



SMALL RENTAL REHABILITATION PROGRAM

Richland County, SC

RENTAL GUIDELINES

This document provides the overarching housing guidelines for implementation of the Small Rental Rehabilitation Program administered by the Richland County Department of Community Development. This program is intended to assist small rental property owners who have damaged single-family, one to four-unit rental properties. It is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant—Disaster Recovery allocation as described in Public Law 114-113.

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Part 1 Rental Program Overview

1.1 Introduction

The Richland County Department of Community Development (RCCD) is administering funds under a Community Development Block Grant—Disaster Recovery (CDBG-DR) Program funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 114-113. RCCD is the lead agency and responsible for disaster funds allocated to housing activities. RCCD is administering these funds directly to carry out eligible housing activities at the local level within Richland County’s jurisdiction, excluding the City of Columbia.

This document is expected to serve as direction for the Small Rental Rehabilitation Program activities funded under the CDBG-DR allocation. At the option of RCCD and with County Council approval, rental program activities may be offered as a housing program to the residents of the County’s jurisdiction. Rental activities may include single family rental activities, for structures containing 1-4 rental units, that provide financial assistance, such as forgivable loans, to small rental property owners who serve the low to moderate income market. Assistance will be designed to bring rental units back into the market. The program intends to expand affordable rental options while supporting economic growth through assistance to landlords.

Richland County is currently allocating \$2,000,000.00 in Disaster Recovery Community Development Block Grant (CDBG) funding for a Rental Program. Based on the maximum level of assistance, at least 28 rental properties will be rehabilitated.

The small rental rehab program’s goal is to help restore existing neighborhoods and to increase the affordable rental stock in the community affected by the October 2015 severe storms and flooding events. Applicants receiving CDBG Disaster Recovery funds to rehabilitate damaged properties agree to lease the rental units to low-moderate income households (80% of Area Median Income or less) at restricted rents. Rents must, at a minimum, comply with the High HOME rent limits. The affordability period is five years.

The CDBG funds are provided in the form of a deferred forgivable note. The note is forgiven at the end of the affordability period as long as the landlord owner remains in compliance with the program rules. For each year, post award that the applicant remains program compliant, one fifth (1/5) of the loan balance will be forgiven. If the applicant remains in compliance for the entire five year period, the entire balance will be forgiven and the applicant will owe nothing. If the applicant violates the terms of the loan, the unforgiven balance of the loan will be owed back to the program.

This is a construction program and will provide construction assistance to qualifying landlord owners. The Program will provide construction management and quality assurance services throughout construction activities. The Program will review and verify contractor invoices and disburse payment to contractors. All funds will be paid by the Program, on behalf of the landlord owner, to a program-assigned construction contractor at pre-determined construction intervals. No payments will be made to the landlord owner directly.

The Federal requirements for the delivery of these programs are complex and will require a multi-step process to comply with all of the cross-cutting regulations and requirements that are tied to the funding source. The process can be thought of as a two stage process where initial documentation and verification requirements result in an award of benefits to applicants who are eligible. The terminal point of the first phase is the signing of a contract and award agreement.

Figure 1: Initial Application and Documentation Steps



The second phase is the construction and compliance phase where rehabilitation assistance is provided to the landlord property owner through direct construction activities performed by the program and the result is a market ready affordable housing unit. After verification of tenant income and the completion of the five-year affordability period, the loan will be completely forgiven assuming that the landlord owner has remained in compliance for the entire five-year period.

Figure 2: Construction and Compliance



Programs and projects funded under CDBG-DR must meet one of three national objectives. Benefits to Low to Moderate Income (LMI) persons is the only National Objective that is approved for the SRRP. Eligible activities are defined as follows: rehabilitation and associated elevation and demolition (where necessary). RCCD may also provide assistance for Individual Mitigation Measures (energy efficiency and storm mitigation activities).

1.2 Program Purpose

The primary focus of this program is to provide funds for rehabilitation of affordable small rental housing units in areas impacted by the October 2015 storms and flooding events.

The following objectives are provided for the implementation and administration of a successful Rental Program.

- 1) To provide decent, safe, and sanitary housing, in good repair, in the storm and flood impacted areas of Richland County.
- 2) To ensure that the housing needs of low to moderate income households are assisted with housing.

All rehabilitated rental units must be restricted during the affordability period of five years for low to moderate income (LMI) persons. The rents, at a minimum, must comply with High HOME Investment Partnership (HOME) Rents. Rents may not exceed 30% of the monthly income for a household earning 80% or less of the AMI. The units must also accept Section 8 vouchers for the duration of the affordability period. This means that each unit must be equally accessible as a housing choice for Section 8 voucher recipients as they are to non-voucher recipients.

1.3 Definitions

Affordability Period– To ensure that the CDBG-DR investment in rental properties yields affordable housing, Richland County is imposing rent and occupancy requirements over the length of the compliance period. This is known as the affordability period. For the rental program, this will be five years. The concept is similar to the HUD HOME investment program affordability period, but has a much more aggressive forgiveness schedule given the nature and length of the CDBG-DR grant.

Demolition – Clearance and proper disposal of dilapidated buildings and improvements.

Duplication of Benefits – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other source.

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or wellbeing, and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities Program for Person with AIDS (HOPWA) at the time of his or her death.

FEMA-Designated High Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low to moderate income objective is based on the LMI of households.

HUD– United States Department of Housing and Urban Development.

Increased Cost of Compliance (ICC) – Structures damaged by a flood may be required to meet certain building requirements to reduce the risk of future flood damage before the structure can be repaired or rebuilt. To help cover these costs, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance coverage for all new and renewed Standard Flood Insurance Policies. ICC is a duplication of benefits if a structure owner requests reimbursement or additional assistance for elevation, demolition, flood proofing or relocation—one of the four options available under ICC—and has already received an ICC benefit under the NFIP.

Individual Mitigation Measures (IMM) – Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local construction or code requirements. In accordance with HUD's guidance, repair and rehabilitation of housing units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include elevation above the base flood elevation level, or the addition of storm shutters, disaster proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the disaster damage.

Low to Moderate Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance. The most current

income limits, published annually by HUD, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size
- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

Manufactured Housing Unit (MHU) – A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. Sometimes referred to as mobile homes.

Modular Housing – A home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

On-Hold- An applicant's failure to answer or return phone calls, and failure to respond to written requests within program timeframes.

Reconstruction – Demolition and re-building of a stick-built housing unit on the same lot in substantially the same footprint and manner. The number of units on the lot may not increase and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased.

Rehabilitation – Repair or restoration of housing units in the disaster-impacted areas to applicable construction codes and standards.

Rental Activity – Rehabilitation of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units assisted with CDBG funds.

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious and immediate threat to the health or welfare of the community, the existing conditions are recent or recently became urgent, and the grantee cannot finance the activities on its own because other funding sources are not available.

1.4 HUD 2017 Income Guidelines

FY 2017 Income Limits Summary

FY 2017 Income Limit Area	Median Income Explanation	FY 2017 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Columbia, SC HUD Metro FMR Area	\$67,000	Very Low (50%) Income Limits (\$) Explanation	23,450	26,800	30,150	33,500	36,200	38,900	41,550	44,250
		Extremely Low Income Limits (\$)* Explanation	14,100	16,240	20,420	24,600	28,780	32,960	37,140	41,320
		Low (80%) Income Limits (\$) Explanation	37,550	42,900	48,250	53,600	57,900	62,200	66,500	70,800

1.5 Program Requirements

- A. All housing activities for the SRRP will meet the National Objective required under the authorizing statute of the CDBG program that benefits Low to Moderate Income (LMI) persons, where at least 70% of the funds will benefit these populations.
- B. RCCD’s proposed performance for the SRRP will require that within a period of no more than twelve (12) months from the date of commencement of the Program, which is the start (effective) date of the contract between RCCD and HUD, RCCD will have identified sufficient eligible beneficiaries to expend all applicable funds within established benchmarks.
- C. Develop a Program Marketing plan based on the Social Vulnerability Index (SoVI) designed to encourage participation of applicants from socially vulnerable neighborhoods and communities. This will also include targeted outreach in languages other than English where required. Marketing Plan details are in Appendix A.
- D. Applicants applying for disaster assistance are processed by priorities based on the prioritization criteria outlined in these guidelines. The LMI demographic groups will be funded at a minimum level of 70% of total available funds (excluding planning and administration funds). Prioritization criteria are more fully detailed in Section 1.6.
- E. The applicant must meet certain eligibility standards to qualify for assistance. Eligibility standards are discussed in Part 2 of this document.
- F. A tiered environmental review process shall be undertaken. A program-wide broad environmental review must be undertaken with a final Request for Release of Funds (RROF). Further, each property assisted must undergo the appropriate level of environmental review prior to any commitment of funds. No work can start on a site until the environmental assessment is complete and applicants must be provided a cease work order on the date of application. Details are noted in Part 4 and subsection 4.4.
- G. For assistance activities, it must be demonstrated that the damage to structures was the direct result of the storms or flooding of October 2015. Damage details are noted in Part 2 of this document.

1.6 Applications

- All interested individuals who wish to seek assistance through the SRRP must submit a completed Application Form.
- Forms can be completed by applicants and mailed in to the Flood Recovery Office. These applications will be recorded and the applicant contacted by phone in order to schedule an in-person consultation. Applicants can also complete the forms and call the Flood Recovery Office themselves in order to schedule an in-person consultation.
- A complete application submission will include a completed and signed application as well as all required accompanying materials for eligibility verification. This will include the submission of all supporting documentation to verify tenant incomes, ownership, duplication of benefits, citizenship status and other required criteria. Eligibility material will be collected and verified during the in-person consultation.
- Only completion and submission of the official SRRP Application Form, including the submission of all supporting documentation, will be considered as application for program benefits.
- Any citizen who has submitted a prior application for disaster recovery assistance through a non-profit organization, federal, state or local agency will not automatically become an applicant of the SRRP. Therefore, any documents specific to this program must be submitted.
- Submission of a public comment form or other written documentation of damage during public meetings or hearings does not constitute application to the SRRP.
- Registration with 2-1-1 does not constitute application for the SRRP.
- Qualification for assistance must be certified prior to the commitment of any funds to an activity or beneficiary.
- Applicants are not guaranteed assistance, but will be served based on availability of funds and qualification for those benefits.

The Application outreach process will begin on December 11, 2017 and continue for approximately 30 days. The program will utilize a rolling intake period which will close at a time to be determined by the County once a significant portion of the program funds are utilized.

Applicants will be served on a first-come-first-served basis.

1.7 Priority Schedule

RCCD will develop a process to accept applications for funding to serve low, very low, extremely low and moderate-income rental units. Criteria developed by RCCD will identify projects providing the greatest benefit to:

- 1) Expand the affordable housing stock by assisting vacant units which are not in a condition suitable for occupancy by bringing uninhabitable units back into the low to moderate income rental market.

