

Columbus County Assistance Policy

Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery

What is the Essential Single-Family Rehabilitation Loan Pool – Disaster Recovery?

Columbus County has been awarded Membership by the North Carolina Housing Finance Agency (“NCHFA”) under the Essential Single-Family Rehabilitation Loan Pool -Disaster Recovery (“ESFRLP-DR”). This program provides Members with funds via a “loan pool” to assist with the rehabilitation owner-occupied homes damaged by Hurricane Matthew, Tropical Storms Julia and Hermine. The funds provided by NCHFA come from the North Carolina Housing Trust Fund

Columbus County has been allocated an initial set-aside of \$150,000 which it plans to apply toward the rehabilitation of at least three houses in Columbus County. After demonstrating successful use of the initial set-aside, the County may access additional funds, when available, on a unit-by-unit basis from the ESFRLP-DR loan pool.

This Assistance Policy describes who is eligible for assistance under ESFRLP-DR, how applications for assistance will be ranked, what the terms of assistance are, and how the rehabilitation process will be managed. Columbus County has designed the ESFRLP-DR project to be fair, open and consistent with its approved application for funding and with ESFRLP-DR Program Guidelines.

Who is Eligible to Apply?

There are five major requirements to be eligible for ESFRLP-DR assistance:

- 1) The housing unit to be rehabilitated with ESFRLP-DR funds must be located in Columbus County, and must be owner-occupied;
- 2) The gross annual household income must not exceed 100% of the Area Median Income for the County (see income limit table on the following page);
- 3) The home must have received at least \$5,000 of damage from either Hurricane Matthew, Tropical Storms Julia and/or Hermine;
- 4) The construction cost of rehabilitation charged to the ESFRLP-DR Program cannot exceed the limit of \$40,000;
- 5) The homeowner cannot have been approved to receive a loan from the Small Business Administration to repair damages to their home due to Hurricane Matthew, Tropical Storms Julia and/or Hermine; and,
- 6) The homeowner must work with Columbus County to properly document any FEMA assistance received for home repair due to Hurricane Matthew, Tropical Storms Julia and/or Hermine;
- 7) The property must be current on all City/County real estate taxes.

Unfortunately, not all homes can be rehabilitated to meet the Essential Rehabilitation Standard with the limited funding available. Some otherwise-eligible households may be deemed ineligible for assistance because their homes fail this test.

What Types Of Houses Are Eligible?

Properties are eligible only if they meet all the following requirements:

- The property must require at least \$5,000 of improvements to meet the Essential Property Standard.
- Site-built and off frame modular units are eligible for assistance. Manufactured housing units that are real property are eligible for rehabilitation with assistance of \$25,000 or greater if they meet all other program requirements. Manufactured housing units that are not real property are eligible for rehabilitation with assistance of less than \$25,000 if they meet all other program requirements.
- No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g. day care). Program funds may only be used to improve the residential portion of mixed-use buildings.
- The property must be free of environmental hazards and other nuisances as defined by all applicable codes or regulations, or any such hazards or nuisances must be corrected as part of the rehabilitation of the home. Columbus County's Contracted Rehabilitation Specialist will determine the presence of any known environmental hazards/nuisances on the site and if they can be removed through rehabilitation.
- Properties cannot be located in the right-of-way of any impending or planned public improvements. Columbus County staff will assist in making this determination.
- The property cannot be located on a site that is endangered by mudslides, landslides or other natural or environmental hazards. If needed, the Contracted Rehabilitation Specialist will work with the homeowner to make this determination.
- The property may be located in the 100 year flood plain if the lowest finished floor level (verified by an elevation certificate provided by the homeowner) is above the base flood elevation and the property will be covered by flood insurance. The property must be in compliance with Columbus County's flood plain ordinance upon completion of any ESFRLP-DR assistance. *(Columbus County will verify whether the home is in the flood plain.)*

Income Limits for Columbus County's Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery

Number in Household	100% of Median Income
1	\$33,900
2	\$38,700
3	\$43,500
4	\$48,300
5	\$52,200
6	\$56,100
7	\$59,900
8	\$63,800

*Income limits are subject to change based on annually published HUD HOME Limits.

How are applications selected?

There are many more ESFRLP-DR-eligible households (with eligible houses) than can be assisted with the available funds. Therefore, Columbus County has devised the following priority system to select eligible applicants. Columbus County will rank applications on a first-come, first-approved, and first-served basis. Columbus County may be able to treat additional houses with unrestricted pool funds. Pool applicants will come from the original applicant list and be considered per the feasibility of the repairs and the continued first-come, first-approved, and first-served basis.

