campus and Grace Place initiatives. Housing is a pressing issue that affects the most vulnerable populations, and it is a prevalent problem among the Latino population. Therefore, it is imperative that we create safe and inclusive initiatives to support them.

El Puente is Cabarrus County's only nonprofit focused solely on meeting the needs of our Hispanic population. El Puente's goal is to fill the gap in culturally aware, Spanish-language services by offering free after-school tutoring, ESL classes, mental health and parenting workshops, information, and referral to the Latino community. In addition, we significantly impacted the vaccination rate for Latinos in the county, administering more than 6,500 COVID-19 vaccines in our weekly clinics.

During these trying times, the Latino community is one of the most vulnerable and most financially, physically, and mentally impacted by the COVID-19 pandemic, and CCM has supported them through its food insecurity initiatives and financial and housing crisis programs.

El Puente recognizes and values the significant trust our community demonstrates in CCM. Therefore, we encourage our community and local leaders to support these two vital projects so our collective efforts to eliminate health disparities continue.

Best regards,

Sandra Torres President



January 20, 2023

Mr. Ed Hosack Cooperative Christian Ministry PO Box 1717 Concord, NC 28026

Dear Ed,

As a lifelong resident of and business owner in Cabarrus County, my wife, Betsy and I, are reaching out to express our support for CCM's bold new initiatives, Grace Place and the Rebuilders College. We both remember well the extraordinary impact CCM made on our community following the abrupt closing of the Pillowtex facilities in 2003 and know that we can trust CCM to continue to lead the way in addressing the needs of the underserved in our community.

That being said, please accept this letter as our reaffirmation of our unconditional support, both financially and physically, toward this great new initiative. As you are well aware, Betsy did not hesitate to take-on a leadership role in this capital campaign, and that I am ready and eager to support CCM in any manner that benefits the overall mission.

Arge W. C.C. J

George W. Liles, Jr.

2-13-23

Support of Cooperative Christian Ministry's 2022-2024 Initiatives:

"Bold": To be courageous, confident and fearless.

"Homeless": Individual or family who lacks a fixed, regular, and adequate nighttime residence.

"Under Served": Not having sufficient resources.

"Community": A feeling of fellowship with others, as a result of sharing common attitudes, interests, and goals.

I've looked into hungry and sleepy children's eyes, saw the tears slowly slide down the face of the mom and dad, worried with counselor's and teacher's, how can we help? The families and most importantly the children the CCM 2022-2024 initiatives will help are NOT the folks on the street corner panhandling for cash. They are the ones huddled up in cars, or sleeping in waves in a home shared with 3 families. They want a hand up not out, and as much as we want to help in the past as school people we haven't EVER had the resources needed to make a lasting difference in most cases. It's not as if CCM and the professionals I have worked with haven't talked about and sought resources together and worked out many last minute last ditch support efforts.

Homelessness in our community is real and it's not lazy people who are affected. It's the medical emergency, the home fire, the job loss, the mental health and a combination of all that, that has decimated home ownership for many. It's our veterans who are searching for purpose and belonging. It's the underserved grandmother who has taken care of her family and simply been priced out of their homes.

It's time to be the BOLD community that Cabarrus County is. It's time to support projects like The Rebuilders College. What a way to recapture self worth, and self respect and confidence. Rebuild the life you desire, with the community support necessary to achieve it. It's time to support a transitional housing program like Grace Place. Everyone needs to belong and be able to build and rebuild relationships. There's a Mr. Hanks, and a Ms. Taylor and there's always a Mary-Anne in every community whose lives have changed due to unforeseen circumstances.

Do nothing? That's an opportunity too. But that doesn't make Cabarrus County better, stronger, and more fulfilling. Jesus would prefer we support our children, their families, our extended family, and those we don't even know to make our community stronger. CCM has been doing this work for 42 years.

Come together to be BOLD in our support of CCM and build the community we can all be proud of for those of us who need a hand.

Chip Buckwell Kannapolis City Schools - Superintendent (*Retired*)



February 9, 2023

To Whom it May Concern:

My name is Heather Macaulay and I founded Influential Writings, a copywriting and grants management firm that serves businesses and nonprofits throughout the United States. I have had the privilege of contracting with Cooperative Christian Ministry (CCM) since 2016 to manage and grow their grant program. In this role, I have maintained an in-depth "behind the scenes" view of CCM's operations, leadership strategy, and principles in action. As someone who must represent organizations to investors, I critically evaluate each of my clients, and I am selective in only representing organizations whom I believe are conducting work that is a wise investment for the greater good. I have worked with dozens of nonprofits from coast to coast, and CCM has continually exceeded industry standards and expectations in every area that I evaluate, including:

Leadership: CCM's CEO, Board, and Executive Staff have consistently demonstrated fiscal responsibility, and have made organizational and program decisions based on evidence-based, forward-thinking strategies. At every level of the ministry, leaders and staff are encouraged to be transparent and objectively evaluate successes and room for growth.

Values: CCM treats everyone, from clients to staff and volunteers, with unwavering dignity and respect. They create a safe, welcoming space where people feel valued and empowered to advance their lives and contribute positively to the community. This is further emphasized by CCM's commendable efforts to involve clients with lived experience of poverty in program development decisions. On a personal level, I have been blessed by CCM "practicing what they preach" in many ways. As a ministry dedicated to advancing the lives of families, CCM helped me overcome barriers to advancing my own career when I was starting this business and often had to bring my children with me to work. Additionally, being someone who was raised in a family with two religions, it has always been important to me that my faith-based clients be welcoming and accepting of those with different backgrounds and belief systems. I have witnessed CCM's commitment to "meeting and loving people where they are at" and making everyone feel welcome, valued, and never stigmatized.

Operational Integrity: CCM's systems, staffing structure, and program models are all meticulously intentional, efficient, and evidence-based, supporting an operation that truly optimizes funder support to achieve the maximum community impact.

Community involvement: CCM has consistently shown that it puts the community first, not only in its direct services to clients, but also in its ongoing efforts to elevate other local agencies through guidance, collaborations, and donated resources.

For these reasons, and many more, I give my highest recommendation to supporting CCM.

Sincerely

Heather Macaulay Founder, Influential Writings

Influential Writings by Heather Macaulay PO Box 1362 Kannapolis, NC 28082-1362 <u>heather@influentialwritings.com</u> www.influentialwritings.com

280 Rosemont Ave, SE Concord, NC 28025

Ed Hosack, CEO Cabarrus Cooperative Christian Ministry PO Box 1717 Concord, NC 28026-1717

Dear Ed,

I am thrilled to learn of the remarkable CCM housing initiatives designed to support homeless families and low-income seniors who need support for housing.

For the past 26 years I have served with Healthy Cabarrus as a volunteer who, with many others from the non-profit and health and human service sectors, joined together to identify quality of life challenges for the underserved within our community. Once identified through community surveys conducted each four years, these problems were addressed by task forces who developed action plans to eliminate the challenges associated with these problems.

During the past several years, the issues associated with homelessness and affordable housing emerged from our community survey as a serious community challenge and became one of the main focuses of Healthy Cabarrus and CCM. Because of the outstanding vision and leadership of CCM who has been addressing this challenge for many years, the introduction of the Grace Place initiative will offer a much needed solution for increasing the number of homeless families that can be served. More than providing a place of safety and comfort, CCM has existing programs in place to assist these families in the development of a plan designed to move that family from being homeless to being able to rent or own a home.

The Rebuilders Campus will provide a place to live and a village of support for seniors who are on a limited income. This concept will allow them to live their final years without the stress of determining how and where they will afford a place to live. As a senior myself, I can imagine how meaningful this peace of mind will be for those seniors on the Rebuilders Campus.

Cabarrus County is blessed to have such strong non-profit organizations as CCM who continue to develop strong, strategic plans based on historical data and collaborative initiatives which focus on improving the lives of others and never being satisfied that enough has been done to serve the poor, disadvantaged, and underserved.

I can't wait to see the positive affect these initiatives will have on not only those who are housed but on the community as a whole. They continue to serve as wonderful examples of how Christ encouraged us to love our neighbors as ourselves. Grace Place and the Rebuilders Campus will put faith into action!

Wishing CCM great success,

Jim Monroe, Jr.

Alan F. Goodman 13000 Mooresville Road Davidson, NC 28036

February 25, 2023

Mr. Ed Hosack Cooperative Christian Ministry Post Office Box 1717 Concord, NC 28026-1717

Dear Ed,

Through my decades of community involvement, I have observed that CCM has always been at the forefront of serving those in need.

First, thank you for your outstanding leadership of CCM. You have a huge servant's heart and powerful passion to help those needing a hand up.

Through CCM's staff and volunteers, countless lives continue to be touched and validated. Your dream / vision for Grace Place and The Rebuilder's College show your heart for our brothers and sisters who desperately need to be seen and understood. You do this so well, helping restore their independence, dignity, and self-respect in the process. Grace Place and The Rebuilder's College will address existing and immediate needs for senior adults, homeless individuals and homeless children and their families.

Ed, I know you to be a proven leader, a man of tremendous integrity and a man of God. When you have an idea and a plan, it will be solid and successful, while meeting a huge need. It's what you do. I applaud your work and will continue to support you in these two new, much-needed endeavors.

Thank you for your continued dedication to our most vulnerable. Our community is truly blessed by you.

Yours in Christ,

Plan Docdman

Alan Goodman

Mr. El Hoack Cooperative Christian Ministry P.O. Bx 1717 Chand NC 28125

Den El: I enjoyed meeting with you recently to discuss a pain of propped indeavors by CCM. Grace Place and the Rebuildons College. CCM, under your leadership, has made significant contributions to our community and these two projects demonstrate a compassion for people in need through love and discipline.

Consider me a supporter and I encourage others to support the projects as well.

My best wiskes to you and COM.

Sinchely, A.M. Brow Jr.



Reid and Jessica Castrodale 419 Winfield Blvd SE, Concord, NC 28025

February 28, 2023

Ed Hosack, CEO Cooperative Christian Ministry PO Box 1717 Concord, NC 28026-1717

Dear Ed,

We would like to express our continued support for your efforts to address homelessness and the affordable housing crisis in Cabarrus County, especially through supporting efforts like *Grace Place* and *The Rebuilders College*. As professionals in roles that are focused on improving the health and well-being of communities, CCM's work is admired and appreciated for the significant contributions it makes. As we are Christ-followers, your work resonates with our own dedication to promote health, dignity, and respect for humankind.

You may remember that, inspired by CCM's statement of the affordable housing problem expressed in 2016, we embarked on a small business venture that would provide an affordable housing option for one family with housing insecurity. We especially wanted to offer an affordable housing opportunity to a parent whose choices in the past affected their ability to find stable housing today. We were able to assist one family by providing a stable and affordable home, and we saw the impact that had. We are excited to see CCM's vision and plan to bring that opportunity to so many more people.

We wholeheartedly support the full spectrum of resources CCM provides to people in need. The work of the organization and its many volunteers has been a catalyst for action for many of us who work to meet needs of our neighbors. We are excited to see *Grace Place* and *The Rebuilders College* as expressions of an expanded vision of CCM. We are so thankful that God has led you and your team in this direction.

Thank you for giving us all the opportunity to partner with you in providing shelter, training, hope, and comfort to those in need in ways that we couldn't if we worked alone. Working together, we can begin to address these things by equipping and empowering our neighbors to feel safe and secure, and to be productive members of our community.

May God richly bless you as we join with you and others in "*Putting God's Love Into Action*" by serving our neighbors through these new initiatives. Thank you for being faithful to this huge vision God has given you.

With highest regard,

jona atrodale

Jessica Castrodale, MSN, RN, PHCNS-BC

Kid Casterdele

Reid Castrodale, PhD, PE



March 2, 2023

Cooperative Christian Ministry P.O. Box 1717 Concord, NC 28026-1717

Dear Ed:

It has been our privilege to support Cooperative Christian Ministry as one of the founding member, to host your program on our campus and offer the Tour de Saints Bike Ride for CCM for the past ten years. Cabarrus County is wonderful place to live and we are proud of the ways our government and business leaders have worked together to make this true. The area is also growing, that means more opportunities and more challenges as housing costs rise.

CCM has kept thousands of people in their homes, and yet, homelessness persists. The most optimistic numbers show that Cabarrus County can house approximately 20% of those living in our county who have nowhere to call home. Post-pandemic estimates would reduce that to 5-10%. We know that is true because we have seen in the increase of people living in tents around this area, and even from time to time on our property.

All Saints' continues to support the work of CCM and enthusiastically support the vison and concept of Grace Place and the Rebuilders' College. Housing provides stability. Housing is healthcare. Housing protects the most vulnerable.

Our faith and our humanity insist that people be treated with care and dignity. Thank you for the work that you do on behalf of the churches in Cabarrus County and for those in material need. It is a privilege to partner with you.

Faithfully,

The Reverend Nancy Cox Rector, All Saints' Episcopal Church



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Strategic Planning - Process Continued

BRIEF SUMMARY:

In January, Commissioners approved working with Centralina Regional Council (Centralina) to develop a board-guided strategic plan that establishes a desired future for our organization that aligns with external trends and community needs.

Commissioners began providing feedback in early February and the official plan kickoff took place at the FY24 Budget Retreat.

Centralina returns today to provide an update and move forward with the objectives outlined in the presentation.

REQUESTED ACTION:

Receive input.

EXPECTED LENGTH OF PRESENTATION:

30 Minutes

SUBMITTED BY: Kasia Thompson, Strategy Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Infrastructure and Asset Management - Courthouse Expansion Project Update

BRIEF SUMMARY:

County staff will provide an update on the project.

REQUESTED ACTION: No action required.

EXPECTED LENGTH OF PRESENTATION: 5 Minutes

SUBMITTED BY: Kyle Bilafer, Assistant County Manager Michael Miller, Director of Design and Construction

BUDGET AMENDMENT REQUIRED: No

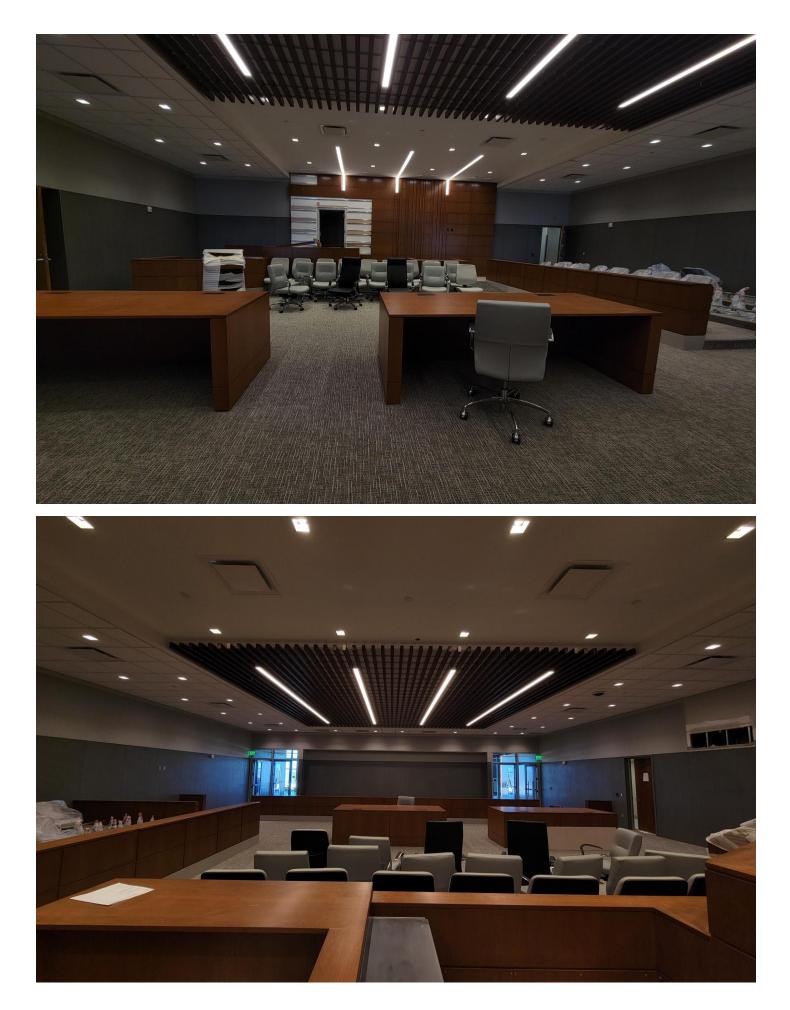
COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

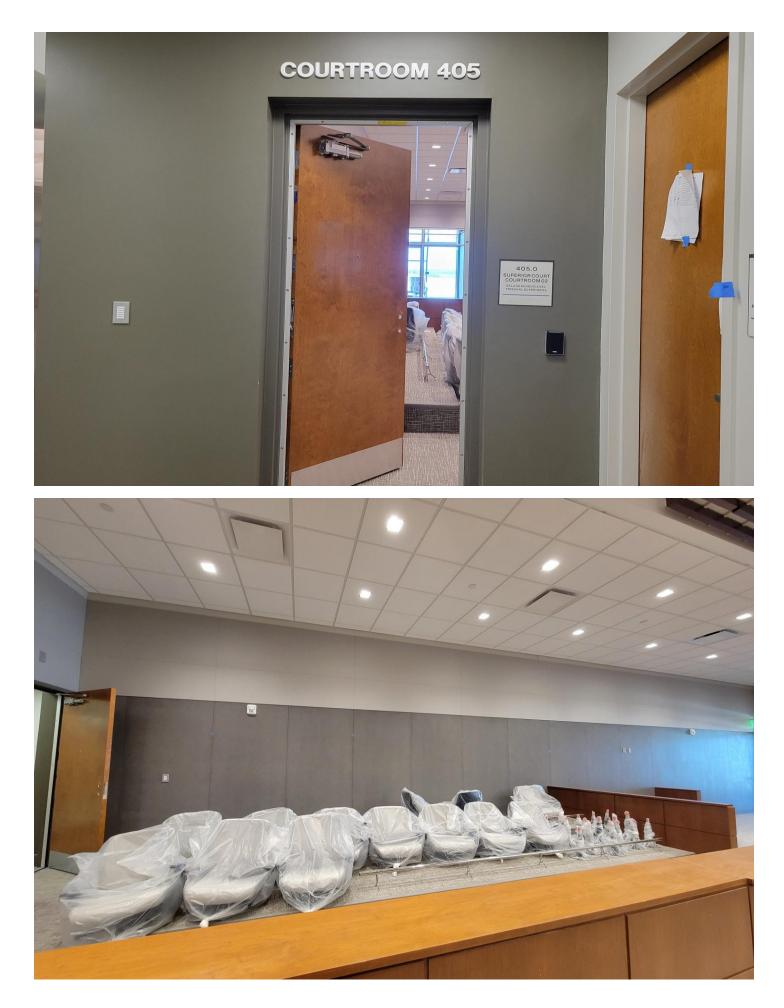
ATTACHMENTS:

Courthouse Pictorial Update

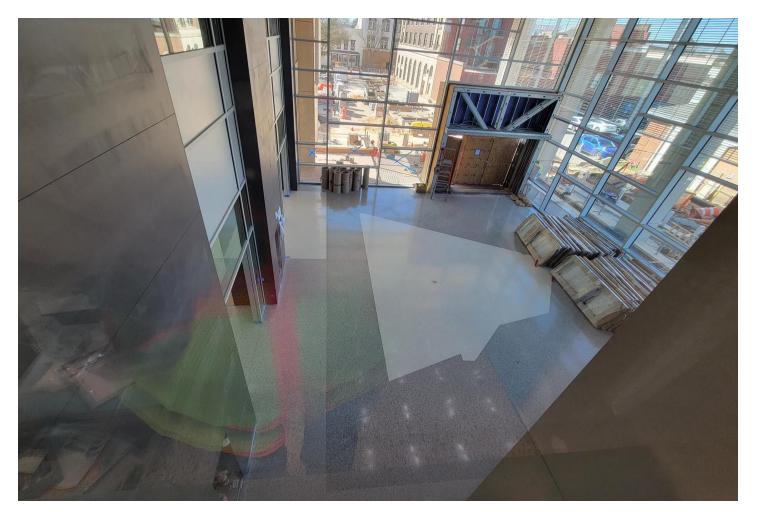








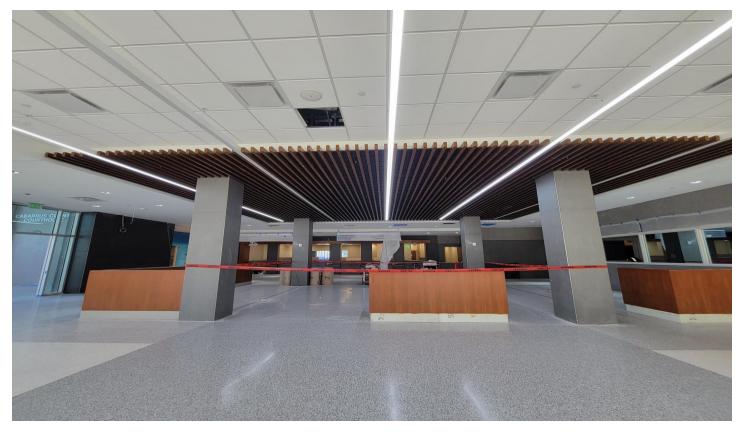




















BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Infrastructure and Asset Management - Emergency Medical Services Headquarters Project Update

BRIEF SUMMARY:

County staff will provide a narrative and pictorial update on the project including exterior, interior, FFE, and major equipment installation.

REQUESTED ACTION:

No action required.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Kyle Bilafer, Assistant County Manager Michael Miller, Director of Design and Construction

BUDGET AMENDMENT REQUIRED:

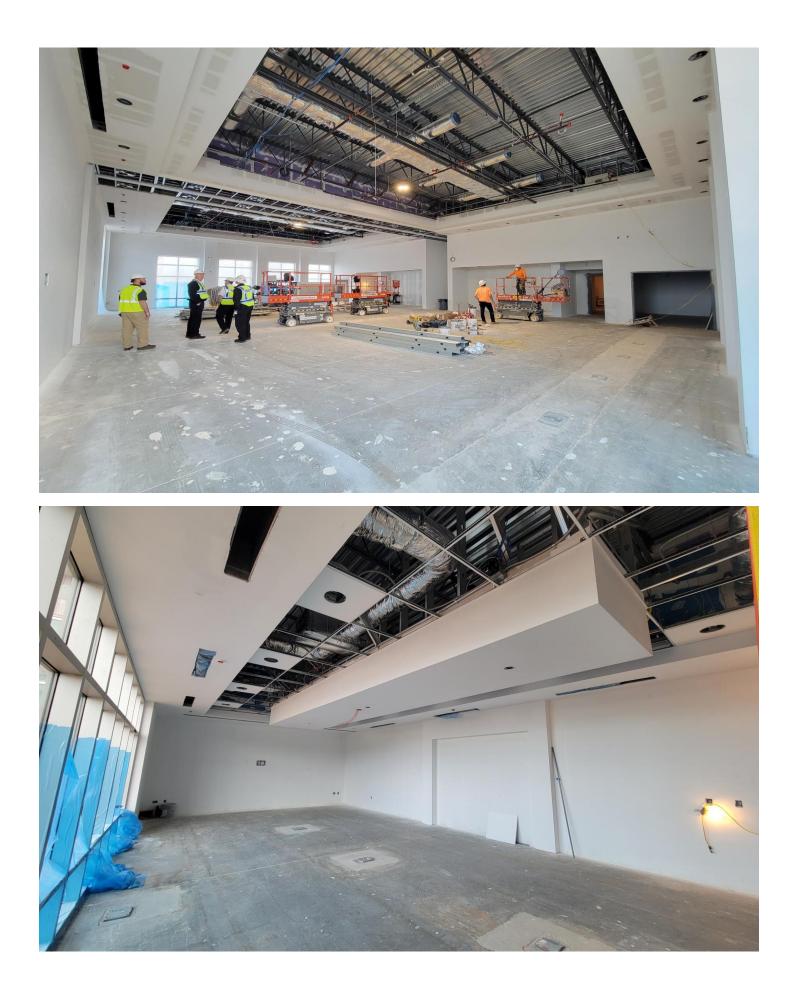
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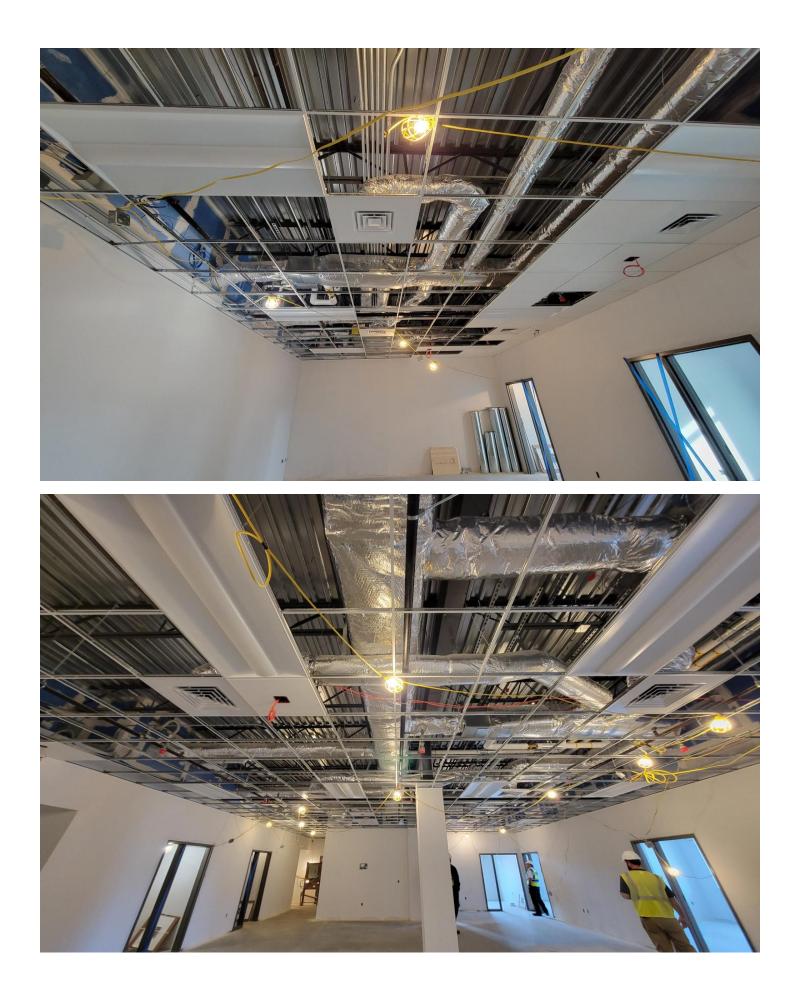
COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

EMS HQ Pictorial Update















BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Infrastructure and Asset Management - Fullytime Funkytown Public Art Agreement at Rotary Square Discussion

BRIEF SUMMARY:

County staff will discuss the current agreement for the public art display at Rotary Square and gain consensus from the Board of Commissioners on renewal and if new pieces are requested.

REQUESTED ACTION:

Receive input.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Kyle Bilafer, Assistant County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Current Fulltime Funkytown Agreement



Public Art Display Facilitation Agreement between Cabarrus County, North Carolina and Fulltime Funkytown, Inc.

Article I. Overview.

Section 1.1. Parties. The parties to this agreement are Cabarrus County, North Carolina, a body politic and political subdivision of the State of North Carolina ("County") and Fulltime Funkytown, Inc., a North Carolina non-profit organization ("Funkytown").

Sec. 1.2. Purpose. The purpose of this agreement is to secure Funkytown's assistance to the County for the display of art at Rotary Square, located at 111 Union St. South, Concord, NC, 28025.

Sec. 1.3. Intent. This agreement is not intended to create a public forum of any kind. All displays facilitated by this agreement are ultimately under the sole control and oversight of Cabarrus County for the purpose of conveying the County's preferred messages.

Sec. 1.4. Effective date. This agreement is effective as of the date executed by the last party to sign it, as indicated by the date next to that party's signature.

Sec. 1.5. Term. The term of this agreement will be for one year, beginning on the effective date. The agreement will automatically renew at each anniversary for an additional one year term unless terminated by either party by giving written notice to the other party at least 30 days prior to the end of the then-current one-year term.

Sec. 1.6. Termination. Either party may terminate this agreement, with or without cause, upon 30 days' notice.

Article II. Funkytown Rights and Responsibilities.

Sec. 2.1. Facilitation. Funkytown will assist the County to select art suitable for public display at Rotary Square and facilitate its placement there in accordance with this agreement.

Sec. 2.2. Installation and Removal.

- (a) In General. Funkytown will be responsible for-
 - (1) delivering art selected for display at Rotary Square;
 - (2) installing art selected for display at Rotary Square;
 - (3) maintaining art selected for display at Rotary Square;

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- (4) removing the displayed art from Rotary Square;
- (5) all costs and expenses associated with the above listed activities, including for transportation, delivery, installation, removal, maintenance, and additional liability insurance coverage.
- (b) End of Agreement. Funkytown shall remove all art displayed pursuant to this agreement from Rotary Square no later than 30 days after expiration of this agreement. Cabarrus County may take ownership of any art remaining in Rotary Square after this deadline and may sell, transfer, or destroy, or otherwise dispose of such art without any duty to compensate Funkytown or the owner of the art.

Sec. 2.3. Maintenance. Art must be made of materials that can withstand prolonged exposure to all forms and extremes of weather and require no maintenance by the County. Additionally, the displayed art must not present safety concerns due to sharp edges, material or construction, protrusions, shape and or form. Rotary Square and its associated splash pad are visited by a significant number of patrons as well as children and care should be taken not to increase potential safety hazards at the site.

Sec. 2.4. Hold Harmless and Indemnification Provision. Funkytown shall hold harmless, indemnify, and defend the County, its officers, agents, employees and volunteers from all damages, costs or expenses in law or equity that may at any time arise or be asserted because of injury to property or bodily or personal injury (including death) occasioned by any willful or negligent act or omissions of Funkytown or any of Funkytown's officers, agents, employees and volunteers, as well as owners or creators of art displayed pursuant to this agreement.

Sec. 2.5. Limited Grant of License. Funkytown shall obtain for the County a non-exclusive, irrevocable, perpetual, worldwide, fully paid license to make, reproduce, distribute, and publicly display and perform images of the art in any medium, for any marketing program or public purpose determined by the County. The County agrees to make every reasonable attempt to identify the artist as the creator of the art on any products, marketing material or other identifying collateral related to the art.

Sec. 2.6. Waiver of Creator's Rights. Funkytown shall obtain a waiver of any moral or statutory rights an art's owner or creator may have to prevent anything specifically authorized by the agreement or to demand anything not required by the agreement and shall confirm such waivers from time to time upon request by County and others it authorizes.

Sec. 2.7. Insurance.

(a) **Amounts.** Funkytown must always maintain insurance policies with minimum limits as follows:

Coverage	Minimum Limits	
General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate	

(b) Proof of Insurance. Funkytown must provide the County with a Certificate of Insurance for review prior to the installation of any artworks. The County shall be named as an additional insured, and it is required that coverage be placed with an "A" rated insurance company acceptable to the County. All Certificates of Insurance must require thirty (30) days written notice by the insurer in the event of cancellation, reduction, or other modification of coverage. In addition to this notice requirement, Funkytown must provide to the County immediate written notice of cancellation, reduction, or other

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modification of coverage of insurance. Upon failure of the Funkytown to provide such notice, Funkytown assumes sole responsibility for all losses incurred by the County for which insurance would have provided coverage. The insurance certificate shall be for the initial agreement period and shall be renewed by Funkytown for each subsequent extension period of the agreement. If Funkytown fails at any time to maintain and keep in force the required insurance, the County may cancel and terminate the agreement without notice.

Article III. Cabarrus County Rights and Responsibilities.

Sec. 3.1. Approval. Cabarrus County shall be solely responsible for selecting art for public display at Rotary Square based on recommendations from Funkytown. Cabarrus County may reject art recommended by Funkytown for any reason or no reason at all. Cabarrus County must approve all sculptures and associated plaque content, design intent, and specifications prior to it being displayed.

Sec. 3.2. Display. Funkytown must install art displayed under this agreement on pads constructed by the County according to the specifications provided by Funkytown. Funkytown represents and warrants to the County that such site is suitable for display of the art. The County may, without prior notice to Funkytown, control access to the Rotary Square and the displayed art, and to modify and relocate the art thereon within the Rotary Square.

Sec. 3.3. Identification Plaque. The County must install a plaque identifying the art displayed pursuant to this agreement, the costs of which shall be borne by the County. The County and Funkytown will work together to create the content and design of the plaque. The County will be responsible for final determination of the location of the plaque.

Sec. 3.4. Maintenance. The County will maintain Rotary Square, the display pads, and the identification plaques at the County's expense, without reimbursement from Funkytown.

Sec. 3.5. Installation and Removal.

- (a) Assistance. The County may assist Funkytown with installation and removal of the art by providing a minimal workforce and equipment as agreed by the County and Funkytown. The County may not seek reimbursement from Funkytown for any costs and expenses incurred by the County should it decide to assist Funkytown with installation and removal of the art.
- (b) **Approval.** Funkytown must request permission from the County to install or remove art at Rotary Square at least 48 hours in advance. Funkytown may not undertake such installation or removal without first obtaining the County's approval of the date and time for the activity. The County may supervise or assist in the installation and removal of the art.

Sec. 3.6. Risk of Loss. Cabarrus County bears no responsibility for the theft, damage, or other loss of art displayed pursuant to this agreement. The County must notify Funkytown of any theft of or damage to artwork displayed pursuant to this agreement as soon as practicable. If Funkytown discovers a loss, they shall notify the County as soon as practical.

Article IV. General Conditions.

Sec. 4.1. Choice of Law or Forum. This agreement shall be deemed made in Cabarrus County, North Carolina. This agreement shall be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this agreement shall be the appropriate division of the North Carolina General Court of Justice in Cabarrus County. Such actions shall neither be commenced in, nor removed to, federal court.

Sec. 4.2. Waiver. No action or failure to act by the County shall constitute a waiver of any of its rights or remedies that arise out of this agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach of this agreement, except as may be specifically agreed in writing.

Sec. 4.3. Compliance with Law. Nothing contained in this agreement shall be deemed or construed to in any way estop, limit, or impair the County from exercising or performing any regulatory, policing, legislative, governmental, or other powers, including governmental immunity and any defenses under the law. Funkytown must comply with all applicable laws, rules, and regulations.

Sec. 4.4. Severability. If any provision of this agreement shall be unenforceable, the remainder of this agreement shall be enforceable to the extent permitted by law.

Sec. 4.5. Assignment. Funkytown may not assign any of its rights or duties that arise out of this agreement without the County's written consent. Unless the County otherwise agrees in writing, Funkytown and all assigns shall be subject to all of the County's defenses and shall be liable for all of Funkytown's duties that arise from this agreement and all of the County's claims that arise from this agreement.

Sec. 4.6. Entire Agreement. This agreement contains the entire agreement between the parties pertaining to the subject matter of this agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral, expressed, or implied, between the parties, other than as set forth or referenced in this agreement.

Sec. 4.7. Notice. All notices and other communications required or permitted by this agreement shall be in writing and shall be given either by personal delivery, approved carrier, fax, certified United States mail, return receipt requested, or email, addressed as follows:

If to the County:	If to Funkytown:
Kyle Bilafer Infrastructure and Asset Management P.O. Box 707 Concord, NC 28026-0707 kdbilafer@cabarruscounty.us	David Cornelius 979 Burrage Rd NE Concord, NC 28025 davecornelius34@yahoo.com

IN WITNESS WHEREOF, the parties have caused this agreement to the signed by their duly constituted legal representatives and is effective on the last date signed.

Cabarrus County

By Michael K. Downs, County Manager

7-18-22

Date

Fulltime Funkytown, Inc.

By David Cornelius (Jul 7, 2022 13:09 EDT)

David Cornelius, Facilitator

Jul 7, 2022

Date

APPROVED BY COUNTY FINANCE OFFICER

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

lizane Pourgess 7/10/222

County Finance Director

Public Art Display Facilitation Agreement-Funkytown

Final Audit Report

2022-07-07

Created:	2022-07-07
By:	David Goldberg (dbgoldberg@cabarruscounty.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAidnYujYC8SEOnZnvpjtMB8zxzchifMrW

"Public Art Display Facilitation Agreement- Funkytown" History

- Document created by David Goldberg (dbgoldberg@cabarruscounty.us) 2022-07-07 - 1:33:02 PM GMT- IP address: 204.84.165.4
- Document emailed to davecornelius34@yahoo.com for signature 2022-07-07 - 1:34:33 PM GMT
- Email viewed by davecornelius34@yahoo.com 2022-07-07 - 3:26:53 PM GMT- IP address: 104.28.32.231
- Document e-signed by David Cornelius (davecornelius34@yahoo.com) Signature Date: 2022-07-07 - 5:09:08 PM GMT - Time Source: server- IP address: 172.72.95.210- Signature captured from device with phone number XXXXXX4050
- Agreement completed. 2022-07-07 - 5:09:08 PM GMT



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

ALP - Camp T.N. Spencer Pool Contract

BRIEF SUMMARY:

Camp Spencer Pool Contract – The is a contract in place through the 2023 pool season with Trident Pool. As an update, this is the final year of the 3-year contract. The first 2 seasons saw a lot of pool closing days due to not having Lifeguards available. COVID regulations made it easier to operate due to the decrease in number of participants allowed in the pool, yet Trident still could not provide coverage.

a. Normal Invoice statements reflected the decrease due to closures. Staff has looked in to finding a different company that has more staff and availability to provide coverage needed to have the Pool operational from Memorial Day to Labor Day.

b. Weekends only until school is out and then 7 days a week until schools starts back in August and then weekends only until close.

c. Trident sent an increase in the yearly contract for the 2023 season. It has not been accepted as of 1/17/2023. The current Contract is for \$68, 842. That includes Lifeguards, site manager, chemical applications, pool, and restroom cleanings. Trident requested an increase to \$82,168. Increase in insurance, labor, and materials is their justification (this proposal didn't include reduced operating hours).

d. Additionally, Cabarrus Co increased the Lifeguard rates by about \$2 last season in hopes of receiving more reliable staff through Trident.

e. There are 60 slots reserved for the Boys and Girls Club Monday – Friday 10am – 2pm. That leaves approximately 50 to 60 slots for the general public. Most days those numbers are

not met.

f. The Boys and Girls Club has been allowed to continue pool use with their own lifeguards and an Agreement to not hold Cabarrus County accountable.

\$44,682.35 is currently available and ALP will need a budget amendment increasing 00198140-9445 CSP \$14,000 and associated contract amendment to cover the remainder of contract #20210255 and this upcoming season (reduced hours - Monday June 12-August 6th; weekdays 10-3/weekends 10-7).

REQUESTED ACTION:

Motion to suspend the rules of procedure.

Motion to approve necessary budget amendment, increasing Camp Spencer Pool Contract by \$14,000 and approve associated contract amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Londa Strong, Active Living and Parks Director

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- Current Pool Contract
- Proposed 23 Contract
- Budget Amendment



CAMP SPENCER

POOL MANAGEMENT PROPOSAL

Owners Initials _____

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January 26, 2021

Joshua Coffman Park Program Manager Camp Spencer

Joshua,

Trident Pool Group was established to offer the best and most innovative swimming pool services available. We have deliberately structured the company in such a way that the customer will remain our constant focus. We believe that our approach to pool management offers the stability and full-service capability of the largest pool companies while still providing the personal service associated with the smallest.

Our construction division possess the capability to handle all repair and construction services at any time. We can complete anything from the smallest repair to a complete renovation. Additionally, we have ancillary capabilities and services available (electricians, concrete, plumbing) that truly make us a full-service choice for customers.

Trident Pool Group welcomes the opportunity to provide specialty programs and services to your community tailored to meet your specific needs. From swim lessons to safety seminars, Trident Pool Group is completely dedicated to providing the best and most reliable range of products and services available anywhere.

Sincerely,

Brian Yarmon Vice President Trident Pool Group, Inc.



Cabarrus County - Camp Spencer SWIMMING POOL MANAGEMENT AGREEMENT

This agreement dated this January 26th, 2021 between Trident Pool Group, Inc. hereinafter referred to as "CONTRACTOR" and CABARRUS COUNTY (CAMP SPENCER) hereinafter referred to as "OWNER" to provide for the operation and management of the "OWNERS" swimming pool facility from

January 1st, 2021 to December 31st, 2023

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant, promise and agree as follow.

Operating and Payment Schedule are attached as Addendum 1 and Addendum 2

PART ONE - EXPLANATORY STATEMENT

- A. The CONTRACTOR is engaged in the business of providing pool facility management and related services, including all variety of services in connection with the operation and maintenance of swimming pool facilities.
- B. The parties have agreed that the CONTRACTOR will manage the operation of the pool on behalf of the OWNER and in the course of its management, provide such services as are reasonably required in the ordinary course of the pool's operation, all as more specifically provided for herein.
- C. The CONTRACTOR hereby agrees to provide to the OWNER the services set forth on Swimming Pool Management Agreement which is attached hereto and incorporated by reference herein (the "Management Services"). The Management Services shall include, but not be limited to, ensuring the pool is operational for opening day, ensuring that the pool is properly closed and winterized at the end of the season, maintenance and management of the pool throughout the pool season, and hiring such supervisory, lifeguard and other personnel, all as is more specifically provided for herein.



PART TWO - OPENING POOL

CONTRACTOR will render the pool facility operational and ready for use by completing the following services beginning February 1.

- A. Reassemble bathhouse and freshwater plumbing fixtures.
- B. Inspect and submit to OWNER any repairs that were discovered at time of initial inspection. Should OWNER elect to have CONTRACTOR perform any repairs not included in this contract, then OWNER must inform CONTRACTOR by April 1 of service year. Should OWNER elect to complete necessary repairs independent from CONTRACTOR then such repairs must be completed by April 15 of service year. Failure to comply with aforesaid time schedule shall void CONTRACTOR'S responsibility for opening the pool by the date specified this agreement and there shall be no credit for days of closures associated with late opening.
- C. Place filtration and chlorination systems in working order.
- D. Install all necessary pool equipment such as diving board, ladders, hoses, and the like.
- E. Start the pool filling once potable water is turned on. Once filled, CONTRACTOR will maintain pool and equipment to the extent required for proper filtration and to ensure reasonable water quality.
 - a. Excessive maintenance or clean up necessary (after initial fill) due to storm damage, leaks, vandalism, or faulty equipment shall be billed on a time and materials basis.
 - b. OWNER at his/her option may elect to engage CONTRACTOR, by separate agreement, to maintain pool in a swimmable, ready-to-open condition for all months prior to opening date.
- F. Clean and place all furniture in orderly position around pool.
 - a. If furniture is stored off pool premises, the OWNER shall be responsible for delivery to the facility unless otherwise arranged with CONTRACTOR.
- G. Attend and manage local pre-opening health inspection.
- H. Correct any problem noted in Health Inspection and/or notify OWNER of any "OWNER" related repair.
- I. Have pool and bathhouse in operating condition prior to opening day.
- J. Swim Team Practices
 - a. Should the OWNER's facility have a swim team that needs the facility ready prior to the schedule opening day as listed in this agreement, the CONTRACTOR shall be notified three weeks prior to first practice date.
 - b. OWNER shall furnish CONTRACTOR contact names and numbers, meet schedules, and any other pertinent information as it relates to the Swim Team.

The OWNER will be responsible for the following by April 15:

- A. Apply for necessary permits for pool opening (Electrical Inspection, Hazardous Materials, Health Department, etc.). Should OWNER desire CONTRACTOR to file for permits, OWNER shall notify contractor in writing by March 1 of this request. OWNER shall be billed a \$25.00 processing fee in addition to Permit cost for each required permit.
 - a. NOTE: CONTRACTOR shall reserve the right to obtain necessary operating permits at the expense of the OWNER if permits have not been obtained by OWNER prior to April 1 of service year. This action will result in an additional \$50.00 late fee to the OWNER.

Owners Initials

Page **4** of **18**



- b. NOTE: OWNER shall be responsible for all costs associated with any health inspection failures and subsequent re-inspections that result from the OWNER'S failure to complete "OWNER ITEMS" listed herein. Such costs shall include, but not be limited to reinspection costs, processing fee, and CONTRACTOR time and materials necessary to attend additional inspections not involving CONTRACTOR.
- B. Schedule, pay, and be present for any required electrical or plumbing inspections.
- C. Have telephone in operation by April 1 and provide long distance and 900 service blocks to phones where applicable. OWNER shall be billed \$200 in the event health inspection has to be rescheduled due to phone not operational. CONTRACTOR will not be responsible for any phone charges.
- D. Complete any necessary repairs to the facilities to include items such as bathhouse, deck, fence, plumbing, painting broken doors, drywall etc. as identified by CONTRACTOR.
- E. Prepare bathhouse for opening by removing all non-pool related items/trash from entire pool enclosure (including pump/filter room) and performing preliminary bathhouse cleaning. This includes replacing any defective light bulbs within the bathhouse facility. CONTRACTOR can replace bulbs for a nominal cost.
- F. Provide receptacles for trash and debris removed from pool during cleaning and arrange for receptacle removal from pool area after cleaning has been completed. Trash service should start no later than April 15th.
- G. Provide (3) current sets of keys to facility. CONTRACTOR will duplicate keys for a nominal cost.
- H. Provide CONTRACTOR with any Health Department notices from prior season that list corrections needed prior to opening.
- Provide all utilities, as applicable to the operation of the pool, to include, but not be limited to water service, electricity, and gas. OWNER shall be billed a service charge of \$150.00 per occurrence for any utility not activated by OWNER that requires third party intervention (i.e. WSSC for water), and must be scheduled or otherwise arranged for by CONTRACTOR
- J. Provide adequate access and parking to CONTRACTOR free of charge.
- K. Ensuring that the facility is in full compliance with the State and Federal discharge regulation



PART THREE - MAINTENANCE OF POOL

In addition to a daily inspection and general cleaning of the pool and facility performed at opening and closing, CONTRACTOR, unless otherwise noted, shall be responsible for the following:

- A. Water quailty, in conformance with health code.
- B. Ensure that all phases of operation are in accordance with applicable health and safety regulations. OWNER shall be responsible for all local and Federal discharge regulations, record keeping, and maintenance. NOTE: Contractor shall not be responsible for any damage(s) outside of CONTRACTOR'S control including, but not limited to, equipment failure, vandalism, or inadequate drainage.
- C. Provide reasonable and mature enforcement of the Owner's written rules.
 - a) Owner shall provide copy of all rules, regulations, guest policies, and the like, prior to April 1st so that CONTRCATOR can properly train staff on expectations set fourth by OWNER.
- D. Clean bathhouse and office on an as needed basis.
- E. Vacuum pool and general cleaning of surrounding area on an as needed basis.
- F. CONTRACTOR will advise OWNER of repairs that may be necessary prior to and/or during the operating season specified herein. All repairs shall be the sole responsibility of the OWNER. The CONTRACTOR will perform and/or supervise these repairs if requested by the OWNER. The OWNER agrees and understands that such repairs are independent of this contract and are due and payable immediately upon receipt of bill.
- G. OWNER agrees to provide an environment that is safe and crime free as is reasonable in connection with the safe operation of the pool and compliant with local, state and federal laws. CONTRACTOR shall have the right to close the pool at any time should the safety of patrons or CONTRACTOR'S employees become compromised or threatened. Situations that warrant closure shall be determined at CONTRACTOR'S discretion but shall generally be defined as any imminent threat or danger, real or perceived, that could potentially cause harm if not eradicated. Any such closures shall immediately be reported to OWNER. Un-remedied patterns, or repeated episodes may warrant, at CONTRACTOR'S discretion, emergency closures, and subject operations to conditions described in Part 8 Closing of Pool.



PART FOUR - REPAIRS AND MAINTENANCE OF FACILITY

CONTRACTOR shall be ready to respond to repairs to swimming pool related items as needed by OWNER. The CONTRACTOR shall make every effort to notify OWNERS of repairs needed and costs associated with such, prior to completing work, unless other arrangement has been reached.

- A. Any cost of repairs or damages resulting from errors by CONTRACTOR's employees shall be performed by CONTRACTOR at no charge to OWNER. CONTRACTOR reserves the right to use CONTRACTOR's vendors (Internal or external) to execute said repairs.
- B. For any work or equipment that is needed at OWNERS facility, CONTRACTOR may perform work as needed without prior approval up to \$250.00.
- C. In case of emergency, where Life Safety or Property is at risk, OWNER authorizes CONTRACTOR to respond to and mitigate damages as best possible to prevent further losses.

PART FIVE - CHEMICALS

CONTRACTOR will supply Sodium Hypochlorite (Liquid Chlorine) and/or chemicals needed to adjust the disinfecting and pH quality of the pool water as part of this contract, as specified below. Any chemicals required for water adjustment in addition to the normal sanitizing or pH level adjustment, including test reagents shall be the responsibility of the CONTRACTOR. Additional chemicals needed to properly maintain, operate and/or balance the pool (i.e. calcium chloride, sodium bicarbonate, cyanuric acid), for the months March-September (as applicable) shall be provided by CONTRACTOR.

Should the pool require specialty chemicals (any chemical not listed above), CONTRACTOR will supply necessary chemicals at nominal cost to OWNER.

Should pool possess a substantiated and abnormal water loss condition (defined as 1" of water loss, or more, over a 24-hour period) CONTRACTOR shall bill OWNER for the additional sanitizing chemicals necessary to maintain proper water chemistry.



PART SIX – SUPPLIES AND CHEMICALS

Cleaning supplies, deck equipment (trash cans, hoses etc.), first-aid supplies, and specialty chemicals needed for the operation of the swimming pool shall be the sole responsibility of the OWNER. Items not provided shall be supplied by the CONTRACTOR at the expense of the OWNER. This provision shall include any and all parts or repairs necessary as per local health code and/or for the safe operation of the pool

- A. Items that OWNER is responsible for providing (Billed by CONTRACTOR)
 - a. Water hoses
 - b. Pool Vacuum Heads, Poles, and Hoses
 - c. Ring buoys and ropes
 - d. Life Hooks
 - e. First Aid Kit
 - f. Lifeguard rescue Equipment. i.e. rescue tubes, stands, umbrellas
 - g. Skimmer nets and brushes
 - h. Required signage
- B. Items that CONTRACTOR is responsible for providing:
 - a. Janitorial supplies including, but not limited to
 - i. Toilet Paper
 - ii. Paper Towels
 - iii. Hand Soap
 - iv. Disinfecting chemicals and cleaners



PART SEVEN - PERSONNEL

- A. Every employee hired by the CONTRACTOR for work under this agreement will be solely employed by the CONTRACTOR and will be considered an employee of the CONTRACTOR. All Social Security, Workman's Compensation, and other taxes associated with the payment of these employees will be the sole responsibility of the CONTRACTOR. All lifeguards employed by the CONTRACTOR shall possess adequate Red Cross certification or comparable.
- B. OWNER (directly or indirectly, on its own or through another contractor or agent) agrees not to hire any employees who were employed by CONTRACTOR while this agreement was in effect for a period of two (2) years following the termination of contract.
- C. Should a holiday fall on a day that the pool would ordinarily be closed; the pool will remain open and close the following day.
- D. Requests by the OWNER for the pool facility to remain open past the set hours will be charged additional fees of \$17.00 per man-hour per guard. An administrative fee of \$25.00 per event will be charged to OWNER.
- E. Any function held at the pool facility that does not fall in the set hours will be the sole liability of the Owner. The Owner will assume responsibility for any function during regular hours and hours outside of the set schedule that involves alcohol. Should an event occur at the pool facility involving alcohol then the Contractor will be held harmless from any and all claims, judgments, liability, and damages to property or of personal nature.
- F. OWNER agrees that at single guard facilities safety is of the first and foremost concern. OWNER understands that ancillary duties such as gate control and cleaning may be compromised during times of peak usage. NOTE: Additional break(s) and/or closure time may be necessary to clean facility, at CONTRACTOR'S discretion.
- G. A 10-minute break, "ADULT SWIM" will occur each hour at facilities contracted to have services provided by one (1) lifeguard. The break will occur to allow for equipment inspection, chemical testing etc.
- H. Adult swim shall be "swim at your own risk" and will not be monitored by lifeguards. Safety during these times shall be the responsibility of the OWNER.
- I. Wading pools shall be "SWIM AT YOUR OWN RISK" and will not be monitored by lifeguards. Safety in this area shall be the sole responsibility of the OWNER.
- J. The number and hours of service of the CONTRACTOR'S personnel assigned to perform the Management Services shall be determined by the CONTRACTOR in its sole discretion and absolute discretion. The CONTRACTOR shall have the right to reduce or increase the number of its personnel providing the Management Services from time to time without notice or consent of the OWNER, provided that such changes are reasonable and in connection with the safe operation of the pool. There will be no reduction in compensation should CONTRACTOR decide to reduce the number of personnel providing services.
- K. Personnel not performing to the standards of the OWNER will be replaced by the CONTRACTOR within 48 hours of receipt of written request of the Executive Board or their appointed designee.

Owners Initials _____

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PART EIGHT - CLOSING OF POOL / FACILITY

In the event of an emergency or inclement weather situation either the OWNER or the CONTRACTOR may close the pool. Inclement weather shall refer to prolonged rain, thunderstorms, lightening, temperatures of 69 degrees or lower, or any other condition beyond the control of CONTRACTOR. Emergencies shall include, but not be limited to any condition that poses danger and/or an imminent threat, or otherwise posses a condition beyond CONTRACTOR'S control. This temporary shutdown will not affect the contract nor will there be a need to adjust any payments. Should the pool facility close down for (10) ten consecutive days or more, the CONTRACTOR will refund (50%) of the daily costs associated with running the pool facility beginning on the eleventh day of closure. Daily operating cost, as it may pertain to closure, shall be defined as 1% of the total amount specified under COMPENSATION TO CONTRACTOR.

CONTRACTOR will utilize all means available including but not limited to: Television, Radio, Internet and NOAA Weather Radio to assist our staff with inclement weather. CONTRACTOR reserves the right to suspend or close the swimming facility based on weather conditions.

CONTRACTOR utilized the Centers for Disease Control's (CDC) Fecal Accident Response guide for the handling of fecal accidents. These accidents are dealt with on a case-by-case basis and can result in the operation of the OWNER's facility being suspended for a period of two to twenty-four hours depending on the nature of the accident.

PART NINE - CLOSING OF POOL / WINTERIZATION

Upon completion of the season, the CONTRACTOR will close and winterize the pool facility and perform the following:

- A. Store all deck equipment.
- B. Lower pool water to an appropriate level if pool is covered.
- C. Shut off fresh water supply and drain all piping that can be drained.
- D. Add anti-freeze to toilet bowls and tanks, urinals and sink traps.
- E. Store: chlorinator, blankets, first aid equipment, test equipment, telephone and such related equipment.
- F. Remove and store all diving boards, ladders, furniture, lifeguard chairs, ropes and such equipment inside the bathhouse or in storage area.
- G. Inspect and lock facility. Inform Owner of closure. OWNER shall be responsible for:
 - a. Any Public Utility intervention or involvement necessary to shut off water supply
 - b. Heat tape application and the like for fresh water piping etc. that is not able to be drained

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It is the CONTRACTORS intention to operate the filter system year-round. Should that not be possible or should the OWNER direct otherwise, the CONTRACTOR will complete the following:

- A. Drain all wading pools if applicable
- B. Drain all pumps and hair lint strainers if applicable.
- C. Drain filters and associated pool plumbing where possible by opening valves and removing plugs.
- D. Drain all pool plumbing and filter plumbing as constructed if pool is to be winterized
 - a. CONTRACTOR shall not be responsible for water damage in instances of inadequate drainage capability in bathhouse and/or filter room.
 - b. CONTRACTOR shall notify OWNER should any modifications be needed to drain system
- E. CONTRACTOR shall not be held liable in any way for freeze damage of any and all underground piping.
- F. Skimmer, main drain, vacuum, and return lines are not drained (blown) for winter months.

Upon closing CONTRACTOR shall complete the following on a bi-weekly basis during the off season:

- A. Ensure proper water chemistry in accordance with industry standards
- B. Backwash filter system and ensure proper operation.
- C. Clean skimmer baskets.
- D. Blow deck area.
- E. Remove leaves and debris from pool.
- F. Inspect facility and report any areas of concern to the OWNER.

PART TEN – INSURANCE

A. LIABILITY INSURANCE

- a. CONTRACTOR will maintain \$10,000,000 Public Liability Insurance to cover personal injury, loss of life, and/or property damage due to the negligence of the CONTRACTOR, agents or employees which may be sustained by any member or guest of the pool, within the area managed by the CONTRACTOR during the contracted hours. This insurance shall be from a company of national reputation rated B+ or better by the most recent "Bests Key Rating Guide".
- b. CONTRACTOR shall not be held liable or responsible for any injury and/or damage sustained by any person as a result of pool use at dates and times other than expressly provided herein.
- c. CONTRACTOR shall not be held liable for any damages resulting from faulty equipment, mechanical failure, weather, flooding, hydrostatic conditions, or defective workmanship.
- d.
- e.

