

**CITY COUNCIL AGENDA  
SANFORD, NORTH CAROLINA  
Electronic Meeting by Office Suite HD  
May 19, 2020 6:00 P.M.**



1. **MEETING CALLED TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**
5. **APPROVAL OF AGENDA**
6. **CONSENT AGENDA**
7. **SPECIAL AGENDA**
8. **CASES FOR PUBLIC HEARING**  
Public Hearing on Economic Development Project through the Lease of a Newly Constructed Spec Building from CC Enterprise Park – (Page 3)
  - Consider Approval of Resolution Authorizing Economic Development Project for CC Enterprise Park, LLC – (Pages 4-5)
  - Consider Approval of Memorandum of Understanding and Authorizing Lease – (Pages 6-12)
9. **DECISIONS ON PUBLIC HEARINGS**
10. **REGULAR AGENDA**
11. **NEW BUSINESS (Items for discussion and action will only be taken if necessary. Otherwise, these items will be placed on the next agenda for approval).**
  - A. Closed Session – (Page 13)
  - B. Consider Ordinance to Amend Chapter 32, “Streets and Sidewalks”, of the City of Sanford Code of Ordinances – (Pages 14-18)
  - C. Consider Resolution to Temporarily Close a Portion of S. Steele Street to Allow for Street Retail and Restaurant Activities (Pages 19-20)

- D. Consider Ordinance to Enact Section 36-117 of the City of Sanford Code of Ordinances, Chapter 36- Traffic, Establishing Temporary Handicapped Parking Spaces on Wicker Street (Pages 21-23)
- E. Update from Downtown Sanford, Inc., re: Paycheck Protection Program – (Page 24)
- F. Consider Linden Avenue Neighborhood Improvements Project Subrecipient Agreement – (Pages 25-91)
- G. Consider Municipal Mowing Agreement between the N.C. Department of Transportation and City of Sanford – (Pages 92-98)
- H. Consider Presentation of Quarterly Financial Report for January through March, 2020 – (Pages 99-110)
- I. Consider Presentation of Annual Operating Budget for Fiscal Year 2020-2021 – (Page 111)

**12. OTHER BUSINESS**

**13. ADJOURNMENT**

## NOTICE OF PUBLIC HEARING

The City of Sanford proposes to participate in the cost of an economic development project through a lease of a newly constructed spec building from CC Enterprise Park, LLC, a North Carolina Limited Liability Company. The City Council intends to pay up to Thirteen thousand five hundred forty-one and 67/100ths dollars (\$13,541.67) per month, for a lease of a spec building, for up to twenty-four (24) months for a total of \$325,000.00, to be paid with revenues from the City of Sanford General Fund. The Company plans to build a 100,000 +/- square foot spec building worth approximately \$4,000,000.00 to be located in the City of Sanford. The spec building will be used to entice new businesses to come to Lee County or to relocate or expand in Lee County, for site visits and events, to market Sanford and Lee County as a whole, until it is sold to an end user. The project will increase the tax base, stimulate the local economy, create jobs, encourage business and industry to locate in the City, and will promote business in the City.

A public hearing on the proposed project will be held on May 19, 2020 at 6:00 p.m. or as soon thereafter as said matter can be reached on the agenda, during the electronic meeting of the Sanford City Council on Office Suite HD. The public can listen to the meeting by calling 1-646-741-5292 (then enter Meeting ID Number 111 212 2394#; Participant ID Number: there is no Participant ID number, press #). All interested persons are invited to present their views.

Public comments shall be submitted by email to [vicki.cannady@sanfordnc.net](mailto:vicki.cannady@sanfordnc.net), by 1:00 p.m., on Tuesday, May 19, 2020, and will be read during the meeting. To speak at the public hearing, a speaker must contact Deputy City Clerk Vicki Cannady by 1:00 p.m. on Tuesday, May 19, 2020, by email (at [vicki.cannady@sanfordnc.net](mailto:vicki.cannady@sanfordnc.net)) and give name, address, and phone number from which they will be calling. Please call Deputy City Clerk Vicki Cannady at 919-777-1112 with any questions.

Bonnie Davis

City Clerk

*Please publish on or before May 8, 2020.*

*Please prepare a publisher's affidavit and mail to my attention.*

**RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT PROJECT  
FOR CC ENTERPRISE PARK, LLC  
AND APPROVING A MEMORANDUM OF UNDERSTANDING  
AND AUTHORIZING A LEASE**

WHEREAS, North Carolina General Statute 158-7.1 authorizes a city to undertake an economic development project to entice business and industry to locate within the city; and

WHEREAS, notice of a public hearing was published that the Sanford City Council and the County of Lee proposed to participate in an economic development project through a lease of a newly constructed spec building from CC Enterprise Park, LLC, a North Carolina Limited Liability Company located in Sanford, Lee County, NC; and

WHEREAS, the project represents an investment by CC Enterprise Park, LLC, in the construction of a 100,000+/- square foot spec building worth approximately \$4,000,000.00 (Four Million Dollars) in Sanford, Lee County, NC; and

WHEREAS, by entering into the Memorandum of Understanding, Lee County and Sanford commit to undertaking the lease of said spec building after construction, for up to 24 months, at a monthly rental not to exceed \$27,083.33 per month or up to \$325,000 per year, split between both units of Government, unless sooner sold to an end user; and

WHEREAS, CC Enterprise Park, LLC, the owner; Samet Properties, LLC, the builder; and Sanford-Lee County Partnership for Prosperity d/b/a Sanford Area Growth Alliance, the promoter; commit to undertaking the activities described in the Memorandum of Understanding to construct, build, and finance a 100,000+/- sq. ft. spec building and to market, conduct site visits, and hold events to entice new businesses and industries to come to Sanford/Lee County and relocate or expand in Lee County.

NOW, THEREFORE, BE IT RESOLVED by the Sanford City Council that the Council finds that the project will increase the tax base, stimulate the local economy, create jobs, encourage business and industry to locate in the City, and will promote business and industry in the City; and

BE IT FURTHER RESOLVED by the Sanford City Council that it hereby approves the attached Memorandum of Understanding and authorizes the lease of the

spec building for up to 24 months and the Mayor and Clerk are hereby authorized to execute the documents on behalf of the City.

ADOPTED this 19<sup>th</sup> day of May 2019.

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T. Chet Mann, Mayor,  
City of Sanford

ATTEST:

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Vicki R. Cannady, Deputy City Clerk

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Susan C. Patterson, City Attorney

**NORTH CAROLINA****Memorandum of Understanding****LEE COUNTY**

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2020, by and between LEE COUNTY, a North Carolina body politic corporate in nature, hereinafter referred to as "County", the City of Sanford, a North Carolina municipal corporation, hereinafter referred to as "City", C C Enterprise Park, LLC, a North Carolina limited liability company, hereinafter "CCEP", their successors and assigns, Sanford-Lee County Partnership for Prosperity d/b/a Sanford Area Growth Alliance, a nonprofit corporation, hereinafter referred to as "SAGA", their successors and assigns, and Samet Properties, LLC, hereinafter referred to as "Samet", their successors and assigns.

**WITNESSETH:**

CCEP is the owner of a 10 +/- acre tract of land located in Lee County, North Carolina and more particularly described on Exhibit A attached and incorporated by reference, hereinafter referred to as "Site". CCEP and Samet wish to cause construction of a Spec Building on the site, located on Parcel Identification Number 9655-38-2580-00 and more particularly described on Exhibit B. Once construction of the building has taken place, the City and the County agree to enter into a lease agreement for the site. In consideration of the foregoing and in consideration of various reciprocal promises and undertakings herein set forth, the parties agree as follows, consistent with North Carolina General Statute 158-7.1:

1. CCEP agrees to contribute the land for the construction of the shell building and agrees to enter into necessary agreements with Samet, who is responsible for building the shell building. The building to be constructed is more particularly described on Exhibit C.
2. Samet will cause the construction of a 100,000 +/- square foot building on the site, to its completion. Samet shall secure all financing for the construction of the building and will be wholly responsible for all costs associated with building.
3. Samet will use its best efforts to cause said building to be completed to its finished state of completion on or before June 1, 2021.
4. Samet will remain the owner of the building until it finds an end user, either by sale or lease. Samet will use its best efforts to find an end user who will provide a significant number of jobs paying at or above county average wage. Prior to entry of a lease/sales agreement with an end user, Samet will provide SAGA, the City and the County with information regarding the end user including the anticipated number of jobs that will be created, average wage, and trade of business.
5. Once the building is complete, the City and the County will enter into a lease agreement with the owner of the building. The terms of the lease will be detailed in the lease agreement, with rent not to exceed \$27,083.33 per month or up to \$325,000.00 per year, split evenly between both units of government, for up to twenty-four months after completion of the building. In the event the lease is terminated early due to a lease or sale to a new end user, the obligation to pay rent shall cease and any rent prepaid shall be reimbursed to the City and County.
6. The City and the County will lease all or a portion of the building allowing SAGA to use the space to market the City and the County as a whole. SAGA shall use its best efforts to market

everything the City and the County has to offer businesses, including but not limited to, our workforce, schools, shopping, restaurants, industrial parks and housing opportunities.

- 7. During the lease, SAGA agrees to use the building as a way to entice new businesses to come to Lee County or to relocate or expand in Lee County. New business will help to increase the tax base and allow more job opportunities for citizens. SAGA will conduct site visits and events at the site showing the opportunities businesses have to locate to the City and County.
- 8. SAGA will provide a quarterly update to both the Commissioners and the Council, summarizing their efforts to market the area by using the building and providing an update on how many site visits have been conducted, the feedback from those visits, and any negotiations with potential end users. SAGA will be responsible for any costs associated with marketing the area impacted by this project.
- 9. This agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Lee County.
- 10. This Memorandum of Understanding shall terminate if an end user of the building is found before the parties enter into a lease agreement, if the building is not constructed to full occupancy, or when the lease terminates.

**IN TESTIMONY WHEREOF**, the parties have executed this Agreement as of the day and year first above written.

**LEE COUNTY**

By: \_\_\_\_\_

**CITY OF SANFORD**

\_\_\_\_\_

By: \_\_\_\_\_

**SAMET PROPERTIES, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

**C C ENTERPRISE PARK, LLC.**

\_\_\_\_\_

By: \_\_\_\_\_

**SANFORD AREA GROWTH ALLIANCE**

\_\_\_\_\_

By: \_\_\_\_\_

## Exhibit A

BEING that parcel shown as Lot 2, containing 25.952 acres, as shown on a plat entitled "Exempt Subdivision Plat of The Lee-Moore Oil Company, Tract into Lots 1, 2 & 3, West Sanford Township, Lee County, North Carolina", prepared by CE Group, Inc., recorded September 29, 2010, and appearing of record in Plat Cabinet 2010 at Slide 130, to which record reference is hereby made for a more complete description. For further reference Deed Book 1417 Page 326.

EXCEPTION: Less and excepting that certain 15.346 acre tract, as shown on Plat Cabinet 2018 at Slide 118, and conveyed to Lee County Growth I, LLC by deed recorded 11/30/2018, as appears in Book 1514 Page 887.





**Available January 2021**

- +/- 117,133 warehouse (shell condition)
- 100,000 +/- SF Expansion Pad
- First Bay Engineered to Accommodate Mezzanine Office & Storage
- Column Spacing - 50' x 54'
- Center Ceiling Height - 29'
- Eave Ceiling Height - 26'
- Floor Thickness: 6 inches
- Designed for Sprinkler System: ESFR
- Dock Area Doors:
  - 13 - Dock High - 10' x 9' (Expandable to 19)
  - 1 - Drive-In - 14' x 12'
- Exterior Material: Load Bearing concrete tilt-up panels
- Interior Material: Steel Frame
- 27 Paved Parking Spaces (Expandable)
- Lease rate - \$4.95 per SF NNN

**CONTACT:**

Morgan Beam  
 Direct: 919.573.0148  
 Cell: 704.564.0751  
 mbeam@sametcorp.com

Brian Hall  
 Director of Development  
 bhall@sametcorp.com  
 336.362.2026





**Closed Session**

**AN ORDINANCE TO AMEND CHAPTER 32 “STREETS AND SIDEWALKS”  
OF THE CITY OF SANFORD CODE OF ORDINANCES**

WHEREAS, the Sanford City Council deems it advisable and in the public interest to adopt certain revisions to Chapter 32 “Streets and Sidewalks” of the City of Sanford Code of Ordinances.

NOW, THEREFORE, BE IT ORDAINED BY THE SANFORD CITY COUNCIL:

SECTION 1. That Article II “Obstructions” of Chapter 32 “Streets and Sidewalks” of the City of Sanford Code of Ordinances be and the same is hereby amended by adding Section 32-36 “Street Retail and Restaurant Activity” as follows:

**Sec. 32-36. Street Retail and Restaurant Activity**

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

- (1) *Alcoholic beverage* means any beverage regulated by NCGS Chapter 18B- “Regulations of Alcoholic Beverages” that a restaurant may lawfully serve or sell for consumption in a street as defined herein.
- (2) *Restaurant* means any establishment engaged in the business of regularly and customarily selling food, primarily to be eaten on the premises, including businesses that are referred to as restaurants, cafés, grills, taverns, and other establishments that have a food counter where food is sold.
- (3) *Restaurant operator* means the person, firm, or corporation operating a restaurant and associated street activity. This definition includes the owner, and manager, if different from the owner of the restaurant.
- (4) *Street* means that a portion of a city street between the curb lines, or between the lateral lines of the street, if there is no curb.
- (5) *Street Activity* means that retail or restaurant activity conducted in the street only if the street has been closed by city council and written permission has been granted to the operator, who has met the conditions and prerequisites as contained herein.

(b) *General; Conditions.* Notwithstanding the provisions of Section 32-31 and 32-32, when the streets have been closed to vehicular traffic for a special event, function, festival or celebration for which a special event permit has been issued, retail stores

and restaurants that front on that street may extend their premises into the street and conduct retail or restaurant activity thereon, in accordance with the following provisions:

1. Any operation of the business must be clearly incidental to the associated restaurant or business and no more than one hundred (100 %) percent of the interior seating capacity or occupancy load of the associated business or restaurant shall be allowed when counting interior and exterior patrons.
2. No operation shall be conducted on the street later than 11:00 p.m. and all tables, merchandise, chairs and other furnishings used must be removed by that time. If such items are not removed by such time, the city shall have the right to remove and dispose of these items and may assess the business operator for the cost of such removal and disposal.
3. The restaurant or business that conducts the street activity shall be associated with an operating restaurant or business under the same management and shall share the same food preparation facilities, restroom facilities, and other customer convenience facilities as the associated business.
4. No street activity may be conducted unless the associated business or restaurant is open.
5. Tables, chairs, and other furnishings utilized for the street activity shall be of a type that can be easily removed from the street. These items shall not be permanently affixed to the street and must remain within the designated boundaries as delineated by city staff. The City shall have the right to remove such items immediately in emergency situations. The city shall not be liable for damage to furnishings within the street under any circumstances.
6. All furnishings shall comply with the Americans with Disabilities Act (ADA); shall not be placed at any location which obstructs utility access points, drainage structures, accessible ramps or other facilities provided for physically challenged persons, a building access or exit, or any emergency access or exit way; and shall not extend beyond the designated area for street activity.
7. All restaurants or businesses conducting street activity shall keep the site clean.

8. There shall be no alteration to or encroachment upon any street, sidewalk or to the exterior of the associated business or restaurant. The owner of the associated restaurant or business shall be responsible for repairing any incidental damage to the street or public sidewalks resulting from the operation of the street activity.
  9. No obstructions shall be placed within the sidewalk area which shall be kept clear for pedestrian activity and in accordance with passage requirements and the ADA.
  10. The business or restaurant that is seeking to operate on the street shall comply with other reasonable conditions that may be necessary as determined by the city manager or his designee, and any disinfecting or sanitizing measures and distancing or face covering requirements, as put forth by the Governor of North Carolina.
- (c) *Prerequisites.* Prior to conducting any street activity, a participating restaurant or business shall, by 5:00 p.m. on the Wednesday prior to the event:
1. Submit to the City Clerk's Office the name, address, and telephone number of the owner of the business that desires to operate on the street.
  2. Submit to the City Clerk's Office the name, address, and telephone number of the operator of the business who shall be present and in charge of the activity while open.
  3. Submit to the City Clerk's Office a site plan of the designated area to be used for the street activity, a copy of which shall be maintained within the place of business at all times.
  4. Secure any necessary approvals or permits from the Lee County Environmental Health Department, N.C. Alcoholic Beverage Commission, fire inspector or other designated officials as are needed to conduct the activity on the street.
  5. Secure and submit to the City Clerk's Office a certificate of insurance naming the City of Sanford as co-insured in the amount of at least three million (\$3,000,000.00) dollars.
  6. If the restaurant has, in accordance with NCGS Chapter 18B, secured an ABC permit for the temporary extension of premises into the street and lawfully serves alcoholic beverages, the operator shall obtain and maintain an additional insurance policy in the amount of three million (\$3,000,000.00) dollars for liquor liability,

and shall name the City as additional insured. A certificate of insurance showing this coverage shall be submitted to the City Clerk's Office, before conducting street activity.

7. Receive, at least 24 hours before the street closing, a letter of permission from the City Manager or designee, allowing the activity to occur within the street.

(d) *Alcoholic Beverages.* Any restaurant that chooses to serve alcoholic beverages on the street must meet the following additional requirements:

1. The street activity shall be part of a restaurant and shall otherwise be authorized, permitted, or licensed under the state law to serve and sell alcoholic beverages for on-premises consumption.
2. The portion of the street where alcohol is or may be served shall be enclosed by clearly visible barricades and shall have not more than two (2) points of ingress and egress.
3. The portion of the street must be included as part of the premises for which an ABC permit for a restaurant, as defined in NCGS §18B-1000(6), is issued, pursuant to NCGS §18B-1001, for the purpose of applying and enforcing state laws regarding the sale or consumption of alcoholic beverages on-premises.
4. Signs shall be posted, visible at all exit points, that it is unlawful to remove alcoholic beverages in open or unsealed containers from the premises.
5. The restaurant operator shall obtain and maintain an insurance policy in the amount of three million (\$3,000,000.00) dollars for liquor liability (as required in section (c) 6 above) naming the City as additional insured.

(e) *Reservation of Rights.* The City reserves the right to require any street activity to cease part or all of its operation at any time for any reason, including to allow for construction, maintenance, or repair of any street, sidewalk, utility or public building by the city, its agents or employees, or by any other governmental entity or public utility; and to allow for the use of the street or sidewalk in connection with parades, civic festivals, and other events of a temporary nature as permitted by the city. The City further reserves the right to amend, alter or change the permission provided for in this article for reasons

of public safety, adopted public policy, or operational concerns. Permission granted by the City may not be transferable or assignable to any other party. City reserves the right to inspect the premises for unsafe conditions at any time.

SECTION 2. That Article II “Obstructions” of Chapter 32 “Streets and Sidewalks” of the City of Sanford Code of Ordinances be and the same is hereby amended by adding Section 32-37 “Enforcement” as follows:

**Sec 32-37. Enforcement.**

In addition to any other remedy contained herein, including revocation of permission to conduct street activity, a violation of this article shall subject the offender to a civil penalty of \$50.00, and each day any single violation continues shall be considered a separate violation. If not paid within 15 days of the issuance of a citation, it may be recovered by the filing of a civil action in the nature of debt, but is not enforceable under NCGS §14-4.

SECTION 3. This ordinance shall take effect upon the implementation of phase 2 of Governor Cooper’s phased reopening plan, provided that such guidance allows for the outdoor activity as contemplated herein.

ADOPTED this 19<sup>th</sup> day of May, 2020.

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T. Chet Mann, Mayor

Attest:

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Vicki R. Cannady, Deputy City Clerk

**RESOLUTION TO TEMPORARILY CLOSE A PORTION OF S. STEELE STREET,  
BETWEEN CARTHAGE STREET AND WICKER STREET TO  
VEHICULAR TRAFFIC**

**WHEREAS**, due to the Coronavirus (COVID-19) Pandemic, North Carolina Governor Roy Cooper has issued Executive Orders urging the public to Stay at Home and restricting the opening of restaurants and retail establishments across North Carolina; and

**WHEREAS**, as the restrictive measures have been effective in flattening the curve and slowing the spread of the virus; and

**WHEREAS**, the Governor is slowly re-opening retail and restaurant businesses in a phased approach, limiting the number of patrons who can enter said businesses and restaurants; and

**WHEREAS**, given the effect of the restrictions on retail sales, the Sanford City Council desires to assist local restaurants and businesses by providing outdoor space to conduct retail and restaurant activity adjacent to their brick and mortar storefronts, in conjunction with the appropriate phase of re-opening issued by the Governor of the State of North Carolina; and

**WHEREAS**, North Carolina General Statute 160A-296(a)(4) authorizes the Council for the City of Sanford to temporarily close streets; and

**WHEREAS**, the Sanford City Council desires to temporarily close a portion of S. Steele Street, from Carthage Street to Wicker Street to vehicular traffic, as illustrated on the map attached hereto and incorporated herein as Exhibit A.

**WHEREAS**, the Council desires to temporarily close S. Steele Street to vehicular traffic between the hours of 5:00 p.m. and 11:00 p.m. on Friday and Saturday nights, from May 22 to June 27, 2020, to allow restaurant and retail activity to occur within the boundaries of the closed street by those businesses which align said street, in accordance with the appropriate authority granted to conduct said activity during the phased re-opening of North Carolina.

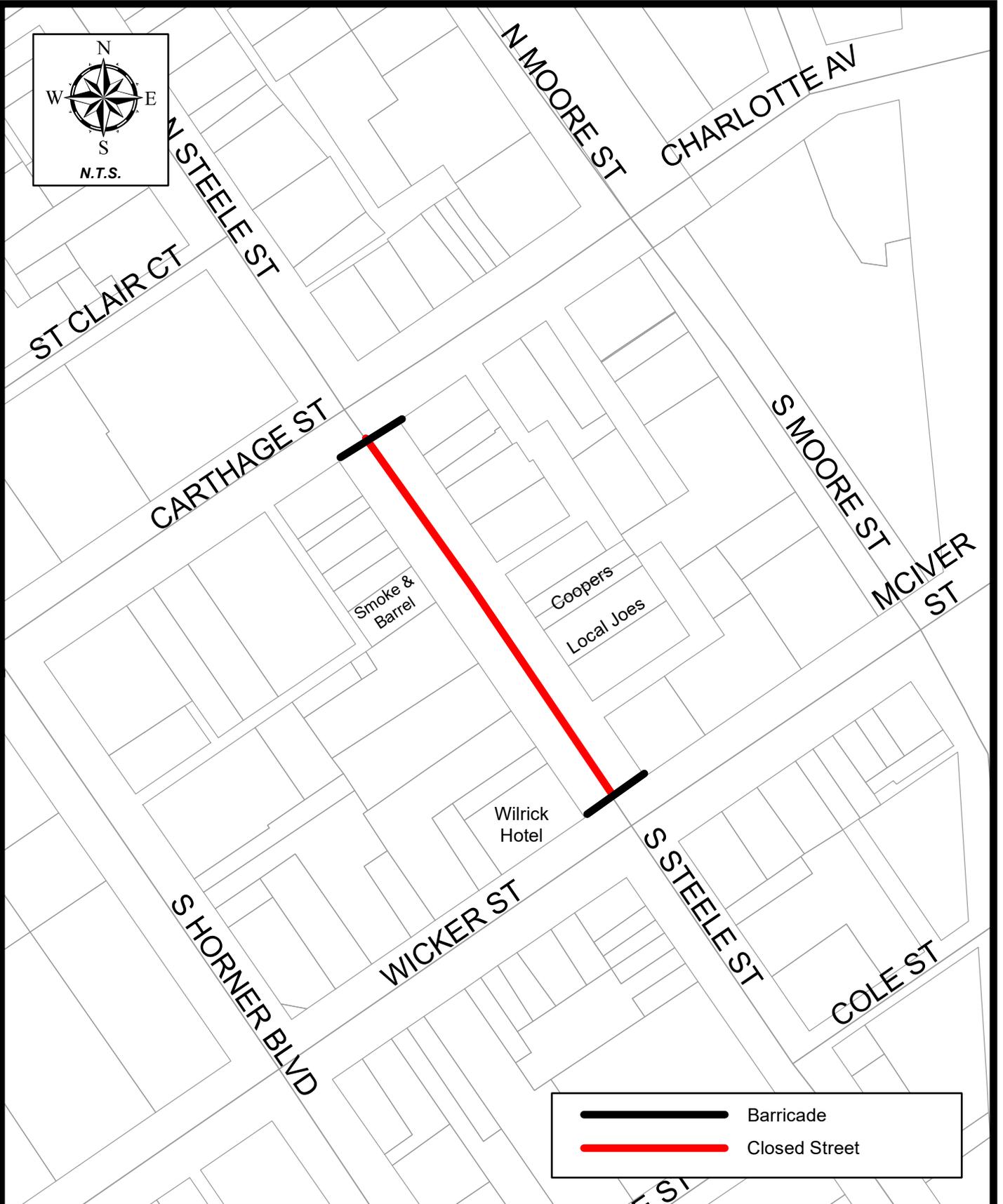
**NOW, THEREFORE, BE IT RESOLVED BY THE SANFORD CITY COUNCIL:**

That the City of Sanford Police and Public Works Departments are directed to temporarily close S. Steele Street from Carthage Street to Wicker Street to vehicular traffic between the hours of 5:00 p.m. and 11:00 p.m. on Friday and Saturday nights, from May 22 until June 27, 2020, if a letter of permission has been secured from the City by 5:00 p.m. on the Thursday prior to the event.

