STATE OF NORTH CAROLINA COUNTY OF BUNCOMBE

INTERLOCAL AGREEMENT BETWEEN THE CITY OF ASHEVILLE AND BUNCOMBE COUNTY GOVERNING THE HOMEOWNER GRANT PROGRAM

This Agreement is entered into effective July 1, 2026, by and between the County of Buncombe ("County"), a body politic and corporate organized and existing under the laws of the State of North Carolina, and the City of Asheville ("City"), a municipal corporation of the State of North Carolina.

W I T N E S S E T H:

WHEREAS, in response to a lack of affordable housing within the territorial jurisdictions of the City and the County, the parties developed an economic public assistance program ("Homeowner Grant Program") designed to assist homeowners of low- and moderate-income, defined as 80% or less of the Area Median Income ("AMI");

WHEREAS, the parties successfully administered this Homeowner Grant Program for fiscal years 2023-2025, and desire to continue administering the program for fiscal year 2026; and

WHEREAS, pursuant to N.C. Gen. Stat. § 160A-461, the City and County may enter into agreements necessary to execute a joint governmental undertaking.

NOW THEREFORE, in consideration of the mutual promises made in this Agreement and the mutual reliance placed by each party on the responsibilities of the other, and such other consideration as the parties agree is good and sufficient, it is agreed as follows:

1. Description. Subject to approval by the City Manager or designee and the County Manager or designee (collectively, "Managers"), the parties agree to continue to jointly administer the Homeowner Grant Program ("Program"). The Program shall generally be structured as follows:

Funding

a. The County has included $230,000 in its fiscal year 2026 ("FY 2026") budget for the Program.
b. The City has included $100,000 in its FY 2026 budget for the Program.
c. Grants awarded under the Program shall be funded as follows:
    i. Maximum of $300 from funds contributed by the County.
    ii. Maximum of $200 from funds contributed by the City.
d. City funding shall only be available to eligible grant applicants whose qualifying property is located within the territorial jurisdiction of the City.
e. The obligations of the City and the County under this Agreement are contingent upon the allocation of sufficient funds by their respective governing bodies.

Grantee Qualifications

f. In order to qualify for the Program, Grantees must
    i. own the property for which they are seeking assistance, and
    ii. Have resided on the property as the primary residence for at least five years before the date of application, and
    iii. Have a total household income of less than 80% of AMI.
g. Grantees are not eligible for duplicate benefits.

Use of Program Funds by Grantees

h. Grantees may, in their discretion, choose to have grant funds applied directly to their property tax bill and/or applied to other obligations such as housing costs, taxes, mortgage, or insurance.

Authority

i. The Managers are given broad authority, by and with the consent of their respective legal counsel, to mutually alter the structure of the Program and its requirements in any way that is consistent with the spirit and intent of this Agreement and the respective budgetary procedures of the parties.

2. Payment. Each party shall be responsible for allocating the agreed-upon funds for the Program. The County shall be responsible for paying any grants awarded by the Program. The County shall thereafter invoice the City quarterly for its share of any grants awarded by the Program. The City Agrees to pay such Invoices in a timely manner up to the amount allocated.

3. Term/Renewal/Termination. The term of this Agreement shall begin on the day and year first above written and shall terminate on June 30, 2026. This Agreement may be terminated by either party for convenience at any time for any or no reason upon thirty (30) days written notice.

4. Remedy to Return Agreement to Compliance. In the event that a remedy is necessary for either party to ensure that the terms of this Agreement are realized, the parties agree to meet and agree to an Action Plan that describes action to be taken by each party to bring the Agreement into compliance.

5. Indemnification.

    a. The City agrees, to the extent permitted by North Carolina law, to indemnify and hold harmless the County and its officers, agents and employees from any third-party claims arising from negligent acts or omissions of the County employees and/or County in connection with the performance pursuant to this Agreement.

b. The County agrees, to the extent permitted by North Carolina law, to indemnify, defend, and hold harmless the City and its officers, agents and employees from any third-party claims arising from negligent acts or omissions of the City employees and/or City in connection with the performance pursuant to this Agreement.