- 2) Provide improved housing stock for currently occupied rental units impacted by the October 2015 storm event.

1.8 Application Intake

No pre-screening of applicants without the acceptance of a written Application Form submitted by the applicant will be allowed. Anyone who makes an inquiry about the program will be provided an application package to complete and return.

1.9 Program Education

Program Education will be provided to all applicants to explain the details of the program, the application process, qualification and prioritization criteria, impacts of accepting an award, requirements for compliance after completion of activities, and long-term obligations incurred as a result of this funding.

1.10 Eligible Structures

- ✓ Eligible structures for the SRRP include stick-built residential dwellings. Attached structures are eligible if they are under the common roof of the damaged single structure.
- ✓ The rental program will assist small rental properties (containing one to four units). To be an eligible structure, the entire structure (therefore all units in the structure) must be owned by the same owner(s).
- ✓ All units (100%) must be LMI units, unless one unit in the structure is owner-occupied and the owner remains in that unit. If the owner occupant is income eligible the unit is eligible for rehabilitation. If the owner occupant vacates the unit in which they live, that unit must be rented to LMI tenants.

1.11 Ineligible Applications/Properties

The following types of ownership are ineligible for assistance under this program:

- ✗ Business entities are not eligible. This includes but not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations and other similar entities.
- ✗ Applicants who lost ownership of their properties due to foreclosure are ineligible for assistance.
- ✗ Properties not in compliance with Environmental Code 24 CFR Part 58 are ineligible to participate in the Program.
- ✗ Persons who previously had their homes constructed under Disaster Recovery programs and failed to maintain insurance are ineligible to participate in the program.
- ✗ Second homes are not eligible.
- ✗ Manufactured and modular housing units are not eligible.
- ✗ No condominiums, co-operatives, or townhomes will be eligible under the SRRP.

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- ✘ Garage, sheds and outbuildings, not attached to the main dwelling unit are not eligible for repair. Improvements must be physically attached to the house and be permanent in nature.
 - ✘ Recreational Vehicles and camper trailers used as a residence are not eligible for the program.
 - ✘ Houseboats used as a residence are not eligible for the program.
 - ✘ Homes that are used for both residential and commercial purposes are not eligible for the program.
 - ✘ Housing units located where federal assistance is not permitted by federal regulation or within runway clear zones of either a civil or military airport are not eligible.

1.12 Certification Requirements to Receive Assistance

All applicant(s) must agree to the following to receive assistance:

- 1) Sign a release so that information provided by the applicant(s) can be shared with state and federal agencies and certain third parties in order to verify information given to the program. The applicant and co-applicant are required to sign the release (unless one of the eligible owners has provided power of attorney to the other to represent them, then the eligible owner does not need to sign release).
- 2) Agree to verification of their ownership status, the amount of disaster-related damage to the home, and assistance received by all previous sources.
- 3) Sign a certification that the property will be used for year-long rental housing and not as a second or seasonal home.
- 4) Agree to provide tenant income information to the Program for review and approval prior to executing the lease and/or move in date.
- 5) Agree to stop all on-going construction activities at the time of application.
- 6) Agree to maintain casualty insurance and flood insurance, if the property is located within a FEMA designated Special Flood Hazard Area for the full term of the grant. Flood insurance may be required in perpetuity depending on the property.
- 7) Swear to the accuracy and completeness of all information provided to the program under penalty of law.
- 8) Acknowledge that any overpayment of benefit will be subject to recapture.
- 9) Agree to provide information verifying that the applicant's household income qualified to permit participation in the program.
- 10) All applicants must agree to sign a number of documents to receive assistance. These documents are fully explained in later sections and in the legal documents executed at contract signing or closing. This includes revised documents necessary to acknowledge changes post-closing. Failure to comply with this requirement will allow the program to determine the documents are administratively signed (acceptance without homeowner signature). The applicant may challenge the signing under the appeals process.

1.13 Type of Assistance Offered

Rehabilitation may be offered to applicants based on the extent of damage to the property.

Understanding that it may be necessary for tenants to remove themselves and their belongings from their homes during the period of repair, RCCD will provide relocation assistance to tenants as required under the Uniform Relocation Act. Income qualified applicants who live in one of the units may also be eligible for relocation assistance and will be evaluated on a case by case basis. However, as this is a voluntary program, it will be standard practice that the cost for temporary relocation of owner occupants and belongings to allow for rehabilitation activities, will be borne by the applicant.

This Program does not pay for like for like replacement. The Program will offer standard, basic amenities to make a home decent, safe and sanitary and all improvements will be assessed for compliance with HUD Section 8 Existing Housing Quality Standards, and local building codes. Luxury items, including but not limited to, granite (or other high-end) countertops, high-end appliances, stone flooring, garage door openers, security systems, swimming pools, fences, and television satellite dishes are not eligible under the SRRP.

Additional improvement parameters include:

- Lead-based paint mitigation or stabilization, as needed.
- Asbestos testing, mitigation and abatement, as needed.
- Mold remediation, as needed.
- Accessibility features for documented special needs. Rehabilitated properties where the owner is committed to renting to special needs or elderly (age 62 or older) persons may obtain improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas, if appropriate. Hearing and sight impaired adaptations should also be considered. All special needs requirements must be documented prior to approval. For rental properties, this will be documented via the owner's signed intent to market to elderly and disabled tenants.
- Ventilation and energy efficiency items such as ceiling fans, window screens, and screen doors may be replaced if damage is reasonably attributable to storm damage.
- Elevation above the base flood elevation level where the rehabilitation will constitute a substantial improvement.
- All electrical components must be inspected including service, meter, wiring, and fixtures even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.
- All homes must be equipped with a smoke detector installed in conformity with code requirements.

1.14 General Program Requirements

Housing assistance funds must satisfy the following:

- a. Rents must be restricted to no more than high HOME rents as set by HUD. Rents must be restricted to these amounts during the life of the lien forgiveness period of five years.

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- b. Rents may not exceed 30% of the monthly income for a household earning 80% or less of the AMI. The units must also accept Section 8 vouchers for the duration of the affordability period.
 - c. The property must pass a federally required environmental review. The applicant cannot make any project limiting decisions until the environmental review is approved.
 - d. An estimated cost to repair (ECR) inspection must be conducted. The work write up must be completed in sufficient detail to obtain bids or cost estimates. Rehabilitation of the residence must bring the property into compliance with local health, safety and building codes and pass a Housing Quality Standards inspection. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. The program will supply the ECR.
 - e. The project must comply with all applicable federal, state and local requirements.

1.15 Construction Standards

Housing that is rehabilitated with CDBG-DR funds must meet all applicable local and state codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. All rehabilitation projects must comply with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR §982.401. All deficiencies identified in the final inspection must be corrected before final payment is released.

1.16 Allocation and Housing Assistance Caps

The base award cap under the Small Rental Rehabilitation Program is \$70,000.00 per housing structure for rehabilitation. Additional money may be available for accessibility features and relocation assistance on a case by case basis. Landlord owners may apply for assistance for a single, one to four unit residential structure owned by the landlord owner and operated as rental property.

The exact award will depend upon the amount of storm damage and the cost of rehabilitation up to the maximum award amount. When a rental unit is assisted with disaster recovery funds, the entire unit must be brought up to Housing Quality Standards (HQS) or the current federal standards. Eligible costs include hard costs for construction and soft costs associated with repair of rental units plus other costs permissible under 24 CFR 570.

Assistance is limited to a maximum of \$85,000, less any duplication of benefits. The base unit "bid" amount is the maximum amount of assistance available to rehabilitate a stick built home. It is set when the standardized set of new home specifications in the Guidelines are bid locally. The intent of this rule is to equalize the funding available for different activities and choices. Homeowner Assistance allows for additional costs above the base unit amount including elevation and mitigation measures.

The rehabilitation cap applies to the entire structure and will not be increased on a per unit basis.

Assistance Funding Levels

Table A: Funding Levels – Maximum Allowable

	Assistance Type
	Rehabilitation
Base Rehab Cost*	\$70,000
Accessibility	\$10,000
Relocation	\$5000
Totals:	\$85,000 Max

*The Base Rehab Cost will include:

- 15% reserve,
- Environmental Review
- Permitting (Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs),
- Demolition and removal of construction debris,
- Onsite storage containers,
- Onsite toilets,
- Dumpsters,
- Costs of project oversight, monitoring and delivery, and
- Environmental remediation testing, reporting and remediation.

The owner understands that unforeseen conditions may arise during construction and agrees to be responsible for change orders exceeding the amount of the program award.

Projects may fail to move to completion for a variety of reasons, including but not limited to, property owner withdrawal from the program and owner refusal of benefit. The costs listed above are project delivery costs. Should a property undergo environmental review and hazard testing, but then fail to make it through construction, these costs (as well as any other project delivery costs expended) may be moved from activity delivery costs to program administration costs as long as there are administration dollars available, but as HUD's exception for moving such costs applies to housing rehabilitation, the costs may remain activity delivery.

1.17 Feasibility of Rehabilitation Analysis

As a recipient of Federal funds, RCCD is charged with ensuring that costs of its activities are reasonable and necessary. Therefore, each property assessed under the SRRP, will be analyzed for feasibility. The preliminary budget, called the Estimated Cost of Repair (ECR) will be prepared to indicate the potential cost of demolition, elevation, and rehabilitation or replacement, as appropriate. The ECR will include the costs required in the Base Rehab cap described in Section 1.16, along with all additional mitigation and accessibility requirements. If the total cost of the project is:

- 1) Less than 75% of Rehab Cap, the SRRP will offer rehabilitation services to the applicant.
- 2) More than 75% of Rehab Cap and less than Total Funding Cap SRRP will determine if rehabilitation is feasible. If determined to be not feasible, no assistance will be offered and an explanation will be offered in writing.

- 3) More than 100% of Rehab Cap and Total Fund Cap, SRRP, the Selection Committee will determine if rehabilitation is feasible based on health, safety and humanitarian factors which may threaten the household. The Selection Committee reserves the right to approve a project for rehabilitation which may exceed the Rehab Cap and Total Fund Cap based on the previously described factors. This may also include an exception to standard design criteria to address specific household issues or needs. If deemed not to be feasible, no assistance may be provided. A written explanation of the determination will be offered.

1.18 Applicant Responsiveness

During the Application process, an Applicant is required to respond in a timely fashion with requests for information/materials. At no time should a request for additional information go beyond fifteen (15) working days. If the Applicant needs an extension, a clarification, or assistance, they may request assistance within the fifteen (15) day window. If the applicant fails to provide the requested information/materials or fails to ask for an extension or assistance, their application will be considered on hold until the information is provided.