ADOPTED this 19th day of May, 2020.

\_\_\_\_\_  
T. Chet Mann, Mayor

\_\_\_\_\_  
Vicki R. Cannady, Deputy City Clerk



	Barricade
	Closed Street

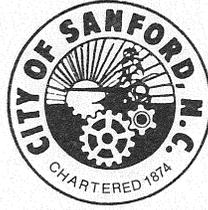


# TEMPORARY STREET CLOSURE

Date: 05/13/2020

Scale: Not to Scale

Drawn By: Staff



P.O. Box 3729  
Sanford, NC 27331-3729

(919) 777-1111  
FAX: (919) 775-8205

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## City of Sanford

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### Memorandum

To: City Council

From: Hal Hegwer, City Manager *H-H*

Date: May 15, 2020

Re: Ordinance to Enact Section 36-117 of the City of Sanford Code of Ordinances,  
Chapter 36- Traffic, Establishing Temporary Handicapped Parking Spaces on Wicker  
Street

This ordinance establishes temporary additional handicapped parking along Wicker Street whenever Steele Street is closed. Exhibit A referred to in the ordinance is a map being created and it will be sent electronically on Monday. The ordinance will establish two handicap spaces along the northeastern corner of the intersection of Wicker and Steele Streets.

I apologize for the inconvenience.

AN ORDINANCE TO ENACT SECTION 36-117 OF THE CITY OF SANFORD  
CODE OF ORDINANCES, CHAPTER 36 TRAFFIC  
ESTABLISHING TEMPORARY HANDICAPPED PARKING SPACES  
ON WICKER STREET

**WHEREAS**, when the streets have been closed to vehicular traffic for the purpose of street retail and restaurant activities, the Sanford City Council desires to provide temporary handicapped parking spaces in the vicinity of the closed street; and

**WHEREAS**, the Sanford City Council desires to amend the Sanford City Code to provide the temporary parking spaces.

**NOW, THEREFORE, BE IT ORDAINED**, that the Sanford City Code is amended to read as follows:

**Sec. 36-117. Temporary Handicapped Parking Spaces.**

- (a) When a city street is closed for the purpose of allowing street retail and restaurant activities, there is established handicapped parking on Wicker Street as shown on the map attached as Exhibit A.
- (b) The Director of Public Works is directed to erect and paint such signs, markers, and other notices along said portion of the downtown street as are necessary to advise the public that spaces are reserved for handicapped parking.
- (c) The public shall park in said temporary parking spaces in accordance with Sec. 36-104. -Reserved parking spaces; handicapped parking spaces.
- (d) This section shall become effective after the erection and marking of such signs, markers, and notices and shall be repealed when the markers are removed.
- (e) Vehicles are subject to being towed in accordance with Sec. 36-146, if parked in violation of the regulations regarding handicapped spaces.
- (f) This section shall be enforced by any of the provisions in Chapter 36, Article IV. Division 2. -Enforcement.

Adopted this 19<sup>th</sup> day of May 2020.

\_\_\_\_\_  
T. Chet Mann, Mayor

ATTESTED BY:

\_\_\_\_\_  
Vicki R. Cannady, Deputy City Clerk

**Exhibit A-**  
**Map for Ordinance to Enact Section 36-117**

**Consider**  
**Update from Downtown Sanford, Inc.**  
**re: Paycheck Protection Program**

## LINDEN AVENUE NEIGHBORHOOD IMPROVEMENTS PROJECT SUBRECIPIENT AGREEMENT

CITY OF SANFORD (GRANTEE)

SANFORD HOUSING AUTHORITY (SUBRECIPIENT)

**THIS AGREEMENT** (the "Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the City of Sanford ("herein called the GRANTEE") and Sanford Housing Authority ("herein called the SUBRECIPIENT"), a public body and a body politic of North Carolina.

### I. **RECITALS**

**WHEREAS**, the GRANTEE has applied for and been awarded U.S. Department of Housing and Urban Development (HUD) Small Cities Community Development Block Grant (CDBG) funds from the North Carolina Department of Commerce (DOC) Rural Economic Development Division (REDD) (herein called "REDD") to be used primarily to benefit low- to moderate-income (LMI) persons through the rehabilitation of a vacant boarded building owned by the SUBRECIPIENT, for the creation of five (5) housing units to support homeless persons;

**WHEREAS**, this Agreement will not become effective until all applicable conditions placed on the GRANTEE's funding approval are satisfied, and the funds are released by the North Carolina Department of Commerce Rural Economic Development Division (herein called "REDD") in writing;

**WHEREAS**, the GRANTEE desires to make available to the SUBRECIPIENT certain funds from the CDBG program as prescribed under the Housing and Community Development Act of 1974, as amended, with said grant being made available to the GRANTEE by REDD and being designated as grant number **17-C-2990** and known as the "grant";

**WHEREAS**, the GRANTEE is the fiduciary agent on this grant;

**WHEREAS**, the GRANTEE is the agency responsible to REDD for the State CDBG funds and reporting requirements;

**WHEREAS**, the GRANTEE wishes to engage the SUBRECIPIENT to assist the GRANTEE in utilizing such funds to carry out a part of the GRANTEE's CDBG award for eligible activities as set forth in 24 CFR Part 570.201(c) and to meet the national objective for low- and moderate- income benefit activities as set forth in 24 CFR Part 570.208(a)(2)(i)(C) limited clientele activity which shall benefit at least 51% of LMI persons;

**WHEREAS**, the SUBRECIPIENT shall utilize housing choice voucher, project-based assistance to assist with operating costs of the units. The units will serve persons at or below 30% of the current area median income limit published annually by the United States Department of Housing and Urban Development (HUD), adjusted for family size, and will be based on a site-based waiting list;

**WHEREAS**, the SUBRECIPIENT agrees to abide by each paragraph of this Agreement and its attachments and all procedures, rules and regulations imposed upon the GRANTEE by REDD in connection with it receiving the federal grant referenced above; and

**WHEREAS**, the SUBRECIPIENT further agrees that all activities conducted under the Agreement shall be of a type authorized by the provisions of Part 8, Article 19 of Chapter 160A of the General Statutes of North Carolina, as amended by Chapter 206 of the Session of laws of 1987.

**NOW, THEREFORE**, in consideration of the mutual promises herein exchanged by and between the parties, it is agreed as follows:

## **II. SCOPE OF SERVICES**

### **A. Time of Performance**

1. Unless amended by mutual written agreement by the SUBRECIPIENT and the GRANTEE, the SUBRECIPIENT promises to perform, or cause to be performed, the services specified in **Attachment A: Statement of Work**, which is made part of this Agreement by reference.
2. The services performed by the SUBRECIPIENT described in **Attachment A** must commence upon notice to proceed from the GRANTEE.
3. In accordance with the GRANTEE's executed Performance Based Agreement with REDD, the services performed by the SUBRECIPIENT described in **Attachment A** must be completed by December 30, 2021, unless an extension of time is granted by the GRANTEE and REDD.
4. Failure to promptly provide the services specified in **Attachment A**, as determined solely by the GRANTEE, may result in the GRANTEE exercising its authority to deobligate the funds committed to the SUBRECIPIENT.
5. Agreement activities performed prior to the execution date or later than the termination date of this Agreement is not considered a part of this Agreement and are not billable.

### **B. National Objectives**

1. All activities funded with CDBG funds must meet one of the CDBG program's national objectives as defined in 24 CFR Part 570.208: 1) benefit to low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, 3) meet community development needs having a particular urgency.
2. The SUBRECIPIENT certifies that the activities carried out under this Agreement shall meet the national objective for low- and moderate- income benefit activities as set forth in 24 CFR Part 570.208(a) and public facilities and improvements set forth in 24 CFR Part 570.201(c), as required by the Housing and Community Development Act of 1974.

3. The SUBRECIPIENT will use demographic and income driven information to document the national objective, including the collection and submission to the GRANTEE of income verification information from all individuals, or their guardians, benefiting from this grant.

#### C. Eligible Expenditure of Funds

1. As a condition of receiving this subaward, SUBRECIPIENT shall complete the activities in a manner satisfactory to the GRANTEE and consistent with the terms of conditions of this agreement and applicable Federal, State, and local statutes and regulations.
2. The SUBRECIPIENT may only carry out the activities described in this agreement. The SUBRECIPIENT is prohibited from charging to the subaward the costs of CDBG ineligible activities, including those described at 24 CFR 570.207, and from using funds provided herein or personnel employed in the administration of activities under this agreement for political activities, inherently religious activities, or lobbying.
3. Costs incurred must be in conformance with 2 CFR Part 200, Subpart E, some of which require REDD pre-approval.
4. In accordance REDD CDBG-NR guidelines 2 CFR Part 200.458, and 24 CFR Part 570.200(h) REDD will allow reimbursement of certain pre-award costs incurred prior to the effective date of the GRANTEE'S grant award from REDD that are essential to negotiations in anticipation of receiving the grant award, provided the following:
  - a. Proper procurement was conducted in accordance with 2 CFR Part 200.
  - b. Costs and activities funded are in compliance with the Environmental Review Procedures requirements stated in 24 CFR Part 58.
  - c. Costs and activities funded are in compliance with the Program and Administrative requirements stated in 24 Part 570.489.
  - d. Costs and activities are approved by REDD in accordance with procedures that REDD may establish.

### III. SUBRECIPIENT RESPONSIBILITIES

#### A. Statement of Work

The SUBRECIPIENT will be responsible for implementing and administering activities in the CDBG project in a manner satisfactory to the GRANTEE and consistent with any standards required as a condition of providing these funds. At a minimum, the SUBRECIPIENT shall provide a "Statement of Work". This "Statement of Work" should include a description of the products or services to be performed, where these products or services will be performed, when these services are to be performed (schedule for completing the work), for whom are these products or services being provided, and a budget. These items shall be in sufficient detail to provide a sound basis for the GRANTEE to effectively monitor the performance of the SUBRECIPIENT under the Agreement. The SUBRECIPIENT "Statement of Work" is attached as **Attachment A: Statement of Work**.

## B. Subcontracting and Subawards

1. GRANTEE understands and agrees that SUBRECIPIENT may hire subcontractors to assist in the performance of this Agreement and SUBRECIPIENT agrees to notify GRANTEE before hiring.
2. No funds under this Agreement shall be disbursed by the GRANTEE to any subcontractor or agency without a written subcontract that incorporates the conditions listed herein to the extent they are applicable.
3. If the SUBRECIPIENT should choose to execute a subcontract using funds from this Agreement, the SUBRECIPIENT shall, within fifteen (15) calendar days of execution of such subcontract, provide a copy of that document to the GRANTEE.
4. In accordance with 2 CFR Part 200.330, any such subcontracts shall require the subcontractor to comply with all of the terms of this Agreement and all applicable federal, state and local laws and regulations. All subcontracts shall be in a form and substance acceptable to the GRANTEE.
5. In accordance with Federal, state, and local laws, regulations, HUD Notices, program guidelines, the SUBRECIPIENT shall monitor any and all subcontractor efforts on a regular basis to assure compliance and report such information to the GRANTEE on a routine basis.

## C. Supplemental Conditions

The SUBRECIPIENT shall include GRANTEE's Supplemental Conditions in any subcontract and lower-tiered subcontractors entered into under this Agreement. Supplemental Conditions include required terms for project contracts, CDBG Special Provisions (*included as **Attachment B** in this Agreement*), participation by minority/women-owned business, and any standard clauses for contracts identified by the GRANTEE.

## D. Subrecipient Liable for Leases

1. Prior to the SUBRECIPIENT entering into any lease arrangement that involves the use of funds from this Agreement the SUBRECIPIENT shall submit a copy of the proposed lease to GRANTEE for review and approval and shall not enter into any lease arrangement that is not pre-approved by GRANTEE.
2. When any lease is paid for in whole or in part by funds from this Agreement, the SUBRECIPIENT shall notify the lessor of the date that this Agreement is to terminate, and the SUBRECIPIENT shall make provisions for payment of the lease from other funds should the SUBRECIPIENT desire to continue the lease after the date of termination of the Agreement.
3. The SUBRECIPIENT assumes all liability for any damage that occurs to property, either real or personal, which it acquires or possesses under a lease.

#### IV. BUDGET

1. It is expressly understood and agreed between the SUBRECIPIENT and the GRANTEE that the total amount to be paid by the GRANTEE to the SUBRECIPIENT under this Agreement shall not exceed the maximum sum of **THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000.00)**.
2. The SUBRECIPIENT shall complete all activities in this Agreement in accordance with the Budget as specified in **Attachment A**. Any change to the budgeted amounts must be approved in writing by the GRANTEE before such changes are allowed to be reimbursable.
3. GRANTEE may require additional budget information, and SUBRECIPIENT shall provide such supplementary budget information in a timely fashion, in the form and content prescribed by the GRANTEE.
4. In the event that the SUBRECIPIENT is awarded, granted, or provided with additional funds from any other source, SUBRECIPIENT shall notify GRANTEE of such funds, the amount, the source, and the conditions for their use. SUBRECIPIENT further agrees to provide any additional information GRANTEE requests related to such funds. SUBRECIPIENT may not use such other funds to conduct construction activities or any other action that would have an adverse environmental impact or limit the choice of reasonable alternatives until issuance of the authority to use such funds from REDD, as applicable.
5. Any costs and expenses not covered by the Budget as specified in **Attachment A**, and not properly payable from CDBG funds, shall be borne entirely by the SUBRECIPIENT.
6. The SUBRECIPIENT shall maintain a level of aggregate expenditures for its other projects or activities which is not less than the level of aggregate expenditures that existed prior to the execution of this Agreement. The SUBRECIPIENT shall promptly notify the GRANTEE of any matters which have a material tendency to affect compliance with this requirement.

#### V. PROGRAM INCOME

1. Any income earned or received by the SUBRECIPIENT as a direct result of an activity funded by this Agreement is considered Program Income (as defined at 24 CFR Part 570.500(a)).
2. Program Income shall only be expended by the SUBRECIPIENT on activities specified in **Attachment A** and shall be expended by the SUBRECIPIENT prior to requesting additional reimbursements or payments.
3. The SUBRECIPIENT shall report both the receipt and the expenditure of Program Income to the GRANTEE during the month following the month in which the money was received and spent.
4. At the end of the program year, the GRANTEE may require remittance of all or part of any program income balances (including investments thereof) held by the SUBRECIPIENT (except those needed for immediate cash needs, cash balances of a revolving loan fund, cash balances from a lump sum draw down, or cash or investments held for Section 108 loan guarantee security needs).

## **VI. PAYMENTS**

1. The use of CDBG funds is conditioned upon the SUBRECIPIENT incurring allowable costs permitted under the terms of this Agreement or as otherwise pre-approved, in writing, by the GRANTEE.
2. Payments by the GRANTEE under this Agreement are limited to reimbursement of eligible expenditures made, or eligible expenses incurred, by the SUBRECIPIENT. Advance payments are explicitly prohibited unless otherwise stated elsewhere in this Agreement.
3. All expenditures and expenses shall be incurred in accordance with the provisions of this Agreement. Payments shall be made by the GRANTEE in accordance with the provisions of this Agreement and only for activities specified in **Attachment A**.
4. Payments shall be made based upon the Budget included in **Attachment A** and shall only be made after the SUBRECIPIENT has presented documentation of expenses that meets the approval of the GRANTEE.
5. Further, the SUBRECIPIENT understands and agrees that any payment made under this Agreement by the GRANTEE is limited to funds available under the grant referenced above.
6. The GRANTEE shall make payments upon receipt of a request for check from the SUBRECIPIENT. The request shall include documentation of achievements, expenditures and expenses incurred and work undertaken by the SUBRECIPIENT, where applicable, and any other documentation that the GRANTEE, may require from the SUBRECIPIENT, with all such documentation to be in the form and substance satisfactory to the GRANTEE.

## **VII. CONTRACTOR INVOICES AND LABOR STANDARDS REVIEW PROCESS**

Due to involvement of multiple funding sources, the SUBRECIPIENT and GRANTEE are collectively responsible for Construction Contractor compliance regarding invoice review ("Progress Payment Requests- PPR") and Davis-Bacon labor standards (including certifications and certified payroll). The general process for review of such related documents is described below, to be amended as deemed necessary, to ensure efficient and effective compliance monitoring and record retention.

1. The SUBRECIPIENT and GRANTEE understand and agree that payment shall not be made to the Construction Contractor until Davis-Bacon requirements are met, such as satisfactory completion of certified weekly payroll and any associated reconciliation of documents regarding adequate wages for all laborers and mechanics working on the project site.
2. The Construction Contractor will submit monthly invoices (PPRs) to the SUBRECIPIENT's contracted Architect. The Architect's Construction Contract Administrator and Construction Observer/Inspector will receive and review the PPRs for sufficient workmanship, progress, completion of tasks, and

associated costs. Upon satisfactory review, the Architect will forward said documentation to the SUBRECIPIENT and GRANTEE's contracted Grant Administrator.

3. The Construction Contractor will likewise submit certified weekly payrolls and any required Davis-Bacon documentation to the GRANTEE's contracted Grant Administrator for CDBG compliance review. Upon satisfactory review, the Grant Administrator will forward said documentation to the SUBRECIPIENT for concurrence of satisfaction.
4. When parties agree that the PPR and matching Davis-Bacon documentation are sufficient, the GRANTEE's contracted Grant Administrator will prepare CDBG financial paperwork for GRANTEE processing.
5. To assist in Davis-Bacon compliance review, as well as monitoring of Contractor performance and project progress, the Architect's Construction Contract Administrator and Construction Observer/Inspector, GRANTEE, and SUBRECIPIENT will submit meeting minutes, progress reports, construction observation reports, and any site photos, to all parties.
6. Required Davis-Bacon worker interviews will be conducted primarily by the GRANTEE's contracted Grant Administrator, with assistance provided by the GRANTEE representatives, SUBRECIPIENT representatives, and/or Architect representatives, as needed (e.g., a schedule conflict arises to capture a certain trade needed for compliance).

## **VIII. FINANCIAL MANAGEMENT**

The SUBRECIPIENT shall establish and maintain a financial management system that will account for all funds received under this Agreement and expenditures made in furtherance of the project activities, and such system shall be created and maintained in accordance with 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and generally accepted accounting practices (GAAP) and procedures. The system shall include the following:

1. Accurate, current and complete disclosure of the financial results of activities under this Agreement in accordance with GAAP. If the SUBRECIPIENT's accounting records are maintained on a cash basis, the SUBRECIPIENT must develop information of accounts payable and accounts receivable through an analysis of the documents in the file, or on the basis of its best estimates.
2. Records that identify in detail the source and application of funds under this Agreement. These records shall contain information pertaining to Agreement awards and authorizations, encumbrances and unencumbered balances, assets, liabilities, outlays and income.
3. Effective internal controls and accountability for all funds, property and other assets attributable to the Agreement. The SUBRECIPIENT shall adequately safeguard all such assets and shall assure that they are used solely for the performance of this Agreement.

4. Comparison of actual expenditures with budgeted amounts for those expenditures and comparison of financial information with performance or productivity data, including the production of unit cost information whenever required by the GRANTEE.
5. Procedures for determining the allowability and allocability of costs.
6. A general ledger in which a summary of all accounting transactions shall be maintained. In addition, the SUBRECIPIENT shall maintain a cash receipt and disbursement register in which receipts and disbursements will be documented. Funds disbursed by the SUBRECIPIENT must be supported by appropriate, source documentation. Source documentation includes items such as payroll, time and attendance records, invoices, contracts, travel payments, information evidencing the nature and propriety of each payment, and notations showing the approval of an authorized official of the SUBRECIPIENT.
7. All financial assistance provided must be documented with SUBRECIPIENT's official financial ledger with identified vendor listed to reflect payment for reimbursement.
8. Monthly invoices are due on the 15<sup>th</sup> of each month for reimbursement.
9. On request of the GRANTEE, the SUBRECIPIENT shall provide an accounting for all funds paid to it by the GRANTEE under this Agreement.
10. The SUBRECIPIENT's financial records shall be audited by a certified public accountant, licensed in good standing to practice in the State of North Carolina, at least annually.
11. A copy of the certified audit of the funds received by the SUBRECIPIENT under this Agreement, and an accompanying Management Letter, shall be provided to the GRANTEE for each year in which activities under this Agreement were conducted. Should there be an exception taken during any audit, the SUBRECIPIENT shall resolve the findings and recommendations within thirty (30) days after completion of the audit.
12. The SUBRECIPIENT shall maintain such records and accounts, including property, personal and financial records so as to assure a proper accounting for all project funds, until five (5) years after expiration of the GRANTEE's Grant Agreement with REDD (*included herein as **Attachment C***), or for such longer period of time as determined to be appropriate by the GRANTEE. However, at any time after completion and acceptance of required audits and after the Agreement termination, the SUBRECIPIENT may turn these records over to the GRANTEE for retention.
13. The SUBRECIPIENT shall provide any information that the GRANTEE may reasonably request pertaining to the SUBRECIPIENT's financial management under this Agreement.

## **IX. PERFORMANCE MONITORING AND REPORTING**

### A. Monitoring

1. The GRANTEE shall monitor the performance of the SUBRECIPIENT as necessary and in accordance with 2 CFR Part 200.330 and the NC Small Cities CDBG-NC Neighborhood Revitalization Program regulations to ensure SUBRECIPIENT compliance with all the requirements of this Agreement, including timeframes and performance goals associated with the activities. Substandard performance as determined by the GRANTEE will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the GRANTEE, the GRANTEE may impose additional conditions on the GRANTEE and its use of CDBG funds, suspend or terminate this agreement, or initiate other remedies for noncompliance as appropriate and permitted under 2 CFR Part 200.338.
2. The SUBRECIPIENT will attend monitoring visits conducted by REDD, as deemed necessary by the GRANTEE.
3. The SUBRECIPIENT will provide GRANTEE with project closeout and related documentation necessary to satisfy requirements of REDD.
4. The SUBRECIPIENT will maintain records as required for such monitoring and evaluation purposes under the CDBG program.