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- f. OWNER agrees to indemnify and hold CONTRACTOR harmless for any damages, losses, or expenses arising from the use, maintenance, or operation of the property or equipment by the OWNER or its employees, guests, trespassers and/or contractors.
- g. If CONTRACTOR'S Liability insurance costs increase after the date of this proposal, the compensation to the CONTRACTOR will be increased by amount equal to increase respective to OWNER'S pool. Said increase shall be payable 30 days from presentment of the documented increase.

PART ELEVEN – DELINQUINCIES

OWNER agrees and understands that CONTRACTOR incurs extensive costs associated with the performance and maintenance of this contract. It is therefore agreed and understood that:

- A. Any payment, which shall remain outstanding in excess of thirty (30) days shall accrue interest on the full outstanding balance, from the date such was first due, at the rate of one- and one-half percent (1.5%) per month.
- B. A notice of delinquency will be sent to the OWNER for any amount's delinquent beyond thirty (30) days. The notice shall request immediate payment of the delinquent balance. The notice shall also state that the OWNER will be responsible for all costs of collection, attorney's fees, administrative fees and interest charges on all delinquent amounts.
- C. Unless otherwise specifically agreed in writing by the CONTRACTOR, partial payments will be applied in the order first to last as follows: (1) attorney's fees, (2) collection costs, (3) interest charges, (4) administrative fees, (5) principal arrearage, (6) current principal due.
- D. This policy is intended as a guideline for the CONTRACTOR to facilitate its collection efforts. Failure of the CONTRACTOR to strictly adhere to the provisions herein shall not be deemed a waiver or abandonment of its right to collect principal arrearage, attorney's fees, collection costs, interest charges, administrative fees and current principal due.
- E. CONTRACTOR reserves the right to disrupt and/or terminate service during any period in which OWNER has a balance that is beyond forty-five (45) days past due.
- F. Invoices in dispute between OWNER and CONTRACTOR are not considered delinquent. Both parties agree to work diligently to resolve any dispute.

PART TWELVE – UTILITIES

- A. OWNER shall provide electricity, gas, and water & sewer for the operation of the pool. OWNER shall be responsible for all charges for the utilities.
- B. OWNER shall provide local telephone service as required by local health department

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PART THIRTEEN - DEFAULT

In addition to any other remedies available to CONTRACTOR at law or hereunder, if OWNER defaults in the performance of any term or condition hereof, or does or permits anything to be done contrary to any term or condition hereof, and such default continued uncured for a period of ten (10) days following written notice of such event from the CONTRACTOR, then, CONTRACTOR may terminate this agreement.

PART FOURTEEN – RIGHT TO TERMINATE

In the event the OWNER fails to pay any sums due to the CONTRACTOR within the terms of this agreement, CONTRACTOR may terminate or temporarily suspend service immediately upon written notice to OWNER or AGENT. Otherwise, CONTRACTOR may cancel without cause upon (30) thirty days written notice to the OWNER. Such notice shall be given by Certified Mail, Return Receipt Requested.

PART FIFTEEN - EXTENSION OF OPERATING SCHEDULE

Should the OWNER request to operate the pool beyond the aforementioned dates and times specified within this agreement, then the CONTRACTOR shall, at its option, provide such services at a cost of 1% per day based on the total contract amount. Should the OWNER request that the pool remain open on weekends only, then an additional .5% shall be assessed to provide for mid-week maintenance.

PART SIXTEEN - BINDING EFFECT

This agreement shall be binding upon and inure to the benefit of the Partnership and the Company and their respective successors and assigns

PART SEVENTEEN – AMENDMENTS

This Agreement may not be changed or modified except in a writing signed by both of the parties hereto.

Owners Initials _____

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PART EIGHTEEN – GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with, the laws of the State by which the pool is located, as is specified in Pool Management Agreement, without regard to any conflict of law provisions

PART NINETEEN – RELATIONSHIP OF PARTIES

The CONTRACTOR shall for the purposes of this agreement and the Management Services provided hereunder is an independent contractor and not an employee partner, co-owner or joint venture of OWNER.

PART TWENTY – MISCELLANEOUS

- A. CONTRACTOR shall reserve the right to void this proposal if not signed and returned by OWNER within forty-five (45) days after the date specified in Exhibit A of this agreement.
- B. Contractor shall not be held liable for mold, growth of mold, or effects of mold growth, directly or indirectly, at or within any area or building included as part of, or adjacent to, the OWNER'S property described, addressed, and/or named in Part A of this agreement.
- C. Should the average gas price in North Carolina exceed \$4.00/gallon, CONTRACTOR reserves the right to include a fuel surcharge with each invoice. That surcharge shall not exceed 5.00% of invoice total.
- D. All provisions and terms shall remain in full effect each year of contract term. Opening and closing dates shall adjust accordingly in relation to Memorial Day and Labor Day. Contract will be revisited each year for renewal. There is not an auto renewal.
- E. If OWNER's facility has "Swim at your own risk" hours, CONTRACTOR shall be held harmless for any accidents, injuries, and/or claims by anyone using the pool during said times. If pool hours extend past "dusk or sunset" as established by NOAA charts, OWNER shall be responsible for complying with North Carolina State Law (Reference 15A NCAC 18A .2524) regarding pool lighting. CONTRACTOR reserves the right to prohibit swimming after "dusk or sunset" if there is not adequate lighting.
- F. Cabarrus County will be responsible for winterization of facility. Specific site information will be reviewed with staff to ensure proper management of facility is in place.

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PART TWENTY-ONE - TIME OF ESSENCE

A. Time is of the essence of this agreement.

PART TWENTY-TWO – ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties and there are no verbal agreements or representations in connection herewith. If any part of this agreement is found invalid, the remainder of the agreement will remain valid and enforceable.

IN WITNESS WHEREOF, the Owner or the Owner's Agent, and the Contractor have executed this Agreement and affixed their seals thereto as of the date set forth in the first page of this Agreement.

	Contract Execution					
OWNER/AGENT:	CONTRACTOR:					
Property:	Trident Pool Group, Inc.					
Ву:	Ву:					
Name:	Name: Brian Yarmon					



2021 OPERATING SCHEDULE AND LIFEGUARD COVERAGE ADDENDUM 1

Week							
Beginning	Sun	Mon	Tues	Weds	Thurs	Fri	Sat
5/16/2021	Closed	Closed	Closed	Closed	Closed	Closed	10am-7pm
5/23/2021	10am-7pm	Closed	Closed	Closed	Closed	Closed	10am-7pm
5/30/2021	10am-7pm	10am-7pm	Closed	Closed	Closed	Closed	10am-7pm
6/6/2021	10am-7pm						
6/13/2021	10am-7pm						
6/20/2021	10am-7pm						
6/27/2021	10am-7pm						
7/4/2021	10am-7pm						
7/11/2021	10am-7pm						
7/18/2021	10am-7pm						
7/25/2021	10am-7pm						
8/1/2021	10am-7pm						
8/8/2021	10am-7pm						
8/15/2021	10am-7pm						
8/22/2021	10am-7pm						
8/29/2021	10am-7pm	Closed	Closed	Closed	Closed	Closed	10am-7pm
9/5/2021	10am-7pm	10am-7pm	Closed	Closed	Closed	Closed	Closed



OPERATING SCHEDULE AND LIFEGUARD COVERAGE ADDENDUM 1

STAFFING REQUIREMENTS

ONE GUARD ON STAFF FROM 9:00 AM-10:00 AM FOR DAILY TO SET UP POOL FOR OPENING.

<u>WEEKDAYS</u>

THREE GUARDS OPEN TO CLOSE. ONE ADDITIONAL GUARD 10AM – 4PM

<u>WEEKENDS</u>

THREE GUARDS OPEN TO CLOSE. ONE ADDITIONAL GUARD FROM 11AM -5PM

MEMORIAL DAY, JULY 4TH, LABOR DAY

FOUR GUARDS OPEN TO CLOSE.

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2021 - 2023 PAYMENT SCHEDULE ADDENDUM 2

Payment Due Date	Percentage of Contract	Amount Due
January 1	5%	\$3,404.25
April 1	20%	\$13,617.00
May 1	20%	\$13,617.00
June 1	20%	\$13,617.00
July 1	20%	\$13,617.00
August 1	15%	\$10,212.75

Contract Total

\$68,085.00

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Camp Spencer

Pool Management Proposal

2023

Owners Initials _____

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September 22nd, 2022

Joshua Coffman Property Manager Camp Spencer

Joshua:

Trident Pool Group was established to offer the best and most innovative swimming pool services available. We have deliberately structured the company in such a way that the customer will remain our constant focus. We believe that our approach to pool management offers the stability and full-service capability of the largest pool companies while still providing the personal service associated with the smallest.

Our construction division possess the capability to handle all repair and construction services at any time. We can complete anything from the smallest repair to a complete renovation. Additionally, we have ancillary capabilities and services available (electricians, concrete, plumbing) that truly make us a full-service choice for customers.

Trident Pool Group welcomes the opportunity to provide specialty programs and services to your community tailored to meet your specific needs. From swim lessons to safety seminars, Trident Pool Group is completely dedicated to providing the best and most reliable range of products and services available anywhere.

Sincerely,

Bridget Sprinkle Vice President Trident Pool Group, Inc.

Owners Initials



Camp Spencer SWIMMING POOL MANAGEMENT AGREEMENT

This agreement dated this September 22nd, 2022 between Trident Pool Group, Inc. hereinafter referred to as "CONTRACTOR" and CAMP SPENCER hereinafter referred to as "OWNER" to provide for the operation and management of the "OWNERS" swimming pool facility from

January 1st, 2023 to December 31st, 2023

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant, promise and agree as follow

Operating and Payment Schedule are attached as Addendum 1 and Addendum 2

PART ONE – EXPLANATORY STATEMENT

- A. The CONTRACTOR is engaged in the business of providing pool facility management and related services, including all variety of services in connection with the operation and maintenance of swimming pool facilities.
- B. The parties have agreed that the CONTRACTOR will manage the operation of the pool on behalf of the OWNER and in the course of its management, provide such services as are reasonably required in the ordinary course of the pool's operation, all as more specifically provided for herein.
- C. The CONTRACTOR hereby agrees to provide to the OWNER the services set forth on Swimming Pool Management Agreement which is attached hereto and incorporated by reference herein (the "Management Services"). The Management Services shall include, but not be limited to, insuring the pool is operational for opening day, insuring that the pool is properly closed and winterized at the end of the season, maintenance and management of the pool throughout the pool season, and hiring such supervisory, lifeguard and other personnel, all as is more specifically provided for herein.



PART TWO – OPENING POOL

CONTRACTOR will render the pool facility operational and ready for use by completing the following services beginning February 1.

- A. Reassemble bathhouse and freshwater plumbing fixtures
- B. Inspect and submit to OWNER any repairs that were discovered at time of initial inspection. Should OWNER elect to have CONTRACTOR perform any repairs not included in this contract, then OWNER must inform CONTRACTOR by April 1 of service year. Should OWNER elect to complete necessary repairs independent from CONTRACTOR then such repairs must be completed by April 15 of service year. Failure to comply with aforesaid time schedule shall void CONTRACTOR'S responsibility for opening the pool by the date specified this agreement and there shall be no credit for days of closures associated with late opening.
- C. Place filtration and chlorination systems in working order.
- D. Install all necessary pool equipment such as diving board, ladders, hoses, and the like.
- E. Start the pool filling once potable water is turned on. Once filled, CONTRACTOR will maintain pool and equipment to the extent required for proper filtration and to ensure reasonable water quality.
 - a. Excessive maintenance or clean up necessary (after initial fill) due to storm damage, leaks, vandalism, or faulty equipment shall be billed on a time and materials basis.
 - b. OWNER at his/her option may elect to engage CONTRACTOR, by separate agreement, to maintain pool in a swimmable, ready-to-open condition for all months prior to opening date.
- F. Clean and place all furniture in orderly position around pool.
 - a. If furniture is stored off pool premises, the OWNER shall be responsible for delivery to the facility unless otherwise arranged with CONTRACTOR.
- G. Attend and manage local pre-opening health inspection.
- H. Correct any problem noted in Health Inspection and/or notify OWNER of any "OWNER" related repair
- I. Have pool and bathhouse in operating condition prior to opening day.
- J. Swim Team Practices
 - a. Should the OWNER's facility have a swim team that needs the facility ready prior to the schedule opening day as listed in this agreement, the CONTRACTOR shall be notified three weeks prior to first practice date.
 - b. OWNER shall furnish CONTRACTOR contact names and numbers, meet schedules, and any other pertinent information as it relates to the Swim Team.

The OWNER will be responsible for the following by April 15:

- A. Apply for necessary permits for pool opening (Electrical Inspection, Hazardous Materials, Health Department, etc.). Should OWNER desire CONTRACTOR to file for permits, OWNER shall notify contractor in writing by March 1 of this request. OWNER shall be billed a \$25.00 processing fee in addition to Permit cost for each required permit.
 - a. NOTE: CONTRACTOR shall reserve the right to obtain necessary operating permits at the expense of the OWNER if permits have not been obtained by OWNER prior to April 1 of service year. This action will result in an additional \$50.00 late fee to the OWNER.

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- b. NOTE: OWNER shall be responsible for all costs associated with any health inspection failures and subsequent re-inspections that result from the OWNER'S failure to complete "OWNER ITEMS" listed herein. Such costs shall include, but not be limited to re-inspection costs, processing fee, and CONTRACTOR time and materials necessary to attend additional inspections not involving CONTRACTOR.
- B. Schedule, pay, and be present for any required electrical or plumbing inspections
- C. Have telephone in operation by April 1 and provide long distance and 900 service blocks to phones where applicable. OWNER shall be billed \$200 in the event health inspection has to be rescheduled due to phone not operational. CONTRACTOR will not be responsible for any phone charges.
- D. Complete any necessary repairs to the facilities to include items such as bathhouse, deck, fence, plumbing, painting broken doors, drywall etc. as identified by CONTRACTOR.
- E. Prepare bathhouse for opening by removing all non-pool related items/trash from entire pool enclosure (including pump/filter room) and performing preliminary bathhouse cleaning. This includes replacing any defective light bulbs within the bathhouse facility. CONTRACTOR can replace bulbs for a nominal cost.
- F. Provide receptacles for trash and debris removed from pool during cleaning and arrange for receptacle removal from pool area after cleaning has been completed. Trash service should start no later than April 15th.
- G. Provide (3) current sets of keys to facility. CONTRACTOR will duplicate keys for a nominal cost.
- H. Provide CONTRACTOR with any Health Department notices from prior season that list corrections needed prior to opening.
- Provide all utilities, as applicable to the operation of the pool, to include, but not be limited to water service, electricity, and gas. OWNER shall be billed a service charge of \$150.00 per occurrence for any utility not activated by OWNER that requires third party intervention (i.e. WSSC for water), and must be scheduled or otherwise arranged for by CONTRACTOR
- J. Provide adequate access and parking to CONTRACTOR free of charge.
- K. Ensuring that the facility is in full compliance with the State and Federal discharge regulation



PART THREE – MAINTENANCE OF POOL

In addition to a daily inspection and general cleaning of the pool and facility performed at opening and closing, CONTRACTOR, unless otherwise noted, shall be responsible for the following:

- A. Water quality, in conformance with health code.
- B. Ensure that all phases of operation are in accordance with applicable health and safety regulations. OWNER shall be responsible for all local and Federal discharge regulations, record keeping, and maintenance. NOTE: Contractor shall not be responsible for any damage(s) outside of CONTRACTOR'S control including, but not limited to, equipment failure, vandalism, or inadequate drainage.
- C. Provide reasonable and mature enforcement of the Owner's written rules.
 - a) Owner shall provide copy of all rules, regulations, guest policies, and the like, prior to April 1st so that CONTRCATOR can properly train staff on expectations set forth by OWNER.
- D. Clean bathhouse and office on an as needed basis.
- E. Vacuum pool and general cleaning of surrounding area on an as needed basis.
- F. CONTRACTOR will advise OWNER of repairs that may be necessary prior to and/or during the operating season specified herein. All repairs shall be the sole responsibility of the OWNER. The CONTRACTOR will perform and/or supervise these repairs if requested by the OWNER. The OWNER agrees and understands that such repairs are independent of this contract and are due and payable immediately upon receipt of bill.
- G. OWNER agrees to provide an environment that is safe and crime free as is reasonable in connection with the safe operation of the pool and compliant with local, state and federal laws. CONTRACTOR shall have the right to close the pool at any time should the safety of patrons or CONTRACTOR'S employees become compromised or threatened. Situations that warrant closure shall be determined at CONTRACTOR'S discretion but shall generally be defined as any imminent threat or danger, real or perceived, that could potentially cause harm if not eradicated. Any such closures shall immediately be reported to OWNER. Un-remedied patterns, or repeated episodes may warrant, at CONTRACTOR'S discretion, emergency closures, and subject operations to conditions described in Part 8 Closing of Pool.



PART FOUR – REPAIRS AND MAINTENANCE OF FACILITY

CONTRACTOR shall be ready to respond to repairs to swimming pool related items as needed by OWNER. The CONTRACTOR shall make every effort to notify OWNERS of repairs needed and costs associated with such, prior to completing work, unless other arrangement has been reached.

- A. Any cost of repairs resulting from errors by CONTRACTOR's employees shall be performed by CONTRACTOR at no charge to OWNER. CONTRACTOR reserves the right to use CONTRACTOR's vendors (Internal or external) to execute said repairs.
- B. For any work or equipment that is needed at OWNERS facility, CONTRACTOR may perform work as needed without prior approval up to \$250.00.
- C. In case of emergency, where Life Safety or Property is at risk, OWNER authorizes CONTRACTOR to respond to and mitigate damages as best possible to prevent further losses.

PART FIVE - CHEMICALS

CONTRACTOR will supply Sodium Hypochlorite (Liquid Chlorine) and/or chemicals needed to adjust the disinfecting and pH quality of the pool water as part of this contract, as specified below. Any chemicals required for water adjustment in addition to the normal sanitizing or pH level adjustment, including test reagents shall be the responsibility of the CONTRACTOR. Additional chemicals needed to properly maintain, operate and/or balance the pool (i.e. calcium chloride, sodium bicarbonate, cyanuric acid), for the months March-September (as applicable) shall be provided by CONTRACTOR.

Should the pool require specialty chemicals (any chemical not listed above), CONTRACTOR will supply necessary chemicals at nominal cost to OWNER.

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Should pool possess a substantiated and abnormal water loss condition (defined as 1" of water loss, or more, over a 24-hour period) CONTRACTOR shall bill OWNER for the additional sanitizing chemicals necessary to maintain proper water chemistry.

PART SIX – SUPPLIES AND CHEMICALS

Cleaning supplies, deck equipment (trash cans, hoses etc.), first-aid supplies, and specialty chemicals needed for the operation of the swimming pool shall be the sole responsibility of the OWNER. Items not provided shall be supplied by the CONTRACTOR at the expense of the OWNER. This provision shall include any and all parts or repairs necessary as per local health code and/or for the safe operation of the pool

- A. Items that OWNER is responsible for providing (Billed by CONTRACTOR)
 - a. Water hoses
 - b. Pool Vacuum Heads, Poles, and Hoses
 - c. Ring buoys and ropes
 - d. Life Hooks
 - e. First Aid Kit
 - f. Lifeguard rescue Equipment. i.e. rescue tubes, stands, umbrellas
 - g. Skimmer nets and brushes
 - h. Required signage
- B. Items that CONTRACTOR is responsible for providing:
 - a. Janitorial supplies including, but not limited to
 - i. Toilet Paper
 - ii. Paper Towels
 - iii. Hand Soap

Owners Initials _____



iv. Disinfecting chemicals and cleaners

PART SEVEN – PERSONNEL

- A. Every employee hired by the CONTRACTOR for work under this agreement will be solely employed by the CONTRACTOR and will be considered an employee of the CONTRACTOR. All Social Security, Workman's Compensation, and other taxes associated with the payment of these employees will be the sole responsibility of the CONTRACTOR. All lifeguards employed by the CONTRACTOR shall possess adequate Red Cross certification or comparable.
- B. OWNER (directly or indirectly, on its own or through another contractor or agent) agrees not to hire any employees who were employed by CONTRACTOR while this agreement was in effect for a period of two (2) years following the termination of contract.
- C. Should a holiday fall on a day that the pool would ordinarily be closed; the pool will remain open and close the following day.
- D. Requests by the OWNER for the pool facility to remain open past the set hours will be charged additional fees of \$30.00 per man-hour per guard. An administrative fee of \$25.00 per event will be charged to OWNER.
- E. Any function held at the pool facility that does not fall in the set hours will be the sole liability of the Owner. The Owner will assume responsibility for any function during regular hours and hours outside of the set schedule that involves alcohol. Should an event occur at the pool facility involving alcohol then the Contractor will be held harmless from any and all claims, judgments, liability, and damages to property or of personal nature.
- F. OWNER agrees that at single guard facilities safety is of the first and foremost concern. OWNER understands that ancillary duties such as gate control and cleaning may be compromised during times of peak usage. NOTE: Additional break(s) and/or closure time may be necessary to clean facility, at CONTRACTOR'S discretion.
- G. A 10-minute break, "ADULT SWIM" will occur each hour at facilities contracted to have services provided by one (1) lifeguard. The break will occur to allow for equipment inspection, chemical testing etc.
- H. Adult swim shall be "swim at your own risk" and will not be monitored by lifeguards. Safety during these times shall be the responsibility of the OWNER.
- I. Wading pools shall be "SWIM AT YOUR OWN RISK" and will not be monitored by lifeguards. Safety in this area shall be the sole responsibility of the OWNER.
- J. The number and hours of service of the CONTRACTOR'S personnel assigned to perform the Management Services shall be determined by the CONTRACTOR in its sole discretion and absolute discretion. The CONTRACTOR shall have the right to reduce or increase the number of its personnel providing the Management Services from time to time without notice or consent of the OWNER, provided that such changes are reasonable and in connection with the safe operation of the pool. There will be no reduction in compensation should CONTRACTOR decide to reduce the number of personnel providing services.



K. Personnel not performing to the standards of the association will be replaced by the CONTRACTOR within 48 hours of receipt of written request of the Executive Board or their appointed designee.

PART EIGHT - CLOSING OF POOL / FACILITY

In the event of an emergency or inclement weather situation either the OWNER or the CONTRACTOR may close the pool. Inclement weather shall refer to prolonged rain, thunderstorms, lightening, temperatures of 69 degrees or lower, or any other condition beyond the control of CONTRACTOR. Emergencies shall include, but not be limited to any condition that poses danger and/or an imminent threat, or otherwise possess a condition beyond CONTRACTOR'S control. This temporary shutdown will not affect the contract nor will there be a need to adjust any payments. Should the pool facility close down for (10) ten consecutive days or more, the CONTRACTOR will refund (50%) of the daily costs associated with running the pool facility beginning on the eleventh day of closure. Daily operating cost shall be the sole remedy as it may pertain to closure. Daly cost shall be defined as 1% of the total amount specified under COMPENSATION TO CONTRACTOR.

CONTRACTOR will utilize all means available including but not limited to: Television, Radio, Internet and NOAA Weather Radio to assist our staff with inclement weather. CONTRACTOR reserves the right to suspend or close the swimming facility based on weather conditions.

CONTRACTOR utilized the Centers for Disease Control's (CDC) Fecal Accident Response guide for the handling of fecal accidents. These accidents are dealt with on a case by case basis and can result in the operation of the OWNER's facility being suspended for a period of two to twenty-four hours depending on the nature of the accident.

PART NINE - CLOSING OF POOL / WINTERIZATION

Upon completion of the season, the CONTRACTOR will close and winterize the pool facility and perform the following:

- A. Store all deck equipment.
- B. Lower pool water to an appropriate level if pool is covered.
- C. Shut off fresh water supply and drain all piping that can be drained.
- D. Add anti-freeze to toilet bowls and tanks, urinals and sink traps.
- E. Store: chlorinator, blankets, first aid equipment, test equipment, telephone and such related equipment.
- F. Remove and store all diving boards, ladders, furniture, lifeguard chairs, ropes and such equipment inside the bathhouse or in storage area.
- G. Inspect and lock facility. Inform Owner of closure. OWNER shall be responsible for:
 - a. Any Public Utility intervention or involvement necessary to shut off water supply
 - b. Heat tape application and the like for freshwater piping etc. that is not able to be drained

Owners Initials _____

Page 10 of 19



It is the CONTRACTORS intention to operate the filter system year round. Should that not be possible or should the OWNER direct otherwise, the CONTRACTOR will complete the following:

- A. Drain all wading pools if applicable
- B. Drain all pumps and hair lint strainers if applicable.
- C. Drain filters and associated pool plumbing where possible by opening valves and removing plugs.
- D. Drain all pool plumbing and filter plumbing as constructed if pool is to be winterized
 - a. CONTRACTOR shall not be responsible for water damage in instances of inadequate drainage capability in bathhouse and/or filter room.
 - b. CONTRACTOR shall notify OWNER should any modifications be needed to drain system
- E. CONTRACTOR shall not be held liable in any way for freeze damage of any and all underground piping.
- F. Skimmer, main drain, vacuum, and return lines are not drained (blown) for winter months.

Upon closing CONTRACTOR shall complete the following on a bi-weekly basis during the off season:

- A. Ensure proper water chemistry in accordance with industry standards
- B. Backwash filter system and ensure proper operation.
- C. Clean skimmer baskets.
- D. Blow deck area.
- E. Remove leaves and debris from pool.
- F. Inspect facility and report any areas of concern to the OWNER.

PART TEN – INSURANCE

A. LIABILITY INSURANCE

a. CONTRACTOR will maintain \$10,000,000 Public Liability Insurance to cover personal injury, loss of life, and/or property damage due to the negligence of the CONTRACTOR, agents or employees which may be sustained by any member or guest of the pool, within the area managed by the CONTRACTOR during the contracted hours. This insurance shall be from a company of national reputation rated B+ or better by the most recent "Bests Key Rating Guide".

Page **11** of **19**



- b. CONTRACTOR shall not be held liable or responsible for any injury and/or damage sustained by any person as a result of pool use at dates and times other than expressly provided herein.
- c. CONTRACTOR shall not be held liable for any damages resulting from faulty equipment, mechanical failure, weather, flooding, hydrostatic conditions, or defective workmanship.
- d. OWNER agrees to indemnify and hold CONTRACTOR harmless for any damages, losses, or expenses arising from the use, maintenance, or operation of the property or equipment by the OWNER or its employees, guests, trespassers and/or contractors.
- e. If CONTRACTOR'S Liability insurance costs increase after the date of this proposal, the compensation to the CONTRACTOR will be increased by amount equal to increase respective to OWNER'S pool. Said increase shall be payable 30 days from presentment of the documented increase.

PART ELEVEN – DELINQUINCIES

OWNER agrees and understands that CONTRACTOR incurs extensive costs associated with the performance and maintenance of this contract. It is therefore agreed and understood that:

- A. Any payment, which shall remain outstanding in excess of thirty (30) days shall accrue interest on the full outstanding balance, from the date such was first due, at the rate of one and one half percent (1.5%) per month.
- B. A notice of delinquency will be sent to the OWNER for any amounts delinquent beyond thirty (30) days. The notice shall request immediate payment of the delinquent balance. The notice shall also state that the OWNER will be responsible for all costs of collection, attorney's fees, administrative fees and interest charges on all delinquent amounts.
- C. Unless otherwise specifically agreed in writing by the CONTRACTOR, partial payments will be applied in the order first to last as follows: (1) attorney's fees, (2) collection costs, (3) interest charges, (4) administrative fees, (5) principal arrearage, (6) current principal due.
- D. This policy is intended as a guideline for the CONTRACTOR to facilitate its collection efforts. Failure of the CONTRACTOR to strictly adhere to the provisions herein shall not be deemed a waiver or abandonment of its right to collect principal arrearage, attorney's fees, collection costs, interest charges, administrative fees and current principal due.
- E. CONTRACTOR reserves the right to disrupt and/or terminate service during any period in which OWNER has a balance that is beyond forty-five (45) days past due.

PART TWELVE – UTILITIES

Owners Initials _____

Page **12** of **19**



- A. OWNER shall provide electricity, gas, and water & sewer for the operation of the pool. OWNER shall be responsible for all charges for the utilities.
- B. OWNER shall provide local telephone service as required by local health department

PART THIRTEEN – DEFAULT

In addition to any other remedies available to CONTRACTOR at law or hereunder, if OWNER defaults in the performance of any term or condition hereof, or does or permits anything to be done contrary to any term or condition hereof, and such default continued uncured for a period of ten (10) days following written notice of such event from the CONTRACTOR, then, CONTRACTOR may terminate this agreement.

PART FOURTEEN – RIGHT TO TERMINATE

In the event the OWNER fails to pay any sums due to the CONTRACTOR within the terms of this agreement, CONTRACTOR may terminate or temporarily suspend service immediately upon written notice to OWNER or AGENT. Otherwise, CONTRACTOR may cancel without cause upon (30) thirty days written notice to the OWNER. Such notice shall be given by Certified Mail, Return Receipt Requested.

PART FIFTEEN – EXTENSION OF OPERATING SCHEDULE

Should the OWNER request to operate the pool beyond the aforementioned dates and times specified within this agreement, then the CONTRACTOR shall, at its option, provide such services at a cost of 1% per day based on the total contract amount. Should the OWNER request that the pool remain open on weekends only, then an additional .5% shall be assessed to provide for mid-week maintenance.

PART SIXTEEN – BINDING EFFECT

This agreement shall be binding upon and inure to the benefit of the Partnership and the Company and their respective successors and assigns

PART SEVENTEEN – AMENDMENTS

Page **13** of **19**



This Agreement may not be changed or modified except in a writing signed by both of the parties hereto.

PART EIGHTEEN – GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with, the laws of the State by which the pool is located, as is specified in Pool Management Agreement, without regard to any conflict of law provisions

PART NINETEEN – RELATIONSHIP OF PARTIES

The CONTRACTOR shall for the purposes of this agreement and the Management Services provided hereunder is an independent contractor and not an employee partner, co-owner or joint venture of OWNER.

PART TWENTY – MISCELLANEOUS

- A. CONTRACTOR shall reserve the right to void this proposal if not signed and returned by OWNER within forty-five (45) days after the date specified in Exhibit A of this agreement.
- B. Contractor shall not be held liable for mold, growth of mold, or effects of mold growth, directly or indirectly, at or within any area or building included as part of, or adjacent to, the OWNER'S property described, addressed, and/or named in Part A of this agreement.
- C. Should the average gas price in North Carolina exceed \$4.00/gallon, CONTRACTOR reserves the right to include a fuel surcharge with each invoice. That surcharge shall not exceed 5.00% of invoice total.

Owners Initials _____

Page 14 of 19



D. This contract shall automatically renew for the following season at the current contract price plus a maximum 5% increase unless OWNER notifies CONTRACTOR in writing thirty (30) days prior to October 1. All provisions and terms shall remain in full effect. Opening and closing dates shall adjust accordingly in relation to Memorial Day and Labor Day.

PART TWENTY-ONE – TIME OF ESSENCE

A. Time is of the essence of this agreement.

PART TWENTY-TWO – ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties and there are no verbal agreements or representations in connection herewith. If any part of this agreement is found invalid, the remainder of the agreement will remain valid and enforceable.

IN WITNESS WHEREOF, the Owner or the Owner's Agent, and the Contractor have executed this Agreement and affixed their seals thereto as of the date set forth in the first page of this Agreement.

Contract Execution

OWNER/AGENT:

CONTRACTOR:

Owners Initials _____

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Property:	Trident Pool Group
Ву:	Ву:
Name:	Name: Bridget Sprinkle, VP

~ END OF CONTRACT ~



2023 Operating Schedule and Lifeguard Coverage ADDENDUM 1

Dates and Hours of Operation

Week Beginning	Sun	Mon	Tues	Weds	Thurs	Fri	Sat
5/21/2023	Closed	Closed	Closed	Closed	Closed	Closed	10am-7pm
5/28/2023	10am-7pm	10am-7pm	Closed	Closed	Closed	Closed	10am-7pm
6/4/2023	10am-7pm	Closed	Closed	Closed	Closed	Closed	10am-7pm
6/11/2023	10am-7pm						
6/18/2023	10am-7pm						
6/25/2023	10am-7pm						
7/2/2023	10am-7pm						
7/9/2023	10am-7pm						
7/16/2023	10am-7pm						
7/23/2023	10am-7pm						
7/30/2023	10am-7pm						
8/6/2023	10am-7pm						
8/13/2023	10am-7pm						
8/20/2023	10am-7pm						
8/27/2023	10am-7pm	Closed	Closed	Closed	Closed	Closed	10am-7pm
9/3/2023	10am-7pm	10am-7pm	Closed	Closed	Closed	Closed	Closed



2023 Operating Schedule and Lifeguard Coverage ADDENDUM 1

Staffing Requirements

One guard on staff from 9:00 am-10:00 am for daily to set up pool for opening

<u>Weekdays</u>

Three guards open to close. One additional guard 10am - 4pm

Weekends

Three guards open to close. One additional guard from 11am -5pm

Memorial Day, July 4th, Labor Day

Four guards open to close

School day hours and cost could vary based on the school calendar Owners Initials _____ Page 18 of 19



2023 PAYMENT SCHEDULE ADDENDUM 2

Payment Due Date	Percentage	Amount Due
February 1	10%	\$8,218.60
April 1	5%	\$4,109.30
May 1	20%	\$16,437.20
June 1	20%	\$16,437.20
July 1	20%	\$16,437.20
August 1	20%	\$16,437.20
September 1	5%	\$4,109.30
Contract Total	100%	\$82,186.00

Owners Initials _____

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Budget Revision/Amendment Request

Date	: 3/6/2023			Amoun	t: 14,000.00		
Dept. Head	: Londa Stro	ng		Department	t: ALP		
🗌 Interna	l Transfer Wi	thin Department	Transfer Between Department	s/Funds		.√ Sup	plemental Request
			SP Pool Contract for Camp Spencer Pool Season. The i sed increase is a change in times and days the pool wi				rice based on costs for
Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	8140-9445-CSP	Purchaseds Services -Camp Spencer Pool	\$65,842.00	\$14,000		79,842.00
001	9	1910-9660	BOC Contingency	\$1,721,391.40		\$14,000	1,707,391.40
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
L		1				Total	0.00
_						~ · ·	

Budget Officer	County Manager	Board of Commissioners	
Approved	Approved	Approved	
Denied		Denied Denied	
Signature	Sianature	Signature	
Date	Date	Date	

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

BOC - Appointments to Boards and Committees

BRIEF SUMMARY:

The following appointment to Boards and Committees are recommended for March:

Appointments - Adult Care Home Community Advisory Committee

Adult Care Home Community Advisory Committee member Helen McInnis' term ended February 28, 2023. She would like to serve another term and is recommended for reappointment by the Regional Ombudsman. Ms. McInnis also serves on the Board of Equalization and Review and Home and Community Care Block Grant Committee. An exception to the service on multiple boards provision of the Appointment Policy will be needed for her.

Representative recommendation is Helen McInnis.

Appointments - Firemen's Relief Fund Trustees

Georgeville Volunteer Fire Department has submitted the following individual for a new appointment to complete the unexpired term of Kelly Whitley as a Firemen's Relief Fund Trustee*

<u>Volunteer</u> <u>Department</u> Jeff Page Georgeville

*This appointment is exempt from the County Appointment Policy.

This recommendation was submitted by the Georgeville Volunteer Fire Department.

Representative recommendation is Jeff Page.

Appointment and Removal - Juvenile Crime Prevention Council (JCPC)

David Wall has resigned from his position on the Juvenile Crime Prevention Council as the Chief Court Counselor. It is requested to appoint NC DPS Area Administrator Emily Coltrane to complete the unexpired term. An exception to the residency provision of the Appointment Policy will be needed for her.

Representative recommendation is Emily Coltrane.

Appointment and Removal - Cabarrus County Tourism Authority

Alan Benson, At-large Hotelier Seat #7 representative, resigned from his position at The Embassy Suites Concord.

Devante' Watkins has submitted an application and is qualified and recommended to fill the unexpired term.

Representative recommendation is Devante' Watkins.

<u>Appointments (Removals) - Early Childhood Task Force Advisory Board</u> Early Childhood Task Force Advisory Board member Justina Clemons has resigned from the committee due to her work schedule. It is requested to remove her name from the roster.

<u>Appointments (Removals) - Nursing Home Community Advisory Committee</u> Nursing Home Community Advisory Committee member Karen Thompson has resigned from her position on the Committee. It is requested to remove her name from the roster. Ms. Thompson has served on this committee since 2009.

The Regional Ombudsman is requesting Evelyn Miller be removed from the Committee due to inactivity.

REQUESTED ACTION:

Provide information.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY: Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

County Manager - Allocation of Bottle Tax for Rehabilitation

BRIEF SUMMARY:

North Carolina General Statute 18B-805 requires ABC funds distributed to the County for rehabilitation to be used for the treatment of alcoholism or substance abuse or for research or education on alcohol or substance abuse. The County expects to receive around \$82,000 this fiscal year. The Board of Commissioners is required by statute to specify how funds are used.

REQUESTED ACTION:

Motion to approve transferring ABC rehabilitation funds to Partners Health Management for use toward ______ services.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Rodney Harris, Deputy County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

County Manager - Cabarrus Rowan Community Health Center Funding Request

BRIEF SUMMARY:

The Cabarrus Rowan Community Health Center has requested consideration for American Rescue Plan funds. Chief Executive Officer Don Holloman will present their funding request.

REQUESTED ACTION:

Receive input and give guidance to staff.

EXPECTED LENGTH OF PRESENTATION:

15 Minutes

SUBMITTED BY:

Don Holloman, Chief Executive Officer, Cabarrus Rowan Community Health Center

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

CRCHC NC Safety Net Proposal Summary

PROJECT PROPOSAL

Project Title: Cabarrus County Safety Net Services Funder: Cabarrus County via County Commissioners Proposing Organization: Cabarrus Rowan Community Health Centers, Inc. Address: 202D McGill Avenue NW, Concord, NC 28025-4615 Project Director Name: Don Holloman, Chief Executive Officer Phone Numbers - Voice: (704) 792-2203 Fax: (704) 792-2272 E-Mail Address: DHolloman@crchc.org Web Site www.crchc.org Types of Services to Be Proposed Medical, Behavioral, Oral Health, and Special Population Health Services for uninsured residents of Cabarrus County Target Start Date: July 1, 2023 Target Location: Cabarrus County Funding Request: \$500,000.00

Organization/Community/Target Population: Founded as a non-profit, federally qualified community health center in 2006, Cabarrus Rowan Community Health Centers, Inc (CRCHC) provides comprehensive primary and preventive health care to the residents of Cabarrus and Rowan counties, North Carolina. The health center's eight service delivery sites include Logan Family Medicine, Mobile Services and McGill Family Medicine in Cabarrus County, and China Grove Family Medicine Salisbury Health Center, Patterson Farms Migrant Clinic, Rowan Helping Ministries Homeless Clinic, and Northern Rowan Family Medicine in Rowan County. Services provided either directly or by referral include primary care, COVID Testing, COVID Vaccines, diagnostic labs and x-ray, screenings, emergency and after-hours coverage, voluntary family planning, immunizations, well child care, gynecology, prenatal care, labor and delivery, postpartum care, preventive dental, pharmaceutical services, case management, eligibility assistance, health education, outreach, transportation, translation, additional dental, mental health services, substance use disorder (SUD) services, nutrition, and psychiatry

In 2022, CRCHC served 15,314 patients with 52,323 medical, dental, and behavioral health encounters. In addition to providing over \$3,200,000 in uncompensated care to the underserved and uninsured residents of Cabarrus and Rowan County, which averaged roughly \$320 per uninsured users encounter last year. Along with providing over 25,000 COVID Rapid Tests and over 5,000 COVID vaccines to the community we serve. CRCHC provides comprehensive, high-quality primary health care regardless of ability to pay. We provide health care to all members of our community, including low income, indigent, and uninsured patients who may not otherwise be able to afford health care via traditional sources. All programs and services target high-need populations including those with low-incomes, the uninsured, Medicaid and Medicare enrollees, refugees, the elderly, and children. In 2022, over 70% of the patients served by CRCHC lived below 200% of the Federal Poverty Guidelines and the cost of care to each patient was \$750.00 per user along with \$250.00 per patient encounter.

Background: A lack of local providers also presents a barrier to care. Access to primary health care results in better health outcomes, reduced health disparities, and lower health care costs. The ratio of population to one FTE primary care physician is 1,024,000:1, far exceeding the state and national rates of 1,420:1 and 638:1, respectively (Health Professional Shortage Area Data, HRSA, 2021; America's Health Rankings, United Health Foundation, 2021). The medically indigent population of Rowan County is certified as a Health Professional Shortage Area (HPSA) for primary care and mental health care. The low-income population of Rowan County is designated as a HPSA for dental health. Rowan County is also designated as a Medically Underserved Area (MUA). The MUA is located within the ZCTA-defined service area (Find Shortage Areas, HRSA 2021).

Lack of insurance poses a significant barrier to care for many residents. Of all service area residents, 12.7% are uninsured, exceeding the state rate of 12.1%. Among all those with incomes under 200% FPG, 19.5% are uninsured, more than the national percentage of 18.4%. Nearly one in four (24.2%) of service area residents are enrolled in Medicaid, exceeding the state (18.2%) and national (19.6%) percentages. Nearly a fifth of residents (18.5%) are enrolled in Medicare, compared to 17.6% in the state and 16.6% in the US (American Community Survey, Census Bureau, 2017-2021). Nearly half (46%) of uninsured adults in the US cite the high cost of insurance as the main reason they lack coverage. Studies repeatedly demonstrate that the uninsured are less likely than those with insurance to receive preventive

care and services for major health conditions and chronic diseases. More than one-half (52.9%) of CRCHC patients were uninsured in 2018 (UDS).

Poor health outcomes and lack of access to care affect many in the CRCHC service area, where the overall mortality rate is 953.2 (all mortality rates are age-adjusted per 100,000 population unless otherwise noted). This rate is significantly higher than the overall mortality rates for North Carolina (782.3) and the nation (730.0). CRCHC has adopted nationally recognized clinical guidelines and provides culturally competent written and verbal health education to assist patients in preventing and managing cardiovascular disease. Providers work with patients to create self-management goals and self-monitor their blood pressure between appointments. The importance of medication adherence and lifestyle modifications to improve blood pressure are addressed at every hypertension follow-up appointment.

Access to health care is further restricted for those with low incomes. In the service area, 45.4% of service area residents, an estimated 25,707 individuals of the total 57,568 residents, live with incomes below 200% FPG. Further, 19.3% of residents live with incomes below incomes below 100% of FPG. (American Community Survey, US Census Bureau, 2013-2017). Of all CRCHC patients with known incomes in 2018, 72.3% had income below 200% FPG and therefore qualified for sliding fee discounts, while 51.6% had income below 100% FPG (UDS).

Target Population: This safety net proposal will provide primary care, behavioral health, case management, mobile unit, and dental services to uninsured Cabarrus County residents aged 19-64. This program focuses on individuals who are uninsured, low-income, and disproportionately poor. In many communities, these patients are a member of a racial, ethnic or cultural minority population, challenged with barriers to health access in association with transportation, health literacy, distance, or geographic location. These factors can contribute to delayed care or lack of preventive care, resulting in unmet health needs that ultimately contribute to health disparities unique to the medically underserved uninsured.

CRCHC anticipates serving an additional 2,000 current patients with medical, dental, and behavioral services, and 500 new patients to the health center. The funding will provide expansion of a full range of primary medical care services for the target population. These services include assessment, diagnosis, screening, education, and treatment; referrals; and follow-up of such services. General primary medical, dental and behavioral health care services are comprehensive and address prevention as well as acute and chronic conditions, in addition to COVID testing and vaccine services.

This project represents a significant expansion of care in the service area, where very few resources are available for oral health care, especially for the low-income population. The new dental patients will not only have access to the services at CRCHC sites, but also will benefit from the array of services available at CRCHC, including behavioral health, lab services, oral health, pediatric care, and other enabling services.

Request: CRCHC is requesting funding from the Cabarrus County of Commissioners in the amount of \$500,000.00 to help meet the safety net need of primary care services in Cabarrus County. This funding will help us close the gap of access to care for medically underserved patients by 2,000 residents annually, who would otherwise forgo care. This funding would allow CRCHC to continue increasing much needed access to care within Cabarrus County.

Thank you for the opportunity to serve,

Don Holloman, M. Ed, CHCEF Chief Executive Officer Cabarrus Rowan Community Health Centers, Inc.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

County Manager - Supplemental Agreement for Additional Opioid Funds

BRIEF SUMMARY:

The purpose of this Supplemental Agreement for Additional Funds ("SAAF") is to direct additional funds from additional settlements of the opioid litigation to the state of North Carolina and local governments in a manner consistent with the initial Memorandum of Agreement ("MOA") between the State of North Carolina and Local Governments on proceeds relating to the settlement of the opioid litigation that has governed the distribution of opioid settlement funds to the State and its Local Governments since May 2022.

This SAAF does not change the scope or meaning of the MOA with respect to Opioid Settlement Funds governed by the MOA. Rather, it governs additional funds from settlements with Defendants Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors.

REQUESTED ACTION:

Motion to approve resolution authorizing the County Manager to execute any required agreements to approve receipt of additional Opioid funds.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Mike Downs, County Manager Rich Koch, County Attorney

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

B Resolution

RESOLUTION BY THE COUNTY OF CABARRUS AUTHORIZING EXECUTION OF OPIOID SETTLEMENTS AND APPROVING THE SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION

WHEREAS, the opioid overdose epidemic had taken the lives of more than 32,000 North Carolinians (2000-2021);

WHEREAS, the COVID-19 pandemic has compounded the opioid overdose crisis, increasing levels of drug misuse, addiction, and overdose death; and

WHEREAS, the Centers for Disease Control and Prevention estimates the total economic burden of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, Cabarrus County, along with several counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct; and

WHEREAS, settlements have been reached in litigation against Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors named in these Settlements; and

WHEREAS, representatives of local North Carolina governments, the North Carolina Association of County Commissioners, and the North Carolina Department of Justice have negotiated and prepared a Supplemental Agreement for Additional Funds (SAAF) to provide for the equitable distribution of the proceeds of these settlements; and

WHEREAS, by joining the settlements and approving the SAAF, the state and local governments maximize North Carolina's share of opioid settlement funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible; and

WHEREAS, it is advantageous to all North Carolinians for local governments, including Cabarrus County and its residents, to sign onto the settlements and SAAF and demonstrate solidarity in response to the opioid overdose crisis, and to maximize the share of opioid settlement funds received both in the state and Cabarrus County to help abate the harm; and

WHEREAS, the SAAF directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis; **NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Cabarrus County hereby authorizes the County Manager or County Attorney to execute all documents necessary to enter into opioid settlement agreements with Walmart, Walgreens, CVS, Allergan, and Teva, to execute the SAAF, and to provide such documents to Rubris, the Implementation Administrator.

Adopted this the 20th day of March, 2023.

Stephen M. Morris, Chair Cabarrus County Board of Commissioners

ATTEST:

Lauren Linker, Clerk to the Board

SEAL

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

CVB - MONDO Track Change Order

BRIEF SUMMARY:

Cabarrus County Schools are requesting additional work to be done regarding the construction of the Mondo Track at Jay M Robinson High School. The additional items and listed below. These additional items would increase the quote to \$1,545,275. The additions exceed the \$1,500,000 originally approved by both the Cabarrus County Tourism Authority Board and the Cabarrus Board of Commissioners.

The Cabarrus County Tourism Authority Board approved an additional \$50,000 to the original Budget Amendment to cover the additional expense. The new Budget is now \$1,550,000.

- Demolition of existing Long Jump/Triple Jump runway & sandpit-In order to effectively run these events as a top level facility, individual runway's are required so as to not have to share the runway's. We requested they relocate the LJ/TJ runways into the existing D-zone space and create two new jump pits
- 2. Excavation of new steeple chase location-In an effort to not impact the high jump area, we requested to have the SC relocated to the outside edge of the track. This requires additional grading and asphalt work to accommodate the event.
- 3. Installation of new Pole Vault (PV) runway and landing sector-Because of relocating the SC to the outside edge of the track, we began getting very close to the PV runway and event space. By not having to share this space with LJ/TJ, we are able to relocate this event further away which will provide a much safer event space for both SC and PV.
- 4. Shotput landing sector-This was not included as a part of the original scope and the area

where this will be held needs to be upgraded in order to provide a premium grade event space and optimal meet management.

- 5. Exterior concrete curb at track-Track surfaces need stabilization for the asphalt course on the inside and outside. This helps to maintain the integrity of the asphalt as well as giving a well defined finish for both asphalt and Mondo Surfacing.
- 6. 1% TIPS Fee- The Interlocal Purchasing System (TIPS) allows a public entity to enter into contract with a designated firm or company with out having to adhere to the public bidding requirements. TIPS is a national purchasing cooperative that offers access to competitively procured purchasing contracts to its members. Geosurfaces Global Synthetics Environmental LLC is a member TIPS. Their active contract is 20020501.

REQUESTED ACTION:

Motion to approve utilizing an additional \$50,000 from Cabarrus County Tourism Authority as a pass through to accommodate scope changes at the Mondo Track construction project at Jay M. Robinson High School; and adopt the project ordinance and budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Rodney Harris, Deputy County Manager

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- Budget Amendment
- Budget Ordinance FD 390
- Mondo Track Quote

Budget Revision/Amendment Request

Date:	3	/20	/2023
Date.		120	12023

Department: FUND 390 - School Capital Projects

 \checkmark

Amount: 50,000.00

Internal Transfer Within Department

Dept. Head: Rodney Harris (prepared by James Howden)

Transfer Between Departments/Funds

Supplemental Request

This budget amendment is for a change order related to the construction of the Mondo track surface at JM Robinson High School funded by reimbursement from the Cabarrus County Convention and Visitors Bureau. The CVB has requested an increase of \$50,000, funded by the CVB as a pass through, through the County to Cabarrus County School System.

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
390	6	7210-6923-MONDO	Proceeds from CVB	1,500,000.00	50,000.00		1,550,000.00
390	9	7210-9830-MONDO	Other Improvements	1,500,000.00	50,000.00		1,550,000.00
Budget Officer			County Manager		Board of	f Commission	ers

Approved Denied

Approved

Denied

Signature

Approved

Denied

Date

Signature

Nato

Signature

Date

CABARRUS COUNTY SCHOOL CAPITAL PROJECTS BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of Cabarrus County, North Carolina that, Pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section I.

- A. The project authorized is for the construction and renovations of School Facilities. Details of the project are listed in section C. of this Project Ordinance.
- B. The officers of this unit are hereby directed to proceed with this capital project within the terms of the Generally Accepted Accounting Principles (GAAP) and the budget contained herein.

It is estimated that the following revenues will be available to complete capital projects as listed.

Contribution from General Fund/CIF	\$ 33,925,319
Contribution from Capital Projects Fund	9,522,511
Debt Proceeds 2020 Draw Note	46,620,222
Debt Proceeds 2022 Draw Note	55,711,930
Debt Proceeds 2024 Draw Note	6,081,750
Contribution from Capital Reserve Fund	1,662,314
Contribution from Convention & Visitors Bureau	1,550,000
NC Department of Transportation	1,950,000

TOTAL REVENUES

\$157,024,046

C. The following appropriations are made as listed.

CCS Mobile Unit Renovation	\$ 3,300,000
Concord High Fire Alarm Replacement	89,314
Northwest High Fire Alarm Replacement	89,314
JM Robinson Renovation	81,195
R. Brown McAllister Replacement	48,356,750
Roberta Road Middle School	56,604,300
CCS New High School	9,508,821
CCS Southeast High School – Land purchase	1,816,320
Kannapolis Middle School	138,897
AL Brown Football Stadium ADA/Drainage	228,000
AL Brown Roof Replacement	190,000
RCCC Building 1000 Boiler	62,780
RCCC Building 2000 Roof Replacement	154,500
RCCC CBTC HVAC	244,291

Contribution to Capital Reserve	5,001,114
Early College Mobile Units	2,337,000
Mondo Track – JM Robinson High School	1,550,000
Deferred Maintenance Cabarrus County Schools	19,663,416
Deferred Maintenance Kannapolis City School	4,140,034
Deferred Maintenance Rowan Cabarrus Community College	3,468,000

TOTAL EXPENDITURES

\$157,024,046

GRAND TOTAL - REVENUES\$157,024,046GRAND TOTAL - EXPENDITURES\$157,024,046

Section II.

- A. Special appropriations to non-profit organizations shall be distributed after the execution of an agreement which ensures that all County funds are used for statutorily permissible public purposes.
- B. The County Manager or designee is hereby authorized to transfer appropriations within or between funds, or modify revenue and expenditure projections as contained herein under the following conditions:
 - 1. The Manager may transfer amounts between objects of expenditure and revenues within a function without limitation.
 - 2. The County Manager may transfer amounts up to \$500,000 between functions of the same fund.
 - 3. The County Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.
 - 4. The County Manager is authorized to transfer funds from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvement Plan for the current fiscal year.
 - 5. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the Manager or designee may adjust budgets to match, including grants that require a County match for which funds are available.
 - 6. The Manager or designee may adjust debt financing from estimated projections to actual funds received.
 - 7. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.

- 8. The County Manager may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
- 9. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
- 10. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
- 11. The County Manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly.

Section III.

This ordinance and the budget documents shall be the basis of the financial plan for the County of Cabarrus.

- a. The Finance Director is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of the law.
- b. The Finance Director is directed to report, at the request of the Board, on the financial status of each project element in Section I and on the total revenues received or claimed.
- c. Copies of this capital project ordinance shall be furnished to the Clerk to the governing Board, and to the Finance Director for direction in carrying out this project.
- d. At the completion of a construction project, all unrestricted excess funds are transferred to the General Fund, Community Investment Fund or other Capital Project Fund and the portion of the Capital Project associated with the project is closed.

Adopted this 20th Day of March 2023.

CABARRUS COUNTY BOARD OF COMMISSIONERS

BY:

Stephen M. Morris, Chairman

ATTEST:

Clerk to the Board







 Date:
 June 29, 2022 (revised 2.2.2023, 2.22.23)

 RE:
 Synthetic Track Surface

 Quote:
 2206-014-R2

The following is a budget proposal by GeoSurfaces Southeast to supply and install synthetic track surface at J.M. Robinson High School located at 300 Pitts School Rd. SW, Concord, NC. Upon acceptance of this proposal, GeoSurfaces Southeast will provide all materials, equipment and labor as outlined below. The scope of this proposal includes the following:

Track Scope of Work

Track Construction:

- Demolish and remove existing LJ/TJ runway/sandpit and PV runway/landing area outside of track oval.
- Track Paving
 - Mill 3" of existing track asphalt down to existing sub-base.
 - Note: If track depth is greater than 3", additional costs will be required
 - Excavate new steeple chase area and install 6" stone base.
 - Fine grade track using laser guided motor grader and compact sub-base.
 - Test roll and install 1.5" asphalt base course and 1.5" asphalt finish course.
- Supply & install Steeple Chase Water Jump Pit, Cover, and Hurdles
- Supply & install two LJ/TJ Sand Pits within D-Zone.
- Supply & install PV box, runway, and landing sector outside track oval.
 - Note: runway to receive mondo surface, landing area will not
- Supply & install Discus/Hammer combination pad and cage at practice field.
- Supply & install Javelin Runway at practice field.
- Supply & install shotput landing sector at practice field.
- Supply & install exterior concrete curb around track perimeter.

Track Surface:

- Pre Manufactured Mondo Track System, standard colors
 - Impermeable
 - Available inlaid logos
 - Highest performance
 - Most durable
 - Used in Olympics
 Mondo IAAE certified
 - Mondo IAAF certified system
 Available in multiple thickness
 - 13.5 mm Mondo Super X 720

Track Detail:

- 400 Meter
- Equal Quadrant Design
- 8 (42") Lanes with 6" of surface outside last lane and inside first lane
- 2 Chute(s)
- 1 D-Zone
- 2 Long/Triple Jump Runways within D-Zone
- 1 Steeple Chase
- 1 Pole Vault Runway (Not Including Landing Area)
- No Raised Curb
- Measure Line Radius 104.43 LF

Scope of Work:

- Submittals and samples provided for selecting materials
- Aid in design and planning
- Inspect asphalt and identify deficiencies. Track to be flooded by others
- Verify track length
- Engineered calculations for events and line markings
- Surveying for surface and striping installation
- CAD and rendering work
- Line markings and events by experienced striping specialist

Notes:

• Pricing includes 1% TIPS Fee.