If an applicant becomes unresponsive, the application will be placed "On Hold". Placement of an application "On Hold" for unresponsiveness may be appealed once. If a successful appeal results in the reactivation of an application, subsequent placement "On Hold" for unresponsiveness is not appealable.

An exception to the unresponsive policy stated above is for clearance of title defects that are provided up to one year to clear the defect. Weekly status reports of the progress being made to clear title may be requested of the Applicant.

1.19 Applicant Responsibilities

Applicants who receive assistance from the SRRP have the following responsibilities:

- 1) SRRP will not be responsible for lost or damaged belongings of the tenants or Applicant that have occurred during construction. The Applicant must work with tenants to secure or relocate all of their tenant's personal property until construction is complete. The applicant is responsible for the movement, storage, and security of all property and personal belongings. The Applicant must work with tenants to identify and secure a clean, dry, safe location to secure or relocate their personal property until construction is complete.
- 2) Tenants and income eligible, owner occupant Applicants, can apply for up to \$5,000 in financial assistance for temporary relocation and personal property storage costs.
- 3) Upon the signing of the contract, the applicant will have thirty (30) calendar days to have tenants move their personal property out of the structure and store any valuable personal property that could be damaged during the course of construction.
- 4) The applicant must arrange access to the property for Building Contractors providing construction services. If reasonable and timely access is denied to a Building Contractor who is attempting to make a good faith effort to perform required repairs, the applicant will become responsible for completing the construction / repairs himself and the award may be terminated.

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- 5) During construction the tenants and applicant must not interfere in repair areas, and must make a reasonable effort to stay away from the construction zone unless otherwise agreed upon with the Building Contractor.
 - 6) Upon completion, the property must meet Housing Quality Standards (or current standards), local Richland County and/or local municipal building code requirements
 - 7) The rent for all units receiving assistance occupied by the low-moderate income household must be occupied at affordable rents. The units occupied by low-moderate income households must comply, at a minimum, with the High HOME rent limits published by HUD under the HOME program through the affordability period. Compliance with rent limits is calculated in the same manner as HUD programs.
 - 8) Property must be used for year-long rental housing and may not be used as a second home or for seasonal rental property.
 - 9) Properties will be leased to low/moderate income household within 60 days of project completion.
 - 10) Tenant income information must be provided to the Program for review and approval prior to executing the lease and/or move in date. Landlords will solicit and approve their own tenant base and RCCD will not make any judgment on the suitability of tenants other than verifying that their income meets program requirements.
 - 11) Retain the property as a low to moderate income rental property after project completion for a period of at least five years. Cash out refinancing, home equity loans or any loans utilizing the assisted residence are not allowed for 5 years. Violation will activate the repayment terms of the deferred Note. Violators may be reported to Credit Bureaus and the South Carolina Office of Attorney General.
 - i. If the assisted property owner continues to rent the property in compliance with the grant agreement and all certifications until the term of the note expires, the owner pays nothing and there are no conditions on the disposition of the property.
 - ii. If the property is sold, transferred or vacated by the assisted owner for any single period that exceeds thirty (30) days during the 5-year forgivable loan period, the repayment terms of the Note will be enforced except in those cases addressed in paragraph iv below.
 - iii. If the affordability period of five years is violated (vacated, transferred, non-LMI tenants or rents above restricted rates), the repayment terms of the Note will be enforced.
 - iv. Accelerated Forgiveness: In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted owner identified in the original application, RCCD may forgive any remaining loan balance.
 - 12) Applicants/homeowners maintain home insurance coverage (not less than contract amount), inclusive of casualty (hazard) and flood insurance (if applicable). Failure to maintain flood insurance will prohibit future assistance; and failure to maintain hazard insurance may prohibit future assistance. SRRP will not pay for flood and hazard insurance. The property owner is responsible for obtaining, paying and maintaining all insurance premiums.

- 13) Keep current on all property taxes or have a tax deferral, tax exemption, or be current on an approved repayment plan.
- 14) Meet all requirements agreed upon in the executed legal documents required by the program.

All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The assisted property owners will remove derelict personal property. The property owner has thirty (30) days from the date of award acceptance to remove all such debris and derelict property from the construction site. Failure to remove such property may result in a reduction in total benefit amount to account for program removal and if, such reduction results in a new feasibility determination that the project is no longer feasible, the applicant activity will be determined ineligible and the application will be closed.

Prior to construction activities, where the applicant and tenants will need to vacate the property, the applicant and tenants have thirty (30) days **from award signing** to vacate the property and move all personal belongings into storage. The Program will pay for onsite storage for tenants whose units are receiving assistance and for income qualified applicants. The program will also provide tenants with assistance for relocation costs as required under the Uniform Relocation Act. Such relocation assistance is limited to the lesser of ninety (90) days or \$5,000.00. Should construction activities go beyond 90-days due to construction contractor failure to meet the contractual performance period, additional relocation assistance will be paid directly to the temporary housing provider for the benefit of the applicant for the duration of the vacancy period **by the contractor**. Failure by the tenants and applicant to vacate the property within the thirty (30) day period will result in the closure of the application and reassignment of the applicant benefit to the next beneficiary.

1.20 Complaints/ Appeals/ Conflict of Interest

A complaint and appeals procedure will be afforded applicants. **Complaints** may be lodged regarding any and all concerns that applicants may have with the procedures followed and services provided by SRRP. In order to file a complaint applicants must complete a Customer Concern Form and submit it to the RCCD office or utilize the County complaint hotline once developed. **Appeals** may be lodged only upon the deliverance of an adverse Program decision regarding eligibility or closure of an application, and only within the parameters set by the Appeals procedure. Applicants have the right to participate in the process when they believe there is a mistake regarding their application.

An appeals process initiated by the applicant will include an informal and formal, written grievance procedure which may include but not be limited to informal hearings, third-party review and director approval. Flood recovery staff will render a decision regarding exception reviews and formal appeals. Appeals, grievances, and exceptions will be further explained in the Complaints, Appeals and Exceptions Procedures.

Fair Housing Complaints

Persons alleging a violation of fair housing laws will be referred to RCCD's local contact and process to file a complaint. RCCD will retain a log and record of all fair housing inquiries, allegations, complaints, and referrals. In addition, RCCD will report suspected non-compliance to the state and HUD. The contact for Fair Housing Complaints is:

Jocelyn Jennings
Richland County
Office of Community Development
2020 Hampton Street
Columbia, South Carolina 29204
Telephone: 803/576-2055
Fax: 803/576-2052
jenningsj@rcgov.us

Conflict of Interest

County officials and employees, RCCD employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, are prohibited from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure.

For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

The Richland County Council is able to consider granting an exception to the conflict of interest provision should it be determined that RCCD has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. No party shall enter into a conflict of interest until a request for an exception has been granted.

1.21 Anti- Fraud and Compliance Policies

RCCD will investigate all allegations regarding eligibility and the disbursement of funds or any other allegations of fraud or noncompliance. Where appropriate the program will assist Federal, State, and local agencies.

1.22 Files, Records and Reports

RCCD shall maintain accurate files and records on each applicant and shall retain all pertinent documentation for the grant between HUD and Richland County. Compliance will be maintained in accordance with the reporting requirements under the CDBG Disaster Recovery Program, as outlined in the Richland County CDBG-DR Program Administrative Manual. This includes all information and reports as required under RCCD contract with HUD and demographic data and other information on applicants and awardees.

The reporting requirements will include, but not be limited to the following:

For each program activity requiring a direct application by an individual or non-institutional entity:

- Tenant household’s income
- Tenant household’s income as a percentage of area median family income as defined by HUD
- The race and ethnicity of the tenant head of households

- The tenant household's familial status

For each activity providing housing or housing assistance that is not directly linked to a specific beneficiary:

- The cost of the housing unit to the applicant and to the occupant
- The maximum qualifying household income as a percentage of area median family income as defined by HUD
- Restrictions regarding the age or familial status of occupants
- The presence or absence of designs or services that make the housing unit accessible to an individual with a disability and the number of fully accessible units.

All official records on programs and individual activities are maintained for a 3 (three) year period, beyond the date of grant closeout.

1.23 Procurement Requirements

RCCD shall abide by the Procurement process mandated by Federal, State, and Local Government codes as they are applicable to the program. The procurement process includes the decision to purchase as well as the process to complete the purchase. The Federal government has established a set of procurement rules at 24 CFR Part 200 that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. In addition, Richland County has enacted its own standards. If a conflict between Federal and local procurement regulations should occur, the more stringent regulation will be followed.

Part 2 Eligibility Requirements

2.1 Threshold Requirements Overview

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance, since a prioritization strategy will be required (consistent with Program Design requirements) and it is expected that there will be more eligible applicants than can be served with available funds. Threshold requirements are those that upon their face will either allow an applicant to continue to move forward in the program or result in disqualification. Described in more detail below, the threshold criteria for the Richland County SRRP are:

- 1) October 2015 storm or flood damage;
- 2) Location of damaged property within Richland County (excluding City of Columbia);
- 3) US Citizen or Qualified Alien Status;
- 4) Proof of ownership at the time the disaster damage occurred and have maintained ownership;
- 5) Damaged structure is used as rental property and not as a second home or seasonal rental;
- 6) Property taxes are current or current on an approved payment plan (including exemptions under current law);
- 7) Current on any child or spousal support obligation;

2.2 Other Property Requirements

- 1) Each property must currently have access to water, electricity, and sewer or septic service, or hookups to provide those services.
- 2) Properties must have a functioning oven, stovetop, and refrigerator.
- 3) The on-going maintenance of hazard and flood insurance, by the landlord/owner is a program requirement.

2.3 October 2015 Storm or Flood Damage

The home must have been damaged by the storms and/or flooding of October 2015 and must have unrepaired damage as of the date of application. Applicants must have registered for Federal Emergency Management Agency (FEMA) to be eligible for SRRP. The SRRP may use FEMA damage information for informational purposes, but the SRRP damage verification process will constitute the official documentation of damage linking back to the October 2015 storm or flooding damage. If an applicant did not register, SRRP will verify by third party that the property was damaged using the same damage verification process. If there are no documents proving damage, SRRP will conduct on-site inspections to determine if the property was damaged by the storm. Damage to the home not caused by the October 2015 storm and flooding events may be addressed only on structures which have storm related damage.

Proof of Damage options:

- i. An inspection report (complete with photos of the damage and a written assessment of the damage) from a damage assessment conducted by a qualified inspector supplied by the SRRP that certifies that the damage occurred as a result of the hurricane will be acceptable.
- ii. FEMA, SBA or Insurance award letters.