B. Reporting

1. The SUBRECIPIENT shall submit monthly progress reports to the GRANTEE within fifteen (15) calendar days following the end of the prior month's reporting period. Monthly reports will include, but are not limited to:
  - a. Number of clients served and their income levels as stated in the GRANTEE's CDBG grant application to REDD.
  - b. Number of employee's jobs retained due to the rehabilitation of the facility as described in the GRANTEE's CDBG grant application to REDD.
  - c. Number of and demographic information about all participants.
2. The SUBRECIPIENT shall, to the best of their ability, provide the GRANTEE with demographic information, including race, age, gender, ethnicity and family status for all participants.
3. The SUBRECIPIENT will make oral presentations to the governing body of the GRANTEE and REDD, if needed.
4. The SUBRECIPIENT shall provide to the GRANTEE any other information determined by the GRANTEE to be necessary or appropriate for the proper reporting of this Agreement.
5. Delays by the SUBRECIPIENT in making any report to the GRANTEE required by this Agreement may, at the GRANTEE's sole discretion, result in delays in payment to the SUBRECIPIENT of part or all of the SUBRECIPIENT's requests for funds, and may be considered a breach of the terms of this Agreement. A delay in making a disbursement by the

GRANTEE to the SUBRECIPIENT does not change the time requirements of the SUBRECIPIENT to submit reports to the GRANTEE.

**X. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD**

The CDBG funds available to the SUBRECIPIENT through this agreement constitute a subaward of the GRANTEE's Federal award from REDD under the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200*. This Agreement includes terms and conditions of the GRANTEE's Federal award that are imposed on the SUBRECIPIENT, and the SUBRECIPIENT agrees to carry out its obligations in compliance with all of the obligations described in this Agreement.

**A. General Compliance**

The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR Part 570, subpart K, as modified by the Federal Register notices that govern the use of CDBG funds available under this Agreement, except that:

1. The SUBRECIPIENT does not assume the GRANTEE's environmental responsibilities described in federal regulation 570.604; and
2. The SUBRECIPIENT does not assume the GRANTEE's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

**B. Recordkeeping**

The SUBRECIPIENT shall establish and maintain records sufficient to enable the GRANTEE to 1) determine whether the SUBRECIPIENT has complied with this Agreement, applicable Federal statutes and regulations, and the terms and conditions of the GRANTEE's CDBG award and 2) satisfy recordkeeping requirements applicable to the GRANTEE. The SUBRECIPIENT shall maintain all records required by REDD or the GRANTEE and the Federal regulations specified in 24 CFR Part 507.506 that are pertinent to the activities to be funded under this Agreement. These records shall be retained for a period of five (5) years after expiration of the GRANTEE's Grant Agreement with REDD (*included herein as **Attachment C***), or for such longer period of time as determined to be appropriate by the GRANTEE. Such records include, but are not limited to:

1. This Contract and any amendments;
2. Records providing a full description of each activity undertaken;
3. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;

4. Records required to determine the eligibility of activities;
5. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG funds;
6. Records documenting civil rights compliance, such as the Fair Housing and Equal Opportunity components of the CDBG program;
7. Financial records and procurement documents as required by 24 CFR Part 570.502 and 2 CFR Part 200;
8. Other records necessary to document compliance with Subparts J and K of 24 CFR Part 570.

#### C. Audits and Inspections

As required by 24 CFR Part 570 and 2 CFR Part 200.331, at any time during normal business hours and as often as the GRANTEE, REDD, HUD, the U.S. Inspector General and their representatives, or the representatives of the Comptroller General of the United States may deem necessary, the SUBRECIPIENT shall make available to the GRANTEE, REDD, HUD, the U.S. Inspector General and their representatives, or representatives of the Comptroller General, for examination, all of the SUBRECIPIENT's records with respect to matters covered by this Agreement. The GRANTEE, REDD, HUD, the U.S. Inspector General and their representatives, or representatives of the Comptroller General shall be permitted to audit, examine and make excerpts or transcripts from such records and to make audits of all contracts, invoices, materials payable, records or personnel, and other data relative to all matters covered by this Agreement. In addition, the SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current policy concerning subrecipient audits and 2 CFR Part 200 subpart F.

#### D. Procurement and Contractor Oversight

1. The SUBRECIPIENT shall comply with GRANTEE policy concerning the purchase of equipment, materials, property, goods, and services in accordance with 2 CFR Part 200, and all state and local procurement standards, such as NCGS 143-128, as applicable.
2. The SUBRECIPIENT shall impose the SUBRECIPIENT's obligations under this Agreement on its contractors, so that such obligations will be binding upon each of its contractors.
3. The SUBRECIPIENT shall include GRANTEE's CDBG Special Provisions in any contract or subcontract entered into under this Agreement.
4. The SUBRECIPIENT shall maintain all records required by 2 CFR 200.33, 24 CFR Part 570.506, the applicable HUD Notices, NCGS 132, and any others required by REDD.
5. The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this Agreement.

6. The SUBRECIPIENT must comply with CDBG regulations regarding debarred or suspended entities at 2 CFR Part 200 and 24 CFR Part 570. CDBG funds may not be provided to excluded or disqualified persons.
7. Officials and employees of the SUBRECIPIENT shall neither solicit nor accept gratuities, favors or anything of monetary value from subcontractors or potential subcontractors. The SUBRECIPIENT further agrees that all procurement transactions that the SUBRECIPIENT may enter into as a result of this Agreement shall be conducted in a manner so as to provide maximum open and free competition and in accordance with the provisions of all applicable Uniform Administrative Requirements as described in 2 CFR Part 200.
8. The SUBRECIPIENT will maintain an administration system that ensures that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders as described at 2 CFR Part 200.

#### E. Insurance & Bonding

In accordance with 2 CFR Parts 200.310 and 200.325, the SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a fidelity bond covering all employees in an amount equal to cash advances from the GRANTEE.

#### F. Grantee Recognition

1. Unless otherwise directed by the GRANTEE, the SUBRECIPIENT shall ensure recognition of the role of the GRANTEE in providing CDBG funding, services, and efforts through this Agreement. Unless otherwise directed by the GRANTEE, all activities, facilities, and items utilized shall be prominently labeled as to the role of the GRANTEE and REDD. In addition, the SUBRECIPIENT shall include a reference to the support provided herein in all publications made possible with CDBG funds made under this Agreement. GRANTEE reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited to the size and content, waiver, removal or addition of such recognition.
2. All reports, maps and other documents completed as a product of this Agreement, other than documents used in the administration of the Agreement such as reports to the GRANTEE, shall have placed thereon by the SUBRECIPIENT the following statement:

*[NOTE: "The preparation of this document was financed in part through funds from the City of Sanford's Community Development Block Grant – Linden Avenue Neighborhood Improvements Project (grant number 17-C-2990). This grant was awarded to the City of Sanford by the North Carolina Department of Commerce Rural Economic Development Division (REDD) under provisions of Title I of the Housing and Community Development Act of 1974, as amended."]*

#### G. Client Data and Other Sensitive Information

1. The SUBRECIPIENT is required to maintain data demonstrating client eligibility for activities provided under this agreement. Such data may include, but not be limited to, client name,

address, income level or other basis for determining eligibility, and description of activities provided. Such information shall be made available to the GRANTEE monitors or their designees for review upon request.

2. In accordance with 2 CFR Parts 200.82 and 200.303, 24 CFR Part 570.508, and NCGS 32-1.2, 108A, 7B, and 132, the SUBRECIPIENT must take reasonable measures to safeguard protected personally identifiable information and other information that REDD or the GRANTEE designate as sensitive, or the SUBRECIPIENT considers as sensitive, consistent with applicable federal, state, local, and tribal laws regarding privacy and obligations to confidentiality.

#### H. Relocation, Real Property Acquisition, and One-for-one Housing Replacement

The SUBRECIPIENT shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 USC 4601 – 4655, 49 CFR part 24, 24 CFR part 42, and 24 CFR 570.606, as applicable.

#### I. Close-Out

The SUBRECIPIENT's obligation to the GRANTEE shall not end until all closeout requirements are completed. Activities during this closeout period shall include, but not be limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the GRANTEE), and determining custodianship records.

#### J. Use of Grant Funds to Make Loans

Grant funds under this Agreement shall not be used to make loans unless approved by the GRANTEE.

#### K. Assignment

The SUBRECIPIENT shall not use this Agreement or its anticipated proceeds to borrow money. The SUBRECIPIENT shall not assign any interest in this Agreement.

#### L. Hold Harmless

1. The SUBRECIPIENT shall hold harmless and indemnify the GRANTEE, to the extent allowed by law and covered by applicable insurance, from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the SUBRECIPIENT's performance or nonperformance of the services or subject matter called for in this Agreement.
2. The SUBRECIPIENT is an independent contractor with respect to the services to be performed under this Agreement. No person performing any of the work or services described hereunder shall be considered an officer, agent, servant or employee of the GRANTEE, nor shall any such person be entitled to any benefits available or granted to employees of the GRANTEE. The GRANTEE shall not be obligated to pay the SUBRECIPIENT any payments, fees, expenses, or compensation other than the Agreement amount.

3. To the extent permitted by law, SUBRECIPIENT shall be solely responsible for any litigation arising from any Claims made by third parties relating to SUBRECIPIENT's, its employees, subcontractors and officers' acts or omissions in performing the services under this Agreement. However, under no circumstance shall the SUBRECIPIENT be required to provide legal representation for the GRANTEE (see NCGS. 153A-97). If an action is brought in the name of the GRANTEE, the SUBRECIPIENT shall cooperate in allowing the dismissal of the GRANTEE. Such cooperation shall not waive any rights of the SUBRECIPIENT to assert immunities or other defenses it may have against the parties who allege injury as a result of the SUBRECIPIENT's act or omission. "Claims" means complaints, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, and expenses.

#### M. Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with 2 CFR Part 200, 24 CFR Part 570 Subpart J, and 24 CFR 570.489, as applicable, which include but are not limited to the following:

1. The SUBRECIPIENT shall transfer to the GRANTEE any CDBG funds on hand and any accounts receivable attributable to the use of CDBG funds under this Agreement at the time of expiration, cancellation, or termination.
2. Any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the SUBRECIPIENT in the form of a loan) in excess of \$25,000 shall be used to meet one of the national objectives in 24 CFR Part 570.208 (formerly Part 570.901) until five (5) years after expiration of the GRANTEE's Grant Agreement with REDD (*included herein as **Attachment C***), or for such longer period of time as determined to be appropriate by the GRANTEE ; or
3. Per 24 CFR Part 570.503 (b)(7)(i), if the SUBRECIPIENT fails to use CDBG-assisted real property in an manner that meets a CDBG national objective for the prescribed period of time, the SUBRECIPIENT shall pay the GRANTEE an amount equal to the current market value of the property less any portion of the value attributable to the expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. Such payment is Program Income to the GRANTEE. (No payment is required after the period of time specified in (b) (7) (i) of section 570.504.)
4. In all cases in which equipment acquired, in whole or part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Per 2 CFR Part 200.313, equipment not needed by the SUBRECIPIENT for activities under this Agreement shall be a) transferred to the GRANTEE for the CDBG program or b) retained after compensating the GRANTEE in an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

5. The SUBRECIPIENT shall repay to the GRANTEE the full amount of any funds lost, misapplied, unaccounted for or inadequately accounted for, in violation of this Agreement, within thirty (30) days of notification of the debt.

N. Nondiscrimination

1. Affordability Provision. For activities benefitting low- and moderate- income (LMI) persons, the SUBRECIPIENT must adopt and make public the GRANTEE's standards for determining that for rental housing assisted under the CDBG program, the rents of units occupied by LMI persons are "affordable" per 24 CFR Part 570.208(a)(3).
2. The SUBRECIPIENT agrees to comply with: NCGS 143-422.1-422.3 (Equal Employment Practices); NCGS 41A-1-10 (State Fair Housing Act); Title VI of the Civil Rights Act of 1964, as amended; Title VIII of the Civil Rights Act of 1968 (P.L. 90-284), as amended; Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974, as amended; Section 504 of the Rehabilitation Act of 1973; The Americans with Disabilities Act of 1990, as amended; The Age Discrimination Act of 1975; and Executive Order 11063 and Executive Order 11246, as amended by Executive Orders 11375, 11478, 12107, and 12086.
3. The SUBRECIPIENT shall comply with the laws, regulations, and executive orders referenced in 24 CFR 570.607, as amended by Executive Order 13279, regarding employment and contracting to the extent they are applicable.
4. 24 CFR Part 6. The SUBRECIPIENT will comply with 24 CFR part 6, which implements the provisions of Section 109 of Title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The SUBRECIPIENT will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the regulations of 24 CFR part 146, which implement the Age Discrimination Act for HUD programs.

5. Architectural Barriers Act and Americans with Disabilities Act. The SUBRECIPIENT shall ensure that its activities are consistent with requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157), as amended, to ensure federally-funded buildings and other facilities are to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. The SUBRECIPIENT shall ensure that its activities are consistent with requirements of the Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA), as amended, which provides comprehensive civil rights to individuals with disabilities in the areas of employment, public

accommodations, State and local government services, and telecommunications. The "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" (#A-117.1-R 1971) for building design, construction or alteration should also be incorporated, as applicable.

6. Title VI of the Civil Rights Act of 1964 (24 CFR Part 1). The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, and 24 CFR 570.601-602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activities described in this Agreement will be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided will be operated and administered in compliance with all requirements imposed by or pursuant to 24 CFR Part 1. Accordingly, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease, prohibiting discrimination, and take measures as necessary to enforce such covenant.
  
7. Affirmative Action.
  - a. The SUBRECIPIENT shall comply with the non-discrimination requirements as required by U.S. Executive Order 11246, as amended by as amended by E.O. 12086, E.O. 11375, and regulations in 41 CFR 60, which applied to all federally assisted construction contracts and subcontracts. Excerpts of E.O. 11246 are included in **Attachment B - CDBG Special Provisions**, for reference.
  
  - b. The SUBRECIPIENT agrees to comply with NCGS 143-48, NCGS 143-128, NCGS 143-64.31, as applicable, and use good faith efforts to afford small businesses, women- and minority-owned businesses (W/MBE), historically underutilized businesses (HUB), disadvantaged enterprises (DBE), and minority-owned, businesses, and lower income persons (CDBG Section 3) of the project area (defined as the City of Sanford and Lee County) are utilized whenever possible as sources of contracting supplies, equipment, construction, and services. As used in this Agreement, "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women.
  
  - c. The SUBRECIPIENT will in all solicitations or advertisements for employees or contracting placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.
  
  - d. The SUBRECIPIENT is prohibited from using funds provided by this Agreement or personnel employed in the administration of this program for: political activities; inherently religious activities; lobbying; political patronage and nepotism activities.

O. Labor

1. Labor Standards and Related Acts. The SUBRECIPIENT agrees to comply with the labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended; requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended (40 U.S.C. 3141, *et seq.*); 29 CFR Parts 1, 3, 5, 6, and 7; the provision of Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) & 29 CFR Part 5); the Copeland “Anti-Kickback” Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR Parts 3 and 5; and all other applicable Federal, state, local laws and regulations pertaining to labor standards insofar as they apply to the performance of this contract. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the GRANTEE for review upon request.
  
2. Section 3. The SUBRECIPIENT agrees to comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C 1701u), as amended, and implementing regulations at 24 CFR Part 135 that sets guidelines for training and employment of lower-income residents of project areas and for awarding of contracts within the project area. The required “Section 3 Clause” at 24 CFR Part 135.38 is included in **Attachment B - CDBG Special Provisions**, and shall be included in all contracts, subcontracts, and any lower-tiered subcontracts entered into under this Agreement.

P. Conduct

1. Hatch Act. The SUBRECIPIENT shall comply with the Hatch Act (5 U.S.C. 1501 – 1508), and shall ensure that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C. The SUBRECIPIENT shall not permit any of the funds, materials, property or services provided under this Agreement to be used for any partisan political activity, or to further the election or defeat of any candidate for public office, or for publicity or propaganda purposes designed to support or defeat legislation pending before the United States Congress, the State of North Carolina, Lee County, or the City of Sanford.
  
2. Conflict of Interest. The SUBRECIPIENT shall comply with the conflict of interest provisions of the federal regulations as published at 2 CFR Part 200.112 and 24 CFR 570.611, which include, but are not limited to the following:
  - a. No employee, officer, or agent of the SUBRECIPIENT shall participate in the selection, or in the award, or administration of a contract supported by federal funds of a conflict of interest, real or apparent, would be involved.
  
  - b. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or whose with whom they have a business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this provision, a ‘covered’ person includes any person who is

- an employee, agency, consultant, officer, or elected or appointed official of the GRANTEE, the SUBRECIPIENT, or any designated public agency.
- c. The SUBRECIPIENT shall permit no officer or employee of the SUBRECIPIENT, no member of the GRANTEE's governing body, and no other public official of any governing body to exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of this project to (1) participate in any discussion relating to this Agreement if it affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is directly or indirectly interested; or (2) have any interest, direct or indirect, in this Agreement or the proceeds thereof.
  - d. The SUBRECIPIENT shall permit no members of or delegates to the Congress of the United States to be admitted to any share or part thereof or to any benefit to arise here from. The SUBRECIPIENT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. The SUBRECIPIENT further covenants that no person having any such interest shall be employed in the performance of this Agreement. The SUBRECIPIENT shall make no loans to its directors or officers.
3. Lobbying. The SUBRECIPIENT hereby certifies that:
- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
  - b. 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 Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
  - c. It shall require that the language of paragraph (a) through (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
  - d. 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 required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Q. Religious Activities.

The SUBRECIPIENT agrees and understands that no CDBG funds provided under this Agreement shall be utilized for inherently religious activities, to promote any religious interests, or for the benefit of a religious organization in accordance with 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

R. Environmental Conditions.

1. Prohibition on Choice Limiting Activities Prior to Environmental Review. The SUBRECIPIENT must comply with the limitations in 24 CFR 58.22 even though the SUBRECIPIENT is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated the GRANTEE's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. This means that neither a 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 until HUD or REDD has approved the GRANTEE'S Request for Release of Funds (RROF) and the related environmental certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process (i.e., GRANTEE, SUBRECIPIENT, and any subcontractors and interested parties) may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.
2. Environmental Protection. The SUBRECIPIENT shall comply with the National Environmental Policy Act (40 CFR Parts 1500-1508) and HUD regulations at 24 CFR Part 58, following requirements insofar as they apply to the performance of this Agreement:
  - a. Air quality. (1) The Clean Air Act (42 U.S.C. 7401 et. seq.) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)); and (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93);
  - b. Air Quality standards in EPA regulations at 40 CFR Part 50;
  - c. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, including the requirements specified in Section 114 and Section 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder;
  - d. Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) et. seq. and 21 U.S.C. Part 349, as amended, and EPA regulations for sole source Aquifers (40 CFR Part 149);
  - e. The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq. ) as amended, particularly section 7 (16 U.S.C. 1536);
  - f. The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq. ) as amended, particularly section 7(b) and (c) (16 U.S.C. 1278(b) and (c));

- g. Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 et seq. ) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202) and USDA regulations at 7 CFR Part 658;
  - h. The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq. ), as amended, particularly section 307(c) and (d) (16 U.S.C. 1456(c) and (d));
  - i. HUD criteria and standards at 24 CFR Part 51 and any related state and local laws and ordinances, regarding noise abatement and control, siting of HUD-assisted projects near hazardous operations, and siting of HUD-assisted projects in proximity to runway clear zones and airports, as applicable;
  - j. Executive Order 12898 - Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994 (59 FR 7629), 3 CFR, 1994 Comp. p. 859;
  - k. Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 CFR Part 55;
  - l. Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 CFR, 1977 Comp., p. 121, as interpreted in HUD regulations at 24 CFR Part 55; and
  - m. All other applicable Environmental Laws that may exist now or in the future. For the purposes of this section, "Environmental Laws": means any federal, state, or local law (including but not limited to statutes, rules, regulations, ordinances, directives, guidance documents or judicial or administrative interpretation thereof, or any judicial or administrative order, ruling, or other such written requirement). Environmental Laws include, without limitation, any action which causes a review or reassessment of the GRANTEE's CDBG Program.
3. Flood Disaster Protection. For activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, as a condition of CDBG financial assistance for acquisition, construction purposes, the SUBRECIPIENT shall comply with the mandatory flood insurance purchase requirements of Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), as amended by the National Flood Insurance Reform Act of 1994 (42 USC 4012a). Additionally, the SUBRECIPIENT shall comply with Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which includes a prohibition on the provision of flood disaster assistance, including loan assistance, to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. Section 582 also includes a responsibility to notify property owners of their responsibility to notify transferees about mandatory flood purchase requirements. More information about these requirements is available in the Federal Register notices governing the CDBG program.
4. Asbestos-Containing Material and Lead-Based Paint. The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with CDBG-assistance provided under this Agreement shall be subject to HUD and EPA regulations related to asbestos-containing material and lead-based paint, included but not limited to, the National Emission Standard for Asbestos (40 CFR Part 61.145); the National Emission Standard for Asbestos (40 CFR Part 61.150); 24 CFR Part 35 Subparts B, H, and J; The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846; Public Law 91-695); the Residential Lead-Based Paint Hazard

Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, subparts A, B, J, K, and R; Lead-Based Regulations at 24 CFR 570.608; and NCGS Chapter 130A, Article 19A (Lead-Based Paint Hazard Management Program). Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint (LBP). Such notifications shall explain the hazards of LBP, the symptoms, treatment, and precautions that should be taken when dealing with LBP poisoning and the advisability and availability of blood level screening for children under the age of seven. The notice should also point out if LBP is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

5. Historic Preservation. The SUBRECIPIENT shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), codified in title 54 of the United States Code, and the procedures set forth in 36 CFR part 800 insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.
6. Implementation of Mitigation Measures. The SUBRECIPIENT agrees to comply with and timely implement any and all mitigation measure and other requirements set forth in any environmental reviews, performed or to be performed in connection with, or any similar documents, issued or to be in connection with, the GRANTEE's CDBG program as may be applicable to this Agreement. It is the SUBRECIPIENT's responsibility to ensure that it has complete copies of all such documentation, to be made available to the GRANTEE for record retention.

## **XI. AMENDMENT AND TERMINATION**

### **A. Amendments**

1. The GRANTEE or SUBRECIPIENT may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, are approved by the GRANTEE's governing body, and are signed in writing by a duly authorized representative of the GRANTEE and the SUBRECIPIENT. Such amendments shall not invalidate this Agreement, nor relieve or release the GRANTEE or SUBRECIPIENT from its obligations under this Agreement.
2. The GRANTEE may, in its discretion, amend this agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both GRANTEE and SUBRECIPIENT.

## B. Suspension or Termination

1. The GRANTEE may suspend or terminate this Agreement, in whole or in part, if the SUBRECIPIENT materially fails to comply with any term of this Agreement, or any rules, regulations, or provisions referred to herein; and the GRANTEE may declare the SUBRECIPIENT ineligible for any further participation in the GRANTEE's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the SUBRECIPIENT is in noncompliance with any applicable rules or regulations, the GRANTEE may withhold up to fifteen (15) percent of said contract funds until such time as the SUBRECIPIENT is found to be in compliance by the GRANTEE, or is otherwise adjudicated to be in compliance. Failure to comply with any terms of this agreement, include (but are not limited to) the following:
  - a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
  - b. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this agreement;
  - c. Ineffective or improper use of funds provided under this agreement; or
  - d. Submission by the SUBRECIPIENT to the GRANTEE reports that are incorrect or incomplete in any material respect.
2. This Agreement may be terminated (per 2 CFR Part 200.339) in whole or part, by setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, in the case of partial termination the GRANTEE determines that the remaining portion of the CDBG award will not accomplish the purpose for which the award was made, GRANTEE may terminate the award in its entirety.
3. Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least (30) days before the effective date of such termination. Partial termination of the Statement of Work may only be undertaken with the prior approval of the GRANTEE. In the event of any termination for the convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other material prepared by the SUBRECIPIENT under this Agreement shall, at the option of the GRANTEE, become the property of the GRANTEE, and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to termination.

## C. Mediation and Litigation

In the event any dispute shall arise between the GRANTEE and the SUBRECIPIENT in connection with the terms of the Agreement or the services provided by the SUBRECIPIENT, the GRANTEE and SUBRECIPIENT agree to submit such dispute to mediation, each party to bear their own costs. In the event of litigation between the GRANTEE and the SUBRECIPIENT arising under, related to, or in connection with the Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party.