- Due to rising inflation, pricing is only good for 14 days from the latest quoted date.
- Surfacing install requires minimum temperature of 50°F in a 24hr cycle

GeoSurfaces Southeast, Inc. 150 River Park Road Mooresville, NC 28117

(P) 704.660.3000 (F) 704.660.3001

Price \$ 1,545,275.00

- The temperature during actual installation must be at a minimum of 55°F
- Line marking requires minimum temperature of 50°F and rising for successful application
- No installation can occur in wet conditions
- GeoSurfaces Southeast is not liable for any costs or delays incurred if the installation is delayed due to unsuitable climatic conditions
- GeoSurfaces Southeast requires flexibility of access to execute the installation; the site should be available 12 hours per day, 7 days per week

Exclusions:

- All demolition, site preparation, investigation and/or testing other than as indicated in scope of work above
- Location, identifying, marking and adjustment of utilities above or below ground
- Civil work associated with track construction other than as indicated above
- Supply and/or installation of any athletic equipment, in-ground or loose other than as indicated above
- Supply and/or installation of reducer strips, if required, at edge of track surface
- Striping and surveying of game lines or painting of artwork, names or logos other than as indicated above
- Execution and/or costs of surveys, inspections, testing and all other requirements for an IAAF Class I track certification
- Renovation, replacement or repair of turf infield area damaged by others
- Landscaping of adjacent or periphery areas damaged by others during operations
- Any relocation of irrigation or other hidden services or utilities uncovered during construction
- Repair of damage by others to utilities and/or access roads/paths
- Structural / civil / geotechnical investigation and design /engineering
- All sales, use, excise and/or other taxes, fees and/or duties that may become payable other than as an addition to the proposal amount
- All bonds and/or bond costs other than as an addition to the proposal amount
- Costs and provision of any permits and/or licences required for the renovation/building program
- Union labor rates, prevailing wage rates or costs of other restrictive work conditions
- Securing and insurance of surfacing materials once delivered to site
- Initial cleaning of surface
- Other work not specifically listed as being included above

Assumptions:

- Acceptance of the base and/or asphalt by GeoSurfaces Southeast does not include or imply verification of the structural
 suitability or stability of the same. Potential for later or future settlement, heaving or other movement of the base and/or other
 installation/construction is not precluded by GeoSurfaces Southeast's acceptance of the base and/or installation as suitable
 for installation of the surface. GeoSurfaces Southeast reserves the right of refusal if it is evident the base is not in compliance
 with rules of the sport, project specifications and GeoSurfaces Southeast's guidelines
- Certification of the event markings and striping will be, per accepted industry standard, by members of the team calculating
 and applying the markings. GeoSurfaces Southeast supports the definition of certification as promulgated by ASBA. If the
 client or others require independent or third-party professionals to double-check the certification, it will be at their own cost
 and no allowance for such cost is included in this proposal
- There will be clear access to site, provided at no cost, and passable by an industrial fork lift with sufficient space for a 48' container vehicle to enter and be unloaded
- The track and adjacent areas will be clean and clear of obstacles or dirt to ensure the asphalt base remains clean during the installation process

Optional Services:

- Other options specific to track construction are as follows:
 - Site Grading
 - Base Construction
 - Drainage Systems
 - Event Equipment
 - Maintenance Programs
 - Certifications (Including IAAF Class 1)

Considering the current situation surrounding the Coronavirus, as well as the known and unknown ramifications of this event, we are unable to make any guarantee of delivery or receipt of products and services. We will make efforts that would have been considered reasonable in 2019 to deliver or purchase your goods at the noted time and place. However, we reserve the right to defer or terminate this agreement if our usual supply chain is further disrupted, our usual transportation resources are interrupted, we suffer a labor shortage, there is government or other action that impacts us, operation of our facility where your goods were to be delivered or manufactured becomes difficult or uneconomical as determined by us in our sole discretion, continued adherence to this agreement or purchase order becomes difficult or uneconomical as we determine in our sole discretion, or any other event occurs that, considering the state of affairs in December, 2019, would constitute a Force Majeure event or would make compliance with the agreement uneconomical or unfeasible.

Thank you for allowing GeoSurfaces Southeast the opportunity to provide you with this proposal for your project. GeoSurfaces Southeast specializes in solutions for athletic facilities and surfacing while delivering extensive expertise, comprehensive project management and excellence in service to our customers. If you have any questions please don't hesitate to contact me.

Respectfully Submitted,

Todd Penley VP of Business Development

> GeoSurfaces Southeast, Inc. 150 River Park Road Mooresville, NC 28117 (P) 704.660.3000 (F) 704.660.3001 www.geosurfaces.com

704-200-8770 <u>t.penley@geosurfaces.com</u>

> GeoSurfaces Southeast, Inc. 150 River Park Road Mooresville, NC 28117 (P) 704.660.3000 (F) 704.660.3001 www.geosurfaces.com

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT: EMS - RACE CARS Grant Funds

BRIEF SUMMARY:

EMS was awarded the Randomized Cluster Evaluation of Cardiac Arrest Systems (RACE-CARS) trial grant in FY 2021. Grant funds have been received for meeting certain milestones during the RACE-CARS trial. Grant funds reimbursed and recognized as revenue to date covered administrative and payroll costs for engagement of first responder, first dispatch, community organization, hospital and intervention and review of 911 dispatch calls for Q&A purposes. This budget amendment is to recognize the portion of funds received that may be used to facilitate county trial activities as revenue and the corresponding expenditures. The activity is to conduct CPR training in the community.

This money will be used to purchase equipment and supplies to support training and educating the public in CPR and further support the RACE-CARS trial. To date, \$12,000 has been received as unearned revenue for the grant.

REQUESTED ACTION:

Motion to adopt the budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Justin Brines, EMS Deputy Chief

BUDGET AMENDMENT REQUIRED:

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- Budget Amendment PDF
- D Quote 1
- D Quote 2
- D Quote 3
- Race Cars Trail

Date: March 20, 2023

Internal Transfer Within Department

Amount: 12,000.00

Dept. Head: Justin Brines

Department: EMS

Supplemental Request

Х

EMS was awarded the Randomized Cluster Evaluation of Cardiac Arrest Systems (RACE-CARS) trial grant in FY 2021. Grant funds have been received for meeting certain milestones during the RACE-CARS trial. Grant funds reimbursed and recognized as revenue to date covered administrative and payroll costs for engagement of first responder, first dispatch, community organization ,hospital and intervention and review of 911 dispatch calls for Q&A purposes. This budget amendment is to recognize the portion of funds received that may be used to facilitate county trial activities as revenue and the corresponding expenditures. The activity is to conduct CPR training in the community.

Transfer Between Departments/Funds

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	2730-630801	RACE CARS Grant	-	12,000.00	-	12,000.00
001	9	2730-9635-RCARS	Education Programs - RACE CARS	-	12,000.00	-	12,000.00

Total 0.00

Board of Commissioners

Approved

Denied

Budget	Officer
--------	---------

County Manager

Approved

Denied

Approved

Denied

Signature

Date

Sianature

Signature

Date

Date

	Concord,	NC 280	27				Date	Estimate #
ime Solùtio	ade	86.776 gesclutions.co					2/14/2023	8298
Name / A				Ship To				
Cabarrus Cot Kara Clarke 31 Willowbro Concord, NC	ook Drive			Cabarrus C Kara Clark 31 Willow Concord, N	e brook Dr	ive		
P.O. No.	Terms	Due Date	Rep	FOB		Proje	ct	Other
CPR Grant Kara	Net 10	3/31/2023	KS					
Qty	Item		Descr	iption			Cost	Total
1	Eclipse	EZUP ECLI	PSE 10 x 10' Wh	ite Frame Alumin	um Tent		1,546.00	1,546.001
Print Front and Back - Peak and Valance Back Wall - English Eclipse Deluxe Roller Bag Accessories 4 Empty Weight Bags Accessories 4 Stakes 1 Freight Estimate 6FT Table Cover 6FT Table Cover - Matching EZUP 1 Color: Blue Full Color Front Panel		Back Wall - Deluxe Roll 4 Empty We 4 Stakes Freight Estin	Back Wall - 1 English Deluxe Roller Bag 4 Empty Weight Bags 4 Stakes				439.00 159.00 56.00 49.00 135.00	439.007 159.007 56.007 49.007 135.007
			277.00 20.00	277.00T 20.00T				
	63000 1700 1	Table Top P Printed Inser Freight	rize Wheel - 31" rts				395.00 98.00 75.00	395.001 98.001 75.001
1,000 1	3500 1700	Primary Car Setup	e Bandage Dispe	nser			0.75 55.00	750.001 55.001
	1				SL	ibtotal	I	
					Sa	les Tax	(6.75%)	
					Т	otal		
				Sign	ature			
Phone #	Fa	x #		E-mail			Web Sit	e
				azesolutions.com www.ksimazesolutions.com				



Estimate

Date	Estimate #
2/14/2023	8298

Name / Address Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027 Ship To Cabarnus Count Kara Clarke 31 Willowbrook Concord, NC 28

Ship To abarrus County EMS		
ara Clarke		
l Willowbrook Drive		
oncord, NC 28027		

P.O. No.	Terms	Due Date	Rep	FOB		Project		Other
CPR Grant Kara	Net 10	3/31/2023	KS					
Qty	ltem		Desc	ription		Cost		Total
1	1	Freight				10	0.00	100.00T
1,000	900D	Neon Sunglas	ses				1.15	1,150.00T
1	1700	Repeat Setup					5.00	25.00T
1	1	Freight				20	0.00	200.00T
1,500	CF06C	Cabarrus EMS	Ambulance 1	Magnet			0.65	975.00T
1	1700	Setup				3	5.00	35.00T
1	1	Freight					0.00	50.00T
250	080301		KLIXX Ø 32 LINK Minimum 150				2.49	622.50T
1	1700	Setup				5	5.00	55.00T
1	1	Freight				3	5.00	35.00T
1,000	12175	Ambulance St	ress Reliever				1.96	1,960.00T
1	1	Freight				15	0.00	150.00T
1	Postcards	4 x 6" Postcar Batch 2500	d			19	5.00	195.00T
					Sub	total		
					Sale	es Tax (6.7	5%)	
				ľ	Tot	tal		
				Signati	ure			

	Phone #	Fax #	E-mail	Web Site			
	704-786-7763	704-786-7764	kswayze@ksimagesolutions.com	www.ksimagesolutions.com			
Page 2							

	4464 Race	Solutions, LLG way Dr., Ste.	В		I	Estimate	
	Concord,	NC 2802	7		Date	Estimate #	
	ge www.ksima	agesolutions.com			2/14/2023	8298	🔀 Bound Tree
Name / A	ddress			Ship To			Quotation
Cabarrus Cou Kara Clarke 31 Willowbro Concord, NC	ook Drive			Cabarrus Coun Kara Clarke 31 Willowbrod Concord, NC 2	k Drive		Quotation#: 01/23/2023 Account Number: 106992-E SH IP001
							CABARRUS COUNTY EMS CABARRUS COUNTY EMS 31 WILLOWBROOK DR 31 WILLOWBROOK DR CONCORD, NC 28/0274242 CONCORD, NC 28/027
P.O. No.	Terms	Due Date	Rep	FOB	Project	Other	Ship Method: FEE < \$150 Payment Terms: NET 30
PR Grant Kara	Net 10	3/31/2023	KS				Contact Name
Qty	Item		Descri	ption	Cost	Total	Phone Number .
							Comments;
							Mark Tornstrom Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9878543211 mark.tornstrom@boundtree.com Sales tax will be applied to oustomers who are not exempt.
					Subtotal	\$9,636.50	Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9876543211 mark.tornstrom@boundtree.com
					Sales Tax (6.75%		Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9876543211 mark.tornstrom@boundtree.com Sales tax will be applied to oustomers who are not exempt. Shipping charges will be prepaid and added to the invoice unless otherwise stated. This quotetion is vaid until the quote expires or the manufacturer's price to Bound Tree Medical increases. To place an order, please visit our website at www.bound tree.com, login and add to your shopping cart or call (800) f53-0523
							Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9878543211 mark.tornstrom@boundtree.com Sales tax will be applied to customers who are not exempt. Shipping charges will be prepaid and added to the invoice unless otherwise stated. This quotation is valid until the quote expires or the manufacture's price to Bound Tree Medical increases. To place an order, please visit our website at www.boundtree.com, login and add to your shopping cart
				Signatu	Sales Tax (6.75% Total	•) \$650.46	Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9876543211 mark.tornstrom@boundtree.com Sales tax will be applied to oustomers who are not exempt. Shipping charges will be prepaid and added to the invoice unless otherwise stated. This quotetion is vaid until the quote expires or the manufacturer's price to Bound Tree Medical increases. To place an order, please visit our website at www.bound tree.com, login and add to your shopping cart or call (800) f53-0523
Phone #	Fa	ax#		 Signatu	Sales Tax (6.75% Total) \$650.46 \$10,286.96	Boundtree Account Manager Western North Carolina Phone: 980.225.2022 Fax: 9876543211 mark.tornstrom@boundtree.com Sales tax will be applied to customers who are not exempt. Shipping charges will be prepaid and added to the invoice unless otherwise stated. This quotation is vaid until the quote expires or the manufacturer's price to Bound Tree Medical increases. To place an order, please visit our website at www.bound tree.com, login and add to your shopping cart or call (800) 83-0523 fax (800) 257-5713

Page 1 of 1



Date: 24 January 2023

Memorandum For: Cabarrus County Emergency Medical Services

Memorandum From: Alan Thompson, Emergency Medical Services Director, Emergency Medical Science Chair

Subject: American Heart Association E-Cards for CPR Training

Rowan-Cabarrus Community College is an American Heart Association training center for basic and advanced life support training. The training center ID is NC05377. I serve as the training center director.

Rowan-Cabarrus Community College will provide bulk CPR cards in the amount of 450 at a cost of \$2.95 per card for a total cost of \$1327.50 to the Cabarrus County EMS E-card location for issuance to course completers. Cabarrus County EMS Captain Kara Clarke and Deputy Chief Justin Brines have been approved as E-card administrators.

Please contact me at 704/216-7141 or alan.thompson@rccc.edu with questions.

SINCERELY,

Alan Humpson

ALAN THOMPSON, NRP Emergency Medical Services Director Chair – Emergency Medical Science and Emergency Management

Account Inquiry [CABARRUS COUNTY - PROD]								
Account								
Fund	001	General Acct 001-00-00-6-2730-630801-						
Org	00162730	EMS	Acc	t name RACE-CARS	Grant		Account Notes	
Object	630801	RACE CARS	Туре	Revenue		▼ Status A	ctive 💌	
Project			Roll	up				
			Sub	Rollup				
				MultiYr Fund				
4 Ye	ar Comparison	History 4 Year	Graph	History Graph				
Yr/Per 20	222/00	Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 202		Fiscal Year 2024
Original I						.00		
-	-	.00		.00				00.
Transfer		.00		.00		.00		.00.
Transfer		.00		.00	إلك	.00		.00
Revised	Budget	.00		.00		.00		.00
Actual (N	/lemo)	-16,125.00		-6,000.00		-7,000.00		.00
Encumbr	ances	.00		.00		.00		.00
Requisiti	ons	.00						.00
Available	: [16,125.00		6,000.00		7,000.00		.00
Percent (used	.00		.00		.00		.00

Account Inquiry [CABARRUS COUNTY - PROD]									
Account									
Fund	und 001 ··· General Acct 001-20-00-9-2730-9635 -RCARS								
Org	00192730	EMS	Acct name	Education P	Education Programs			Account Notes	
Object	9635	Edc Progra	Туре	Expense		▼ Status Act			
Project	RCARS	RCARS	Rollup						
			Sub-Rollup						
				MultiYr Fund					
4 Ye	ar Comparison	Current Year	History 4	Vear Graph	History	Graph			
			History 4		History				
Yr/Per 20	023/08	Fiscal Year 2023	History 4	Fiscal Year 2022	History	Fiscal Year 20	\sim	Fiscal Year 2024	
	023/08		History 4		History		\sim	Fiscal Year 2024	
Yr/Per 20	023/08 Budget	Fiscal Year 2023	History 4	Fiscal Year 2022	History	Fiscal Year 20			
Yr/Per 20 Original I	D23/08 Budget	Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 20: .00		.00	
Yr/Per 20 Original I Transfer	023/08 Budget sin sout	Fiscal Year 2023 .00 .00		Fiscal Year 2022 .00 .00		Fiscal Year 20 .0(00.	
Yr/Per 20 Original I Transfer: Transfer:	023/08 Budget sin sout Budget	Fiscal Year 2023 .00 .00 .00		Fiscal Year 2022 .00 .00 .00		Fiscal Year 20: .00 .00		00. 00. 00.	
Yr/Per 20 Original I Transfer Transfer Revised	023/08 Budget s In s Out Budget Memo)	Fiscal Year 2023 .00 .00 .00 .00		Fiscal Year 2022 .00 .00 .00 .00		Fiscal Year 20 .0(.0(.0(00. 00. 00. 00.	
Yr/Per 20 Original I Transfer: Revised I Actual (M	D23/08 Budget sin sout Budget Memo) rances	Fiscal Year 2023 .00 .00 .00 .00 .00		Fiscal Year 2022 .00 .00 .00 .00 .00		Fiscal Year 20: .00 .00 .00		 00. 00. 00. 00. 00. 00. 	
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Date: 24 January 2023

Memorandum For: Cabarrus County Emergency Medical Services

Memorandum From: Alan Thompson, Emergency Medical Services Director, Emergency Medical Science Chair

Subject: American Heart Association E-Cards for CPR Training

Rowan-Cabarrus Community College is an American Heart Association training center for basic and advanced life support training. The training center ID is NC05377. I serve as the training center director.

Rowan-Cabarrus Community College will provide bulk CPR cards in the amount of 450 at a cost of \$2.95 per card for a total cost of \$1327.50 to the Cabarrus County EMS E-card location for issuance to course completers. Cabarrus County EMS Captain Kara Clarke and Deputy Chief Justin Brines have been approved as E-card administrators.

Please contact me at 704/216-7141 or alan.thompson@rccc.edu with questions.

SINCERELY. Alan Hiompson

ALAN THOMPSON, NRP Emergency Medical Services Director Chair – Emergency Medical Science and Emergency Management



KS Image Solutions, LLC 4464 Raceway Dr., Ste. B Concord, NC 28027 704.786.7763 www.ksimagesolutions.com

Name / Address

Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027

Estimate

Date	Estimate #			
2/14/2023	8298			

Ship To

Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027

P.O. No.	Terms	Due Date	Rep	FOB	Project	Other
CPR Grant Kara	Net 10	3/31/2023	KS			
Qty	Item		Desc	ription	Cost	Total
1 1 1 1 1	Eclipse Accessories Eclipse Accessories Accessories 1 6FT Table Cover 1	EZUP ECLIP Print Front an Back Wall - 1 Deluxe Roller 4 Empty Weig 4 Stakes Freight Estima 6FT Table Co Freight Color: Blue	d Back - Peak English Bag ht Bags tte		43 15 5 4 13 27	6.00 1,546.00T 9.00 439.00T 9.00 159.00T 6.00 56.00T 9.00 49.00T 5.00 135.00T 7.00 277.00T 0.00 20.00T
1 1,000	63000 1700 1 3500 1700	Full Color Fro Table Top Pri Printed Inserts Freight Primary Care Setup	ze Wheel - 31'		9.7.	5.00 395.00T 8.00 98.00T 5.00 75.00T 0.75 750.00T 5.00 55.00T
					Subtotal	
					Sales Tax (6.75	5%)

Total

Signature

Phone #	Fax #	E-mail	Web Site		
704-786-7763	704-786-7764	kswayze@ksimagesolutions.com	www.ksimagesolutions.com		



KS Image Solutions, LLC 4464 Raceway Dr., Ste. B Concord, NC 28027 704.786.7763 www.ksimagesolutions.com

Name / Address

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Date	Estimate #			
2/14/2023	8298			

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Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027

P.O. No.	Terms	Due Date	Rep	FOB	Project		Other		
CPR Grant Kara	Net 10	3/31/2023	KS						
Qty	Item		Desc	ription	Cost		Total		
1	1	Freight			10	00.00	100.00T		
1 1 1,500	900D 1700 1 CF06C		ses 5 Ambulance 1	Magnet	20	1.15 25.00 200.00 0.65			
1	1700 1	Setup Freight				35.00 50.00	35.00T 50.00T		
	080301 1700	KLIXX® 32 I Minimum 150 Setup Freight			2.4 55.0 35.0		622.50T 55.00T 35.00T		
1	12175 1	Ambulance St Freight	ress Reliever		1:	1.96 50.00	1,960.00T 150.00T		
1	Postcards	4 x 6" Postcar Batch 2500	d		19	95.00	195.00T		
	1				Subtotal	I			
					Sales Tax (6.75%)				
Total							al		

Signature

Phone #	Fax #	E-mail	Web Site		
704-786-7763	704-786-7764	kswayze@ksimagesolutions.com	www.ksimagesolutions.com		



KS Image Solutions, LLC 4464 Raceway Dr., Ste. B Concord, NC 28027 704.786.7763 www.ksimagesolutions.com

Name / Address

Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027

Estimate

Date	Estimate #			
2/14/2023	8298			

Ship To

Cabarrus County EMS Kara Clarke 31 Willowbrook Drive Concord, NC 28027

P.O. No.	Terms	Due Date	Rep	FOB		Project		Other
CPR Grant Kara	Net 10	3/31/2023	KS					
Qty	Item		Desci	ription		Cost		Total
1	1	Freight				30	0.00	30.00T
				I				
					Sub	total		\$9,636.50
				:	Sale	s Tax (6.75	5%)	\$650.46
				•	Tot	al		\$10,286.96

Signature

I

Phone #	Fax #	E-mail	Web Site
704-786-7763	704-786-7764	kswayze@ksimagesolutions.com	www.ksimagesolutions.com

Quotation

Quotation#:

Account Number: 106992-ESHIP001 BILL-TO

CABARRUS COUNTY EMS 31 WILLOWBROOK DR CONCORD, NC 28027-4242 Ship Method: FEE < \$150 Payment Terms: NET 30

.

01/23/2023

SHIP-TO CABARRUS COUNTY EMS 31 WILLOWBROOK DR CONCORD, NC 28027

Contact Name Phone Number

ltem	UOM	Description	Qty	Price	Ext.Price	Exp.Date
3611-40013	1/ = 1	Adult CPR AED Manikin With Jaw Thrust, Monitor, Medium Skin Tone, 4 pack	2	\$ 660.37	\$1,320.74	06/30/2023

Quote Total \$1,320.74

Comments:

Mark Tornstrom

Boundtree | Account Manager Western North Carolina

Phone: 980.225.2022 | Fax: 9876543211 mark.tornstrom@boundtree.com |

Sales tax will be applied to customers who are not exempt. Shipping charges will be prepaid and added to the invoice unless otherwise stated. This quotation is valid until the quote expires or the manufacturer's price to Bound Tree Medical increases.

To place an order, please visit our website at www.boundtree.com, login and add to your shopping cart or call (800) 533-0523 fax (800) 257-5713

Bound Tree Medical | 5000 Tuttle Crossing Blvd., Dublin Ohio| Telephone 800.533-0523



April 28, 2021 Re: RACE-CARS Trial Partners

Dear Community Partner:

Cabarrus County EMS has been selected to participate in the North Carolina RACE-CARS Trial, which is an NIH/NHLBI sponsored randomized trial focused on improving the care of patients with out-of-hospital cardiac arrest in NC. There will be 63 NC counties participating in this study. The RACE-CARS study design calls for a cluster randomization, meaning each county is considered as a whole unit and is either assigned to the intervention strategy or to the standard care strategy. This trial builds on the work we have done with you over the past 15 years on STEMI and cardiac arrest care. The RACE-CARS trial is the most ambitious effort ever funded by NIH to investigate the potential to systematically improve the care and survival of cardiac arrest at the community level.

Our county has been randomized to the Intervention strategy. This means that our team and the RACE-CARS study team will need to work together over the next 6 years to improve the care of cardiac arrest in your community. To be successful, this will require a major effort and we hope to prove scientifically that simply by using the knowledge and tools that we have in a more strategic fashion, can significantly improve the number of survivors with good neurological function in NC. By doing this in the context of a randomized trial, we expect the evidence we generate together will provide a care model for other states to follow.

We will identify the key people working with us on this project and make plans for a series of planning meetings. The core team will most likely be representatives in public safety within your agency or department. In those meetings, we will define the opportunities, the barriers, and the focus of interventions in our county to assure that each patient with cardiac arrest has the greatest chance to get rapid CPR and early defibrillation.

Sincerely,

Justin Brines Deputy Chief, Cabarrus County EMS

DCRI Team

Lisa Monk Clark Tyson Chris Granger Daniel Mark Jamie Jollis Monique Starks Sana Al-Katib

DCRI RACE-CARS Project Team DCRI-RACE-CARS@dm.duke.edu

https://racecarstrial.org/

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Finance - Audit Contract for Fiscal Year Ending June 30, 2023

BRIEF SUMMARY:

A request for proposal for external auditing services was conducted by the Finance Department three years ago. After reviewing the submissions, it was determined that the accounting firm Martin Starnes and Associates best suits Cabarrus County's needs. They submitted a 3-year bid.

Pricing for the auditing services is \$63,860 for fiscal year ending June 30, 2023. There is an additional fee of \$3,000 since we have over 5 major programs for a total of \$66,860.

The Local Government Commission requires Board approval annually for the audit contract.

REQUESTED ACTION:

Motion to approve the audit contract for June 30, 2023, and to authorize the County Manager to execute the Agreement on behalf of the Board, subject to review or revision by the County Attorney.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Jim Howden, Finance Director

BUDGET AMENDMENT REQUIRED:

No

ATTACHMENTS:

Audit Contract

The	Governing Board	
	Board of Commissioners	
of	Primary Government Unit	
	Cabarrus County, NC	
and	Discretely Presented Component Unit (DPCU) (if applicable)	
	N/A	
	Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)	

and	Auditor Name
	Martin Starnes & Associates, CPAs, P.A.
	Auditor Address
	730 13th Avenue Drive SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
	06/30/23	10/31/23
	Must be within four months of DVD	

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. the invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis,

(b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

LGC-205

CONTRACT TO AUDIT ACCOUNTS

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

If an approved contract needs to be modified or amended for any reason, the change shall be made in 16. writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the 17. Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

LGC-205

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;

b) the status of the prior year audit findings;

c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and

d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards,2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:		
James Howden	Finance Director, Cabarrus County	jmhowden@cabarruscounty.us		

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

DDIMA DV OOVEDNIMENT FEED

PRIMARY GOVERNMENT FEES			
Primary Government Unit	Cabarrus County, NC		
Audit Fee	\$ 63,860		
Additional Fees Not Included in Audit Fee:			
Fee per Major Program	\$ 3,000 per major program in excess of 5		
Writing Financial Statements	\$		
All Other Non-Attest Services	\$		
	DPCU FEES (if applicable)		
Discretely Presented Component Unit	N/A		
Audit Fee	\$		
Additional Fees Not Included in Audit Fee:			
Fee per Major Program	\$		
Writing Financial Statements	\$		
All Other Non-Attest Services	\$		

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)*	Signature*
Amber Y. McGhinnis	Amber y Millinni
Date*	Email Address* ()
02/17/23	amcghinnis@msa.cpa

GOVERNMENTAL UNIT

Governmental Unit*		
Cabarrus County, NC		
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))		
Mayor/Chairperson (typed or printed)* Stephen M. Morris, Chairman	Signature*	
Date	Email Address smmorris@cabarruscounty.us	

Chair of Audit Committee (typed or printed, or "NA") $N\!/A$	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Primary Governmental Unit Finance Officer* (typed or printed	Signature*
James Howden, Finance Director	
Date of Pre-Audit Certificate*	Email Address*
	jmhowden@cabarruscounty.us

SIGNATURE PAGE – DPCU (complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit	
Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") $N\!/\!A$	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

DPCU Finance Officer (typed or printed)*	Signature*
N/A	
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at <u>www.aicpa.org/prsummary</u>. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of pass.

Koonce, Wooten + Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh 4060 Barrett Drive Post Office Box 17806 Raleigh, North Carolina 27619

919 782 9265 919 783 8937 FAX Durham 3500 Westgate Drive Suite 203 Durham, North Carolina 27707

919 354 2584 919 489 8183 FAX Pittsboro 579 West Street Post Office Box 1399 Pittsboro, North Carolina 27312

919 542 6000 919 542 5764 FAX Smithfield 212 East Church Street Post Office Box 2348 Smithfield, North Carolina 27577

919 934 1121 919 934 1217 FAX

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Finance - ARPA Budget Amendment and CARES Relief Funds Special Revenue Project Ordinance

BRIEF SUMMARY:

This budget amendment appropriates additional funds to cover salaries and benefits for American Rescues Plan Act (ARPA) administrative costs through December 2026, Fiscal Year 2027. The additional funds are needed to cover an increase in salaries and benefits based on estimated COLA, Merit and retirement rate increases through fiscal year 2027. Funds are being allocated from health insurance, 401k and unallocated (ARPA) funds. No County funds are required.

REQUESTED ACTION:

Motion to approve the budget amendment and project ordinance.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY: Jim Howden, Finance Director

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- Budget Amendment Project Ordinance D
- D

......

Date: March 20, 2023

X Internal Transfer Within Department

Amount: 76,276.00

Dept. Head: James Howden - FINANCE DEPARTMENT

allocated from health insurance, 401k and unallocated (ARPA) funds. No County funds are required.

Department: Fund 440 - CARES ARPA FUND

Supplemental Request

This budget amendment appropriates additional funds to cover salaries and benefits for American Rescues Plan Act (ARPA) administrative costs through December 2026, Fiscal Year 2027. The additional funds are needed to cover an increase in salaries and benefits based on estimated COLA, Merit and retirement rate increases through fiscal year 2027. Funds are being

Transfer Between Departments/Funds

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
440	9	1925-9101-ARP	SALARIES AND WAGES	345,000.00	50,000.00	-	395,000.00
440	9	1925-9122-ARP	OTHER PAYS	-	5,000.00	-	5,000.00
440	9	1925-9201-ARP	SOCIAL SECURITY	21,000.00	4,000.00	-	25,000.00
440	9	1925-9202-ARP	MEDICARE	5,000.00	800.00	-	5,800.00
440	9	1925-9205-ARP	GH INSURANCE	25,500.00	-	25,500.00	0.00
440	9	1925-9207-ARP	LIFE INSURANCE	200.00	5.00	-	205.00
440	9	1925-9210-ARP	RETIREMENT	40,000.00	9,786.00	-	49,786.00
440	9	1925-9230-ARP	WORKERS COMP	450.00	70.00	-	520.00
440	9	1925-9235-ARP	401К	20,000.00	-	776.00	19,224.00
440	9	1925-9640-ARP	INSURANCE AND BONDS	200.00	6,615.00	-	6,815.00
440	9	1925-974914-ARP	ARPA NON-PROFITS UNALLOCATED	407,820.00	-	50,000.00	357,820.00

0.00

Total

Board of Commissioners

Approved

Denied

Budget Officer

County Manager

Approved

Denied

Approved

Denied

Signature

Sianature

Signature

Date

Date

CABARRUS COUNTY **CARES RELIEF FUNDS - SPECIAL REVENUE PROJECT ORDINANCE**

BE IT ORDAINED by the Board of Commissioners of Cabarrus County, North Carolina that, Pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section I.

- A. The project authorized is for the purpose of receiving and disbursing funds as directed by CARES Act funding and the US Department of State Treasury and Emergency Rental Assistance Program (ERAP) funding and the US Department of State Treasury.
- B. The officers of this unit are hereby directed to proceed with this capital project within the terms of the Generally Accepted Accounting Principles (GMP), the grant terms, the rules and regulations of the US Department of State Treasury and the budget contained herein.
- C. It is estimated that the following revenues will be available to fund COVID 19 and Emergency Rental Assistance expenditures:

	CARES Act Relief Funds American Rescue Plan Interest Income Emergency Rental Assistance (ERA21) Emergency Rental Assistance Second Allocation (ERA22)	\$7,972,670 42,043,458 3,499 11,494,069 3,073,598
	TOTAL REVENUES	\$64,587,294
D.	The following appropriations are made for expenditures related to C Salaries and Benefits (CARES) Other Public Health Expenditures (CARES) Municipal Distribution (CARES) Administration (ERA21) Emergency Rental Assistance (ERA21) Administration (ERA22) Emergency Rental Assistance Second Allocation (ERA22) Salaries and Benefits Administration (ARP) Salaries and Benefits Retention (ARP Loss Revenue) Other Public Health Expenditures (ARP) Aid to Nonprofits Unallocated (ARP)	OVID19 and \$3,581,275 2,415,010 1,979,884 524,746 10,969,323 461,040 2,612,558 513,350 10,000,000 3,275,000 27,897,288 357,820
	TOTAL EXPENDITURES	\$64,587,294
	GRAND TOTAL- REVENUES GRAND TOTAL- EXPENDITURES	\$64,587,294 \$64,587,294

GRAND TOTAL- EXPENDITURES

Section II.

A. Special appropriations to non-profit organizations shall be distributed after the execution of an agreement which ensures that all County funds are used for statutorily permissible public purposes.

- B. The County Manager or designee is hereby authorized to transfer appropriations within or between funds, or modify revenue and expenditure projections as contained herein under the following conditions:
 - 1. The Manager may transfer amounts between objects of expenditure and revenues within a function without limitation.
 - 2. The County Manager may transfer amounts up to \$500,000 between functions of the same fund.
 - 3. The County Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.
 - 4. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
 - 5. The County Manager may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
 - 6. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
 - 7. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
 - 8. The County Manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly.

Section III.

This ordinance and the budget documents shall be the basis of the financial plan for the County of Cabarrus.

- a. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient detailed accounting records to satisfy the requirements of the law.
- b. The Finance Director is directed to report, at the request of the Board, on the financial status of each project element in Section I and on the total revenues received or claimed.
- c. Copies of this grant project ordinance shall be furnished to the Clerk to the governing Board, and to the Finance Director for direction in carrying out this project.
- d. At the completion of a grant project, all unrestricted excess funds are transferred to the General Fund and the portion of the Grant Project associated with the project is closed.

Adopted this 20th day of March 2023.

CABARRUS COUNTY BOARD OF COMMISSIONERS

BY: _____

Stephen M. Morris, Chairman

ATTEST:

Clerk to the Board

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Finance - Grant Acceptance and Budget Amendment

BRIEF SUMMARY:

This budget amendment is to budget revenues and expenditures for a Directed Financial Assistance Grant Award in the amount of \$1,000,000. The grant will pass through the NC Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services. This is a Federal Substance Abuse Prevention Treatment (SAPT) Block Grant directed by the North Carolina General Assembly and appropriated by S.L. 2022-74. Funds will be used for the SUN project to support families impacted by substance abuse disorder. The annual funds have been allocated for fiscal year 2023 with a possible extension past the June 30, 2023 date. A County match is not required.

REQUESTED ACTION:

Motion to Accept the Directed Financial Assistance Grant Award for \$1,000,000 and corresponding budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Rodney Harris, Deputy County Manager Jim Howden, Finance Director

BUDGET AMENDMENT REQUIRED:

Yes

ATTACHMENTS:

- Budget Amendment
- Grant Agreement

Date: March 20, 2023

Amount: 1,000,000.00

Dept. Head: James Howden - FINANCE DEPARTMENT

Department: Other Human Services

X Supplemental Request

Internal Transfer Within Department

Budget Officer

Approved

Denied

Transfer Between Departments/Funds

This budget amendment is to budget revenues and expenditures for a Directed Financial Assistance Grant Award in the amount of \$1,000,000. The grant will pass though the NC Department of Health and Human Services, Division of Mental Health, Developmental Disabilites and Substance Abuse Services. This is a Federal Substance Abuse Prevention Treatment (SAPT) Block Grant directed by the North Carolina General Assembly and appropriated by S.L. 2022-74. Funds will be used for the SUN project to support families impacted by substance abuse disorder. The annual funds have been allocated for fiscal year 2023 with a possible extension past the June 30, 2023 date. A County match is not required.

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	5910-6279-SUN	SAPT Block Grant - SUN Project	-	1,000,000.00	-	1,000,000.00
001	9	5910-97915-SUN	SAPT Block Grant - SUN Project	-	1,000,000.00	-	1,000,000.00
						-	0.00
						-	

County Manager

Approved

Denied

Total

0.00

Board of Commissioners

Approved

Denied

Signature

Sianature

Signature

Date

Date

Date

DIRECTED FINANCIAL ASSISTANCE AGREEMENT COVER

THIS AGREEMENT is hereby made between the State of North Carolina, Department of Health and Human Services, <u>Division of Mental Health</u>, <u>Developmental Disabilities and Substance Abuse Services and</u> <u>Cabarrus County</u>.

This agreement consists of the following documents, which are incorporated herein by reference:

Contract Cover Sheet Attachment A: General Terms and Conditions Attachment B: Scope of Work and Performance Metrics Attachment C: Proposed Budget and Narrative Attachment D: Reporting Requirements and Templates Attachment E: Payment Request Form (Recipient to submit quarterly; must be notarized) Attachment F: No Overdue Tax Debts Certification (must be notarized) Attachment G: State Certifications Attachment H: Conflict of Interest Acknowledgment (must be notarized) Attachment I: Conflict of Interest Policy (Recipient to attach; example provided) Attachment J: Conflict of Interest Verification Form (Recipient to complete annually) Attachment K: Federal Certifications (Recipient to complete annually) Attachment L: Federal Funding Accountability and Transparency Act Reporting Requirements Attachment M: NC Substitute W9 (Recipient to attach) Attachment N: IRS Tax Exemption Letter (Recipient to attach; applicable to nonprofits only) Attachment O: IRS Tax Exemption Verification Form (Recipient to complete annually; must be notarized; applicable to nonprofits only)

Effective Date: July 1, 2022

End Date: June 30, 2023

Directed Financial Assistance Award Amount: <u>\$1,000,000 in federal Substance Abuse Prevention and</u> <u>Treatment Block Grant Funds directed by the North Carolina General Assembly and appropriated by</u> <u>S.L. 2022-74.</u>

This award is considered federal financial assistance, and unless exempted by the United States Department of the Treasury (US Treasury), this award is subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) promulgated by the United States Office of Management and Budget sections: 2 C.F.R. 200.303 regarding internal controls; 2 C.F.R. 200.330 through 200.332 regarding subrecipient monitoring and management; and subpart F regarding audit requirements, which implements the Single Audit Act (31 U.S.C. §§ 7501-7507). This award is also considered state financial assistance, and as such is subject to the statutory provisions in the North Carolina Administrative Code Title 09, Chapter 3, SubChapters 03M.

Federal Funding Accountability and Transparency Act (FFATA): Per 2 C.F.R 200.332(a)(1), as a passthrough entity, the North Carolina Department of Health and Human Services (NC DHHS) must report the following funding elements to any entity that receives these funds as a subrecipient:

- Subrecipient Name: Cabarrus County
- 1

- Subrecipient Unique Entity Identifier (formerly DUNS)¹: QGAPLT86TEB8
- Federal Award Identification Number (FAIN): B08TI084663
- Federal Award Date: 10.01.21
- Period of Performance (Start and End Dates): To cover eligible costs incurred beginning July 1, 2022, and ending with costs incurred or obligated by June 30, 2023.
- Amount of Federal Funds Obligated by this Action: \$2,000,000
- Total Amount of Federal Funds Obligated to the Subrecipient: \$2,000,000
- Total Amount of the Federal Award: \$35,900,385
- Federal Award Project Description: Block Grants for the Prevention and Treatment of Substance Abuse
- Federal Awarding Agency: US Department of the Health and Human Services, Substance Abuse and Mental Health Services Administration
- Assistance Listing Number (formerly CFDA): 93.959
- Assistance Listing Name: Block Grants for the Prevention and Treatment of Substance Abuse
- Research and Development: This award is not for research and development.
- Indirect Cost Rate: Subrecipient may use funds for both direct and indirect costs.

Scope of work: Per S.L. 2022-74, funds under this agreement are to be used for: Substance Abuse Services – Treatment for Children/Adults. Per 2 C.F.R. 200, expenditures must meet reasonable cost requirements. The recipient shall develop a proposed scope of work and budget in attachments B and C of this agreement, subject to approval by the Department of Health and Human Services. State funds for any one employee of a nonprofit are capped at \$120,000. Per the Code of Federal Regulations, 2 CFR Part 200, expenditures must meet reasonable cost requirements.

Directed financial assistance grants under this authority are for nonsectarian, nonreligious purposes only and the use of these funds must be in compliance with all state and federal laws. Pursuant to G.S. 143C-6-21, S.L. 2021-180, and the State's Cash Management Plan, nonrecurring funds appropriated as directed financial assistance grants are subject to all the following requirements:

(1) Directed financial assistance grants are subject to the provisions of subsections (b) through (k) of G.S. 143C-6-23.

(2) These funds shall be allocated on a quarterly basis unless the Office of State Budget and Management determines that cash flow or the nature of the program being funded requires otherwise.

(3) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, nonrecurring funds appropriated in this act as directed grants shall not revert until June 30, 2023.

Recipients can receive electronic payment of funds by completing the <u>Vendor Electronic Payment Form</u> and following the instructions from the Office of the State Controller (OSC). This form should be submitted to the NC DHHS Contract Administrator and not directly to OSC.

¹ As of April 4, 2022, the federal government is no longer utilizing the DUNS number and is now using the Unique Entity Identifier (UEI). If you do not already have a UEI, you can obtain one via <u>www.SAM.gov</u>.

ATTACHMENT A GENERAL TERMS AND CONDITIONS

- A. The failure of either party to insist in any one or more instances upon strict performance of any of the terms or provisions of this Agreement, or to exercise any option or election herein, shall not be construed as a waiver of such terms, provisions, option or election in the future. No waiver by any party of any one or more of its rights or remedies under this Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy hereunder or at law. All remedies afforded in this Agreement are cumulative and in addition to the various remedies available in law or in equity.
- B. Choice of Law. The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties to this Agreement, are governed by the laws of North Carolina. The Recipient, by signing this Agreement, agrees and submits, solely for matters related to this Agreement, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina.
- C. All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator.

Division of Mental Health, Developmental	
Disabilities and Substance Abuse Services	Recipient
DeDe Severino	Contact's Name:
Section Chief	Contact's Title:
3004 Mail Service Center	Recipient Name:
Raleigh, N.C. 27699-2001	Tax ID Number:
Telephone: 984.236.5122	Unique Entity Identifier (UEI): ²
Email: dede.severino@dhhs.nc.gov	Street Address:
	City, State, Zip Code:
	Telephone:
	Email:

- D. Availability of Funds. The parties to this contract agree and understand that the payment of the sums specified in this contract is contingent upon and subject to the availability of appropriated funds for this purpose, per G.S. 143C-6-8.
- E. Precedence Among Contract Documents. In the event of a conflict between or among the terms of the Subaward Documents, the terms in the Subaward Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in the contract document section, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Subaward amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

 $^{^{2}}$ As of April 4, 2022, the federal government is no longer utilizing the DUNS number and is now using the Unique Entity Identifier (UEI). If you do not already have a UEI, you can obtain one via <u>www.SAM.gov</u>.

- F. Federal Certifications. Individuals and organizations receiving federal funds must ensure compliance with certain certifications required by federal laws and regulations. The Recipient is hereby complying with Certifications regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, and Lobbying. The signature page is to be signed by the Recipient's authorized representative.
- G. Federal Funding Accountability and Transparency Act. To facilitate compliance with the Federal Funding Accountability and Transparency Act (FFATA), the Recipient shall provide required information to NC DHHS as requested for awards greater than \$30,000. Information may include but is not limited to: Recipient identifying and demographic information, primary place of performance, quarterly obligation amount, and quarterly expenditure amount. The Recipient shall also complete Attachment K (FFATA Data Reporting Requirements) and return with the signed contract.
- H. Payment Provisions. Upon execution of this contract, the Recipient may request and, upon approval by the Department, receive quarterly payments, consistent with G. S. 143C-6-21.
- I. Effective Period. This contract shall be effective on July 1, 2022 and shall end upon the earlier of (1) completion of all required activities, or (2) June 30, 2023.
- J. Reversion of Funds. Any unexpended funds will revert to the Department of Health and Human Services upon termination of the contract or conclusion of the effective period, consistent with 09 NCAC 03M.
- K. The Recipient shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
- L. The Recipient shall maintain its accounting records relating to the performance of the Services and this Agreement in accordance with generally accepted accounting procedures. Upon reasonable prior notice to Recipient, the Office of State Budget and Management may, during the term of this Agreement and for a period of up to six years following the expiration or termination for any reason of this Agreement, audit and copy such records.
- M. Antitrust Laws. This Agreement is entered into in compliance with all State and Federal Antitrust laws.
- N. Record Retention. The Recipient is responsible for adhering to all state and federal requirements on record retention and any changes to state and federal requirements during the contract period. The Recipient shall maintain all pertinent records for a period of five years after all funds have been expended or returned to US Treasury or until all audit exceptions have been resolved, whichever is longer.
- O. The State Auditor and Office of State Budget and Management shall have access to persons and records as a result of all contracts or State financial assistance entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of

all contracts or State financial assistance entered into by State agencies or political subdivisions.

- P. Subcontracting and Assignment. The Recipient agrees that by assigning or subcontracting any work related to the contract to a subcontractor or subrecipient, that such entities shall comply with the following:
 - (1) The Recipient or subrecipient is not relieved of any of the duties and responsibilities of the original contract;
 - (2) The subrecipient agrees to abide by the standards contained in this contract and to shall provide all information, including the purpose and reporting requirements for grants made to subgrantees, to allow the Recipient to comply with these standards;
 - (3) The Recipient agrees to responsible for managing and monitoring each project, program, or activity supported by the grant funds and each subgrantee project, program, or activity supported by the grant funds; and
 - (4) This Agreement or any interest therein shall not be assigned or transferred by the Recipient.
- Q. Either Party may, upon sixty (60) days prior written notice to the other party, terminate all or any portion of this Agreement or the services required to be performed herein without cause.
- R. The Department of Health and Human Services may, by written notice, immediately terminate all or any portion of this Agreement or the Services for cause in any of the following circumstances:
 - (1) Recipient breaches any obligation hereunder, or fails to make progress sufficient to assure performance of this Agreement or any of the Services;
 - (2) Recipient is adjudged insolvent or bankrupt; Contractor makes an assignment for the benefit of creditors; or the appointment of a receiver, liquidator or trustee of any of Contractor's property or assets.
- S. Neither party shall be liable, or deemed to be in default, for any delay, interruption or failure in performance under this Agreement resulting directly or indirectly from acts of God, acts of civil or military authority; fires, floods; accidents, explosions, earthquakes, strikes or labor disputes, loss or interruption of electrical power or other public utility, or delays in transportation or any cause beyond its reasonable control.
- T. Reporting Requirements. This subaward for financial assistance is subject to the Uniform Administration of State Awards, Oversight and Reporting Requirements for recipient and subrecipients described in N.C. General Statue § 143C-6-23(d) and in 09 NCAC 03M.205, as well as the Single Audit Act and its implementing regulation at 2 C.F.R. Part 200, Subpart F regarding audit requirements.

A non-governmental grantee who receives a combined \$500,000 or more funds from all state agencies must continue to submit a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as a Yellow Book audit, to Risk Management, Compliance, and Consulting at mailto:NCGrantsReporting@dhhs.nc.gov within 9 months of the grantee's fiscal year end.

Per 09 NCAC 03M.205: "Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 C.F.R Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards."

DHHS encourages all of its non-governmental grantees that receive funds from other state agencies or DHHS divisions to contact their assigned contract monitor(s) to determine if year-end reports must be submitted for those particular grants/awards.

North Carolina State agencies are exempt from the reporting requirements of 09 NCAC 03M.205, as well as local governments that have reporting requirements for the Local Government Commission. All others are not exempt and must adhere to the reporting requirements of 09 NCAC 03M.205.

- Quarterly Reports: Report Template A – Quarterly Status Report

 End of Year Report:
 Report Template B – State Grant Compliance Reporting Report Template C – Schedule of Receipts and Expenditures Report Template D – Program Activities and Accomplishment
- (3) Reporting Timeframes and Due Dates:

Report Title	Reporting Period	Due Date	
Quarterly Report	July 1, 2022 – September 30, 2022	April 15, 2023	
Quarterly Report	October 1, 2022 – December 31, 2022	April 15, 2023	
Quarterly Report	January 1, 2023 – March 31, 2023	April 15, 2023	
Quarterly Report	April 1, 2023 – June 30, 2023	July 15, 2023	
End of Year Report	July 1, 2022 – June 30, 2023	July 15, 2023	

- U. Reporting Templates. The Quarterly and End of Year reporting templates described above and included in Attachment D (Reporting Requirements and Templates) are subject to change during the contract period as state and federal requirements are amended.
- V. Monitoring and Evaluation. The Division shall monitor, evaluate, and provide guidance and direction to the Recipient in the conduct of Approved Services performed under this Agreement. The Division has the responsibility to determine whether the Recipient has spent funds in accordance with applicable laws, regulations, including the federal audit requirements and agreements, and shall monitor the activities of the Recipient to ensure that the Recipient has met such requirements. The Division may require the Recipient to take corrective action if deficiencies are found.
- W. Signature Warranty. The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed.

Department of Health and Human Services: Division of Mental Health, Developmental Disabilities and Substance Abuse Services

Name and Title of Signature Authority

Signature of Organization Official

Date

Recipient Name:

Name and Title of Organization Official

Signature of Organization Official

Date

ATTACHMENT B SCOPE OF WORK and PERFORMANCE METRICS (To be completed by Recipient)

Services, Objectives and Expected Results

Recipient Name:	Cabarrus County
Project/Activity Title:	Directed Financial Assistance Award
Period Covered:	July 1, 2022 through June 30, 2023

Financial Assistance Award \$1,000,000 Per S.L. 2022-74, funds under this agreement are to be used by Cabarrus County to: support the operation and expansion of the Substance Use Network (SUN) project to build a collaborative system of care for pregnant mothers with a substance use disorder, and their infants and families, in Cabarrus, Rowan, and Stanly Counties. In compliance with the requirements of G.S. 143C-6-23, the following is a description of activities and accomplishments to be undertaken by our organization using the provided funding.

The Recipient hereby intends to

Be as specific as possible here. All work must be a legal and viable use of public funds. Financial assistance grants are for nonsectarian, nonreligious purposes only and the use of financial assistance grants must be in compliance with all state and federal laws.

Define the types of programs, services, and/or activities supported by these funds.

Define the population(s) that will be served by or that will benefit from the programs, services, and/or activities supported by these funds.

Define the deliverables, outputs, and outcomes that demonstrate the impact and effectiveness of the programs, services, and/or activities supported by these funds.

ATTACHMENT C PROPOSED BUDGET & NARRATIVE (To be completed by Recipient)

Services, Objectives and Expected Results

Recipient Name:	Cabarrus County
Project/Activity Title:	Directed Financial Assistance Award
Period Covered:	July 1, 2022 through June 30, 2023

Financial Assistance Award: \$2,000,000. Per S.L. 2022-74, funds under this agreement are to be used by Cabarrus County to: support the operation and expansion of the Substance Use Network (SUN) project to build a collaborative system of care for pregnant mothers with a substance use disorder, and their infants and families, in Cabarrus, Rowan, and Stanly Counties. Per the requirements of G.S. 143C-6-21 through G.S. 143C-6-23, funds may only be expended for the purpose for which they were awarded and may only be used for nonsectarian, non-religious purposes. Per <u>2 C.F.R. 200</u>, expenditures must meet reasonable cost requirements.

Recipient is to provide a general description of planned expenditures to serve as a guide for preparing an annual budget related to this award (add or delete categories as needed).

Federal Expenditure Category	Amount of Expenditure
	SFY23 07.01.22 – 06.30.23
Employee Expenses (e.g., program related staffing)	\$
Services/Contract Expenses (e.g., utilities, telephone, lease related expenses)	\$
Goods Expenses (e.g., supplies and equipment)	\$
Administrative Expenses (e.g., overhead and project management)	\$
Other Expenses (Specify)	\$
Total Expenses	\$

Provide a brief budget narrative that explains/justifies the estimated costs listed above by line-item category. Explain how the costs associated with each line-item category relate to the implementation of the project as outlined in the proposed budget. Add extra pages as needed or insert a separate sheet if more room is needed.

ATTACHMENT D REPORTING REQUIREMENTS & TEMPLATES

Reporting Requirements: This subaward for financial assistance is subject to the Uniform Administration of State Awards, Oversight and Reporting Requirements for recipient and subrecipients described in <u>N.C. General Statue</u> <u>§ 143C-6-23(d)</u> and in <u>09 NCAC 03M.205</u>, as well as the Single Audit Act and its implementing regulation at 2 C.F.R. Part 200, Subpart F regarding audit requirements.

A non-governmental grantee who receives a combined \$500,000 or more funds from all state agencies must continue to submit a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as a Yellow Book audit, to Risk Management, Compliance, and Consulting at <u>NCGrantsReporting@dhhs.nc.gov</u> within 9 months of the grantee's fiscal year end.

DHHS encourages all of its non-governmental grantees that receive funds from other state agencies or DHHS divisions to contact their assigned contract monitor(s) to determine if year-end reports must be submitted for those particular grants/awards.

North Carolina State agencies are exempt from the reporting requirements of 09 NCAC 03M.205, as well as local governments that have reporting requirements for the Local Government Commission. All others are not exempt and must adhere to the reporting requirements of 09 NCAC 03M.205.

- (1) Quarterly Reports:
 - Report Template A Quarterly Status Report
- (2) End of Year Report:
 - Report Template B State Grant Compliance Reporting
 - Report Template C Schedule of Receipts and Expenditures
 - Report Template D Program Activities and Accomplishment
- (3) Reporting Timeframes and Due Dates:

Report Title	Reporting Period	Due Date	
Quarterly Report	July 1, 2022 – September 30, 2022	April 15, 2023	
Quarterly Report	October 1, 2022 – December 31, 2022	April 15, 2023	
Quarterly Report	January 1, 2023 – March 31, 2023	April 15, 2023	
Quarterly Report	April 1, 2023 – June 30, 2023	July 15, 2023	
End of Year Report	July 1, 2022 – June 30, 2023	July 15, 2023	

The Quarterly and End of Year reporting templates are subject to change during the contract period as state and federal requirements are amended.

N.C. General Statue § 143C-6-21-23. State Grant Funds: Administration; Oversight and Reporting Requirements.

§ 143C-6-21. Payments to nonprofits. Except as otherwise provided by law, an annual appropriation of one hundred thousand dollars (\$100,000) or less to or for the use of a nonprofit corporation may be made in a single annual payment, in the discretion of the Director of the Budget. An annual appropriation of more than one hundred thousand dollars (\$100,000) to or for the use of a nonprofit corporation shall be made in quarterly or monthly payments, in the discretion of the Director of the Budget. (2006-203, s. 3; 2013-360, s. 6.12(o).)

§ 143C-6-22. Use of State funds by non-State entities. (a) Disbursement and Use of State Funds. - Every non-State entity that receives, uses, or expends any State funds shall use or expend the funds only for the purposes for which they were appropriated by the General Assembly. State funds include federal funds that flow through the State Treasury. (b) Compliance by Non-State Entities. - If the Director of the Budget finds that a non-State entity has spent or encumbered State funds for an unauthorized purpose, or fails to submit or falsifies the information required by G.S. 143C-6-23 or any other provision of law, the Director shall take appropriate administrative action to ensure that no further irregularities or violations of law occur and shall report to the Attorney General any facts that pertain to an apparent violation of a criminal law or an apparent instance of malfeasance, misfeasance, or nonfeasance in connection with the use of State funds. Appropriate administrative action may include suspending or withholding the disbursement of State funds and recovering State funds previously disbursed. (c) Civil Actions. - Civil actions to recover State funds or to obtain other mandatory orders in the name of the State on relation of the Attorney General, or in the name of the Office of State Budget and Management, shall be filed in the General Court of Justice in Wake County. (2006-203, s. 3.)

§ 143C-6-23. State grant funds: administration; oversight and reporting requirements.

(a) **Definitions**. – The following definitions apply in this section:

(1) Grant or grant funds. – State funds disbursed as a grant by a State agency; however, the terms do not include any payment made by the Medicaid program, the State Health Plan for Teachers and State Employees, or other similar medical programs.