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- iii. In the event that FEMA, SBA or Insurance award letters are not available and an inspection report is inconclusive as to the cause of the damage, the SRRP may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations on a case-by-case basis to RCCD for review and approval.
 - iv. If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. RCCD prohibits the denial of assistance by FEMA to be used as a sole basis for the denial of CDBG-DR assistance.

2.4 Location

The damaged home must be located in Richland County, excluding properties located within the boundaries of the City of Columbia.

2.5 Citizenship

Only US Citizens and non-citizens with Qualified Alien Status are eligible. Citizenship status will be documented through the application process. US Citizens may prove citizenship with a US Passport, US Passport Card, US Birth Certificate, Certificate of Naturalization, or Certificate of Citizenship. Non-citizen Qualified Aliens must present proof of their Alien Number or I-94 Admission Number.

2.6 Ownership

The applicant(s) must have owned the property at the time of the damage occurred and must currently be the owner of the damaged property, in order to be eligible for the program. Applicant(s) must have maintained ownership of the property since the storm and possess title to the property on the date of application as well.

Rent to own, bond for deed, and lease to own circumstances related to ownership are not eligible.

Owner(s) must be individuals. Business entities are not eligible. This includes but not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations and other similar entities.

2.6.1 Proof of Ownership

The applicant(s) must have owned the property as of October 3, 2015, the beginning date of the storm and flooding events funded by this CDBG-DR allocation. The program verifies ownership through the provision of a deed to the property and/or tax records provided by associated municipality from the time of the storm. Applicants are also required to complete an Affidavit of Ownership as part of the application process.

Credit reports may be used to check if the property is in bankruptcy. Applicants must sign and return an Authorization to Release Information before the SRRP can order a credit report and confirm that the property is not in bankruptcy. Applicants in bankruptcy may proceed to closing for this program only with evidence that the property is not included in the bankruptcy estate.

Applicants in foreclosure on the applicant rental property may not proceed.

Applicants with outstanding liens and judgments must clear the liens and judgments in order to participate in the program. Applicants will have six (6) months from the date of application to clear such liens and

judgments. Failure to clear the liens and judgments within this time period will result in disqualification from the program.

2.6.2 Special Circumstances Related to Type of Ownership Purchase Contracts

The following exceptions may apply as special circumstances related to ownership:

- 1) Evidence of purchase contracts must prove that an applicant was purchasing a home on a contract by:
 - a. The applicant presenting the notarized contract dated and executed prior to the storm for review by SRRP.
 - b. The applicant presenting the notarized and executed contract that was filed prior to the storm in the conveyance records of the county.
- 2) Proof that a contract has been completed and title conveyed to the purchaser is provided by:
 - a. Evidence of recordation of the title in the name of the applicant in the conveyance records of the county.
 - b. Evidence that property was transferred by a warranty deed.

2.6.3 Act of Donation

An Act of Donation is a form of property transfer without exchange or payment.

An Act of Donation must have been made prior to the storm and be:

- 1) In writing;
- 2) Witnessed;
- 3) Notarized; and
- 4) Recorded in the public record.

2.6.4 Trust

Property held in trust for the benefit of natural persons can be eligible for SRRP assistance as long as at least one of the property owners at the time of the storm was a current beneficiary of the Trust. The trustee's powers must include the ability to affect the damaged property. If the trustee's powers do not include the ability to affect the damaged property, the beneficiaries with an interest in the damaged property must sign the closing documents along with the Trustee.

The following is required to confirm eligibility:

- 1) The applicant must provide a copy of the trust document.
- 2) The trust document or an abstract or extract of the trust must be recorded in the conveyance records of the county in which the damaged property is located. This recordation in the conveyance records of the county in which the damaged property is located may be recorded post-storm if necessary.

The applicable agreements must be executed by trustee(s) unless the trust distributes the property to a beneficiary, in which event the beneficiary receiving the property must execute the applicable agreement

and occupy the residence after assistance. If the property was not serving as the primary residence for the current beneficiaries or trustee, the applicant(s) is not eligible for assistance.

2.6.5 Death of Eligible Owner

If the deceased owner of the damaged address passed away after completing the RCCD application but before being approved or before construction starts, the deceased owner must have met the eligibility requirements up to the time of their death (i.e., ownership at time of storm, income eligibility, taxes). The heir must agree to make units available for rent to LMI qualified tenants after repairs are completed for the term of the deferred forgivable loan.

If an owner passed away after the October 2015 storm event but before an application for CDBG-DR was completed then the heir must be a currently legal property owner. The applicant must be able to be legally responsible for the lien being placed on the property.

2.7 Rental Property

The property need not have been used as rental property at the time of the storm, but must be used as rental property after repair.

2.7.1 Property Amenities

Each property must currently have access to water, electricity, and sewer or septic service, or hookups to provide those services.

Properties must have an operational oven, stovetop, and refrigerator.

2.7.2 Property Vacancy

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property that results in relocation when federal dollars are used for those projects. This law was enacted by Congress to ensure that people whose real property is acquired, or who are required to move as a direct result of federally assisted projects are treated fairly and equitably, and that they receive assistance in moving from the property they occupy.

Each applicant must provide information on the current occupants of their property, if any, on their application. Applicants must also provide the occupant information for all occupants in tenancy on the date of the disaster. Tenants who were displaced on October 3, 2015, as a direct result of the disaster may be eligible for relocation assistance under URA.

This program is designed to rehabilitate existing rental units and bring vacant properties back into the rental market. Landlords must not evict or otherwise force the displacement of current tenants in order to increase priority of their property for this program. Doing so will:

- a. Make the owner landlord ineligible to receive benefits from the program;
- b. Result in legal penalties; and
- c. Trigger permanent relocation assistance to the tenant, for which the landlord owner will be responsible. The landlord owner will be required to reimburse the Program for all relocation expenses (temporary or permanent) associated with the displacement of tenants if the Program is forced to handle these costs. These costs may include "increased

housing costs, moving expenses, and necessary out-of-pocket expenses” for the displaced tenants.

Properties may not be rented subsequent to the date of application for assistance and prior to construction completion resulting in the issuance of a Certificate of Occupancy (COO).

If at any time tenants are forced to move out, relocation policies as described under the Uniform Relocation Act will be followed.

2.8 Property Taxes

All applicants must be current on their property taxes, qualify for and receive a payment plan for delinquent taxes, be current on a payment plan, or have a tax deferral as allowed under local law, prior to closing. SRRP will have the applicant provide documentation from the local Tax Assessor’s Office.

2.9 Child & Spousal Support

All applicants listed on the application will be asked if they are required to pay child and/or spousal support. An applicant who is obligated to pay court-ordered support and has been reported by the South Carolina Attorney General as being delinquent in payments owed, is ineligible to receive assistance unless the delinquency is paid in full or the applicant has obtained a written payment agreement from the South Carolina Attorney General to eliminate the delinquency, and they are current on that agreement. If Applicant has no court ordered child or spousal support, an affidavit of this fact will suffice.

All applicants must be current on any child and spousal support payment(s) under any court order. If an applicant is not current on support payments, that applicant will be required to enter into a payment plan and must supply a copy of the payment plan signed by all applicable parties, along with documentation that they are current on their payment plan.

2.10 Current on all Loan Obligations

The owner must be in good standing with any loans on the property, other than existing mortgage, and/or not in default with any loans associated with the property or have negative collection actions on any current or previous loans.

The owner of the property may not be listed as “debarred” on the federal and state debarment lists, in accordance with 24 CFR §570.609, as well as other applicable laws.

The owner must provide a complete listing with addresses of other rental properties currently owned or managed, as well as the loan status of such properties. The relevancy of the status of additional loans is directly linked to the applicant’s ability to maintain ownership of the assisted property.

2.11 Income Eligibility Requirement

All tenants must meet income eligibility criteria in order for units to be eligible for assistance. In order to meet this eligibility requirement, tenants must be low to moderate income with a total household annual gross income that does not exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by HUD. Units which are unoccupied must be rented to income eligible households for the life of the lien forgiveness period.

All applicants (property owners) must be income eligible to participate in the SRRP. The applicant’s household must earn 120% or less Area Median Income based on their household size to be eligible to participate in the program

Property Owner Household Eligibility Table

Household size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Household Income	\$56,300	\$64,300	\$72,350	\$80,400	\$86,850	\$93,250	\$99,700	\$106,150

Part 3 Duplication of Benefits

3.1 Overview

Eligible applicants may have previously received assistance from other sources for the rehabilitation of their storm damaged property. Under the requirements of “The Robert T. Stafford Disaster Assistance and Emergency Relief Act” (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, RCCD must take into account certain aid received by applicants in determining the amount of assistance which can be granted. RCCD will follow HUD’s Duplication of Benefits Guidance. The following are sources of funding assistance provided for structural damage and loss that are considered duplication of benefits, DOB, and under federal law **must** be deducted from the assistance provided:

- 1) FEMA Individual Assistance for Structure (IA);
- 2) FEMA National Flood Insurance Program (NFIP);
- 3) Private Insurance;
- 4) Increased Cost of Compliance (ICC);
- 5) Small Business Administration (SBA); and,
- 6) Any other funding source available to the applicant for the same purpose as the CDBG-DR grant that may duplicate assistance.

Funds received from any source including flood insurance, FEMA and hazard insurance that were used to cover repair to the covered property do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance provided from the source. Documentation must be provided demonstrating the cost and type of repair conducted.

3.2 FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by SRRP through the FEMA database. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, SRRP will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

3.3 FEMA National Flood Insurance Program (NFIP) Insurance

Any payments for loss to the dwellings during the October 2015 storm and flooding events under NFIP insurance policies may be deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant’s award. SRRP will verify payments by reviewing FEMA claim information or by providing a request for verification to FEMA. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not related to the structural loss, SRRP will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

3.4 Increased Cost of Compliance (ICC)

The program will determine duplication of benefits regarding ICC funds for elevation and/or demolition activities. If SRRP is unable to determine the amount/or purpose of the ICC proceeds using documentation provided by the applicant, such documentation will be provided to the RCCD CDBG-DR program manager for final determination.

3.5 Private Insurance

All private insurance settlement amounts for loss to dwellings are considered a duplication of benefit and may reduce the amount of disaster assistance. Private insurance payments for contents or other expenses such as fences, storage sheds, etc., are not deducted from the applicant's award.

Insurance proceeds are determined and verified by SRRP by contacting the insurance company and verifying proceeds. If SRRP is unable to verify the private insurance proceeds through the insurance company, SRRP will use the claims payout provided by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, SRRP will use the documentation provided by the applicant to adjust the private insurance payout. Mold remediation is not included in the home evaluation. Therefore, insurance payments to cover mold remediation are not deducted from an applicant's funding assistance award. The documentation provided by the applicant must come from the insurance company which issued the payments or an order from an administrative proceeding or court of competent jurisdiction.

