

**Nash County**  
**Assistance Policy**  
**Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery**

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

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

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

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

**Who is Eligible to Apply?**

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

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

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

### **What Types Of Houses Are Eligible?**

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

- The property must require at least \$5,000 of improvements to meet the Essential Property Standard or the local minimum housing code.
- Homes which are real property are eligible for up to \$40,000 of hard cost assistance and \$10,000 of soft cost assistance.
- Homes which are not real property are eligible for up to \$15,000 of hard cost assistance and up to \$10,000 of soft cost assistance. The County will address homes which are not real property after completion of approved real property homes.
- No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g. day care). Program funds may only be used to improve the residential portion of mixed-use buildings.
- The property must be free of environmental hazards and other nuisances as defined by all applicable codes or regulations, or any such hazards or nuisances must be corrected as part of the rehabilitation of the home. Nash County's Rehabilitation Specialist will determine the presence of any known environmental hazards/nuisances on the site and if they can be removed through rehabilitation.
- Properties cannot be located in the right-of-way of any impending or planned public improvements. Nash County staff will assist in making this determination.
- The property cannot be located on a site that is endangered by mudslides, landslides or other natural or environmental hazards. If needed, the Rehabilitation Specialist will work with the homeowner to make this determination.
- The property may be located in the 100 year flood plain if the lowest finished floor level (verified by an elevation certificate provided by the homeowner) is above the base flood elevation and the property will be covered by flood insurance. The property must be in compliance with Nash County's flood plain ordinance upon completion of any ESFRLP-DR assistance.  
*(Nash County will verify whether the home is in the flood plain.)*

### **Income Limits for Nash County's Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery**

Number in Household	100% of Median Income
1	\$34,900
2	\$39,900
3	\$44,900
4	\$49,800
5	\$53,800
6	\$57,800
7	\$61,800
8	\$65,800

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

### **How are applications selected?**

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

**Definitions under ESFRLP-DR are:**

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

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

### **What Are The Terms of Assistance Under ESFRLP-DR?**

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

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

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

### **What Kinds Of Work Will Be Done?**

Each house selected for assistance, upon completion of the rehabilitation, must meet either NCHFA’s Essential Property Standard or the Minimum Housing Code of the municipality in which the house is located. These are so-called “habitability standards” which set minimum standards for decent, safe and sanitary living conditions.

These requirements are spelled out in full in the ESFRLP-DR Administrator’s Manual which you may view, at reasonable times, upon request, at the Community Development office of Nash County or anytime online at [NCHFA.com](http://NCHFA.com).

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

### **Who Will Do The Work On The Homes?**

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

- All qualified members of the Approved Contractors Registry will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract.
- All contractors working on pre-1978 units must be Renovate, Repair and Paint Rule (RR&P) Certified Renovators working for Certified Renovation firms.
- Homeowners who know of quality rehabilitation contractors that are not on the approved contractors’ registry are welcome to invite them to apply.

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

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

- 1. Completing a pre-application form:** Homeowners who wish to apply for assistance must do so by contacting Patsy McGhee, Grants & Intergovernmental Relations Administrator, 120 West Washington Street, Suite 3040, Nashville, NC or by calling (252) 462-7215. Proof of ownership and income will be required. Those who have applied for housing assistance from Nash County in the past will not automatically be reconsidered and must complete a new pre-application form.
- 2. Client Referral and Support Services:** Many homeowners seeking assistance through the Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery may also need other services. If the staff meet the homeowner during the application process, they will provide pamphlets and a list of the agencies with contact information for the resources and programs available in the County. For households that meet the requirements of the pre-application step and qualify to receive assistance through the ESFRLP-DR program, additional verbal discussion will be offered during the Screening of applicants and/or Pre-rehab inspection steps of the program.
- 3. Preliminary inspection:** Nash County's Rehabilitation Specialist will visit the homes of eligible households to determine the need and feasibility of the home for rehabilitation.
- 4. Screening of applicants:** Applications will be selected by Nash County based on a first-come, first-approved, and first-served basis on and the feasibility of rehabilitating the house. Households to be offered assistance will be selected as soon as possible. Household income will be verified for program purposes only (information will be kept confidential). Nash County will verify ownership of the property by conducting a title search. From this review, at least three qualified applicants will be chosen according to the priority system described above; there will be a list of two (2)

alternates. Nash County will then submit an ESFRLP-DR Reservation Request for each potential borrower for approval. Applicants not selected for ESFRLP-DR assistance will be notified in writing.