Definitions under ESFRLP-DR are:

- *Head of Household:* The person or persons who own(s) the house.
- *Household Member:* Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- *Occupant:* An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of household who has resided in the dwelling unit for at least 3 months prior to the submission of the family's application.

Recipients of assistance under ESFRLP-DR will be chosen by the above criteria without regard to race, color, religion, national origin, sex, familial status and disability.

What Are The Terms of Assistance Under ESFRLP-DR?

The form of ESFRLP-DR assistance is a 0% interest, forgivable loan covering the hard and soft costs associated with the rehabilitation of the home. Homeowners will receive an unsecured deferred, interest-free loan. As long as the homeowner is not in default, the loan will be forgiven at a rate of \$5,000 per year, until the principal balance is reduced to zero. Default can occur if the property is sold or transferred to another person and/or if the borrower fails to use the home as a principal residence, without prior written approval of the North Carolina Housing Finance Agency.

As long as the borrower lives in the home, no payments on the loan will be required. Furthermore, under certain circumstances NCHFA may allow assumption or refinancing of the loan. Should an heir inherit the property and choose to live in the house as their permanent residence, they may assume the loan without being income eligible.

NCHFA may pay an amount for soft costs not to exceed \$10,000 as part of the loan. Soft costs include application outreach/intake/management, environmental reviews/inspections/testing and project assessment/documentation/estimating/bidding to complete the repair of the home.

The borrower must keep the property and all improvements constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in the manner and with companies as may be satisfactory to the Member or the Agency. The amount of the insurance required by this provision is one hundred percent (100%) of the amount of the ESFRLP-DR loan. If the property is located in a 100-year flood hazard zone, the Borrower must maintain flood insurance on the Property in a minimum amount of one hundred percent (100%) of the amount of the ESFRLP-DR loan.

What Kinds Of Work Will Be Done?

Each house selected for assistance, upon completion of the rehabilitation, must meet either NCHFA's Essential Property Standard. These are so-called "habitability standards" which set minimum standards for decent, safe and sanitary living conditions.

These requirements are spelled out in full in the ESFRLP-DR Administrator's Manual which you may view, at reasonable times, upon request, at the Columbus County Administrative office or anytime online at NCHFA.com.

Of course, contractors performing work funded under ESFRLP-DR are responsible for meeting all local requirements for permits and inspections. All work done under the program must be performed to meet NC State Residential Building Code standards.

Who Will Do The Work On The Homes?

Columbus County is obligated under ESFRLP-DR to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet these requirements, Columbus County will invite bids only from general contractors who are part of an "Approved Contractors Registry". For additional information about procurement and disbursement procedures, please refer to the ESFRLP-DR Procurement and Disbursement Policy for Columbus County.

- All qualified members of the Approved Contractors Registry will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract.
- Homeowners who know of quality rehabilitation contractors that are not on the approved contractors' registry are welcome to invite them to apply.

What Are The Steps In The Process, From Application To Completion?

You now have information about how to apply for the Essential Single-Family Rehabilitation Loan Pool – Disaster Recovery and what type of work can be done through the Program. Let's go through the steps for getting the work done:

1. **Completing a pre-application form:** Homeowners who wish to apply for assistance must do so by contacting Natalie Carroll, Special Projects Coordinator, at (910) 640-6630. Proof of ownership and income will be required. Those who

have applied for housing assistance from Columbus County in the past will not automatically be reconsidered and must complete a new pre-application form.

2. **Client Referral and Support Services:** Many homeowners seeking assistance through the Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery may also need other services. If the ESFRLP-DR staff meets with the homeowner during the application process, the county will refer homeowners to other available resources. For households that meet the requirements of the pre-application step and qualify to receive assistance through the ESFRLP-DR program, additional verbal discussion will be offered during the Screening of applicants and/or Pre-rehab inspection steps of the program.
3. **Preliminary inspection:** Columbus County's Contracted Rehabilitation Specialist will visit the homes of eligible households to determine the need and feasibility of the home for rehabilitation.
4. **Screening of applicants:** Applications will be selected on a first-come, first-approved, and first-served basis on the priority system outlined on page 3 and the feasibility of rehabilitating the house. Eligible households to be offered assistance will be selected as soon as possible. Household income will be verified for program purposes only (information will be kept confidential). Columbus County will verify ownership of the property by conducting a title search. From this review, at least three qualified applicants will be chosen according to the priority system described above; there will be a list of two (2) alternates. Columbus County's Contracted Program Administrator will then submit to NCHFA an ESFRLP-DR Loan Application and Reservation Request for each potential borrower for approval. Applicants not selected for ESFRLP-DR assistance will be notified in writing.
5. **Pre-rehab inspection & unit evaluation:** The Contracted Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks, etc. Each unit will be evaluated for energy-saving opportunities such as air-sealing and duct-sealing as well as for environmental concerns, such as radon and asbestos.
6. **Work write-up:** The Contracted Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up"). A final cost estimate will also be prepared by the Contracted Rehabilitation Specialist and held in confidence until bids are received from contractors.
7. **Asbestos and Other Testing:** Columbus County's Contracted Rehabilitation Specialist is a certified consultant for radon & asbestos and will inspect all homes for potential asbestos hazards and for radon. The owner will receive information covering the results of the tests and any corrective actions that will be needed as part of the rehabilitation.