3.6 The Small Business Administration (SBA)

If the SBA has approved loan funds, the assistance is considered a duplication of benefit, and the amount of the loan may be deducted from the disaster assistance award. SBA loan availability will be determined and verified by SRRP through the SBA database. If SRRP is unable to verify the SBA qualifying loan amount through the SBA database, SRRP will use the qualified loan amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the SBA amount provided by the SBA database includes amounts not loaned to cover structural loss, SRRP will use the documentation provided by the applicant to adjust the SBA loan amount. The documentation provided by the applicant must come from SBA.

SBA loans offered, but declined by the applicant will be deducted from the applicant's award as this assistance is considered available to the applicant for the purpose of rehabilitation. In some circumstances, acceptance of an SBA loan may create a hardship. RCCD will consider SBA loan rejection hardship on a case by case basis. If RCCD determines that a loan would create a hardship, the amount of the SBA loan will not be deducted as a duplication.

3.7 Cost of Repairs

Applicants may have used benefits received from insurance, SBA, and FEMA or other sources to make repairs to their October 2015 storm and flooding events damages. These applicants may be able to deduct verifiable amounts of these expenditures from the duplication of benefit. The applicant will be required to document repairs made to the home with receipts and photographs. Copies of all receipts that support repairs to the home must be provided to the program to document eligible expenditures. SRRP will accept

self-certifications when calculating the amount of repairs if the applicant lacks receipts to document all or part of the cost of repairs. For self-certification, the following requirements apply:

- 1) The applicant must provide a signed self-certified statement that documents, in detail, all labor and or repairs made to the damaged property following the hurricane;
- 2) A program inspector must determine with reasonable assurance that the repairs were made after the date of the hurricane; and,
- 3) Documentation, through photographs, that the repairs were made.

3.8 Duplication of Benefits

In this program, rehabilitation of a structure is the only eligible benefit option. Additionally, rehabilitation must be for the same purposes. If funds spent by other sources were used for rehabilitation it must have served the same purpose where CDBG-DR funds would be addressing the same residential components for the same purposes.

3.9 Contractor Fraud

If an applicant was a victim of contractor fraud, the amount paid to the contractor is not to be counted as a duplication of benefit provided the applicant filed a police report and made every reasonable effort to recover the funds prior to the date of the application.

3.10 Forced Mortgage Payoff

If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits. In such cases, the amount verified by SRRP that was used for this purposes can be included in the DOB calculation if it is supported by a letter that is on company letterhead and signed by an authorized representative stating the applicant was required to use their disaster assistance funds for this purpose. The determination of whether or not the documentation provided is sufficient to be removed from the duplication of benefits calculation will be made by the RCCD CDBG-DR Program Manager.

3.11 Legal Fees

Legal fees that were paid in successfully obtaining insurance proceeds will be credited to the applicant and will not be deducted as part of their duplication of benefits. Applicants will need to provide evidence of payment and self-certify in accordance with SRRP policy in order to be credited. All other legal fees will be deducted as part of their duplication of benefits.

3.12 Tax Filings

Personal Income Tax filings related to losses to the home do not affect funding assistance awards and are not considered duplication of benefits. Applicants should consult their personal tax consultant to seek guidance regarding any tax related matters.

3.13 Calculating the Amount of Assistance

Documented expenses for eligible home repair related to the October 2015 storm and flooding events will be totaled and considered for credit to the applicant. The cost of interim housing (rent, hotel payments, RV Purchase, motor home purchase, travel trailer purchase) while the damaged home was unlivable can be deducted from the DOB amount. Acceptable forms of documentation include:

- 1) Copies of all receipts that support repairs to the home;
- 2) Self-Certification statement that details home repair expenses and labor;
- 3) Police reports and all other documentation of attempts to recover funds, filed prior to application, that verify contractor fraud;
- 4) Invoices confirming legal fees associated with insurance proceed collection; and
- 5) Letter from the applicant's Mortgage Company or bank confirming a forced mortgage payoff or pay down.

In instances where home repair receipts do not fully account for the funds received, SRRP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the storm related repairs performed. Self-certified statements of homeowners must be reviewed in detail by SRRP to determine:

- 1) Whether the home was repaired to code;
- 2) Whether the repairs could be reasonably determined as occurring after the hurricane; and
- 3) A reasonable value of the cost of repairs to the home (including possible labor).

The documentation provided by the applicant and the value assigned by SRRP, as required, will be totaled and compared to the benefits received for the October 2015 storm and flooding events home repairs. If the total benefits received exceed the documented amount of home repair or reconstruction expenses, then the shortfall may be deducted from the applicant's program award.

Repair expenses in excess of the prior benefits received will not be reimbursed by the Program.

Part 4 Inspections and Environmental Reviews

4.1 Overview

Inspections will be conducted on eligible structures to confirm several verification factors such as the presence of safety risks as well as to confirm that damage to the property is storm related. Eligible properties will be processed through to bid and construction as they are verified.

All Federal regulations regarding lead-based paint, environmental review, housing quality standards, procurement, labor standards, etc. apply to this program. If issues are identified with an application, an application may be required to undergo additional reviews and this may take additional time to resolve.

The program will perform an environmental review and on-site inspection of damages upon completion of all third party verification required by RCCD. An environmental review must be performed on each applicant's property for that property, and thus the applicant, to be eligible for the program. Applicants will be notified in writing, at the application submission stage, to cease any work in progress on a damaged residence until the environmental review is complete. Applicants who do not cease work may not be eligible for the program. The program inspector will note any work that has been started and/or completed.

4.2 Initial Inspection and Damage Verification

All property improvements must be for unmet housing needs resulting from the October 2015 storm and flooding events. Non-hurricane damage may only be addressed on structures that also have storm or flood-related damage. Structures built before 1978 must be inspected for lead-based paint hazards. Where such hazards are detected, the applicant(s) will be notified and appropriate steps will be taken to mitigate dangers from lead-based paint.

As needed, the municipal Appraisal District will be used to determine the value of the home at the time of the storm.

Program staff will conduct site visits to observe and record the presence of unrepaired storm and flood damage resulting from the October 2015 events, to determine the extent of damage and to determine the estimated cost of rehabilitation. The applicant will need to be present for these site visits. The inspector will be required to inspect the interior of the structure and all dwelling units to observe and record damages. The inspector will note any environmental concerns on the site or nearby that could affect the evaluation.

The Estimated Cost of Repair (ECR) provides an estimate of the basic costs needed to repair the home. The ECR is calculated using the classifications defined in the Xactware (Xactimate) retailer based content estimating tool. This is an industry recognized cost estimating tool which incorporates costs necessary to ensure that the property meets the Construction Code – the International Residential Building Code as well as meeting HUD Housing Quality Standards. The ECR does not provide an evaluation that takes into account an exact replacement of applicant's original structure. In contrast to insurance estimates that may be based on replacement costs, the ECR evaluation is based on standards for basic livability developed for the program and on costs developed by the construction industry for those items. The methodology used to prepare the ECR is to account for those scope items that can be counted, measured or observed. No destructive testing is used to create these estimates.

For residential properties that also have a commercial use, the damages to the commercial portion of the home will not be included in the estimate and will not be repaired.

4.3 Eligible and Ineligible Items

Items damaged by the October 2015 storm and flooding events such as, air conditioners, heating systems, and water heaters are eligible to be replaced under the SRRP. Appliances not listed on page 24 (2.7.1) and housing components that are not integral to the structure of the home and are not essential to basic health and safety, such as washers, dryers, microwaves, dishwashers, and detached garages and carports are not eligible to be replaced under the SRRP. Luxury items and items with a quality grade above basic standards are not eligible to be replaced in a like-for-like manner.

4.4 Environmental Review

The program will conduct a Broad Environmental Review at the programmatic level. This will include coordination with Federal, State and local agencies where applicable. Additionally, all applications must pass a federally-required site specific environmental review which contains a statutory checklist of required review items. The review will be performed at the Program's expense. Site specific reviews will include the review of HUD defined environmental review topics, each of which may result in a site visit to the applicant property for further investigation.

Any issue that cannot be cleared through the environmental review process will need to be mitigated either before or during Program construction. The Program may pay for mitigation of issues identified during the environmental review if it is deemed an eligible activity. Applicants will receive all federally required notifications.

The environmental review is a separate and distinct review from any other review. Other previously performed (or applicant-provided) environmental reviews will not satisfy the Program's requirements. If an applicant fails the environmental review, they will not be eligible to participate in the Program.

Part 5 Small Rental Pre-Construction

5.1 Environmental Review

The site specific environmental review process described in Section 4.4 will be completed before any construction can be undertaken.

5.2 Lead-based Paint Hazard Identification

If the unit to be assisted was built prior to 1978, the assisted unit will be tested for the presence of lead-dust hazards. If present, the stabilization, encapsulation or removal of lead based paint will be considered in the costs of rehabilitation. Lead paint inspection provides two benefits: (1) the costs of mitigation measures are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children and the elderly, may be severe.

5.3 Asbestos Hazard Identification

Stick-built units verified for rehabilitation will be tested for the presence of asbestos for those components where reconstruction will take place. If present, a certified contractor must conduct the rehabilitation work and on-site air monitoring must take place. Final clearance testing must also be performed upon completion of construction.

5.4 Development of Cost Estimates for Rehabilitation Projects

For projects that qualify for Rehabilitation, the RCCD will develop site specific estimates that will be used to describe the scope of work to repair and establish the quantities and quality of materials to be used. A dimensioned, floor plan sketch and roof plan of the existing home will be provided for each project. A detailed scope write-up will also be provided. A mandatory Pre-bid meeting will be conducted on site to review the scope of work. All official responses to questions presented during the Pre-bid meeting and those received in writing before the cutoff date will be provided in writing via Addendum prior to bid submittal.

5.5 Contractor Assignments and Construction Agreement

Contractor assignments will be issued to a construction contractor from the RCCD Contractor pool that was procured to support construction efforts associated with CDBG-DR programs. RCCD will follow a contractor assignment process. Assignments will be based on approved criteria such as capacity, quality, and performance.

Each rehabilitation project will be subject to a construction contract or agreement. This agreement will establish performance measures to ensure timely construction. Contractors will be allowed two progress draws and one final payment for rehabilitation projects, with certain exceptions being made for complex projects. The applicant must approve and sign off on the progress draws. No change order will be effective without the expressed written approval of the RCCD and the applicant.

5.6 Contract Execution Documents

The following documents will be signed by the applicant owner at the time of contract execution. The documents listed below are further explained in the Contract Execution Procedures. As required documentation may change, this list will be updated periodically.