## **XII. RECORDS TO BE MAINTAINED**

The SUBRECIPIENT shall maintain all records required by REDD or the GRANTEE and the Federal regulations specified in 24 CFR 507.506 that are pertinent to the activities to be funded under this Agreement. These records shall be retained for a period of five (5) years after expiration of the GRANTEE's Grant Agreement with REDD (*included herein as **Attachment C***), or for such longer period of time as determined to be appropriate by the GRANTEE.

## **XIII. SOLE AGREEMENT**

This document contains the entire Agreement between the GRANTEE and the SUBRECIPIENT (the Parties) with respect to the subject matter of this Agreement. No statements, promises or inducements made by either Party, or any representative of either Party, with respect to the subject matter of this Agreement, that is not contained in this document and its attachments, shall be valid and/or binding. This Agreement may not be enlarged, modified or altered except by written amendment signed by all Parties.

## **XIV. NOTICES**

Unless otherwise required under this Agreement, notices permitted or required to be given will be deemed sufficient if given by e-mail, fax, mail, or courier service, addressed to the individual specified below, or to such other individuals as the respective parties may designate by notice from time to time. Notices so given shall be effective upon receipt by the party to whom the notice is given.

### **For the GRANTEE:**

Karen Kennedy  
 Community Development Manager  
 City of Sanford  
 PO Box 3729  
 Sanford, NC 27331-3729  
 Tel: 919-718-4657, Ext. 5391  
 E-mail: [karen.kennedy@sanfordnc.net](mailto:karen.kennedy@sanfordnc.net)

### **For the SUBRECIPIENT:**

Shannon Judd  
 Chief Executive Officer  
 Sanford Housing Authority  
 PO Box 636  
 Sanford, NC 27331  
 Tel: 919-776-7566, Ext. 4222  
 E-mail: [sjudd@sha-nc.org](mailto:sjudd@sha-nc.org)

## **XV. ADDITIONAL TERMS & CONDITIONS**

This Agreement, together with the Attachments listed below constitutes the entire Agreement between GRANTEE and the SUBRECIPIENT is subject to and incorporates the provisions above and those attached hereto as:

- Attachment A - Statement of Work
- Attachment B - CDBG Special Provisions
- Attachment C - CDBG Grant Agreement Between City of Sanford and North Carolina Department of Commerce
- Attachment D - SHA Commitment with NCHFA

**XVI. WARRANTY OF AUTHORITY**

Each individual signing below warrants that he or she has the power and authority to sign on behalf of the entity listed above their signature, that such signature alone is binding on such entity, and that the governing body of such entity has duly authorized the execution of this Agreement.

IN WITNESS WHEREOF, the undersigned duly authorized officials have executed this Agreement as of the date first written above.

**GRANTEE  
CITY OF SANFORD**

By: \_\_\_\_\_  
Name: T. Chet Mann  
Title: Mayor  
Date: \_\_\_\_\_

ATTEST: City of Sanford

By: \_\_\_\_\_  
Name: Bonnie. D. Davis  
Title: City Clerk  
Date: \_\_\_\_\_

(SEAL)

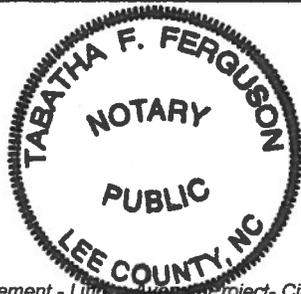
**SUBRECIPIENT  
SANFORD HOUSING AUTHORITY**

By: Shannon C. Judd  
Name: Shannon Judd  
Title: Chief Executive Officer  
Date: 04/08/2020

ATTEST: Sanford Housing Authority

By: B. Stephens  
Name: Bridgette Stephens  
Title: Development Manager  
Date: 04/08/2020

(SEAL)



APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

\_\_\_\_\_

Attorney

PRE-AUDIT CERTIFICATION:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act. This the \_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Beth Kelly, City of Sanford, Finance Director

**NORTH CAROLINA LEE COUNTY**

I, a Notary Public in and for the aforesaid County and State certify that \_\_\_\_\_  
\_\_\_\_\_(Name) personally appeared before me this day, and acknowledged  
that he or she is the \_\_\_\_\_(City Clerk / Deputy City Clerk) of the City of Sanford,  
a municipal corporation, and that by authority duly given and as the act of the City, the foregoing  
Agreement or agreement with the Sanford Housing Authority was signed in its corporate name by its  
Mayor, sealed with its corporate seal, and attested by its said City Clerk or Deputy City Clerk. This the  
day of \_\_\_\_\_, 202\_\_.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**NORTH CAROLINA LEE COUNTY**

I, a Notary Public in and for the aforesaid County and State, certify that \_\_\_\_\_  
Shannon C. Judd (Name) personally appeared before me this day, and acknowledged  
and stated that he or she is the Chief Executive Officer (Title) for the Sanford Housing Authority,  
a North Carolina public body and a body politic, and that by authority duly given and as the act of the  
Sanford Housing Authority, the foregoing Agreement or agreement with the City of Sanford was signed  
in its name by the Chief Executive Officer (Title), whose name is Shannon C. Judd (Name),  
sealed with its corporate seal, and attested by him/herself as its said Chief Executive Officer (Title).  
This the 8th day of April, 202D.

Notary Public: Stephanie J. Ferguson

My Commission Expires: 11-28-2020

# **ATTACHMENT A**

## **STATEMENT OF WORK**

As SUBRECIPIENT of the CITY OF SANFORD's CDBG-NEIGHBORHOOD REVITALIZATION grant, the SANFORD HOUSING AUTHORITY (SHA) will accomplish the following tasks:

### **I. PROJECT DESCRIPTION**

SHA currently owns 226 Linden Avenue, a vacant and boarded building. SHA, through its affiliate, Central Carolina Strategic Developers, proposes to renovate the building to comprise of five (5) rental units to serve homeless families. The unit composition will be one 2-bedroom unit and four 1-bedroom permanent housing units for an estimated eleven (11) homeless individuals. SHA will utilize housing choice voucher project-based assistance to assist with the operating costs of the units. The units will serve persons at or below 50% of the area median income limit and will be based on a site-based waiting list. The housing development will support the livability principle of promoting equitable, affordable housing in that it will serve homeless families who will pay 30% of their adjusted household income, per the housing choice voucher program. If the occupants have no income, they will pay a minimum of \$50 towards rent. This development meets the following CDBG National Objectives: principally benefits low- and moderate-income persons, and it addresses an urgent need in the community.

### **II. PERFORMANCE REQUIREMENTS**

As the housing developer, SANFORD HOUSING AUTHORITY will:

1. Assist with the bidding of the project and Construction Contractor selection;
2. Ensure bid and contract documents have all necessary provisions required by the NC Department of Commerce (DOC), Rural Economic Development Division (REDD) and that the provisions are adhered to by all parties of the project;
3. Oversee the construction of the project to include the work of the Architect and the Construction Contractor;
4. Conduct inspections during the construction process; at a minimum of twice weekly;
5. Review draw requests from the Construction Contractor and determine the appropriate compensation for the Construction Contractor;
6. Prepare documentation for disbursement of funds;
7. Ensure the timely completion of the construction as agreed upon in the contractual arrangements with the Construction Contractor and grant documents for closeout;
8. Submit monthly reports of performance measures to the City of Sanford;
9. Submit monthly invoices to the City of Sanford; and
10. Maintain adherence to the federal and state provisions included herein.

### III. PROJECT BUDGET

The City of Sanford was awarded CDBG funds and wishes to engage the SHA to assist in utilizing such funds to carry out a part of the of the City's CDBG award for eligible activities under "Rehabilitation of Publicly-Owned Dwellings" (as stated in the City's Grant Application to NC Department of Commerce Rural Economic Development Division- REDD), and to meet the national objective to benefit low- and moderate- income persons (24 CFR Part 570.208(a)). It is expressly understood and agreed between the SHA and the City of Sanford that the total amount to be paid by the City to SHA under this Agreement shall not exceed the maximum sum of **THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000.00)**. The intended budget is depicted below, as part of a preliminary cost estimate during the funding application process. It is understood and agreed that budgeted line items are subject to change and contingent upon 1) CDBG eligibility and approval determined by REDD, 2) actual costs for goods and services, and 3) availability and conditions of non-CDBG funds contributing to the project.

<b>Activities / Tasks</b>	<b>CDBG Funding</b>	<b>Other Funding</b>	<b>Total</b>
Site Improvements	\$ 88,250.00		\$ 88,250.00
<i>Subtotal Land Improvements</i>	\$ 88,250.00		\$ 88,250.00
Rehabilitation	\$ 104,625.00	\$ 243,300.00	\$ 347,925.00
Construction Contingency		\$ 29,331.00	\$ 29,331.00
General Requirements		\$ 36,100.00	\$ 36,100.00
Contractor Overhead and Profit		\$ 31,587.00	\$ 31,587.00
Other: Bond, BR Insurance, Permits, Fees	\$ 38,355.00		\$ 38,355.00
<i>Subtotal Construction</i>	\$ 142,980.00	\$ 340,318.00	\$ 483,298.00
Architectural Design	\$ 45,450.00		\$ 65,000.00
Construction Inspection		\$ 20,550.00	\$ 20,550.00
Other Engineer: Environmental	\$ 4,750.00		\$ 4,750.00
Survey	\$ 6,000.00		\$ 6,000.00
Property Appraisal	\$ 2,000.00		\$ 2,000.00
Phase I Environmental Report	\$ 2,500.00		\$ 2,500.00
Real Estate Attorney	\$ 40,000.00		\$ 40,000.00
Financing Consultant	\$ 3,000.00		\$ 3,000.00
<i>Subtotal Soft Costs</i>	\$ 103,700.00	\$ 20,550.00	\$ 143,800.00
Developer's Fee		\$ 65,000.00	\$ 65,000.00
<i>Subtotal Developer &amp; Consultant Fees</i>	\$ -	\$ 65,000.00	\$ 65,000.00
Furnishings and Equipment	\$ 15,070.00		\$ 15,070.00
Operating Reserve (6 months operating reserve)		\$ 5,796.00	\$ 5,796.00
<i>Subtotal Other Expenses</i>	\$ 15,070.00	\$ 5,796.00	\$ 20,866.00
<b>Totals</b>	<b>\$ 350,000.00</b>	<b>\$ 431,664.00</b>	<b>\$ 781,664.00</b>

The preliminary design of the renovation at 226 Linden Avenue to create the 5 housing units is included herein as the SHA Pre-Application & Preliminary Architectural Report Excerpts.

**Supportive Housing Development Program PRE-APPLICATION  
Project Description and Site Visit Request  
2018 Program Year – Round Two**

**Please submit completed form to:**

**Supportive Housing Development Team**

**NCHFA, P.O. Box 28066, Raleigh, NC 27611-8066**

**DATE: August 2, 2018**

- 1. Address of site under consideration. For multiple sites, submit a separate form for each site.**

Project Name	226 Linden Avenue
Address	226 Linden Avenue
City	Sanford
Zip Code	27330
County	Lee

- 2. New Construction / Acquisition & Rehabilitation / Rehab of property already owned (Circle one)**

- 3. Please provide a brief project description:**

The Sanford Housing Authority (SHA) currently owns 226 Linden Avenue, a vacant and boarded building. SHA proposes to renovate the building to comprise of 5 units to serve homeless families. The Lee County currently has a documented homeless population of \_\_\_\_\_. However, we feel confident that more are homeless.

The unit composition will be 1 two-bedroom unit and 4 one-bedroom permanent housing units. SHA will utilize housing choice voucher project-based assistance to assist with the operating costs of the units. The units will serve persons at or below 50% of the area median income limit and will be based on a site-based waiting list. Applicants will apply directly to the site. This project will support the livability principle of promoting equitable, affordable housing in that it will serve homeless families who will pay 30% of their adjusted household income, per the housing choice voucher program. If the occupants have no income, they will pay a minimum of \$50 towards rent. This project meets the following National Objectives: principally benefits low- and moderate-income persons, and it addresses an urgent need in the community.

The scope of work entails site improvements, environmental tests, abatement of environmental items (interior and exterior), carpentry, flooring, new cabinetry, painting, exterior improvements (handrails, ramp, new windows, siding and soffit, roof replacement, shutters), plumbing, mechanical, electrical, fire protection, appliances, etc. The full scope of work is included as an attachment. It is estimated that the entire project will cost \$781,664.00. Of this project cost, we seek \$350,000 in CDBG funding and the remainder in SHDP funding. The housing choice project-based vouchers, while not associated with the renovation of the

property, will provide approximately \$18,738.00 annually in operating assistance; over a guaranteed 15-year Housing Assistance Payment contract, this equates to \$281,070.

The project partners are the City and County of Sanford, NC and S3 Homeless Connect, which includes agencies such as the Bread of Life, Family Promise, Johnson, Lee, Harnett Community Action, and others, who serve the homeless. Their involvement will bolster the success of the project because SHA is able to receive referrals from these organizations and others, as well as case management services to ensure continued success of the occupants. In addition, SHA will provide case management services. This includes wrap around services such as healthcare referrals, transportation, employment education, childcare, etc. The partnerships are expected to provide in-kind services. These organizations provide transition or temporary housing. Some also provide case management services, which include locating permanent housing, as well as assisting with various security deposits. SHA will provide in-kind services. One of the next steps to becoming self-sufficient, is obtaining a permanent residency, which would be obtain through the renovation of this property. SHA also applied for funding through the North Carolina Housing Finance Agency's Supportive Housing Development Program.

The objective is to create permanent, quality, affordable housing for five homeless families (up to 11 homeless individuals). SHA will rejuvenate a vacant, boarded building and bring life to it by renovating the property, as well as by providing housing. It will also spur economic growth in that possibly unemployed persons will become employed, tax-paying citizens Lee County. It is anticipated that rehabilitation will not exceed 12 months. SHA currently has a contract with an environmental firm; the environmental services should not exceed 20 days of authorization to proceed. Occupancy should occur within 30 days of receiving the certificate of occupancy.

**4. Target population**

The units will serve persons at or below 30% of the area median income limit and will be based on a site-based waiting list.

**5. Project Information**

Applicant Organization	Sanford Housing Authority
Contact Name	Shannon Judd
Mailing Address	PO Box 1726
City	Sanford
Zip Code	27331
County	Lee
Office Email	sjudd@sha-nc.org
Telephone	919-897-2306
Cell Phone	

**6. Project Team (if known)**

Property Manager

<b>Name</b>	TBD (Will be a SHA employee)	<b>Phone</b>	919-776-7655
<b>Email</b>			

Supportive Services Provider

<b>Name</b>	Sanford Housing Authority	<b>Phone</b>	919-776-7655
<b>Email</b>	jhenderson@sha-nc.org		

Architect

<b>Name</b>	Stogner Architecture	<b>Phone</b>	1-910-895-5409
<b>Email</b>	wstogner@stognerarchitecture.com		

General Contractor

<b>Name</b>	TBD	<b>Phone</b>	
<b>Email</b>			

Development Consultant

<b>Name</b>	Central Carolina Strategic Developers	<b>Phone</b>	919-897-2306
<b>Email</b>	sjudd@sha-nc.org		

7. Owner status

	Local Government
X	Nonprofit Organization
	- Date of IRS 501(c)(3) determination letter

8. Supportive Services ( If Applicable)

X	Owner is the Supportive Service Provider
2000s	Owner has been providing supportive services since (insert date)
130	Number of clients currently being served
	Owner is not the Supportive Service Provider. Supportive service provider will be: _____
	Supportive Service Provider has been providing supportive services since (insert date)
	Number of clients currently being served

9. Project Description:

Housing Type	Number of Dwelling Units*	Number of Bedrooms	Number of Beds
Single Family detached			
Multifamily Facility	5	6	11

\*Dwelling Unit = single family house, apartment, or SRO

10. Access to Services:

Describe proximity of the following services and facilities to the proposed project site. Provide a map of the site which indicates the proximity of each service to the site.

Service/Facility	Proximity to Site in miles
Supportive services including medical facilities	0.6
Employment Centers	0.8
Parks and Recreation	.5
Schools	2.7

Shopping Facilities	0.9
---------------------	-----

Will transportation be provided by owner?  Yes  No

Describe how residents will access transportation to essential services:

Transportation throughout Sanford is provided by COLTS- the city's bus line. COLTS vehicles travel daily Monday-Friday. There are established routes which frequent shopping centers, schools, medical facilities, and social services organizations. Rides to other places outside of the general route is available for a nominal fee.

**11. Please attach a preliminary site plan and floor plan if available.**

If the project proposes rehabilitation, please attach an estimate of the rehab scope of work.

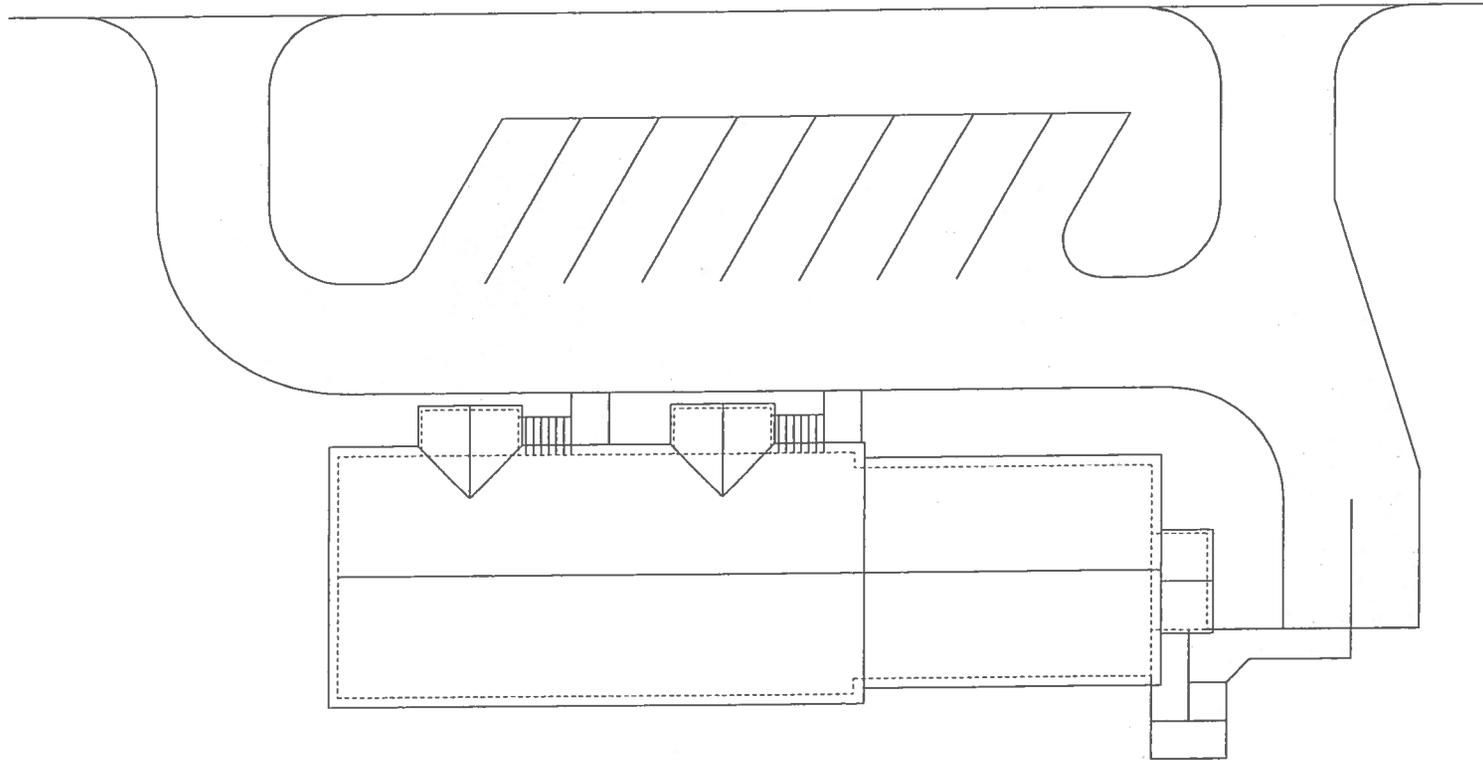
**12. Preliminary estimated development budget**

Acquisition	
Construction or Rehabilitation Costs	586,618
Architect Design & Inspection	66,000
Soft Costs	64,046
Development Consultant	
Developers Fee	65,000
<b>Total</b>	

**13. Preliminary Sources of funds**

Entity	Amount (\$)
SHDP	431,664
Other	350,000
Other	
Other	
Other	
<b>Total</b>	

LINDEN AVENUE



PROPOSED SITE PLAN  
 SCALE: 1/16" = 1'-0"

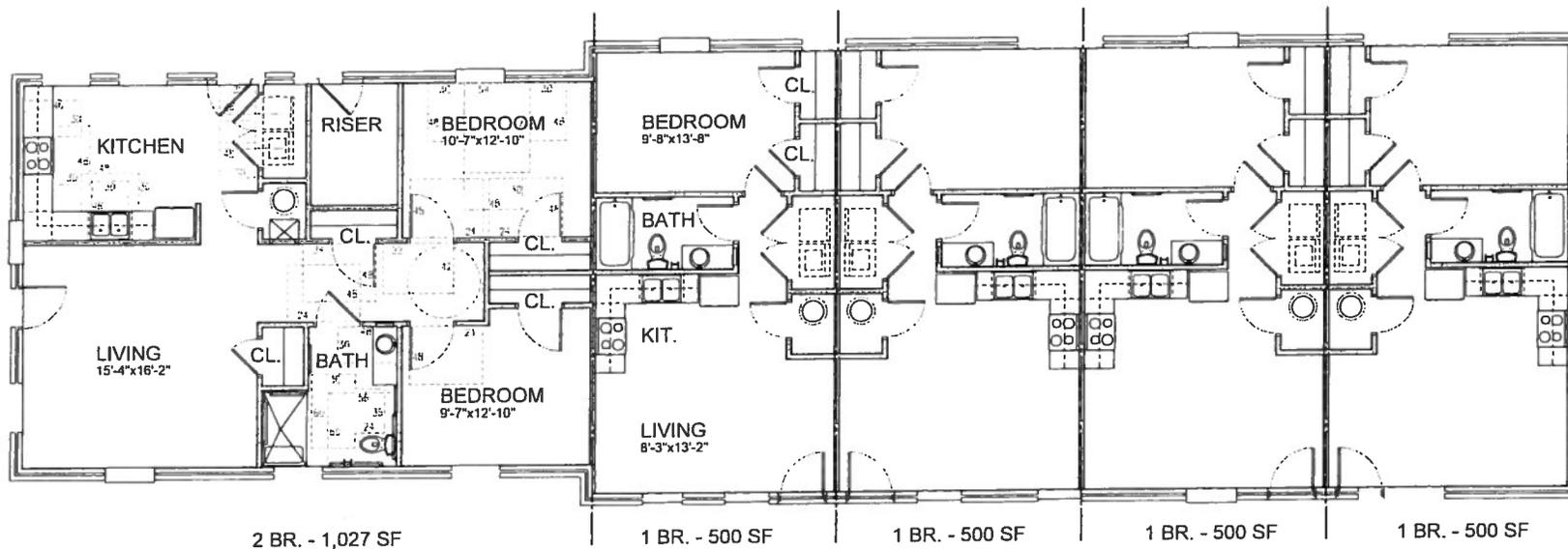


226 LINDEN  
 REDEVELOPMENT  
 SANFORD, NC

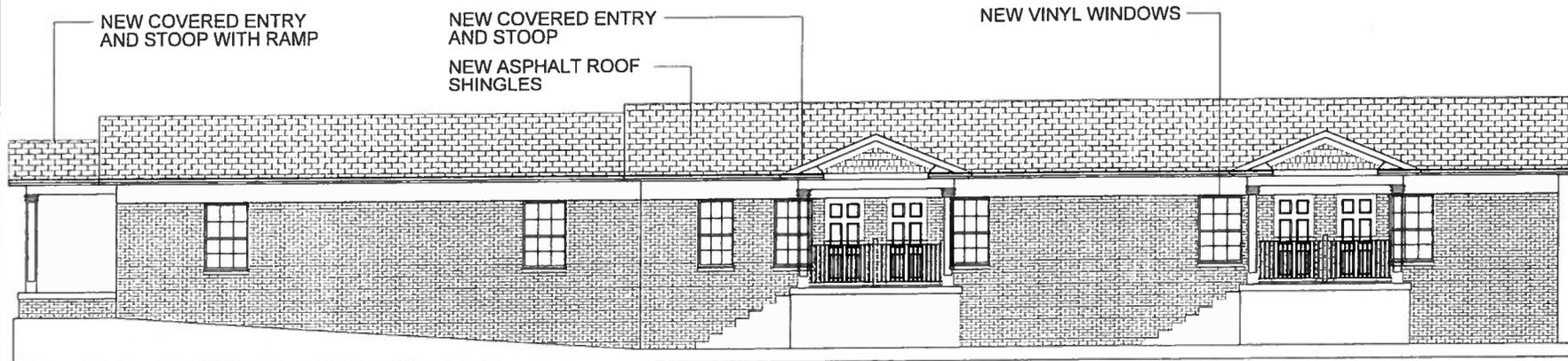
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 4602  
 DATE: 10

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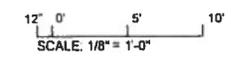
S1



**PROPOSED BUILDING PLAN** 3,288 GROSS SF  
 SCALE: 1/8" = 1'-0" (1) 2BR. HC AND (4) 1BR. APARTMENTS



**PROPOSED ELEVATION**  
 SCALE: 1/8" = 1'-0" (1) 2BR. HC AND (4) 1BR. APARTMENTS



**SHA** Sanford Housing Authority  
 CITY OF **SANFORD** NORTH CAROLINA  
**STOGER** ARCHITECTURE

**226 LINDEN REDEVELOPMENT**  
 SANFORD, NC

DATE: 04/24/18  
 CHECKED BY: AUC 04/26/2018  
 SHEET NO. **F1**





						<b>Average PUC</b>
						<b>\$ 117,323.70</b>
	The Owner and other associated parties recognize that this is an estimate and is not to be interpreted as exact. Resources and Methods for Estimating include RS Means - Assemblies Cost Data, Building Construction Cost Data and Square Foot Costs 2016 Edition, FEES 2013 Guidelines Publication for Professional Design Services; Recent Fee Schedules for City of Wilson, Recent Fee Schedules by General Contractor for similar work and Environmental Consultants.					
	<b>Cost Estimate prepared by :</b>					
	Stogner Architecture, PA					

## 2018 SHDP Application Spreadsheet: Sources of Funds

	Source	Amount of Funds	Type: Loan, Grant, Equity, Other?	Loan Term (years)	Amortizing Period	Interest Rate
48	NCHFA Supportive Housing Development Program	\$ 436,663.56	Loan	20	20	0%
49	Other Public Financing	\$ 350,000.00	Grant			
50	Foundations	\$ -				
	Name:	\$ -				
	Name:	\$ -				
	Name:	\$ -				
51	Bank Loan	\$ -				
52	Capital Campaign	\$ -				
53	Federal Home Loan Bank	\$ -				
54	Private Contributions	\$ -				
55	Other:	\$ -				
56	Other:	\$ -				
57	Other:	\$ -				
58	TOTAL SOURCES (must equal Total Development Budget)	\$ 786,663.56				

Cell will be highlighted if Sources and Uses do not equal.