- 8. Bidding:** The work write-up and bid documents will be conveyed to all contractors from the Approved Contractors Registry who will be given no less than seven days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted in the Administrative Building, 111 Washington Street, Whiteville, NC in the EDC Conference Room at a specified date and time, with all bidders invited to attend.
- 9. Contractor selection:** Within 72 hours of the bid opening the winning bidders will be selected. All bidders and the homeowner will be notified in writing of 1) the selection of the winning bid, 2) the amount of the winning bid, 3) the amount of the County's Contracted Rehabilitation Specialist cost estimate, and 4) the specific reasons for the selection, if other than the lowest bidder was selected.
- 10. Loan closing and contract execution:** Loan documents (Legal Advice Disclosure and Promissory Note) will be prepared by Columbus County as the lender and executed by the homeowner. The homeowner must sign a NCHFA "Legal Advice Disclosure" which documents their understanding that they have the right to hire legal representation of their choosing at the loan closing. Rehabilitation contract documents will be executed by the homeowner and contractor with Columbus County signing on as an interested third party prior to the commencement of any construction. Columbus County will facilitate with the loan closing.
- 11. Pre-construction conference:** A pre-construction conference will be held in the EDC Conference Room in the Administrative Building at 111 Washington Street, Whiteville, NC. At this time, the homeowner, contractor and Columbus County program representatives will discuss the details of the work to be completed. Starting and ending dates will be finalized, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home. Columbus County will issue a "proceed order" formally instructing the contractor to commence work by the agreed-upon date.
- 12. Construction:** The contractor is responsible for obtaining and posting all permits for the project before beginning work. Columbus County's Contracted Rehabilitation Specialist will closely monitor the contractor during the construction period and local Building Inspections Officials will inspect the work. To protect personal property the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as needed as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.
- 13. Change Orders:** All changes to the scope of work must be approved by the owner, the contractor, Columbus County's Contracted Rehabilitation Specialist, and the Columbus County's Contracted Program Administrator and reduced in writing as a contract amendment ("change order"). The owner, contractor, County's Contracted Rehabilitation Specialist and one County Official must execute any change order agreements to the construction contract.

14. Progress payments: The contractor is entitled to request two partial payments and a final payment. When a payment is requested, the Contracted Rehabilitation Specialist will inspect the work within three days.

15. Closeout: When the Contracted Rehabilitation Specialist and the Homeowner are satisfied that the contract has been fulfilled, the Homeowner, Contracted Project Administrator and Contracted Rehabilitation Specialist will sign off on the work. All material and workmanship will be guaranteed by the contractor for a period of one-year from the date of completion of the work.

16. Post-construction conference: Following construction, the contractor and the Contracted Rehabilitation Specialist will sit down with the Homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner. The contractor and Contracted Rehabilitation Specialist will go over operating and maintenance requirements for the new equipment, materials and appliances and discuss general maintenance of the home with the Homeowner. The Homeowner will have the opportunity to ask any final questions about the work.

17. Final loan amount determination: If, upon completion of all rehabilitation work, the contract price has changed because of change orders, Columbus County will prepare an estoppel for a loan reduction or modification agreement for loan increases as necessary at the time of closeout of the unit to modify the loan amount. The loan will remain the property of Columbus County, with original documents remaining there for storage and "servicing. Please note that it is the responsibility of the owner to record an estoppel if they wish.

The warranty period: It is extremely important that any problems with the work that was performed be reported by the homeowner to the Columbus County Contracted Rehabilitation Specialist or other representative, as soon as possible in writing. All bona fide defects in materials and workmanship reported within one year of completion of construction will be corrected free of charge by the Contractor.

