

**INTERLOCAL AGREEMENT BETWEEN
DURHAM COUNTY AND THE CITY OF DURHAM**

**Regarding a Tax Subsidy Program for Residents of Durham County and City of Durham
who meet eligibility guidelines.**

THIS INTERLOCAL AGREEMENT (hereinafter "Agreement") is entered into this **1st** day of **July, 2024** by the **COUNTY OF DURHAM**, a political subdivision of the State of North Carolina, (hereinafter "County") and the **CITY OF DURHAM**, a North Carolina municipal corporation, (hereinafter "City") referred to jointly as the "Parties" and each sometimes individually as "Party".

This Agreement is made pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes.

For and in consideration of the mutual covenants contained herein and the mutual benefits to result therefrom, the Parties hereby agree as follows:

BACKGROUND

A. This Agreement is based on a model from Mecklenburg County, North Carolina, called the Homeowners with Economic Support (HOMES) program.

B. The Durham County Department of Social Services (hereinafter "DSS") worked in partnership with the Durham County Tax Office and the Durham County Board of Commissioners to develop a Low-Income Homeowners Relief Program (hereinafter "Program"). The Program was adopted by the DSS Board on May 19, 2021, and approved by the Board of Commissioners on June 14, 2021, as part of the budget ordinance process.

C. The objective of the Program is to provide relief through a tax support program to help long-term homeowners in lower income brackets to remain in their homes which has become harder with the growing cost of homeownership and the recent impacts of the COVID-19 pandemic on low-income homeowners, within the County.

D. The Program was originally adopted by the City Council on October 4, 2021.

E. The County has infrastructure in place to manage the Program through DSS.

F. The County and the City recognize that it will be more effective to operate a single Program to serve residents throughout the County. The County has agreed to operate the Program on behalf of both the County and the City.

G. Accordingly, the Parties are entering into this Agreement to establish a County-wide Program that will be administered by the County and which will account for the City's additional financial contributions to the Program.

ARTICLE 1 PURPOSE

The purpose of this Agreement is to set forth the respective rights and obligations between the Parties in regard to the Program. The creation of the Program will help provide housing stability for some vulnerable County residents.

ARTICLE 2 TERM AND TERMINATION

A. Term. This Agreement shall become effective on July 1, 2024, the effective date of this Agreement, and shall terminate on June 30, 2025.

B. Termination. The Parties agree that each Party may, without cause and in its sole discretion, terminate this Agreement for convenience by giving the other Party ninety (90) days' written notice of termination, which shall be effective at the time indicated in the notice.

ARTICLE 3 GOVERNANCE

A. The DSS Board is the governing body that approves the Program guidelines and policies, and reviews budgetary recommendations for the Program as presented by DSS.

B. The Program will receive and approve applications as prescribed by policy and eligibility guidelines. DSS will not maintain a waiting list based on potential expansion and or additional funds. Should the Program expand guidelines or funding, applications will be made available and received at that time to include the expanded eligibility requirements.

C. Should DSS seek additional funding, the request will be presented to the DSS Board for review and approval. Should the DSS Board approve the additional funding, DSS will submit for funding through the budgetary channels for County funding.

D. DSS shall formally request expanded funds through the County and the City's Community Development Program, which will route the request through their budget process.

ARTICLE 4 ELIGIBILITY GUIDELINES FOR THE PROGRAM

A. Residents of the County and the City who apply between August 1, 2024, and June 30, 2025, who are eligible for the Program, must meet Average Median Income (AMI) criteria defined below. Late fees and interest are not covered in the Program.

B. Any property eligible for the Program must be within the County limits.

C. Residents who are not receiving other tax assistance subsidies (such as the N.C. Homestead Exclusion) are eligible to apply for the Program.

D. Applicants must have owned and used the property as a primary residence for at least the immediately preceding five (5) years prior to applying for the Program

E. Assistance is capped at 50% of the current Fiscal Year tax invoice or the last available tax bill (whichever is less, per applicant) not to exceed the following:

- \$1,000.00 for households with incomes \leq 61- 80% AMI
- \$1,250.00 for households with incomes \leq 31- 60% AMI
- \$1,500.00 for households with incomes \leq 30% - below AMI

The assistance cap is lifted and the full tax bill may be paid for homeowners who are 60 years of age and above with incomes \leq 30% AMI.

F. Recipients must re-apply annually for continued assistance.

ARTICLE 5 COUNTY AGREEMENTS AND FUNDING

A. The County agrees to be obligated to and responsible for the following:

I. To utilize the existing DSS infrastructure provided within the Aging and Adult Services Division, along with new resources developed within the Program, to administer the Program. The County will contribute 60% of the total funding for the Program, which is capped at \$1,250,000.00. Specifically, the County will be responsible for costs up to \$750,000.00. This amount does not include costs for administrative expenses or outreach costs for media advertisements as described in this Article.