### Debt Service

	Source	Loan Amount	Monthly Loan Payment	Annual Payment
59	NCHFA Supportive Housing Development Program	\$ 436,663.56	\$ 1,819.43	\$ 21,833.18
60		\$ -	\$ -	\$ -
61		\$ -	\$ -	\$ -
62		\$ -	\$ -	\$ -
63		\$ -	\$ -	\$ -
64		\$ -	\$ -	\$ -
65	TOTAL DEBT SERVICE	\$ 436,663.56	\$ 1,819.43	\$ 21,833.18

# ATTACHMENT B

## CDBG SPECIAL PROVISIONS

### **INTRODUCTION**

This project is financed in whole or in part with funds from the Small Cities Community Development Block Grant (CDBG) funds through the NC Department of Commerce, Rural Economic Development Division CDBG-NC NEIGHBORHOOD REVITALIZATION program. The CITY OF SANFORD Planning and Development Department administers local CDBG programs. As a result of using CDBG funds on this project, Contractors (and subcontractors) must adhere to all of the following conditions in order to enter into a contract using CDBG funds.

**SEC. 1. APPLICATION TO SUBCONTRACTORS.** No funds under this contract shall be disbursed by the Contractor to any subcontractor or agency without a written contract that incorporates the conditions listed below to the extent they are applicable.

**SEC. 2. DEFINITIONS.** As used in this contract:

- A. "REDD" means the NC Department of Commerce, Rural Economic Development Division, or a person authorized to act in its behalf.
- B. "CITY" means the CITY OF SANFORD or any department or person authorized to act in its behalf.
- C. "Act" means Title I of the Housing and Community Development Act of 1974, as amended, unless otherwise specified.
- D. "Contractor" means a Subrecipient, Contractor, Subcontractor, and lower- tier subcontractor.

**SEC. 3. SEGREGATION AND PAYMENT OF COSTS.** Contractor must segregate the obligations and expenditures related to funding under CDBG. Financial and accounting systems should be revised as necessary to segregate, track and maintain these funds apart and separate from other revenue streams. No part of CDBG funds shall be commingled with any other funds or used for a purpose other than that of making payments for costs allowable for CDBG projects. Where CDBG funds are authorized to be used in conjunction with other funding to complete projects, tracking and reporting must be separate from the original funding source to meet the reporting requirements of CDBG and OMB Guidance. Invoices must clearly indicate the portion of the requested payment that is for work funded by CDBG.

**SEC. 4. CONFLICT OF INTEREST (2 CFR PART §200.318 GENERAL PROCUREMENT STANDARDS):** *Interest of Members, Officers, or Employees of the Recipient, Members of Local Governing Body, or Other Public Officials.* No member, officer, or employee of the recipient, or its agents, no member of the governing body of the locality in which the program is situated, and no other public

official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds under this agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The recipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

**SEC. 5. DISCRIMINATION.** Contractors shall comply with all relevant requirements of the following federal laws and regulations dealing with discrimination in federally assisted programs:

**A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 20000d)** which provides that no person shall, on the ground of race, color, or national origin, be excluded from employment or participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

**B. Nondiscrimination Clause- Section 109 of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5309) and regulations at 24 CFR 570.602** which provide that no person shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, be denied employment in, or be subjected to discrimination under any CDBG/HOME program or activity.

**C. Section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 794)** which provides that no otherwise qualified handicapped individual shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefits of, be denied employment in, or be discriminated against under any program or activity receiving federal assistance.

**D. Age discrimination Act of 1975, as amended (42 U.S.C. 6101)** which provides that no person shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.

**E. Executive Order 11246, as amended by E.O. 12086, E.O. 11375, and regulations in 41 CFR 60,** which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federally-assisted construction contracts and subcontracts. Contractors and Subcontractors shall take affirmative action to ensure fair treatment in employment, including recruitment, training, promotion, demotion, transfer, layoff, termination, and pay. Included is Part II, Sec. 202, "During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay of other forms of compensation; and selection for training, including apprenticeship. The

- Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions in this nondiscrimination clause.
2. The Contractor will, in all solicitations or advertisement for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
  3. The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.
  4. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advertising the labor union or worker's representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
  5. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
  6. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
  7. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, and orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
  8. The Contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations or orders of the

Secretary of Labor issued pursuant to Section 204 of Executive Order No, 11246 of September 24, 1965, so that such provisions will be binding upon each Subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States. [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966–1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971].

**F. Section 3 Clause.** Projects involving construction where federal funding exceeds \$200,000 and any contract or subcontract exceeds \$100,000, the Contractor shall comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701 u), and regulations at 24 CFR Part 135. All Section 3 Covered contracts shall include the following clause (referred to as the Section 3 clause):

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The Contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the Subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any Subcontractor where the Contractor has notice or

- knowledge that the Subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
  6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
  7. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

The Contractor will include this Section 3 clause in every subcontract for work in connection with the project. The Contractor will not subcontract with any Subcontractor where it has notice that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the Subcontractor has first provided a preliminary statement of ability to comply with the requirements of these regulations.

**SEC. 6. COPELAND "ANTI-KICK BACK ACT" (18 U.S. C. 876) as supplemented in Department of Labor regulations (29 CFR Part 3).** This Act provides that the Contractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. All construction contracts shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874; 40 U.S.C. 3145) as supplemented in Department of Labor regulations (29 CFR, Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

**SEC. 7. DAVIS-BACON ACT PROVISIONS, (40 U.S.C. 3141-3148) as amended.** When required by Federal program legislation, all construction contracts, in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Contractors and Subcontractors must be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by

the Secretary of Labor. In addition, Contractors and Subcontractors shall be required to pay wages not less often than once a week. A copy of the current prevailing wage determination issued by the Department of Labor must be placed in each solicitation. Specific contract requirements concerning this provision are included in the Federal Labor Standards Provisions-HUD Form 4010.

**SEC. 8. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. 3701-3708).**

Contracts awarded in excess of \$100,000 which involve the employment of mechanics or laborers shall comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) as supplemented by Department of Labor Regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). Under 40 U.S.C. 3702 of the Act, the Contractor and any of his Subcontractors shall be required to compute the wages of every mechanic and laborer on the basis of standard work week of forty hours. Work in excess of the standard work week is permissible, provided the worker is compensated at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in any work week.

The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety, as determined under construction, safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. Specific contract requirements concerning this provision are included in the Federal Labor Standards Provisions-HUD Form 4010.

**SEC. 9. ACCESS TO RECORDS AND RECORDS RETAINAGE.**

- A. **Records to be Kept.** Records shall be maintained in accordance with requirements prescribed by REDD or the CITY with respect to all matters covered by this contract. Except as otherwise authorized by REDD, such records shall be maintained for a period of **five (5) years** after expiration of the CITY's Grant Agreement with REDD, or for such longer period of time as determined to be appropriate by the GRANTEE.
- B. **Documentation of Costs.** All costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, orders, or other accounting documents. All documents pertaining in whole or in part to this contract shall be clearly identified and readily accessible.
- C. **Inspection of Records.** The Contractor shall make available for examination all of its records with respect to all matters covered by this contract to the U.S. Comptroller General, The U.S. Department of Housing and Urban Development, the U.S. Inspector General and their representatives, REDD, and the CITY. The Contractor will also permit any or all of these aforementioned entities to audit, examine and make excerpts or transcripts from such records including contracts, invoices, materials, payrolls, records of personnel, conditions of employment and any other data relating to matters covered by this contract.

**SEC. 10. BYRD ANTI-LOBBYING AMENDMENT (31 U.S.C. 1352).** As required by 31 U.S.C. Section 1352, Byrd Anti-Lobbying Amendment, Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. The Contractor certifies, to the best its knowledge and belief, that:

1. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, 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 loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federally 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 federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements.
4. This certification is a material representation of fact upon which reliance was placed when this contract was made or entered into. Agreement to this certification is a prerequisite for making or entering into this contract imposed by Section 1352, title 31, U.S. Code. Any person or agency that makes an expenditure prohibited by this section is subject to a civil penalty from \$10,000 up to \$100,000 for each failure. This penalty also applies to any person or agency that fails to submit or amend the disclosure form (LLL), when required. Failure to submit the required certification may result in payment under this contract being delayed or denied.

**SEC. 11. CLEAN WATER, CLEAN AIR, E.O. 11738 AND EPA REGULATIONS PROVISION COMPLIANCE WITH AIR AND WATER ACTS.** Contracts and subcontracts of amounts in excess of \$150,000 are subject to the requirements of the Clean Air Act, as amended, (42 U.S.C. 7401-7671q.), the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251-1387 and the regulations of the Environmental Protection Agency (EPA) with respect thereto, as amended. Violations must be reported to the Federal awarding agency and the Regional Office of the EPA. The Contractor and any of its Subcontractors for work funded under this Agreement which is in excess of \$150,000, agree to the following requirements:

- A. A stipulation by the Contractor or Subcontractors that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the EPA.
- B. Agreement by the Contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 7401-7671q) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1254) relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued there under.
- C. A stipulation that as a condition for the award of the contract prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Agreement by the Contractor that he will include or cause to be included the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility which has given rise to a conviction under Section 113(c) (1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

**SEC. 12. LEAD BASED PAINT.** The use of lead-based paint in the federally assisted construction or rehabilitation of residential structures (including day cares, senior centers, and community facilities) is prohibited by Section 401(b) of the Lead-Based Paint Poisoning Prevention Act [42 U.S.C. 4831(b)] and regulations in 24 CFR Part 570.608 and 24 CFR 35, as amended.

**SEC. 13. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The Contractor agrees and assures that it, its Subcontractors and third party Contractors will review the "Excluded Parties Listing System" at sam.gov before entering into any contract. The CITY will be reviewing all third-party Contractors under the Excluded Parties Listing System at sam.gov before entering into any contracts.

**SEC. 14. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding

the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

**SEC. 15. BREACH OF CONTRACT OR DEFAULT.** If the Contractor refuses or fails to prosecute the work or any separable part, with the diligence that will insure its completion within the time specified in this contract or any extension or fails to complete the work within this time, or if the Contractor fails to comply with any other provisions of this contract, the CITY may terminate this contract for default. The CITY shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. In this event, the CITY may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the CITY resulting from the Contractor's refusal or failure to complete the work within specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the CITY in completing the work. The Contractor's right to proceed shall not be terminated nor will the Contractor be charged with damages under this clause if-

1. the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, epidemics, quarantine restrictions, strikes, freight embargoes; and
2. the Contractor, within [10] days from the beginning of any delay, notifies the Owner in writing of the causes of delay. If in the judgment of the Owner, the delay is excusable, the time for completing the work shall be extended. The judgment of the Owner shall be final and conclusive on the parties, but subject to appeal under the Disputes clauses.

If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the CITY.

The CITY in its sole discretion may, in the case of breach of contract, allow the Contractor a specified period of time in which to correct the defect. In such case, the notice of termination will state the time period in which the correction is permitted and other appropriate conditions.

If Contractor fails to remedy to the project's satisfaction the breach or default or any of the terms, covenants, or conditions of this contract within twenty (20) days after written notice from the project setting forth the nature of said breach or default, the CITY shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude the CITY from also pursuing all available remedies against Contractor and its sureties for said breach or default.

**SEC. 16. LEGAL REMEDIES & RESOLUTION OF DISPUTES.** *(As stated in 2 CFR Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards).* All contracts shall contain provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where Contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate. Contractors are referred to general conditions included in contracts for detailed provisions.

- A. Disputes - Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of the project. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the authorized representative of the project. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the authorized representative of the project shall be binding upon the Contractor and the Contractor shall abide by the decision.
- B. Performance During Dispute - Unless otherwise directed by project, Contractor shall continue performance under this Contract while matters in dispute are being resolved.
- C. Claims for Damages - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.
- D. Remedies - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the CITY and the Contractor arising out of or relating to this agreement or its breach may be resolved by mediation if the parties mutually agree, or in a court of competent jurisdiction Sanford, Lee County, North Carolina.
- E. Rights and Remedies - The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the CITY or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

**SEC. 17. TERMINATION PROVISION.** *(As stated in 2 CFR Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards).* All contracts in excess of \$10,000 shall contain suitable provisions for termination by the grantee including the manner by which it will be affected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the Contractor. Contractors are referred to general conditions included in contracts for detailed provisions.

1. If federal funding for this project is terminated and no other funding is available for continuation of this project, the CITY will not be obligated to continue funding for the services contained in this contract and may terminate the contract.
2. In the event of termination, all property and finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by or purchased with CDBG/HOME funds by the Contractor under this contract shall, at the option of the CITY, become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

## ATTACHMENT C

### CDBG GRANT AGREEMENT

As SUBRECIPIENT of the CITY OF SANFORD's CDBG-NEIGHBORHOOD REVITALIZATION grant, the SANFORD HOUSING AUTHORITY will collaborate with CITY and conduct the project in the same manner and extent the CITY is bound by the Grant Agreement and Funding Approval with the North Carolina Department of Commerce (DOC) Rural Economic Development Division (REDD) for the *Linden Avenue Neighborhood Improvements Project*, grant number 17-C-2990.

**The Grant Agreement and Funding Approval is included herein as the Grant Agreement identified as Attachment C.**



**Rural Economic Development Division  
Community Development Block Grant Program  
Funding Approval**

**1. Name and Address of Recipient**

City of Sanford  
Post Office Box 3729  
Sanford, North Carolina 27331

**2. Grant Number and Funding Approval Date**

Grant Number: 17-C-2990  
Date of Original Funding Approval: 2/13/19  
Date of Amended Funding Approval:

**3. Approved Projects**

**Approved Amount**

C1	2017 CDBG NR Project	\$750,000.00
<b>Total Grant Award</b>		<b>\$750,000.00</b>

**4. Funding Approval Conditions**

The following conditions must be removed in writing by Rural Economic Development Division (REDD) in order for all funds to be released for the approved project(s) listed in item (3), above:

**A. Environmental Condition:**

No funds may be obligated or expended in any project activity except for the administration activity in the C-1 project until the recipient has complied with the Environmental Review Procedures for the N.C. CDBG Program and the CDBG regulations contained in 4 NCAC 19L.1004.

**B. Citizen Participation and Compliance Condition:**

No funds may be obligated or expended in any project activity except for the administration activity until REDD is provided with the following documentation of compliance with citizen participation requirements in the application process [4NCA 19L.1002(b)]: publisher's affidavits of notices for and minutes signed by the town (or the county as applicable) clerk of the two required public hearings.

**C. Administration Contracts/Inter-local agreements Condition:**

No funds may be obligated or expended in any project activity except the administration activity until the recipient has submitted either a copy of the contract awarded for administration of this grant or a statement signed by the CEO stating that the contract will be administered internally.

**D. Use of Experienced CDBG Administrator:**

No funds may be obligated or expended for the administration activity until the recipient has submitted a statement signed by the CEO stating that they will be using an experienced CDBG administrator or local government staff. This person should be one who has actually administered more than one (1) CDBG project. Please note that if issues result from the CDBG administrator, the local government will be subject to 4 NCAC 19L.

**E. Performance Based Contract Condition:**

No funds may be obligated or expended in any project activity except for the administration activity until the recipient has returned to REDD one copy of the properly completed Performance Based Contract signed by the CEO.

**Additional Conditions:**

**F. Organizational Chart and Resumes:**

No funds may be obligated or expended in any project activity except for the administration activity until the recipient has returned to REDD the Organizational Chart. The Organizational Chart was to be submitted as part of the application.

**G. Beneficiaries:**

No funds may be obligated or expended in any project activity except for the administration activity until the recipient has returned to REDD a corrected NC Neighborhood Benefit Low-Moderate-Income Form to reflect the accurate total of beneficiaries. Please see Columns 4 and 6, Rows 10 and 11 of the referenced form in Item G above.

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**5. Signature of Authorized Official**

*[Handwritten Signature]*  
Name

2/13/19  
Date

\_\_\_\_\_  
Title

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**6. Signature of Authorized Local Official**

*[Handwritten Signature]*  
Name

April 16, 2019  
Date

Mayor  
Title




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**North Carolina Department of Commerce  
Rural Economic Development Division  
Community Development Block Grant Program**

**Grant Agreement  
Neighborhood Revitalization Program**

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Upon execution of this grant agreement, the North Carolina Department of Commerce (DOC) agrees to provide to the **City of Sanford**, ( the "Recipient" and collectively with DOC, the "Parties"), Community Development Block Grant (CDBG) assistance under Title I of the Housing and Community Development Act of 1974, (P.L. 93-383), as amended, authorized (and subject to Recipient's compliance with) the DOC funding approval, the North Carolina Community Development Block Grant administrative rules, other applicable laws, rules, regulations, and all other requirements of DOC now or hereafter in effect. The grant agreement is effective on the date the grant agreement and funding approval are signed by the Recipient. The grant agreement consists of the program guidelines and the approved application, including the certifications, maps, schedules and other submissions in the application, any subsequent amendments to this document or the approved application and funding approval and the following general terms and conditions:

1. **Definitions.** Except to the extent modified or supplemented by the agreement, any term defined in the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L, shall have the same meaning when used herein.
  - (a) Agreement means this grant agreement, as described above and any amendments or supplements thereto.
  - (b) Recipient means the **City of Sanford**, the entity designated as a recipient for grant assistance in the grant agreement and funding approval.
  - (c) Certifications mean the certifications submitted with the grant application pursuant to the requirements of Paragraph (e) of Rule .0407 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L.
  - (d) "Assistance" or "Grant" means the grant funds provided under this Agreement from funds allocated to the State of North Carolina from the Federal Treasury through the CDBG and supporting laws, rules, requirements and regulations, in the amount of **\$750,000** except as modified.
  - (e) Program means the community development program, project, or other activities, including the administration thereof, for which assistance is being provided under this Agreement and which is

described in the Recipient's approved application, as may be modified.

- (f) The date for receiving the grant means the date of the REDD Director's signature on the Grant Agreement and Funding Approval.
2. **Timely Execution.** Due to the need to expedite the use and expenditure of CDBG funds, Recipient's failure to execute and return a copy of the Agreement within 60 days of the date of the REDD Director's signature on the Grant Agreement and Funding Approval may be deemed by DOC to determine the funds are available for reallocation to other subrecipients.
3. **Obligations of the Recipient.** The recipient shall perform the Program as specified in the application approved by DOC as may be amended with DOC approval. The Recipient hereby certifies that it will comply with all applicable federal and state laws, regulations, rules and Executive Orders, pursuant to Paragraph (e) of Rule .0407 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L. The Recipient shall also comply with all other lawful requirements of DOC, all applicable requirements of the General Statutes of the State of North Carolina specifically N. C. G. S. 87-1-87-15.9 and any other applicable laws, rules, regulations, requirements, and Executive Orders currently or hereafter in force. Recipient is prohibited from any fraud, waste and abuse of CDBG funds by any person or entity. The rules contained in 4 N.C.A.C. 19L (as well as applicable federal rules and regulations) are part of the Agreement, except where specifically modified by applicable law, rule, regulation, DOC, the CDBG HUD Program Requirements and any subsequent amendments, regulations or clarifications to any of the foregoing.

Additionally, Recipient agrees to ensure compliance with respect to the Program and the Grant (and any of its proceeds) with all applicable federal and state laws, rules, regulations and requirements, including but not limited to the following (as each may be modified or amended): (1) the CDBG HUD Program Requirements; (2) Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et seq*), (3) existing CDBG laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570; (4) North Carolina laws, rules, regulations and requirements; (5) DOC guidance and requirements regarding CDBG now or hereafter in effect, including but not limited to: DOC's CDBG Guidelines and Application Instructions, and DOC bulletins or other guidance documents; and (6) Recipient's own approved CDBG application to DOC, as may be amended with DOC approval.

4. **Obligations of Recipient with Respect to Certain Third Party Relationships.** Recipient is responsible to DOC for ensuring compliance with the provisions of this Agreement and all applicable laws, rules, regulations and requirements, even when the recipient designates a third party or parties to undertake all or any part of the Program. The Recipient shall comply with all lawful requirements of DOC necessary to ensure that the program is carried out in accordance with the Recipient's certifications including but not limited to the certification of assumption of environmental responsibilities under Rule .1004 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L. If the Recipient contracts with or designates a third party to undertake all or part of the Program, the Recipient's contract with the third party must require the third party to comply with this Agreement, all applicable laws, rules, regulations and requirements, including but not limited to the procurement standards set forth in 4 N.C. Administrative Code 19L .0908 as may be applicable.