What are the key dates?

If, after reading this document, you feel that you qualify for this program and wish to apply, please keep the following dates in mind:

- Applications available to the public starting April 10, 2017.
- Applications must be turned in at the Columbus County Administrative Office by 5:00 PM on June 13, 2017.
- Selection of units will be made before June 30, 2018.
- All rehabilitation work must be under contract by December 15, 2018.
- All rehabilitation work must be completed by June 30, 2019.

How do I request an application?

Contact:

Natalie Carroll, Special Projects Coordinator
Columbus County
Administrative Building (2nd Floor)
111 Washington Street
Whiteville, NC 28472
Phone (910) 640-6630

Or: pick up an application at the Columbus County Administrative Building, County Managers Office, located at 111 Washington Street, Whiteville, NC, or

www.columbusco.org

Is there a procedure for dealing with complaints, disputes and appeals?

Although the application process and rehabilitation guidelines are meant to be as fair as possible, Columbus County realizes that there is still a chance that some applicants or participants may feel that they are not treated fairly. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact Natalie Carroll, Special Projects Coordinator, within five days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. A written appeal must be made within 10 business days of the initial decision on an application.
3. Columbus County will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the rehabilitation process:

1. If the homeowner feels that construction is not being completed per the contract, he/she must inform the contractor and the Contracted Rehabilitation Specialist.
2. The Contracted Rehabilitation Specialist will inspect the work in question. If he finds that the work is not being completed according to the contract, the Contracted Rehabilitation Specialist will review the contract with the contractor and ask the contractor to correct the problem.
3. If problems persist, the homeowner must put their concern in writing and a mediation conference between the homeowner and the contractor may be convened by the Contracted Rehabilitation Specialist and facilitated by a County Official.
4. Should the mediation conference fail to resolve the dispute, the County will render a written final decision.
5. If the Contracted Rehabilitation Specialist finds that the work is being completed according to contract, the complaint will be noted and the Contracted Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Contracted Rehabilitation Specialist's decision.

Final Appeal:

After following the above procedures, any applicant or homeowner who remains dissatisfied with Columbus County's final decision may appeal to Michael Handley, NCHFA, PO Box 28066, Raleigh, NC 27611-8066, (919) 877-5627.

Will the personal information provided remain confidential? Yes. All information in the applicant files will remain confidential. Access to the information will be provided only to Columbus County employees and the County's Contracted Program Administrator who are directly involved in the program, the North Carolina Housing Finance Agency, HUD, FEMA, SBA, Emergency Management and auditors.

What about conflicts of interest? No employee or board member of Columbus County, or entity contracting with Columbus County, who exercises any functions or responsibilities with respect to the ESFRLP-DR project shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with project funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of Columbus County employees or of Columbus County board members and others closely identified with, may be approved for rehabilitation assistance only upon public disclosure before the Columbus County Board of Commissioners and written permission from NCHFA.

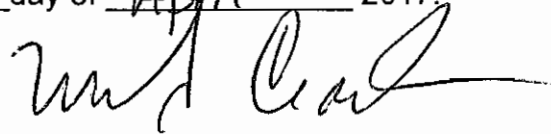
What about favoritism? All activities under ESFRLP-DR, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability.

Who can I contact about the ESFRLP-DR program? Any questions regarding any part of this application or program should be addressed to:

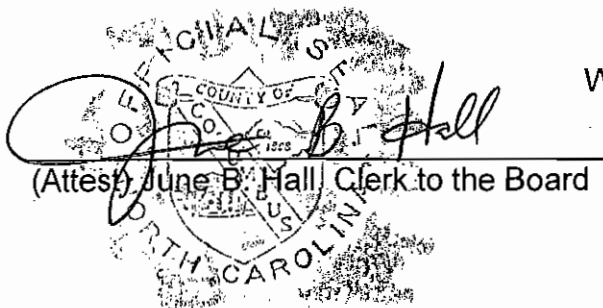
Natalie Carroll, Special Projects Coordinator
Columbus County
111 Washington Street
Administrative Building 2nd Floor
Whiteville, NC 28472
Phone: (910) 640-6630


Sandra Ridley, Consultant
309 Victoria Street
Greensboro, NC 27401
Phone: (910) 417-8061
Phone: (910) 627-0592

This Assistance Policy is adopted this 3rd day of April 2017.



William S. Clark, County Manager




(Attest) June B. Hall, Clerk to the Board

