

**UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT**

**TITLE VIII CONCILIATION AGREEMENT/
TITLE VI & SECTION 109 VOLUNTARY COMPLIANCE AGREEMENT**

Between

NAME REDACTED

(Complainant)

And

North Carolina Office of Recovery and Resiliency
(Recipient)

And

United States Department of Housing and Urban Development

FHEO CASE NUMBERS: 04-23-4426-8, 04-23-4426-6, 04-23-4426-9

A. PARTIES AND SUBJECT PROPERTY

Complainant

NAME REDACTED
ADDRESS REDACTED
Whiteville, NC 28472

Complainant Representative
Ashley Skaff
Legal Aid of North Carolina
2101 Angier Ave., Ste. 300
Durham, NC 27703

Recipient

North Carolina Office of Recovery and Resiliency
c/o Laura Hogshead, Director
PO Box 110465
Durham, NC 27709

Matt Arlyn, Chief Recovery Officer North Carolina Office of Recovery and Resiliency
200 Park Offices Dr.
Durham, NC 27713

Jacquelyn Dockery, Case Manager
North Carolina Office of Recovery and Resiliency
200 Park Offices Dr.
Durham, NC 27713

Other Parties Named in the Complaint

North Carolina Office of the Governor¹
c/o Roy Cooper
2030 Mail Service Center
Raleigh, NC 27699

Subject Property:
ADDRESS REDACTED
Whiteville, North Carolina 26472

¹ North Carolina Office of Recovery and Resiliency is a direct recipient of Federal Funding; therefore, the State of North Carolina (State) is not a proper or necessary party to this Agreement. In addition, there is insufficient evidence to find it should have been named in the Title VI complaint. Based on the above although the State is not a signatory to this Agreement the case is being closed with respect to the State.

B. STATEMENT OF ALLEGATIONS

A complaint was filed with the United States Department of Housing and Urban Development (HUD or the Department) on February 21, 2023, alleging that the Complainant was discriminated against because of her race through Recipient North Carolina Office of Recovery and Resiliency's (NCORR or Recipient)² heirs' property policy. The Complainant alleged that the most recent act of discrimination occurred on May 2, 2022. If true and proven, the allegations could constitute violations of Section 804(b) of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988 and Title VI of the Civil Rights Act of 1964, and Section 109 of the Housing and Community Development (HCD) Act of 1974.

On March 23, 2023, Recipient provided a response to the complaint, denying all allegations of discrimination.

WHEREAS Recipient states it was already in the process of voluntarily evaluating and updating its heirs' property policy thus making Complainant and all similarly situated applicants eligible for Recipient's program. Prior to the execution of this Conciliation Agreement and Voluntary Compliance Agreement (Agreement) Recipient has acted freely and voluntarily to correct the issue alleged in the complaint by updating the Homeowner's Grant Agreement and Policy Manual used by the agency, creating what Recipient states is the most flexible heirship property policies in the nation. These changes have the effect of making Complainant and all similarly situated applicants eligible for Recipient's program. WHEREAS, the State of North Carolina received Community Development Block Grant Disaster Recovery (CDBG-DR) funding for Presidentially declared disasters (hurricanes Matthew and Florence) from HUD. The State of North Carolina has designated NCORR to administer the state's disaster recovery programs, and NCORR receives CDBG-DR funds directly as a result. Therefore, NCORR is subject to various Federal civil rights laws and regulations including Title VI of the Civil Rights Act of 1964 and Section 109 of the Housing and Community Development (HCD) Act of 1974.

WHEREAS, Complainant and Recipient, without admitting fault, liability, or responsibility for Complainant's alleged damages, agree that it is in their respective interests to voluntarily settle this controversy and resolve this matter without the necessity of an evidentiary hearing or other judicial process available under the laws cited above, and

WHEREAS, HUD similarly agrees it is in the public interest to voluntarily settle this controversy and resolve this matter without the necessity of an evidentiary hearing or other judicial process available under the laws cited above, and

WHEREAS, Recipient acted freely and voluntarily to correct the issue alleged in the complaint prior to the execution of this Voluntary Compliance Agreement.

² Recipient includes collectively NCORR, and Recipients Arlyn and Dockery.