(2) Grantee. – A non-State entity that receives State funds as a grant from a State agency but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(3) Encumbrance. – A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided, or other legally binding agreement. A financial obligation is not an encumbrance for purposes of this section unless it (i) is in writing and has been signed by a person or entity who has authority to legally bind the grantee or subgrantee to spend the funds or (ii) was created by the provision of goods or services to the grantee or subgrantee by a third party under circumstances that create a legally binding obligation to pay for the goods or services.
(4) Subgrantee. – A non-State entity that receives State funds as a grant from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(b) Conflict of Interest Policy. – Every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

(c) No Overdue Tax Debts. – Every grantee shall file with the State agency or department disbursing funds to the grantee a written statement completed by that grantee's board of directors or other governing body stating that the grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level. The written statement shall be made under oath and shall be filed before the disbursing State

agency or department may disburse the grant funds. A person who makes a false statement in violation of this subsection is guilty of a criminal offense punishable as provided by G.S. 143C-10-1.

(d) Office of State Budget Rules Must Require Uniform Administration of State Grants. – The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The Office of State Budget and Management shall consult with the Office of the State Auditor and the Attorney General in establishing the rules required by this subsection. The rules shall establish policies and procedures for disbursements of State grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. The policies and procedures shall:

(1) Ensure that the purpose and reporting requirements of each grant are specified to the grantee.

(2) Ensure that grantees specify the purpose and reporting requirements for grants made to subgrantees.

(3) Ensure that State funds are spent in accordance with the purposes for which they were granted.

(4) Hold the grantees and subgrantees accountable for the legal and appropriate expenditure of grant funds.

(5) Provide for adequate oversight and monitoring to prevent the misuse of grant funds. These policies shall require each grantee and subgrantee to ensure that, for accounting purposes, State funds and interest earned on those funds remain separate and apart from other funds in the possession or control of the grantee or subgrantee.

(6) Establish mandatory periodic reporting requirements for grantees and subgrantees, including methods of reporting, to provide financial and program performance information. The mandatory periodic reporting requirements shall require grantees and subgrantees to file with the State Auditor copies of reports and statements that are filed with State agencies pursuant to this subsection. Compliance with the mandatory periodic reporting requirements of this subdivision shall not require grantees and subgrantees to file with the State Auditor the information described in subsections (b) and (c) of this section.

(7) Require grantees and subgrantees to maintain reports, records, and other information to properly account for the expenditure of all grant funds and to make such reports, records, and other information available to the grantor State agency for oversight, monitoring, and evaluation purposes.

(8) Require grantees and subgrantees to ensure that work papers in the possession of their auditors are available to the State Auditor for the purposes set out in subsection (i) of this section.

(9) Require grantees to be responsible for managing and monitoring each project, program, or activity supported by grant funds and each subgrantee project, program, or activity supported by grant funds.
(10) Provide procedures for the suspension of further disbursements or use of grant funds for noncompliance with these rules or other inappropriate use of the funds.

(11) Provide procedures for use in appropriate circumstances for reinstatement of disbursements that have been suspended for noncompliance with these rules or other inappropriate use of grant funds. (12) Provide procedures for the recovery and return to the grantor State agency of unexpended grant funds from a grantee or subgrantee (i) in accordance with subsection (f1) of this section or (ii) in the event that the grantee or subgrantee is unable to fulfill the purposes of the grant for a reason not set forth in that subsection.

(d1) Required Grant Terms. – The terms of each grant shall include all of the following, which shall be deemed a part of the grant:

(1) The limitation contained in G.S. 143C-6-8 concerning the availability of appropriated funds.

(2) The relevant provisions of any legislation authorizing or governing the administration of the grant.

(3) The terms of this section.

(e) Rules Are Subject to the Administrative Procedure Act. – Notwithstanding the provisions of G.S. 150B-2(8a)b. rules adopted pursuant to subsection (d) of this section are subject to the provisions of Chapter 150B of the General Statutes.

(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

(1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

(2) The funds remain unexpended at the time that the grantee or subgrantee dissolves, ceases operations, or otherwise indicates that it does not intend to spend the funds.

(3) The Office of State Budget and Management seeks to recover the funds pursuant to subsection (f) of this section.

(f2) Use of Returned Grant Funds. – Encumbered funds returned to the State pursuant to subsection (f1) of this section by a grantee or subgrantee shall upon appropriation by the General Assembly be spent in accordance with the terms of the encumbrance. All other funds returned to the State by a grantee or subgrantee pursuant to subsection (f1) of this section shall be credited to the fund from which they were appropriated and shall remain unexpended and unencumbered until appropriated by the General Assembly. Nothing in this section shall be construed to authorize an expenditure pursuant to an unlawful encumbrance or in a manner that would violate the terms of the appropriation of the grant funds at issue.

(g) Audit Oversight. – The State Auditor has audit oversight, with respect to grant funds received by the grantee or subgrantee, pursuant to Article 5A of Chapter 147 of the General Statutes, of every grantee or subgrantee that receives, uses, or expends grant funds. A grantee or subgrantee must, upon request, furnish to the State Auditor for audit all books, records, and other information necessary for the State Auditor to account fully for the use and expenditure of grant funds received by the grantee or subgrantee. The grantee or subgrantee must furnish any additional financial or budgetary information requested by the State Auditor, including audit work papers in the possession of any auditor of a grantee or subgrantee directly related to the use and expenditure of grant funds.

(h) Report on Grant Recipients That Failed to Comply. – Not later than May 1, 2007, and by May 1 of every succeeding year, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on all grantees or subgrantees that failed to comply with this section with respect to grant funds received in the prior fiscal year.

(i) State Agencies to Submit Grant List to Auditor. – No later than October 1 of each year, each State agency shall submit a list to the State Auditor, in the format prescribed by the State Auditor, of every grantee to which the agency disbursed grant funds in the prior fiscal year. The list shall include the amount disbursed to each grantee and other information as required by the State Auditor to comply with the requirements of this section.

(j) Use of Interest Earned on Grant Funds. – Except as otherwise required by federal law or the terms of a federal grant, interest earned on grant funds after receipt of the funds by a grantee or subgrantee shall be credited to the grantee or subgrantee and shall be used for the same purposes for which the grant or subgrant was made.

(k) Reporting by Grantees and Subgrantees That Cease Operations. – A grantee or subgrantee that intends to dissolve or cease operations shall report that decision in writing to the Office of State Budget and Management and to the Fiscal Research Division at least 30 days prior to taking that action. (2006-203, s. 3; 2007-323, s. 28.22A(o); 2007-345, s. 12; 2014-100, s. 6.5(a); 2015-264, s. 21.)

09 NCAC 03M .0205 Minimum Reporting Requirements for Recipients and Subrecipients.

(a) For the purposes of this Subchapter, there are three reporting levels established for recipients and subrecipients receiving State financial assistance. Reporting levels are based on the level of State financial assistance from all funding sources. The reporting levels are:

(1) Level I – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year.

(2) Level II - A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount of at least twenty-five thousand (\$25,000) or greater, but less than five hundred thousand dollars (\$500,000) within its fiscal year.

(3) Level III – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year.

(b) Agencies shall establish reporting requirements for recipients that meet the following reporting standards on an annual basis:

(1) All recipients and subrecipients shall provide a certification that State financial assistance received or, held was used for the purposes for which it was awarded.

(2) All recipients and subrecipients shall provide an accounting of all State financial assistance received, held, used, or expended.

(3) Level II and III recipients and subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.

(4) Level III recipients and subrecipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book.

(c) All reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting. Audits must be provided to the funding agency no later than nine months after the end of the recipient's fiscal year.

(d) Agency-established reporting requirements to meet the standards set forth in Paragraph (b) of this Rule shall be specified in each recipient's contract.

(e) Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards.

(f) Notwithstanding the provisions of this Subchapter, a recipient may satisfy the reporting requirements of Subparagraph (b)(4) of this Rule by submitting a copy of the report required under federal law with respect to the same funds.

QUARTERLY STATUS REPORT

Report Template A: Please use this reporting template for each of the quarterly reports

Desirient Nemes	
Recipient Name:	
Recipient Tax ID #	
Project/Activity Title:	
Reporting Period (Quarter):	
Recipient's Fiscal Year End:	
Report Completion Date:	
Preparer of This Report:	
1. Provide a brief description of the	entity's mission, purpose, and governance structure.
-	types of programs, services, and activities supported by these
funds.	
3. Provide the number of persons ser	rved by the programs, services, and activities supported by
	nties in which services are provided.
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4. Provide a summary of deliverables, outputs, and outcomes that demonstrate the impact and
effectiveness of the programs, services, and activities supported by these funds.
5. Have there been any significant changes to the intended goals, Scope of Work, and/or planned
budget during this reporting period (quarter)? If so, please provide an explanation here.
6. Provide any other pertinent information about the progress of the programs, services, and
activities supported by these funds.

7. Provide a summary of expenditures during the reporting period (quarter).			
Expenditure Category	Amount of Expenditure		
Employee Expenses (e.g., program related staffing):	\$		
Services/Contract Expenses (e.g., utilities, phone, lease):	\$		
Goods Expenses (e.g., supplies and equipment):	\$		
Administrative Expenses (e.g., overhead and project management): \$			
Other Expenses (Specify):	\$		
Total Expenses:	\$		
8. Provide a summary of year-to-date expenditures through the end of the current reporting period. The total expenditures on this table should equal the cumulative expenditures from all completed quarterly reports to date.			
Expenditure Category	Amount of Expenditure		
Employee Expenses (e.g., program related staffing):	\$		
Services/Contract Expenses (e.g., utilities, phone, lease):	\$		
Goods Expenses (e.g., supplies and equipment):	\$		
Administrative Expenses (e.g., overhead and project man	nagement): \$		
Other Expenses (Specify):	\$		
Total Expenses:	\$		

If there are any questions, please contact the Contract Administrator.

STATE GRANT COMPLIANCE REPORTING Report Template B: Please use this reporting template for the END OF YEAR report

1. Organization:	
Organization Name:	
Organization Tax ID #:	
Project/Activity Title:	
Reporting Period:	
Organization Fiscal Year	
End:	
Mailing Address	
(street, city, state, zip	
code):	
Phone Number	
(area code + number):	
Fax Number	
(area code + number):	
Contact Person:	
Contact Person Title:	
E-Mail Address:	

2. Preparer: [PLEASE INDICATE WHO PREPARED THIS INFORMATION BY CHECKING]	Employe e	CPA/Accountant
Name of Preparer:		
Phone Number:		

3. Please provide a list of the Organization's Board Members. [ADD ADDITIONAL PAGES, IF NEEDED]

Name of Board Member	Board Member Title

4. What restrictions are placed upon the grant by the grant award document? If the grant award document does not identify specific restrictions, please identify the intended use of the grant funds as included in the award document.

Restrictions:

5.	Does the organization have a Conflict of Interest policy?	yes	no
6.	Is the organization a for profit entity?	yes	no

7. Did the organization subgra organization?	yes	no			
If yes, answer the following:					
a. Name of Subgrantee	b. Program	n Name	c. Amount Subgranted		

8. Program Activities and Accomplishments:

Recipient must complete and submit a separate Program Activities and Accomplishments Report, detailing the program name, the original goals of each program, and a brief narrative of program accomplishments for each funded program. This information is required of all recipients of state funding in an amount greater than or equal to \$25,000.

SCHEDULE OF RECEIPTS AND EXPENDITURES Report Template C: Please use this reporting template for the END OF YEAR report

9. Organization:	
Organization Name:	
Organization Tax ID#:	
Organization Fiscal Year	
End:	
Mailing Address	
(street, city, state, zip	
code):	
Phone Number	
(area code + number):	
Fax Number	
(area code + number):	
Contact Person:	
Contact Person Title:	
E-Mail Address:	

a. Receipts			
Funding State Agency	Grant Title		Total Receipts
b. Expenditures			
Category		Dollar Amou	int
Personnel			
Contracted Services			
(a)Total Personnel/Contracted	d Services Costs:		
Office Supplies & Materials			
Service Related Supplies			
(b)Total Supplies & Material	Costs:		
Travel			
Communications & Postage			
Utilities			
Printing & Binding			
Repair & Maintenance			
Meeting/Conference Expense			
Employee Training (no travel)			
Classified Advertising			
In-State Board Meeting Expens			
(c)Total Non-Fixed Operating			
Office Rent (Land, Buildings, etc.)			
Furniture Rental			
Equipment Rental (Phones, Computers, etc.)			
Vehicle Rental			
Dues & Subscriptions			
Insurance & Bonding			_

Books/Library Reference Materials	
Mortgage Principal, Interest and Bank Fees	
(d)Total Fixed Charges & Other Expenses:	
Buildings & Improvements	
Leasehold Improvements	
Furniture/Non-Computer Equip., \$500+ per item	
Computer Equipment/Printers, \$500+ per item	
Furniture/Equip., under \$500 per item	
(e)Total Property & Equipment Outlay:	
Purchase of Services	
Contracts with Service Providers	
Stipends/Scholarships/Bonuses/Grants	
(f)Total Services/Contracts:	
Food	
Other (provide description here):	
Other (provide description here):	
Other (provide description here):	
Other (provide description here):	
(g)Total Other Expenses:	
Total Expenditures (sum a through g)	

Unexpended cash balance (do <u>NOT</u> use with reimbursement grants)

Beginning of the year cash balance	
End of the year cash balance	

NOTE: If total receipts, expenditures, beginning or ending unexpended grant balance available for expenditures is \$500,000 or more, an audit is required *by G.S. 143C-6-23*.

If there are any questions, please contact the Contract Administrator.

PROGRAM ACTIVITIES AND ACCOMPLISHMENTS REPORT Report Template D: Please use this reporting template for the END OF YEAR report

Recipient Name:	
Recipient Tax ID #	
Project/Activity Title:	
Recipient's Fiscal Year End:	
Report Completion Date:	
Preparer of This Report:	
	als and expectations for the activity supported by this grant?
2 If applicable how have th	ose goals and expectations been revised or refined during the course
of the project?	ose goals and expectations been revised or reinied during the course
of the project?	
3 What has the activity acco	omplished with these grant funds? Please include specific
	g facts and statistics to support conclusions and judgments about the
activity's impact.	, facts and statistics to support conclusions and judgments about the
activity s impact.	

4. If the activity is a continuing one, briefly summarize future plans and funding prospects.

If there are any questions, please contact the Contract Administrator.

		ATTACH	MENT E	
	-	-	F HEALTH AND HUMAN SE e Payment Request Form	RVICES
I. Recipient Information (Make			· ·	ion (DHHS Use Only)
A. Recipient: Organization NameB. Address: (Complete Mailing, including suite if applicable)		B. Amount Requested	A. Total Award Amount: \$ B. Amount Requested This Payment: \$ C. Amounted Requested to Date: \$	
C. City: D. Contact's Name:				\$
Position in Organization: E. Phone No: ()				
F. Kind of Organization: G. Purpose:	Corporation Government Partnership		Trust Unincorporated Association Other	
-	s to briefly summa	rize the intended	d use of funds as described in Atta	chment B of the executed
III. Period Ending: (check one)	Jul-Sept Oct-Dec Jan-Mar Apr-Jun			
IV. Match Required (check one):	Yes 🗖 No 🗵	On a _	tobasis.	
If matching required, is c	ash match in hand?	Yes 🗆 No 🗆		
If match not on hand, by	what date and from	what source does	the recipient expect to have the cash	n match?
expenditures will be properly do be in full compliance with G.S. 14.	cumented, and will 3C-6-21 through G.S Officer or Other Offic	be valid expendit		e financial assistance will
Date ****** For DHHS Use Only	*****	*****	Date ************************************	*****
PO #:	(Contract # :		
Recipient/Tax ID #:	A	Account/Center/C	Company:	Fiscal Year:
Department or Division Budget	Officer Da	ite	Department Official/Ma	nager Dat

ATTACHMENT F STATE GRANT CERTIFICATION-NO OVERDUE TAX DEBTS

Instructions: Recipient should complete this certification for all state funds received. Entity should enter appropriate data in the yellow highlighted areas. The completed and signed form should be provided to the state agency funding the grant to be attached to the contract for the grant funds. A copy of this form, along with the completed contract, should be kept by the funding agency and available for review by the Office of State Budget and Management.

Note: If you have a contract that extends more than one state fiscal year, you will need to obtain an updated certification for each year of the contract.

Entity's Letterhead

[Date of Certification (mm/dd/yyyy)]

To: State Agency Head and Chief Fiscal Officer

Certification:

We certify that the Organization Name does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

[Name of Board Chair] and [Name of Second Authorizing Official] being duly sworn, say that we are the Board Chair and [Title of the Second Authorizing Official], respectively, of [insert name of organization] of [City] in the State of North Carolina; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

Board Chair

[Title of Second Authorizing Official]

Sworn to and subscribed before me on the day of the date of said certification.

My Commission Expires: _____

(Notary Signature and Seal)

If there are any questions, please contact the state agency that provided your grant.

¹ G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement."

ATTACHMENT G STATE CERTIFICATIONS

Contractor Certifications Required by North Carolina Law

Instructions: The person who signs this document should read the text of the statutes and Executive Order listed below and consult with counsel and other knowledgeable persons before signing. The text of each North Carolina General Statutes and of the Executive Order can be found online at:

- Article 2 of Chapter 64:
- http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter 64/Article 2.pdf
- G.S. 133-32:
- http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=133-32
- Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009): https://ethics.nc.gov/media/242/download?attachment
- G.S. 105-164.8(b):
 http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter 105/GS 105-164.8.pdf
- G.S. 143-48.5: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter 143/GS 143-48.5.html
- <u>http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter 143/GS 143-48.5.html</u>
 G.S. 143-59.1:
- http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter 143/GS 143-59.1.pdf G.S. 143-59.2:
- http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter 143/GS 143-59.2.pdf G.S. 143-133.3:
- http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter 143/GS 143-133.3.html • G.S. 143B-139.6C:
- http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter 143B/GS 143B-139.6C.pdf

Certifications

(1) Pursuant to G.S. 133-32 and Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009), the undersigned hereby certifies that the Contractor named below is in compliance with, and has not violated, the provisions of either said statute or Executive Order.

(2) Pursuant to G.S. 143-48.5 and G.S. 143-133.3, the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

(3) Pursuant to G.S. 143-59.1(b), the undersigned hereby certifies that the Contractor named below is not an "ineligible Contractor" as set forth in G.S. 143-59.1(a) because:

(a) Neither the Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); and

(b) [check one of the following boxes]

 \Box Neither the Contractor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; or

 \Box The Contractor or one of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 but the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.

(4) Pursuant to G.S. 143-59.2(b), the undersigned hereby certifies that none of the Contractor's officers, directors, or owners (if the Contractor is an unincorporated business entity) has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934 within 10 years immediately prior to the date of the bid solicitation.

(5) Pursuant to G.S. 143B-139.6C, the undersigned hereby certifies that the Contractor will not use a former employee, as defined by G.S. 143B-139.6C(d)(2), of the North Carolina Department of Health and Human Services in the administration of a contract with the Department in violation of G.S. 143B-139.6C and that a violation of that statute shall void the Agreement.

(6) The undersigned hereby certifies further that:

(a) He or she is a duly authorized representative of the Contractor named below;

(b) He or she is authorized to make, and does hereby make, the foregoing certifications on behalf of the Contractor; and

(c) He or she understands that any person who knowingly submits a false certification in response to the requirements of G.S. 143-59.1 and -59.2 shall be guilty of a Class I felony.

Contractor's Name:			
Contractor's Authorized Agent:	Signature		Date
	Printed Name	Title	
Witness:	Signature		Date
	Printed Name	_ Title	

The witness should be present when the Contractor's Authorized Agent signs this certification and should sign and date this document immediately thereafter.

Note: References to the "Contractor" in Attachment G are references to the Recipient.

ATTACHMENT H CONFLICT OF INTEREST ACKNOWLEDGEMENT

State of	_	
County	_	
I,	, Notary Public for said County and State, certify that	
pe	ersonally appeared before me this day and acknowledged	
that he/she is	of [name of Organization]	
and by that authority duly given and as the act of	the Organization, affirmed that the foregoing Conflict of In	terest Policy
was adopted by the Board of Directors/Trustees of	or other governing body in a meeting held on the	day of
,		
Sworn to and subscribed before me this	day of	
(Official Seal)	Notary Public	
My Commission expires	, 20	
Instruction for Organization: Sign and attach the following pages after a body OR replace the following with the cu	adopted by the Board of Directors/Trustees or other g ırrent adopted conflict of interest policy.	overning
Recipient Name:		
Name and Title of Organization Official	-	
Signature of Organization Official	-	
Date	-	

ATTACHMENT I CONFLICT OF INTEREST POLICY EXAMPLE

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/recipients, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a recipient where, to his knowledge, any of the following has a financial interest in that purchase or contract:

- 1. The Board member or other governing person, officer, employee, or agent;
- 2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
- 3. An organization in which any of the above is an officer, director, or employee;
- 4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. Violations of the Conflicts of Interest Policy -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Record of Conflict -- The minutes of the governing board and all committees with board delegated powers shall contain:

- 1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- 2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Recipient Name:

Name and Title of Organization Official

Signature of Organization Official

Date

ATTACHMENT J CONFLICT OF INTEREST VERIFICATION FORM (ANNUAL)

We, the undersigned entity, hereby testify that our Organization's Conflict of Interest Acknowledgement and Policy adopted by the Board of Directors/Trustees or other governing body, is on file with the North Carolina Department of Health and Human Services (DHHS). If any changes are made to the Conflict of Interest Policy, we will submit a new Conflict of Interest Acknowledgment and Policy to the Department (DHHS).

Name of Organization	
Contractor's Authorized Agent	Date
Printed Name of Contractor's Authorized Agent	Title
Signature of Witness	Date
Printed Name of Witness	Title

NCDHHS COIV1015 Conflict of Interest Verification (9.19.13)

ATTACHMENT K FEDERAL CERTIFICATIONS

The undersigned states that:

- (a) He or she is the duly authorized representative of the Contractor named below;
- (b) He or she is authorized to make, and does hereby make, the following certifications on behalf of the Contractor, as set out herein:
 - a. The Certification Regarding Nondiscrimination;
 - b. The Certification Regarding Drug-Free Workplace Requirements;
 - c. The Certification Regarding Environmental Tobacco Smoke;
 - d. The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
 - e. The Certification Regarding Lobbying;
- (C) He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;

(d) [Check the applicable statement]

[] He or she has completed the attached Disclosure Of Lobbying Activities because the Contractor has made, or has an agreement to make, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;

OR

- [] He or she has not completed the attached Disclosure Of Lobbying Activities because the Contractor has not made, and has no agreement to make, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.
- (e) The Contractor shall require its subcontractors, if any, to make the same certifications and disclosure.



[This Certification Must be Signed by the Same Individual Who Signed the Proposal Execution Page]

I. Certification Regarding Nondiscrimination

The Contractor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of

1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

II. Certification Regarding Drug-Free Workplace Requirements

- 1. The Contractor certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing a drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Contractor's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (a);
 - d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - e. Notifying the Department within ten days after receiving notice under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;
 - f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Street			
City, State, Zip Code			
Street			
City, State, Zip Code			

- 3. Contractor will inform the Department of any additional sites for performance of work under this agreement.
- 4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. 82.510.

III. Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards that contain provisions for children's services and that all subgrantees shall certify accordingly.

IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Instructions

[The phrase "prospective lower tier participant" means the Contractor.]

- 1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
- 2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.
- 3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have

the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.

- 5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
- 6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
- 8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarrent.

Certification

- 1. **The prospective lower tier participant certifies,** by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

V. Certification Regarding Lobbying

The Contractor certifies, to the best of his or her knowledge and belief, that:

- 1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

- 3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) who receive federal funds of \$100,000.00 or more and that all subrecipients shall certify and disclose accordingly.
- 4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

VI. Disclosure Of Lobbying Activities

Instructions

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

- 1. Identify the status of the covered Federal action.
- 2. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
- 3. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
- 4. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
- 5. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
- 6. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
- Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
- 8. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
- 9. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

- (b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
- 10. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
- 11. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
- 12. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
- 13. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
- 14. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
- 15. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

Disclosure Of Lobbying Activities (Approved by OMB 0344-0046)

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352				
1. Type of Federal Action:	2. Status of Federal	Action:	3. Report Type:	
 a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance 	 a. Bid/offer/application b. Initial Award c. Post-Award 		 a. initial filing b. material change For Material Change Only: Year Quarter Date Of Last Report:	
A November 1 Address of Departies Futitor		5. If Reporting Enti		
 4. Name and Address of Reporting Entity: Prime Subawardee Tier (if known) Congressional District (if known) 		 If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District (if known) 		
6. Federal Department/Agency:		7. Federal Program N	Jame/Description:	
			applicable)	
8. Federal Action Number (if known)		9. Award Amount (if	known) \$	
10. a. Name and Address of Lobbying Entity (<i>if individual, last name, first name, MI</i>): (attach Continuation Sheet(s) SF-LLL-A, if necessary)		b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI): (attach Continuation Sheet(s) SF-LLL-A, if necessary)		
11. Amount of Payment (<i>check all that apply</i>)		13. Type of Payment (
<pre>\$actual planned 12. Form of Payment (check all that apply): a. cash b. In-kind; specify: Nature Value</pre>		a. retainer b. one-time fee c. commission d. contingent fee e. deferred f. other; specify:		
14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11(<i>attach Continuation Sheet(s) SF-LLL-A, if necessary</i>):				
15. Continuation Sheet(s) SF-LLL-A attached		Yes	D No	
16. Information requested through this form is U. S. C. section 1352. This disclosure of material representation of fact upon which by the tier above when this transaction wa This disclosure is required pursuant to 31 information will be reported to the Congre will be available for public inspection. An file the required disclosure shall be subjec not less than \$10,000 and not more than \$ failure.	lobbying activities is a reliance was placed s made or entered into. U. S. C. 1352. This ess semi-annually and ny person who fails to t to a civil penalty of	Print Name: Title:	Date:	
Federal Use Only			Authorized for Local Reproduction Standard Form - LLL	

ATTACHMENT L

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) DATA REPORTING REQUIREMENT

A. Exemptions from Reporting

- 1. Entities are **exempted** from the <u>entire</u> FFATA reporting requirement if <u>any</u> of the following are true:
 - The entity has a gross income, from all sources, of less than \$300,000 in the previous tax year
 - The entity is an individual
 - If the required reporting would disclose classified information
- 2. Entities who are not exempted entirely from FFATA reporting may be exempted from the requirement to provide executive compensation data. <u>This executive compensation data is</u> **required ONLY if both** below are true:
 - More than 80% of the entity's gross revenues are from the federal government **and** those revenues are more than \$25 million in the preceding fiscal year
 - Compensation information is <u>not</u> already available through reporting to the U.S. Securities and Exchange Commission.

By signing below, I state the entity listed below is exempt from:

The **<u>entire</u>** FFATA reporting requirement:

- \Box as the entity's gross income is less than \$300,000 in the previous tax year.
- \Box as the entity is an individual.
- \square as the reporting would disclose classified information.

Only executive compensation data reporting:

 \Box as at least one of the bulleted items in item number 2 above is not true.

Signature	Name	Title
Entity		Date

B. Reporting

1. **FFATA Data** required by all entities which receive federal funding (except those exempted above) per the reporting requirements of the *Federal Funding Accountability and Transparency Act* (FFATA).

Entity's Legal Name	Contract Number
---------------------	-----------------

□ Active SAM registration record is attached (An active registration with SAM is <u>required</u>; go to <u>www.sam.gov</u> for more information about SAM)

	y's Parent's Unique Entity Identifier (formerly DUNS) oplicable)
Enti	ty's Location
	Street Address
	City/State/Zip+4
	County
	ary Place of Performance for Specified Contract Check here if the address is the same as the Entity's Location
	Street Address
	City/State/Zip+4
	County

2. **Executive Compensation Data** for the entity's five most highly compensated officers (unless exempted above)

Title	Name	Total Compensation
1		
2		
3		
4		
5		

³ As of April 4, 2022, the federal government is no longer utilizing the DUNS number and is now using the Unique Entity Identifier (UEI). If you do not already have a UEI, you can obtain one via <u>www.SAM.gov</u>.

ATTACHMENT M NC SUBSTITUTE W-9 (RECIPIENT TO ATTACH) Form available here:

https://files.nc.gov/ncosc/documents/NCAS_forms/State_of_North_Carolina_Sub_W-9_01292019.pdf

ATTACHMENT N IRS TAX EXEMPTION LETTER (RECIPIENT TO ATTACH)

ATTACHMENT O IRS TAX EXEMPTION VERIFICATION FORM (ANNUAL)

We, the undersigned entity, hereby testify that the 501 (c) (3) status is on file with the North Carolina Department of Health and Human Services and is still in effect.

Name of Agency _____

Chairman, Executive Director, or other Authorized Official

Sworn to and subscribed before me, this _____ day of _____, ____.

Notary Public

My Commission expires: _____

NCDHHS NP1021 IRS Verification (Rev. 4/11)

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Infrastructure and Asset Management - Request for Permission to Temporarily Display Public Art at Historic Courthouse Front Porch

BRIEF SUMMARY:

The Cabarrus County Arts Council has made a request to temporarily display and install a piece of art on the front porch of the Historic Courthouse. The current lease does not specifically address this type of display. The attached document provides a narrative both on the intent and logistics of the display as well as a narrative on the piece of art.

REQUESTED ACTION:

Motion to approve the temporary placement of public art in front of the Historic Courthouse and authorize the County Manager and County Attorney to put a Memorandum of Understanding in place.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY: Kyle Bilafer, Assistant County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Liminal

The Cabarrus Arts Council is looking forward to our next Gallery Exhibition, titled *Liminal* with guest curator Katlyn Cornelius. The exhibit will be open to the public May 18-July 22, with installation occurring between May 3-17. Part of the curator's vision is to install a lighted sculpture on the front porch of the Historic Courthouse where one of our banners currently hangs (indicated by the red dot) and where a pad already exists:



The work selected to be installed here is *Baby Bookmark*, created by Kat. In her vision statement, the curator describes, "It fits into the theme of "LIMINAL", which means "the space between", and this sculpture will literally be placed in the space between Concord's boom of construction, and eventually, large growth." The sculpture will serve as a beacon for visitors to be intrigued and inspired to visit the Cabarrus Arts Council exhibition, which features the work of artists living and working in Cabarrus.



The piece is 6' x 18" x 18" and approximately 125 lbs. There are LED lights that are programmable via Govee app. The intention would be to keep the lights on in the evenings. The sculpture is a mosaic of naturally colored indigo glass that was collected from a renovated mill in Concord. The glass was formed into panels which were permanently adhered to the internal steel structure.

The piece would need to be bolted into a cement block. There is one in place that, with the county's permission, could be used or we would work with the artist and county facilities to create a suitable alternative.

With the opening of the public plaza and new apartments in the vicinity of the Cabarrus Arts Council, we are excited to share this exhibit that centers our local artists and invites community members to meet through engaging arts experiences.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Infrastructure and Asset Management - Rob Wallace Park Veterans Memorial Flagpole Lighting Discussion

BRIEF SUMMARY:

County staff has been in communications with Town of Midland staff since the failure of the solar light that lit the flags at the Veterans Memorial site at Rob Wallace Park. The County has met with Duke Energy as has the Town of Midland. After discussions, the County feels the best option to light the flags will require an electric panel and running of underground conduit. County staff can install this equipment at cost to the Town of Midland but the Town of Midland requested that we waive the permit fees that the County would pay for the electric work. Based on the current permit fee schedule, the permit fees are anticipated to be \$111.12. The Town of Midland has been provided a different option from Duke Energy and staff will discuss that as well. County staff will also provide updates from the Town of Midland in relationship to the current agreement in place regarding the flagpole at the monument. County staff will highlight the options available to the Board in terms of installation and reimbursement.

REQUESTED ACTION:

Motion will be determined during the agenda item based on the direction provided by the Board of Commissioners. Based on County staff discussion with Town of Midland staff it would be prudent to suspend the rules and vote on what the motion is.

EXPECTED LENGTH OF PRESENTATION:

10 Minutes

SUBMITTED BY:

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- FULLY Executed Interlocal agreement for Veterans Monument at RWP
- Executed Amendment flagpole
- Aerial

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

INTERLOCAL SERVICE AGREEMENT

THIS INTERLOCAL SERVICE AGREEMENT ("Agreement") is made and entered into effective May 1, 2021 by and between CABARRUS COUNTY ("County"), a body politic and political subdivision of the State of North Carolina and the TOWN OF MIDLAND ("Midland"), a North Carolina municipal corporation.

PREMISES

1. The County's Active Living and Parks Department operates Rob Wallace Park a portion of which is located in the corporate limits of the Town of Midland; and

2. The Town of Midland desires to construct a Veterans Memorial on park property. The exact size and location noted on the attached drawing (Exhibit A, date 12-08-20)

3. This Agreement is made pursuant to the provisions of N.C. Gen. Stat. § 160A-460 *et seq.*

In consideration of the above Premises and the Terms below, the parties agree as follows:

TERMS

1. The Town will be responsible for the construction of the Veterans Memorial with the Rob Wallace Park at the location noted on the attached drawing.

2. The Town will be responsible for repairs of any and all hardscape damage, repair, leveling, and replacement of any concrete, polymer sand, paver damage, and maintenance and repair of any monument damage. No additions and/or expansions to hard surfaces will be made without prior to approval of the Board of Commissioners. The Town will provide at least 48 hours of notice to Active Living and Parks staff prior to conducting on-site repairs. The Town will be responsible for repairs to any ground cover and landscaping damaged while conducting the repairs. Town will provide at least 48 hours of notice to Active Living and Parks staff of any Town initiated activities or events at the Veterans Memorial site.

3. Active Living and Parks staff shall notify the Midland Town Manager of any damage listed in item 2 above. The Town shall promptly fix and repair any damage cited by County staff within thirty (30) days of receiving notification. An extension of the 30 days will be allowed for repairs involving hard surfaces that require a longer period of sourcing, carving, and installation such as damage to granite or marble. Any damage that results in safety concerns will be discussed by town and county staff, in order to accelerate the repair and rope off the area of the safety concern.

4.. The County will provide for general maintenance of the landscaped areas; including replacement of all plants when appropriate, and regular blowing/sweeping of the memorial area.

5. Town staff shall notify the Active Living and Parks Director and Infrastructure and Asset Management Director of any complaints regarding upkeep of plantings and the cleanliness of the memorial areas. The County shall resolve any complaints regarding upkeep within thirty (30) days.

6. This Agreement shall be for a period of one year from the effective date stated above, and will auto-renew for successive one year terms unless either party notifies the other in writing no later than 30 days prior to automatic renewal. If Midland defaults under this Agreement or decides to terminate the Agreement, then the County shall assume complete ownership and control of the monument(s) and Veterans Memorial area and can solely determine the future of the monument(s)."

7. Notwithstanding any provisions to the contrary contained in this Agreement, either party may terminate this Agreement with or without cause upon ten (10) days prior written notice to the other party.

IN WITNESS, this Agreement has been executed by the duly authorized officials of each party, pursuant to resolutions adopted in accordance with applicable law.

CABARRUS,

Date: 2-24-22

County Manager

TOWN OF MIDLAND Mayor John Crump

Date: 11-16-2021

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

Wendi Heglar Cabarrus County Finance Director

Approved as to form:

(

Cabarrus County Attorney

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

Beverly Love Town of Midland Finance Director

Approved as to form:

Town of Midland Attorney

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

INTERLOCAL SERVICE AGREEMENT AMENDMENT

THIS INTERLOCAL SERVICE AGREEMENT AMENDMENT ("Amendment") is made and entered into effective June 1, 2022 by and between CABARRUS COUNTY ("County"), a body politic and political subdivision of the State of North Carolina and the TOWN OF MIDLAND ("Midland"), a North Carolina municipal corporation.

PREMISES

1. The County's Active Living and Parks Department operates Rob Wallace Park a portion of which is located in the corporate limits of the Town of Midland; and

2. The Town of Midland has constructed a Veterans Memorial on park property.

3. The County and Town have entered into a prior Interlocal Agreement regarding the maintenance of the Veterans Memorial.

4. The Town desires to add two flagpoles to the memorial and store hardscape repair materials for the memorial in the park's material storage yard for ease of future repairs.

4. The County desires to amend the original interlocal service agreement to outline responsibilities regarding the flag poles and materials stored.

5. This Amendment is made pursuant to the provisions of N.C. Gen. Stat. § 160A-460 et seq.

In consideration of the above Premises and the Terms below, the parties agree as follows:

TERMS

1. The Town will be responsible for all costs of the two flagpoles, including installation, future replacement, repair, foundation, flags, lights, and all associated hardware of the flagpole.

2. The Town and County agree to the following specifications regarding the flagpoles: A 5' x 8' US Flag will be flown on a 25' aluminum pole. A 4' x 6' state flag will be flow on a 20' pole. All flags will be of "All Weather" construction. Each pole

will be topped with a solar powered light with an output of 1,300 lumens using 36 downward facing LED with a 3 day power reserve so flags can fly during the night while meeting flag code regulations.

3. County staff will be responsible for lowering and storing flags during events where the rest of the County flags are lowered to half-staff in regards to Governors flag alerts or other remembrance occasions. County staff will lower and store flags in times of severe inclement weather such as a tornado or hurricane if they are on-site or the weather is forecasted in enough time to allow such action to take place safely. The flags will not be lowered and stored during normal rain and snow events nor in the evening. If County Staff is unable to lower and store the flag due to unsafe conditions, notification to the Town is not required.

4. County staff will contact the Town if there is any damage reported or maintenance needs reported in regards to the flagpoles. If a solar light fails and needs replacement, County staff shall lower and store the flag on the affected flagpole until a replacement light is installed and is functioning.

5. The County will allow the Town to store hardscape repair materials in the park's material storage yard. As the park is developed the location of the storage yard may change. County staff will advise the Town of any changes in location and continue to provide a reasonable footprint for the hardscape repair materials, Retrieval of materials for hardscape repair by the town requires prior notification and approval by County staff. The County is not responsible for any damage or theft of the hardscape materials.

6. This Agreement shall be for a period of one year from the effective date stated above, and will auto-renew for successive one year terms unless either party notifies the other in writing no later than 30 days prior to automatic renewal. If Midland defaults under this Agreement or decides to terminate the Agreement, then the County shall assume complete ownership and control of the flagpoles and hardscape materials.

7. Notwithstanding any provisions to the contrary contained in this Agreement, either party may terminate this Agreement with or without cause upon ten (10) days prior written notice to the other party.

IN WITNESS, this Agreement has been executed by the duly authorized officials of each party, pursuant to resolutions adopted in accordance with applicable law.

CABARRUS COUNTY

By County Manager

Date: 5/24/22

MIDLAND TOW By

Date: 51 022

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

Wendi Heglar Cabarrus County Finance Director

Approved as to form:

Cabarrus County Attorney

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

ever! NT Beverly Love

Town of Midland Finance Director

pproved as to form: Town of Midland Attorney



CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Infrastructure and Asset Management - Surplus and Sale of County Property

BRIEF SUMMARY:

The backup generator at the 1975 Courthouse will no longer be needed when the 2023 Courthouse comes online. The current generator is not big enough to supply the new load so a new generator has been installed for emergency back-up purposes. The existing generator is a 2014 model and does have life left in it. County staff have identified a use for this generator in the replacement of the existing backup generator at the Concord Senior Center.

The Senior Center is one of the few County buildings that is fully backed up by generator and capable of being used for sheltering in an emergency event. Historically the generator at the Senior Center has been unreliable and required excessive service and repair. It is a 2005 model natural gas fueled unit whereas nearly all of the other County generators are more reliable diesel-powered units.

The IAM department is proposing to remove and sell the existing generator at the Concord Senior Center so that the existing 1975 Courthouse generator can be installed at the Senior Center.

REQUESTED ACTION:

Motion to declare the existing 2005 backup generator at the Concord Senior Center (asset # 2152) surplus property and authorize the sale of the unit in accordance with County policy.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Michael Miller, Director of Design and Construction

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Concord Sr. Center Generator Value

Michael Miller

From: Sent: To: Cc: Subject: Thomas Nunn Monday, October 17, 2022 2:38 PM Michael Miller; Maxwell Thorne Kyle Bilafer; Richard Stancil RE:

Michael,

According to Munis the current book value for each is below.

Chiller - \$99,683.06 Generator - \$3,334.37

Tom Nunn, CLGPO Chief Procurement Officer

County Manager's Office Cabarrus County 65 Church St. S., Concord, NC 28025 PO Box 707 Concord, NC 28026-0707 O: 704-920-2888 www.cabarruscounty.us



YOUR VOICE MATTERS CABARRUS COUNTY'S 2022 WORKPLACE SURVEY AMBASSADOR

From: Michael Miller <MAMiller@cabarruscounty.us>
Sent: Monday, October 17, 2022 2:30 PM
To: Maxwell Thorne <msthorne@cabarruscounty.us>; Thomas Nunn <tcnunn@cabarruscounty.us>
Cc: Kyle Bilafer <KDBilafer@cabarruscounty.us>; Richard Stancil <RPStancil@cabarruscounty.us>
Subject:

Max and Tom, We have two assets we're about to get rid of that I need a value on.

Asset 2651 is a chiller at the Courthouse that we're going to transfer to the school system. Can you please send us a value on that?

Asset 2152 is a generator at the Senior Center that we're going to sell. Can you please send us a value on that as well?

Thanks,

Director

Infrastructure & Asset Management Cabarrus County O: 704-920-3212 M: 704-798-3092 F: 704-920-3203



CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Infrastructure and Asset Management - Transfer of Surplus Courthouse Chiller to Cabarrus County Schools

BRIEF SUMMARY:

Asset 2651 is a 2013 Carrier 120 ton screw type chiller that is approximately 9 years old. It is currently part of the HVAC system at the 1975 Courthouse. The renovation of the '75 Courthouse will include all new HVAC systems. Due to the age and condition of this chiller we felt that it is worth saving, however the County does not have a use or need for it. We approached Cabarrus County Schools who indicated that they do have a need for this type and size chiller.

REQUESTED ACTION:

Motion to declare asset 2651 surplus property and authorize the transfer of the asset to Cabarrus County Schools in accordance with the County's policy.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Michael Miller, Director of Design and Construction

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- D CH Chiller Value
- Letter from CCS

Michael Miller

From: Sent: To: Cc: Subject: Thomas Nunn Monday, October 17, 2022 2:38 PM Michael Miller; Maxwell Thorne Kyle Bilafer; Richard Stancil RE:

Michael,

According to Munis the current book value for each is below.

Chiller - \$99,683.06 Generator - \$3,334.37

Tom Nunn, CLGPO Chief Procurement Officer

County Manager's Office Cabarrus County 65 Church St. S., Concord, NC 28025 PO Box 707 Concord, NC 28026-0707 O: 704-920-2888 www.cabarruscounty.us



YOUR VOICE MATTERS CABARRUS COUNTY'S 2022 WORKPLACE SURVEY AMBASSADOR

From: Michael Miller
Sent: Monday, October 17, 2022 2:30 PM
To: Maxwell Thorne
msthorne@cabarruscounty.us>; Thomas Nunn
tcnunn@cabarruscounty.us>; Richard Stancil
RPStancil@cabarruscounty.us>
Subject:

Max and Tom, We have two assets we're about to get rid of that I need a value on.

Asset 2651 is a chiller at the Courthouse that we're going to transfer to the school system. Can you please send us a value on that?

Asset 2152 is a generator at the Senior Center that we're going to sell. Can you please send us a value on that as well?

Thanks,

Director

Infrastructure & Asset Management Cabarrus County O: 704-920-3212 M: 704-798-3092 F: 704-920-3203





4425 Old Airport Road PO Box 388 Concord, NC 28026.0388

(704) 262-6128 (704) 262-6211 Fax

Facilities Management Department

TO: Kyle Bilafer From: Chuck Taylor Date: 08/16/2022

Regarding your offer to allow Cabarrus County Schools (CCS) to take possession of the 120-ton Chiller we accept. I just want to say that on behalf of my staff and CCS we are extremely appreciative for your consideration.

Sincerely. Charles C. Taylor

Director of Facilities

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Planning and Development - Community Development Budget Amendment

BRIEF SUMMARY:

The Community Development Division has generated additional revenues through the Duke Rebate program and the Housing and Home Improvement program in recent months. The grants require that the program income be applied to the program that created it. Staff is requesting to place the additional revenues into expense line items for use.

REQUESTED ACTION:

Motion to adopt the budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Robert Anderson, Community Development Planner

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Budget Amendment

Budget Revision/Amendment Request

Date:	3/20/2023			Amount:	5,069.26			
•	Susie Morri				Community Development			
		hin Department	Transfer Between Depa	-			oplemental Request	
		-	eceived for Weatherization Program jobs con cipients per grant guidelines.	npleted in homes where electr	icity is provided by Duk	e Energy Carolinas; and	to allocate HHI	
Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget	
460	6	3250-6841-DE	Duke Power Rebate	28,506.45	4,829.26		33,335.71	
460	9	3250-9493-DE	Operations - Duke	5,741.47	4,829.26		10,570.73	
001	6	6622	Home Improvement Program Fees	250.00	240.00		490.00	
001	9	3250-9493-HHIFA	HHIFA Operations	22,748.00	240.00		22,988.00	
						Total	67,384.44	
Budget Officer			County Manager		Board of Commissioners			
	Approved		Д Ар	proved		Appro	oved	
	Denied		De De	nied		Denie Denie	d	
Signature		<u>-</u>	Sianature		Sig	nature		
Date			Date		<i>D</i>	ate		

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Planning and Development - HOME ARP Contract

BRIEF SUMMARY:

Cabarrus County Community Development Staff have been exploring options for use of the HOME ARP funds in the community. Staff is recommending that Cabarrus County participate with the City of Concord on the rebuilding of the public housing units. This project will rebuild the Wilkerson public housing units which have reached their useful life as well as add other market rate units on the same property by using the property they are located on more efficiently. The project will result in additional affordable housing units which was an item that rated very high in our recent community survey.

The contract attached will be updated once there is a consensus for a project.

REQUESTED ACTION:

Motion to authorize the county manager to execute the updated HOME ARP contract after review and revision by the county attorney and approve the budget amendment and project ordinance.

EXPECTED LENGTH OF PRESENTATION:

SUBMITTED BY: Kelly Sifford, AICP

Assistant County Manager

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

This item was approved by the Board for inclusion on the Agenda as a Consent item.

ATTACHMENTS:

- D Contract
- Budget Amendment
- PowerPoint Presentation
- Housing Units Reconstruction
- D Ordinance

ANNUAL AGREEMENT FOR THE EXECUTION OF THE HOME-ARP INVESTMENT PARTNERSHIPS- AMERICAN RESCUE PLAN PROGRAM

This Agreement, made and entered into this _____day of _____, **2022** and between the **City of Concord**, a municipal corporation organized and existing under the laws of the State of North Carolina, and serving as the lead entity of the Cabarrus/Iredell/Rowan HOME-ARP Consortium (hereinafter "City"), and **Cabarrus County**, a body politic and incorporated under the laws of the State of North Carolina (hereinafter "Eligible HOME-ARP Consortium Member (MEMBER) has been designated to receive **\$578,000** in project funds and **\$45,900** for administrative costs; and

WITNESSETH:

WHEREAS, the City has entered into an Agreement to receive funds for a HOME-ARP Investment Partnerships Program (hereinafter "Funding Agreement") with the U.S. Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, it is the purpose of this Agreement to affect a specified portion of the program approved by the HOME-ARP-ARP Funding Agreement in accordance with the policies expressed by and declared in American Rescue Plan Act of 2021, as amended (hereinafter "Act"); and

WHEREAS, pursuant to said purpose the Member is undertaking certain activities and desires to engage the City to render certain assistance in such undertakings.

NOW, THEREFORE, for valuable consideration and mutual promises exchanged between the parties hereto, it is agreed as follows:

A. SCOPE OF SERVICES:

- The services to be performed pursuant to this Agreement (hereinafter "Project"), shall be those specified in the Scope of Services (attached hereto as *Attachment A*), and under the Project Title(s), <u>HOME-ARP-American Relief Plan (HOME-ARP-ARP)</u>, in the Action Plan submitted by the City and approved by HUD as that Action Plan now reads or as it may later be modified in accordance with regulations promulgated by HUD.
- 2. The City may, from time to time, request changes in the scope of service of the Member to be performed hereunder. Such changes, including any increase or decrease in the amount of the Member's compensation, which is mutually agreed upon by and between the City and the Member, shall be incorporated in written amendments to this Agreement.

B. DURATION OF AGREEMENT:

This Agreement shall be effective as of the **<u>1st day of October 2022</u>**, and shall remain in effect until **<u>September 30, 2030.</u>**

C. <u>TERMS AND CONDITIONS</u>:

1. The Member shall enforce this Agreement through a promissory note and deed of trust on all real properties in which HOME-ARP-ARP Funds are used and requiring compliance with all applicable HOME-ARP Program requirements. This Agreement shall be considered breached if the Member

materially fails to comply with any term in this Agreement and shall result in the termination of this Agreement and the recapture of all HOME-ARP Funds disbursed to the Member.

- 2. The Member shall assume responsibility for managing the day-to-day operations of its HOME-ARP program to assure compliance with program requirements outlined in 24 CFR Part 92 and for taking appropriate action when performance problems arise.
- 3. The Member shall take full responsibility for ensuring that housing projects assisted with HOME-ARP Funds meet the affordability and resale requirements of 24 CFR 92.252 or 92.254 as applicable, and shall repay its award of HOME-ARP Funds in full to the City if the housing does not meet the affordability requirements for the specified time period.
- 4. The Member shall retain as program income all repayment, interest, and other return on the investment of HOME-ARP Funds in a separate local account for use to fund additional eligible HOME-ARP activities of the Member's choosing and agrees to invest all returns on HOME-ARP investments in other eligible activities before drawing down additional HOME-ARP Funds from the City.
- 5. The Member shall submit a fully executed Project Completion Report to the City no later than ten (10) days following occupancy of each completed housing unit.
- 6. The Member shall require all owners of housing assisted with HOME-ARP Funds to maintain the housing in compliance with applicable Housing Quality Standards and local housing code requirements for the duration of the Agreement.
- 7. The Member shall, where applicable, review the activities of owners of rental housing assisted with HOME-ARP Funds to assure compliance with the requirements set out in 24 CFR Part 92 not less than annually. Each review must include an annual onsite inspection to determine compliance with housing codes and the HOME-ARP Program requirements. These inspections shall be conducted for each unit in a period during the project's period of affordability.
- 8. The City shall hold the Member responsible for complying with the provisions of this Agreement even when the Member designates a third party or parties to undertake any part of the program. The Member shall not pass on their administrative responsibility to insure compliance with all applicable regulations. All third parties must be bound in writing to the same provisions as required in this Agreement.
- 9. None of the following or their immediate family members, during the tenure of the subject person for one year thereafter, shall have any direct or indirect financial interest in any contract, subcontract or the proceeds thereof for work to be performed in connection with the program assisted under this agreement: Employees, agents, or officials of the Member, including members of the governing body, who exercise any function or responsibility with respect to the program. The same prohibition shall be incorporated in all such contracts and subcontracts.
- 10. The assistance provided under this Agreement shall not be used by the Member to pay a third party to lobby the United States government for funding approval, approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement. However, HOME-ARP Funds may be used to pay reasonable fees for bona fide technical, consultant, managerial

or other such services, other than actual solicitations, provided these services are eligible as a program cost.

- 12. The Member shall reimburse the City for any amount of HOME-ARP Funds determined by HUD to have been improperly expended, and the City shall retain the right to recover any questioned costs or overpayments from the Member.
- 13. Upon termination, the Member shall remit any unexpended balance of advanced payments on account of the HOME-ARP-ARP funds as well as such other portions of such payments previously received as determined by the City to be due and the action of the City in accepting any such amount shall not constitute a waiver of any claim which the City may otherwise have.
- 14. The Member shall allow the City to carry out monitoring and evaluation activities as determined necessary by the City and HUD.
- 15. In the event of termination, all property and finished or unfinished documents, data, studies, and reports purchased or prepared by the Member under this Agreement shall, at the option of the City, become the property of the City.
- 16. Funds must be 100% drawn down by <u>September 30, 2030</u>. If all funds are not drawn by this date, the balance will be recaptured by the HOME-ARP Consortium and reallocated. All HOME-ARP Consortium member governments will have the opportunity to apply for recaptured funds via a competitive application process. Applicants that can expend the money in the shortest amount of time will rank highest.

In the event the draw down deadline is not met due to an extenuating circumstance; the deadline may be extended upon approval by the full consortium.

- 17. The Member shall comply with all labor standards, nondiscrimination and equal opportunity responsibilities outlined in Title 24.
- The Member shall conduct all environmental reviews, including but not limited to environmental 18. assessments, environmental impact statements or other required environmental studies, pursuant to 24 CFR 58 et seq., in a timely manner. Member shall also comply with all applicable environmental laws, including but not limited to all laws governing environmental impacts, environmental policy, sedimentation, erosion control wetlands, water quality, storm water quality, floodplain management, air pollution, resource conservation and recovery, hazardous or toxic materials of any kind or any other environmental or nuisance ordinance, statute or rule listed in 24 CFR 58.5 and 58.6. Environmental reviews requiring public comment shall be presented to the City for inspection no less than 15 days prior to advertising, as required by 24 CFR 58.56. In the event that the City, the U.S. Department of Housing and Urban Development, U.S. Environmental Protection Member, N.C. Dept. of Environment and Natural Resources, U.S. Army Corps of Engineers or any other governmental body having jurisdiction finds that any environmental review was not properly conducted or is in any way inadequate, the Member shall fully indemnify and save harmless the City, its agents, officers, and employees, to the maximum extent allowed by law, from and against all charges that arise in any manner from, in connection with, or out of this contract as a result of the acts or omissions of the Member, its contractor or subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable in regard to the environmental reviews described above and in 24 CFR 58.5 and 58.6. The Member shall not be liable for damage or injury caused solely by the negligence of the City its agents, officers, or employees. In performing its duties under this

section, the Member shall at its sole expense defend the HOME-ARP Member, its agents, officers, and employees with legal counsel reasonably acceptable to City. As used in this subsection, "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, expenses, interest, reasonable attorney's fees, and amounts for alleged violations of sedimentation pollution, erosion control, pollution, or other environmental laws, regulations, ordinances, rules, or orders. Nothing in this section shall affect any warranties in favor of the City that are otherwise provided in or arise out of this Agreement. This section shall remain in force for a period of one year from the completion date of Work despite termination of this Agreement (whether by expiration of the term or otherwise) and termination of the services of the Member under this Agreement.

- 19. The Member shall ensure that the City has sufficient time to review and comment on all environmental reviews as defined in paragraph 18, environmental assessments and environmental impact statements that may have an impact on Member's program(s). The Member and City depending on the length and complexity of the assessment or impact statement shall determine "sufficient time".
- 20. The Member shall hold the City harmless for not certifying a project for the release of funds, or for failing to approve an environmental assessment, or not make a "finding of no significant impact" if the City did not certify a project because the City did not complete an environmental review (as defined in paragraph 18 above) or because the City was unable to make the certification in good faith.

D. FUNDING AND PAYMENT:

- 1. The City will provide the Member with HOME-ARP Funds for the Project in accordance with the HUD approved allocated HOME-ARP budget for the Project (hereinafter "Project Budget") or the actual cost of the Project, whichever is less. The payment procedure under this Agreement shall be in accordance with the following method: Payment shall be on a reimbursement basis, and upon receipt of pay request submitted within the Neighborly Software System which shall reflect expenditures and incurred expenses by budget line item. The Member shall also provide support documentation such as invoices for all expenditures included on the Requisition Form.
- 2. Requests for funds shall be made on a reimbursement basis and shall be received by the City within thirty (30) days of the date the expenditure was made. Checks will be distributed by mail on Fridays. Requests for checks must be received by 5:00 PM the preceding Friday so as to be processed for the next check run.
- 3. Payments under this Agreement are limited to those HOME-ARP Funds specified in the Project Budget, but in no event will the total compensation and reimbursement, if any, to be paid hereunder exceed the maximum sum of the Member's total allocation.
- 4. The Member may use their allocation of HOME-ARP Program administrative funds to pay for costs relating to (a) oversight, coordination and general management of HOME-ARP project(s); (b) staff and overhead costs; (c) public information costs; (d) cost of fair housing; and (e) costs of complying with Federal requirements, per 24 CFR 92.207. Program administration includes, but is not limited to, the following types of assignments: Developing systems and schedules for ensuring compliance with program requirements; developing agreements with entities receiving HOME-ARP Funds; monitoring HOME-ARP-assisted housing for progress and compliance with program requirements; preparing reports and other documents related to the program and projects; providing local officials and

citizens with information about the program; preparing program budgets and schedules; outreach activities; monitoring program activities to assure compliance with program requirements; coordinating resolution of monitoring findings; and managing or supervising persons whose primary responsibilities are with regard to the program. Also included are travel costs incurred for business in carrying out the program; administrative services performed under third party contracts or agreements (such as legal or accounting services); and other costs for goods and services required for administration of the program.