II. To distribute, accept, screen, and provide final approval for applications.

III. To provide one (1) Social Work Supervisor I position, which will assist in supervising the Program, and two (2) Social Worker II positions, which will help expand capacity for the Program. The County will monitor and record the time spent by these employees on Program duties. The County will fund 50% of the total administrative costs for these positions, up to a combined maximum of \$120,000.00 as the County's share. After reaching this threshold, the County will be responsible for 100% of any remaining administrative costs.

IV. To fund 50% of the outreach costs for media advertisements, up to \$7,500.00 as the County's share. After this amount, the County will be responsible for 100% of the outreach costs for media advertisements.

V. To provide periodic reports to the City, including the names, addresses, and parcel identification numbers of residents assisted by the Program, as well as demographic information from the applications.

ARTICLE 6 CITY AGREEMENTS AND FUNDING

A. The City agrees to be obligated to and responsible for the following:

I. To contribute 40% of the total funding for the Program, which is capped at \$1,250,000.00. Specifically, the City will be responsible for costs up to \$500,000.00. This amount does not include costs for administrative expenses or outreach costs for media advertisements as described in this Article.

II. The City will pay **50% of the Program's administrative costs**, up to a maximum of **\$120,000** as the City's share. The City's total out-of-pocket payment for administrative costs will not exceed **\$120,000**. After this amount, the County will be responsible for 100% of the remaining administrative costs.

III. The City will pay **50% of the outreach costs for media advertisements**, up to a maximum of **\$7,500** as the City's share. The City's total out-of-pocket payment for media costs will not exceed **\$7,500**. After this amount, the County will be responsible for 100% of the remaining outreach costs.

IV. The City's total **out-of-pocket** payment for both administrative and media costs combined will not exceed **\$127,500**.

V. VTo provide periodic reports to the County, as needed, to ensure compliance with the Program's objectives.

VI. The City will be invoiced for its reimbursement share of the Program costs, administrative costs, and outreach costs for media advertisements no more than quarterly and no less than annually, with final invoicing due no later than July 31, 2025.

ARTICLE 7 AMENDMENTS

This Agreement may be amended at any time by execution by the Parties of a written amendment.

ARTICLE 8 APPOINTMENT OF PERSONNEL

Except to the extent provided otherwise in this Agreement, it is agreed that the Parties shall designate appropriate personnel to carry out the Parties' respective obligations under this Agreement.

ARTICLE 9 GOVERNING LAW

This Agreement shall be governed by and executed in accordance with the laws of the State of North Carolina. All actions relating in any way to this Agreement shall be brought in the General Court of Justice in the County of Durham, State of North Carolina.

ARTICLE 10 ENTIRE AGREEMENT; NO THIRD-PARTY RIGHTS

This Agreement shall constitute the entire understanding between the Parties with respect to the subject matter of this Agreement and may be amended only by written mutual agreement of the Parties. This Agreement is made for the benefit of the County and the City and not for any other entity or person.

ARTICLE 11 HEADINGS

The subject headings of the sections in this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. This Agreement shall be deemed to have been drafted by both Parties and no allegation for purposes of interpretation shall be made to the contrary.

ARTICLE 12 E-VERIFY

The Parties agree that this Agreement is subject to the E-Verify requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and any contractor or subcontractor performing services because of this Agreement shall be required to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

ARTICLE 13 INSURANCE

The Parties agree to each cover its own risks for liability through either obtaining insurance or by self-insuring itself against any risk. Each Party shall furnish the other with evidence of such insurance, if any, upon request.

ARTICLE 14 SOVEREIGN IMMUNITY

NO WAIVER OF SOVEREIGN OR QUALIFIED IMMUNITY. Nothing in this Agreement shall be construed to in any way waive the defense of sovereign or governmental immunity from any cause of action alleged or brought against any Party for any reason if otherwise available as a matter of law. No officer, agent, or employee of the City or the County shall be subject to any personal liability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities. This section shall not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

ARTICLE 15 INDEMNIFICATION

Neither Party agrees to indemnify or hold harmless the other Party. However, to the extent permitted by law, each Party agrees to be responsible for its own acts or omissions and any and all claims, liabilities, injuries, suits, or demands and expenses of all kinds which may result from or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by that Party, its employees, subcontractors, or representatives, in the performance or omission of any act of responsibility of that Party under this Agreement. In the event that a claim is made against both Parties, it is the intent of both Parties to cooperate in the defense of said claim. However, either Party shall have the right to take any and all actions they believe necessary to protect their interest arising out of the performance or nonperformance of this Agreement. This provision shall survive the termination of this Agreement.

**ARTICLE 16
SEVERABILITY**

In the event any term or provision of this Agreement shall be adjudged to be partially or completely invalid or unenforceable, then such term or provision shall be severed from this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN TESTIMONY WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the date first herein-above written.

COUNTY OF DURHAM

BY: Claudia Hager, County Manager

ATTEST: _____
CLERK

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

Crystally Wright,
Interim Chief Financial Officer for Durham County

CITY OF DURHAM

BY: Wanda S. Page, City Manger

ATTEST: _____
CLERK

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

Tim Flora,
Chief Financial Officer for the City of Durham