C. TERM OF AGREEMENT

1. This Conciliation Agreement/Voluntary Compliance Agreement (Agreement) shall govern the conduct of the parties for a period of three (3) years from the Effective Date of this Agreement or until closeout of the HUD CDBG-DR Grants for Hurricanes Matthew and Florence recovery, whichever comes first.

D. EFFECTIVE DATE

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the Department, through the Office of Fair Housing and Equal Opportunity's (FHEO) Director of the Office of Systemic Investigations (OSI), or his or her designee.
3. This Agreement shall become effective on the date on which it is approved by the Director of HUD FHEO's OSI, or his or her designee.

E. GENERAL PROVISIONS

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the Title VIII disputed complaint. This Agreement resolves the Department's Title VI of the Civil Rights Act of 1964 and Section 109 of the Act of Housing and Community Development 1974, Title I, investigations.
5. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.
6. The parties agree that nothing contained in this Agreement shall be construed to be a finding or determination by HUD that Recipient engaged in practices that either directly or indirectly had the effect of discrimination.
7. The parties agree that nothing contained in this Agreement shall be construed to be an admission that Recipient engaged in practices that either directly or indirectly had the effect of discrimination.
8. Prior to the complaint, Recipient states it voluntarily started the process of updating relevant heirs' and ownership policies in consideration of changing FEMA policies on ownership determinations.
9. Recipient acknowledges that it has an affirmative duty not to discriminate under the Act, and it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted or participated in any manner in a proceeding under the Act. Recipient further acknowledges that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.

10. This Agreement, after the FHEO OSI Director or his or her designee approves it, is binding upon Complainant and Recipient, their employees, heirs, successors and assignees, and all others in active concert with them in the operation of the subject property.
11. The parties agree that, pursuant to Section 810(b)(4) of the Act, upon approval of this Agreement by the FHEO OSI Director or his or her designee, it is a public document.
12. This Agreement does not limit or restrict the Department's authority to investigate any other complaint involving the Recipient made pursuant to the Fair Housing Act, Title VI, Section 109 or any other complaint within the Department's jurisdiction.
13. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification, or waiver; (b) the amendment, modification, or waiver is in writing; and (c) the amendment, modification, or waiver is approved and signed by the FHEO OSI Director or his or her designee.
14. The Parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement; the original executed signature pages to be attached to the body of the Agreement to constitute one document.
15. Complainant hereby forever waives, releases, and covenants not to sue the Department or Recipient, their heirs, executors, assigns, agents, employees and attorneys with regard to any and all claims, damages, and injuries of whatever nature, whether presently known or unknown, arising out of the subject matter addressed in HUD Case Number 04-23-4426-8, 04-23-4426-6, 04-23-4426-9 or which could have been filed in any action or suit arising from said subject matter.
16. Recipient hereby forever waives, releases, and covenants not to sue the Department or Complainant, their heirs, executors, assigns, agents, officers, board members, employees and attorneys with regard to any and all claims, damages, and injuries of whatever nature, whether presently known or unknown, arising out of the subject matter of HUD Case Numbers 04-23-4426-8, 04-23-4426-6, 04-23-4426-9 or which could have been filed in any action or suit arising from said subject matter.
17. This Agreement does not create any private right of action for any person or class of persons.
18. This Agreement does not constitute a guarantee of grant funding, grant award type, or specific service of any kind, nor does it constitute a guarantee of program eligibility aside from those eligibility matters specifically addressed in this agreement.

F. RELIEF FOR COMPLAINANT

19. Recipient shall continue to expedite, to the extent possible, Complainant's appeal/application and either (1) place her in Step 7 of the ReBuild Homeowner Recovery Program, or (2) at the Step Complainant would have been at were it not for Recipient's prior heirs' property policy that served as the basis for Recipient's denial of Complainant's application, whichever Step of the program is closer to completion. Recipient shall take affirmative steps as may be necessary to restore, as nearly as practicable, Complainant to the position she would have been in but for its previous policies. To the extent additional necessary documentation or information is needed from Complainant, Recipient shall notify Complainant of the same within a reasonable timeframe. Complainant shall provide any such required additional documentation to Recipient within a reasonable timeframe so Recipient may expedite her application. Recipient shall not unreasonably delay or withhold future approvals needed to expedite or otherwise process Complainant's application through completion.