5. PLEASE SEE ATTACHMENT C for HOME-ARP REGULATIONS

E. BUDGET CHANGES AND INELIGIBLE EXPENSES:

- 1. Except for changes made in accordance with subsection (2) below, any and all alterations in the approved use of budgeted funds shall be subject to prior review by the City.
- 2. Funds may be shifted between line items of the Project without prior approval of the City only to the extent that such action does not exceed ten percent (10%) of the line item total from which the funds are being removed or to which the funds are being added.
- 3. A report of fund shifts not requiring prior approval by the City shall be reported in writing to the Planning & Neighborhood Development/HOME Consortium Lead Entity within three (3) days after its effective date.
- 4. Any costs and expenses not covered by the Project Budget, and; hence, eligible for payment from HOME-ARP-ARP Funds, shall be borne entirely by the Member.

F. <u>RECORD AND REPORTS</u>:

- 1. The Member shall maintain and shall make available at reasonable times and places to the City such records and accounts, including property, personnel, and financial records, as are deemed necessary by the City and/or State and Federal agencies in order to assure a proper accounting for all Project funds.
- 2. The Member shall provide any duly authorized City representative, representative of HUD and the Controller General of the United States, at all reasonable times, access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents relating to the HOME-ARP-ARP Funds and the fulfillment of this Agreement for a period of three (3) years following the completion of all close-out procedures respecting HOME-ARP-ARP Funds, and the final settlement and conclusion of all issues arising out of the HOME-ARP-ARP allocation.
- 3. The Member shall provide quarterly reports to the City that denotes accomplishments, beneficiaries, problems encountered and changes in work schedule and any other information needed by the City to complete the Consolidated Annual Performance Evaluation Report and other reports required by HUD. This quarterly report shall also include an accounting of all program income received and/or expended during the quarter and year to date.
- 4. When requested, the Member shall provide an Annual Audit Report to the City of Concord performed in compliance with Office of Management and Budget Circular A-133.

G. FINANCIAL ACCOUNTING:

- 1. The Member shall establish and maintain fiscal and accounting records in accordance with generally accepted accounting principles and practices.
- 2. The Member shall not commingle accounts to an extent that prevents the accounting and auditing of the funds provided hereunder: provided, however, the Member may supplement the funds provided hereunder from other fund sources.
- 3. Funds provided hereunder are exclusively for the purposes of this Agreement and under the terms and conditions of this Agreement, and the Member shall not temporarily or permanently shift such funds to other programs or utilize for other purposes for any reason.

H. INSURANCE AND LIABILITY:

The Member's chief financial officer or insurer shall ensure that all persons handling funds received or disbursed under this Agreement are covered by fidelity insurance in an amount consistent with sound fiscal practice.

Work to be performed as provided herein shall be done by the Member as an Independent Contractor. The City shall not be liable for claims for damages or losses arising out of the performance of this Agreement by the Member, its employees, officers or agents and the Member shall indemnify and hold harmless the City, its officers, agents and employees from all such claims arising under this Agreement.

I. <u>RESIDENT ECONOMIC OPPORTUNITY</u>:

- 1. The Member shall take affirmative action to ensure that residents of the project area are given maximum opportunity for training, employment and business opportunities.
- 2. When qualified applicants are available, preference shall be given to residents of the project area in filling all training, business opportunities and jobs generated by the HOME-ARP-ARP Program.

J. <u>PUBLICITY</u>:

The Member shall make every effort in its publicity and in other ways, to fully inform the public concerning the Project. Any publicity given to the Project must recognize the Cabarrus/Iredell/Rowan HOME-ARP Consortium as the sponsor and the Project being funded by HUD through the HOME-ARP. The City will, in all publicity originated by it concerning the Project, recognize the Member as the entity responsible for carrying out the Project.

K. <u>SUSPENSION OR TERMINATION FOR CAUSE</u>:

- 1. The City, upon written notice to the Member, may suspend or terminate payment of HOME-ARP-ARP Funds to the Member in whole or in part for cause which shall include, but not limited to, the following:
 - (a) Ineffective or improper use of Grant funds;
 - (b) Failure to comply with the terms and conditions of this agreement;
 - (c) Submission to the City of reports which are incorrect or incomplete in any material respect;
 - (d) Suspension of the Grant from HUD to the City in whole or part for any reason.

- 2. The City, upon written notice to the Member, may also withhold payment of any unearned portion of the Grant if the Member is unable or unwilling to accept any additional conditions that may be provided by law, by executive order, by regulations or by other policy announced by HUD.
- 3. If the City withholds payment, it shall advise the Member in writing what action must be taken as a condition of precedent to the resumption of payment.

L. ASSIGNABILITY:

This Agreement is expressly non-assignable without the prior written consent and approval of the City; nor may the Project be continued by a successor to the Member herein named without the prior written consent of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement.

M. DOCUMENTS OF INCORPORATION:

This Agreement is expressly made subject to all of the attachments, provisions, federal, state, and local laws and the Cabarrus/Iredell/Rowan HOME-ARP Consortium Joint Cooperation Agreement and of the Funding Agreement between the City and HUD and to any and all requirements, whether federal, state or local, verbal or written, placed upon the City as lead entity of the Cabarrus/Iredell/Rowan HOME-ARP Consortium. All of the foregoing are hereby made a part of this Agreement and incorporated herein by reference. A list of documents incorporated herein by reference include, but are not limited to, those set forth in *Attachment "C*."

N. MISCELLANEOUS PROVISIONS:

- 1. The singular of any term used in this Agreement shall include the plural, and the masculine shall include the plural, and the masculine shall include the feminine, and vice versa.
- 2. A signed copy of this Agreement shall be considered as an original.
- 3. All notices under this Agreement shall be addressed to the following unless otherwise notified:

CITY OF CONCORD

Attn: Pepper Bego Federal Program Coordinator/HOME Consortium Manager Business and Neighborhood Services P.O. Box 308 Concord, N.C. 28027-0308

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed on its behalf and attested; and the Member has caused the same to be duly executed and attested on its behalf.

ATTEST:

CITY OF CONCORD

Kim Deason, City Clerk

By: ______ Lloyd Payne, City Manager

(Corporate Seal)

APPROVED AS TO FORM

Valerie Kolczynski, City Attorney

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

Pam Hinson, Finance Director

County Manager

.

ATTEST:

COUNTY OF CABARRUS

By: _____

Clerk

(Corporate Seal)

APPROVED AS TO FORM

County Attorney

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

Finance Director

Attachment A

Project Description

Eligible activities include acquisition and development of non-congregate shelter, tenant based rental assistance, supportive services, HOME-ARP rental housing development, administration and planning, and nonprofit operating and capacity building assistance. HOME-ARP-ARP funds must assist people in HOME-ARP-ARP "qualifying populations", which include: Sheltered and unsheltered HOME-ARP less populations; Those currently housed populations at risk of HOME-ARP lessness; Those fleeing or attempting to flee domestic violence or human trafficking; Other families requiring services or housing assistance or to prevent HOME-ARP homelessness; Those at greatest risk of housing instability or in unstable housing situations.

Attachment B

SECTION III

PROJECT BUDGET AND FUNDING

III (a) Budget

Show <u>all</u> funding sources for the project or projects you plan to undertake.

Project Revenue

	Source	Amount
HOME-ARP-ARP funds awarded		\$
Other Federal Funds		
State/Local Funds (list)		\$
Bank Loans		
Other Cash Contributions		
Other local loans		
Private Grants		
Total Funds Available*		\$

* This total should be the same as your *"Total Development Costs"* total in the *Estimated Costs* table on page 7.

Provide the details of all loans and/or grants, other than HOME-ARP-ARP, listed above for the project.

Attachment C



U.S. Department of Housing and Urban Development Community Planning and Development

Special Attention of:

Notice: CPD-21-10

CPD Division Directors All HOME Coordinators All HOME Participating Jurisdictions

Issued: September 13, 2021

Expires: This NOTICE is effective until it is amended, superseded, or rescinded Cross Reference: 24 CFR Part 92

Subject: Requirements for the Use of Funds in the HOME-American Rescue Plan Program

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Appendix – Waivers and Alternative Requirements for HOME Investment Partnerships Program – American Rescue Plan (HOME-ARP)

I. PURPOSE

This Notice establishes requirements for funds appropriated under section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) ("**ARP**") for the HOME Investment Partnerships Program (HOME) to provide homelessness assistance and supportive services.

II. BACKGROUND

On March 11, 2021, President Biden signed ARP into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include: (1) development and support of affordable housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units. The program described in this notice for the use of the \$5 billion in ARP funds is the **HOME-American Rescue Plan** or "**HOME-ARP.**"

ARP defines qualifying individuals or families as those that are (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) ("**McKinney-Vento**"); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) part of other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above.

ARP authorized HUD to allocate HOME-ARP funds to states, units of general local government, insular areas, and consortia of units of general local government that qualified for an allocation of HOME funds in Fiscal Year (FY) 2021, pursuant to section 217 of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 et seq.) ("NAHA"). On April 8, 2021, HUD allocated HOME-ARP funds to 651 grantees using the HOME formula established at 24 CFR 92.50 and 92.60. The HOME-ARP allocation amounts can be found here.

III. ESTABLISHMENT OF HOME-ARP REQUIREMENTS

ARP provides funds for homelessness and supportive services assistance under the HOME statute of Title II of NAHA (42 U.S.C. 12721 et seq.) and authorizes the Secretary of HUD to waive or specify alternative requirements for any provision of NAHA or regulation for the administration of the HOME-ARP program, except requirements related to fair housing, civil rights, nondiscrimination, labor standards, and the environment, upon a finding that the waiver

or alternative requirement is necessary to expedite or facilitate the use of HOME-ARP funds. Pursuant to ARP, the per-unit cost limits (42 U.S.C. 12742(e)), commitment requirements (42 U.S.C. 12748(g)), matching requirements (42 U.S.C. 12750), and set-aside for housing developed, sponsored, or owned by community housing development organizations (CHDOs) (42 U.S.C. 12771) in NAHA do not apply to HOME-ARP funds.

This Notice describes the requirements applicable to a participating jurisdiction's (PJ's) use of HOME-ARP funds. Consolidated plan requirements for HOME are in title I of NAHA and 24 <u>CFR part 91</u>. HOME program regulations are in 24 <u>CFR part 92</u>. Except as described in ARP and this Notice, HOME statutory and regulatory provisions apply to a PJ's use of HOME-ARP funds. Sections I-IX of this Notice describe the HOME-ARP requirements imposed on a PJ for the use of HOME-ARP funds to assist the qualifying populations through HOME-ARP projects or activities. The Appendix describes the waivers and alternative requirements imposed on PJs for the use of HOME-ARP funds and is included in any reference to "this Notice." Specific citations in the Notice shall mean the statute or regulation cited, as may be revised by the Appendix to this Notice. PJs and insular areas must comply with all applicable statutory, regulatory, and alternative requirements, as described in this Notice, including the Appendix.

IV. QUALIFYING POPULATIONS, TARGETING AND PREFERENCES

ARP requires that funds be used to primarily benefit individuals and families in the following specified "qualifying populations." Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria). All income calculations to meet income criteria of a qualifying population or required for income determinations in HOME- ARP eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203(a)(1).

A. Qualifying Populations

1. <u>Homeless</u>, as defined in <u>24 CFR 91.5</u> *Homeless* (1), (2), or (3):

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment;

2. <u>At risk of Homelessness</u>, as defined in <u>24 CFR 91.5</u> At risk of homelessness:

(1) An individual or family who:

(i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;

(ii) Does not have sufficient resources or support networks, *e.g.*, family, friends, faithbased or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and

(iii) Meets one of the following conditions:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(1)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as "homeless" under this section but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42

U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

3. <u>Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence,</u> <u>Sexual Assault, Stalking, or Human Trafficking</u>, as defined by HUD.

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

Domestic violence, which is defined in <u>24 CFR 5.2003</u> includes felony or misdemeanor crimes of violence committed by:

- A current or former spouse or intimate partner of the victim (the term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
- 2) A person with whom the victim shares a child in common;
- 3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- 4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or
- 5) Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating violence which is defined in <u>24 CFR 5.2003</u> means violence committed by a person:

- 1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- 2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - a. The length of the relationship;
 - b. The type of relationship; and
 - c. The frequency of interaction between the persons involved in the relationship.

Sexual assault which is defined in <u>24 CFR 5.2003</u> means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Stalking which is defined in <u>24 CFR 5.2003</u> means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- 1) Fear for the person's individual safety or the safety of others; or
- 2) Suffer substantial emotional distress.

Human Trafficking includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:

- 1) *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- 2) *Labor trafficking means* 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.
- 4. <u>Other Populations</u> where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who <u>do not</u> qualify under any of the populations above but meet one of the following criteria:
 - (1) Other Families Requiring Services or Housing Assistance to Prevent <u>Homelessness</u> is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in <u>24 CFR 91.5</u>, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.

(2) <u>At Greatest Risk of Housing Instability</u> is defined as household who meets either paragraph (i) or (ii) below:

 (i) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

- (ii) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the "At risk of homelessness" definition established at <u>24 CFR 91.5</u>:
 - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan

Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

B. Use of Funds to Benefit Qualifying Populations

ARP states that funds must be used to primarily benefit the qualifying populations through the four eligible activities: (1) TBRA, (2) development and support of affordable housing, (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter (NCS) units. Recognizing the urgent needs of individuals and families in qualifying populations, HUD is requiring that:

- 100% of HOME-ARP funds used by a PJ for TBRA, supportive services, and acquisition and development of non-congregate shelter units must benefit individuals and families in qualifying populations. Individuals and families in qualifying populations may be assisted by one or more of the HOME-ARP eligible activities, consistent with the requirements in this Notice.
- Not less than 70 percent of affordable rental housing units acquired, rehabilitated, or constructed with HOME-ARP funds by a PJ must be occupied by households in the qualifying populations. Units that are not restricted to occupancy by qualifying populations are subject to income targeting and rent requirements established under the

HOME-ARP Rental Program rules and are only permitted in projects with rental units restricted for occupancy by qualifying populations.

HUD recognizes that, because many households in the qualifying populations are unable to pay rents sufficient to cover unit operating costs, PJs and project owners should attempt to obtain Federal or state project-based rental subsidies, if available. Since project-based rental subsidies can be difficult to secure, additional flexibility may be necessary to structure and underwrite projects so that they remain both affordable and financially viable. HUD is providing PJs with additional flexibilities in <u>Section</u> <u>VI.B</u>. to structure and underwrite HOME-ARP rental projects so they remain financially viable during the minimum compliance period. One of these flexibilities is permitting up to 30 percent of HOME-ARP rental housing units funded by a PJ to be occupied by low-income households. PJs are encouraged to use this flexibility only when it is required to facilitate development of a HOME-ARP rental project. PJs must determine and document that households meet the definition of a qualifying population or, for the portion of HOME-ARP rental units not restricted to these populations, that households are low-income.

C. Preferences Among Qualifying Populations, Referral Methods, and Subpopulations

1. Preferences

ARP establishes the qualifying populations that are eligible for assistance with HOME-ARP funds. A PJ may establish reasonable preferences among the qualifying populations to prioritize applicants for HOME-ARP projects or activities based on the PJ's needs and priorities, as described in its HOME-ARP allocation plan. For example, a PJ may set a preference among qualifying individuals and families for a HOME-ARP non-congregate shelter for individuals and families who are homeless; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; and veterans and families with a veteran family member that meet the criteria of one of these prior qualifying populations, consistent with its HOME-ARP allocation plan.

The PJ must comply with all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a) when applying preferences through its referral methods. Persons who are eligible for a preference must have the opportunity to participate in all HOME-ARP activities of the PJ in which they are eligible under this Notice, including activities that are not separate or different, and cannot be excluded because of any protected characteristics or preferential status.

Targeted assistance: If HOME-ARP funds are used for TBRA, the PJ may establish a preference for individuals with special needs or persons with disabilities among the HOME- ARP qualifying populations. Within the qualifying populations, participation may be limited to persons with a specific disability only, if necessary, to provide effective housing, aid, benefit, or services that would be as effective as those provided to others in accordance with 24 CFR 8.4(b)(1)(iv). The PJ may also provide a preference for a specific category of individuals with disabilities (e.g., persons with HIV/AIDS or chronic mental illness) within the qualifying

populations only if the specific category is identified in the PJ's HOME-ARP allocation plan as having unmet need and the preference is needed to narrow the gap in benefits and services received by such persons.

2. <u>Referral Methods for Projects or Activities</u>

A PJ may use the referral methods described below to administer HOME-ARP assistance to qualifying individuals and families. Regardless of the referral method used by the PJ, HUD holds the PJ responsible for determining and documenting that beneficiaries meet the definition of a qualifying population or, for the portion of HOME-ARP rental units not restricted to qualifying populations, that beneficiaries are low-income.

A PJ may use the coordinated entry or coordinated entry process (CE) of a continuum of care (CoC) for referrals for projects and activities as described below. Under 24 CFR 578.3, a CE is a centralized or coordinated process designed to coordinate program participant intake assessment and provision of referrals within a defined area. HUD requires each CoC to establish and operate a CE with the goal of increasing the efficiency of local crisis response systems and improving fairness and ease of access to resources, including mainstream resources. A PJ may permit a CoC CE to collect information and documentation required to determine whether an individual or family meets the criteria of a HOME-ARP qualifying population at any point in the coordinated entry process, (i.e., after or concurrently with the assessment and intake processes) as long as that information is not used to rank a person for HOME-ARP assistance other than as specified by the preferences or method of prioritization established by the PJ, in accordance with HOME-ARP requirements. If the PJ uses CE, the PJ cannot require HOME-ARP victim service providers to use the CE but may permit them to do so.

The PJ must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements when using the following referral methods:

i. Use of Expanded CE in HOME-ARP

Under this referral method, a PJ may use a CE established by a CoC operating within its boundaries for one or more projects or activities if the CE accepts all HOME-ARP qualifying populations eligible for those activities or projects, in accordance with the preferences and prioritization, if any, established or approved by the PJ in its HOME-ARP allocation plan and imposed through the PJ's written agreements.

Before using a CoC's CE, PJs should consider whether the CE covers the same service area as the HOME-ARP project or activity that would use that CE. At a minimum, the PJ must establish policies and procedures that describe the relationship of the geographic area(s) served by the project or activity to the geographic area(s) covered by the CoC CE and address how the CE will provide access and implement uniform referral processes in situations where a project's geographic area(s) is broader than the geographic area(s) covered by the CE.

The PJ must require a project or activity to use CE along with other referral methods (as provided in section ii below) or to use only a project/activity waiting list (as provided in section iii below) if:

- 1. the CE does not have a sufficient number of qualifying individuals and families to refer to the PJ for the project or activity;
- 2. the CE does not include all HOME-ARP qualifying populations; or,
- 3. the CE fails to provide access and implement uniform referral processes in situations where a project's geographic area(s) is broader than the geographic area(s) covered by the CE.

ii. Use of CE with Other Referral Methods

The PJ may use a CoC CE with additional referrals from outside organizations or project-specific waiting lists consistent with HOME-ARP requirements. If using this referral method, the PJ must establish or approve any preferences or prioritization criteria applied by a CoC CE or other referral sources. The PJ may also use a waiting list to receive referrals from a CoC CE and other referral agencies for a project or activity, where a CoC CE or referral agency refers an applicant that is placed on the waiting list for that project or activity in chronological order.

If applicable, a PJ must establish policies and procedures for applying a PJ's established preferences and method of prioritization, if any, when accepting direct referrals from a CoC CE and other referral agencies and must document that such the policies and procedures were followed for each applicant served.

iii. Use of a Project/Activity Waiting List

The PJ may establish a waiting list for each HOME-ARP project or activity. All qualifying individuals or families must have access to apply for placement on the waiting list for an activity or project. Qualifying individuals or families on a waiting list must be accepted in accordance with the PJ's preferences, if any, consistent with this Notice or, if the PJ did not establish preferences, in chronological order, insofar as practicable.

3. Limiting Eligibility to Subpopulations

PJs must follow all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in <u>24 CFR 5.105(a)</u>. This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, section 504 of Rehabilitation Act, HUD's Equal Access Rule, and the Americans with Disabilities Act, as applicable.

HOME-ARP rental housing or NCS may be limited to a specific subpopulation of a qualifying population identified in <u>Section IV.A</u>. of this Notice, so long as admission does not discriminate against any protected class under federal nondiscrimination laws in <u>24 CFR 5.105</u> (*e.g.*, the housing may be limited to homeless households and at risk of homelessness households,

veterans and their families, victims of domestic violence, dating violence, sexual assault, stalking or human trafficking and their families).

Recipients may limit admission to or provide a preference for HOME-ARP rental housing or NCS to households who need the specialized supportive services that are provided (e.g., domestic violence services). However, no otherwise eligible individuals with disabilities or families including an individual with a disability who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

Consistent with the statutory authority under ARP, HOME-ARP NCS may be converted to permanent housing under the CoC program or used as shelters under the ESG program, when all program and fair housing and nondiscrimination requirements are met. As such, HOME-ARP NCS may need to limit eligibility to households that are homeless and/or at risk of homelessness if the shelter will be converted to permanent housing under the CoC program or used as an emergency shelter in the ESG program.

V. HOME-ARP ALLOCATION PLAN

PJs develop annual action plans as part of their application for HOME funding. To receive its HOME-ARP funds, a PJ must engage in consultation and public participation processes and develop a HOME-ARP allocation plan that meets the requirements established in this section of the Notice and submit it to HUD as a substantial amendment to its Fiscal Year 2021 annual action plan. HUD is using the waiver and alternative requirement authority provided by ARP to establish requirements for the HOME-ARP allocation plan in this Notice. The HOME-ARP allocation plan must describe how the PJ intends to distribute HOME-ARP funds, including how it will use these funds to address the needs of HOME-ARP qualifying populations. A PJ's HOME-ARP allocation plan must include:

- A summary of the consultation process and results of upfront consultation;
- A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reasons why;
- A description of HOME-ARP qualifying populations within the jurisdiction;
- An assessment of unmet needs of each qualifying population;
- An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
- A summary of the planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
- An estimate of the number of housing units for qualifying populations the PJ will produce or preserve with its HOME-ARP allocation; and
- A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population.

All the above required elements of the HOME-ARP allocation plan shall be part of the FY 2021 annual action plan for purposes of the HOME-ARP program. Consequently, PJs are not required to amend their consolidated plans.

A. Consultation

Before developing its HOME-ARP allocation plan, a PJ must consult with agencies and service providers whose clientele include the HOME-ARP qualifying populations to identify unmet needs and gaps in housing or service delivery systems. In addition, a PJ should use consultation to determine the HOME-ARP eligible activities currently taking place within its jurisdiction and potential collaborations for administering HOME-ARP. This consultation will provide a basis for the PJ's strategy for distributing HOME-ARP funds for eligible activities to best meet the needs of qualifying populations. At a minimum, a PJ must consult with the CoC(s) serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities. State PJs are not required to consult with every PHA or CoC within the state's boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction. In its plan, a PJ must describe its consultation process, list the organizations consulted, and summarize the feedback received from these entities.

B. Public Participation

PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submitting the HOME-ARP allocation plan to HUD, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of no less than 15 calendar days. The PJ must follow its adopted requirements for "reasonable notice and an opportunity to comments in its current citizen participation plan. In addition, PJs must hold at least one public hearing during the development of the HOME-ARP allocation plan prior to submitting the plan to HUD.

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- The amount of HOME-ARP funds the PJ will receive.
- The range of activities the PJ may undertake.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan. In its plan, a PJ must describe its public participation process, including any efforts made to broaden public participation. In its plan, the PJ must also include a summary of comments and recommendations received through the public participation process and any comments or recommendations not accepted and the reasons why.

Throughout the HOME-ARP allocation plan public participation process, the PJ must follow its applicable fair housing and civil rights requirements and procedures for effective communication, accessibility and reasonable accommodation for persons with disabilities and providing meaningful access to participation by limited English proficient (LEP) residents that are in its current citizen participation plan as required by 24 CFR 91.105 and 91.115.

C. HOME-ARP Allocation Plan Requirements

The HOME-ARP allocation plan must describe the distribution of HOME-ARP funds and the process for soliciting applications and/or selecting eligible projects. The plan must also identify any preferences being established for eligible activities or projects. However, PJs are not required to identify specific projects that will be funded in the HOME-ARP allocation plan.

- 1. <u>Needs Assessment and Gaps Analysis:</u> A PJ must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. A PJ should identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing. A PJ must consider the housing and service needs of qualifying populations, including but not limited to:
 - Sheltered and unsheltered homeless populations;
 - Those currently housed populations at risk of homelessness;
 - Other families requiring services or housing assistance to prevent homelessness; and
 - Those at greatest risk of housing instability or in unstable housing situations.

A PJ should include data in its HOME-ARP allocation plan that describes the qualifying populations.

In addition, a PJ must include a narrative description that:

- Identifies the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions under HUD's definition of "other populations" as established in <u>Section IV.A.4.2.ii.G</u>. of this Notice.
- Identifies the PJ's priority needs for qualifying populations; and,
- Explains how the PJ determined the level of need and gaps in its shelter and housing inventory and service delivery systems.
- 2. <u>HOME-ARP Activities:</u> The HOME-ARP allocation plan must describe how a PJ will distribute HOME-ARP funds in accordance with its priority needs. The plan must describe the PJ's method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly. If the PJ will provide any portion of its HOME-ARP administrative funds to a subrecipient or contractor prior to HUD's acceptance of the PJ's HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, the plan must identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program.

PJs must indicate in the HOME-ARP allocation plan the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type, including administrative and

planning activities. In addition, a PJ must demonstrate that any planned funding for nonprofit organization operating assistance, as described in <u>Section VI.F</u>, nonprofit capacity building, and administrative costs is within HOME-ARP limits. PJs must also include a narrative description about how the characteristics of its shelter and housing inventory, service delivery system, and the needs identified in the PJ's gap analysis provided a rationale for its plan to fund eligible activities.

- 3. <u>HOME-ARP Production Housing Goals</u>: The HOME-ARP allocation plan must estimate the number of affordable rental housing units for qualifying populations that a PJ will produce or support with its HOME-ARP allocation. The plan must also include a narrative about the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs.
- 4. <u>Preferences:</u> The HOME-ARP allocation plan must identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project. For example, PJs may include a preference for:
 - homeless individuals and families as defined in the ESG and CoC programs;
 - individuals with special needs or persons with disabilities among qualifying individuals and families;
 - a specific category of qualifying individuals and families (e.g., chronically homeless as defined in 24 CFR 91.5).

PJs are not required to describe specific projects to which the preferences will apply in the HOME-ARP allocation plan. However, a PJ must explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis. The PJ must also describe how it will still address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in a preference through the use of HOME- ARP funds.

Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a). The PJ must comply with all applicable nondiscrimination and equal opportunity laws and requirements listed in 24 CFR 5.105(a) and any other applicable fair housing and civil rights laws and requirements when establishing preferences or methods of prioritization.

- 5. <u>HOME-ARP Refinancing Guidelines</u>: If a PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, it must state its refinancing guidelines in accordance with <u>24 CFR</u> <u>92.206(b)(2)</u>. The guidelines must describe the conditions under with the PJ will refinance existing debt for a HOME-ARP rental project. At a minimum, the guidelines must:
 - Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity.

- Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.
- State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- Specify whether the required compliance period is the minimum 15 years or longer.
- State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
- 6. Substantial Amendments to the HOME-ARP Allocation Plan: PJs must make a substantial amendment to the HOME-ARP allocation plan for changes in the method of distributing funds; to carry out an activity not previously described in the plan; or, to change the purpose, scope, location, or beneficiaries of an activity, including new preferences not previously described in the plan. In addition, the requirements for substantial amendments at 24 CFR 92.63 apply to the HOME-ARP allocation plan for insular areas. PJs are not required to make a substantial amendment to describe individual projects selected for funding if the eligible activity is included in the PJ's plan. PJs must make the proposed substantial amendment public and provide for a 15-day public comment period prior to submission. Upon completion of the public comment period, PJs must substantial amendments to HUD in accordance with the process for submitting the HOME-ARP allocation plan as described in <u>Section V.D</u>.
- 7. <u>Certifications and SF-424:</u> PJs must submit the required certifications in accordance with the requirements in this Notice, including the following:
 - a. Affirmatively Further Fair Housing;
 - b. Uniform Relocation Assistance and Real Property Acquisition Policies Act and Antidisplacement and Relocation Assistance Plan;
 - c. Anti-Lobbying;
 - d. Authority of Jurisdiction;
 - e. Section 3; and,
 - f. HOME-ARP specific certification that a PJ will only use HOME-ARP funds consistent with ARP and the HOME-ARP Notice for eligible activities and eligible costs.

PJs must also submit the SF-424, SF-424B, and SF-424D with the HOME-ARP allocation plan.

D. Submission and Review Process

1. <u>HOME-ARP Submission and the eCon Planning Suite:</u> Upon completion of the HOME-ARP allocation plan, a PJ must submit the HOME-ARP allocation plan to HUD. To submit the HOME-ARP allocation plan, PJs must follow the process in IDIS to make an amendment to the Fiscal Year (FY) 2021 annual action plan. Once the FY 2021 annual action plan is reopened, a PJ must upload a Microsoft Word or PDF version of the plan as an attachment next to the "HOME-ARP allocation plan" option on the AD-26 screen (for

PJs whose FY. 2021 annual action plan is a Year 2-5 annual action plan) or the AD-25 screen (for PJs whose FY 2021 annual action plan is a Year 1 annual action plan that is part of the 2021 consolidated plan), unless instructed by HUD to follow a different submission procedure. PJs are not required to make any other edits to the FY 2021 annual action plan or applicable consolidated plan screens in the eCon Planning Suite. For more information on how to upload an attachment in the eCon Planning Suite, PJs can refer to the <u>eCon Planning Suite Desk Guide</u>.

- 2. <u>HUD Review of the HOME-ARP Allocation Plan</u>: The PJ must submit its HOME-ARP allocation plan to HUD for review in accordance with 24 CFR 91.500, as revised by this Notice. Unless instructed otherwise by HUD, the HOME-ARP allocation plan is received by HUD when the SF-424 is submitted electronically, which means that it is uploaded in the eCon Planning Suite as an attachment on AD-25 or AD-26 screen, as applicable, and the action plan status is changed to "Submitted for Review." HUD will review a PJ's HOME-ARP allocation plan to determine that it is:
 - Substantially complete, and
 - Consistent with the purposes of ARP.

HUD may disapprove a PJ's HOME-ARP allocation plan in accordance with <u>24 CFR 91.500(b)</u>. HUD may also disapprove a HOME-ARP allocation plan or a portion of a plan if HUD determines that the plan is inconsistent with the purposes of ARP or substantially incomplete. A PJ's plan is inconsistent with ARP if it allocates HOME-ARP funds for uses other than a HOME-ARP eligible activity, as described in this Notice. A PJ's HOME-ARP allocation plan is substantially incomplete if:

- The PJ does not complete the required public participation or consultation or fails to describe those efforts in the plan;
- The PJ fails to include the required elements outlined in this Notice, including the amount of HOME-ARP funds for each eligible HOME-ARP activity type;
- The PJ fails to identify and describe the responsibilities of the subrecipient or contractor administering all of its HOME-ARP award, if applicable; or,
- HUD rejects the PJ's HOME-ARP certification as inaccurate.

In accordance with section 105(c) of NAHA (42 U.S.C. 12705(c)) and <u>24 CFR 91.500(a)</u>, if the PJ's HOME-ARP allocation plan is not disapproved within 45 days, then the plan is deemed approved 45 days after HUD receives the plan, and HUD shall notify the PJ that the plan is accepted.

If HUD determines that the plan is substantially incomplete or that the plan is inconsistent with ARP, HUD will notify the PJ in writing with the reasons for disapproval, in accordance with 24 CFR 91.500(c). If a PJ's plan is disapproved, the PJ may revise or resubmit the plan for HUD review within 45 days after the first notification of disapproval. HUD will respond to accept or disapprove the resubmitted plan within 30 days of receiving the revisions or resubmission.

Once HUD notifies a PJ that the plan is accepted, the PJ must make the final HOME-ARP allocation plan available to the public in accordance with the same requirements in the PJ's

current citizen participation plan that are followed to make the PJ's adopted consolidated plan and substantial amendments available to the public, including the availability of materials in a form accessible to persons with disabilities, and translated materials in different languages to accommodate LEP persons, upon request.

3. <u>HUD Review of the HOME-ARP Allocation Plan for Insular Areas</u>: In addition to the standards for review described in <u>Section V.D.2</u>, HUD will review an insular area's HOME-ARP allocation plan in accordance with 24 CFR 92.62. If HUD cannot make a determination based on the information submitted that the HOME-ARP allocation plan complies with HOME-ARP allocation plan requirements, or if the eligible activities described in the plan are not within the insular area's management capability as demonstrated by past performance in housing and community development programs, HUD will notify the insular area within 30 days of receipt of the HOME-ARP allocation plan that supporting documentation is needed. The insular area will have a mutually agreed upon period to submit the necessary supporting information or to revise the eligible activities in its HOME-ARP allocation plan.

VI. ELIGIBLE ACTIVITIES

${f A}.$ Administration and Planning

The PJ may expend, for payment of reasonable administrative and planning costs, up to 15 percent of its HOME-ARP allocation. Reasonable administrative and planning costs for the HOME-ARP program include:

- 1. Reasonable costs of overall HOME-ARP program management, coordination, monitoring, and evaluation. Such HOME-ARP costs include, but are not limited to, necessary expenditures for the following:
 - a. Salaries, wages, and related costs of the PJ's staff. If a PJ charges costs to this category, the PJ may either include the entire salary and related costs allocable to the HOME-ARP program of each person whose *primary* responsibilities with regard to the HOME-ARP program involves program administration assignments, or the prorated share of the salary, wages, and related costs of each person whose job includes *any* program administrative assignments. A PJ may only use one of these two methods. Program administration includes:
 - i. Developing systems and schedules for complying with HOME-ARP program requirements, including systems to prevent a duplication of benefits among beneficiaries of HOME-ARP activities;
 - ii. Developing interagency agreements and agreements with entities receiving HOME-ARP funds;
 - iii. Monitoring HOME-ARP activities for progress and compliance with HOME-ARP program requirements;
 - iv. Preparing HOME-ARP reports and other documents related to the HOME-ARP program for submission to HUD;

- v. Coordinating the resolution of audit and monitoring findings on HOME-ARP activities;
- vi. Evaluating HOME-ARP program results against stated objectives in the HOME-ARP allocation plan, and
- vii. Managing or supervising persons whose primary responsibilities with regard to the HOME-ARP program include such assignments as those described above.
- b. Travel costs incurred for official business in carrying out the HOME-ARP program.
- c. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services.
- d. Other costs for goods and services required for administering the HOME-ARP program, such as: rental or purchase of equipment, insurance, information systems necessary to track and implement beneficiaries of HOME-ARP activities in accordance with the requirements of this Notice, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- e. Costs of administering HOME-ARP TBRA and HOME-ARP supportive services programs.
- 2. Staff and overhead costs of the PJ directly related to carrying out a HOME-ARP project, in accordance with 24 CFR 92.207(b).
- 3. The provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HOME-ARP funds.
- 4. Activities to affirmatively further fair housing (AFFH) in accordance with 24 CFR 5.151 and the PJ's certification as required under this Notice and 24 CFR 5.152. The AFFH definition in HUD's Interim Final Rule entitled, "Restoring Affirmatively Furthering Fair Housing Definitions and Certifications" (86 FR 30779, June 10, 2021), as amended, at 24 CFR 5.151, and the AFFH certification requirement, at 24 CFR 5.152, available at https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications.
- 5. Indirect costs may be charged to the HOME-ARP program under a cost allocation plan prepared in accordance with <u>2 CFR part 200, subpart E</u>, as amended.
- 6. Preparation of the HOME-ARP allocation plan as required in this Notice. Preparation includes the costs of public hearing, consultations, and publications.
- 7. Costs of complying with the applicable Federal requirements in <u>24 CFR part 92, subpart H</u>. Project-specific environmental review costs may be charged as administrative or project costs in accordance with <u>24 CFR 92.206(d)(8)</u> and is at the discretion of the PJ.

Funds available under the HOME-ARP appropriation for administration and planning may not be used to pay costs attributable to the regular HOME Program.

PJs may provide all or a portion of its HOME-ARP administrative funds to subrecipients and contractors that are administering activities on behalf of the PJ (e.g., CoC entity, other non-Federal entity), in accordance with the requirements in this Notice. However, from the obligation date of the HOME-ARP funds in the HOME-ARP Grant Agreement and prior to HUD's acceptance of the PJ's HOME-ARP allocation plan, a subrecipient or contractor to the PJ may only incur and expend HOME-ARP funds for eligible administrative and planning costs if the subrecipient or contractor is responsible for the use of the PJ's entire HOME-ARP award and has executed a HOME-ARP written agreement that complies with 24 CFR 92.504 and this Notice. The PJ must also identify the subrecipient or contractor's responsibilities in the PJ's HOME-ARP allocation plan.

All costs must comply with the Cost Principles contained in subpart E of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at <u>2 CFR part 200</u>, as amended (Uniform Administrative Requirements).

Once HUD obligates the HOME-ARP funds, as described in <u>Section VIII.C.2</u> of this Notice, the PJ may incur and expend up to 5 percent of its HOME-ARP allocation on eligible administrative and planning costs, as described in this section and <u>24 CFR 92.207</u>. Before HUD's acceptance of the PJ's HOME-ARP allocation plan, the PJ is only permitted to incur and expend HOME-ARP funds on eligible administrative and planning costs.

If the PJ does not submit a HOME-ARP allocation plan or if the PJ's plan is not accepted within a reasonable period of time, as determined by HUD, all HOME-ARP administrative and planning costs incurred by the PJ will be ineligible costs and any HOME-ARP funds expended by the PJ must be repaid to the PJ's HOME Investment Trust Fund Treasury account, in accordance with guidance issued by HUD. Moreover, if the PJ's HOME-ARP allocation plan does not identify or include a description of the responsibilities of the subrecipient or contractor that is responsible for the PJ's entire HOME-ARP award, if applicable, the administrative and planning costs incurred or expended by the subrecipient or contractor will also be ineligible and any HOME-ARP funds expended by the PJ's subrecipient or contractor must be repaid to the PJ's HOME Investment Trust Fund Treasury account, in accordance with guidance from HUD.

B. HOME-ARP Rental Housing

HOME-ARP funds may be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by households of individuals and families that meet the definition of one or more of the qualifying populations described in <u>Section IV.A</u> of this Notice ("**qualifying households**"). Unlike the regular HOME Program, which targets HOME-assisted rental units based on tenant income, 70 percent of all HOME-ARP units will admit households based only upon their status as qualifying households. This complicates the underwriting and operation of projects that include HOME-ARP units. As a result, the requirements for HOME-ARP rental housing provide significant flexibilities to enable HOME-ARP rental projects to remain

financially viable and affordable for the qualifying populations throughout the minimum compliance period.

Eligible HOME-ARP rental housing includes "housing" as defined at <u>24 CFR 92.2</u>, including but not limited to manufactured housing, single room occupancy (SRO) units, and permanent supportive housing. Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories do not constitute housing in the HOME-ARP program. However, HOME-ARP funds may be used to acquire and rehabilitate such structures into HOME-ARP rental housing.

Developing financially feasible rental housing for qualifying households is challenging in the absence of project-based rental assistance. Most HOME-assisted rental projects rely on tenant rents to cover all or a portion of the debt service and project operating costs. Most HOME-ARP qualifying households will be unable to pay a rent that covers allocated debt service or operating costs, requiring PJs to use other techniques to determine that HOME-ARP units are affordable and that projects containing HOME-ARP units are sustainable throughout the minimum compliance period. PJs are encouraged to work with local PHAs and other state or local agencies to obtain project-based rental assistance for units funded with HOME-ARP. In the absence of such project-based rental assistance, the HOME-ARP units for qualifying households may require substantial capital investment through HOME-ARP and other Federal, state, local, or private sources to eliminate debt service on the units. ARP suspended the maximum per-unit subsidy limit for HOME-ARP units, enabling HOME-ARP funds to pay the entire cost to acquire, rehabilitate and/or construct the HOME-ARP rental units, eliminating the need for the HOME-ARP units to support debt. In mixed-income developments, revenue from market rate or higher income-restricted units may also provide an internal subsidy to cover a portion of the operating costs of HOME-ARP units.

To address these challenges and maintain affordability, HUD is using its HOME-ARP statutory authority to:

- Establish alternative rent requirements to <u>24 CFR 92.252(b)</u> and extend an owner's ability to charge the maximum rent permissible under a rental assistance program (to units occupied by recipients of tenant-based rental assistance (e.g., Housing Choice Vouchers, HOME TBRA, HOME-ARP TBRA).
- Establish a minimum compliance period of 15 years for all HOME-ARP rental units irrespective of the amount of subsidy per unit or whether the units are acquired, rehabilitated, and/or newly constructed.
- Permit the use of HOME-ARP funds to provide ongoing operating cost assistance or capitalize a project operating cost assistance reserve to address operating deficits of the HOME-ARP units restricted for qualifying households during the compliance period.
- Allow not more than 30 percent of the total number of rental units assisted with HOME-ARP funds by the PJ to be restricted to households that are low-income as defined in 24 <u>CFR 92.2</u> ("low-income households"). These units may only be located in projects containing HOME-ARP units restricted for qualifying households. The HOME-ARP rental units occupied by low-income households must operate under the regulations applicable to HOME rental units at 24 CFR 92.252 (i.e., be occupied by low-income

households and bearing a rent not greater than the lesser of a. the Fair Market Rent for existing housing for comparable units in the area, as established by HUD, or b. a rent equal to 30 percent of the adjusted income of a family with annual income at 65 percent of median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit).

- 1. <u>Targeting and Occupancy Requirements</u>: ARP requires HOME-ARP activities to primarily benefit households in the qualifying populations. To improve the feasibility and maintain the long-term viability of projects with HOME-ARP rental units for qualifying households, a PJ may invest HOME-ARP funds in units that are not restricted for occupancy solely for qualifying populations as described in this section. Specifically, participating jurisdictions must comply with the following requirements:
 - a. <u>*Targeting:* HOME-ARP funds can only be invested in units restricted for qualifying</u> households or low-income households as follows:
 - i. Not less than 70 percent of the total number of rental units assisted with HOME-ARP funds by the PJ must be restricted for occupancy by households that are qualifying households at the time of the household's initial occupancy; and,
 - ii. Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds by the PJ may be restricted to low-income households. These rental units do not have to be restricted for occupancy by qualifying households, however rental units restricted to low-income households are only permitted in projects that include HOME-ARP units for qualifying households.
 - b. <u>Occupancy Requirements:</u>
 - i. **Qualifying Households**. Units restricted for occupancy by qualifying households must be occupied by households that meet the definition of a qualifying population at the time of admission to the HOME-ARP unit. A qualifying household after admission retains its eligibility to occupy a HOME-ARP rental unit restricted for qualifying populations, irrespective of the qualifying household's changes in income or whether the household continues to meet the definition of a qualifying population. As such, a unit restricted for a qualifying household remains in compliance with the HOME-ARP unit restriction as long as the unit is occupied by a qualifying household that met the definition of a qualifying population.
 - ii. Low-Income Households. At initial occupancy, units restricted for low-income households must be occupied by households that meet the definition of low-income in <u>24 CFR 92.2</u>. If a tenant's income increases above the applicable low-income limit during the compliance period, the unit will be considered temporarily out of compliance. Noncompliance requires the PJ to take action in accordance with the rent and unit mix requirements in <u>Sections VI.B.15</u> and <u>VI.B.17</u> of this Notice, respectively.

2. <u>Eligible Activities</u>: A PJ may use HOME-ARP funds for acquisition, construction, and rehabilitation, including reconstruction as defined in <u>24 CFR 92.2</u>, of affordable rental housing for qualifying and low-income households. Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide HOME-ARP rental housing within the timeframes provided in <u>Section VI.B</u>. of this Notice. A HOME-ARP rental project must meet the definition of *project* in <u>24 CFR 92.2</u>.

HOME-ARP funds may be used to assist one or more units in a project. Only the eligible development costs of the HOME-ARP units may be charged to the HOME-ARP program. Cost allocation in accordance with 24 CFR 92.205(d)(1) is required if the assisted and non- assisted units are not comparable. After project completion, the number of HOME-ARP units in a project cannot be reduced. During the HOME-ARP minimum compliance period and prior to the end of the HOME-ARP budget period, a PJ may invest additional HOME-ARP funds to provide operating cost assistance but is prohibited from investing additional HOME-ARP funds for capital costs except within the 12 months after project completion.

A qualifying household admitted to a HOME-ARP rental unit may still receive HOME-ARP supportive services or TBRA in accordance with the requirements in this Notice.

- **3.** <u>Forms of Assistance</u>: The PJ may invest HOME-ARP funds in accordance with the eligible forms of assistance described in 24 CFR 92.205(b). Each PJ has the right to establish the terms of assistance, subject to the HOME-ARP requirements described in this Notice.
- 4. <u>Minimum Amount of Assistance</u>: The minimum amount of HOME-ARP funds that must be invested in a rental housing project is \$1,000 times the number of HOME-ARP-assisted units in the project as established in 24 CFR 92.205(c).
- 5. <u>Eligible Costs</u>: HOME-ARP funds may be used to pay for up to 100% of the following eligible costs associated with the acquisition, development, and operation of HOME-ARP rental units:
 - a. <u>Development hard costs</u> defined in <u>24 CFR 92.206(a).</u>
 - b. <u>*Refinancing*</u> the cost to refinance existing debt secured by a rental project that is being rehabilitated with HOME-ARP funds in accordance with 24 CFR 92.206(b)(2) and the PJ's HOME-ARP refinancing guidelines, as stated in their HOME-ARP Allocation Plan.
 - c. <u>Acquisition</u> the costs of acquiring improved or unimproved real property.
 - d. <u>*Related soft costs*</u> defined in <u>24 CFR 92.206(d)</u>.
 - e. <u>*Relocation costs*</u> as defined in <u>24 CFR 92.206(f)</u>, <u>24 CFR 92.353</u>, and described in this Notice.
 - f. <u>Costs relating to payment of loans</u> If the HOME-ARP funds are not used to directly pay a cost specified in this HOME-ARP rental housing section, but are used to pay off a

construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if: (1) the loan was used for eligible costs specified in this HOME-ARP rental housing section, and (2) the HOME-ARP funds are part of the original financing for the project and the project meets the requirements of this Notice.

g. <u>Operating Cost Assistance</u> – A PJ may pay ongoing operating cost assistance or capitalize an operating cost assistance reserve for HOME-ARP-assisted units restricted for occupancy by qualifying populations in a project where the PJ determines in its underwriting that the reserve is necessary to maintain the HOME-ARP units' long-term operational feasibility. However, HOME-ARP funds cannot be used for both a capitalized operating cost assistance reserve and ongoing payments for operating cost assistance during the minimum compliance period. The allowable amount of the reserve shall not exceed the amount determined by the PJ to be necessary to provide operating cost assistance for HOME-ARP units restricted for occupancy by qualifying populations for the 15-year HOME-ARP minimum compliance period.

The operating cost assistance reserve for HOME-ARP units for qualifying households must be held by the project owner in a separate interest-bearing account and sized, based on an analysis of projected deficits remaining after the expected payments toward rent by qualifying households are applied to the units' share of operating costs. Funds in a capitalized operating cost assistance reserve can only be drawn to address operating deficits associated with HOME-ARP units restricted for occupancy by the qualifying populations. A PJ must use the definition of operating costs in this Notice in its calculation of operating deficits to determine the amount of HOME-ARP funds needed for an operating cost assistance reserve or when providing operating cost assistance.

Unexpended operating cost assistance reserve amounts remaining at the end of the minimum compliance period must be returned in accordance with <u>Section VI.B.24</u> of this Notice.

A PJ may provide operating cost assistance to a HOME-ARP rental project to cover an operating deficit associated with HOME-ARP units restricted for occupancy by qualifying households except for when an operating cost assistance reserve is already established for the project. Operating cost assistance committed to a project cannot be provided beyond the HOME-ARP budget period, as described in <u>Section VIII.C.4</u> of this Notice.

Operating costs include costs for administrative expenses, property management fees, insurance, utilities, property taxes, and maintenance of a unit that is designated as a HOME-ARP-assisted unit and required to be occupied by a qualifying household. . Operating costs must be reasonable and appropriate for the area, size, population(s) served, and type of project.

Project administrative expenses include payroll costs, which are gross salaries and wages paid to employees assigned to the property, including payroll taxes, employee compensation, and employee benefits; employee education, training, and travel; advertising; and general administrative costs which are costs for goods and services

required for administration of the housing, including rental or purchase of equipment, supplies, legal charges, bank charges, utilities, telephone/internet services, insurance, and other administrative costs that are reasonable and customary for the general administration of a rental unit occupied by qualifying populations. HOME-ARP permits the pro-rated staffing costs of a Resident Services Coordinator to be included in the operating costs allocated to a HOME-ARP unit for low-income or qualifying households if such costs are not already paid by another source. Typically, the role of a Resident Services Coordinator is to arrange community activities for residents and link residents to outside service agencies as needed.

A property management fee includes the total fee paid to a management agent by the owner for the day-to-day management of a HOME-ARP rental unit restricted for occupancy by qualifying populations. A management agent must cover its costs of supervising and overseeing operations of a HOME-ARP unit out of the fee they receive.

A reserve for replacement must be based on the useful life of each major system and expected replacement cost in a HOME-ARP project. Scheduled payments to a reserve for replacement of major systems included in the operating costs allocated to a HOME-ARP unit restricted for a qualifying household may be made from the operating cost assistance reserve. A reserve for replacement allocated to the HOME-ARP units may also be capitalized in the initial year of the minimum compliance period of the HOME-ARP units. HOME-ARP funds cannot be used to both capitalize a reserve for replacement and provide payments to the reserve for replacement from a capitalized operating reserve during the minimum compliance period.

Supportive services costs are not eligible operating costs of HOME-ARP units, however, qualifying households occupying HOME-ARP rental units may receive supportive services through the HOME-ARP supportive services eligible activity.

- 6. <u>Prohibited Activities and Fees</u>: HOME-ARP may not be used for any of the prohibited activities, costs or fees in <u>24 CFR 92.214</u>, as revised by the Appendix to this Notice.
- 7. <u>HOME-ARP Funds and Public Housing</u>: HOME-ARP funds must be used in accordance with the requirements in 24 CFR 92.213(a)-(c).
- 8. <u>Commitment</u>: The affordable housing requirements in the definition of *Commitment* in <u>24</u> <u>CFR 92.2</u>, including the provisions in (2) *Commit to a specific local project*, apply to rental housing units assisted with HOME-ARP funds. This includes but is not limited to the requirements that the PJ and project owner have an executed legally binding written agreement under which HOME-ARP assistance will be provided to the owner for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within 12 months of the agreement date.
- **9.** <u>Maximum Per-Unit Subsidy and Limitations on Costs</u>: The maximum per-unit subsidy established in NAHA does not apply to HOME-ARP units. PJs may pay up to 100 percent of the eligible and reasonable HOME-ARP costs allocated to a HOME-ARP unit, including

operating cost assistance associated with units restricted for occupancy by qualifying households. All costs paid by HOME-ARP funds must comply with the requirements of this Notice and the Cost Principles at <u>2 CFR part 200</u>, subpart E of the Uniform Administrative Requirements, as amended.

10. <u>Underwriting, Subsidy Layering</u>: Before the PJ can commit HOME-ARP funds to a project, it must evaluate the project to determine the amount of HOME-ARP capital subsidy and operating cost assistance necessary to provide quality affordable housing that meets the requirements of this Notice and is financially viable throughout the minimum 15-year HOME-ARP compliance period. The PJ must evaluate the project in accordance with underwriting and subsidy layering guidelines it has developed for HOME-ARP projects.

The PJ's project underwriting must include an in-depth review of underlying project assumptions, development sources and uses, and projected operating income and expenses, and the project's long-term financial viability to determine the project's need for HOME- ARP assistance while preventing over-subsidization of the project. HUD anticipates that project developers will rely on Low-Income Housing Tax Credit (LIHTC) financing, HOME funds, Housing Trust Fund grants, project-based vouchers, project-based rental assistance, operating cost reserves, state or local sources, or a combination of these and other resources to create a feasible HOME-ARP project and maintain compliance with HOME-ARP requirements. HOME-ARP units for qualifying households that do not receive a commitment of project-based vouchers or project-based rental assistance may require both deep capital subsidy and operating cost assistance to remain financially sustainable for the minimum 15-year HOME-ARP capital and operating subsidies do not result in oversubsidization of the project.

To secure HOME-ARP rental units for qualifying households, HOME-ARP funds may be invested in different types of projects, including permanent supportive housing, mixed- finance affordable housing, and market-rate projects. While the viability of the HOME- ARP units is the PJ's primary concern, it must not limit its underwriting analysis to the HOME-ARP units. The longterm viability of HOME-ARP units is contingent upon the financial health of the entire project. PJs must therefore take a holistic approach to underwriting that examines the overall feasibility of the entire project to determine that the property will be financially sustainable for the duration of the 15-year HOME-ARP compliance period.

For projects that will receive operating cost assistance through a capitalized operating cost assistance reserve or on-going operating cost assistance for a specific period, the on-going operating cost assistance or operating cost assistance reserve must be included in the underwriting. Unless placed into an operating cost assistance reserve, operating cost assistance committed to a project for a specific period cannot be provided beyond the budget period, as described in <u>Section VIII.C.4</u>. of this Notice. HOME-ARP units that have commitments for a form of project-based rental assistance must be underwritten with the projected rental assistance and not with operating cost assistance. An operating cost assistance reserve must be sized based on an analysis of projected operating deficits

remaining after the expected payments toward rent by qualifying households are applied to the HOME-ARP unit's share of operating costs. While a PJ may offer on-going project operating cost assistance instead of providing an operating cost assistance reserve, it may find this approach makes it more difficult to develop HOME-ARP units.

a. <u>Underwriting and Subsidy Layering Guidelines</u>: PJs must develop standardized underwriting guidelines for HOME-ARP rental projects. These guidelines must provide for underwriting that accommodates and is appropriate for different types of projects. For example, a standard market analysis does not provide the necessary data for a project where 100% of the units are restricted as permanent supportive housing for qualifying populations. In contrast, if a mixed-income property relies on rental income from market-rate units to subsidize the operating costs of permanent supportive housing units for which little or no tenant-paid rental income is projected, then a market study confirming that the proposed market rents are achievable is needed to demonstrate the long-term financial viability of the project.

PJs with existing HOME rental underwriting standards may use these standards as the foundation for their HOME-ARP underwriting guidelines, but all PJs are required to develop and implement standardized underwriting guidelines for HOME-ARP that require the following:

i. An examination of the sources and uses of funds for the project and a determination that costs are necessary and reasonable. In examining a project's proposed sources and uses, a PJ must determine the amount of HOME-ARP development subsidy required to fill the gap between other committed funding sources and the cost to develop the project.

A developer fee is a permitted development cost under the HOME-ARP program, but the PJ must review the fee and determine that it is reasonable. A PJ may set limits on the developer fee and other fees (e.g., asset management fee, property management fee) to be paid by HOME-ARP funds that differ from other funding sources (e.g., LIHTC underwriting standards).

- ii. An assessment of the current market demand for the proposed project.
 - (1) For HOME-ARP units for qualifying households, a market assessment is not required. Rather, the PJ can demonstrate that there is unmet need among qualifying populations for the type of housing proposed through their gap analysis, CoC data, public housing and affordable housing waiting lists, point-in-time surveys, housing inventory count, or other relevant data on the need for permanent housing for the qualifying populations.
 - (2) For projects containing units restricted for occupancy by low-income households or market-rate households, the PJ must conduct a market assessment in accordance with <u>24 CFR 92.250(b)(2)</u>. A third-party market assessment completed by the developer or another funder meets this requirement, but the PJ must review the assessment and provide a written, dated acknowledgement that it accepts the assessment's findings and conclusions. The market assessment and the PJ's written, dated

acknowledgement must be retained for recordkeeping purposes.