- 1) Mortgage and Deferred Forgivable Promissory Note (Secured Note)
- 2) Limited Subrogation Agreement
- 3) Tri-Party Agreement
- 4) Scope Write-Up Document
- 5) Escrow Agreement (if applicable)
- 6) Any other documents required by the RCCD

5.7 Secured Deferred Forgivable Note

Disaster assistance is provided as a secured note to the applicants receiving rehabilitation assistance. The assistance is secured by a mortgage and promissory note. The on-going maintenance of hazard and flood insurance is a program requirement.

- 1) The secured deferred forgivable note will indicate that flood insurance is only required when properties are located in flood zones. Failure to maintain flood insurance coverage will, in accordance with federal regulations, prohibit the applicant from receiving future disaster recovery assistance.
- 2) The secured deferred forgivable note will also indicate that the applicant is required to maintain hazard insurance. Failure to maintain hazard insurance may prohibit the applicant from receiving future disaster recovery assistance.
- 3) The secured deferred forgivable note will also require the applicant to certify that they will retain ownership of the property for at least the five year term of the note, as well as require acknowledgment that the agreement contains a due on sale provision that requires the applicant to pay the contract sum to RCCD if the property is sold prior to the expiration of the grant period.

5.8 Notice to Proceed

Notice to Proceed is given after RCCD approves the contract and performs all administrative assignment procedures; the belongings of persons residing in the units being rehabilitated are removed from the home (if necessary); the contractor obtains necessary permits; and utilities are terminated (if applicable).

5.9 Contractor Requirements

- 1) All contractors shall carry and provide proof of a current general liability policy in at least the aggregate amount of all contracts awarded in this program within ten (10) business days of award. Failure to do so may result in termination of award.
- 2) All contractors must secure and provide proof of performance and payment bonds within ten (10) business days of award. Failure to do so may result in termination of award.

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- 3) Contractors will be responsible for documenting (with photographs and written reports) any pre-existing and pre-storm damage to the property that has not been included in the scope of work.
 - 4) Contractors are responsible to comply with HUD's Lead Safe Housing Rule; EPA Renovation, Repair and Painting Rule; and all other applicable rules and regulations. Project sites are required to be in full compliance at all times.
 - 5) **All** firms performing, offering or claiming to perform renovations for compensation in target housing must comply with EPA's RRP Rule and EPA's Lead-Pre Renovation Education (Lead-Pre) Rule. Regulatory requirements can be found at 40 CFR Part 745 Subpart E – Residential Property Renovation. All general contractors participating in this disaster recovery program who will work on housing found to have lead in it must be EPA certified. In addition, all individuals and subcontractors performing renovation work on behalf of the firm must be certified renovators.
 - 6) Contractor will be responsible for determining utility needs, providing sanitary facilities and safely operating equipment on site.
 - 7) Contractors are strongly encouraged to attend pre-bid meeting and the selected contractor is required to attend Pre-construction meeting with the applicant and a RCCD representative.
 - 8) Upon receiving Notice to Proceed from SRRP, Contractors shall begin work within fifteen (15) days. Any contractors who disturb the site prior to receiving a Notice to Proceed will automatically lose their contract and funding with no recourse.

All work performed by the contractor will be guaranteed for 1 Year. Such warranty will be stipulated in the construction contract. For the specified period in the warranty, from the time of final inspection, the assisted homeowner may require the contractor to correct defects or problems arising from his or her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary recourse by contacting the RCCD. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two weeks to respond.

Part 6 Construction

6.1 Overview

Rehabilitation is defined as non-emergency repair or renovation of a limited specified area or portion of a housing structure. Rehabilitation shall also be defined as bringing rehabilitated portions of properties into compliance with local building codes, and the entire structure into compliance with HUD Minimum Property Standards (MPS) (or applicable Building Code being enforced) and Housing Quality Standards (HQS) including compliance with Section 31 of the Federal Fire Prevention Control Act of 1974 and local building codes and standards.

- If the cost of the rehabilitation is more than \$10,000, then the entire structure must also be in compliance with Minimum Property Standards (MPS).
- Rehabilitation shall be limited to “stick built” structures that have been deemed feasible for rehabilitation.

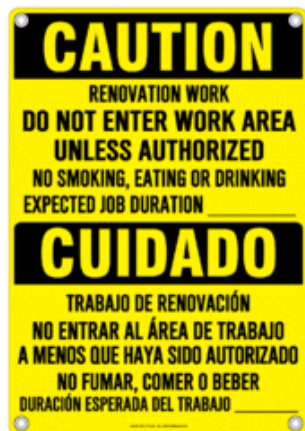
Elevation shall be defined as the piers, or other engineered design meeting state and federal requirements, to rebuild a housing unit to meet the FEMA flood zone requirements.

6.2 Lead-based paint disturbance and mitigation

Further lead-requirements are described in Appendix D.

Contractors must ensure the following minimum requirements are met at all times:

- 1) All sites are clean and protective covering is placed where required by applicable regulations during the renovation, especially when paint disturbing activities are taking place.
- 2) All workers on site are to have proper certifications with them while on site.
- 3) The Lead Renovator’s certificate is required on site at all times from the start of the renovation until the final lead clearance has been achieved.
- 4) Ensure proper techniques are being used when performing paint disturbing activities.
- 5) At a minimum two items are required to be posted at all times to be seen clearly by anyone approaching the site and all workers until final lead clearance is achieved. See below.
 - a) EPA RRP required warning signage in English and Spanish - Example Signage



- b) OSHA required lead warning signage in English and Spanish - Example Signage



If site conditions are at all questionable, the Program Manager will be notified. A stop work order will be issued until all issues are resolved and verified by program staff. The time the project is on hold will be included when calculating construction duration. The stop all work order will also be taken into consideration when determining future assignments and participation in future programs.

6.3 Asbestos Mitigation

- 1) All sites are clean and protective covering is placed where required by applicable regulations during the renovation, especially when asbestos disturbing activities are taking place.
- 2) All workers on site are to have proper certifications with them while on site.
- 3) Asbestos certification is required on site at all times from the start of the renovation until the final asbestos clearance has been achieved, when applicable.
- 4) Ensure proper techniques are being used when performing asbestos disturbing activities.
- 5) All proper air monitoring is being conducted according to DHEC regulations.

6.4 Rehabilitation Progress Inspections

SRRP will perform site visits for each Rehabilitation project at the request of the contractor at pre-determined stages during critical construction activities as described in the Contract Execution Documents. These visits will occur after all required municipal code enforcement, and/or third party inspections have taken place. The builder will submit a written request electronically via email for a site visit to occur no earlier than 48 hours from the time of request.

6.5 Final Inspection and Warranty Information

When construction has been completed, before final payment occurs, the contractor will request a final site inspection to guarantee that all work outlined in the contract has been satisfactorily completed according to the appropriate state and local codes and standards and the home meets the minimum housing standards. If not, the contractor and RCCD Flood Recovery Staff or their representatives will compile a punch list of work remaining to be satisfactorily completed. Once all of the item on the punch list have been addressed to the satisfaction of the applicant and RCCD flood recovery staff conducting the inspection, the contractor will call for another final inspection. When all items on the original or amended

contract have been completed and confirmed through the SRRP inspection, the contractor will call for a final inspection with the Richland County Building Department.

Once the contractor has passed final inspection through the Richland County Building Department (and, if applicable, received the Certificate of Occupancy), a final inspection form will be signed by the homeowner, SFHRP Inspector and the contractor and placed into the project file. If Applicant refuses to sign the form, a SFHRP Inspector will visit the location to confirm that all work was done according to the plans and specifications and meets the program construction standards. If at that time the Applicant will still not sign the final inspection form, the Program may deem construction complete and sign on behalf of the Applicant. It is the responsibility of the contractors to provide all warranties prior to the inspector signing a final inspection form. Photographs will be taken for documentation purposes. The applicant will be provided instruction booklets and warranty information.

6.6 Re-Inspections

Should the SFHRP personnel observe any fault(s) during inspections; the Contractor will be informed of the fault(s) and be provided a written report of the findings. When the contractor has remedied the fault(s), he may request a re-inspection to be performed at a time no earlier than 48 hours from the request. A re-inspection fee of \$300.00 made payable to RCCD by the Contractor must be received prior to the dispatch of any personnel to visit a project site. The \$300.00 re-inspection fee will be considered Program Income (PI) and will be accounted for in compliance with PI requirements.

6.7 Change Orders

Where additional work is necessary to make repairs or to correct unforeseen dangerous conditions, the contractor shall submit to SRRP a Change Order consisting of a detailed description of the work needed, including quantities and location, the cost of such work, and the time necessary for such work to be completed. Unless it is determined there exists an immediate health and safety danger, NO WORK SHALL BE AUTHORIZED until agreed upon in writing by the applicant, contractor, and SRRP.

All Change Orders will be reviewed for cost reasonableness by SRRP Management.

Contractor must complete the "Change Order Request" form and attach proper documentation to justify the request. Failure to complete the form or supply the required attachments shall result in the rejection of the Change Order Request.

6.8 Applicant Responsibilities

Applicants who receive SRRP assistance from the Richland County Department of Community Development (RCDCD) have the following responsibilities:

- 1) RCDCD will not be responsible for lost or damaged belongings of the Applicant or tenants that may occur during construction. The Applicant and tenants must secure or relocate all personal property until construction is complete. The Applicant is responsible for the movement, storage, and security of all of their personal property and belongings. Tenants may receive financial assistance for relocation and property storage but are responsible for the movement, storage, and security of all of their personal property and belongings.

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- 2) Upon the signing of the contract, the applicant and tenants will have thirty (30) calendar days to move personal property out of the property and store any valuable personal property that could be damaged during the course of construction.
 - 3) The applicant must arrange access to the property for County Inspectors/Cost Estimators and Building Contractors providing construction services. If reasonable and timely access is denied to County Inspectors/Cost Estimators trying to inspect the property the project may be suspended until access is granted. If reasonable and timely access is denied to a Building Contractor who is attempting to make a good faith effort to perform required repairs, the project may be suspended and the applicant may become responsible for completing the construction/repairs themselves and the award may be terminated.
 - 4) The applicant is responsible for keeping tenants out of units which are being rehabilitated if it is agreed upon that tenants will not be present during construction.
 - 5) During construction, the applicant and tenants must not interfere in repair areas and must make a reasonable effort to stay away from the construction zone.
 - 6) Upon completion, the property must meet Housing Quality Standards (or current standards), and local Richland County building code requirements.
 - 7) The Applicant must retain the property in their ownership for a period of at least five years during which time a lien will be placed on the property for the cost of improvements.
 - a. Cash out refinancing, home equity loans or any loans utilizing the assisted residence are not allowed for 5 years. Violation will activate the repayment terms of the deferred Note. Violators may be reported to Credit Bureaus and the South Carolina Office of Attorney General.
 - i. If the assisted property owner continues to own the property until the term of the note expires, the owner pays nothing and there are no conditions on the disposition of the property.
 - ii. If the property is sold, transferred or vacated by the assisted property owner for any single period that exceeds thirty (30) days during the 5-year forgivable loan period, the repayment terms of the Note will be enforced except in those cases addressed in paragraph iii below.
 - iii. Accelerated Forgiveness: In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the original application, RCCD may forgive any remaining loan balance.
 - 8) The applicant must maintain home insurance coverage (not less than contract amount), inclusive of casualty (hazard) and flood insurance (if applicable). Failure to maintain flood

insurance will prohibit future assistance; and failure to maintain hazard insurance may prohibit future assistance. The property owner is responsible for obtaining, paying and maintaining all insurance premiums.