Recipient shall likewise ensure that all subrecipient contracts regarding Grant funds or relating to the Program include all required contractual elements in order to be in compliance with all Federal, State and local laws, including but not limited to the provisions contained in 24 C.F.R. § 570.503, 24 C.F.R. § 85.37, and other provisions described throughout this Agreement, where applicable. In any event, the Recipient is liable to DOC and HUD for any improper expenditures, damage, loss or harm resulting from the failure of any person or entity to comply with any applicable law, rule, regulation or requirement regarding the Grant funds and/or the Program, including but not limited to an act or omission by a subrecipient or other third party. The Recipient agrees to periodically and rigorously monitor and audit its subrecipients and other third parties to ensure compliance with all applicable requirements.

Any subcontracts or subrecipient agreements entered into by the Recipient with Grant funds shall be subject to all terms and conditions of this Agreement. Payment of all subcontractors and subrecipients shall be the sole responsibility of the Recipient, and DOC shall not be obligated to pay for any work performed by any subcontractor or subrecipient. The Recipient shall be responsible for the performance of all subcontractors and subrecipients and shall not be relieved of any of the duties and responsibilities of this Agreement as a result of entering into subcontracts or subrecipient agreements.

5. Changes to Agreement. Recipient agrees that DOC may supplement or modify this Agreement as may be necessary to implement additional or modified Federal or State guidance regarding implementation of the CDBG program.
6. Conflict of Interest. Recipient agrees to comply with all applicable conflict of interest provisions, including but not limited to those found at 4 N.C.A.C. 19 L .0908 and .0914, N.C. Gen. Stat. § 14-234, 24 C.F.R. § 85.36, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 570.611, where applicable, copies of which may be obtained from DOC.

Except for eligible administrative or personnel costs, the general rule is that no persons described in the following sentence who exercise or have exercised any functions or responsibilities with respect to grant activities assisted under this Agreement or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a Grant-assisted activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The conflict of interest summary in the sentence above generally applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or Recipient or applicable third parties which are receiving CDBG grant funds.

Recipient agrees to include these same prohibitions in all such contracts or subcontracts with any subrecipients or other third parties relating to the Program.

In any event, the Assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining DOC approval of the application for such assistance, or DOC approval of applications for additional assistance, or any other approval or concurrence of DOC required under this Agreement, or the North Carolina Community Development Block Grant Administrative Rules, with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not prohibited if otherwise eligible as program costs and allowed by applicable law.

Additionally, certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by HUD and/or DOC upon written request and the provision of information specified in 24 C.F.R. § 570.489(h)(ii)(4).

7. Reimbursement to DOC for Improper Expenditures. The Recipient will reimburse DOC for any amount of Grant assistance improperly expended, either deliberately or non-deliberately, by any person or entity. Additionally, a contract for administrative services shall include a clause holding the administrator organization responsible for reimbursement to the Recipient for any improperly expended grant funds that had to be returned to DOC.
8. Recordkeeping Requirements. Recipient will maintain any and all records and comply with all responsibilities as may be required under typical CDBG recordkeeping (for example, records and responsibilities set forth in 4 N.C.A.C. 19L.0911 (“Recordkeeping”), 24 C.F.R. 570.490 (“Recordkeeping Requirements”), 24 C.F.R. § 570.506 (“Records to be maintained”) and 24 C.F.R. § 85.42 (“Retention and Access Requirements for Records”) as each may be modified by HUD or DOC) as well as records and responsibilities related to CDBG or specifically to CDBG funds. Recipient agrees to comply with any additional record-keeping requirements now or hereinafter set forth by DOC, HUD or any other federal or state entity.
9. Access to Records. The Recipient shall provide any duly authorized representative of DOC, the State of North Carolina, the federal Department of Housing and Urban Development (HUD), and the Comptroller General, the Inspector General and other authorized parties 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 grant for a period of five years following the completion of all close-out procedures. All original files shall be maintained at the Local Government offices for access purposes.
10. Release of Personal, Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Recipient shall obtain and retain personal, income-related, financial, tax and/or related information from individuals and families that are benefitting from Grant or Program funds. Additionally, Recipient is obligated to provide access to any and all information relating to the Program to DOC, HUD or some other appropriate federal or state monitoring entity, upon DOC’s request. This obligation includes, but is not limited to, the personal, financial and identifying information of individuals assisted by the Program. As such, Recipient shall obtain any releases or waivers from all individuals or entities necessary to ensure that this information

can be properly and legally provided to appropriate federal and state entities, including DOC and HUD, without issue or objection by the individual or entity.

11. Project Savings. The Recipient is obligated to contribute 100 percent of its pledged cash contribution to the CDBG project even if the project experiences a savings after authorized activities are completed. Any project savings accrue to the CDBG program. **Substitution of in-kind contributions for cash is not allowed.**
12. Expenditure of Non-CDBG Funds. The recipient must ensure that non-CDBG funds are expended along with CDBG funds, following the implementation schedule described in the approved application and modified by the Performance Contract (or otherwise with DOC approval), and shall report on non-CDBG expenditures with each Annual Performance Report, consistent with Section .1100 PERFORMANCE of the program regulations (4NCAC 19L) as well as any other applicable reporting requirements.
13. Method of Payment. The Department of Commerce uses the Office of State Controller (OSC) to make CDBG payments to units of local government. The Electronic Payment Form from OSC must be completed for funds to be electronically transferred. Arrangements must be made with the Finance Officer in the Rural Economic Development Division if a Recipient does not want to use the electronic funds transfer.
14. Fair Housing. Recipients of CDBG funds are required to comply with fair housing and non-discrimination laws and regulations. Recipients should consult Section .1001 of the CDBG administrative rules for further information on equal opportunity requirements. Recipients are required to submit a fair housing plan for its jurisdiction. Recipients with 10,000 persons or more will be required to complete an Analysis to Impediments to Fair Housing Choice Study. For each grant year that a CDBG project is active, a Recipient must describe the actions it will take in the areas of enforcement, education and removal of barriers and impediments to affirmatively further fair housing. Guidance for developing a Fair Housing Plan can be found in REDD Bulletin 93-4 and the CDBG Implementation Notebook.
15. Equal Employment and Procurement Opportunity. A Recipient must describe the actions it will take annually while the grant is open in the areas of enforcement, education and removal of barriers and impediments that affirmatively further equal access in employment and procurement. This includes a description of steps to be taken in the areas of advertisement, compliance and complaint tracking.
16. Local Economic Benefit (Section 3 Regulation). For each year that a CDBG is active, the Recipient must describe a strategy whereby opportunities in employment and procurement arising out of a CDBG assisted project are identified and made available to low-income residents within the CDBG assisted area to the greatest extent feasible. This strategy must include (1) identification of training and technical assistance resources to prepare low-income residents for employment and procurement opportunities, (2) attempts to reach the numerical targets for new hires set forth in the Section 3 regulation, which applies to Recipients receiving \$200,000 or more in non-administrative line items expended for construction contracts and (3) education of low-income residents within the CDBG assisted area about the components and opportunities of the program.

In addition, Recipients will be required to coordinate additional activities as it relates to Section 3 with the DOC CDBG Compliance Office.

17. Section 504 and ADA. Recipients must complete the Section 504 Survey and Transition Plan. This plan will not satisfy all the requirements of the Americans with Disabilities Act, but it will meet the minimum requirements for a CDBG assisted project.
18. Environmental Review. Recipients of CDBG funds are required to complete the document entitled "Environmental Review Procedures for the CDBG Program." Once the Environmental Review Record (ERR) is received, REDD will review for completeness and submit selected CDBG ERRs if required to the State Clearinghouse for other State agencies to review and comment. Recipients cannot conduct any program activities until REDD issues an environmental clearance.
19. Language Access Plan (LAP). Recipients of Federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important government programs, services, and activities. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and its implementing regulations require that Recipients take responsible steps to ensure meaningful access by LEP persons. Recipients will be required to submit a language access plan using the approved template from REDD. The plan will address the LAP policy, translation of required vital documents, and requirements for citizen participation.
20. Procurement Standards. Where applicable, Recipient shall follow the procurement standards established in the "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (24 C.F.R., Part 85) and HUD implementing regulations contained in 24 C.F.R. § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. 4 N.C.A.C. 19L.0908.
21.
  - a. Any Recipient or Subrecipient shall follow other applicable procurement standards set forth in 4 N.C.A.C. 19L.0908, and the relevant laws cited therein, including but not limited to, laws related to conflicts of interest (N.C.G.S. §14-234), public building contracts (N.C.G.S. § 148-128 to 135), and payment and performance bonds (N.C.G.S. § 44A-25 through 35); acquisition and relocation (4 N.C.A.C. 19L.1003); property management standards (4 N.C.A.C. 19L.0909); equal opportunity (4 N.C.A.C. 19L.1001); and labor standards (4 N.C.A.C. 19L.1006).
  - b. Recipient shall likewise follow all other applicable federal and state procurement rules, guidelines and procedures, including those set forth in Office of Management and Budget Circular No. A-87 ("Cost Principles for State and Local Governments").

In any event, per 24 C.F.R. 570.489(g), all purchase orders and contracts shall include any clauses required by Federal statutes, executive orders and implementing regulations.

Additionally, Recipient acknowledges and agrees that, in its conduct under this Agreement and in connection with any and all expenditures of Grant funds made by it, Recipient, its officers, agents and employees shall be and are subject to the provisions of the North Carolina General Statutes and the North Carolina Administrative Code relating to and governing procurement, public contracts, suspension and debarment. Recipient further acknowledges and agrees that, in the event that it grants any of the Grant funds awarded hereunder to one or more subrecipients or other applicable entities, Recipient shall, by

contract, ensure that the provisions of all applicable laws relating to and governing procurement, public contracts, suspension and debarment are made applicable to and binding upon any and all subrecipients and/or other applicable entities.

22. **Labor Standards.** Recipient shall follow all applicable laws, rules and regulations concerning the payment of wages, contract work hours, safety, health standards, and equal opportunity for CDBG-R programs, including but not limited to the rules set forth in 4 N.C.A.C 19L.1006, 24 C.F.R. § 570.603 and the following (as may be applicable to CDBG-R projects):
- a. Davis-Bacon Act (40 U.S.C.A. 276a). Among other provisions, this act requires that prevailing local wage levels be paid to laborers and mechanics employed on certain construction work assisted with CDBG funds.
  - b. Contract Work Hours and Safety Standards Act (40 U.S.C.A. 327 through 333). Under this act, among other provisions, laborers and mechanics employed by contractors and subcontractors on construction work assisted with CDBG funds must receive overtime compensation at a rate not less than one and one-half the basic rate of pay for all hours worked in excess of forty hours in any workweek. Violators shall be liable for the unpaid wages and in addition for liquidated damages computed in respect to each laborer or mechanic employed in violation of the act.
  - c. Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring among other things that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.
  - d. Federal anti-kickback laws (18 U.S.C. 874 and 40 U.S.C. 276), which, among other things, outlaws and prescribes criminal penalties for "kickbacks" of wages in federally financed or assisted construction activities. Weekly statements of compliance and weekly payrolls must be provided by all contractors and subcontractors.

Recipient agrees to maintain records regarding compliance with the laws and regulations cited in 4 N.C.A.C. 19L.1006 (including the citations listed above) in accordance with 4 N.C.A.C. 19L.0911.

All contracts between Recipient and third parties shall contain labor standards provisions as required in 4 N.C.A.C. 19L.1006.

23. **Architectural Barriers.** Per 4 N.C.A.C.19L.1007, 24 C.F.R. §§ 570.487 and 570.614 and other applicable law, all applicable buildings or facilities designed, constructed or altered with CDBG Grant funds shall be made accessible and useable to the physically handicapped as may be required by applicable laws, rules, regulations or requirements. Additionally, Recipient must comply with the following (as may be applicable to CDBG projects):
- a. Architectural Barriers Act of 1968 (P.L. 90-480). This act requires Recipient to ensure that certain buildings constructed or altered with CDBG funds are readily accessible to the physically handicapped.
  - b. Minimum Guidelines and Requirements for Accessible Design 36 C.F.R. Part 1190. These regulations establish guidelines for implementing the federal acts described in 4 N.C.A.C.19L.1007(1)(a). The regulations provide technical standards which must be met by Recipient.
  - c. Americans with Disabilities Act ["ADA"] and the ADA Accessibility Guidelines for Buildings and Facilities or the Uniform Federal Accessibility Standards.

- d. North Carolina Building Code, Volume I, Chapter 11-X. These provisions describe minimum standards Recipient must meet in constructing or altering building and facilities, to make them accessible to and useable by the physically handicapped.
24. Change of Use of Real Property. Recipient agrees not to change the use or planned use of any property acquired with CDBG funds from that for which the acquisition or improvement was made, in accordance with this Agreement and applicable law, rule, regulation or requirement, unless (i) the DOC grants explicit written approval and (ii) the requirements of 24 C.F.R. § 570.489(j), 24 C.F.R. § 570.505 and other applicable requirements are followed, as modified (or as may be modified) by HUD or DOC.
24. Obligation of Recipient With Regard to Vacant Units. The recipient shall ensure that all vacant units being rehabilitated will be occupied by a low or moderate income person by the time close-out occurs.
25. Utility Assessments or Fees: Assessments or fees to recover the CDBG funded portion of a utility project may be charged to properties not owned and occupied by low and moderate income persons. Such assessments are program income and, as such, must be used for eligible CDBG activities that meet a CDBG national objective.
26. False or Misleading Information. Recipient is advised that providing false, fictitious or misleading information with respect to CDBG funds may result in criminal, civil, or administrative prosecution under 18 U.S.C. § 1001, 18 U.S.C. § 1343, 31 U.S.C. § 3729, 31 U.S.C. § 3801, or another applicable statute. Recipient shall promptly refer to DOC and HUD's Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CDBG funds.
27. Disputes with DOC. If Recipient has any disagreement or dispute with any action or inaction by DOC, Recipient shall inform DOC by letter addressed to Iris Payne, Director, Department of Commerce – Rural Economic Development Division, 4346 Mail Service Center, Raleigh, NC 27699-4346. The Rural Economic Development Division ["REDD"] will endeavor to respond in writing to said letter within 30 days from receipt. Recipient shall not be entitled to a hearing under Chapter 150B for matters described in N.C. Gen. Stat. § 150B(c)(8), added by N.C. Senate Bill 960, including matters related to "contracts, disputes, protests, and/or claims arising out of or relating to the implementation of the [CDBG]." This includes actions arising out of or related to this Agreement or the Program.
28. Disputes or Complaints by Subrecipients or Other Entities. Recipient is responsible for developing, implementing and utilizing its own dispute resolution procedures with respect to disputes and/or complaints between and among Recipient, a Subrecipient, a contractor and/or any other person or entity (other than DOC). This includes (but is not limited to) procedures relating to procurement disputes or protests discussed in 24 C.F.R. 85.36. In the event of a dispute between and among Recipient, any Subrecipient, contractor and/or any other persons or entities (not including DOC), Recipient shall make every effort to resolve the dispute pursuant to its own dispute resolution procedures and shall issue a final decision on the matter as soon as is reasonably practicable. Recipient's dispute resolution procedure shall provide that, in the event that any party to such a dispute or complaint is dissatisfied with the final decision or other resolution provided by Recipient, the dissatisfied party shall appeal to

the North Carolina Superior Court in an appropriate County for a trial de novo, to the extent that jurisdiction is proper pursuant to N.C. Gen. Stat. § 7A-240 and other applicable law.

29. Schedules

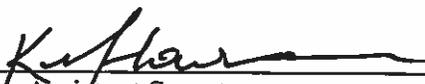
- (a) Schedule for Release of Conditions and Completion Activities. The Recipient must satisfy all Funding Approval Conditions to release CDBG funds within 3 months (May 13, 2019) from the date the Grant Agreement and Funding Approval were signed by the REDD Director. The recipient must draw down all CDBG funds, expend all local non-CDBG funds and complete all project activities in conformance with the activities implementation schedule in the application as modified by the Performance Based Contract.
- (b) The Recipient must obligate all funds within 27 months (May 13, 2021) from the date the Grant Agreement and Funding Approval are signed by REDD Director.
- (c) All funds are to be expended within 30 months (August 13, 2021) from the date the Grant Agreement and Funding Approval are signed by REDD Director. Any remaining funds will be de-obligated.
- (d) All closeout documents must be returned to REDD by (November 13, 2021).
- (e) Schedule for Submission of Compliance Documents. The Recipient must submit the following compliance documents within the specified number of months from the date the Grant Agreement and the Funding Approval were signed by the REDD Director:
- **Environmental – 4 months (June 13, 2019)**
  - **Equal Employment and Procurement Plan – 4 months (June 13, 2019)**
  - **Section 3 Plan – 4 months (June 13, 2019)**
  - **Section 504 Plan – 4 months (June 13, 2019)**
  - **Language Access Plan – 4 months (June 13, 2019)**
  - **Analysis of Impediments- 4 months (June 13, 2019)**
  - **Request for Release of Funds – 5 months (July 13, 2019)**
- (f) Timely Draw down of Funds. Recipient is expected make timely drawdowns so that funds are expended in a timely manner.
30. Quarterly Progress Report. Per Bulletin 09-1, Recipient shall ensure that a quarterly progress report that reflects approved CDBG program activity progress and CDBG financial status is presented to Recipient's elected board and a copy of that report, endorsed by the Chief Elected Official or the county/city/town manager will be provided to DOC not later than the tenth (10<sup>th</sup>) day of the month following the ending month of the reporting period.
31. Performance Measures  
The CPD Performance Measurement System is HUD's response to the standards set by the Government Performance and Results Act (GPRA) of 1993. This act holds all Federal agencies accountable for establishing goals and objectives and measuring achievements.
- (a) The recipient must ensure that all activities in the funded project(s) meet the appropriate objectives, outcomes, and indicators established by HUD and selected by DOC. CDBG funds cannot be used to pay for any activity that does not meet the above requirement.

- (b) The recipient must also assist DOC, when requested, in collecting indicators and any other data necessary to fulfill the requirements of the CPD Performance Measures System, which includes data for the Integrated Disbursement and Information System (IDIS).

Upon execution of this agreement by DOC and the Recipient, the Recipient hereby accepts the assistance on the terms of this grant agreement effective on the date indicated below, and further certifies that the official signing this document has been duly authorized by the recipient's governing body to execute this Grant Agreement.

Secretary of the Department of Commerce

Date: 2/13/19

By:   
 Assistant Secretary  
 Rural Economic Development Division

Date: \_\_\_\_\_

\_\_\_\_\_  
 Name of Recipient

By:   
 Signature of Authorized Official  
Mayor  
 (Title)

**ATTACHMENT D**

**SANFORD HOUSING AUTHORITY COMMITMENT WITH NC  
HOUSING FINANCE AGENCY**



North Carolina Housing Finance Agency  
 3508 Bush Street  
 Raleigh, NC 27609  
 (919) 877-5700

**IMPORTANT NOTICE:** The North Carolina Housing Finance Agency makes loans under the Supportive Housing Development Program on a competitive basis based upon the information submitted in the Application. Any change which occurs after the date of the Application, including the availability of additional financing from sources other than the Supportive Housing Development Program, will result in the Agency re-evaluating the qualifications of the Borrower for this loan program, and may result in a reduction of the loan amount or the cancellation of this Commitment.

CONDITIONAL COMMITMENT

February 1, 2019

Sanford Housing Authority  
 Attn: Ms. Shannon Judd  
 1000 Carthage St  
 Sanford, NC 27330-4115

RE: Linden Avenue Apartments  
 Sanford, Lee County, North Carolina  
 Agency Project #: 9250345

Dear Ms. Judd:

The North Carolina Housing Finance Agency ("Agency") has conditionally approved funding under the Supportive Housing Development Program ("SHDP") to provide assistance to a project known or to be known as Linden Avenue Apartments ("Project"). The Project consists of the adaptive re-use of a vacant commercial building, which will create of five (5) permanent housing units for low income households, with one (1) unit set aside for persons with disabilities and three (3) units set aside for households with income below fifty percent (50%) of area median income. The Project site is located at 226 Linden Ave, Sanford, Lee County, which includes land, improvements, easements and development rights (collectively, the "Property"). This approval and all terms and conditions are based on information provided to the Agency and the Agency's underwriting. The terms and conditions of the loan ("Loan") are as follows:

**Borrower:** Sanford Housing Authority

**Loan Amount:** \$440,000.00

**Source of SHDP Funds:** HTF SA

**Other Sources of Funds:** CDBG Grant

**Interest Rate:** 0%

**Term:** 30 years

**Security:** Secured by Deed of Trust on Property (1st lien position).

**General Conditions for Funding:**

A Final Commitment Letter, detailing all of the terms and conditions of funding, will not be issued until the items on the attached checklist have been received in a form satisfactory to the Agency. In addition, all other public and private sources of Project debt and equity financing must be committed to the Project subject only to standard conditions acceptable to the Agency.

In addition, all other sources of funds must be committed to the Project subject only to standard conditions acceptable to the Agency. All written commitments must be submitted to the Agency at the earlier of the issuance of the Final Commitment Letter or 12 months from the date of this Conditional Commitment Letter.

**Other Terms:** The Agency may treat any promise, representation or other statement made by the Borrower, or any representative of Borrower, in connection with the Loan as material to its obligation under this Conditional Commitment Letter. The commitment to make the Loan expires one year from the date of this Conditional Commitment Letter.

The Agency may require additional requirements be fulfilled as it deems necessary. Please sign this letter to indicate your acceptance of the conditions for funding, and return the original to the Agency.

Sincerely,

NORTH CAROLINA HOUSING FINANCE AGENCY

By: Paul E. Kimball

Name: Paul E. Kimball

Title: Director of Community Living Initiatives and Rental Assets

Date: 3-4, 2019

On behalf of Sanford Housing Authority, I acknowledge that I understand and agree to comply with the terms and conditions of this Conditional Commitment letter and the SHDP Loan (as described herein).

Accepted:

Sanford Housing Authority,  
a North Carolina non-profit corporation

By: Shannon Judd

Name: Shannon Judd

Title: CEO

Date: February 27, 2019

**CHECKLIST OF DOCUMENTATION REQUIRED  
PRIOR TO ISSUANCE OF FINAL COMMITMENT LETTER  
Agency Project #9250345 Project: Linden Avenue Apartments**

Documentation	Received	Approved	Notes
1. HUD Environmental Review (not required for HTF & HOME Match funded projects)	N/A		
2. Phase I Environmental			
3. Agreement to enter into a contract with PHA/AHAP (if applicable)			
4. Affirmative Fair Housing Marketing Plan			
5. Copy of Lease  For Emergency Shelters, Group Homes and no-rent transitional type housing:  - Copy of resident program agreement - Copy of house/program rules			
6. Tenant Selection Plan			
7. Property Management Plan & Agreement			
8. Final Approval Plans & Specifications			
9. Commitments for all other development funding			
10. Signed Energy Efficiency Contract			
11. Signed Construction Contract			
<b>Please send all above items to the Agency at: NC Housing Finance Agency Attn: Liz Hair, Paralegal P.O. Box 28066 Raleigh NC 27611-8066 Tel #: (919) 877-5712 Fax #: 919.877.5701 echair@nchfa.com</b>			

## Hal Hegwer

---

**From:** Thompson, Mark C <mcthompson1@ncdot.gov>  
**Sent:** Monday, May 11, 2020 2:58 PM  
**To:** hal.hegwer@sanfordnc.net  
**Cc:** Cagle, Douglas C  
**Subject:** NCDOT Municipal Mowing Agreement Renewal  
**Attachments:** EXAMPLE REPORT 2019 Town of Carthage Mowing Report.pdf; 2020 Lee-Sanford-Mowing #3989 Pre-work Letter.pdf

Hello Mr. Hegwer,

Please see the attached renewal letter for the 2020 mowing season. This is a little late this year due to the ongoing directives from NCDOT management concerning our budget issues. As you will see in the letters, we are reducing mowing cycles this season to two (2) cycles. We have also pushed back our mowing start dates to June 1st. In our Division, we typically start on April 1<sup>st</sup> in our northern counties and start on May 1<sup>st</sup> in our southern counties. Regardless of your location, there will be an obvious deficit in mowing on NCDOT maintained roads this season. For the record, we mowed four cycles last season, but typically mow five cycles per season. Despite mowing only four cycles last season, we still paid municipalities for five (5) cycles because we had already sent out the renewal letters and agreed to it.