- iii. Review of and determination that the developer's experience and financial capacity are satisfactory based on the size and complexity of the project. When assessing the developer, the PJ must review, at minimum, prior experience with similar projects and the current capacity to develop the proposed project. When determining whether the developer has the financial capacity to undertake the project, the PJ should examine financial statements and audits to determine the developer's net worth, portfolio risk, pre-development funding, and liquidity.
- iv. Firm written financial commitments for the project.
- v. A careful review of the project's operating budget, including the basis for assumptions, projections of a project's net operating income, and reasonably expected changes in revenue and expenses during the minimum compliance period, to determine if any HOME-ARP-funded operating cost assistance is necessary and if applicable, an operating cost assistance reserve is sized appropriately. Operating income of the project must be sufficient to cover operating expenses throughout the minimum compliance period. For HOME-ARP units for qualifying households, the proforma or budget projections should include any anticipated ongoing operating cost assistance or draws from an operating cost assistance reserve, if applicable, that will offset operating deficits associated with those units to demonstrate sufficient operating support.
 - (1) If project-based vouchers or project-based rental assistance is or will be awarded, this analysis must include that rental assistance revenue because operating cost assistance cannot be used for units for qualifying households with project-based vouchers or project-based rental assistance.
 - (2) A PJ's underwriting standards may permit projects to generate reasonable net operating income throughout the minimum compliance period. However, HOME-ARP operating cost assistance may only be used to offset operating deficits, in accordance with the requirements of this Notice. Net operating income resulting from HOME-ARP operating cost assistance is not permitted and must be prohibited in the written agreement between the participating jurisdiction and the owner.
- vi. An assessment of the project's overall viability through the minimum compliance period based on the households (i.e., qualifying households, low-income households, market-rate households) it will serve.
- **11.** <u>**Property Standards**</u>: HOME-ARP rental units must comply with all property standards applicable to rental projects required in <u>24 CFR 92.251</u> paragraphs (a) new construction, (b) rehabilitation projects, (c)(1) and (2) acquisition of standard housing, (e) manufactured housing, and (f) on-going property condition standards.
- 12. <u>Determining Household Income</u>: The PJ must require all HOME-ARP units to be restricted for eligible households (i.e., either qualifying or low-income households)

throughout the minimum compliance period. Qualifying households are eligible for admission to HOME-ARP rental units solely by meeting the definition of one of the qualifying populations (i.e., HOME-ARP does not impose income restrictions on units restricted for qualifying populations). If there is no income requirement in the qualifying population's definition, a PJ is not required to perform an initial determination of household income except as necessary to determine an affordable rental contribution by the qualifying household or to establish eligibility for another funding source in the unit that imposes income restrictions (e.g., LIHTC). Each subsequent year during the compliance period, starting 1 year after initial occupancy, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the income of qualifying households to determine the household's contribution to rent. For low-income households, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the household's income at initial occupancy and each subsequent year during the compliance period to determine the household's ongoing income eligibility and applicable rental contribution.

- a. <u>Qualifying populations</u>: For purposes of establishing the qualifying household's rental contribution after initial occupancy, a PJ must examine a HOME-ARP qualifying household's income using <u>24 CFR 92.203(a)(1)(i) or (iii)</u>, starting 1 year after initial occupancy. Each year during the minimum compliance period, the owner must examine the household's annual income in accordance with any one of the options in <u>24 CFR 92.203(a)(1)</u> specified by the PJ. A project owner who re-examines household income through a statement and certification in accordance with <u>24 CFR 92.203(a)(1)(ii)</u>, must examine the income of each household, in accordance with <u>24 CFR 92.203(a)(1)(ii)</u>, every sixth year of the compliance period. Otherwise, an owner who accepts the household's statement and certification in accordance with <u>24 CFR 92.203(a)(1)(ii)</u> is not required to examine the household's income unless there is evidence that the household's written statement failed to completely and accurately state information about the household's size or income.
- b. <u>Low-income Households</u>: In accordance with <u>24 CFR 92.252(h)</u>, the income of each low-income household must be determined initially in accordance with <u>24 CFR 92.203(a)(1)(i)</u>, and each year following the initial determination during the minimum compliance period in accordance with any one of the options in <u>24 CFR 92.203(a)(1)</u> specified by the PJ. An owner who re-examines household income through a statement and certification in accordance with <u>24 CFR 92.203(a)(1)(i)</u>, must examine the income of each household, in accordance with <u>24 CFR 92.203(a)(1)(i)</u>, every sixth year of the minimum compliance period. Otherwise, an owner who accepts the household's statement and certification in accordance with <u>24 CFR 92.203(a)(1)(ii)</u> is not required to examine the household's income unless there is evidence that the household's written statement failed to completely and accurately state information about the household's size or income.
- c. <u>Households Assisted by Other Programs</u>: Notwithstanding paragraphs (a) and (b), if a family is applying for or living in a HOME-ARP-assisted rental unit, and the unit is assisted by a Federal or State project based rental subsidy then a PJ must accept a public housing agency, section 8 project owner, or CoC recipient or subrecipient's

determination of the family's annual income and adjusted income under that program's rules and does not need to obtain source documentation in accordance with 24 CFR 92.203(a)(1) or calculate the annual income of the family. If a family is applying for or living in a HOME-ARP rental unit, and the family is assisted by a Federal tenant-based rental assistance program (e.g. housing choice vouchers) then a PJ may choose to accept the rental assistance provider's determination of the family's annual and adjusted income under that program's rules without need for review under 24 CFR 92.203(a)(1).

- **13.** <u>**Rent limitations**</u>: This Notice establishes rent limits for HOME-ARP units restricted for qualifying populations and for units that may be restricted for low-income households.
 - a. <u>Units Restricted for Occupancy by Qualifying Households</u>: In no case can the HOME-ARP rents exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. HUD will publish the HOME-ARP rent limits on an annual basis.

Notwithstanding the foregoing, a unit that receives a Federal or state project-based rental subsidy and is occupied by a qualifying household that pays as a contribution to rent no more than 30 percent of the household's adjusted income, may charge the rent allowable under the Federal or state project-based rental subsidy program (i.e., the tenant rental contribution plus the rental subsidy allowable under that program). If a household receives tenant-based rental assistance, the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).

The rent limits for HOME-ARP units for qualifying households include the rent plus the utility allowance established pursuant to <u>Section VI.B.13.d</u> of this Notice.

- b. <u>Rent limitations low-income households</u>: HOME-ARP rental units occupied by low-income households must comply with the rent limitations in 24 CFR 92.252(a) (i.e., the lesser of the Fair Market Rent for existing housing for comparable units in the area, as established by HUD, or a rent equal to 30 percent of the income of a family at 65 percent of median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit). Notwithstanding the foregoing, when a household receives a form of Federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rent plus the utility allowance established pursuant to <u>Section VI.B.13.d</u> of this Notice.
- c. <u>*Rent limitations Single Room Occupancy (SRO) Units*</u>: A HOME-ARP rental project may consist of SRO units. For the purposes of HOME-ARP rental, a SRO unit is defined as a unit that is the primary residence of the occupant(s) and must at least contain sanitary facilities but may also contain food preparation facilities. A project's

designation as a SRO cannot be inconsistent with the building's zoning and building code classification.

If the SRO units have both sanitary <u>and</u> food preparation facilities, the maximum HOME-ARP rent is based on the zero-bedroom fair market rent. If the SRO unit has only sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of the zero-bedroom fair market rent. The rent limits for SRO units must also include the utility allowance established pursuant to <u>Section VI.B.13.d</u> of this Notice.

d. *Initial Rent Schedule and Utility Allowance*: The PJ must establish maximum allowances for utilities and services and update the allowances annually. The PJ may adopt the utility allowance schedule of the PHA.

The PJ must review and approve the HOME-ARP rents proposed by the owner, subject to the HOME-ARP rent limitations. For HOME-ARP units where the tenant is paying utilities and services (e.g., trash collection), the PJ must determine that the rent for the unit does not exceed the maximum rent minus the monthly allowance for utilities and services.

- 14. <u>Tenant Contribution to Rent Qualifying Households</u>: The PJ must determine that the qualifying household's contribution to rent is affordable to the qualifying household based on a determination of the household's income. If the household is receiving project-based or tenant-based rental assistance, the household cannot be required to contribute more towards rent than the amount permitted by the requirements of the applicable rental assistance program (See <u>Section VI.B.13.a</u> of this Notice). If a qualifying household is not receiving project-based or tenant-based rental assistance and cannot contribute any income toward rent, or the contribution is insufficient to cover the unit rent, the project owner may draw from the project's operating cost assistance reserve if projected rental revenue minus the operating costs of the unit results in a deficit. If an operating cost assistance reserve was not capitalized at project completion:
 - The PJ may provide ongoing HOME-ARP operating cost assistance to cover the operating deficits associated with units occupied by qualifying households, subject to the requirements in this Notice.
 - The qualifying household may receive HOME-ARP TBRA to remain housed in the HOME-ARP rental unit or the PJ may offer, in conjunction with a qualifying household's admittance into a HOME-ARP rental unit, a simultaneous award of supportive services to the qualifying household in accordance with <u>Section VI.D</u> of this Notice. Any provision of supportive services must comply with all requirements of <u>Section VI.D</u>, of the Notice and the PJ's policies and procedures.
 - Operating cost assistance, HOME-ARP TBRA, and supportive services funds committed to a project cannot be provided beyond the budget period for the HOME-ARP funds, as described in <u>Section VIII.C.4</u> of this Notice.

15. Changes in Income and Over-income Households:

A household that met the definition of one of the HOME-ARP qualifying populations at initial occupancy and whose annual income at the time of income re-certification is above

50 percent of median income for the area but at or below 80 percent of the median income for the area must pay the rent specified in 24 CFR 92.252(a).

HOME-ARP-assisted units restricted for low-income households continue to qualify as HOME-ARP rental housing despite a temporary noncompliance caused by increases in the incomes of existing households if actions satisfactory to HUD are taken so that all vacancies are filled in accordance with HOME-ARP requirements until the noncompliance is corrected.

A qualifying or low-income household that is not low-income at the time of income recertification (i.e., whose income is above 80 percent of the median income for the area) must pay rent that complies with the over income regulatory requirements at 24 CFR 92.252(i)(2), which includes requirements applicable to HOME units that also have LIHTC restrictions.

- 16. <u>Unit Designation</u>: The PJ must determine the number of HOME-ARP units in the project restricted for qualifying households and low-income households, respectively, and whether the units are fixed or floating units at the time of project commitment. The total number of HOME-ARP rental units restricted for occupancy by qualifying households and the total number of HOME-ARP rental units restricted for low-income households must be identified as separate totals in the written agreement. In a project containing HOME-ARP and other units, the PJ must designate fixed or floating HOME-ARP units in accordance with 24 CFR 92.252(j). The PJ must maintain this unit mix throughout the compliance period.
- **17.** <u>Maintaining Unit Mix</u>: At the time of admission to a HOME-ARP rental unit, a household must meet the definition for at least one qualifying population or be determined to be a low-income household, depending on the applicable HOME-ARP restriction on the rental unit to which it is being admitted and in accordance with the written agreement.

For HOME-ARP rental units restricted for occupancy by qualifying populations, a household that meets the definition of a qualifying population at the time of admission retains its eligibility to occupy a HOME-ARP rental unit restricted for occupancy by qualifying populations, irrespective of changes in income or whether the household continues to meet the definition of a qualifying population after initial occupancy. As an example, a household that qualifies as "Homeless" at admission does not meet the Homeless definition once the household occupies a HOME-ARP unit but remains a qualifying household and is eligible to remain in a HOME-ARP rental unit restricted for qualifying populations. Income determinations for qualifying households are therefore only for purposes of establishing a qualifying household's rental contribution as described in Section VI.B.15 of this Notice and not for maintaining continued eligibility in the HOME-ARP program. In a project with floating units, PJs are encouraged but not required to shift the HOME-ARP qualifying population designation to another unit to serve another qualifying household if the household's income subsequently is certified to be at or above 80 percent AMI and the household no longer meets the definition of any qualifying population.

For HOME-ARP rental units restricted for occupancy by low-income households, units will be considered temporarily out of compliance if the household's income increases above 80 percent of area median income. The requirements for correcting any noncompliance using vacancies or redesignation of units depends on whether the HOME-ARP rental units are fixed or floating and whether other funding sources (e.g., LIHTC) impose income or other restrictions on the units. Please note, in accordance with the requirements in 24 CFR 92.253 and in Section VI.B.19.c, an increase in a tenant's income does not constitute good cause to evict or refuse to renew a tenant's lease, regardless of program requirements associated with other funding sources such as LIHTC. In addition, compliance with unit restrictions for

low-income households requires adjustment of rents as described in Section VI.B.15 of this Notice.

18. <u>Minimum Compliance Period</u>: HOME-ARP-assisted units must comply with the requirements of this Notice for a minimum period of 15 years, irrespective of the amount of HOME-ARP funds invested in the project or the activity being undertaken. A PJ may impose a longer compliance period but should plan for the project's financial feasibility for the longer period without HOME-ARP funds. The PJ may not use HOME-ARP funds to provide operating cost assistance, including a capitalized operating cost assistance reserve, to cover deficits during a PJ's extended compliance period.</u>

If a project-based rental assistance Housing Assistance Payments (HAP) contract is awarded to a HOME-ARP rental project, a PJ must impose a minimum compliance period that is the greater of 15 years or the term of the HAP contract. PJs are also encouraged to extend restrictions for occupancy of the HOME-ARP units in accordance with the requirements in this section to match the term of eligible HAP contract renewals.

The provisions at 24 CFR 92.252(e)(1)-(4) apply, including the requirement that the PJ must impose the HOME-ARP rental requirements through a deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanisms approved by HUD. The chart providing minimum affordability periods based on rental housing activity that is contained in 24 CFR 92.252(e) does not apply. The enforceable restriction must provide that units assisted with HOME-ARP comply with the requirements of this Notice throughout the minimum 15-year compliance period, including:

- a. Units restricted for qualifying populations must be occupied by households that met the definition of a qualifying population at the time of initial occupancy. The household's contribution toward rent during this period must be affordable in accordance with <u>Section VI.B.14</u> of this Notice. The rents for these units must comply with the rent limitations established in this Notice, including the rent provisions specified in <u>24 CFR</u> <u>92.252(i)(2)</u> for households whose income increases above 80 percent of area median income and whose contribution to rent complies with the requirements in <u>Section VI.B.15</u>.
- b. Units available for low-income households must be continuously occupied by households who are income eligible. The rents for these units must comply with the rent

limitations established in this Notice, including the rent provisions specified in 24 CFR<u>92.252(i)(2)</u> for households whose income increases above 80 percent of area median income.

- c. The units must comply with the ongoing property condition standards of <u>24 CFR</u> <u>92.251(f)</u> throughout the compliance period as demonstrated by an on-site inspection within 12 months of project completion and an on-site inspection at least once every three years thereafter as required by <u>24 CFR 92.504</u>.
- d. Each household that occupies a HOME-ARP unit has an executed lease that complies with the tenant protections required in <u>Section VI.B.19</u> of this Notice.
- **19.** <u>**Tenant Protections</u>**: PJs must verify that each household that occupies a HOME-ARP assisted unit has an executed lease that complies with the tenant protection requirements of this Notice. The lease must be either be between the project owner and the household or between the project owner and a HOME-ARP sponsor with a sublease between the qualifying household and HOME-ARP sponsor. A HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a HOME-ARP rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household. PJs may permit a HOME-ARP sponsor to lease a HOME-ARP unit from an owner or execute a master lease with the owner of a HOME-ARP project for HOME-ARP units restricted for occupancy by qualifying households. The HOME-ARP sponsor may then sublease the HOME-ARP rental unit to the qualifying household. The sublease between the HOME-ARP sponsor and the qualifying household must comply with the rent limitations and tenant protection requirements of this Notice.</u>
 - a. <u>Lease Requirement</u>: There must be a lease between the qualifying household or the lowincome household and the owner of the HOME-ARP-assisted project in accordance with <u>24 CFR 92.253(a)</u>, except that a sublease is permitted if a HOME-ARP sponsor has executed a master lease or lease with the project owner for the leasing of the units restricted for occupancy by qualifying households.
 - b. <u>Prohibited Lease Terms</u>: The lease between the low-income household, qualifying household, or HOME-ARP sponsor and the HOME-ARP project owner or the sublease between the HOME-ARP sponsor and a qualifying household may not contain any of the prohibited lease terms specified in 24 CFR 92.253(b).
 - c. <u>Termination of tenancy</u>: An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP unit or of a HOME-ARP sponsor with a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; or for other good cause. Similarly, a HOME-ARP sponsor may not refuse to renew a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the sublease; for violation of applicable Federal, State, or local laws; or for other good cause. Similarly, a HOME-ARP sponsor may not refuse to renew a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the sublease; for violation of applicable Federal, State, or local laws; or for

other good cause. An increase in the tenant's or sublessee's income does not constitute good cause.

In addition, if HOME-ARP funds were or are used to capitalize an operating cost assistance reserve or there is a current contract for the PJ to provide operating cost assistance to the project, an owner may not terminate the tenancy or refuse to renew the lease of a qualifying household because of the household's inability to pay rent during the minimum compliance period. A qualifying household's inability to pay rent shall mean that the qualifying household cannot pay more than 30 percent of the qualifying household's income toward rent, based on an income determination made by the PJ in the last 30 days.

Where there is no capitalized operating reserve or other operating cost assistance to cover the operating deficit for a HOME-ARP unit occupied by a qualifying household, the PJ may assist the qualifying household with HOME-ARP TBRA or supportive services in accordance with the requirements of this Notice.

The above tenant protections are necessary as HOME-ARP requires the PJ to perform underwriting that reviews the operating feasibility of units occupied by qualifying households for the 15-year compliance period to determine how HOME-ARP funds may address the potential for qualifying households to have little to no income to contribute toward rent.

To terminate or refuse to renew tenancy for any household occupying a HOME-ARP unit, the owner must serve written notice upon the tenant (and the HOME-ARP sponsor if the lease is between an owner and HOME-ARP sponsor) at least 30 days before termination of tenancy, specifying the grounds for the action. In the case of a sublease, to terminate or refuse to renew tenancy of a qualifying household, the HOME-ARP sponsor, in accordance with the policy established by the PJ, must notify the PJ in advance of serving written notice to the qualifying household and must serve written notice upon the qualifying household at least 30 days before termination of tenancy, specifying the grounds for the action.

- **20.** <u>Coordinated Entry and Project-Specific Waitlists</u>: In accordance with <u>Section IV.C</u> of this Notice, PJs must determine whether an owner may use a CoC's CE, a CoC's CE and other referral sources, or a project-specific waitlist, to select qualifying households for HOME-ARP units restricted for occupancy by qualifying populations. PJs will make this determination on a project-by-project basis. Regardless of which method is selected, in all cases, the PJ must use a project-specific waitlist when selecting households to occupy units restricted for occupancy by low-income households. Any preferences among qualifying households must be disclosed in the HOME-ARP allocation plan through the PJ's public participation process in accordance with Section V.C.</u> of this Notice. The written agreement between the PJ and the project owner must specify the method the owner must use for selecting qualifying households for admission to HOME-ARP units.
 - a. The owner of a HOME-ARP rental project must adopt and follow written tenant selection policies and criteria for HOME-ARP units that:

- i. Limits eligibility to households that meet one of the HOME-ARP qualifying populations definitions or low-income households in accordance with HOME-ARP requirements; Preferences for households in one or more of the HOME-ARP qualifying populations must comply with the PJ's preferences and the PJ's policies and procedures for applying those preferences, if any, and must not violate nondiscrimination requirements in 24 CFR 92.350.
- Do not exclude an applicant with a voucher under the section 8 Housing Choice Voucher Program (24 CFR 982), or an applicant participating in HOME, HOME-ARP or other Federal, state or local tenant-based rental assistance program because of the status of the prospective tenant as a holder of such a certificate, voucher, or comparable tenant-based assistance document;
- iii. Limits eligibility or gives a preference to a particular qualifying population or segment of the qualifying population if permitted in its written agreement with the participating jurisdiction (and only if the limitation or preference is described in the participating jurisdiction's HOME-ARP allocation plan). A preference for households in one or more of the HOME-ARP qualifying populations must comply with the PJ's determined preference(s) and the PJ's policies and procedures for applying the preference(s), if any;
- Any limitation or preference must not violate nondiscrimination requirements in <u>24 CFR 92.350</u>. If the PJ requires the use of a project-specific waitlist to select qualifying households and/or low-income households for occupancy of HOME-ARP units, provide for the selection of households from a written waiting list in the chronological order of their application, insofar as is practicable;
- v. Gives prompt written notification to any rejected applicant of the grounds for any rejection; and,
- vi. Complies with the VAWA requirements as described in 24 CFR 92.359.
- b. <u>Project-Specific Waitlist Low-Income Households</u>: A project owner must use a project-specific waitlist to select households to occupy units restricted for occupancy by low-income households in accordance with the tenant selection requirements of <u>24 CFR 92.253(d)</u>.
- 21. <u>Project Completion and Occupancy</u>: HOME-ARP rental projects must meet the definition of project completion at 24 CFR 92.2. If the PJ fails to complete a project within 4 years of project commitment, it must comply with the terminated project requirements at 24 CFR 92.205(e)(2). If the HOME-ARP units are not occupied by eligible qualifying households or low-income households within six months following project completion, the PJ, as applicable, must submit to HUD information on its efforts to coordinate with a CoC, homeless service providers, social service, and other public agencies to fill units for qualifying households or must submit marketing information and, if appropriate, a marketing plan to fill units for low-income households. The PJ must repay any HOME-ARP funds invested in units that are not rented to eligible qualifying or low-income households within 12 months of project completion.
- 22. <u>Penalties for Noncompliance</u>: The PJ must repay HOME-ARP funds invested in rental housing that is terminated before completion or otherwise does not comply with initial or ongoing requirements of this Notice during the compliance period, as follows:

- a. If the noncompliance or termination occurs within the first 10 years of the compliance period, the PJ must repay the entire amount of HOME-ARP funds invested in the project.
- b. If the noncompliance or termination occurs in years 11 through 15, the repayment amount will be reduced by 20 percent for each year beyond the initial 10-years during which time the project was compliant.

Repayment of the HOME-ARP funds is not required if the project owner sells or transfers, either voluntarily or involuntarily, the HOME-ARP project during the compliance period if (1) the HOME-ARP restrictions remain, (2) the project and new project owner continues to comply with all HOME-ARP requirements, and (3) any HOME-ARP funds remaining in a project's operating cost assistance reserve or reserve for replacement remain with the project and convey upon sale or transfer of the project as a restricted operating cost assistance reserve for replacement subject to HOME-ARP Notice requirements.

- **23.** <u>Operating Cost Assistance Reserve Management and Oversight</u>: The PJ must require that any HOME-ARP funds expended for project operating cost assistance reserves are held by the project owner in a separate interest-bearing account. The PJ must require the project owner to request written approval from the PJ prior to disbursing funds from the project operating cost assistance reserve. The PJ must review each requested distribution from the operating cost assistance reserve, including supporting documentation, to determine that the distribution is reasonable and necessary to cover the operating deficit associated with HOME-ARP units occupied by qualifying households. The PJ must, no less than annually, review the operating cost assistance reserve account to determine that the account is appropriately sized based on the projected operating deficits of HOME-ARP units restricted for occupancy by qualifying households. The PJ may require the project owner to enter into a deposit account control agreement for the operating cost assistance reserve where the PJ must approve disbursements from the account.
- 24. <u>End of Compliance Period and Return of Operating Cost Assistance Reserve</u>: Any unexpended operating cost assistance reserve remaining at the end of the compliance period must be returned as follows:
 - a. If the HOME-ARP rental project will continue to operate in accordance with the HOME-ARP requirements and serve qualifying households beyond the HOME-ARP 15- year compliance period as demonstrated by enforceable restrictions imposed by the PJ, the project can retain the operating cost assistance reserve amount to address any operating deficits associated with the HOME-ARP units occupied by qualifying households.
 - b. If the HOME-ARP project will not continue to operate in accordance with the HOME-ARP requirements and serve qualifying households beyond the 15-year HOME-ARP compliance period and the HOME-ARP grant has expired or is closed out, the remaining operating cost assistance reserve funds must be deposited in the PJ's local HOME

account and recorded as HOME program income receipt in the Integrated Disbursement and Information System (IDIS) and used for eligible costs under <u>24 CFR part 92</u>.

C. Tenant-Based Rental Assistance (TBRA)

HOME-ARP funds may be used to provide tenant-based rental assistance to qualifying households ("**HOME-ARP TBRA**"). In HOME-ARP TBRA, the PJ assists a qualifying household with payments to cover the entire or insufficient amounts that the qualifying household cannot pay for housing and housing-related costs, such as rental assistance, security deposits, and utility deposits. HOME-ARP TBRA assisted households may choose to rent a unit in a HOME-ARP rental project or any other eligible rental unit. HOME-ARP TBRA is a form of rental assistance that is attached to the household and not a particular rental unit.

Therefore, the HOME-ARP TBRA assisted household may choose to move to another unit with continued HOME-ARP TBRA as long as the new unit meets the applicable property standards of this Notice. If a HOME-ARP TBRA assisted household chooses to move, the rental assistance contract terminates and a new rental assistance contract for the new unit will be executed according to HOME-ARP TBRA requirements. The HOME-ARP TBRA assisted household must notify the PJ before moving in order to receive continued HOME-ARP TBRA.

- 1. <u>Tenant Selection</u>: Only individuals and families in the qualifying populations are eligible to receive HOME-ARP TBRA assistance. PJs must perform tenant selection in accordance with <u>Section IV.C</u> of this Notice. The PJ must select qualifying households for HOME-ARP TBRA in accordance with written tenant selection policies and criteria that are based on local housing needs established in the HOME-ARP allocation plan. The PJ must follow written tenant selection policies and criteria that:
 - a. Limit eligibility to households that meet one of the HOME-ARP qualifying populations definitions in accordance with HOME-ARP requirements. Preferences for households in one or more of the HOME-ARP qualifying populations, if any, must comply with the preferences and/or method of prioritization in the PJ's HOME-ARP allocation plan and the PJ's policies and procedures for applying such preferences, if any, and must not violate nondiscrimination requirements in 24 CFR 92.350.
 - b. If the PJ selects HOME-ARP TBRA applicants off a waiting list, it must provide for the selection of qualifying households from a written waiting list in accordance with the PJ's preferences or method of prioritization in the chronological order of their application, insofar as is practicable.
 - c. Give prompt written notification to any rejected applicant of the grounds for any rejection, and
 - d. Comply with the VAWA requirements as described in 24 CFR 92.359.

Finally, the PJ may offer, in conjunction with HOME-ARP TBRA assistance, a simultaneous award of services in accordance with <u>Section VI.D</u> of this Notice, and also provide particular types of other nonmandatory services that may be most appropriate for persons with a special need or a particular disability. Any provision of supportive services must comply with all requirements of <u>Section VI.D</u> of the Notice and the PJ's policies and procedures.

- 2. <u>Tenant Protections</u>: PJs must require and verify that there is an executed lease between the qualifying household that receives HOME-ARP TBRA and the owner of the rental unit or between the owner of the rental unit and a HOME-ARP sponsor with a sublease between the qualifying households and the HOME-ARP sponsor, in accordance with <u>24 CFR 92.253(a)</u>. A HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household. PJs may permit a HOME-ARP sponsor, as defined in Section VI.B.19, to execute a lease or master lease with a project owner. The HOME-ARP sponsor must then sublease a unit to a qualifying household. The lease between the qualifying household and the rental unit owner or the sublease between the HOME-ARP sponsor and the qualifying household cannot contain any of the prohibited lease terms specified in <u>24 CFR 92.253(b)</u>.
- **3.** Eligible Costs: Eligible costs under HOME-ARP TBRA include rental assistance, security deposit payments, and utility deposit assistance to qualifying households. HOME-ARP funds may be used to pay for up to 100% of these eligible costs. A PJ may use HOME-ARP TBRA funds to provide loans or grants to qualifying households for security deposits for rental units regardless of whether the PJ provides any other HOME-ARP TBRA assistance. The amount of funds that may be provided for a security deposit may not exceed the equivalent of two months' rent for the unit. Utility deposit assistance is an eligible cost only if rental assistance or a security deposit payment is provided. Costs of inspecting the housing are also eligible as costs of HOME-ARP TBRA. Administration of HOME-ARP TBRA is an eligible cost only if executed in accordance with general management oversight and coordination at 24 CFR 92.207(a), except that the costs of inspecting the housing and determining the income eligibility of the family are eligible project costs under HOME-ARP TBRA.
- 4. <u>Ineligible Costs:</u> HOME-ARP TBRA may not be used to pay for the homebuyer program as defined at 24 CFR 92.209(c)(2)(iv).
- 5. <u>Portability of Assistance:</u> A PJ may require the HOME-ARP TBRA assisted household to use HOME-ARP TBRA within the PJ's boundaries or may permit the household to use the assistance outside its boundaries pursuant to <u>24 CFR 92.209(d)</u>.
- 6. <u>Term of Rental Assistance Contract</u>: The requirements at <u>24 CFR 92.209(e)</u> defining the term of the rental assistance contract for providing assistance with HOME funds are waived for HOME-ARP TBRA. The PJ must determine the maximum term of the rental assistance contract. The rental assistance contract continues until the end of the rental assistance contract term, as determined by the PJ, or until the lease or sublease is terminated, whichever occurs first. The term of the rental assistance contract may be renewed, subject to the availability of HOME-ARP funds. The term of the rental assistance contract must begin on the first day of the term of the lease or sublease. HOME-ARP TBRA funds cannot be used after the end of the budget period.
- 7. <u>Maximum Subsidy:</u> The PJ must establish policies for the allowable maximum subsidy, which may differ from the maximum subsidy requirements at 24 CFR 92.209(h). PJs may

provide up to 100 percent subsidy for rent, security deposit payments, and utility bills. The PJ must also establish policies for determining any household contribution to rent based on a determination of the qualifying household's income.

- 8. <u>Rent Standard:</u> Consistent with 24 CFR 92.209(h)(3), PJs must also establish a rent standard for HOME-ARP TBRA by unit size that is based upon local market conditions or the section 8 Housing Choice Voucher program under 24 CFR part 982. The PJ must determine whether the rent for a HOME-ARP TBRA household complies with the rent standard established by the PJ for the HOME-ARP program and must disapprove a lease if the rent does not meet the PJ's rent standard for HOME-ARP TBRA.
- **9.** <u>Housing Quality Standards:</u> Housing occupied by a household receiving HOME-ARP TBRA must comply with all housing quality standards required in <u>24 CFR 982.401</u> (or successor inspection standards issued by HUD) unless the tenant is residing in a HOME or HOME-ARP unit, in which case the PJ may defer to initial and ongoing inspection standards.
- **10.** <u>**Program Operation:**</u> The PJ may operate HOME-ARP TBRA itself or may contract with a PHA or other entity with the capacity to operate a rental assistance program. In either case, the PJ or entity operating the program must approve the lease. HOME-ARP TBRA may be provided through an assistance contract with (1) an owner that leases a unit to a qualifying household; (2) the qualifying household, or (3) an owner and the qualifying household in a tri-party contract. In the case of HOME-ARP TBRA provided in coordination with a HOME-ARP sponsor, as described below, the PJ may require that payments be made directly to the HOME-ARP sponsor that will make rental payments to the owner on behalf of the qualifying household or require payments directly to the owner of the unit.
- **11.** <u>HOME-ARP TBRA with a HOME-ARP Sponsor</u>: HOME-ARP TBRA may be provided in coordination with a HOME-ARP sponsor. As defined in <u>Section VI.B.19</u>, a HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a HOME-ARP rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household. A HOME-ARP sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household. Under HOME-ARP TBRA, a qualifying household may reside in housing leased by a HOME-ARP sponsor if there is a sublease that complies with HOME-ARP lease requirements between the HOME-ARP sponsor and the qualifying household.
 - *a.* <u>*Rental Assistance Contract*</u>: There must be a rental assistance contract between the PJ and at least one of the following:
 - HOME-ARP sponsor;
 - Qualifying household; or
 - Owner of the housing.

Rental subsidy payments are made on behalf of the HOME-ARP TBRA household pursuant to a rental assistance contract. The rental assistance contract continues until the

lease is terminated or the term of the rental assistance contract expires (and is not renewed). Regardless of the role of the HOME-ARP sponsor, the HOME-ARP TBRA household has the right to continued HOME-ARP TBRA assistance if the household chooses to move from the unit. HOME-ARP TBRA funds cannot be used beyond the end of the HOME-ARP budget period.

The HOME-ARP sponsor may only receive the TBRA subsidy directly from the PJ on behalf of the qualifying household if the rental assistance contract is between the HOME-ARP sponsor and the PJ or the HOME-ARP sponsor and the PJ have entered into a written agreement as outlined below. The HOME-ARP sponsor must make rental subsidy payments to the owner on behalf of the qualifying household per the terms and conditions of the HOME-ARP TBRA contract or written agreement with the PJ. When the HOME-ARP TBRA assisted household moves to a new unit, the HOME-ARP sponsor is not required to continue its sponsor relationship with the HOME-ARP TBRA assisted household for the new rental unit but may do so with the consent of the HOME-ARP TBRA household.

The PJ must establish policies and procedures regarding termination of HOME-ARP TBRA assistance for qualifying households who are absent from the rental unit for a minimum of 60 days and where a HOME-ARP sponsor is leasing the rental unit and subleasing to the qualifying household or providing HOME-ARP TBRA rental subsidy payments on behalf of the household.

- b. <u>Lease and Sublease</u>: PJs must require and verify that each household that receives HOME-ARP TBRA assistance has an executed lease that complies with the tenant protection requirements of this Notice. The lease agreement may be between the project owner and the HOME-ARP TBRA household, or PJs may permit a HOME-ARP sponsor to execute a lease with an owner for an individual unit or a master lease for more than one unit restricted for occupancy by HOME-ARP TBRA households. If the lease agreement is between the HOME-ARP sponsor and owner, the HOME-ARP sponsor must execute a sublease agreement with a HOME-ARP TBRA household. The sublease between the HOME-ARP sponsor and the HOME-ARP TBRA household must meet the tenant protection requirements of this Notice.
- c. <u>Written Agreement with HOME-ARP Sponsor</u>: The PJ must enter into a written agreement with the HOME-ARP sponsor if the HOME-ARP TBRA rental assistance contract is not with the HOME-ARP sponsor and the HOME-ARP sponsor will receive the HOME-ARP TBRA subsidy directly from the PJ. The written agreement must specify the requirements for the HOME-ARP sponsor receiving the HOME-ARP TBRA subsidy on behalf of the qualifying household and the HOME-ARP sponsor's obligation to provide the HOME-ARP TBRA payment to the owner for the unit's required rent.
- **12.** <u>**Project Completion**</u>: Project completion for a HOME-ARP TBRA project means the final drawdown has been disbursed for the project.

D. Supportive Services

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying individuals or families as a separate activity or in combination with other HOME-ARP activities. Supportive services include: a) services listed in section 401(29) of the McKinney- Vento Homeless Assistance Act ("**McKinney-Vento Supportive Services**")¹ (42 U.S.C. 11360(29)); b) homelessness prevention services, as described in Section VI.D.3. and D.4 below; and

c) housing counseling services.

- 1. <u>Eligible Program Participants</u>: Supportive services may be provided to individuals and families who meet the definition of a qualifying population under <u>Section IV.A</u> of this Notice and who are not already receiving these services through another program. Program participants in other HOME-ARP activities are eligible for supportive services under this Notice in accordance with policies and procedures developed by the PJ. These policies and procedures should identify the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section.
- 2. <u>Client Selection</u>: HOME-ARP funds may only be used to provide supportive services to individuals or families that meet the definition of a qualifying population in <u>Section IV.A</u> of this Notice. PJs must develop policies and procedures for the selection of program participants for services under this section of the Notice that comply with <u>Section IV.C</u> and this section of this Notice.
- **3.** <u>Eligible Supportive Services under HOME-ARP</u>: There are three categories specifically included as supportive services under HOME-ARP:
 - a. <u>McKinney-Vento Supportive Services</u>: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.
 - b. <u>Homelessness Prevention Services</u>: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at <u>24 CFR</u> <u>576.102</u>, <u>24 CFR 576.103</u>, <u>24 CFR 576.105</u>, and <u>24 CFR 576.106</u>, and are revised, supplemented, and streamlined in <u>Section VI.D.4.c.i</u> below.
 - c. <u>Housing Counseling Services</u>: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at <u>24 CFR 5.100</u> and <u>5.111</u>, respectively, except where otherwise noted. The requirements at <u>24 CFR 5.111</u> state that any housing counseling, as defined in <u>24 CFR 5.100</u>, required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under <u>24 CFR part 214</u> to provide housing counseling, consistent with <u>12 U.S.C. 1701x</u>.

¹ The Consolidated Appropriations Act, 2021 (P.L. 116-260) enacted changes that renumbered section 401(27) to (29) of McKinney-Vento.

HUD-approved Housing Counseling Agencies can be found on HUD's website at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc.

Program requirements and administration under <u>24 CFR part 214</u> apply to the provision of HOME-ARP Housing Counseling supportive services except those provisions related to current homeowners do not apply. Eligible HOME-ARP topics under Housing Counseling include but are not limited to the following examples:

Rental Housing Counseling Topics (24 CFR 214.300(e)(4))	Pre-Purchase Homebuying Topics (24 CFR 214.300(e)(1))	Homeless Services Topics (24 CFR 214.300(e)(5))
HUD rental and rent subsidy programs	Advice regarding readiness and preparation	Homeless assistance information regarding emergency shelter
Other federal, state, or local assistance	Federal Housing Administration insured financing	Other emergency services
Fair housing	Housing selection and mobility	Transitional housing
Rental search assistance	Housing search assistance	Referral to local, state, and federal resources (<u>24 CFR</u> <u>214.300(b)(2)</u>)
Landlord tenant laws	Fair housing and predatory lending	
Lease terms	Budgeting and credit	
Rent delinquency	Loan product comparison	
Referrals to local, state, and federal resources	Purchase procedures and closing costs	
	Referrals to local, state, and federal resources	

Housing Counseling surrounding the following topics are *ineligible* under HOME-ARP:

- Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit;
- Home maintenance and financial management for homeowners, including, but not limited to: Escrow funds, budgeting, refinancing, home equity, home improvement, utility costs, energy efficiency, rights and responsibilities of homeowners, and reverse mortgages.

In accordance with 24 CFR 214.300(a)(2), housing counselors must establish an action plan for each participating qualifying individual or family. Additionally, as per 24 CFR

<u>214.300(c)</u>, housing counselors must also make reasonable efforts to have follow-up communications with participating qualifying individuals, when possible, to assure that the individual or family is progressing toward the housing goal established in the plan, to modify or terminate housing counseling, and to learn and report outcomes.

4. Eligible Costs of Supportive Services for Qualifying Individuals and Families: HOME-

ARP funds may be used to pay eligible costs associated with the HOME-ARP supportive services activity in accordance with the requirements in this Notice. Eligible costs that may be paid using HOME-ARP funds are limited to only those identified in <u>Section VI.D.4.c</u> below. Any ineligible costs paid using HOME-ARP funds must be repaid in accordance with the requirements of this Notice.

HUD has used its discretion in ARP to include eligible costs for supportive services that are necessary to assist the qualifying populations, prevent homelessness, or to enable qualifying households to obtain and maintain housing. The list of eligible costs associated with McKinney-Vento Supportive Services and Homelessness Prevention Services is in <u>Section</u> <u>VI.D.4.c.i</u> of this Notice.

While all qualifying households are eligible to receive supportive services under this activity, the PJ must establish requirements for documenting eligible costs for an individual or family in a qualifying population (as defined in <u>Section IV.A</u> of this Notice) as McKinney-Vento supportive services, homelessness prevention services, or Housing Counseling.

If a person is homeless, then the person is eligible to be provided the supportive services as McKinney-Vento supportive services for the costs allowable in <u>Section VI.D.4.c</u> below. If a person is housed and the supportive services are intended to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing to achieve stability in that housing then the person is eligible for homelessness prevention services for the costs allowable in <u>Section VI.D.4.c.</u> below.

Housing Counseling services may be provided regardless of whether a person is homeless or currently housed.

PJs must document in their files which types of supportive services they wish to offer program participants. If PJs are using a supportive services provider, PJs must document in their written agreements with supportive service providers whether they are authorizing McKinney-Vento supportive services, homelessness prevention services, Housing Counseling services or some combination of the three. Only the supportive services that are authorized in the written agreement with the supportive service provider may be provided to program participants by that supportive services may be served. As such, supportive services providers must demonstrate through their documentation that the individuals served were eligible to receive the supportive services that were authorized under the written agreement in order for those costs to be eligible.

Consistent with the requirements in this section, the PJ may set a maximum dollar amount that a program participant may receive for each type of service described in <u>Section</u> <u>VI.D.4.c.</u> below and may also set a maximum period for which a program participant may receive any of the types of assistance or services.

- a. <u>Oversight of Eligible Costs</u>: All supportive service costs paid for by HOME-ARP must comply with the requirements of this Notice, including requirements in <u>2 CFR part 200</u>, subpart E, Cost Principles that require costs be necessary and reasonable. If a qualifying household is already receiving the same eligible supportive service or has been approved to receive the same service through another program or provider, the program participant does not have a need for the HOME-ARP service and the costs related to the service do not comply with the Cost Principles. The PJ is responsible for establishing requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services. This may include the use of systems such as Homeless Management Information Systems in coordination with local supportive service providers, CoCs, and other nonprofit organizations.
- b. <u>Direct provision of services</u>: PJs contracting with service providers engaged directly in the provision of services under the HOME-ARP eligible supportive services categories, shall have written agreements or contracts that comply with the requirements of this Notice and, to the extent practicable, enter into agreements or contracts in amounts that cover the actual total program costs and administrative overhead to provide the services contracted.

If the services outlined in paragraph c. below are being directly delivered by the PJ or a subrecipient, the following costs are eligible project delivery costs for those services:

- the costs of labor or supplies and materials incurred by the PJ or subrecipient in directly providing supportive services to program participants.
- the salary and benefit packages of the PJ and subrecipient staff who directly deliver the services.

These project delivery costs must be attributable to the identifiable objective of the service delivered, otherwise they are administrative costs of the PJ or subrecipient.

- c. Eligible Costs:
 - i. <u>Eligible Costs for McKinney Vento Supportive Services and Homelessness</u> <u>Prevention Services</u>: Eligible costs for supportive services under either of these two categories include costs associated with the following services:
 - (A) <u>Child care</u>: The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated developmental activities, are eligible. The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible. The following conditions also apply:

- Children must be under the age of 13 unless the children have a disability.
- Children with a disability must be under the age of 18.
- (B) <u>Education services</u>: The costs of improving knowledge and basic educational skills are eligible costs including:
 - Instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).
 - Screening, assessment, and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.
- (C) Employment assistance and job training: The costs of establishing and/or operating employment assistance and job training programs are eligible, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.
 - Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
 - Services that assist individuals in securing employment consist of:
 - Employment screening, assessment, or testing;
 - Structured job skills and job-seeking skills;
 - Special training and tutoring, including literacy training and prevocational training;
 - Books and instructional material;
 - Counseling or job coaching; and
 - Referral to community resources.
- (D) <u>Food</u>: The cost of providing meals or groceries to program participants is eligible.
- (E) <u>Housing search and counseling services</u>: Costs of assisting eligible program participants to locate, obtain, and retain suitable housing are eligible. Services are:
 - Development of an action plan for locating housing;
 - Housing search;
 - Tenant counseling;
 - Securing utilities;
 - Making moving arrangements;
 - Outreach to and negotiation with owners;
 - Assistance submitting rental applications and understanding leases;
 - Assessment of housing for compliance with HOME-ARP requirements for TBRA assistance in <u>Section VI.C</u> of this Notice and financial

assistance for short-term and medium-term rental payments provided under <u>Section VI.D.4.c.i.(R)</u> below;

- Assistance obtaining utilities; and
- Tenant counseling;
- Mediation with property owners and landlords on behalf of eligible program participants;
- Credit counseling, accessing a free personal credit report, and resolving personal credit issues; and
- Payment of rental application fees;
- Other Housing counseling costs, as defined in <u>24 CFR 5.100</u>, funded with or provided in connection with grant funds must be carried out in accordance with <u>24 CFR 5.111</u>.

Please Note: When PJs or subrecipients provide housing services to eligible persons that are incidental to a larger set of holistic case management services, these services do not meet the definition of Housing counseling, as defined in $\underline{24}$ <u>CFR 5.100</u>, and therefore are not required to be carried out in accordance with the certification requirements of $\underline{24}$ <u>CFR 5.111</u>.

- (F) <u>Legal services</u>: Eligible costs are the fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with a qualifying individual or family's ability to obtain and retain housing.
 - Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other legal remedies for victims of domestic violence, dating violence, sexual assault, human trafficking, and stalking; appeal of veterans and public benefit claim denials; landlord-tenant disputes; and the resolution of outstanding criminal warrants; landlord/tenant matters, provided that the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
 - Legal services for immigration and citizenship matters and for issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are prohibited.
 - Services may include client intake, receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling.
 - Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.

- (G) <u>Life skills training</u>: The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, dating violence, sexual assault, stalking, human trafficking, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Life skills training includes:
 - the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- (H) <u>Mental health services</u>: Eligible costs are the direct outpatient treatment of mental health conditions that are provided by licensed professionals.
 - Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
 - Services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- (I) <u>Outpatient health services</u>: Eligible costs are the direct outpatient treatment of medical conditions when provided by licensed medical professionals including:
 - Providing an analysis or assessment of a program participant's health problems and the development of a treatment plan;
 - Assisting program participants to understand their health needs;
 - Providing directly or assisting program participants to obtain and utilize appropriate medical treatment;
 - Preventive medical care and health maintenance services, including inhome health services and emergency medical services;
 - Provision of appropriate medication;
 - Providing follow-up services; and
 - Preventive and non-cosmetic dental care.
- (J) <u>Outreach services</u>: The costs of activities to engage qualified populations for the purpose of providing immediate support and intervention, as well as identifying potential program participants, are eligible.
 - Eligible costs include the outreach worker's transportation costs and a cell phone to be used by the individual performing the outreach.
 - Costs associated with the following services are eligible: initial assessment; crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and

mainstream programs; and publicizing the availability of the housing and/or services provided within the PJ's geographic area.

- (K) <u>Substance abuse treatment services</u>: Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. The costs include:
 - Program participant <u>intake</u> and assessment;
 - Outpatient treatment;
 - Group and individual counseling
 - Drug testing;
 - Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- (L) <u>Transportation</u>: Eligible costs are:
 - The costs of program participant's travel on public transportation or in a vehicle provided by the PJ or subrecipient to and from medical care, employment, childcare, or other services eligible under this Notice;
 - Mileage allowance for service workers to visit program participants and to carry out housing inspections;
 - The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants;
 - The cost of gas, insurance, taxes, and maintenance for the vehicle;
 - The costs of PJ or subrecipient staff to accompany or assist program participants to utilize public transportation; and
 - If public transportation options are not sufficient within the area, the PJ may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle, subject to the following:
 - Payments for car repairs or maintenance on behalf of the program participant may not exceed 10 percent of the Blue Book value of the vehicle (Blue Book refers to the guidebook that compiles and quotes prices for new and used automobiles and other vehicles of all makes, models, and types);
 - Payments for car repairs or maintenance must be paid by the PJ or subrecipient directly to the third party that repairs or maintains the car; and
 - PJs or subrecipients may require program participants to share in the cost of car repairs or maintenance as a condition of receiving assistance with car repairs or maintenance.
 - The PJ must establish policies and procedures surrounding payments for the cost of gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants. Such costs must be limited to program participants with the inability to pay for such costs and who, without such assistance, would not be able to participate in eligible services under this <u>Section VI.D.4.c.i</u>.

- (M) <u>Case management</u>: The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s) are eligible costs. PJs and subrecipients providing these supportive services must have written standards for providing the assistance. Eligible costs are those associated with the following services and activities:
 - Conducting the initial evaluation, including verifying and documenting eligibility, for individuals and families applying for supportive services;
 - Counseling;
 - Developing, securing, and coordinating services;
 - Using a centralized or coordinated assessment system that complies with the requirements of <u>Section IV.C</u> of the Notice;
 - Obtaining federal, State, and local benefits;
 - Monitoring and evaluating program participant progress;
 - Providing information and referrals to other providers;
 - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking;
 - Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - Conducting re-evaluations of the program participant's eligibility and the types and amounts of assistance the program participant needs.
- (N) <u>Mediation</u>: HOME-ARP funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
- (O) <u>Credit repair</u>: HOME-ARP funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- (P) <u>Landlord/Tenant Liaison</u>: Costs of liaison services between property managers/owners and program participants are eligible HOME-ARP costs and may include:
 - Landlord outreach;
 - Physical inspections and rent reasonable studies as needed to secure units;
 - Rental application fees and security deposits for clients, in accordance with the financial assistance costs requirements in (R);
 - Mediation services in (N) for housing issues that may arise between owner, property manager, or other residents and clients;

- Coordination or assistance with the provision of other HOME-ARP eligible services to assist clients to maintain permanent housing.
- (Q) Services for special populations: HOME-ARP funds may be used to provide services for special populations, such as victim services, so long as the costs of providing these services are eligible under this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, stalking, or human trafficking including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, stalking, or human trafficking.
- (R) <u>Financial assistance costs</u>: HOME-ARP funds may be used to pay housing owners, utility companies, and other third parties for the following costs, as applicable:
 - <u>Rental application fees:</u> Rental housing application fee that is charged by the owner to all applicants.
 - <u>Security deposits</u>: A security deposit that is equal to no more than 2 months' rent. This assistance is separate and distinct from the provision of financial assistance for First and Last Month's rent provided under this section and cannot be used to duplicate those costs.
 - <u>Utility deposits</u>: HOME-ARP funds may pay for a standard utility deposit or initiation fee required by the utility company or owner (if owner-paid utilities are provided) for all program participants for the following utilities:
 - Gas
 - Electric
 - Water
 - Sewer
 - <u>Utility payments</u>: HOME-ARP funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
 - <u>Moving costs</u>: HOME-ARP funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under this section of the Notice and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

- <u>First and Last month's rent</u>: If necessary to obtain housing for a program participant, HOME-ARP funds may be used to make a pre-payment of the first and last month's rent under a new lease to the owner at the time the owner is paid the security deposit for the program participant's tenancy in the housing. This assistance must not exceed two month's rent and must be tracked for purposes of determining the total short- and medium-term financial assistance for rent that the program participant may receive. This assistance is separate and distinct from financial assistance for Security Deposits provided under this section and cannot be used to duplicate those costs.
- <u>Payment of rental arrears</u>: HOME-ARP funds may be used for a onetime payment for up to 6 months of rent in arrears, including any late fees or charges on those arrears, if necessary for the household to maintain their existing housing or, for those without housing, if necessary to remove a demonstrated barrier to obtaining housing.
- (S) <u>Short-term and medium-term financial assistance for rent</u>: Subject to the following conditions, a PJ may provide a program participant with short-term or medium-term financial assistance for rent, provided that the total financial assistance provided, including any pre-payment of first and last month's rent as described above, does not exceed 24 months of rental payments over any 3-year period.
 - Short-term means up to 3 months.
 - Medium-term means more than 3 months but not more than 24 months.
 - The PJ may make rental payments only to an owner with whom the PJ has entered into a financial assistance agreement for rental payment. The financial assistance agreement must set forth the terms under which rental payments will be provided, including the requirements that apply under this Notice. The financial assistance agreement must provide that, during the term of the agreement, the owner must give the PJ a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. The owner must serve written notice upon the program participant at least 30 days before termination of tenancy specifying the grounds for the action. Each financial assistance agreement that is executed or renewed must comply with the requirements in <u>24 CFR 92.359</u>.
 - The PJ must make timely payments to each owner in accordance with the financial assistance agreement. The financial assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The PJ is solely responsible for paying late payment penalties that it incurs with non-HOME-ARP funds.
 - Rental payments cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR

part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

- Each program participant receiving financial assistance for rental payments must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the financial assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. New leases must have an initial term of 1 year unless a shorter period is agreed upon by the program participant and owner. The lease requirements in 24 CFR 92.359 apply to this financial assistance.
- PJs must establish requirements to prevent the provision of short- or medium-term financial assistance for rent for the same period for which a program participant is receiving rental assistance or living in housing provided with ongoing assistance (such as project-based rental assistance or operating subsidies).
- If a program participant receiving financial assistance for short- or medium-term rental payments under this section meets the conditions for an emergency transfer under <u>24 CFR 5.2005(e)</u>, HOME-ARP funds may be used to pay amounts owed for breaking a lease to effectuate an emergency transfer. These costs are not subject to the 24-month limit on rental payments.

Ineligible costs - Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources. Financial assistance also cannot be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 USC 4601 et seq.) and its implementing regulations at <u>49 CFR part 24</u>, or Section 104(d) of the Housing and Community Development Act of 1974 (42 USC 5304(d) and its implementing regulations at <u>24 CFR part 42</u>, during the period of time covered by the replacement housing payments.

 ii. <u>Eligible Costs Associated with Housing Counseling under 24 CFR 5.100 and</u> <u>5.111</u>: Costs associated with housing counseling services as defined at <u>24 CFR</u> <u>5.100</u> and <u>5.111</u> are eligible under HOME-ARP. As homeowner assistance and related services are not eligible HOME-ARP activities, costs for the provision of services related to mortgages and homeownership to existing homeowners are also not eligible under HOME-ARP. If a program participant is a candidate for homeownership, costs associated with pre-purchase homebuying counseling, education and outreach are eligible under HOME-ARP. Eligible costs are those costs associated with the services listed in <u>24 CFR part 214</u> and include, but are not limited to:

- (A) Staff salaries and overhead costs of HUD-certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-ARP program participants;
- (B) Development of a housing counseling workplan;
- (C) Marketing and outreach;
- (D) Intake;
- (E) Financial and housing affordability analysis;
- (F) Action plans that outline what the housing counseling agency and the client will do to meet the client's housing goals and that address the client's housing problem(s);
- (G) Follow-up communication with program participants.

5. Termination of assistance to program participants:

- a. <u>*Termination of assistance*</u>: The PJ may terminate assistance to a program participant who violates program requirements or conditions of occupancy or no longer needs the services as determined by the PJ. Termination under this section does not bar the PJ from providing further assistance at a later date to the same individual or family under this Notice.
- b. <u>*Due process*</u>: The PJ must establish policies and procedures for termination of assistance to program participants. In terminating assistance to a program participant, the PJ must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:
 - i. Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
 - ii. Written notice to the program participant containing a clear statement of the reasons for termination;
 - iii. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
 - iv. Prompt written notice of the final decision to the program participant.

During this process, the PJ must provide effective communication and accessibility for individuals with disabilities, including the provision of reasonable accommodations. Similarly, the PJ must provide meaningful access to persons with LEP.

- 6. <u>Commitment</u>: For supportive services, commitment means that before disbursing any HOME-ARP funds to any entity, the PJ executed a legally binding written agreement that complies with HOME-ARP requirements with the contractor or subrecipient providing the supportive service (that includes the date of the signature of each person signing the agreement).
- 7. <u>Policies and Procedures</u>: PJs must establish the following policies and procedures in compliance with this notice:

- a. Tenant selection procedures in accordance with <u>Section IV.C.2</u> and this section;
- b. Eligibility of program participants in other HOME-ARP activities for supportive services under <u>Section VI.D.4.c.i</u> above including the length of time that program participants may be served by HOME-ARP TBRA and/or HOME ARP rental housing before they will no longer be eligible as a qualifying population for purposes of this section;
- c. If the PJ chooses to set maximum amounts and/or maximum periods for assistance or services, the maximum dollar amount that a program participant may receive for each type of service described in <u>Section VI.D.4.c.i</u> above and/or maximum periods for which a program participant may receive any of the types of assistance or services under this section;
- d. Documentation of eligible costs;
- e. Requirements that allow a program participant to receive only the HOME-ARP services needed so there is no duplication of services or assistance in the use of HOME-ARP funds for supportive services;
- f. Payments for the cost of gas, insurance, taxes, the one-time payment for car repairs or maintenance described above, and maintenance for vehicles of program participants;
- g. Financial assistance for short-term and medium-term rental payments under this Notice, including requirements to prevent a duplication of rental or financial assistance provided to a program participant;
- h. Housing stability case management; and
- i. Termination of assistance to program participants.
- 8. <u>Project Completion</u>: Project completion for a HOME-ARP Supportive Services project means the final drawdown has been disbursed for the project.

E. Acquisition and Development of Non-Congregate Shelter

A non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may be used to acquire and develop HOME-ARP NCS for individuals and families in qualifying populations. This activity may include but is not limited to the acquisition of land and construction of HOME-ARP NCS or acquisition and/or rehabilitation of existing structures such as motels, hotels, or other facilities to be used for HOME-ARP NCS. HOME-ARP funds may not be used to pay the operating costs of HOME-ARP NCS. Consequently, PJs must consider the availability of ongoing operating funds for the HOME-ARP NCS so that the HOME-ARP NCS can remain viable through the restricted use period specified in this Notice.