- 9) The applicant must keep current on all property taxes or have a tax deferral, tax exemption, or be current on an approved repayment plan.
- 10) Only units which contain tenant households which are income qualified, earning 80% or less Area Median Income, are eligible for rehabilitation funds.
- 11) For units receiving rehabilitation funds, the applicant must maintain rents which comply with High HOME Investment Partnership (HOME) Rents and may not exceed 30% of the monthly income for a household earning 80% or less of the Area Median Income (AMI) during the affordability period of five years.
- 12) Units receiving rehabilitation funds must accept Section 8 vouchers for the duration of the affordability period.
- 13) Rehabilitation costs can't exceed \$70,000 for all units unless otherwise deemed eligible by the Richland County Flood Recovery Selection Committee.
- 14) The applicant will permit access to lead and asbestos inspectors.
- 15) Meet all requirements agreed upon in the executed legal documents required by the program.
- 16) The applicant must provide household income information to determine eligibility.

Part 7 Small Rental Rehabilitation Compliance

In exchange for the award, each applicant agrees to comply with all Single Family Land Use Restriction Agreement (LURA) terms and requirements as a rental landlord.

7.1 Small Rental Forgivable Note Default

- A. Disaster assistance is provided as a secured note to landlords receiving rehabilitation assistance.
- B. Violation of any terms of note will result in a Statement of Noncompliance being issued to the applicant. The notice will state clearly the reasons for noncompliance and will allow the applicant time to correct the non-compliance, but not to exceed 180 days. Any corrective action time will be added to the end of the affordability period.
- C. If the applicant is in default, the amount of forgivable note principal then outstanding shall immediately become due and payable.
- D. Upon default the forgivable note will immediately convert to an interest-bearing demand note and becomes immediately due and payable.
- E. The due and payable amount will be based upon the amount of the forgivable note.
- F. Interest on defaulted forgivable note awards will be set at the London Interbank Offered Rate (LIBOR) plus one percent (1%). Interest will be calculated beginning on the date that the first payment was issued by RCCD.

7.2 Rental Relocation

- A. The Landlord/Owner must work with the tenants and the county regarding the relocation activities related to the project during construction where a current tenant is asked to relocate. The Landlord/Owner must assist the tenant in identifying and securing housing for relocation if required. Housing secured for relocation must comply with program regulations at 24 CFR §570.606, the Uniform Relocation Assistance and Real Property Policies Act of 1970 (“URA”), as amended, at 49 CFR §24, and §104(d) of the Housing and Community Development Act of 1974, as amended, at 24 CFR §42. If a landlord/owner can’t secure relocation housing of an acceptable quality and in an acceptable location their project will be suspended until they can adequately address housing needs of the tenants.
- B. If applicable, Landlord/Owner shall submit to RCCD copies of all documentation relating to URA compliance.

7.3 Landlord Requirements and Records

- A. These requirements include:
 - i. Leasing all units to tenants that have eligible household incomes (80% AMI or below).
 - ii. Charging rents that are at or below, at a minimum, High HOME rents.
 - iii. Following income certification and verification procedures and keeping records on all tenants’ income.
 - iv. Maintaining complete and accurate rent rolls.

- v. Renting units in accordance with HUD Fair Housing Standards.
- vi. Leasing to Section 8 voucher holders if required under the LURA.
- B. The applicant is responsible for maintaining complete and accurate records for the full period of the forgivable note term. These records must fully and completely support the satisfactory completion of all compliance items. These records must be provided to the RCCD, Richland County Finance Department, HUD, or HUD OIG upon request.
- C. Compliance with these terms for the full period of the forgivable note will result in the note being forgiven in full, leaving the applicant with no obligation to repay the forgivable note or interest on it. Failure to comply with terms will lead to non-compliance and repayment.

7.4 Rental Program Changes, Waivers, Appeals and/or Conflicts

- A. RCCD, has the right to change, modify, waive, or revoke all or any part of these guidelines.
- B. See Appendix B for Appeals and Complaint process.

Appendix A Affirmative Marketing Plan

The Program is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

- A. This Affirmative Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, outlines the policies and procedures for housing activities. Procedures are established to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.
- B. The goal is to ensure that, eligible persons from all racial, ethnic, national origin, religious, familial status, the disabled, "special needs," gender groups and populations least likely to apply for assistance are:
 - Fully informed of vacant units available for sale and / or rent.
 - Encouraged to apply for purchase, rehabilitation, and / or rent.
 - Given the opportunity to buy and / or rent the unit of their choice.
 - Given the opportunity to rehabilitate their primary residence, which sustained damages due to the October 2015 storm and flooding events and / or its after-effects.
- C. In accordance to the affirmative marketing policies and procedures, program participants will be informed about available opportunities and supporting requirements via counselors, printed and electronic materials, publications, direct contact, workshops/seminars, and through the placement of flyers/posters in public facilities.
- D. The SFHRP will conduct marketing through widely available media outlets, efforts will be taken to affirmatively market the CDBG Disaster Recovery Program as follows:
 - Advertise with media outlets which provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
 - Reach out to public or non-profit organizations and hold/attend community meetings.
 - Other forms of outreach tailored to reaching the eligible population, including door to door outreach if necessary.
- E. Applications and forms will be offered in English and other languages prevailing in the region. In addition, every effort will be made to assist Limited English Proficient applicants in the application process.
- F. In addition, measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested (with 3 days' notice), and providing special assistance for those who are visually impaired when requested (with 3 days' notice).
- G. Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
- H. RCCD will use the Fair Housing logo in Program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights under Fair Housing regulations.

Appendix B Complaint/Appeal Process

COMPLAINT AND APPEAL PROCESS

In accordance with 24 CFR 91 Citizen Participation Plan and 24 CFR 570.486(a) (7), the RCCD has developed this complaint and appeal process. The goal of this process is to provide an opportunity to resolve complaints—either formal or informal—in a timely manner, usually within fifteen (15) working days, where practicable. In addition, citizens have a right to participate in the process and where they believe that a mistake has been made regarding their file; RCCD has created an appeal process to allow the applicant a mechanism for requesting further review on a decision made on their file.

Information about the right and how to file a complaint shall be printed on all program applications, guidelines and the flood recovery website www.rcgov.us/floodrecovery in all local languages, as appropriate and reasonable.

Complaints

The goal of RCCD is to resolve complaints in a manner that is both sensitive to the complainants concerns and to achieve fair result. Regardless of the complaint, program staff members will treat the issue with respect, be able to respond to the complainant about the complaint's status, and handle the issue quickly, within 15 working days if practicable.

Information on how to file a complaint will be available at the program offices and included on printed materials as well as be available on the flood recovery website.

Informal Complaints

Complaints that are brought forward in an informal manner—orally or included as part of a larger item—will be addressed where possible no matter who the source. The mechanism to address this is to make certain the person is aware of the formal complaint process and/or address the complaint orally. An informal complaint or complaints that do not have a contact will not be tracked in the complaint log.

On an informal Complaint the staff should:

1. Obtain all pertinent information from the caller, including the issue raised and if possible the name of the complainant and a contact to obtain further information if desired. If no name or contact number is left, then that should be noted and placed in an informal complaint file—either electronic or hard copy. In this communication it should indicate that the complainant was notified of how to file a formal complaint.
2. The Deputy Program Manager should review these complaints at least monthly to determine if there is a pattern developing and, if so, determine if the issue warrants a policy change or further training.

Formal Complaints

Formal complaints must be submitted utilizing the Customer Concern Form available through RCCD. Applicant will be notified of the complaints process and the availability of the Customer Concern Form to formally record grievances or concerns relating to the program and its processes. Any complaint that does not have a person to send the results or follow up with for more information will not be treated as a written comment. Any concern or complaint must originate from a person attempting to register with the program with standing in the program as an applicant, contractor, or other direct party. Any complaint forwarded to the RCCD from HUD will also be considered a written complaint.

Complaints may be submitted in the following ways:

Mail: Richland County Government Center
CDBG-DR Office, 1st Floor
P.O. Box 192
2020 Hampton Street
Columbia, SC 29204

Email: RichlandCountyCDBGDR@sites.tetrattech.com

Hand Deliver: To any case manager

Required Documentation

1. Every formal complaint will be included into a complaint tracking system and maintained as either an electronic or hard copy file. The complaint tracking system will include:
 - a) The name of the complainant and a contact address
 - b) The date the complaint was received
 - c) The completed, signed and dated Customer Concern Form
 - d) A description of the complaint
 - e) The name of any person contacted to resolve the complaint or to gather information to resolve the complaint
 - f) A summary of the results and the date of the response to complainant
 - g) An explanation of the reason the file was closed, if the file was closed.
2. Once the Complaint is in the tracking system the Deputy Program Manager or their designee will determine if the complaint has standing by determining if the Complainant is a potential applicant, an existing applicant, contractor or direct party, there is a contact address, the complaint is relevant and if it is a valid complaint they will perform the following steps:
 - a) Assign a case number to the complaint
 - b) Review and/or investigate the complaint
 - c) Determine which program is the basis for the complaint.
 - d) Once the complaint has been resolved, or if it needs more work than can be done at the local program level, refer the complaint to the Program Manager to seek resolution.
 - e) Provide a copy of the final result to RCCD if applicable.
 - f) Provide a copy of the DR grantee's policies and procedures relating to investigation and resolution to the complainant and to each person who is subject of the complaint.
 - g) Notify the Complainant of the results, or if longer than 15 days, provide a status of the review process.
 - h) Close the complaint.

Each complaint file should be documented as follows:

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- a) The name of the person who filed the complaint;
 - b) The date the complaint was received;
 - c) Inclusion of the Customer Concern Form
 - d) A description of the complaint;
 - e) The name of each person contacted in relation to the complaint;
 - f) A summary of the results of the review or investigation of the complaint; and
 - g) An explanation of the reason the file was closed, if the file was closed.

Fair Housing Complaints

Persons alleging a violation of fair housing laws will be referred to RCCD's local contact and process to file a complaint. RCCD will retain a log and record of all fair housing inquiries, allegations, complaints, and referrals. In addition, RCCD will report suspected non-compliance to HUD.