Please pass along this information to your managers in charge of mowing.

- Roads can be added or removed from the list, but generally should be done at the end of a season, or before the beginning of a season.
- Our mowing cycles are divided into "Routine" and "Cleanup". This is how we pay the contractor, and consequently the municipalities. There is not a lot of difference in routine cuts and cleanup cuts on secondary roads. Routine cuts on secondaries are to the bottom of the ditch and at least one mower pass up the other side of the ditch. We call that a "Swath" cut. Cleanup cuts add additional cutting width where possible, but definitely more mowing around intersections. There is a lot of difference between routine and cleanup on divided primary highways. Routine cuts may mow to the ditch line and one pass beyond on divided highways. Interchanges are only partially cut. Cleanup cuts are from tree line to tree line and include all turf area in the interchanges. Generally, most municipalities cut cleanup cuts wherever they mow. However, we are restricted to pay for only what our contractor would cut if they were doing it.
- Fuel Surcharge – Nobody likes it and most do not understand it. It is an adjustment that changes monthly based on the average fuel costs. It adds additional money when average fuel prices rise above the Base Index Price. It also can take money away when average fuel prices drop below the Base Index Price. The important part to remember is that we need a mowing report from the municipality that breaks down the mowing cycles by month. See the next item.
- A mowing report is needed from the municipality to get an accurate invoice with correct fuel adjustment. This report can be done throughout the mowing season or at the end of the season. We need a minimum of the dates, routes mowed, and mileages. It is helpful if this information is broke down by cycle and/or month. I have attached an example report from the Town of Carthage in 2019 that shows 5 cycles of mowing, 3 routine and 2 cleanup, with dates and road names. Once we have this information, we can enter it in our spreadsheet to calculate the fuel adjustment and send it back to the municipality for invoicing. I would highly recommend that your report include all cycles mowed by the municipality. Should our budget restrictions change throughout the season, there could be an opportunity for addition payment for mowed cycles.

As always, please feel free to call me or email with questions or concerns. You may also send inquiries to Doug Cagle at [dccagle@ncdot.gov](mailto:dccagle@ncdot.gov) or call at (910) 773-8062.

Sincerely,

**Mark C. Thompson**  
Division Roadside Environmental Engineer  
Division Litter Manager  
NCDOT Division 8

910 773 8060 office  
910 635 6700 mobile  
[mcthompson1@ncdot.gov](mailto:mcthompson1@ncdot.gov)

121 DOT Drive  
Carthage, NC 28327

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Email correspondence to and from this sender is subject to the N.C. Public Records Law and may be disclosed to third parties.



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

J. ERIC BOYETTE  
SECRETARY

May 11, 2020

Mr. Phillip Hegwer  
City Manager  
City of Sanford  
PO Box 3729  
Sanford, NC 27331-3729

PO #5900013001  
WBS #8RE.106315  
WBS #8RE.206315

Dear Mr. Hegwer,

We are notifying you that NC Department of Transportation is interested in continuing the Municipal Mowing Agreement with the City of Sanford. This mowing agreement was executed by and between the NC Department of Transportation and the City of Sanford on May 28, 2013. This agreement states that the Department shall reimburse the Municipality for the same number of mowing cycles as completed by the Department or its contractor. During our preseason mowing meeting we informed our mowing contractor that we would mow a maximum of 2 cycles during the 2020 mowing season. Therefore, in accordance with the mowing agreement, the City of Sanford would be eligible for reimbursement for a maximum of 2 cycles. Per the agreement, both (2) of these cycles on Primary Divided Highways will be clean-up cycles. For Primary Undivided and Secondary Highways, one (1) of these cycles will be a routine cycle and one (1) will be a clean-up mowing cycle.

The reimbursement will be based on the unit bid prices for the Department's current mowing contract and is estimated to be \$15,684.26. Please note that the final amount could be lower or higher than the amount indicated in the spreadsheet as NCDOT's current mowing contract also includes a monthly fuel price adjustment. Attached is a copy of a spreadsheet estimate of 2020 reimbursement and a copy of the current purchase order. The mileages on the spreadsheet are based on Attachment 1 of the Municipal Mowing Agreement. Changes may be made to the routes on Attachment 1 if requested in writing by the City. A copy of the original mowing contract and mowing agreement are available upon request. The Base Index Price (BIP) is \$2.3501 which was the BIP on October 1, 2018, the original date of project advertisement.

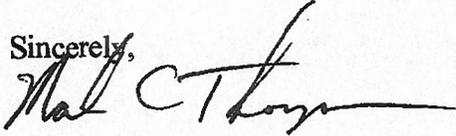
*Mailing Address:*  
NC DEPARTMENT OF TRANSPORTATION  
DIVISION OF HIGHWAYS  
DIVISION 8  
121 DOT DRIVE  
CARTHAGE, NC 28327

*Telephone*  
Division Office: (910) 773-8000  
Fax: (910) 947-3783  
*Website:* [www.ncdot.gov](http://www.ncdot.gov)

*Location:*  
ROADSIDE ENVIRONMENTAL UNIT  
3388 US HWY 15/501  
CARTHAGE, NC 28327  
(910) 773-8060

In Accordance with Item 9 in the mowing agreement, the agreement will be automatically extended. The agreement shall continue as written with adjustment to the unit prices to reflect current Contract prices described above. Please sign below to accept or reject the extension of this agreement and return to me. Upon acceptance, have appropriate City staff contact me regarding inspection frequency and record keeping for the monthly fuel adjustment. If you need further information, please advise.

Sincerely,



Mark C. Thompson  
Division Roadside Environmental Engineer

Municipal Agreement Accepted \_\_\_\_\_  
Signature of City Manager Date

Municipal Agreement Rejected \_\_\_\_\_  
Signature of City Manager Date

Attachments

Cc: Mr. Brandon Jones, PE, Division Engineer  
Mr. CE Dumas, Jr., PE, Division Maintenance Engineer  
file

**2020 City of Sanford Mowing Estimate Totals**  
**PO 5900013001**  
**Cycles without Fuel Adjustment**

<b>Line Item No.</b>	<b>Line Item Desc</b>	<b>Rate</b>	<b>Cycles</b>	<b>Qty (SHM)</b>	<b>Total</b>
10	Mowing, Primary Divided Cleanup	\$ 76.95	2	13.36	\$2,056.10
20	Mowing, Primary Undivided Routine	\$ 51.30	1	32.10	\$1,646.73
30	Mowing, Primary Undivided Cleanup	\$ 56.43	1	32.10	\$1,811.40
40	Mowing, Secondary Routine	\$ 46.17	1	104.34	\$4,817.38
50	Mowing, Secondary Cleanup	\$ 51.30	1	104.34	\$5,352.64

**Total** \$15,684.26

<b>A</b>	<b>Month</b>	<b>Fuel Adjustment</b>
\$0.0000	April	\$0.00
\$0.0000	May	\$0.00
\$0.0000	June	\$0.00
\$0.0000	July	\$0.00
\$0.0000	Aug	\$0.00
\$0.0000	Sept	\$0.00
\$0.0000	Oct	\$0.00
\$0.0000	Nov	\$0.00
	<b>Total Fuel Adj.</b>	<u>\$0.00</u>

**Total w/ fuel Adjustment :** \$15,684.26

**Fuel Adjustment Formula**

$S=(A-B)(Q*F)$

A=Varies Monthly (Actual OPIS price from the first working day of month)

B=(Actual Base Index Price) \$2.3501

Q= (Actual Shoulder Miles monthly partial payment quantity)

F=(Actual Fuel Factor for contract item) 1.6



N. C. DEPT. OF TRANSPORTATION  
 PURCHASING SECTION  
 1510 MAIL SERVICE CENTER  
 RALEIGH, N.C. 27699-1510  
 Agent: SHARON MCCALOP  
 Telephone: 919-707-2638  
 Fax: 919-733-8743

DIXIE LAWN SERVICE, INC.  
 DO NOT UNBLOCK-USE V#22039  
 PO Box 688  
 KINGS MOUNTAIN NC 28086

**PURCHASE ORDER**  
**3600044277**

RENEWAL

**SHIP TO:**  
 N. C. DEPT. OF TRANSPORTATION

*MULTIPLE DELIVERY ADDRESSES EXIST.  
 SEE ITEMS BELOW FOR INSTRUCTIONS  
 AND SEND DELIVERY AS INSTRUCTED.*

Attention: James McHenry Jr.  
 Telephone #: 704-718-1414  
 VENDOR NO: 2725

PURCHASE ORDER NUMBER & REQUISITION  
 NUMBERS MUST APPEAR ON ALL INVOICES,  
 SHIPPING PAPERS AND SHIPMENTS.

DATE: 01/30/2019	PAGE: 003 OF 4
CERT. BID/QUOTE: 54SM08118460	DELIVERY TERMS: FOB - destination
TERMS OF PAYMENT: Payable on Receipt	E PROCUREMENT #: DELIVERY DATE: (ALL ITEMS)

PLEASE ENTER OUR ORDER AS FOLLOWS (FOR IMMEDIATE SHIPMENT VIA CHEAPEST WAY UNLESS SPECIFIED). DO NOT SHIP COLLECT.

ITEM #	QUANTITY	UNT	MTL # NIGP CD	MFG #, SIZE & DESCRIPTION	REQUIS #	UNIT PRICE	NET PRICE
00020	1	AU	91327	Contract Mowing - Lee & Moore Counties Deliv. date: 02/28/2021  Availability Date: January 1, 2020 Completion Date: February 28, 2021 This is the Second Year of this Contract Roadside Mowing in Lee and Moore Counties to be performed in accordance with specifications set in contract. Please invoice per month. Send invoice to:  Mr. Mark Thompson Roadside Engineer NCDOT 121 DOT Drive Carthage, NC 28327 910-773-8060 Please deliver to:	11923598	923,360.99	923,360.99

NOTE TO VENDOR: THE N. C. DEPT. OF TRANSPORTATION IS EXEMPT FROM THE N. C. STATE AND LOCAL SALES TAX, PER SALES AND USE TAX BULLETIN NO. 19

BY: \_\_\_\_\_  
 Signature

FORM 1030  
 REV. 01-2012



**N.C. DEPT. OF TRANSPORTATION  
PURCHASING SECTION  
1510 MAIL SERVICE CENTER  
RALEIGH, N.C. 27699-1510**  
Agent: SHARON MCCALOP  
Telephone: 919-707-2638  
Fax: 919-733-8743

**DIXIE LAWN SERVICE, INC.  
DO NOT UNBLOCK-USE V#22039  
PO Box 688  
KINGS MOUNTAIN NC 28086**

**PURCHASE ORDER  
3600044277**

**RENEWAL**

**SHIP TO:  
N. C. DEPT. OF TRANSPORTATION**

**MULTIPLE DELIVERY ADDRESSES EXIST.  
SEE ITEMS BELOW FOR INSTRUCTIONS  
AND SEND DELIVERY AS INSTRUCTED.**

Attention: James McHenry Jr.  
Telephone #: 704-718-1414  
**VENDOR NO: 2725**

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NUMBERS MUST APPEAR ON ALL INVOICES,  
SHIPPING PAPERS AND SHIPMENTS.**

DATE: 01/30/2019	PAGE: 004 OF 4
CERT. BID/QUOTE: 54SM08118460	DELIVERY TERMS: FOB - destination
TERMS OF PAYMENT: Payable on Receipt	E PROCUREMENT #: DELIVERY DATE: (ALL ITEMS)

**PLEASE ENTER OUR ORDER AS FOLLOWS (FOR IMMEDIATE SHIPMENT VIA CHEAPEST  
WAY UNLESS SPECIFIED). DO NOT SHIP COLLECT.**

ITEM #	QUANTITY	UNT	MTL # NIGP CD	MFG #, SIZE & DESCRIPTION	REQUIS #	UNIT PRICE	NET PRICE
				Mr. Mark Thompson 121 DOT Drive Carthage NC 28327 Telephone: 910-947-2233  Please mail invoice to Delivery Address			
				This item covers the following services:			
	1,400.000	SHM	10	Clean Up Mowing (Primary Multi-Lane D		76.95	107,730.00
	1,092.000	SHM	20	Routine Mowing (Primary Undivided)		51.30	56,019.60
	728.000	SHM	30	Clean Up Mowing (Primary Undivided)		56.43	41,081.04
	6,708.000	SHM	40	Routine Mowing (Secondary Paved)		46.17	309,708.36
	4,472.000	SHM	50	Clean Up Mowing (Secondary Paved)		51.30	229,413.60
	208.000	SHM	60	Routine Mowing (Secondary Unpaved)		46.17	9,603.36
	20.000	ACR	70	Mowing - Additional		51.30	1,026.00
	500.000	SHM	80	Long-Arm Operation		323.19	161,595.00
	200.000	SHM	90	TCD (Median Guardrail)		20.52	4,104.00
	1	EA	100	Lane Closure		1.03	1.03
	1	EA	110	Fuel Adjustment		1.00	1.00
	1	EA	120	Remobilization		513.00	513.00
	50.000	SHM	130	TMA		51.30	2,565.00
				<b>Total price \$</b>			<b>1,823,322.99</b>

**NOTE TO VENDOR: THE N. C. DEPT. OF TRANSPORTATION IS EXEMPT  
FROM THE N. C. STATE AND LOCAL SALES TAX, PER SALES AND USE  
TAX BULLETIN NO. 19**

BY: \_\_\_\_\_  
Signature

FORM 1030  
REV. 01-2012

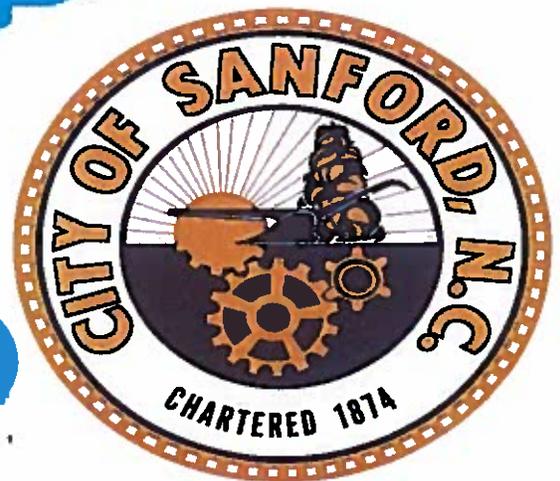
# **City of Sanford Quarterly Budget Report**

## **Third Quarter Ending March 31, 2020**

**Submitted by:**

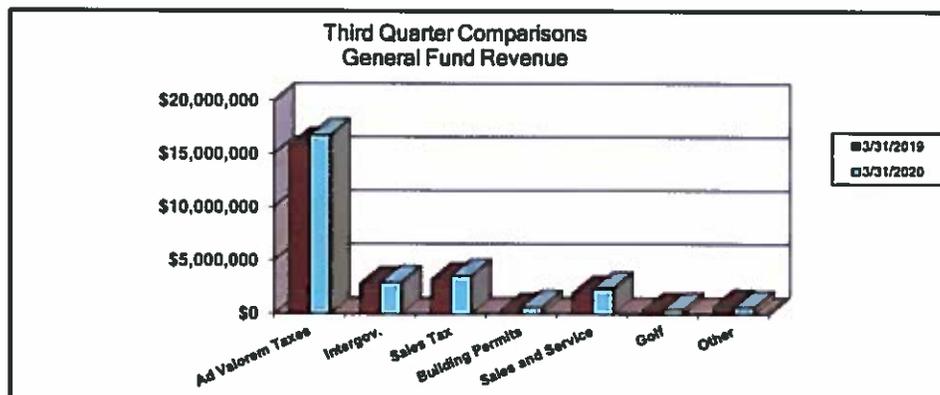
**Beth T. Kelly, Director of Financial Services**

**Hal Hegwer, City Manager**



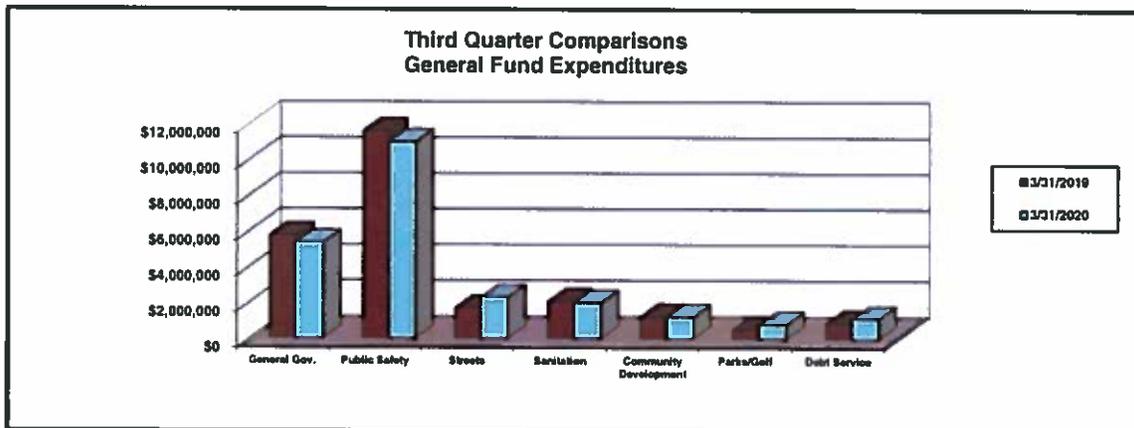
**General Fund Revenue  
Third Quarter - 3/31/2020**

<b>REVENUE SOURCES</b>	<b>Total Budget 2019-2020</b>	<b>Received To Date 3/31/2020</b>	<b>Remaining Budget</b>	<b>Percent Received To Date</b>	<b>Received To Date 3/31/2019</b>
Taxes All Other Years	\$ 80,000	\$ 379,910	\$ (299,910)	475%	\$ 335,558
Current Year Taxes	16,341,059	16,322,709	18,350	100%	15,447,274
Penalties Less Discounts	43,000	32,523	10,477	76%	34,842
<b>Ad Valorem Taxes</b>	<b>16,464,059</b>	<b>16,735,142</b>	<b>(271,083)</b>	<b>102%</b>	<b>15,817,674</b>
Utility Franchise Tax	2,142,002	1,150,844	991,158	54%	1,188,969
Powell Bill	784,945	799,869	(14,924)	102%	796,057
911 Surcharge Reimbursement	405,106	204,797	200,309	51%	184,900
Consolidated Planning Services	507,392	355,325	152,067	70%	313,270
All Other Intergovernmental	645,310	462,750	182,560	72%	381,926
<b>Total Intergovernmental</b>	<b>4,484,755</b>	<b>2,973,585</b>	<b>1,511,170</b>	<b>66%</b>	<b>2,865,122</b>
Disposal Tax	20,337	11,458	8,879	56%	10,835
Vehicle Fee - Prior Year	0	146,160	(146,160)	#DIV/0!	0
Vehicle Fee - Current Year	690,000	348,420	341,580	50%	348,960
Local Sales Tax-Article 39	2,460,418	1,258,427	1,201,991	51%	1,205,255
Local Sales Tax-Article 40	1,170,958	619,697	551,261	53%	561,489
Local Sales Tax-Article 42	1,230,209	592,730	637,479	48%	569,254
Local Sales Tax-Article 44	1,017,232	611,193	406,039	60%	547,672
<b>Total Taxes</b>	<b>6,589,154</b>	<b>3,588,085</b>	<b>3,001,069</b>	<b>54%</b>	<b>3,243,465</b>
City Permits	263,000	220,313	42,687	84%	215,553
Fire Permits	30,000	11,474	18,526	38%	23,651
Broadway Permits	5,000	15,734	(10,734)	315%	2,623
County Permits	185,000	422,518	(237,518)	228%	157,668
<b>Total Permits</b>	<b>483,000</b>	<b>670,039</b>	<b>(187,039)</b>	<b>139%</b>	<b>399,495</b>
Sanitation Fees	2,443,500	2,370,439	73,061	97%	1,961,972
Sale of Property	176,000	20,182	155,818	11%	13,637
<b>Total Sales and Service</b>	<b>2,619,500</b>	<b>2,390,621</b>	<b>228,879</b>	<b>91%</b>	<b>1,975,609</b>
Green Fees Annual	50,000	55,436	(5,436)	111%	56,407
Green Fees Daily	190,000	153,569	36,431	81%	134,620
Cart Fees	220,000	169,096	50,904	77%	146,463
Driving Range	15,000	11,934	3,066	80%	9,134
Other Golf	96,500	65,469	31,031	68%	64,636
<b>Total Golf</b>	<b>571,500</b>	<b>455,504</b>	<b>115,996</b>	<b>80%</b>	<b>411,260</b>
ABC Revenue	210,000	80,000	130,000	38%	80,000
Privilege Licenses	3,600	2,180	1,420	61%	1,715
Street Paving Charges	225,000	115,101	109,899	51%	143,987
Appropriated Fund Balance	2,650,713	-	2,650,713	0%	-
Investment Income	300,000	174,409	125,591	58%	239,002
Installment Purchase Proceeds	640,000	-	640,000	0%	-
Other	408,158	278,232	129,926	68%	288,709
<b>Total Other</b>	<b>4,437,471</b>	<b>649,922</b>	<b>3,787,549</b>	<b>15%</b>	<b>753,413</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 35,649,439</b>	<b>\$ 27,462,898</b>	<b>\$ 8,186,541</b>	<b>77%</b>	<b>\$ 25,466,038</b>



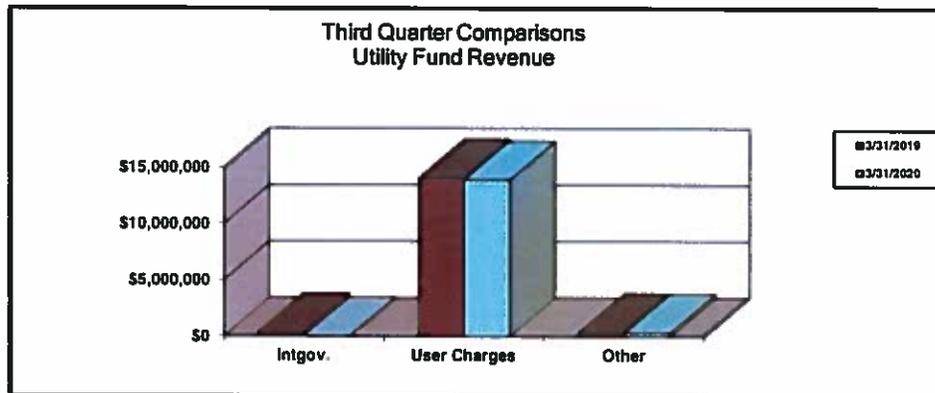
**General Fund Expenditures  
Third Quarter - 3/31/2020**