During the restricted use period, HOME-ARP NCS may:

- Remain as HOME-ARP NCS in compliance with the requirements of this Notice.
- Be used as a non-congregate emergency shelter under the Emergency Solutions Grants (ESG) program (Subtitle B of title IV of the McKinney-Vento Homeless Assistance Act) (42 USC 11371 et seq.), in which case the non-congregate shelter must be operated in compliance with all requirements at 24 CFR part 576 that apply when ESG funds are provided for operating costs or essential services in the shelter. During any period for which ESG funds are provided, the applicable ESG requirements shall govern in the event of any conflict with HOME-ARP requirements.
- Be converted to permanent affordable housing according to the requirements established in <u>Section VI.E.11</u> of this Notice.
- Be converted to permanent housing as defined in Subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 USC 11381 et seq.) according to requirements of this Notice and 24 CFR part 578.
- <u>Admission and Occupancy</u>: HOME-ARP NCS units may only be occupied by individuals or families that meet the criteria for one or more of the qualifying populations as defined in <u>Section IV.A</u>. of this Notice. Where applicable, occupancy of NCS units by qualifying populations must be in accordance with the requirements in <u>Section IV.C</u> of this Notice. The PJ must not allow qualifying populations to be charged occupancy fees or other charges to occupy a HOME-ARP NCS unit unless the PJ determines such fees and charges to be customary and reasonable and the charges comply with <u>24 CFR 578.77(b)</u>.

To ensure that access to HOME-ARP NCS by qualifying populations is effectively integrated with other assistance and services, PJs are encouraged to incorporate each HOME-ARP NCS into the CE established by the CoC(s) for the area the NCS is funded to serve, provided that the CE is used in accordance with <u>Section IV.C</u> of this Notice. Whether or not packaged with NCS funding, HOME-ARP supportive services may also be provided as needed to qualifying individuals and families served by the HOME-ARP NCS in accordance with the requirements contained in <u>Section VI.D</u> of this Notice.

No individual or family may be denied admission to or removed from a HOME-ARP NCS unit on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking if the individual or family meets the criteria of one of the qualifying populations.

- 2. <u>Eligible Activities</u>: HOME-ARP funds may be used to acquire and/or rehabilitate or construct HOME-ARP NCS units to serve qualifying populations. Acquisition of vacant land or demolition of existing structures may be undertaken only as part of a HOME-ARP NCS project. HOME-ARP NCS units acquired and/or developed with HOME-ARP funds must meet the requirements of this Notice, i.e., be used as HOME-ARP NCS or used as emergency shelter under ESG for the restricted use period established in <u>Section VI.E.9</u> of this Notice.
- **3.** <u>Eligible Costs</u>: HOME-ARP funds may be used for actual costs of acquiring NCS or developing HOME-ARP NCS as follows:

- a. <u>Acquisition Costs</u>: Costs to acquire improved or unimproved real property.
- b. <u>Demolition Costs</u>: Costs of demolishing existing structures for the purpose of developing HOME-ARP NCS.
- c. <u>Development Hard Costs</u>: Costs identified in <u>24 CFR 92.206(a)</u> to rehabilitate or construct HOME-ARP NCS units, except costs must be for meeting the physical standards established in <u>Section VI.E.7</u> of this Notice.
- d. <u>Site Improvements</u>: Costs to make improvements to the project site, including installation of utilities or utility connections, and the construction or rehabilitation of laundry, community facilities, on-site management, or supportive service offices.
- e. <u>*Related Soft Costs*</u>: Reasonable and necessary costs incurred by the PJ and owner associated with the financing, acquisition, and development of HOME-ARP NCS projects, including costs identified in 24 CFR 92.206(d) with the following exceptions:
 - i. Costs to provide information services such as affirmative marketing to prospective homeowners and tenants are not eligible.
 - ii. Costs of funding an initial operating deficit reserve are not eligible.
 - iii. Costs of project-specific assistance to community housing development organizations, including technical assistance and site control loans or seed money loans as specified in <u>24 CFR 92.301</u> are not eligible.
- f. <u>Replacement Reserve</u>: Costs to capitalize a replacement reserve to pay the reasonable and necessary costs of replacing major systems and their components whose useful life will end during the restricted use period. Major systems include structural support, roofing, cladding, and weatherproofing, plumbing, electrical and HVAC. The costs of replacing major systems must be determined through a Capital Needs Assessment or documented in writing after an inspection by the PJ or PJ-selected contractor to assess the remaining useful life of major systems expected upon completion of the HOME-ARP NCS project. The costs of a replacement reserve must be included in the project budget in the written agreement along with a list of major systems to be replaced with the reserve and projected replacement schedule during the restricted use period (i.e., reserve for replacement analysis). Rehabilitation planned to be completed with HOME-ARP NCS reserve funds at a later date must be included in IDIS as a rehabilitation activity at initial commitment.
- 4. <u>Prohibited Costs</u>: HOME-ARP funds <u>may not</u> be used to:
 - a. Pay any operating costs of a HOME-ARP NCS project.
 - b. Provide additional HOME-ARP investment in a HOME-ARP NCS project during the restricted use period, except that additional HOME-ARP funds can be invested in the project up to one year after project completion in IDIS for eligible costs.

- c. Pay costs of a conversion of HOME-ARP NCS as described in <u>Section VI.E.11</u> of this Notice.
- d. Provide non-Federal matching contributions required under any other Federal program.
- e. Provide assistance for uses authorized under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (Public Housing Capital and Operating Funds).
- f. Provide assistance to eligible low-income housing under <u>24 CFR part 248</u> (Prepayment of Low-Income Housing Mortgages).
- g. Pay for the acquisition of property owned by the PJ, except for property acquired by the PJ with HOME-ARP NCS funds, or property acquired in anticipation of carrying out a HOME-ARP NCS project.
- h. Pay delinquent taxes, fees, or charges on properties to be assisted with HOME-ARP NCS funds.
- i. Pay for any cost that is not eligible under this Notice.
- 5. <u>Commitment</u>: PJs must commit HOME-ARP funds before disbursing funds for a HOME-ARP NCS project. HOME-ARP funds are committed to a HOME-ARP NCS project when the PJ executes a legally binding written agreement that meets the requirements in this Notice.

If the project is an acquisition-only activity, the PJ may commit HOME-ARP funds if it reasonably expects the project will be operated as HOME-ARP NCS within 6 months of the date of acquisition. Acquisition-only HOME-ARP NCS projects may be performed when the PJ reasonably determines that the units acquired will not require rehabilitation to meet the property standards in <u>Section</u> <u>VI.E.7</u> of this Notice. If the project is not in active use as HOME-ARP NCS within 6 months of the acquisition, HUD may require the PJ to submit a schedule for placing the project into operation within a period determined by HUD or may require the PJ to repay the funds to its HOME-ARP Treasury Account.

For projects that will involve rehabilitation or new construction with or without acquisition, the PJ may commit HOME-ARP funds if it reasonably expects development to begin within 12 months of the date of commitment.

6. <u>Project Development Due Diligence</u>: HOME-ARP NCS projects must meet the requirements of this Notice for the restricted use period. Consequently, before awarding HOME-ARP funds to a HOME-ARP NCS project, PJs must determine that acquisition and/or development is financially feasible. The PJ is responsible for maintaining continued operation of the NCS in accordance with this Notice throughout the restricted use period. Therefore, the PJ must consider whether the HOME-ARP NCS project has secured or has a high likelihood of securing operating funding because operating costs cannot be paid with HOME-ARP.

PJs must assess HOME-ARP NCS projects, including a review of information from the owner and/or developer that demonstrates the project's financial feasibility throughout the restricted use period. Before awarding funds for HOME-ARP NCS, the PJ must:

- Require that the developer submit evidence of appropriate skills and experience related to the development of shelters or similar facilities.
- Require the owner to submit evidence of prior experience with operating shelters.
- Require an acquisition or development budget, timeline, and sources and uses statement for the acquisition and/or development of the project be submitted for review.
- Require the owner to submit a proposed operating budget, including secured sources for operating costs and any operating gap that will require additional assistance. If there is a gap in the operating budget, the PJ should require the owner to submit a plan for securing additional private, local, state, or Federal funding sufficient for successful operation of the project.

Before committing funds, PJs should also determine whether the owner intends to continue operating the project as HOME-ARP NCS or emergency shelter NCS under ESG for the entire full restricted use period or plans to convert the HOME-ARP NCS to permanent affordable housing or CoC permanent housing during the restricted use period, once the minimum use period for HOME-ARP NCS established in this section is completed. If a HOME-ARP NCS project owner intends to convert the project to CoC permanent housing or permanent supportive housing during the restricted use period, the PJ is encouraged to pursue partnership and leveraging opportunities with the CoC early in the planning stage of a HOME-ARP NCS project. In such instances, the PJ should consider the physical design needs of an eventual conversion in its evaluation of the HOME-ARP NCS project.

7. Property and Habitability Standards: HOME-ARP NCS projects must meet the minimum HOME-ARP property standards prior to occupancy and the HOME-ARP NCS ongoing property standards throughout the restricted use period as described in this Notice. An "acquisition only" project must meet the HOME-ARP NCS minimum property standards described in paragraph a. below at the time of acquisition. If the project requires rehabilitation or repair to meet the minimum property standards, the project is considered acquisition and rehabilitation irrespective of the source of funds used for the rehabilitation or repair and must meet the NCS rehabilitation standards in paragraph b. below. In addition, PJs must meet the standards required in this Notice for rehabilitation or new construction, as applicable. The PJ must determine that construction contracts and documents describe the work to be completed in adequate detail to establish a basis for inspection to determine that all work was completed to contracted specifications and that the project met the HOME-ARP NCS property standards. Project classification as rehabilitation or new construction is determined by the PJs local code requirements based on specific work to be completed. PJs may also choose to adopt a standard that exceeds the minimum standards described here. The written agreement must impose the HOME-ARP NCS property standards or the PJ's locally developed standards and require that the PJ or its representatives have access to the property to perform inspections during development and throughout the restricted use period.

- a. <u>Minimum HOME-ARP NCS Property Standards</u>: All HOME-ARP NCS units and common areas must meet all applicable State and local codes, ordinances, and requirements and the applicable provisions of HUD's Lead Safe Housing Rules at <u>24</u> <u>CFR Part 35</u>. In addition, all HOME-ARP NCS projects must meet the following minimum safety, sanitation, accessibility, and privacy standards:
 - i. Must be structurally sound to protect occupants from the elements and not pose any threat to health and safety of the occupants.
 - Must be accessible in accordance with section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and implementing regulations at 24 CFR part 35, all as applicable.
 - iii. Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
 - iv. Must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of occupants.
 - v. Must have a water supply free of contamination.
 - vi. Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
 - vii. Must provide necessary heating/cooling facilities in proper operating condition.
 - viii. Must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances.
 - ix. Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
 - x. Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector. There must also be a second means of exiting the building in the event of fire or other emergency.

<u>Minimum HOME-ARP NCS Rehabilitation Standards</u>: HOME-ARP NCS rehabilitation projects must meet all applicable State and local codes, ordinances, and requirements, or in the absence of such codes, International Residential Code or the International Building Code (as applicable), and must comply with the Lead Safe Housing Rule at <u>24 CFR Part 35</u>. Additionally, PJs must consider the remaining useful life of major systems. PJs are encouraged to use a Capital Needs Assessment to determine the reasonable and necessary investment of HOME-ARP funding in rehabilitation projects and expected cost of ongoing replacement needs during the restricted use period. If HOME-ARP funding will capitalize a replacement reserve, the PJ must determine the remaining useful life of major systems through a Capital Needs Assessment or other PJ inspection documented in writing, in accordance with requirements for capitalized replacement reserve costs in <u>VI.E.3</u>. <u>Minimum HOME-ARP NCS New Construction Standards</u>: HOME-ARP NCS projects that are newly constructed must meet all applicable State and local codes, ordinances, and requirements, or in the absence of such codes, the International Residential Code or the International Building Code (as applicable to the type of structure). HOME-ARP funds cannot be used to fund a replacement reserve for newly constructed HOME-ARP NCS.

b. <u>On-going Property Standards and Inspections</u>: PJs must develop ongoing inspection procedures to verify that HOME-ARP NCS projects meet the minimum HOME-ARP NCS property standards established in this Notice throughout the restricted use period. A PJ's inspection procedures must require annual inspections that are applied consistently to all HOME-ARP NCS projects. When deficiencies are identified, a follow-up inspection to verify that deficiencies are corrected must occur within 6 months. The PJ may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice or work order) rather than reinspection. If life-threatening deficiencies exist, the owner or operator of the HOME-ARP NCS must correct such deficiencies immediately. In such instances, the PJ must reinspect to verify the deficiency has been corrected within 14 days.

8. <u>Project Completion</u>: Project Completion for HOME-ARP NCS means:

- All necessary title transfer requirements and construction work has been performed;
- The project complies with the requirements of this Notice, including the HOME-ARP NCS property standards as evidenced by a final inspection;
- The project is actively operating as a HOME-ARP NCS;
- Final drawdown of HOME-ARP funds has been disbursed; and
- Project completion information is entered into IDIS.

All HOME-ARP NCS projects must be completed within 4 years of the date of commitment of the HOME-ARP funds based on the date of the last signature on the written agreement. If the PJ fails to complete a project within 4 years of project completion, it must comply with the terminated project requirements at 24 CFR 92.205(e)(2). HOME-ARP NCS rehabilitation and new construction projects must begin operating as active shelters within 6 months after the date of completion of the construction work. If the HOME-ARP NCS project is not in use within 6 months, HUD may require the PJ to submit a schedule for placing the project into operation as an active shelter within a period determined by HUD or may require the PJ to repay the HOME-ARP funds to its HOME-ARP Treasury Account.

9. <u>Restricted Use Period</u>: HOME-ARP NCS projects must comply with the requirements of this Notice for not less than the restricted use period specified in this Notice. PJs must impose the HOME-ARP NCS requirements through a deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanism approved by HUD. The use restriction should not identify that the property is prioritized for victims of domestic violence, dating violence, sexual assault, stalking or human trafficking. This use restriction must require that the property is operated as HOME-ARP NCS or non-congregate emergency shelter under ESG for the required restricted use period except that HOME-ARP

NCS projects may be converted to permanent affordable housing or CoC permanent housing after being operated as HOME-ARP NCS for the applicable minimum use period prior to conversion as described in <u>Section VI.E.11</u>. If the HOME-ARP NCS is converted, the PJ must amend its use restriction to reflect the change in requirements for the remainder of the restricted use period.

The restricted use period begins at project completion as defined in <u>Section VI.E.8</u> of this Notice and must be imposed for at least the following periods:

- a. <u>New Construction</u>: Newly constructed HOME-ARP NCS units must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 15 years, regardless of the amount of HOME-ARP funds invested in the project.
- b. <u>*Rehabilitation*</u>: HOME-ARP NCS units which receive any amount of HOME-ARP funds for rehabilitation but are not designated as new construction by the PJ's state or local building code requirements must be operated as HOME-ARP NCS units for qualifying populations for a restricted use period of 10 years.
- c. <u>Acquisition Only</u>: Units acquired for use as HOME-ARP NCS that do not require rehabilitation for occupancy must serve the qualifying populations for a restricted use period of 10 years.
- d. PJs may impose longer restricted use periods but must require the project remain financially viable for the extended period.
- **10.** <u>**Return of Replacement Reserve</u>**: HOME-ARP funds may capitalize a replacement reserve for HOME-ARP NCS projects performing rehabilitation as described in <u>Section VI.E.3</u> of this Notice. Any unexpended HOME-ARP funds remaining in a project's replacement reserve at the completion of the restricted use period or upon conversion must be used or returned as follows:</u>
 - a. If the HOME-ARP NCS project will continue to operate in accordance with the HOME-ARP NCS requirements and serve qualifying households beyond the HOME-ARP NCS restricted use period demonstrated by enforceable restrictions imposed by the PJ in accordance with <u>Section VI.E.9</u>, the project can retain the replacement reserve to pay reasonable and necessary costs of replacing major systems and their components.
 - b. If the HOME-ARP NCS project will not continue to operate in accordance with the HOME-ARP NCS requirements because the NCS is being converted to either CoC permanent housing or permanent affordable housing as described in <u>Section VI.E.11</u> of this Notice and the HOME-ARP grant is still open, the remaining HOME-ARP funds in the replacement reserve must be returned to the PJ's HOME Investment Trust Fund Treasury account.
 - c. If the HOME-ARP NCS grant has expired or is closed out, any remaining HOME-ARP funds in the replacement reserve must be deposited in the PJ's local HOME account,

recorded as a program income receipt in IDIS and used for eligible costs under 24 CFR part 92.

- **11.** <u>Conversion of Non-Congregate Shelter to Rental Housing</u>: The ARP authorizes the conversion of HOME-ARP NCS units into permanent housing under subtitle C of title IV of McKinney-Vento or permanent affordable housing as described in this section, during the restricted use period. No HOME-ARP funds may be used for conversion. The written agreement between the PJ and the owner of the HOME-ARP NCS project must describe conversion as a possible outcome of the HOME-ARP NCS project; specify the conditions under which conversion will be permitted; and require that the PJ approve any conversion in advance.</u>
 - a. <u>Minimum Use Period</u>: All HOME-ARP NCS projects must be operated as NCS for a minimum period of time prior to conversion. The minimum use period prior to conversion varies based on the original HOME-ARP NCS eligible activity undertaken and the amount of funds invested in the project. If the HOME-ARP NCS project involves rehabilitation, the minimum use period prior to conversion is based on the total cost of the rehabilitation as a percentage of the total appraised value of the improved property. A larger investment for rehabilitation will require operation as HOME-ARP NCS for a longer minimum use period prior to conversion.
 - i. <u>Acquisition Only</u>: HOME-ARP NCS activities not requiring rehabilitation for occupancy must be operated as HOME-ARP NCS for no less than 3 years from project completion prior to conversion.
 - ii. <u>Moderate Rehabilitation</u>: Occurs when an NCS HOME-ARP project requires rehabilitation and the total rehabilitation expenditure from all sources of less than 75 percent of the total appraised value of the improved property. HOME-ARP NCS projects that receive moderate rehabilitation must be operated as HOME-ARP NCS for no less than 5 years from project completion prior to conversion.
 - iii. <u>Substantial Rehabilitation</u>: Occurs when an NCS HOME-ARP project requires rehabilitation and the total rehabilitation expenditure from all sources exceeds 75 percent of the total appraised value of the improved property. HOME-ARP NCS projects that receive substantial rehabilitation must be operated as HOME-ARP NCS for no less than 10 years from project completion before conversion.
 - iv. <u>New Construction</u>: Any HOME-ARP NCS project defined by the PJ's state or local code requirements as new construction must be operated as HOME-ARP NCS for no less than 10 years from project completion prior to conversion.

Requirements for conversions vary depending on the type of conversion, as follows:

b. <u>Permanent Affordable Housing</u>: During the HOME-ARP NCS restricted use period but only after the HOME-ARP NCS minimum use period, a PJ may provide written approval to convert the project from HOME-ARP NCS to permanent affordable housing (e.g., affordable multifamily rental housing, transitional housing) in accordance with the requirements prescribed in the PJ's written agreement with the HOME-ARP NCS owner.

The converted permanent affordable housing project must meet the following requirements:

i. Additional HOME-ARP Investment: The PJ is prohibited from investing additional HOME-ARP funds to pay for the cost of converting the project from HOME-ARP NCS to permanent affordable housing or to pay for operating the project as permanent affordable housing. However, the PJ must determine that adequate financial resources are committed to the project to bring it into compliance with the property standards of Section VI.B.11 of this Notice and maintain the financial feasibility of the project to be operated as permanent affordable housing for the qualifying populations throughout the remaining restricted use period. If permitting conversion of HOME-ARP NCS into permanent affordable housing, a PJ must develop and evaluate the project in accordance with standardized underwriting guidelines for conversion. At minimum, the PJ's underwriting guidelines for conversion must include an examination of the sources and uses of funds for the conversion and a careful review of the project's operating budget, including the assumptions, projections, and reasonably expected increases in expenses throughout the minimum compliance period defined in the section below, to determine that the project will remain financially feasible to serve the qualifying populations for the remainder of the restricted use period.

The PJ may assist households living in affordable rental housing units in converted projects by providing HOME-ARP TBRA in accordance with <u>Section VI.C</u> of this Notice or financial assistance services in accordance with Section <u>VI.D.4.c.i.R</u>.

ii. <u>Minimum Compliance Period</u>: The minimum compliance period for converted housing is the period that the housing must continue to comply with the requirements of this Notice and is equal to the balance of the HOME-ARP NCS restricted use period. A PJ may impose a longer compliance period but should plan for the project's financial feasibility for the longer period. The PJ may <u>not</u> use HOME-ARP funds to provide operating assistance, including a capitalized operating reserve, to cover deficits during the minimum or an extended compliance period.

The PJ must amend the use restriction for HOME-ARP NCS to reflect the conversion to permanent affordable housing. The provisions for imposing affordability requirements at 24 CFR 92.252(e)(1) through (e)(4) apply to the amended use restriction. In addition, the amended use restriction for the permanent affordable housing must be enforceable to maintain compliance with the requirements of this Notice for the minimum compliance period, including the following:

(1) The same number of units that were operated as HOME-ARP NCS for qualifying populations must be restricted for and must be occupied by households that meet the definition of a qualifying population at the time of initial occupancy of the permanent affordable housing. The household's contribution toward rent during this period must be affordable in accordance with <u>Section VI.E.11</u> of this Notice.

- (2) The units must comply with the ongoing property condition standards of <u>24 CFR 92.251(f)</u> throughout the minimum compliance period as demonstrated by an on-site inspection within 12 months of project completion and an on-site inspection at least once every three years thereafter as required by <u>24 CFR 92.504(d)(ii)</u>.
- (3) Each household that occupies a HOME-ARP assisted rental unit must have an executed lease that complies with the tenant protections required in <u>Section VI.B.18</u> of this Notice.
- iii. <u>Property Standards</u>: For the remaining restricted use period, the PJ must require that project owners maintain the housing as decent, safe and sanitary housing in good repair in accordance with the ongoing property condition standards of <u>24 CFR</u> <u>92.251(f)</u> as demonstrated by an on-site inspection at least once every three years in accordance with <u>24 CFR 92.504(d)(ii)</u>.
- iv. <u>Tenant Contribution to Rent</u>: The PJ must confirm that the qualifying household's contribution to rent is affordable to the household based on a determination of the household's income. If the household is receiving project-based or tenant-based rental assistance, it cannot contribute towards rent more than is permitted in accordance with the requirements of the applicable program. If a qualifying household cannot contribute to rent, or the contribution is insufficient to cover the unit rent, the PJ may provide HOME-ARP TBRA or supportive services to assist the qualifying household but may not provide operating cost assistance or fund an operating cost assistance reserve.
- v. <u>Tenant Protections</u>: Following conversion, each qualifying household that occupies a permanent affordable housing unit must have an executed lease or sublease that complies with the tenant protections requirements of this Notice.
 - <u>Lease Requirement</u>: There must be a lease between the qualifying household and the owner of the permanent affordable housing project or, if there is a sublease with a qualifying household, a lease between a HOME-ARP sponsor and the owner in accordance with <u>24 CFR 92.253(a)</u>.
 - (2) <u>Prohibited Lease Terms</u>: The lease between the qualifying household and the owner, lease between HOME-ARP sponsor and the owner, and sublease between a HOME-ARP sponsor and qualifying household may not contain any of the prohibited lease terms specified in <u>24 CFR 92.253(b)</u>.
 - (3) <u>Termination of tenancy</u>: An owner may not terminate the tenancy or refuse to renew the lease of a qualifying household (or of a HOME-ARP sponsor with a sublease with a qualifying household) in a permanent affordable housing unit except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws, or for other good cause. An increase in the qualifying household's income does not constitute good cause.

To terminate or refuse to renew tenancy, the owner must serve written notice upon the qualifying household and the HOME-ARP sponsor if the lease is between an owner and HOME-ARP sponsor, specifying the grounds for the action at least 30 days before termination of tenancy. In the case of a sublease, to terminate or refuse to renew tenancy of a qualifying household, the HOME-ARP sponsor, in accordance with the policy established by the PJ, must notify the PJ in advance of serving written notice to the qualifying household and must serve written notice upon the qualifying household at least 30 days before termination of tenancy, specifying the grounds for the action.

- vi. <u>Coordinated Entry and Project-Specific Waitlists</u>: On a project-by-project basis, the PJ must use the method of tenant selection in <u>Section VI.B.19</u> of this Notice to select qualifying households for occupancy of permanent affordable housing.
- vii. <u>Penalties for Noncompliance</u>: The PJ must repay HOME-ARP funds invested in HOME-ARP NCS that was converted to permanent affordable housing if the permanent affordable housing does not comply with initial or ongoing requirements of this Notice during the compliance period.
- c. <u>CoC Permanent Housing</u>: During the HOME-ARP NCS restricted use period but only after the HOME-ARP NCS minimum use period, a PJ may permit the conversion of a HOME-ARP NCS project to permanent housing or permanent supportive housing under <u>24 CFR 578.43</u> (acquisition) and/or <u>24 CFR 578.45</u> (rehabilitation) of the CoC program regulations. Conversions may only occur in accordance with the requirements prescribed in the PJ's written agreement with the HOME-ARP NCS owner. If conversion is approved by the PJ, the HOME-ARP NCS use restrictions must remain in place until the project is approved for CoC funding and the required CoC restrictions are imposed on the property.

Conversion to CoC permanent housing or permanent supportive housing may serve the following eligible households as defined in <u>24 CFR 578.3</u>, subject to any further eligibility conditions that may apply to the use of CoC Program funds to provide rental assistance in the housing or otherwise support the project:

- Chronically homeless individuals
- Homeless individuals or families

PJs are prohibited from investing additional HOME-ARP funds to pay for the cost of converting the project to CoC permanent housing or permanent supportive housing. The CoC designates eligible applicants for grant funds under 24 CFR Part 578, which includes nonprofit organizations, States, local governments, and instrumentalities of State or local governments. For-profit entities are not eligible to apply for CoC grants or to be subrecipients of grant funds. Consequently, if a HOME-ARP NCS project owner intends to convert the project to CoC permanent housing or permanent supportive housing during the restricted use period, the PJ is encouraged to pursue partnership and leveraging opportunities with the CoC early in the planning stage of a HOME-ARP NCS

project. Additionally, PJs may provide supportive services or HOME-ARP TBRA to qualifying households that must move because of the conversion. (See <u>Section VII.F.4.b</u> for more information on relocations involving shelter occupants).

${f F}$. Nonprofit Operating and Capacity Building Assistance

A PJ may use up to 5 percent of its HOME-ARP allocation to pay operating expenses of CHDOs and other nonprofit organizations that will carry out activities with HOME-ARP funds. A PJ may also use up to an additional 5 percent of its allocation to pay eligible costs related to developing the capacity of eligible nonprofit organizations to successfully carry out HOME-ARP eligible activities.

PJs may award operating expense assistance or capacity building assistance to a nonprofit organization if it reasonably expects to provide HOME-ARP funds to the organization for any of the eligible HOME-ARP activities within 24 months of the award.

1. Eligible Costs

a. <u>Operating Expense Assistance</u>: Operating expenses are defined as reasonable and necessary costs of operating the nonprofit organization. These costs include employee salaries, wages and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment, materials, and supplies.

HOME-ARP funds used for operating expenses must be used for the "**general operating costs**" of the nonprofit organization. These operating costs must not have a particular final cost objective, such as a project or activity, or must not be directly assignable to a HOME-ARP activity or project. For example, HOME-ARP funds for operating expenses may *not* be used for staffing costs to provide supportive services or develop HOME-ARP-rental housing (as operating costs to develop HOME-ARP rental housing are paid for by a developer fee which is a project delivery or soft cost). Because ARP does not permit any HOME-ARP funds to be used to operate a shelter, all costs related to operating a non-congregate shelter (e.g., allocable overhead and staffing costs, insurance, utilities) also cannot be paid with HOME-ARP funds.

The actual costs of implementing a specific activity or project, including staff costs to deliver supportive services or administer HOME-ARP TBRA, are considered HOME- ARP project delivery costs or project soft costs and are not eligible costs under Nonprofit Operating and Capacity Building Assistance. HOME-ARP project delivery costs are those allowable costs incurred for implementing and carrying out eligible HOME-ARP projects or activities, such as supportive services. All project delivery costs are allocable to a HOME-ARP project, including direct project and related delivery costs integral to developing the project or providing the activity. HOME-ARP project delivery costs may be paid, if eligible, by HOME-ARP funds provided under a written agreement for the activity or project and must not be paid with nonprofit operating expense or capacity building assistance.

- b. <u>*Capacity Building Assistance*</u>: Capacity building expenses are defined as reasonable and necessary general operating costs that will result in expansion or improvement of an organization's ability to successfully carry out eligible HOME-ARP activities. Eligible costs include salaries for new hires including wages and other employee compensation and benefits; costs related to employee training or other staff development that enhances an employee's skill set and expertise; equipment (e.g., computer software or programs that improve organizational processes), upgrades to materials and equipment, and supplies; and contracts for technical assistance or for consultants with expertise related to the HOME-ARP qualifying populations.
- 2. <u>Limitations on Assistance</u>: NAHA and the HOME regulations limit the amount of operating expense assistance that an organization can receive annually. ARP extends this limitation to the capacity building assistance paid with HOME-ARP funds.

In any fiscal year, operating assistance provided to a nonprofit organization may not exceed the greater of 50 percent of the general operating expenses of the organization, as described above, for that fiscal year or \$50,000.

In any fiscal year, capacity building assistance provided to a nonprofit organization may not exceed the greater of 50 percent of the general operating expenses of the organization, as described above, or \$50,000.

If an organization receives both operating assistance and capacity building assistance in any fiscal year, the aggregate total amount of assistance it may receive is the greater of 50 percent of the organization's total operating expenses for that fiscal year or \$75,000.

To implement the above limitations on assistance, HUD has established separate fund types in IDIS for operating expense assistance and capacity building assistance. This will facilitate accurate tracking and ensure that PJs do not exceed the limits established in NAHA and ARP.

3. <u>Commitment of Operating Expense and Capacity Building Assistance</u>: A PJ commits operating expense assistance or capacity building assistance when it enters into a legally binding agreement with the nonprofit organization to provide the assistance.

VII. OTHER FEDERAL REQUIREMENTS

HOME-ARP funds are federal financial assistance and, therefore, are subject to requirements applicable to such funds. PJs must comply with the following requirements: <u>24 CFR part 92, subpart H</u>, 92.352 – Environmental review; 92.353 – Displacement, relocation, and acquisition; and 92.355 – Lead-based paint.

A. Other Federal Requirements and Nondiscrimination

The requirements in <u>24 CFR 92.350</u> apply to the HOME-ARP program. PJs must comply with the Federal requirements set forth in <u>24 CFR part 5</u>, <u>subpart A</u>, including: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and housing counseling and the nondiscrimination requirements at section 282 of NAHA. The requirements in section 282 of NAHA are waived in connection with the use of HOME-ARP funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108). PJs must also comply with the Violence Against Women Act (VAWA) requirements set forth in 24 CFR 92.359.

B. Affirmative Marketing and Minority Outreach

The requirements in 24 CFR 92.351 apply to HOME-ARP activities.

C. National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and Related Laws

The environmental requirements in 24 CFR 92.352 apply to eligible activities under this Notice. The environmental effects of each activity carried out with HOME-ARP funds must be assessed in accordance with the provisions of NEPA and the related authorities listed in HUD's implementing regulations at 24 CFR part 58. The applicability of the provisions of 24 CFR part 58 is based on the HOME-ARP project as a whole (i.e., all individual project activities, such as acquisition and rehabilitation, aggregated according to the requirements at 24 CFR 58.32), not on the type of the cost paid with HOME-ARP funds. In accordance with the provisions in 24 CFR part 58, activities undertaken with HOME-ARP funds are subject to environmental review by a PJ or State recipient. The PJ or State recipient (referred to as the "Responsible Entity" or "RE") must assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME-ARP funds, in accordance with the requirements at 24 CFR Part 58. A state PJ must assume responsibility for approval of Requests for Release of Funds and Certification (RROF/C) submitted by State recipients.

No funds may be committed to a HOME-ARP activity or project before the completion of the environmental review and approval of the RROF/C, as applicable. Neither a HOME-ARP recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance on an activity or project until the environmental review has been completed and HUD or the state has approved the recipient's RROF/C from the RE as applicable. In addition, until the RROF/C have been approved, neither a HOME-ARP recipient nor any participant in the development process may commit non-HUD funds on or undertake a HOME-ARP activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Therefore, it is important for REs to begin and complete any required environmental reviews as soon as possible.

1. HOME-ARP TBRA and Supportive Services

HOME-ARP TBRA and supportive services as defined at <u>24 CFR 58.35(b)</u> are categorically excluded, not subject to the Federal laws and authorities at <u>24 CFR 58.5</u> (CENST) or exempt from review under NEPA. A RE may complete a single CENST review categorized under <u>24 CFR 58.35(b)</u> for their supportive services program or their HOME-ARP TBRA program where participants choose their own unit and are not restricted to units within a pre-determined specific project site or sites. There is no need to complete reviews for every unit selected by participants.

2. HOME-ARP Rental Housing

Acquisition of a structure to be used as HOME-ARP rental housing is categorically excluded, subject to the Federal laws and authorities referenced at 24 CFR 58.5 (CEST) under 24 CFR 58.35(a)(5) (with the possibility of converting to exempt under 24 CFR 58.34(a)(12)) if the structure acquired will be retained for the same use (e.g., residential). Rehabilitation of buildings for residential use with one to four units for HOME-ARP rental housing is CEST under 24 CFR 58.35(a)(3)(i), if the density is not increased beyond four units, and the land use is not changed. Rehabilitation of buildings for use as HOME-ARP multifamily rental housing is CEST <u>under 24 CFR 58.35(a)(3)(ii)</u> only if:

- 1. the unit density is not changed more than 20 percent;
- 2. the project does not involve changes in land use from residential to non-residential; and
- 3. the estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

Rehabilitation for HOME-ARP rental housing that does not meet the thresholds for multifamily residential buildings listed above requires completion of an Environmental Assessment in accordance with <u>24 CFR Part 58</u>, <u>Subpart E</u>. An Environmental Assessment is also required for new construction, demolition, acquisition of vacant land for new construction, and acquisition of non-residential structures for demolition and new construction.

3. HOME-ARP NCS

HOME-ARP NCS activities are subject to environmental review by the RE under 24 CFR part 58. Acquisition of a structure to be used as HOME-ARP NCS is CEST under 24 CFR 58.35(a)(5) (with the possibility of converting to exempt under 24 CFR 58.34(a)(12)) if the structure acquired will be retained for the same use (e.g., residential). Rehabilitation of a structure for HOME-ARP NCS is CEST if the project meets the thresholds listed at 24 CFR 58.35(a)(3)(i) or (ii). Rehabilitation that does not meet these thresholds requires completion of an Environmental Assessment pursuant to 24 CFR part 58, subpart E. An Environmental Assessment is also required for new construction, demolition, acquisition of vacant land for new construction, and acquisition of non-residential structures for demolition and new construction.

HOME-ARP NCS projects which may convert to emergency shelter or permanent housing pursuant to Sec. 3204(a)(4)(B) or (C) of the ARP may complete a single environmental review that covers all proposed HUD funding sources and project activities. Conversion to a program using project-based rental assistance is CEST and requires completion of an environmental review. If conversion or other additional HUD funding sources are proposed after the

environmental review has been completed, a CENST review for supplemental assistance under 24 CFR 58.35(b)(7) can be performed if the review is completed by the same RE that conducted the original review and if re-evaluation is not required by 24 CFR 58.47.

The PJ or subrecipient, or any contractor of the PJ or subrecipient, may not acquire, rehabilitate, convert, repair, dispose of, demolish, or construct property for a HOME-ARP NCS project, or commit or expend HUD or non-HUD funds for NCS under HOME-ARP, until the RE has completed an environmental review under 24 CFR part 58 and received HUD or state approval of the RROF/C, as applicable.

D. Labor Standards

The requirements in 24 CFR 92.354 apply to HOME-ARP activities.

E. Lead Hazard Control Requirements

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at <u>24 CFR</u> <u>Part 35</u>, subparts A, B, J, K, M, and R apply to HOME-ARP-assisted activities.

For HOME-ARP NCS, a project must comply with <u>24 CFR part 35</u>, <u>Subpart K</u> when the HOME-ARP activity is acquisition only. HOME-ARP NCS projects that involve rehabilitation of pre-1978 facilities, whether the rehabilitation is funded with HOME-ARP or other funds, must comply with the requirements of <u>24 CFR part 35</u>, <u>Subpart J</u>.

F. Uniform Relocation Assistance and Real Property Acquisition Policies Act, Section 104(d), and HOME-ARP Displacement, Relocation and Acquisition Program Requirements

HOME-ARP funding is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and section 104(d) of the Housing and Community Development Act of 1974, in addition to the Displacement, Relocation and Acquisition regulatory requirements of <u>24 CFR 92.353</u>. This Notice also includes HOME-ARP program specific relocation requirements applicable to HOME-ARP-assisted projects. PJs must comply with all applicable requirements, as described in this section.

1. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970:

Costs incurred to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. § 4601 *et seq.*) (URA) are eligible HOME-ARP project costs pursuant to this Notice and 24 CFR 92.206(f). The URA establishes minimum requirements for the acquisition of real property and the displacement of persons from their homes, businesses, or farms as a direct result of acquisition, rehabilitation, or demolition for federally-assisted programs and projects. The URA implementing regulations at 49 CFR part 24 establish:

- Requirements for the provision of replacement housing assistance, advisory services, and moving costs to persons displaced as a result of a program or project that receives federal financial assistance;
- Requirements for acquisitions, including the payment of just compensation pursuant to <u>49 CFR part 24, subpart B</u>, and provisions for voluntary acquisitions set forth in <u>49 CFR</u> <u>24.101</u>.
- Minimum requirements for temporary relocation of persons, businesses, or farms as a result of a project or program that receives federal financial assistance. These requirements are found in <u>Appendix A</u>, <u>Section 24.2(a)(9)(ii)(D)</u>.

Additional HUD URA policy and guidance is available in <u>HUD Handbook 1378.</u>

2. Section 104(d) of the Housing and Community Development Act of 1974: HOME-ARP

is HOME funding and subject to the requirements in section 104(d) of the Housing and Community Development Act of 1974, as amended, (42 USC § 5304(d)), ("section 104(d)") unless waived, as described in this section and Appendix. Costs incurred to comply with section 104(d) requirements are eligible HOME-ARP project costs under 24 CFR 92.206(f). section 104(d) applies to the demolition or conversion, as defined in 24 CFR 42.305, of a lower-income dwelling unit in connection with a HOME or Community Development Block Grant Program (CDBG) assisted activity. section 104(d) includes the following requirements:

- A PJ must have a residential anti-displacement and relocation assistance plan (RARAP);
- A PJ must provide relocation assistance to displaced lower-income persons; and
- A PJ must perform one-for-one replacement of lower-income dwellings demolished or converted to a use other than a lower-income dwelling unit. A lower-income dwelling unit is defined in <u>24 CFR 42.305</u> as a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for existing housing, as defined by HUD.

Section 104(d) implementing federal regulations can be found at <u>24 CFR part 42 Subpart C</u>.

<u>HOME-ARP Section 104(d) Waiver / One-for-One Replacement Housing</u>. For purposes of , the one-for-one replacement housing requirements of section 104(d)(2)(A)(i) and (ii) and (d)(3) (42 U.S.C. 5304(d)(2)(A)(i) and (ii) and 42 U.S.C. 5304(d)(3)) and <u>24 CFR 42.375</u>, lower-income dwelling units shall not include single-room occupancy (SRO) units or residential hotel or motel units in jurisdictions where those units are considered dwelling units under state or local law. All other section 104(d) requirements, including but not limited to the requirement that the PJ have and follow a RARAP, remain in effect. (See <u>24</u> <u>CFR 92.353(e)</u> and <u>24 CFR part 42</u>, subpart <u>C</u>).

3. <u>HOME Program Displacement, Relocation and Acquisition Regulations</u>: In addition to the URA and section 104(d) requirement described above, the HOME program's Displacement, Relocation and Acquisition regulations at <u>24 CFR 92.353</u> also apply to projects funded with HOME-ARP funds. Some of these requirements differ from those

of the URA and section 104(d), including but not limited to the expanded temporary relocation protections at 24 CFR 92.353(b) and (c); optional relocation assistance policies in 24 CFR 92.353(d); and the right to return to a building or complex, if feasible, upon completion of a HOME project, in accordance with 24 CFR 92.353(a). PJs must follow these program-specific requirements in HOME-ARP assisted projects.

PJs are encouraged to develop optional relocation policies to address individuals that may not be eligible for URA or section 104(d) assistance due to their length of occupancy in a unit, ineligibility of their dwelling unit, or other factors beyond their control. Such policies must be in writing, applied consistently, and must not violate any other federal law or regulation. Costs incurred to comply with 24 CFR 92.353, including optional relocation policies, are eligible HOME-ARP project costs under 24 CFR 92.206(f).

4. <u>Additional HOME-ARP Program Relocation Related Requirements</u>: The following additional HOME-ARP program relocation requirements apply:

a. <u>Acquisition and/or rehabilitation of hotels, motels and other non-residential</u> <u>property</u>: In states where hotels and motels are not considered dwelling units or residential property, the acquisition of non-residential property such as hotels and motels for the production of HOME-ARP NCS units or HOME-ARP rental housing will not make a person occupying those properties eligible for relocation assistance under the URA, section 104(d) or <u>24 CFR 92.353</u>. HOME PJs may provide HOME-ARP assistance, as defined by this Notice, including the provision of HOME-ARP supportive services, HOME-ARP TBRA, the ability to stay in HOME-ARP NCS units, or the ability to rent a HOME-ARP rental unit, if the individuals or families can

demonstrate that-

- i. they have been in continuous residence at the property for 30 or more calendar days, and
- ii. they are a qualifying household, as defined by this Notice.

Any assistance provided pursuant to this section may be provided without regard to any preferences, project-specific waiting lists, or any other form of prioritization the PJ has developed pursuant to this Notice. For purposes of HOME-ARP, costs associated with activities under this provision of the Notice may be charged as either project delivery costs or relocation costs eligible under 24 CFR 92.206(f).

b. <u>Conversion of HOME-ARP NCS</u>: If HOME-ARP NCS units are occupied and converted to either permanent housing under CoC or permanent affordable housing as described in <u>Section VI.E.11</u> of this Notice, persons occupying the shelter would not normally be eligible for relocation assistance under the URA, section 104(d) or <u>24 CFR</u> <u>92.353</u> because they are not displaced from a dwelling unit. However, since the individuals or families occupying such shelter units are already qualifying households under HOME-ARP, HOME PJs may immediately provide such occupants with HOME-ARP assistance, as defined by this Notice, including the provision of HOME-ARP supportive services, HOME-ARP TBRA, the ability to stay in other HOME-ARP

NCS units, or the ability to rent a HOME-ARP rental unit. Additionally, the PJ may provide the occupants with assistance for moving costs or advisory services, as appropriate, as HOME-ARP administrative costs or under the HOME-ARP supportive services activity in <u>Section VI.D</u> of this Notice. Any assistance provided pursuant to this section may be provided without regard to any preferences, project-specific waiting lists, or any other form of prioritization the PJ has developed pursuant to this Notice, as

the persons occupying the NCS units were already determined to be qualifying households under the HOME-ARP.

5. <u>Persons Ineligible for HOME-ARP Assistance and Ineligible for URA, Section</u> <u>104(d), or assistance pursuant to 24 CFR 92.353</u>: If a person is required to move as a direct result of a HOME-ARP project and is determined ineligible for HOME-ARP housing assistance under the preceding <u>Section VII.F.4</u> and also determined ineligible as a displaced person under the URA, section 104(d) or HOME program rules, the PJ may provide such persons advisory services as an eligible HOME-ARP administrative cost, as the PJ determines to be reasonable and necessary.

G. Section 3 Economic Opportunities for Low- and Very Low-Income Persons

Section 3 requirements established at <u>24 CFR Part 75</u> apply to HOME-ARP-assisted projects.

H. Conflicts of Interest

HOME-ARP is subject to the following conflicts of interest requirements:

- <u>Conflicts of Interest</u>: PJs, State recipients, and subrecipients engaging in any of the activities defined this Notice shall be subject to the conflicts of interest provisions at <u>24</u> <u>CFR 92.356</u>, including but not limited to the conflicts of interest exception process defined in <u>24 CFR 92.356(d)-(e)</u>. Owners and developers of HOME-ARP NCS and HOME-ARP rental housing shall be subject to <u>24 CFR 92.356(f)</u>.
- 2. <u>Organizational Conflicts of Interest</u>: The provision of any type or amount of HOME-ARP TBRA or supportive services may not be conditioned on an individual's or family's acceptance or occupancy of a shelter or housing unit owned by the PJ; State recipients; the subrecipient; or a parent, affiliate, or subsidiary of the subrecipient. No subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent, affiliate, or subsidiary of the subrecipient, administer financial assistance that includes rental payments, utility deposits, security deposits, or first and last month's rent provided pursuant to this Notice. All contractors of the PJ, State recipients, or subrecipient must comply with the same requirements that apply to subrecipients under this section.
- 3. <u>Written Standards of Conduct</u>: PJs, State recipients, and subrecipients must maintain written standards of conduct covering the conflicts of interest and organizational conflicts of interest requirements under this Notice and <u>2 CFR 200.318</u>. The written standards of conduct must also provide for internal controls and procedures to require a fair and open selection process for awarding HOME-ARP funds pursuant to this Notice. These standards

must include provisions on if and how Continuum of Care board members may participate in and/or influence discussions or resulting decisions concerning the competition or selection of an award or other financial benefits made pursuant to the HOME-ARP Notice, including internal controls on when funds may be awarded to the organization that the member represents.

- 4. <u>Requesting Exceptions to Organizational Conflicts of Interest</u>: Any request for an exception to the organizational conflicts of interest provisions in this Notice shall be in writing and shall be considered by HUD only after the PJ or State recipient has provided the following:
 - a. A written disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - b. An opinion of the PJ's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- 5. <u>Granting Exceptions to Organizational Conflicts of Interest</u>: HUD shall determine whether to grant an exception to the organizational conflicts of interest on a case-by-case basis when it determines that the exception will serve to further the purposes of HOME-ARP. HUD shall consider the following factors, as applicable, in determining whether to grant such an exception:
 - c. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available
 - d. Whether undue hardship will result to the PJ, State recipient, subrecipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
 - e. Whether conditioning approval on changes to the PJ, State recipient, or subrecipient's policies or procedures can adequately address the organizational conflict of interest; and
 - f. Any other factors relevant to HUD's determination, including the timing of the requested exception.

VIII. PROGRAM ADMINISTRATION

A. PJ Responsibilities

The PJ is responsible for managing the day-to-day operations of its HOME-ARP program, ensuring that HOME-ARP funds are used in accordance with all program requirements and written agreements, and taking appropriate action when performance problems arise. The use of State recipients, subrecipients, or contractors does not relieve the PJ of this responsibility.

B. Written Agreement Requirements

Before disbursing any HOME-ARP funds to any entity, the PJ must enter into a written agreement with that entity pursuant to 24 CFR 92.504. Similarly, before disbursing any HOME

funds to a State recipient, subrecipient, or contractor which is administering all or a part of the HOME-ARP program on behalf of the PJ, the PJ must also enter into a written agreement with that entity that complies with 24 CFR 92.504 and the requirements described below. A written agreement cannot commit to providing HOME-ARP funds after the end of the HOME-ARP budget period.

The written agreement must require compliance with the requirements of this Notice. The content of the written agreement will vary depending upon the role the entity is asked to assume or the type of project undertaken.

This section details basic requirements by activity and the minimum provisions, in addition to those at 24 CFR 92.504 that must be included in a written agreement. The written agreement provisions in 24 CFR 92.504 that reference the requirements of 24 CFR 92.350, 24 CFR 92.351, and 24 CFR 92.359 are not waived and apply for all HOME-ARP written agreements.

- 1. <u>Rental Housing</u>: The PJ must execute a written agreement with the project owner/developer prior to the expenditure of HOME-ARP funds. The written agreement must comply with 24 CFR 92.504 and contain the following additional provisions:
 - a. <u>Use of HOME-ARP funds for Rental Housing</u>: The agreement between the owner/developer must describe the address of the project or legal description of the property if a street address has not be assigned to the property, the use of the HOME-ARP funds and other funds for the project, including the tasks to be performed for the project, a schedule for completing the tasks and the project, and a complete budget, including any HOME-ARP funds used to capitalize an operating cost reserve for qualified HOME-ARP units. These items must be in sufficient detail to provide a sound basis for the PJ to effectively monitor performance under the agreement to achieve project completion and compliance with HOME-ARP requirements.
 - b. Operating Cost Assistance: If the PJ will provide HOME-ARP funds for operating cost assistance, the agreement must specify whether the PJ will provide assistance through periodic payments or capitalize the operating cost assistance reserve based on the operating deficit projected for the 15-year compliance period. If the PJ is providing ongoing assistance, the amount of assistance must be based on the actual operating deficit associated with the HOME-ARP units restricted for occupancy by qualifying households. The written agreement must specify the frequency of operating assistance payments made to the owner (e.g., monthly, quarterly, etc.) and state that the amount of assistance will be equal to the deficit demonstrated and/or incurred. The written agreement may only provide for HOME-ARP funds to be used for operating assistance payments during the budget period defined in Section VIII.C.4 below. If operating cost assistance will be required beyond the budget period, the PJ should capitalize an operating reserve before the expiration of the budget period for HOME-ARP funds in accordance with Section VI.B.23. If the PJ is capitalizing the operating reserve for the 15-year HOME-ARP compliance period, the amount of assistance must be based on the project's underwriting and the total anticipated operating deficit associated with the HOME-ARP units restricted for occupancy by qualifying households. The written

agreement must specify the amount of the capitalized reserve and the restrictions on its use during the minimum compliance period in <u>Section VI.B.18</u>. Net operating income resulting from HOME-ARP operating cost assistance is not permitted and must be prohibited in the written agreement between the participating jurisdiction and the owner.

- c. <u>Sublease/Master Lease of HOME-ARP Units</u>: If the PJ will permit a project owner to execute a sublease or master lease with a nonprofit organization for HOME-ARP units restricted for occupancy by qualifying households, the agreement must specify the duration of the sublease or master lease, applicable rents, lease requirements and tenant protections.
- d. <u>On-going compliance</u>: The agreement must require rental housing assisted with HOME-ARP funds to comply with the on-going requirements of <u>Section VI.B</u> of this Notice or require repayment in accordance with <u>Section VI.B.22</u>.
- e. <u>*Property Standards*</u>: The agreement must require the housing to meet the property standards required in 24 CFR 92.251 paragraphs (a) new construction, (b) rehabilitation projects, (c)(1) and (2) acquisition of standard housing and (f) on-going property condition standards.
- f. <u>Records and reports</u>: The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements. The owner/developer of rental housing must annually provide the PJ with information on rents and occupancy of HOME-ARP assisted units to demonstrate compliance with this Notice. If the rental project has floating HOME-ARP units, the project owner/developer must provide the PJ with information regarding unit substitution and filling vacancies so that the project remains in compliance with the HOME-ARP occupancy requirements. The agreement must specify the reporting requirements, (including copies of financial statements) to enable the PJ to determine the financial condition and continued financial viability of the project.
- g. <u>Enforcement of the agreement</u>: The agreement must provide for a means for the PJ to enforce compliance with HOME-ARP requirements. This means of enforcement may include liens, deed restrictions, covenants running with the land, use restriction, or other mechanism approved by HUD under which the PJ has the right to require specific performance. In addition, the agreement must specify remedies for breach of the provisions of the agreement.
- h. <u>Request for disbursement of funds</u>: The agreement must specify that the owner/developer may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The owner/developer may request capitalization of a project operating cost assistance reserve for the qualifying units once all necessary title transfer requirements and construction work have been performed. The amount of each request must be limited to eligible costs in the amount needed, as described in <u>Section VI.B.5.g</u>.

- i. *Duration of the agreement*: The agreement must be in effect for at least the 15-year HOME-ARP minimum compliance period.
- j. <u>On-site Inspections and Financial Oversight</u>: The PJ must comply with the on-site inspections and financial oversight requirements of 24 CFR 92.504(d)(1) and (2). In addition, if the PJ will permit the capitalization of a project operating cost assistance reserve, the PJ must, no less than annually, oversee the administration of the operating cost assistance reserve account to verify that the account is appropriately sized and draws from the account are used to cover any deficits associated with units occupied by qualifying households.
- k. <u>Tenant Selection</u>: The written agreement must contain provisions explaining the method of tenant selection to be used in accordance with the requirements of <u>Section IV.C</u> and <u>VI.B.20</u> of this Notice. This section must be in sufficient detail to determine which method of tenant selection is being used for the qualifying population (i.e., use of CE, use of CE with other referral methods, or project-specific waiting list), the method of tenant selection for low-income households (See <u>Section VI.B.20</u>.b and <u>24 CFR 92.253(d)</u>), and any required policies and procedures around the use of a CE or project-specific waiting list. This section must also be in sufficient detail to determine compliance with the PJ's preferences and/or method of prioritization, if any, as well as all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in <u>24 CFR 5.105(a)</u>.
- 2. <u>TBRA (subrecipient or contractor)</u>: The requirements at <u>24 CFR 92.504</u>, apply to the use of HOME-ARP funds for TBRA. The written agreement provisions in 24 CFR 92.504 that reference the requirements of <u>24 CFR 92.350</u>, <u>24 CFR 92.351</u>, and <u>24 CFR 92.359</u> are not waived and still apply for HOME-ARP written agreements. The written agreement must contain the following provisions:
 - a. <u>Use of HOME ARP funds</u>: At a minimum, the written agreement must describe the amount and use of the HOME-ARP funds, the tasks to be performed, or services to be provided. HOME-ARP funds cannot be provided after the end of the HOME-ARP budget period.
 - b. <u>*Records and reports*</u>: The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements.
 - c. <u>Duration of agreement and disbursement of funds</u>: The agreement must specify the duration of the agreement and state that disbursement of funds under the agreement may not be requested until the funds are needed.
 - d. <u>Compliance with HOME-ARP program requirements</u>: The written agreement must require compliance with HOME-ARP program requirements for the HOME-ARP TBRA activity as outlined in <u>Section VI.C</u> of this Notice.

e. <u>*Rental assistance contract*</u>: There must be a rental assistance contract between the PJ and either the HOME-ARP sponsor, the HOME-ARP TBRA assisted household, or the property owner. The PJ must determine the terms of the rental assistance contract. The rental assistance contract continues until the lease is terminated. If the rental assistance is being provided through a HOME-ARP sponsor, the PJ must determine the term of the rental assistance contract between the PJ and HOME-ARP sponsor.

If HOME-ARP TBRA is provided in coordination with a HOME-ARP sponsor, the PJ must enter into a written agreement with the HOME-ARP sponsor if the HOME-ARP TBRA rental assistance contract is not with the HOME-ARP sponsor and the HOME- ARP sponsor will be receiving the HOME-ARP TBRA subsidy directly from the PJ. The written agreement must specify the requirements for the HOME-ARP sponsor receiving the TBRA subsidy on behalf of the HOME-ARP TBRA household and the HOME-ARP sponsor's obligation to use the HOME-ARP TBRA payment to pay rent for the unit to the property owner or management agent. If HOME-ARP TBRA is provided in coordination with a HOME-ARP sponsor, the sponsor must enter into a sublease with the HOME-ARP TBRA assisted household that must specify the duration of the sublease, applicable rents, lease requirements and tenant protections, all in accordance with the requirements of this Notice.

- f. <u>Tenant Selection</u>: The written agreement must require the owner to comply with the method of tenant selection determined by the PJ and applicable requirements of <u>Section IV.C</u> and <u>VI.C.1</u> of this Notice. The written agreement must include a description of the required method of tenant selection for the qualifying populations (i.e., use of CE, use of CE with other referral methods, project-specific waiting list), the method of tenant selection for low-income households (See <u>Section VI.B.20</u>.b and <u>24 CFR 92.253(d)</u>), and any required policies and procedures around the use of a CE or project-specific waiting list. This section of the written agreement must be in sufficient detail to determine compliance with the PJ's preferences and/or method of prioritization, if any, as well as all applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in <u>24 CFR 5.105(a)</u>.
- 3. <u>Supportive Services (subrecipient or contractor</u>): The requirements at <u>24 CFR 92.504</u>, apply to the use of HOME-ARP funds for supportive services. The provisions of the written agreement will depend on the role the entity is asked to assume. At a minimum, the written agreement must contain the following provisions:
 - a. <u>Use of HOME funds</u>: The written agreement must describe the amount and uses of the HOME-ARP funds, the tasks to be performed, the services to be provided, and include a budget. The written agreement cannot agree to provide HOME-ARP funds after the end of the HOME-ARP budget period.
 - <u>Records and Reports</u>: The agreement must specify the particular records that must be maintained and the information or reports that must be submitted in order to assist the PJ in meeting its recordkeeping and reporting requirements as required under <u>Section</u> <u>VIII.F</u> of this Notice.