Appeals

Throughout the process, decisions will be made on an application and/or project to be delivered. The decisions are made based on statutes, codes of federal regulation, local administrative code, state and local guidelines as they are interpreted by the program. This policy guides the process for and applicant or contractor appealing decisions made by the program staff.

Appeals Policy:

- (a) *Definitions.* The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.
 1. Program Manager--The most senior responsible official for the SRRP and Director of RCCD.
 2. Appeal--An Appealing Party's notice to challenge a decision or decisions made by staff and/or the Case Manager regarding eligibility or construction.
 3. Appeal file--The written record of an Appeal that contains the applicant's Appeal; the responses, if any, of program staff, and the Program manager, and any final determination.
 4. Appealing Party--The party filing the appeal.
 5. Applicant--A person who has filed an application and has had at least some eligibility determination made on the application.
 6. Application--The application filed with the program for participation in the disaster recovery program.
 7. Housing Advisory Committee - The Housing Advisory Committee consists of representatives of Richland County.
 8. Richland County Administration – County Council member or their certified representatives.
- (b) *Grounds to Appeal a decision.* This appeal process is available to an Appealing Party under the following grounds:

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1. An Applicant for funding for disaster recovery may only appeal the disposition of the Application on one or more of the following:
 - i. Eligibility items which are:
 - a) Ownership
 - b) Storm Damage
 - c) Property taxes
 - d) Child support
 - ii. Procedural error where the Application was not processed by program staff in accordance with the rules
 - iii. The amount of funding the Applicant is eligible to receive
 - iv. Duplication of Benefits estimates
 - v. Affirmatively Furthering Fair Housing issues
 - vi. Construction issues
 2. A Contractor may only appeal the issues related to one of more of the following:
 - i. Draw payment
 - ii. Failure to meet benchmark construction deadlines
- (c) **Appeal of Local Program Decision.** An Appealing Party must file a written Appeal with the Local Deputy Program Manager to request a hearing before the Housing Advisory Committee within (10) ten days from date of the staff response. This request should be sent to the Grants & Community Development Director, 2020 Hampton Street, Columbia, South Carolina 29202.
- The written appeal must include specific information relating to the challenge of the staff decision. The appeal and the Application file shall be made available to the Housing Advisory Committee upon receipt of an Appeal. The Housing Advisory Committee shall respond in writing to the Appeal not later than the fifteenth (15) working day after the date of receipt of the Appeal. The response may take one of the following actions:
1. Concur with the Appeal and make the appropriate adjustments to the staff's decision; or
 2. Disagree with the Appeal and provide the basis for rejecting the Appeal to the Appealing Party.
- (d) **Appeal of Deputy Program Manager Decisions to RCCD Program Manager.** If the Appealing Party is not satisfied with the Final Decision of the program to the Appeal, they may appeal in writing directly to RCCD within fifteen (15) days after they receive the Deputy Program Manager response. The Program staff shall prepare an Appeal file for RCCD's review based on the information provided. RCCD will review the Appeal de novo and may consider any information properly considered by the program staff in making its prior decision(s).

Appendix C Lead Hazard Policy

Purpose

Clarification on Lead-Based Paint (LBP) Mitigation Requirements for Target Housing

Reference Regulations

HUD's Lead Safe Housing Rule (LSHR) (24 CFR Part 35, Subparts A, B, J, and R)

EPA's Renovation, Repair, and Painting Rule (RRP) (40 CFR Part 745, Subpart E)

Definitions

Abatement – any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards. Abatement includes:

- 1) The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and
- 2) All preparation, cleanup, disposal and post abatement clearance testing activities associated with such measures.

Clearance Examination - an activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards, as defined in this part, exist in the dwelling unit or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples. Clearance of lead abatement projects can only be performed by a state-certified Lead Inspector or Risk Assessor.

Interim Controls – a set of measures designed to reduce temporary human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.

Lead-Based Paint Hazards - any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects as established by the proper federal agency. (See 40 CFR §745.65 for detailed explanation of paint-lead hazard, dust-lead hazard, and soil-lead hazard.)

Risk Assessment – an on-site investigation to determine and report the existence, nature, severity and location of lead-based paint hazards in residential dwellings including;

- 1) Information gathering regarding the age and history of the housing and occupancy by children under age 6;
- 2) Visual Inspection;
- 3) Limited wipe sampling or other environmental sampling techniques;
- 4) Other activity as may be appropriate; and
- 5) Provision of a report explaining the results of the investigation

Target Housing - any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling.

Application of Regulations to the Richland County Single Family Housing Rehabilitation Program

Summary

HUD's Lead Safe Housing Rule (LSHR), is being applied to the Richland County SRRP for all housing considered for rehabilitation construction measures. During the environmental review, RCCD will determine the proper level of LBP evaluation and any required LBP hazard reduction requirements. This determination will be made following the regulatory requirements found in 24 CFR Part 35, Subpart J (Rehabilitation). Detailed information concerning the requirements, whether lead safe work practices in conjunction with paint stabilization, interim controls, or abatement, will be provided in the rehabilitation scope of work for each home. Documentation of the findings of the LBP risk assessment will also be provided to construction contractors.

Table 1. LBP Mitigation Requirements based on Construction Cost

Level of Assistance	Hazard Reduction Requirements	Post-Rehabilitation Clearance Examination Requirements
Less than or equal to \$5,000	Safe work practices during rehabilitation in conjunction with paint stabilization	Yes
More than \$5,000 up to \$25,000	Interim controls	Yes
More than \$25,000	Abatement and/or Interim controls	Yes

**Note: HUD's LSHR requires the use of properly trained individuals to perform hazard reduction activities. ALL individuals who disturb painted surfaces above HUD's de minimis levels must be formally trained in "Lead-safe Work Practices". A list of acceptable training courses can found by accessing the following HUD website. <http://www.hud.gov/offices/lead/training/hudtraining.pdf>*

EPA CERTIFICATION

All firms performing, offering or claiming to perform renovations for compensation in target housing must comply with EPA's RRP Rule and EPA's Lead-Pre Renovation Education (Lead-Pre) Rule. Regulatory requirements can be found at 40 CFR Part 745 Subpart E – Residential Property Renovation. This means that all general contractors participating in this disaster recovery program must be EPA certified. In addition, all individuals performing renovation work on behalf of the firm must be certified renovators. EPA has published a list of frequently asked questions which can be accessed on the web <http://www.epa.gov/lead/pubs/rrpfaq.pdf>.

To become EPA certified, renovation contractors must submit an application and fee payment to EPA (<http://www.epa.gov/lead/pubs/firmapp.pdf>). Renovations covered by the rule must be performed or directed by a Certified Renovator. Individuals can become lead-safe certified renovators quite easily via successful completion of a one-day training course in lead-safe work practices. The training courses are offered by EPA-approved private training providers; there is no additional fee to EPA. Training providers can be located using EPA's search tool at http://cfpub.epa.gov/flpp/searchrrp_training.htm.

EPA Certified Renovation Firms and Certified Renovators must also comply with additional requirements of HUD's Lead Safe Housing Rule, when performing interim controls or standard treatments. All workers must successfully complete either a one-day RRP course, or another lead-safe work practices course approved by HUD, unless supervised by a Texas DSHS Certified Lead Abatement Supervisor who is also an EPA Certified Renovator. A list of approved courses can be located at <http://www.hud.gov/offices/lead/training/hudtraining.pdf>.

USE OF RISK ASSESSMENTS

A current risk assessment must be used prior to the start of any rehabilitation project. "Current" is defined in regulatory language as no more than 12 months old. Applications which have had a lead-based paint risk assessment performed more than 12 months prior to the start of construction must have a new risk assessment performed.

CLASSIFICATION OF TARGET HOUSING

RCCD will determine the classification of Target Housing. RCCD will also provide the detailed scope of work for repair. These repairs will be determined by the applicable level of LBP evaluation and any conclusions drawn from evaluations with regard to lead-based paint and lead-based paint hazards. Supporting documentation will be included in the overall scope of work provided to construction contractors. EPA recognized test kits will not be used by any Contractor to determine the presence of lead-based paint. HUD's LSHR requires such determinations to be made by a certified / licensed lead-based paint inspector / risk assessor.

CONTRACTOR RESPONSIBILITY FOR COMPLIANCE

For rehabilitation of homes that are considered target housing and which may require disturbance of painted surfaces, the Contractor is responsible for compliance, as a Renovation Firm certified under EPA's RRP Rule prior to any other renovation activities for target housing. The EPA-certified Renovation firm, utilizing a certified Renovator and other properly trained workers, is responsible for following all applicable rules and regulations.

ABATEMENT

If lead abatement is required, as determined by RCCD, the contractor is responsible for procuring a state-certified Lead Firm to conduct the abatement work using a **EPA-certified Lead Abatement Supervisor** and **EPA-certified Lead Abatement Workers**. RCCD's determination will be made in compliance with HUD's LSHR, based on the cost of renovation. See Table 1. Other activities such as interim controls or standard treatments may also be conducted simultaneously with abatement. Only those persons who are working on abatement job sites who are engaged in activities described as inspections, lead-hazard screens, risk assessments or abatements would require state certification in the appropriate discipline.

CLEARANCE EXAMINATION

All rehabilitation projects in this program are funded by federal assistance; therefore clearance examination is required for all identified Target Homes, which have not been determined to be free of lead-based paint, at the conclusion of all rehabilitation activities. Cleaning verification by the certified renovator is not sufficient. Clearance examination will be performed by RCCD. Once clearance has been achieved, and the resulting report is submitted to both the RCCD Lead Team and Construction Contractor, the final construction inspection can take place.

FAILURE OF CLEARANCE EXAMINATION

Any rehabilitation project which fails the clearance examination will require another clearance examination after the reasons for the initial failure have been addressed. Prior to any subsequent clearance examination at a failed project site, a fee of \$700.00 must be provided to RCCD. Payment, in the form of a check, must be presented to RCCD at 2020 Hampton St., Suite 3063, Columbia, SC 29204, along with the subsequent clearance examination request form which will be provided upon failure.

RECORD KEEPING

EPA Certified Renovation Firms have specific recordkeeping and reporting requirements as outlined in the respective regulation. At the conclusion of each rehabilitation project the contractor must submit to RCCD required post-renovation / post-abatement reports which certify their compliance with the regulatory work practice standards and pre-renovation education notifications.

CLARIFICATION ON TYPE OF CLEARANCE EXAMINATION

There are two different events that trigger LBP clearance examination—post-abatement and post-renovation. We are going to do post-renovation clearance, which will take care of both. Therefore, only the post-renovation clearance will be conducted. The examination will be performed at no cost to the contractor, as long as clearance is achieved during the first attempted clearance examination.