



North Carolina Department of Public Safety

Office of Recovery and Resiliency

Roy Cooper, Governor
Eddie M. Buffaloe, Jr., Secretary

Laura H. Hogshead, Director

April 14, 2022

SENT VIA E-MAIL AND DOCUSIGN

Douglas J. Hewett, City Manager of Fayetteville
433 Hay St. Fayetteville, NC 28301
E-mail: dhewett@ci.fay.nc.us

RE: First Amendment to Subrecipient Agreement
Subrecipient Name ("Subrecipient"): The City of Fayetteville, NC

Dear Mr. Hewett:

Attached please find the First Amendment to the Subrecipient Agreement ("SRA") entered into by the North Carolina Office of Recovery and Resiliency ("NCORR") and Subrecipient, originally executed on **December 18, 2019** allocating \$3,990,000.00 in Hurricane Matthew CDBG-DR funds.

This First Amendment to the SRA includes:

- **Changes to the HUD Section 3 Rule**
- **Period of Performance Extension to 8/15/2024, and other applicable extensions in Sections 1.7 and 2.3 of the Agreement**
- **Allocation Increase; total not to exceed \$4,990,000.00**

Please sign the attached First Amendment to the SRA within 15 days of receipt of this letter via DocuSign.

We thank you sincerely for your continued partnership.

Sincerely,

Mary Glasscock
Infrastructure Recovery Program Manager

Cc: Laura Hogshead, Director
Dan Blaisdell, NCORR Infrastructure Specialist

Mailing Address:
Post Office Box 110465
Durham, NC 27709



NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

Telephone: 984.833.5350
www.ncdps.gov
www.rebuildnc.gov

**FIRST AMENDMENT TO THE
COMMUNITY DEVELOPMENT BLOCK GRANT-DISASTER RECOVERY GRANT
SUBRECIPIENT AGREEMENT
BETWEEN
THE NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY, OFFICE OF RECOVERY
AND RESILIENCY
AND
THE CITY OF FAYETTEVILLE, NC
("Agreement")**

WHEREAS, on December 18, 2019, NCORR and the Subrecipient executed an Agreement, effective July 1, 2019; and

WHEREAS, the Parties wish to amend the Agreement to extend the period of performance, increase the amount of federal funds and update the Section 3 requirements; and

NOW, THEREFORE, in accordance with Section 3.1 of the Agreement, Grantee and Subrecipient agree to amend the Agreement as follows:

A. Section 1.2 of the Agreement is modified in regards to the Period of Performance and the Amount of Federal funds obligated by the Agreement to read as follows:

Subrecipient's Award Period of Performance: July 1, 2019 – August 15, 2024.

Amount of Federal funds obligated by this Agreement: not to exceed \$4,990,000.00

B. Section 1.7 of the Agreement is removed in its entirety and replaced with the following amendment:

1.7 Contract and Reimbursement Period. The term for this Agreement commences on the effective date of this Agreement and expires on the earlier of: (i) August 15, 2024, or (ii) the date as of which the parties agree in writing that all grant closeout requirements have been satisfied.

C. Section 2.3 of the Agreement is removed in its entirety and replaced with the following amendment:

2.3 Project Approval and Implementation Schedule. The Subrecipient must provide NCORR with a completed Project Scoping Form ("PSF") (Formerly known as an Abbreviated Project Information Form "APIF") for each infrastructure project the Subrecipient proposes to deliver pursuant to this Agreement. Within 90 days of approval of the PSF(s), the Subrecipient must provide NCORR with a completed project information form ("PIF") for each infrastructure project for which a PSF is approved, including a preliminary cost estimate for the project and a preliminary timeline for completion of the project. For cases in which a Subrecipient has previously submitted an APIF, and NCORR has accepted the form, the Subrecipient must provide NCORR with a completed PIF within a reasonable time after execution of the Agreement. On a quarterly

basis, Subrecipient shall work with NCORR on updated estimates and projections as activities progress.

The Subrecipient shall obligate 100% of non-administrative grant funds and provide all documentation to NCORR no later than October 1, 2022, and all funds must be expended by the Subrecipient by February 15, 2024.

The Subrecipient may request extensions of the deadlines in Section 2.3. Any requests for extensions must be made in writing, must be addressed to NCORR, must explain why an extension is needed and must propose a requested new deadline. NCORR must receive this request at least 60 days before the relevant deadline. NCORR, within its sole discretion, may or may not approve the extension, based on project performance and other contributing factors.