- c. <u>Duration of the agreement and Disbursement of Funds</u>: The agreement must specify the duration of the agreement, and state that disbursement of funds under the agreement may not be requested until the funds are needed.
- d. <u>Compliance with HOME-ARP Program Requirements</u>: The written agreement must also require compliance with HOME-ARP program requirements for the HOME-ARP supportive services activity as described in <u>Section VI.D</u> of this Notice.
- 4. <u>HOME-ARP Non-Congregate Shelter (owner/developer)</u>: Written agreements must be executed between the PJ and the owner for all HOME-ARP NCS projects. A legally binding HOME-ARP NCS written agreement must include the date of the signature of each person signing the agreement. PJs are responsible for entering into written agreements before disbursing HOME-ARP funding. Contents of written agreements can vary based on specific needs of the PJ, the owner, and the project. Agreements for the acquisition, development, and rehabilitation of HOME-ARP NCS units must contain the following provisions:
 - a. <u>Use of HOME-ARP funds</u>: The agreement between the PJ and owner must include the address of the project or legal description of the property if a street address has not been assigned to the property, the use of the HOME-ARP NCS funds and other funds for the project, including the tasks to be performed for the project, a schedule for completing the tasks and the project, and a complete budget. These items must be in sufficient detail to provide a sound basis for the PJ to effectively monitor performance under the agreement to achieve project completion and compliance with HOME-ARP funds after the end of the HOME-ARP budget period.
 - b. <u>Habitability and Property Standards</u>: The agreement must require the HOME-ARP NCS project to meet the habitability and property standards as described in <u>Section</u> <u>VI.E.7</u> of this Notice based on the type of project completed.
 - c. <u>*Project Requirements*</u>: The agreement must require the HOME-ARP NCS project to meet the project requirements as described in this Notice.
 - d. <u>Other program requirements</u>: The agreement must require the PJ and owner to carry out the project in compliance with the other Federal requirements of <u>24 CFR 92 subpart H</u> and <u>24 CFR 92.505</u>.
 - e. <u>*Records and reports*</u>: The agreement must specify the particular records that must be maintained and the information or reports that must be submitted to assist the PJ in meeting its recordkeeping and reporting requirements.
 - f. <u>*Restricted Use Period*</u>: The agreement must require the project to meet the Restricted Use Period as described in <u>Section VI.E.9</u> of this Notice based on project type.
 - g. <u>Enforcement of the agreement</u>: The agreement must provide for a means for the PJ to enforce compliance with HOME-ARP requirements. This means of enforcement may include liens, deed restrictions, covenants running with the land, use restriction, or other

mechanism approved by HUD under which the PJ has the right to require specific performance. In addition, the agreement must specify remedies for breach of the provisions of the agreement.

- h. <u>*Plan of Conversion*</u>: PJs that intend to allow conversion of HOME-ARP NCS projects to other permanent affordable housing as permitted in this Notice must describe conversion as a possible outcome of the HOME-ARP NCS project; specify the conditions under which conversion will be permitted; and require that the PJ approve the terms and conditions of any conversion before the conversion occurs.
- i. <u>Additional PJ Conditions and Requirements</u>: PJs may include additional program and project requirements as determined necessary.
- 5. <u>Non-Profit Operating and Capacity Building</u>: The requirements at 24 CFR 92.504(c)(6), apply to the use of HOME-ARP funds for non-profit operating and capacity building assistance. The written agreement must describe the amounts and uses of HOME-ARP funds for operating expenses or capacity building. If the non-profit organization is not also receiving HOME-ARP funds to carry out a HOME-ARP project, the agreement must provide that the organization is expected to receive funds for a HOME-ARP project within 24 months of the date of receiving the funds for operating or capacity building expenses and must specify the terms and conditions upon which this expectation is based and the consequences of failure to receive funding for a project.

When a PJ provides both operating assistance and capacity building assistance to an organization, it must enter into either one written agreement for both types of assistance or separate written agreements for operating expense assistance and capacity building assistance. If a PJ chooses to enter into one written agreement, the PJ must separately identify the scope of assistance, eligible uses and costs, and a budget for each type of funds.

C. Grants Management

1. HOME-ARP Grant Agreement: HUD will make HOME-ARP funds available to the PJ pursuant to a HOME-ARP Grant Agreement, consistent with Section VIII.C.2 below. Subject to the provisions of the grant agreement and requirements in this Notice, HUD will obligate HOME-ARP funds to the PJ upon execution of the agreement by both parties. In the grant agreement, the PJ agrees that funds invested in affordable housing under this Notice are repayable if the housing no longer meets the requirements of this Notice during the compliance period or the NCS no longer meets the requirements of this Notice during the restricted use period. The PJ also agrees to assume all responsibility for environmental review, decision making, and actions, as specified and required in regulation at 24 CFR 92.352 and 24 CFR Part 58. The PJ agrees to comply with 24 CFR 92.505 and applicable Uniform Administrative Requirements at 2 CFR part 200, as amended. The PJ agrees to comply with requirements established by the Office of Management and Budget (OMB) concerning the unique entity identifier and System for Award Management (SAM) requirements in <u>Appendix I</u> to 2 CFR part 200, as amended, and the Federal Funding Accountability and Transparency Act (FFATA) in <u>Appendix A</u> to 2 CFR part 170. The PJ

agrees to comply with the federal nondiscrimination and equal opportunity requirements at <u>24 CFR</u> <u>92.350</u> and affirmative marketing requirements in <u>24 CFR 92.351</u> and the VAWA requirements set forth in <u>24 CFR 92.359</u>. The HOME-ARP grant is obligated when the HUD Authorized Official signs the memorandum obligating HOME-ARP grants. The HOME-ARP Grant Agreement must be signed by the CPD Field Office Director and counter-signed by the PJ's authorized signatory. Once the CPD division in the local field office receives the fully executed HOME-ARP Grant Agreement, it will send the agreement to HUD's CFO Accounting Office for processing. As described in <u>Section VIII.C.2</u> of this Notice, funds will become available to the PJ in IDIS once HUD's CFO Accounting Office processes the grant.

- 2. <u>Access to Administrative Set-aside Funds</u>: Upon issuance of this Notice, HUD will obligate all HOME-ARP grants to PJs through the signing of the HOME-ARP obligating memorandum, after which each HOME-ARP Grant Agreement must be signed by both parties. After obligation, HUD will permit the PJ to use 5 percent of its award for eligible administrative and planning costs under <u>Section VI.A</u> of this Notice. The PJ may not expend any funds for non-administrative and planning costs before the HOME-ARP allocation plan is accepted by HUD as described in <u>Section V.D.2 and 3</u> of this Notice. HUD will make the remaining HOME-ARP grant funds available to the PJ once HUD accepts the HOME-ARP allocation plan. If the PJ does not submit a HOME-ARP allocation plan or if the PJ's plan is not accepted within a reasonable period of time, as determined by HUD, any costs incurred or HOME-ARP funds expended by the PJ will be considered ineligible costs and must be repaid with non-Federal funds in accordance with guidance from HUD.
- 3. <u>HOME-ARP Grant Number</u>: The PJ's HOME-ARP grant number is similar to its HOME grant number with the exception of the source type code. All HOME-ARP grants have the program identifier "M" and the source year of the grant "21." The different source type codes are identified in the table below.

Source Type Description	HOME Source Type Code	HOME-ARP Source Type Code
HOME Consortium	DC	DP
Metropolitan City	МС	MP
State	SG	SP
Insular Area	ST	IP
Urban County	UC	UP

The unique grantee identifier portion of the grant number will be the same for HOME-ARP grants as it is for HOME grants. See examples of HOME-ARP grant numbers with the different source type codes in the table below.

Participating Jurisdiction	HOME Grant Number	HOME-ARP Grant Number
Maryland	M21SG240100	M21SP240100
Baltimore	M21MC240200	M21MP240200

- 4. <u>Budget Period</u>: The budget period for HOME-ARP grants begins on the Federal Award Date, which is the date of the HUD Authorized Official's signature specified on the HOME-ARP Grant Agreement. The budget period for HOME-ARP grants ends on September 30, 2030. The PJ may not expend any HOME-ARP funds after September 30, 2030. After September 30, 2030, any HOME-ARP funds remaining in the PJ's HOME Investment Trust Fund Treasury account will be cancelled and not available for obligation or expenditure for any purpose (per <u>31 U.S.C. 1552</u>).
- 5. <u>Period of Performance</u>: The period of performance for HOME-ARP grants begins on the Federal Award Date, which is the date of the HUD Authorized Official's signature specified on the HOME-ARP Grant Agreement. The period of performance for HOME-ARP grants ends on September 30, 2030.
- 6. <u>Audit</u>: Audits of the PJ, State recipients, and subrecipients must be conducted in accordance with <u>2 CFR part 200, subpart F</u>.
- 7. <u>Closeout</u>: HOME-ARP funds will be closed out in accordance with <u>2 CFR part 200</u>, <u>subpart D</u>. The PJ will use HUD's data system to closeout HOME-ARP grants once all HOME-ARP funds have been expended, all HOME-ARP activities are completed in accordance with the requirements of this Notice, and the proper beneficiary data has been entered. In order to closeout its HOME-ARP grants, the PJ must not have any open CPD monitoring findings or audits related the HOME-ARP funds. HUD will provide closeout guidance and instructions at a later date.

D. Applicability of Uniform Administrative Requirements.

The requirements of <u>2 CFR part 200</u>, as amended apply to PJs, State recipients, and subrecipients receiving HOME-ARP funds, except for the following provisions: <u>2 CFR 200.306</u>, 200.307, 200.308 (not applicable to participating jurisdictions), <u>200.311</u> (except as provided in <u>24 CFR 92.257</u>), <u>200.312</u>, 200.329, 200.333, and <u>200.334</u>. The provisions of <u>2 CFR 200.305</u> apply as modified by <u>24 CFR 92.502(c)</u> and this Notice. If there is a conflict between definitions in <u>2 CFR part 200</u> and <u>24 CFR part 92</u>, the definitions in <u>24 CFR part 92</u>, govern. Moreover, if there is a conflict between the provisions of <u>2 CFR part 200</u> and the provisions of this Notice, the provisions of this Notice govern.

Where regulations in 24 CFR part 92 refer to specific regulations of 2 CFR part 200 that were or are renumbered or revised by amendments to 2 CFR part 200, the requirements that apply to the

use of HOME-ARP funds are the applicable requirements in <u>2 CFR part 200</u>, as amended, notwithstanding the renumbered regulatory reference.

E. Financial Management

1. <u>The HOME Investment Trust Fund</u>: HUD will establish a HOME-ARP Investment Trust Fund Treasury account (Treasury account) for a PJ's HOME-ARP funds. The Treasury account includes all HOME-ARP funds allocated to the PJ by formula and any HOME-ARP funds repaid by the PJ.

The PJ must establish a HOME-ARP Investment Trust Fund local account (local account) as described in <u>24 CFR 92.500</u>. The PJ may use either a separate local account or, a subsidiary account within its general fund (or other appropriate fund) as the local account. The PJ may not use the same local account for HOME-ARP that it uses for its HOME local account.

The local account includes deposits of HOME-ARP funds disbursed from the Treasury account. The local account must be interest-bearing.

HUD will reduce or recapture any HOME-ARP funds that are in the Treasury account that are not expended (drawn down) by September 30, 2030. Due to end-of-year financial system closeouts that begin before this date and prevent electronic access to the payment system, requests to draw down the funds must be made at least 7 full business days before this date so that the funds still can be drawn from the Treasury account through IDIS.

2. <u>Program Income</u>: Program Income means gross income received by the PJ generated from the use of HOME-ARP funds during the grant period of performance. This includes, but is not limited to, principal and interest payments from a loan made with HOME-ARP funds, or other income or fees received from project owners in connection with HOME-ARP funds, and interest earned by the PJ on program income before its disposition.

Program income earned as a result of the use of HOME-ARP funds is HOME program income and must be used in accordance with the requirements of 24 CFR part 92. All program income must be recorded in IDIS. Program income must be deposited in the PJ's HOME-ARP local account (unless the PJ allows a State recipient or subrecipient to retain the program income for additional HOME projects pursuant to such terms and conditions in the written agreement and this Notice). The PJ must enter HOME-ARP program income retained by the State recipient or subrecipient as a HOME program income receipt in IDIS and subgrant the program income to the State recipient or subrecipient that retained the program income. The PJ is responsible to report on the use of its program income in IDIS, including program income it allowed a State recipient or subrecipient to retain.

3. <u>**Repayments**</u>: Any HOME-ARP funds used for costs that are not eligible under this Notice, funds invested in a project that is terminated before completion, either voluntarily or otherwise, or funds invested in HOME-ARP rental housing and NCS that does not meet the requirements in this Notice for the applicable period specified in this Notice must be repaid by the PJ to its Treasury account. If the funds are repaid after September 30, 2030, they will be recaptured by the U.S. Department of Treasury and the PJ will not be able to re-use the

funds for eligible HOME-ARP activities. HOME-ARP funds may not be repaid to the PJ's local account.

4. <u>Integrated Disbursement and Information System (IDIS)</u>: The PJ will use IDIS to administer its HOME-ARP funds. The PJ will request disbursements of HOME-ARP funds from its Treasury account and collect and report information on the use of HOME-ARP funds through IDIS. (For purposes of reporting in IDIS, a HOME-ARP project is an activity.) The PJ must report all program income in IDIS.

The requirements of 24 CFR 92.502(c)(3) do not apply to HOME-ARP funds.

In accordance with this Notice, a HOME-ARP written agreement providing HOME-ARP funds to a project or the CHDO/nonprofit must be signed and dated by:

- a. the PJ and project owner for HOME-ARP rental and HOME-ARP NCS;
- b. the PJ and service provider for HOME-ARP supportive services;
- c. the PJ and landlord, tenant, and/or HOME-ARP sponsor, as applicable, for HOME-ARP TBRA; and,
- d. the PJ and CHDO/nonprofit organization for HOME-ARP Operating Expenses and Capacity Building Assistance.

This must occur before any HOME-ARP funds are disbursed. Federal funds cannot be drawn from the Treasury account in advance of the need to pay an eligible cost. Consequently, HOME-ARP funds cannot be drawn from the U.S. Treasury and placed in escrow or advanced in lump sums to State recipients, subrecipients, project owners, service providers, or landlords or tenants, except funds drawn down for a HOME-ARP rental project for an operating cost assistance reserve or reserve for replacement pursuant to <u>Section VI.B.5.g.</u> of this Notice or a HOME-ARP NCS project for a replacement reserve pursuant to <u>Section VI.E</u>.

Once funds are drawn from the PJ's Treasury account, they must be expended for an eligible HOME-ARP cost within 15 days. Any interest earned within the 15-day period may be retained by the PJ as HOME program income and recorded in IDIS as a program income receipt. Any funds that are drawn down and not expended for eligible costs within 15 days of the disbursement must be returned to HUD for deposit in the PJ's Treasury account.

Interest earned after 15 days belongs to the United States and must be remitted to the United States as provided in 2 CFR 200.305(b)(9), except interest amounts up to \$500 per year may be retained for the PJ's administrative expenses.

Additional HOME-ARP funds may be committed to a project up to one year after project completion.

HUD will govern access to IDIS by other entities participating in the HOME program (e.g., State recipients). Only PJs and State recipients (if permitted by the State) may request disbursement.

F. Recordkeeping

Each PJ must establish and maintain sufficient records to enable HUD to determine whether the PJ has met the requirements of this Notice. At a minimum, the following records are needed:

1. Program Records:

- a. Records evidencing that all HOME-ARP funds used by a PJ for TBRA, supportive services, and acquisition and development of non-congregate shelter units benefit individuals and families in qualifying populations.
- b. Records evidencing that not less than 70 percent of affordable rental housing units acquired, rehabilitated, and/or constructed with HOME funds by a PJ are restricted for occupancy by households in the qualifying populations.
- c. Records documenting compliance with the 15 percent limitation on administrative and planning costs.
- d. Records documenting compliance with the 5 percent limitation on CHDO and non-profit operating and capacity building costs.
- e. The underwriting and subsidy layering guidelines adopted in accordance with <u>Section</u> <u>VI.B.10</u> of this Notice that support the PJ's HOME-ARP allocation plan certification.
- f. If existing debt is refinanced for multifamily rehabilitation projects, the HOME-ARP refinancing guidelines established in the HOME-ARP in the HOME-ARP Allocation Plan.
- g. If HOME-ARP funds are used for TBRA, records supporting the PJ's written selection policies and criteria; supporting documentation for preferences for specific categories of qualifying individuals; and records supporting the rent standard and minimum tenant contribution established in accordance with <u>Section VI.C.7 and 8</u> of this Notice.
- h. Confidentiality.
 - i. The PJ's written policies and procedures for maintaining confidentiality of qualifying households as individuals or families fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking in accordance with <u>Section VIII.H</u>.
 - ii. The PJ's written policies and procedures for maintaining confidentiality in compliance with the VAWA protections contained in <u>24 CFR Part 5, Subpart L</u>.

- 2. <u>Project Records</u>: PJs are required to retain the following records for HOME-ARP-assisted projects, as specified by activity type.
 - a. A full description of each project assisted with HOME-ARP funds, including the location (address of project), form of HOME-ARP assistance, and the units, families, or qualifying households assisted with HOME-ARP funds, subject to confidentiality requirements in this Notice.
 - b. The source and application of funds for each project, including supporting documentation in accordance with <u>2 CFR 200.302</u>; and records to document the eligibility and permissibility of the project costs, including the documentation of the actual HOME-ARP-eligible development costs of each HOME-ARP-assisted unit as defined in this Notice.
 - c. Records (i.e., written agreements) demonstrating compliance with the written agreement requirements in <u>Section VIII.B</u> of this Notice.
 - d. Records (e.g., inspection reports) demonstrating that each HOME-ARP rental project meets the property standards in <u>Section VI.B.11</u> of this Notice at project completion and through the applicable minimum compliance period. In addition, during a HOME-ARP rental project's minimum compliance period, records demonstrating compliance with the property standards and financial oversight pursuant to <u>24 CFR 92.504(d)</u> and the operating cost assistance reserve management and oversight required by <u>Section VI.B.23</u> of this Notice.
 - e. Records (e.g., inspection reports) demonstrating that each unit occupied by a qualifying household receiving HOME-ARP TBRA, meets the housing quality standards of <u>Section</u> <u>VI.C.9</u> of this Notice at initial occupancy and throughout the household's term of assistance.
 - f. Records (e.g., inspection reports) demonstrating that each NCS project meets the property and habitability standards of <u>Section VI.E.7</u> of this Notice at project completion and throughout the applicable restricted use period.
 - g. Records demonstrating that each qualifying household is eligible for HOME-ARP assistance based on the requirements of the ARP and <u>Section IV</u> of this Notice.
 - h. Records demonstrating that each household qualifying as homeless, records that meet the requirements in <u>24 CFR 576.500(b)(1)</u>, (2), (3), or (4), as applicable (except that youth aged 24 and under must not be required to provide third-party documentation to show they are homeless to receive any shelter, housing, or services for which ESG or CoC Program funds may be used to supplement the HOME-ARP assistance).
 - i. Records demonstrating that each household qualifying as "at risk of homelessness," records that meet the requirements in 24 CFR 576.500(c)(1) or (2), as applicable, and include the following documentation of annual income:

- i. Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or subrecipient; and
- ii. Source documents for the assets held by the household and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);
- iii. To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party of the income the household received over the most recent period for which representative data is available; or
- iv. To the extent that source documents and third-party verification are unobtainable, the written certification by the household of the amount of income the household received for the most recent period representative of the income that the household is reasonably expected to receive over the 3-month period following the evaluation.
- j. Records demonstrating compliance with the household income requirements in accordance with <u>Section VI.B.12</u> of this Notice for each HOME-ARP rental project.
- k. Records demonstrating that each HOME-ARP rental and NCS project meets the minimum compliance period or restricted use period described in <u>Sections VI.B.18</u> and <u>VI.E.9</u> respectively, of this Notice.
- Records demonstrating that for each HOME-ARP rental housing unit or for each household receiving HOME-ARP TBRA, compliance with the tenant protection requirements of <u>Sections VI.B.19</u> and <u>VI.C.2</u>, respectively, of this Notice. For HOME-ARP TBRA or rental projects under a master lease, the PJ must retain records demonstrating that a master lease for housing leased by a HOME-ARP sponsor and each sublease between a qualifying household and HOME-ARP sponsor complies with the tenant and participant protections of <u>24 CFR 92.253</u> and this Notice. Records must be kept for each household.
- m. Records demonstrating compliance with the return of the HOME-ARP rental capitalized operating cost assistance reserve and/or the NCS replacement reserve at the end of the compliance or restricted use period in accordance with <u>Sections VI.B.24</u> and <u>VI.E.10</u> respectively, of this Notice.
- n. Records demonstrating that each HOME-ARP rental and each NCS project meets the underwriting and subsidy layering or due diligence requirements of <u>Section VI.B.10</u> or <u>VI.E.6</u> of this Notice.
- o. Records demonstrating that each HOME-ARP rental housing project meets the rent limitations of <u>Sections VI.B.13</u> and <u>VI.B.15</u> of this Notice for the 15-year minimum compliance period. Records must be kept for each household assisted.

- p. Records demonstrating that each multifamily HOME-ARP rental housing project involving rehabilitation with refinancing complies with the refinancing guidelines established in accordance with 24 CFR 92.206(b).
- q. Records demonstrating that a site and neighborhood standards review was conducted for each HOME-ARP rental housing project involving new construction under <u>Section VI.B</u> of this Notice to determine that the site meets the requirements of <u>24 CFR 983.57(e)(2)</u> <u>and (e)(3)</u>, in accordance with <u>24 CFR 92.202</u>.
- r. Records demonstrating that any conversion of HOME-ARP NCS complies with the requirements established by <u>Section VI.E</u> of this Notice, including that conversion of NCS only occurred after the end of the applicable minimum use period defined in <u>Section VI.E.11</u>.
- s. For all HOME-ARP NCS projects the following documents must be maintained, as applicable:
 - i. Purchase contract, closing documents, settlement statement and title work for acquisitions.
 - ii. Appraisal or other estimation of value to justify acquisition expenditure.
 - iii. Architectural and engineering contracts and completed designs, plans, and specifications for rehabilitation and new construction activities.
 - iv. Invoices, pay requests, and proof of payment for all project expenditures.
 - v. Proof of insurance.
 - vi. Project and program audits.
- t. For all HOME-ARP Supportive Services projects pursuant to McKinney-Vento or Homelessness Prevention Supportive Services:
 - i. Records, where applicable, demonstrating compliance with the termination of assistance requirement as described in <u>Section VI.D.5</u> of this Notice.
 - ii. Records of all solicitations of and agreements with subrecipients and contractors, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable including any findings and corrective actions required.
 - Records of all procurement contracts and documentation of compliance with the procurement requirements in <u>2 CFR part 200, subpart D</u>, as revised by <u>Section</u> <u>VIII.D</u> of this Notice.
 - iv. Records evidencing the use of the written procedures required under <u>Section</u> <u>VI.D.2</u> and records evidencing compliance with <u>Section IV.C.2</u> of this Notice.

- v. Records of all leases, subleases, and financial assistance agreements for the provision of rental payments, documentation of payments made by the PJ to owners, HOME-ARP sponsor, or qualifying households for the provision of financial assistance for rental payments, and supporting documentation for these payments, including dates of occupancy by qualifying individuals and families.
- vi. Records that document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.
- vii. Records of the types of services provided under the PJ's program and the amounts spent on these services.
- viii. Records demonstrating subrecipient compliance with the recordkeeping requirements in <u>Section VIII.F</u> of this Notice.
- u. For all HOME-ARP Housing Counseling Services projects as defined in <u>24 CFR part 5</u>, each participating housing counseling agency must maintain a recordkeeping and reporting system in accordance with <u>24 CFR 214.315</u> and <u>24 CFR 214.317</u>. The system must permit HUD to easily access all information needed for a performance review.
- v. For all HOME-ARP-assisted nonprofit operating expense and capacity building assistance activities:
 - i. Records concerning the use of funds for nonprofit operating expense and capacity building assistance must be maintained to enable HUD to determine whether the PJ has met the requirements of <u>Section VI.F</u> of this Notice.
 - ii. Written agreements between the PJ and the nonprofit organization providing nonprofit operating expense assistance or capacity building assistance must be retained for five years after the agreement terminates.

3. Financial records:

- a. Records, in accordance with <u>2 CFR 200.302</u>, identifying the source and application of HOME-ARP funds. Identification must include, as applicable, the Assistance Listing program title and number (formerly Catalogue of Federal Domestic Assistance), Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- b. Records concerning the HOME-ARP Investment Trust Fund Treasury account and local account required to be established and maintained by this Notice, including deposits, disbursements, balances, supporting documentation and any other information required by IDIS.
- c. Records identifying the source and application of program income and repayments.
- d. Records demonstrating adequate budget control and other records required by <u>2 CFR</u> <u>200.302</u>, including evidence of periodic account reconciliations.

4. Program administration records:

- a. Records demonstrating compliance with the written agreements required by <u>Section</u> <u>VIII.B</u> of this Notice.
- b. Records demonstrating compliance with the applicable uniform administrative requirements required by <u>Section VIII.D</u> of this Notice.
- c. Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.

5. <u>Records concerning other Federal requirements:</u>

- a. Equal opportunity and fair housing records.
 - i. Data on the extent to which each racial and ethnic group, and single-headed households by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME-ARP funds.
 - ii. Documentation that the PJ submitted a certification that it will affirmatively further fair housing consistent with HUD's Interim Final Rule entitled Restoring Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021) (codified at 24 CFR 5.151 and 5.152;), <u>available at https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications</u>.
 - iii. Records demonstrating compliance with the nondiscrimination and equal opportunity requirements of <u>24 CFR 92</u>, <u>Subpart H</u>.
- b. Affirmative marketing and MBE/WBE records.
 - i. Records demonstrating compliance with the affirmative marketing procedures and requirements of 24 CFR 92.351 and this Notice.
 - ii. Documentation and data on the steps taken to implement the jurisdiction's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with HOME-ARP funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.
- c. Records demonstrating compliance with the environmental review requirements of <u>24</u> <u>CFR 92.352</u>, <u>24 CFR part 58</u>, and this Notice including flood insurance requirements.

- d. Records demonstrating compliance with the requirements of <u>24 CFR 92.353</u> and the provisions of <u>Section VII.F</u> of this Notice regarding displacement, relocation, and real property acquisition, including but not limited to:
 - project occupancy lists identifying the name and address of all persons occupying the real property on the date described in <u>24 CFR 92.353(c)(2)(i)(A)</u>, moving into the property on or after the date described in <u>24 CFR 92.353(c)(2)(i)(A)</u>, and occupying the property upon completion of the project;
 - ii. lists of all individuals or families occupying hotels and motels and other nonresidential properties acquired, rehabilitated, and/or demolished and newly constructed to become HOME-ARP NCS or HOME-ARP rental housing that qualify for assistance under this Notice as members of a qualifying population, as well as records indicating whether such persons were assisted by the HOME-ARP program by the PJ following the closure of the nonresidential properties because of HOME-ARP activities
 - iii. lists of all individuals or families occupying HOME-ARP NCS that were converted during the required use period that qualify for assistance under this Notice, as well as records indicating whether moving costs or advisory services were provided as part of HOME-ARP administrative costs or under the HOME-ARP supportive services activity in <u>Section VI.D</u> of this Notice, and records indicating whether such persons were assisted by the HOME-ARP program by the PJ following the conversion of the HOME-ARP NCS units.
 - iv. Documentation that the PJ has and followed a RARAP in accordance with <u>24</u> <u>CFR 92.353</u> and <u>24 CFR 42.325</u>.
- e. Records demonstrating compliance with the labor requirements of <u>24 CFR 92.354</u>, including contract provisions and payroll records.
- f. Records demonstrating compliance with the lead-based paint requirements of <u>24 CFR</u> <u>part 35</u>, subparts A, B, J, K, M and R, as applicable.
- g. Records supporting compliance with conflict of interest requirements in <u>24 CFR 92.356</u>, as revised by <u>Section VII.H</u> of this Notice, as well as documentation of any exceptions granted by HUD or a state PJ, as applicable, to the conflict of interest provisions in <u>24</u> <u>CFR 92.356</u>, as revised by <u>Section VII.H</u> of this Notice.
- h. Records demonstrating compliance with debarment and suspension requirements in <u>2</u> <u>CFR part 2424</u>.
- i. Records concerning intergovernmental review, as required by <u>24 CFR 92.357</u>.
- j. Records of emergency transfers requested under <u>24 CFR 5.2005(e)</u> and <u>24 CFR 92.359</u> pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests.

- k. Documentation of actions undertaken to meet the requirements of <u>24 CFR part 75</u> which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).
- 6. <u>State Recipients and Subrecipients</u>: A PJ that distributes HOME-ARP funds to State recipients or subrecipients must require the State recipients or subrecipients to keep the records required by paragraphs 1. program records, 2. project records, 3. financial records, 4. program administration records, and 5. records concerning other federal requirements of <u>Section VIII.F</u> of this Notice, and such other records as the PJ determines to be necessary to enable the PJ to carry out its responsibilities under this Notice. The PJ need not duplicate the records kept by the State recipients or subrecipients. The PJ must keep records concerning its annual review of the performance and compliance of each State recipient and subrecipient as required under <u>24 CFR 92.504(a)</u>.
- 7. <u>Period of record retention</u>: All records pertaining to HOME-ARP funds must be retained for five years, except as provided below.
 - a. For HOME-ARP rental housing projects, records may be retained for five years after the project completion date; except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year period, until five years after the affordability period terminates.
 - b. For HOME-ARP TBRA projects, records must be retained for five years after the period of rental assistance terminates.
 - c. Written agreements must be retained for five years after the agreement terminates.
 - d. Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR 92.353.
 - e. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- 8. <u>Access to records</u>: The PJ must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws and any other applicable grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.

The PJ, subrecipient, contractor, or owner may create a program participant identifier code or number that can be used on a file and maintained internally, in such a way that the number itself does not inadvertently identify the program participant, (i.e., no use of initials, date of birth, or other pieces of information that might suggest the identity of the program participant). The "key" or "cypher" for the program participant identifier code would itself be confidential and would not leave the provider. In the circumstance of HUD programs, the Unique Personal Identification Number which is generated within the comparable database could be used with auditors to identify records of services to distinct individuals, subject to the below requirement.

HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers, or other records of the PJ, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts. If a provider of services or operator of an NCS is subject to state or local laws or other federal grant programs that require that HUD not be given access to records detailing PII of victims, then auditors or evaluators may be given access to representative files without any sharing of individual identifying information.

G. Reporting and Performance Reports.

The PJ must submit reports in a format and at such time as prescribed by HUD. In addition, HUD and Office of the Inspector General (OIG) staff must be given access, upon reasonable notice, to all information related to the selection, award, and use of HOME-ARP funds.

Each PJ must enter the required HOME-ARP data elements timely in IDIS.

- 1. For HOME-ARP rental activities under <u>Section VI.B</u> of this Notice, the PJ must enter complete project completion information when it completes the activity in IDIS, except the assisted units can be marked vacant until they are occupied by eligible households.
- 2. For HOME-ARP NCS activities under <u>Section VI.E</u> of this Notice, the PJ must enter complete project completion information when it completes the activity in IDIS. In addition, the PJ must report the disposition of any HOME-ARP-assisted NCS activity that is converted to another eligible use at the time of conversion.
- 3. For HOME-ARP TBRA activities under <u>Section VI.C</u> of this Notice, the PJ must report beneficiary information in IDIS at the time assistance is provided.
- 4. For HOME-ARP Supportive Services activities under <u>Section VI.D</u> of this Notice, the PJ must report in IDIS quarterly, by the 30th day after the end of each calendar quarter, on the number of homeless and not homeless households assisted with supportive services and housing counseling, including the race and ethnicity, household size, and household type of the households assisted.

HUD will issue guidance about reporting on HOME-ARP activities in the PJ's consolidated annual performance and evaluation report (CAPER) required under <u>24 CFR 91.520</u>, at a later date.

H. Confidentiality Requirements

1. All entities assisted by HOME-ARP funds must develop, implement, and maintain written procedures to require that –

- a. All records containing personally identifying information of any individual or family who applies for and/or receives HOME-ARP assistance will be kept secure and confidential;
- b. The address or location of any NCS or HOME-ARP rental housing exclusively for individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public, except as necessary where making the address or location public does not identify occupancy of the NCS or HOME-ARP rental housing, when necessary to record use restrictions or restrictive covenants in accordance with <u>Section VI.B</u> or <u>VI.E</u>, or with written authorization of the person or entity responsible for the operation of the NCS or HOME-ARP rental housing; and
- c. The address or location of any program participant that is a fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be made public, except as provided under a privacy policy of the PJ consistent with state and local laws and any other grant conditions from other federal grant programs regarding privacy and obligations of confidentiality.
- 2. Documenting status of a qualifying population that is fleeing or attempting to flee domestic violence, dating violence, stalking, sexual assault, or human trafficking:
 - a. If an individual or family qualifies because the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking then acceptable evidence includes an oral or written statement by the qualifying individual or head of household seeking assistance that they are fleeing that situation. An oral statement may be documented by either
 - i. a written certification by the individual or head of household; or
 - ii. a written certification by a victim service provider, intake worker, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or an intake worker in any other organization from whom the individual or family sought assistance.

The written documentation need only include the minimum amount of information indicating that the individual or family is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking and need not include any additional details about the conditions that prompted the individual or family to seek assistance.

IX. PERFORMANCE REVIEWS

HUD will review the performance of each PJ in carrying out its responsibilities for the use of HOME-ARP funds and its compliance with the requirements of this Notice. Such reviews may take the form of remote or on-site monitoring, review of IDIS data or reports, assessment of documents requested from the PJ, subrecipient, or other entity carrying out HOME-ARP activities, and inquiries resulting from external audit reports, media reports, citizen complaints,

or other sources of relevant information. HUD may also review a PJ's timely use of HOME- ARP funds for eligible activities, including the progress of expenditures for individual projects or activities, the requirement to place a project in service in accordance with requirements in this Notice, and compliance of HOME-ARP rental housing and NCS with the 4-year deadline for completing projects.

If HUD preliminarily determines that a PJ has not met a requirement of this Notice or an applicable requirement of the HOME regulations at 24 CFR Part 92, HUD will communicate its determination in writing and provide the PJ with the opportunity to demonstrate, based on substantial facts, documentation, and data, that it has done so. HUD may extend any time period it provided to the PJ to demonstrate its compliance if upon request of the PJ, HUD determines that is it infeasible for the PJ to provide a full response within the prescribed period.

If the PJ fails to demonstrate to HUD's satisfaction that it has met the requirement, HUD will take corrective or remedial action in accordance with this section or 24 CFR 92.552.

A. Corrective and Remedial Actions

Corrective or remedial actions for a performance deficiency (e.g., failure to meet a provision of this Notice or an applicable provision of <u>24 CFR Part 92</u>) will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence. HUD may impose corrective or remedial actions including but not limited to the following:

- 1. HUD may instruct the PJ to submit and comply with proposals for action to correct, mitigate and prevent a performance deficiency, including:
 - a. Preparing and following a schedule of actions for carrying out the affected activities, consisting of schedules, timetables, and milestones necessary to implement the affected activities;
 - b. Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
 - c. Canceling or revising activities likely to be affected by the performance deficiency, before expending HOME-ARP funds for the activities;
 - d. Reprogramming HOME-ARP funds that have not yet been expended from affected activities to other eligible activities;
 - e. Reimbursing its HOME-ARP grant in any amount not used in accordance with the requirements of this Notice;
 - f. Suspending disbursement of HOME-ARP funds for affected activities; and
 - g. Establishing procedures to ensure compliance with HOME-ARP requirements.

- 2. HUD may also:
 - a. Change the method of payment from an advance to a reimbursement basis and may require supporting documentation to be submitted for HUD review for each payment request before payment is made;
 - b. Determine the PJ to be high risk and impose special conditions or restrictions on the use of HOME-ARP funds in accordance with <u>2 CFR 200.208</u>; and
 - c. Take other remedies that may be legally available, including remedies under 2 CFR 200.339 and 200.340.

B. Sanctions

The requirements at <u>24 CFR 92.552</u> apply to HOME-ARP funds, except that the provision at <u>24 CFR 92.552(a)(2)(iv)</u> related to failure to comply with matching contribution requirements shall not apply.

\mathbf{X}_{\bullet} FINDING OF NO SIGNIFICANT IMPACT

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD's Funding Opportunities web page at:

https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps.

ATTACHMENT C

CERTIFICATIONS

The following are made a part of this contract:

- 1. Office of Management and Budget Circular A-87 as applied to cost principles for State and local governments;
- 2. 24 CFR Part 85 as applied to Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments;
- 3. Title VI of the Civil Rights Act of 1964;
- 4. Title VIII of the Civil Rights Act of 1968, known as the Fair Housing Act;
- 5. Drug Free Workplace Act;
- 6. Provisions of 24 Code of Federal Regulations Part 92.357 as related to debarred, suspended or intelligible contractors;
- 7. National Historic Preservation Act of 1966;
- 8. 24 Code of Regulations Part 92 containing regulations for the HOME-ARP Investment Partnerships Program;
- 9. Furthering fair housing; and Executive Order 11063;
- 10. Section 109 of the Housing and Community Development Act of 1974 (the Act), as amended; and regulations issued pursuant thereto regarding prohibited discriminatory actions;
- 11. Requirements as set forth in 24 CFR Part 92.354;
- 12. The National Environmental Policy Act, as related to environmental standards and regulations contained in 24 CFR Part 58;
- Section 202(a) of the Flood Disaster Protection Act of 1973, as amended, relating to the National Flood Insurance Program in accordance with 44 CFR Parts 59 – 79 and 24 CFR Part 92.358;

- 14. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and HUD implementing regulations in 24 CFR Part 92.353;
- 15. Executive Order 11246, as amended by Executive Order 112086 and regulations issued pursuant thereto (41 CFR Chapter 60), relating to employment and contracting opportunities;
- 16. Section 401(b) of the Lead-Based Paint Poisoning Prevention Act and implementing regulations contained in 24 CFR Part 35, Subpart B and 24 CFR 92.355 prohibiting the use of lead-based paint in residential structures;
- The prohibition against employing, awarding of contracts to, or engaging the services of any contractor or subcontractor debarred, suspended or ineligible for federal funds under 24 CFR Part 24 and 24 CFR Part 92.537;
- 18. The conflict of interest provisions contained in 24 CFR Part 85.36 and 24 CFR Part 92.356 in the procurement of supplies, equipment, construction and services;
- 19. Executive Order 12372 Concerning intergovernmental review of federal programs including implementing regulations contained in 24 CFR Part 52;
- 20. Section 3 of the Housing and Urban Development Act of 1968, as amended, concerning Affirmative Action in the provision of training employment and business opportunities;
- 21. Americans with Disabilities Act (ADA).

Date: March 20, 2023

Amount: 623,900.00

Dept. Head: Kelly Sifford - (Prepared by Suzanne Burgess)

Department: Fund 410 - HOME Grants

Supplemental Request

Х

Internal Transfer Within Department

Transfer Between Departments/Funds

This budget amendment is to budget revenues and expenditures for the HOME-ARP grant. The grant period is October 01, 2022 - September 30, 2030. Request for funds will be on a reimbursement basis. All funds must be 100% drawn down by September 30, 2030. There is no County match.

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
410	6	3675-6432-ARP	HOME GRANT - ARP	-	623,900.00	-	623,900.00
410	9	3675-9393-ARP	HOME GRANT - ARP - SUB CONTRACTOR	-	578,000.00	-	578,000.00
410	9	3675-9605-ARP	HOME GRANT - ARP - CONSULTANTS	-	45,900.00	-	45,900.00

Total 0.00

Board of Commissioners

Approved

Denied

Budget Officer

Approved

Denied

Signature

County Manager

Approved

Denied

Signature

Date

Date

Date

Sianature

Concord Housing Department



Revitalize Public Housing Units to Provide Greater Affordable Housing Options

Existing Wilkerson Units (constructed in 1956)





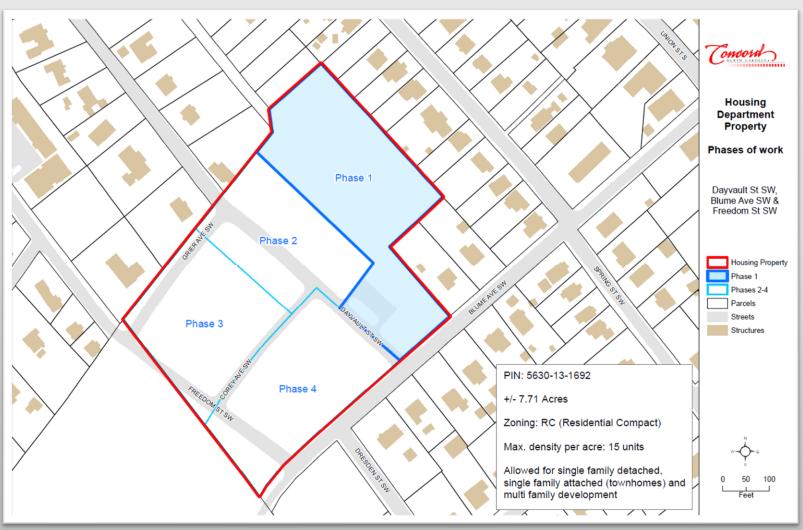
Map of Wilkerson Homes



Current capacity is 46 units. Zoning would allow up to 115 units on the parcel. These would be a mix of public housing and affordable market agates rental units.

Project Method

- Phase 1 demolish former maintenance building, construct new units in designated area.
- Phase 2 demolish and rebuild four units along Dayvault St. SW.
- Phase 3 demolish and rebuild units between Grier Ave. SW, Corey Ave. SW, and Freedom St. SW.
- Phase 4 demolish and rebuild final units between Corey Ave. SW, Freedom St. SW, Dayvault St. SW, and Blume Ave. SW.
- Completing the project in phases would prevent displacement of any resident.
- HUD will allow units to be converted to Section 8 Project Based Vouchers under the RAD Conversion.
- Potential funding sources; City Affordable Housing Funds, HOME-ARP funds, HOME funds, CDBG funds, WeBuild funding, Federal Home Loan Bank and Housing Trust Fund.



Possible Unit Designs



Estimated cost to build is \$140-\$150 per square foot. Total cost of reconstruction will be dependent upon Master Plan approval. Units will provide; better mix of income sizes, energy efficient products, ADA compatibility, revenue source for Housing.

Potential Timeline

Potential Timeline for Wilkerson Reconstruction:

RFQ for Development Consultant Team – 4-5 months

 Development Consultant Team would be selected to create a master plan to be the overarching planning document used to preserve the unique character of the area, promote desired change, and enhance livability. This document would be crafted from the community's input and be used to potentially attract funding sources.

Design/Community Input – 6 months

• Development Consultant Team would work directly with the community to design a site plan which would compliment the Logan Neighborhood and meet the affordable housing needs identified.

Funding Secured/Final Design/HUD Approval – 8 months +

With the final design in place a more accurate total project cost can be defined. In addition, other funding opportunities can be
permanently secured and the construction timeframe can be established for resident reference. Concurrently, staff and the
Development Consultant Team would work to obtain final HUD approvals for the activity. As HUD is experiencing a backlog due to
COVID-19 related issues, an approval could be significantly delayed.

Alternatives/Recommendations/Partners

Alternative:

- Completely rehabilitate existing units systematically.
 - Would require unit to be vacant or resident to be relocated to address structural issues
 - Interiors would be gutted, leaving units offline for an extended period
 - Units could be retrofitted to ADA standards, when possible
 - Energy standards could be added, when possible
 - Estimated cost would be \$120 \$140 per square foot depending on unit needs
 - Number of units (building footprint) would remain the same

Recommendation:

- Reconstruct all units.
 - Allow for better use of total site
 - Create more affordable housing units/greater density
 - Increase mixed incomes within the community
 - Potentially create a transitional neighborhood
 - Improve aging infrastructure
 - Create a better living environment
 - Improve the aesthetic contribution to the Logan Community

Potential Partners:

- HUD (HOME, HOME-ARP, CDBG, RAD)
- WeBuild
- NC Housing Finance Agency
- Local Developers



HOUSING

Revitalize Public Housing Units to Provide Greater Affordable Housing Options

<u>Need:</u> Across the United States approximately 1.2 million households live in public housing units. These homes are designed to provide a decent, safe and sanitary housing option for low-income families, seniors and persons with disabilities. The national average age of public housing units is about 30 years old, which is also deemed to be the life expectancy by HUD. Currently Concord's public housing units are over 70 years old. Staff has worked with yearly reducing HUD funds to maintain the units. However, the general age and wear and tear to the units have made the need for more substantial repairs imperative.

Concord has a total of 174 units, built in 1956, and a current waiting list of over 3,000 persons seeking placement. The units are divided over four communities; Wilkerson Homes, Mary Chapman Homes, Logan Homes and Larkhaven. Inventory consists of 33 one-bedroom units, 62 two-bedroom units, 69 three-bedroom units and 10 four-bedroom units. There are no five-bedroom options for larger families. Energy saving measures are limited due to the initial construction standards. Visually, the units are described as barrack style which are plain and lack physical attractiveness. Although they are livable and meet the HUD mandate of decent, safe and sanitary housing, the current structures continue the narrative of public housing being a negative force in the community. None of the units were built to ADA standards, resulting in challenges for both seniors and disabled residents. Infrastructure such as water mains and sewer lines need replacing. Plumbing that was appropriate when installed cannot carry the load of water usage now. There are erosion and foundation issues to many of the homes. Only Wilkerson Homes and Larkhaven offer central heating and air, but those are aging out.

<u>Alternatives:</u> The first alternative would be the reconstruction of the Wilkerson Homes units. By first demolishing the former maintenance building and constructing new units within phase one, residents could be relocated into the new units thus eliminating any displacement. That model would continue throughout all four proposed phases. With this model Concord could better utilize the available parcel density, incorporate market rate/mixed income units, include SystemVision/energy efficient products to reduce the monthly expenses of residents, become a revenue source for the Housing Department and allow staff to improve the quality of life for both residents and the surrounding community. A master plan would allow residents the opportunity to voice needs such as greater walkability and amenities. This alternative could create 115 affordable units to replace the current 46 units. Cost would be approximately \$140 - \$150 per square foot depending on the level of upgrades included. This could be completed under the RAD Conversion.

A second alternative would be to completely rehabilitate the existing units systematically to incorporate more energy standards, retrofit to ADA standards when possible and allow Housing to address structural issues requiring a largescale effort. Renovating would cost approximately \$120 - \$140 per square foot per unit. This would entail gutting of the interior, potentially reconfiguring layouts, upgrading bathrooms as needed and making structural repairs. This alternative would keep the current footprint so the number of available units would not change.

<u>Desired Outcome</u>: Housing desires to reconstruct all the units located at Wilkerson Homes to allow for greater density/more available affordable units, mix incomes within the community and create a better living environment for residents. Newly constructed units would also allow Housing to

HOUSING

Revitalize Public Housing Units to Provide Greater Affordable Housing Options

improve the aging infrastructure and improve the esthetic contribution to the Logan Community. The potential timeline would be dependent upon HUD and public input requirements.

<u>Link to Council goal(s)</u>: Council has expressed the desire to address the lack of affordable housing within the City. The additional revenue would provide a funding source for the Housing Department.

Recommendation: After demolition of the existing maintenance building, new units would be constructed to both ADA and SystemVision standard. Residents would then be relocated to the new units, eliminating any displacement. Constructing new units would allow Concord the opportunity to better meet the needs of all residents including aging residents and larger families. This action would encourage better use of the entire parcel, allow greater density on the sites, bring mixed income households to the area, meet HUD's goal of reducing the concentration of incomes and provide additional means of income for the Housing Department. Reconstruction would be a catalysis for neighborhood transformation by replacing the narrative of public housing as a negative force to a positive one. If successful, this model will be the method used to replace all the aging public housing stock in Mary Chapman Homes, Logan Homes and Larkhaven. To accomplish this goal Housing would request City Affordable Housing funds and look into the potential use of the City's allocations of HOME, CDBG and HOME-ARP funds along with other federal funds including grants. In addition, partnerships with WeBuild, the Federal Home Loan Bank, local developers, and the NC Housing Finance Agency could be explored. Costs related to this recommendation would be for the demolition, infrastructure repairs and new construction of the homes. The land is currently owned by the Housing Department and HUD.

CABARRUS COUNTY COMMUNITY DEVELOPMENT SPECIAL REVENUE PROJECT ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the County of Cabarrus, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1. The projects authorized is for the Grant Projects for the purpose of receiving and disbursing funds as directed by Home Program Grant and the Department of Commerce. The projects are referenced in Section 3.

Section 2. The officers of this unit are hereby directed to proceed within the terms of the Generally Accepted Accounting Principles (GAAP), the grant terms, the rules and regulations of the Department of Commerce and the budget contained herein.

Section 3. The following budgeted amounts are appropriated for the projects: CDBG:

0220.		
Sub-Contractor		\$ 42,352
Home 2015		
Sub-Contractor		159,887
Consultants		4,292
Home 2016:		
Sub-Contractor		119,392
Consultants		3,271
Home 2020:		
Sub-Contractor		184,686
Consultants		8,366
Home 2023-ARP		
Sub-Contractor		578,000
Consultants	_	45,900
Total	¢	4 4 4 0 4 4 0
Total	\$	<u>1,146,146</u>

Section 4. The following budgeted revenues are anticipated to be available to complete these projects.

Program Fees	\$42,352
Home 2015:	
Home Consortium Revenues	94,684
Program Fees	44,495
Contribution from General Fund	25,000
Home 2016:	
Home Consortium Revenues	97,663
Contribution from General Fund	25,000
Home 2020	
Home Consortium Revenues	147,795
Program Fees	10,400
Contribution from General Fund	34,857
Home 2023-ARP	623,900

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project sufficient detailed accounting records to satisfy the terms of any debt financing resolutions and any grant agreements or federal and State regulations.

\$1,146,146

Total

Section 6. Funds may be advanced from the General Fund for the purpose or making payments as due. Reimbursement requests should be made to the granter agencies in an orderly and timely manner.

Section 7. The Finance Officer is directed to report, at the request of the Board, on the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8. Copies of this grant project ordinance shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out the projects.

Section 9. At the completion of each individual project, all unrestricted excess funds are transferred to the General Fund and the Grant Project Ordinance is closed.

Section 10. The County Manager is hereby authorized to transfer revenues and appropriation within an ordinance as contained herein under the following conditions:

- a. The Manager may transfer amounts between objects of expenditures and revenues within a function without limitation.
- b. The Manager may transfer amounts up to \$100,000 between functions of the same ordinance.
- c. The Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.
- d. The Manager may either enter into and execute change orders or amendments to County construction contracts in amounts up to \$90,000 when the project ordinance contains sufficient appropriated but unencumbered funds.

Adopted this 20th day of March 2023.

CABARRUS COUNTY BOARD OF COMMISSIONERS

BY: __

Stephen M. Morris, Chairman

ATTEST:

Clerk to the Board

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

March 6, 2023 4:00 PM

AGENDA CATEGORY:

Approval of Regular Meeting Agenda

SUBJECT: BOC - Approval of Regular Meeting Agenda

BRIEF SUMMARY:

The proposed agenda for the March 20, 2023 regular meeting is attached.

REQUESTED ACTION: Motion to approve the agenda for the March 20, 2023 regular meeting as presented.

EXPECTED LENGTH OF PRESENTATION: 1 Minute

SUBMITTED BY: Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

Proposed Agenda for March 20, 2023 Regular Meeting

CABARRUS COUNTY



BOARD OF COMMISSIONERS REGULAR MEETING

March 20, 2023 6:30 PM

MISSION STATEMENT

THROUGH VISIONARY LEADERSHIP AND GOOD STEWARDSHIP, WE WILL ADMINISTER STATE REQUIREMENTS, ENSURE PUBLIC SAFETY, DETERMINE COUNTY NEEDS, AND PROVIDE SERVICES THAT CONTINUALLY ENHANCE QUALITY OF LIFE

CALL TO ORDER BY THE CHAIRMAN

PRESENTATION OF COLORS

INVOCATION

A. APPROVAL OR CORRECTIONS OF MINUTES

1. Approval or Correction of Meeting Minutes

B. APPROVAL OF THE AGENDA

C. RECOGNITIONS AND PRESENTATIONS

- 1. Proclamation National County Government Month April 2023
- 2. Proclamation National Donate Life Month April 2023
- 3. Proclamation Week of the Young Child

D. INFORMAL PUBLIC COMMENTS

- E. OLD BUSINESS
- F. CONSENT AGENDA

(Items listed under consent are generally of a routine nature. The Board may take action to approve/disapprove all items in a single vote. Any item may be withheld from a general action, to be discussed and voted upon separately at the discretion of the Board.)

- 1. Appointments Adult Care Home Community Advisory Committee
- 2. Appointments Firemen's Relief Fund Trustees

- 3. Appointment and Removal Juvenile Crime Prevention Council (JCPC)
- 4. Appointments and Removals Cabarrus County Tourism Authority
- 5. Appointments (Removals) Early Childhood Task Force Advisory Board
- 6. Appointments (Removals) Nursing Home Community Advisory Committee
- 7. County Manager Allocation of Bottle Tax for Rehabilitation
- 8. County Manager Cabarrus Rowan Community Health Center Funding Request
- 9. County Manager Supplemental Agreement for Additional Opioid Funds
- 10. CVB MONDO Track Change Order
- 11. EMS RACE CARS Grant Funds
- 12. Finance Audit Contract for Fiscal Year Ending June 30, 2023
- 13. Finance ARPA Budget Amendment and CARES Relief Funds Special Revenue Project Ordinance
- 14. Finance Grant Acceptance and Budget Amendment
- 15. Infrastructure and Asset Management Request for Permission to Temporarily Display Public Art at Historic Courthouse Front Porch
- 16. Infrastructure and Asset Management Surplus and Sale of County Property
- 17. Infrastructure and Asset Management Transfer of Surplus Courthouse Chiller to Cabarrus County Schools
- 18. Planning and Development Community Development Budget Amendment
- 19. Planning and Development HOME ARP Contract
- 20. Sheriff's Office Award of Service Weapon to Lt. Anthony Haynie upon his Retirement
- 21. Sheriff's Office Award of Service Weapon to Lt. April Samples Upon Her Retirement
- 22. Tax Administration Refund and Release Reports February 2023

G. NEW BUSINESS

H. REPORTS

- 1. BOC Receive Updates from Commission Members who Serve as Liaisons to Municipalities or on Various Boards/Committees
- 2. BOC Request for Applications for County Boards/Committees
- 3. Budget Monthly Budget Amendment Report
- 4. Budget Monthly Financial Update
- 5. County Manager Monthly Building Activity Reports
- 6. County Manager Monthly New Development Report
- 7. EDC February 2023 Monthly Summary Report

I. GENERAL COMMENTS BY BOARD MEMBERS

J. WATER AND SEWER DISTRICT OF CABARRUS COUNTY

- K. CLOSED SESSION
- L. ADJOURN

Scheduled Meetings

April 3	Work Session	4:00 p.m.	Multipurpose Room
April 17	Regular Meeting	6:30 p.m.	BOC Meeting Room
April 19	Cabarrus Summit	6:00 p.m.	Cabarrus Arena
April 27	Budget Meeting	4:00 p.m.	Multipurpose Room
May 1	Work Session	4:00 p.m.	Multipurpose Room
May 15	Regular Meeting	6:30 p.m.	BOC Meeting Room

Mission: Through visionary leadership and good stewardship, we will administer state requirements, ensure public safety, determine county needs, and provide services that continually enhance quality of life.

Vision: Our vision for Cabarrus is a county where our children learn, our citizens participate, our dreams matter, our families and neighbors thrive, and our community prospers.

Cabarrus County Television Broadcast Schedule Cabarrus County Board of Commissioners' Meetings

The most recent Commissioners' meeting is broadcast at the following days and times. Agenda work sessions begin airing after the 1st Monday of the month and are broadcast for two weeks up until the regular meeting. Then the regular meeting begins airing live the 3rd Monday of each month and is broadcast up until the next agenda work session.

Sunday - Saturday	1:00 P.M.
Sunday - Tuesday	6:30 P.M.
Thursday & Friday	6:30 P.M.

In accordance with ADA regulations, anyone who needs an accommodation to participate in the meeting should notify the ADA Coordinator at 704-920-2100 at least forty-eight (48) hours prior to the meeting.