G. RELIEF IN THE PUBLIC INTEREST

20. Recipient agrees that it will abide by revisions made to NCORR's Homeowner Grant agreement, the Ownership Affidavit, and changes incorporated into Version 9 of NCORR's CDBG-DR Homeowner Recovery Program Manual dated November 2023 for the duration of this Agreement. Recipient agrees to notify HUD upon making any changes to its policy on heirs' property or ownership in the documents referenced above. For the purpose of this Agreement, a copy of the revised documents referenced above are incorporated and attached to this Agreement as Attachment A.
21. Notice to Other Applicants. Within sixty (60) days of the effective date of this Agreement, Recipient shall provide written notice of the revised policy to previous applicants rejected or otherwise barred from participating or continuing in the ReBuild NC Homeowner Recovery Program because of the policies and procedures related to ownership of heirs' property. The universe of potential recipients shall include only those application numbers attached to this agreement as Attachment B. This written notice shall provide notification of the change in policy and instructions to submit an appeal for reentry into the Program see Attachment C.
22. Within thirty (30) days of the effective date of this Agreement, Recipient shall provide HUD with all training documentation for training sessions conducted prior to the effective date of this Agreement. Documentation of any future trainings shall be provided within ten (10) calendar days of any training date.

H. MONITORING

23. HUD reserves the right to forward to the appropriate HUD programmatic office any records necessary for review in accordance with established monitoring and compliance practices set forth in the CDBG-DR grant agreement. Recipient agrees to provide full cooperation in any reasonable monitoring review undertaken by HUD to ensure compliance with this Agreement.

I. REPORTING AND RECORDKEEPING

24. During the term of this Agreement, Recipient shall preserve and maintain all records which are the source of, contain, or relate to any information pertinent to its obligations under this Agreement.
25. HUD has the right to request any reports it deems necessary for compliance with this Agreement. Any reports requested by HUD must show the HUD case number and be emailed to Hugh.J.McGlincy@hud.gov or successor or designee.
26. All required certifications and documentation of compliance must be submitted to:

Office of Systemic Investigations
Division of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 7th St., SW
Washington, DC 20410
Attention: Hugh James McGlincy, Investigator
Hugh.J.McGlincy@hud.gov

J. CONSEQUENCES OF BREACH

27. Whenever the Secretary, after an examination of any facts and circumstances, has reasonable cause to believe that the recipient has breached this Agreement in a material way, the Secretary may refer the alleged breach to the Attorney General of the United States with a request to commence a civil action in the appropriate U.S. District Court pursuant to §§ 810(c) and 814(b)(2) of the Act.
28. Any material act(s) or omission(s) by Recipient's employee who violates the terms of this Agreement may serve as grounds for HUD's imposing debarment, as set forth in 24 C.F.R. § 24.300; suspension, as set forth in 24 C.F.R. § 24.400; or limited denial of participation, as set forth in 24 C.F.R. § 24.705 for that employee.
29. Any act(s) or omission(s) that materially violates the terms of this Agreement may serve as grounds for the United States to seek specific performance of any or all of the provisions of this Agreement in federal court.
30. Any act(s) or omission(s) that materially violates the terms of this Agreement may serve as grounds for HUD to conduct a compliance review under Title VI, Section 109, or other appropriate statutory or regulatory authority.

31. Any act(s) or omission(s) that materially violates the terms of this Agreement may serve as grounds for the United States to pursue an action in federal court for the failure to comply with civil rights authorities.
32. The acts set forth in this Section are not mutually exclusive, and HUD has the right to pursue any or all of these remedies or any other remedies available under law.

K. CERTIFICATION/SIGNATURES

By affixing their signatures hereunder, the parties certify that they have reviewed and understand the terms and conditions of this Agreement, and that they have full authority to enter into this Agreement on behalf of themselves or as agents of others.

L. SIGNATURES

Complainant:

NAME REDACTED

Date

Recipient:

Laura Hogshead
Director, North Carolina Office of Recovery and Resiliency
On behalf of all NCORR named Recipients

Date

APPROVAL

Robert A. Doles
Director
Office of Systemic Investigations

Date