6. Insurance.

a. The City is self-insured for general liability and maintains excess general liability coverage up to $15,000,000 per occurrence: Including coverage for bodily injury and property damage. Additionally, the City is self-insured for workers' compensation and maintains excess workers' compensation coverage per statutory requirement and carries $1,000,000 of employer's liability insurance. Further, this provision shall specifically include auto liability as County employees may be directed by the City to operate City vehicles as Permissive Users

b. The County is self-insured for general liability up to $500,000 and maintains excess general liability coverage up to $7,000,000 per occurrence: Including coverage for bodily injury and property damage. Additionally, the County is self-insured for workers' compensation and maintains excess workers' compensation coverage per statutory requirement and carries $1,000,000 of employer's liability insurance. Further, this provision shall specifically include auto liability as City employees may be directed by the County to operate County vehicles as Permissive Users.

c. Maintaining the types and amounts of insurance, including self-insurance, specified in Paragraphs 6(a) and 6(b) is a material obligation of each party.

d. The City and County shall, at all times, comply with all lawful terms and conditions of each of its insurance policies and lawful requirements of their respective insurers.

e. The City and the County shall each demonstrate compliance with the requirements of this section by submitting Certificates of Insurance to each other upon request.

f. Noting in this Agreement is intended to affect or abrogate either party's governmental immunity.

7. Amendments. This Agreement constitutes the entire Agreement between the Parties. This Agreement may be amended, supplemented or modified only by duly executed written instruments as an amendment to this agreement.

8. Compliance with Laws. Each party shall comply with all state, federal, or local laws, or ordinances, codes, rules or regulations governing performance of this Agreement. The parties further agree that this contract shall follow the requirements under 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II.

9. Assignability. This Agreement is not assignable by either party without the prior written consent of the other party.

10. Budgetary Limitations. Nothing stated in this Agreement shall be construed as requiring either party to make any budgetary appropriations

11. Non-discrimination. In accordance with State and Federal laws, neither party may discriminate against any person on the basis of sex, national origin, race, ethnic background, color, religion, age or disability in its program activities related to this Agreement

12. E-Verify Employer Compliance. Employers and their subcontractors with 25 or more employees as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E- Verify requirements to contract with governmental units. E-Verify is a Federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. E-verify can be accessed via this link: http://www.uscis.gov/e- verify/employers.

13. Disputes.

    a. Mediation. Any claim, dispute, or other matter in question arising out of or related to this Agreement shall be subject to voluntary non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. If the parties are unable to agree upon a certified mediator to hear their dispute, the Buncombe County Resident Superior Court Judge shall name a mediator to hear the matter. The parties shall equally share the mediator's fee. The mediation shall be held in Asheville at a location designated by the mediator selected to hear the matter.

    b. Legal Proceedings. Claims, disputes and/or other matters in question between the parties that are not resolved by mediation shall be heard in the North Carolina General Courts of Justice in Asheville, Buncombe County, North Carolina, which said Court shall have jurisdiction to hear any dispute between the parties arising out of this Agreement. The Parties hereby agree that this paragraph establishes exclusive and sole jurisdiction for any legal proceeding in Buncombe County, North Carolina.

14. Severability. Should any provision or provisions contained in this Agreement be declared by a court of competent jurisdiction to be void, unenforceable or illegal, such provision or provisions shall be severable, and the remaining provisions hereof shall remain in full force and effect.

15. Notices. In the event either party hereunder desires or is required to provide any notice to the other party, the party desiring or requiring to provide such notice shall provide it in writing, by email to the other party at the address listed below:

City:

County:

NOW THEREFORE, the parties hereby make, agree, and execute this Agreement by the signatures of their respective duly authorized officials or agents.

City of Asheville

By: _____
Debra Campbell, City Manager

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

_____ Date: _____
Tony McDowell, Finance Director

Buncombe County

By: _____
Avril Pinder, County Manager

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

_____ Date: _____
Melissa Moore, Finance Director