DEPARTMENT	Total Budget 2019-2020	Expended To Date 3/31/2020	Remaining Budget	Percent Expended To Date	Expended To Date 3/31/2019
Governing Body	\$ 339,155	\$ 208,783	\$ 130,372	62%	\$ 192,359
Administration	360,369	269,612	90,757	75%	260,073
Human Resources	293,506	204,627	88,879	70%	208,559
Risk Management	73,062	55,517	17,545	76%	38,655
Elections	75,984	32,613	43,371	43%	-
Finance	829,374	591,228	238,146	71%	571,875
Information Technology	402,934	276,316	126,618	69%	268,826
Legal	217,884	138,967	78,917	64%	111,599
Public Building	648,477	437,054	211,423	67%	561,352
Central Office	19,777	13,408	6,369	68%	12,604
GF Contributions	2,907,491	2,319,040	588,451	80%	2,764,257
Fleet Maintenance	1,139,885	704,242	435,643	62%	743,313
Less Fleet Maintenance Charges	(575,000)	(426,848)	(148,152)	74%	(462,068)
Horticulture	810,232	526,869	283,363	65%	502,018
<b>General Government</b>	<b>7,543,130</b>	<b>5,351,428</b>	<b>2,191,702</b>	<b>71%</b>	<b>5,773,422</b>
Police	10,494,943	7,113,181	3,381,762	68%	7,410,206
Fire	5,529,659	3,494,291	2,035,368	63%	3,855,056
Inspection	707,673	392,793	314,880	56%	357,949
<b>Public Safety</b>	<b>16,732,275</b>	<b>11,000,265</b>	<b>5,732,010</b>	<b>66%</b>	<b>11,623,211</b>
Street	2,367,938	1,513,718	854,220	64%	1,469,494
Street Capital Imp.	1,879,742	790,992	1,088,750	42%	221,819
<b>Streets</b>	<b>4,247,680</b>	<b>2,304,710</b>	<b>1,942,970</b>	<b>54%</b>	<b>1,691,313</b>
Golf	766,728	549,123	217,605	72%	493,130
Parks	422,073	255,864	166,209	61%	26,171
<b>Parks</b>	<b>1,188,801</b>	<b>804,987</b>	<b>383,814</b>	<b>68%</b>	<b>519,301</b>
Solid Waste	1,454,640	1,061,357	393,283	73%	1,246,661
Sanitation	1,368,848	911,412	457,436	67%	823,063
<b>Sanitation</b>	<b>2,823,488</b>	<b>1,972,769</b>	<b>850,719</b>	<b>70%</b>	<b>2,069,724</b>
Community Development	1,437,855	909,218	528,637	63%	918,816
Comm. Enhance. - Code Enforcement	363,460	187,833	175,627	52%	223,300
Comm. Enhance. - Planning / HPC	175,534	98,692	76,842	56%	93,551
<b>Community Development</b>	<b>1,976,849</b>	<b>1,195,743</b>	<b>781,106</b>	<b>60%</b>	<b>1,235,667</b>
<b>Debt Service</b>	<b>1,137,216</b>	<b>1,136,558</b>	<b>658</b>	<b>100%</b>	<b>882,296</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 35,649,439</b>	<b>\$ 23,766,460</b>	<b>\$ 11,882,979</b>	<b>67%</b>	<b>\$ 23,794,934</b>



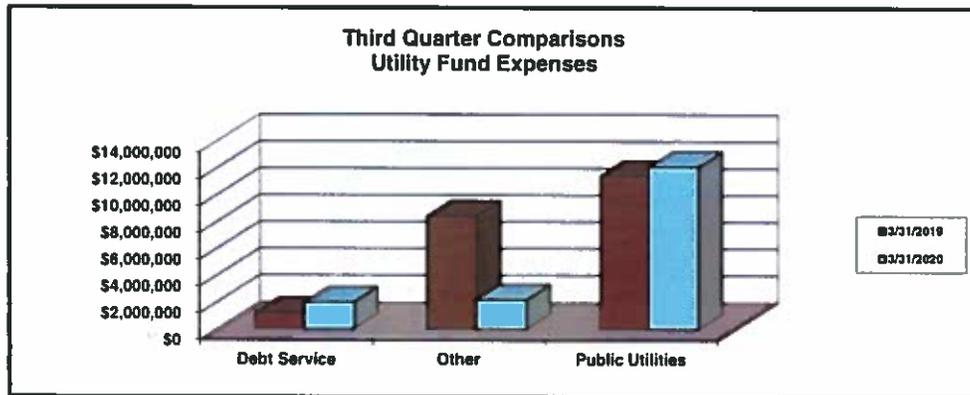
**Utility Fund Revenue  
Third Quarter - 3/31/2020**

<b>REVENUE SOURCES</b>	<b>Total Budget 2019-2020</b>	<b>Received To Date 3/31/2020</b>	<b>Remaining Budget</b>	<b>Percent Received To Date</b>	<b>Received To Date 3/31/2019</b>
Water Charges	\$ 11,695,688	\$ 7,810,389	\$ 3,885,299	67%	\$ 7,524,775
Sewer Charges	8,683,586	5,728,328	2,955,258	66%	6,180,893
Taps and Connections	135,000	115,625	19,375	86%	104,660
Other	315,000	220,937	94,063	70%	246,303
<b>Total User Charges</b>	<b>20,829,274</b>	<b>13,875,279</b>	<b>6,953,995</b>	<b>67%</b>	<b>14,056,631</b>
Special Assessments	100	41,972	(41,872)	41972%	(42)
Interest on Revenue Bonds	0	1,087	(41,775)	#DIV/0!	8,862
Interest Income	300,000	192,744	107,256	64%	308,767
Retained Earnings	6,042,291	-	6,042,291	0%	-
Other	152,000	96,408	55,592	63%	65,089
<b>Total Other</b>	<b>6,494,391</b>	<b>332,211</b>	<b>6,163,267</b>	<b>5%</b>	<b>382,676</b>
Build American Bonds Rebate	0	15,935	(15,935)	#DIV/0!	362,598
<b>Intergovernmental</b>	<b>0</b>	<b>15,935</b>	<b>(15,935)</b>	<b>#DIV/0!</b>	<b>362,598</b>
<b>TOTAL UTILITY FUND</b>	<b>\$ 27,323,665</b>	<b>\$ 14,223,425</b>	<b>\$ 13,101,327</b>	<b>52%</b>	<b>\$ 14,801,905</b>



**Utility Fund Expenses  
Third Quarter - 3/31/2020**

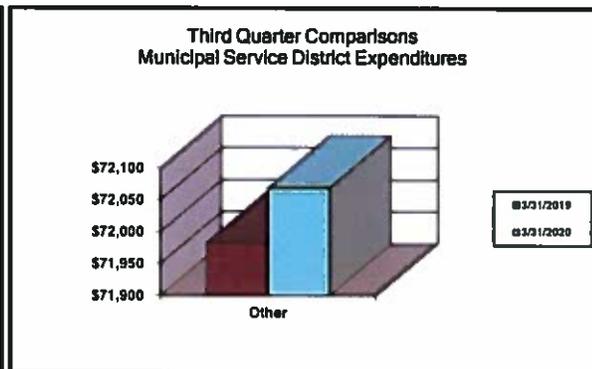
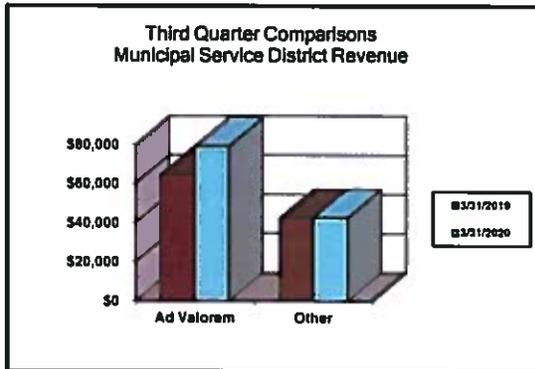
<b>DEPARTMENT</b>	<b>Total Budget 2019-2020</b>	<b>Expended To Date 3/31/2020</b>	<b>Remaining Budget</b>	<b>Percent Expended To Date</b>	<b>Expended To Date 3/31/2019</b>
<b>UTILITY FUND</b>					
<b>Debt Service</b>	<b>\$ 4,921,780</b>	<b>\$ 1,988,301</b>	<b>\$ 2,933,479</b>	<b>40%</b>	<b>\$ 1,200,564</b>
UF Contributions	2,232,173	2,173,607	58,566	97%	8,428,188
<b>Other</b>	<b>2,232,173</b>	<b>2,173,607</b>	<b>58,566</b>	<b>97%</b>	<b>8,428,188</b>
Utility Administration	2,648,210	1,777,959	870,251	67%	1,730,794
Engineering	1,101,778	722,740	379,038	66%	519,638
Public Works Administration	584,712	416,321	168,391	71%	447,476
Water Filtration	2,840,882	1,849,936	990,946	65%	1,675,409
Water Reclamation	2,715,101	1,633,860	1,081,241	60%	1,855,322
Distribution and Collection	6,398,581	4,161,927	2,236,654	65%	4,127,094
Water Capital Imp.	1,565,466	313,061	1,252,405	20%	575,936
Sewer Capital Imp.	2,176,651	1,158,603	1,018,048	53%	430,629
Warehouse	343,331	244,743	98,588	71%	217,321
Less Warehouse	(205,000)	(165,276)	(39,724)	81%	(123,275)
<b>Public Utilities</b>	<b>20,169,712</b>	<b>12,113,874</b>	<b>8,055,838</b>	<b>60%</b>	<b>11,456,344</b>
<b>TOTAL UTILITY FUND</b>	<b>\$ 27,323,665</b>	<b>\$ 16,275,782</b>	<b>\$ 11,047,883</b>	<b>60%</b>	<b>\$ 21,085,096</b>



**Municipal Service District Revenue and Expenditures  
Third Quarter - 3/31/2020**

<b>REVENUE SOURCES</b>	<b>Total Budget 2019-2020</b>	<b>Received To Date 3/31/2020</b>	<b>Remaining Budget</b>	<b>Percent Received To Date</b>	<b>Received To Date 3/31/2019</b>
<b>MUNICIPAL SERVICE DISTRICT</b>					
Current Year Taxes	\$ 75,493	\$ 77,421	\$ (1,928)	103%	\$ 62,183
Prior Year Taxes	-	233	(233)	#DIV/0!	454
Motor Vehicle Tax	2,860	1,455	1,405	#DIV/0!	1,858
Penalties Less Discounts	-	68	(68)	#DIV/0!	148
<b>Ad Valorem</b>	<b>78,353</b>	<b>79,177</b>	<b>(824)</b>	<b>101%</b>	<b>64,643</b>
Fund Balance Appropriation	15,343	-	15,343	0%	-
Contribution from General Fund	67,732	41,317	26,415	61%	40,508
Other	2,500	1,327	1,173	53%	2,160
<b>Total Other</b>	<b>85,575</b>	<b>42,644</b>	<b>42,931</b>	<b>50%</b>	<b>42,668</b>
<b>TOTAL MUNICIPAL SERVICE DIST.</b>	<b>\$ 163,928</b>	<b>\$ 121,821</b>	<b>\$ 42,107</b>	<b>74%</b>	<b>\$ 107,311</b>

<b>DEPARTMENT</b>	<b>Total Budget 2019-2020</b>	<b>Expended To Date 3/31/2020</b>	<b>Remaining Budget</b>	<b>Percent Expended To Date</b>	<b>Expended To Date 3/31/2019</b>
<b>MUNICIPAL SERVICE DISTRICT</b>					
Operating Expense	\$ 163,928	\$ 72,069	\$ 91,859	44%	\$ 71,983
<b>TOTAL MUNICIPAL SERVICE DIST.</b>	<b>\$ 163,928</b>	<b>\$ 72,069</b>	<b>\$ 91,859</b>	<b>44%</b>	<b>\$ 71,983</b>



## FY 2019-2020 Third Quarter Highlights

*(Comparisons are based on Third Quarter 2018-19 to Third Quarter 2019-20)*

### General Fund

#### **Revenues**

- Ad valorem tax
  - Taxes are collected by Lee County and posted as of the day received, therefore, fluctuation is due to when the customer pays; increase in tax rate in current year
- Vehicle Fee
  - First full year of vehicle fee implemented to help offset street paving expenses
- Local Sales Tax
  - The state collects and distributes proceeds from the locally levied tax on retail sales
- County Permits
  - Permit issued to Pfizer
- Sanitation Fees
  - Council elected to increase the sanitation fee by \$45 per household

#### **Expenditures**

- Public Building
  - Timing of maintenance projects, purchase of property and capital equipment in prior year
- GF Contributions
  - Contribution to parks project in prior year
- Police
  - Purchase of patrol cars in prior year
- Fire
  - Purchase of fire pumper in prior year
- Street Capital improvements
  - Capital projects are completed at various times of the year / timing of project completion
- Parks
  - First full year of new parks department
- Solid Waste
  - Purchase of leaf vac in prior year
- Debt Service
  - Timing of debt payment

## **FY 2019-2020 Third Quarter Highlights**

*(Comparisons are based on Third Quarter 2018-19 to Third Quarter 2019-20)*

### **Utility Fund**

#### **Revenues**

- User charges
  - Decrease in coal ash leachate disposal
- Interest Income
  - Interest rate has decreased from prior year
- Build American Bonds Rebate
  - Refinancing of bonds

#### **Expenses**

- Debt Service
  - Refinance of bond debt
- UF Contributions
  - Contribution to multiple projects in prior year
- Engineering
  - Addition of new position and replacement of vehicles in current year
- Water Filtration
  - Pumping additional water to Chatham County, timing of chemical order, pump repair, repairs to administration building, and purchase of gear box
- Water Reclamation
  - Hurricane Florence cleanup in prior year
- Water Capital Improvements
  - Capital projects are completed at various times of the year / timing of project completion
- Sewer Capital
  - Capital projects are completed at various times of the year / timing of project completion

**CAPITAL FUNDS  
THIRD QUARTER ENDING 03/31/2020**

SOURCES		PROJECT BUDGET	REVENUE TO DATE	EXPENDED TO DATE
<b>Community Development Projects</b>				
	<i>Project No. or Fund</i>			
Greenway Project	B1402	481,330	481,330	391,318
Parks and Recreation Project	B1602	4,905,728	4,920,562	4,618,923
NCDOT Wicker Street Sidepath	B1801	464,000	92,000	-
Urgent Repair Program (URP18)	C1901	111,194	107,732	107,732
Essential Single Family Rehab (2018)	C1902	175,000	-	-
CDBG Neighborhood Revitalization	C1903	750,000	25,820	29,699
Urgent Repair Program (URP19)	C2001	110,000	5,000	-
Architectural Survey and National Registry	C2002	20,000	10,000	2,000
NCDOT Bikeped Planning Study	G1702	105,000	21,000	21,000
Sanford Mural Restoration	G1801	95,000	95,000	84,580
R. Fincher Bldg Reuse Grant	G1802	33,000	33,000	33,000
Caterpillar Building Reuse Rural Center Grant	G1901	532,500	532,500	528,750
Triad Corrugated Metal Reuse Rural Center Grant	G2001	97,750	8,500	2,000
Project Forge-Site Prep / Roadway	G2002	2,964,600	1,300,000	879,183
Community Development Program Income	Fund 53	200,543	697,797	187,454
<b>Total Community Development</b>		<b>\$ 11,045,645</b>	<b>\$ 8,330,241</b>	<b>\$ 6,885,639</b>
<b>Water, Sewer, and Street Projects</b>				
Hawkins Avenue Waterline Improvement	W1303	11,804,008	11,865,982	8,894,595
Water Asset Inventory & Assessment Mgmt.	W1801	165,000	74,154	75,564
NC Highway 42 Waterline Relocate	W1802	507,270	459,650	138,983
Amos Bridges Water Main	W1803	2,056,600	2,065,475	1,887,794
Wastewater Asset Inventory & Assessment Mgmt.	S1701	165,000	158,341	158,341
Sewer Remediation Project A	S1702	900,000	900,000	86,330
Moncure Megasite Wastewater Project	S1703	18,000,000	1,805,187	15,638,100
Sewer Assessment Project	S1704	1,964,017	1,964,017	1,207,459
Sewerline Extension - Raleigh Exec Jetport	S1801	3,363,188	2,393,098	2,312,535
Big Buffalo Water Reclamation Rehabilitation	S1901	564,600	564,600	281,834
Central Carolina/Triassic Park Water & Sewer	U1601	3,375,204	3,375,204	3,339,534
Project Forge - Infrastructure Improvements	U2001	3,000,000	1,500,000	347,648
<b>Total Water, Sewer, and Street</b>		<b>\$ 45,864,887</b>	<b>\$ 27,125,708</b>	<b>\$ 34,368,716</b>

SANFORD CARES SUMMARY OF REVENUES													
3/31/2020													
REVENUE SOURCE	RECEIVED TO	RECEIVED	RECEIVED	RECEIVED	RECEIVED TO	RECEIVED	RECEIVED	RECEIVED	RECEIVED TO	RECEIVED	RECEIVED	RECEIVED	RECEIVED TO
	DATE				DATE				DATE				DATE
	06/30/19	JULY	AUGUST	SEPT.	09/30/19	OCT.	NOV.	DEC.	12/31/19	JAN.	FEB.	MARCH	03/31/20
Round Up	8,409.09	694.79	757.20	721.59	10,582.67	741.86	695.62	786.24	12,806.39	717.61	588.58	748.18	14,860.76
One-Time Donations	3,882.05	102.53	69.69	85.15	4,139.42	66.37	19.49	107.58	4,332.86	57.85	125.50	115.82	4,632.03
Interest Income	94.12	10.46	9.61	9.33	123.52	8.78	7.40	8.21	147.91	10.11	10.26	8.63	176.91
<b>TOTAL SANFORD CARES REVENUE</b>	<b>12,385.26</b>	<b>807.78</b>	<b>836.50</b>	<b>816.07</b>	<b>14,845.61</b>	<b>817.01</b>	<b>722.51</b>	<b>902.03</b>	<b>17,287.16</b>	<b>785.57</b>	<b>724.34</b>	<b>872.63</b>	<b>19,669.70</b>

SANFORD CARES SUMMARY OF EXPENDITURES													
3/31/2020													
OBJECT OF EXPENDITURE	EXPENDED TO DATE	EXPENDED	EXPENDED	EXPENDED	EXPENDED TO DATE	EXPENDED	EXPENDED	EXPENDED	EXPENDED TO DATE	EXPENDED	EXPENDED	EXPENDED	EXPENDED TO DATE
	06/30/19				09/30/19				12/31/19				03/31/20
		JULY	AUGUST	SEPT.		OCT.	NOV.	DEC.		JAN.	FEB.	MARCH	
Emergency Assistance Fund	6,735.03	300.41	348.10	423.61	7,807.15	527.03	200.00	181.43	8,715.61	414.54	491.45	200.00	9,821.60
<b>TOTAL SANFORD CARES EXPENDITURES</b>		<b>300.41</b>	<b>348.10</b>	<b>423.61</b>	<b>7,807.15</b>	<b>527.03</b>	<b>200.00</b>	<b>181.43</b>	<b>8,715.61</b>	<b>414.54</b>	<b>491.45</b>	<b>200.00</b>	<b>9,821.60</b>

<b>AMOUNTS AVAILABLE FOR BENEFITS</b>	<b>12,385.26</b>	<b>12,892.83</b>	<b>13,381.03</b>	<b>13,773.49</b>	<b>7,038.46</b>	<b>7,328.44</b>	<b>7,850.95</b>	<b>8,571.55</b>	<b>8,571.55</b>	<b>8,942.58</b>	<b>9,175.47</b>	<b>9,848.10</b>	<b>9,848.10</b>
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<b>NO. OF CUSTOMERS ASSISTED</b>	<b>106</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>122</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>133</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>148</b>
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<b>NO. OF CUSTOMERS PAID</b>		<b>1,052</b>	<b>1,074</b>	<b>1,013</b>		<b>1,022</b>	<b>965</b>	<b>1,090</b>		<b>1,107</b>	<b>926</b>	<b>1,118</b>	
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SANFORD TOURISM DEVELOPMENT AUTHORITY (TDA) SUMMARY OF REVENUES								
3/31/2020								
REVENUE SOURCE	BUDGET 19-20	RECEIVED FIRST QTR.	RECEIVED SECOND QTR.	RECEIVED JANUARY	RECEIVED FEBRUARY	RECEIVED MARCH	RECEIVED THIRD QTR.	RECEIVED TO DATE 3/31/2020
Room Occupancy Tax		28,111.18	75,130.36	21,245.39	19,296.09	18,242.58	58,784.06	162,025.60
Room Occupancy Tax Penalties			134.23					134.23
	230,000.00							
<b>TOTAL TDA REVENUE</b>	<b>230,000.00</b>	<b>28,111.18</b>	<b>75,264.59</b>	<b>21,245.39</b>	<b>19,296.09</b>	<b>18,242.58</b>	<b>58,784.06</b>	<b>162,159.83</b>

SANFORD TOURISM DEVELOPMENT AUTHORITY (TDA) SUMMARY OF EXPENDITURES								
3/31/2020								
OBJECT OF EXPENDITURE	BUDGET 19-20	EXPENDED FIRST QTR.	EXPENDED SECOND QTR.	EXPENDED JANUARY	EXPENDED FEBRUARY	EXPENDED MARCH	EXPENDED THIRD QTR.	EXPENDED TO DATE 3/31/2020
Distrib. Tourism Dev Auth		28,111.18	75,264.59	21,245.39	19,296.09	18,242.58	58,784.06	162,159.83
	230,000.00							
<b>TOTAL TDA EXPENDITURES</b>	<b>230,000.00</b>	<b>28,111.18</b>	<b>75,264.59</b>	<b>21,245.39</b>	<b>19,296.09</b>	<b>18,242.58</b>	<b>58,784.06</b>	<b>162,159.83</b>
<b>REVENUES LESS EXPENDITURES</b>								<b>0.00</b>

GOLF SUMMARY OF REVENUES										
3/31/2020										
REVENUE SOURCE	BUDGET 2019-2020	RECEIVED FIRST QTR.	RECEIVED SECOND QTR.	RECEIVED THIRD QTR.	RECEIVED TO DATE 3/31/2020	BUDGET VS. ACTUAL		RECEIVED TO DATE 3/31/2019	CY ACTUAL VS. PY ACTUAL	
						VARIANCE	PERCENT RECEIVED		\$ INC./DEC.	% INC./DEC.
Green Fees Annual	50,000	53,225.24	2,368.41	(158.00)	55,435.65	5,435.65	110.87%	56,406.70	(971.05)	-1.72%
Green Fees Daily	190,000	76,590.76	45,334.39	31,643.73	153,568.88	(36,431.12)	80.83%	134,620.14	18,948.74	14.08%
Cart Fees	220,000	85,164.79	49,788.54	34,142.27	169,095.60	(50,904.40)	76.86%	146,462.65	22,632.95	15.45%
Driving Range Fees	15,000	5,602.00	3,573.50	2,758.50	11,934.00	(3,066.00)	79.56%	9,134.50	2,799.50	30.65%
Other	96,500	28,685.13	23,607.47	13,175.80	65,468.40	(31,031.60)	67.84%	64,635.12	833.28	1.29%
<b>TOTAL GOLF REVENUE</b>	<b>571,500</b>	<b>249,267.92</b>	<b>124,672.31</b>	<b>81,562.30</b>	<b>455,502.53</b>	<b>(115,997.47)</b>	<b>79.70%</b>	<b>411,259.11</b>	<b>44,243.42</b>	<b>10.76%</b>

GOLF SUMMARY OF EXPENDITURES										
3/31/2020										
OBJECT OF EXPENDITURE	BUDGET 2019-2020	EXPENDED FIRST QTR.	EXPENDED SECOND QTR.	EXPENDED THIRD QTR.	EXPENDED TO DATE 3/31/2020	BUDGET VS. ACTUAL		EXPENDED TO DATE 3/31/2019	CY ACTUAL VS. PY ACTUAL	
						VARIANCE	PERCENT EXPENDED		\$ INC./DEC.	% INC./DEC.
Total Salaries and Fringes	494,309	116,171.25	124,892.46	103,988.18	345,051.89	(149,257.11)	69.80%	331,975.51	13,076.38	3.94%
Total Operating	221,685	62,285.20	50,886.21	41,255.78	154,427.19	(67,257.81)	69.66%	155,143.79	(716.60)	-0.46%
Installment Purchase	2,744	2,003.57	739.52	0.00	2,743.09	(0.91)	99.97%	6,010.71	(3,267.62)	-54.36%
Capital Outlay	47,990	30,950.00	3,750.00	12,200.40	46,900.40	(1,089.60)	97.73%	0.00	46,900.40	#DIV/0!
<b>TOTAL GOLF EXPENDITURES</b>	<b>766,728</b>	<b>211,410.02</b>	<b>180,268.19</b>	<b>157,444.36</b>	<b>549,122.57</b>	<b>(217,605.43)</b>	<b>71.62%</b>	<b>493,130.01</b>	<b>55,992.56</b>	<b>11.35%</b>

**Consider Presentation of**  
**Annual Operating Budget for**  
**Fiscal Year 2020 - 2021**