D. Section 4.15 of the Agreement is removed in its entirety and replaced with the following amendment:

4.15 Section 3 of the Housing and Urban Development Act Notice. (I) If the Subrecipient has a Project Specific Award Letter dated prior to November 30, 2020, the Section 3 rules pursuant to 24 CFR Part 135 apply to that project addressed in the Project Specific Award letter, and those regulations provide that Subrecipient shall abide by the following:

- (a) For any work or project to be performed under this Agreement that 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), Subrecipient shall comply with 24 CFR Part 135. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) As evidenced by the execution of this Agreement, Subrecipient hereby certifies that Subrecipient is under no contractual or other impediments that would prevent them from complying with the Part 135 regulations.
- (c) Execution of this Agreement is contingent upon the acceptance and approval by NCORR of a Section 3 Utilization Plan consistent with HUD guidelines. If Subrecipient does not have a Section 3 Utilization Plan consistent with the applicable Section 3 regulations upon signature, Subrecipient shall abide by the NCORR Section 3 guidelines. NCORR will include the NCORR Section 3 Policy on its website at www.rebuild.nc.gov or available on NCORR's System of Record (such as SharePoint). NCORR's Section 3 Policy and subsequent amendments shall be automatically incorporated herein with this Agreement if Subrecipient does not have Section 3 Utilization Plan, or until Subrecipient has a final Section 3 Utilization Plan.
- (d) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- (e) The Subrecipient shall include, or cause its contractors, subcontractors, and borrowers receiving CDBG-DR funds under this Agreement to include, the "Section 3 clause" at 24 CFR 135.38 in every "Section 3 covered contract" (as defined in 24 CFR 135.5).

(II) For those Subrecipient projects under this Agreement that receive a Project Specific Award letter dated on or after November 30, 2020, the Subrecipient shall follow the regulations of 24 C.F.R. § 75 *et seq.* that

implement Section 3 of the Housing and Urban Development Act of 1968 for that project. If applicable, the Subrecipient agrees to the following:

(a) Any work to be performed under this Agreement that is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701 u (Section 3) shall follow the requirements of 24 C.F.R. Part 75. 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, community development assistance, public housing financial assistance, or assistance from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970, the Lead-Based Paint Poisoning Prevention Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992.

(b) The Subrecipient agrees to include Section 3 language in every contract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this Section 3 language, upon a finding that the contract is in violation of the regulations in 24 C.F.R. Part 75. The subrecipient will not subcontract with any entity where the subrecipient has notice or knowledge that the entity has been found in violation of the regulations in 24 C.F.R. Part 75.

(c) Execution of this Agreement is contingent upon the acceptance and approval by NCORR of a Section 3 Utilization Plan consistent with HUD guidelines. If Subrecipient does not have a Section 3 Utilization Plan consistent with 24 C.F.R. Part 75 regulations upon signature, Subrecipient shall abide by the NCORR Section 3 guidelines. NCORR will include the NCORR Section 3 Policy on its website at www.rebuild.nc.gov or available on NCORR's System of Record (such as SharePoint). NCORR's Section 3 Policy and subsequent amendments shall be automatically incorporated herein with this Agreement if Subrecipient does not have Section 3 Utilization Plan, or until Subrecipient has a final Section 3 Utilization Plan.

(d) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

(e) Pursuant to 24 C.F.R. § 75.27, the Subrecipient shall include, or cause its borrowers, contractors, and subcontractors receiving CDBG-DR funds under this Agreement to include Section 3 language and Section 3 requirements in every Section 3 project (as defined in 24 C.F.R. § 75.3(A)(2)). Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of 24 C.F.R. § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

(f) The Subrecipient will certify that any vacant employment positions, including training positions, that are filled (1) after the subrecipient is selected but before the contract (or subrecipient agreement) is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the subrecipient's obligations under 24 C.F.R. Part 75.

(g) With respect to work performed in contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. § 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 C.F.R. Part 75.

E. Exhibit B, Section :1 Subrecipient Budget, of the Agreement is removed in its entirety and replaced with the following amendment:

1. Subrecipient Budget

To obtain payment, the Subrecipient must submit itemized documentation substantiating direct costs incurred in implementing the CDBG-DR program. The Subrecipient's budget for the CDBG-DR program is as follows:

CRI SRA Budget

Infrastructure Program Allocation	SRA Total Allocation
2019 SRA Allocation	\$3,990,000.00
2022 SRA Allocation increase	\$1,000,000.00
Total Hurricane Matthew CDBG- DR Funds	\$ 4,990,000.00 (not to exceed)

AGREED:

Douglas J. Hewett, City Manager ICMA-CM
The City of Fayetteville

Date

Laura Hogshead

Laura Hogshead, Director
NC Office of Recovery and Resiliency

4/14/2022 | 16:26:54 EDT

Date