5. **Pre-rehab inspection & unit evaluation:** Nash County's Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks, etc. Each unit will be evaluated for energy-saving opportunities such as air-sealing and duct-sealing as well as for environmental concerns, such as lead based paint hazards, radon and asbestos.
6. **Work write-up:** The Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up"). A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bids are received from contractors.
7. **Lead and Other Testing:** Nash County will arrange for a certified firm to inspect all the pre-1978 constructed homes for potential lead and asbestos hazards. All homes will be tested for radon. The owner will receive information covering the results of the tests and any corrective actions that will be needed as part of the rehabilitation.
8. **Bidding:** The work write-up and bid documents will be conveyed to all contractors from the Approved Contractors Registry who will be given no less than seven days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted in the Third Floor Conference Room located in the J. Claude Mayo Administrative Building, 120 West Washington Street, Nashville, NC at a specified date and time, with all bidders invited to attend.
9. **Contractor selection:** Within 72 hours of the bid opening the winning bidders will be selected. All bidders and the homeowner will be notified in writing of 1) the selection of the winning bid, 2) the amount of the winning bid, 3) the amount of the County's cost estimate, and 4) the specific reasons for the selection, if other than the lowest bidder was selected.
10. **Loan closing and contract execution:** Loan documents (Legal Advice Disclosure and Promissory Note) will be prepared by Nash County as the lender and executed by the homeowner. The homeowner must sign a NCHFA "Legal Advice Disclosure" which documents their understanding that they have the right to hire legal representation of their choosing at the loan closing. Rehabilitation contract documents will be executed by the homeowner and contractor with Nash County signing on as an interested third party prior to the commencement of any construction. Nash County will facilitate with the loan closing.
11. **Pre-construction conference:** A pre-construction conference will be held at the selected applicant's home. At this time, the homeowner, contractor and Nash County program representatives will discuss the details of the work to be completed. Starting and ending dates will be finalized, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home. Nash County will issue a "proceed order" formally instructing the contractor to commence work by the agreed-upon date.

- 12. Construction:** The contractor is responsible for obtaining and posting all permits for the project before beginning work. Nash County staff will closely monitor the contractor during the construction period and local Code Enforcement Officials will inspect the work. To protect personal property the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as needed as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.
- 13. Change Orders:** All changes to the scope of work must be approved by the owner, the contractor, Nash County's Rehabilitation Specialist, and the Nash County Program Administrator and reduced in writing as a contract amendment ("change order"). The owner, contractor and two Nash County personnel must execute any change order agreements to the construction contract.
- 14. Progress payments:** The contractor is entitled to request two partial payments and a final payment. When a payment is requested, the Rehabilitation Specialist will inspect the work within three days.
- 15. Closeout:** When the Rehabilitation Specialist and the Homeowner are satisfied that the contract has been fulfilled, the Homeowner, Project Administrator and Rehabilitation Specialist will sign off on the work. All material and workmanship will be guaranteed by the contractor for a period of one-year from the date of completion of the work.
- 16. Post-construction conference:** Following construction, the contractor and the Rehabilitation Specialist will sit down with the Homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for the new equipment, materials and appliances and discuss general maintenance of the home with the Homeowner. The Homeowner will have the opportunity to ask any final questions about the work.
- 17. Final loan amount determination:** If, upon completion of all rehabilitation work, the contract price has changed because of change orders, Nash County will prepare an estoppel for a loan reduction or modification agreement for loan increases as necessary at the time of closeout of the unit to modify the loan amount. The loan will remain the property of Nash County, with original documents remaining there for storage and "servicing. Please note that it is the responsibility of the owner to record an estoppel if they wish.
- 18. The warranty period:** It is extremely important that any problems with the work that was performed be reported by the homeowner to the Nash County Rehabilitation Specialist or other representative, as soon as possible in writing. All bona fide defects in materials and workmanship reported within one year of completion of construction will be corrected free of charge by the Contractor.

### **What are the key dates?**

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

- Applications available to the public starting March 31, 2017.
- Applications must be turned in at the Nash County Planning Office by 5:00 PM on **December 31, 2017**.
- Selection of units will be made before **January 31, 2018**
- All rehabilitation work must be under contract by December 31, 2018.
- All rehabilitation work must be completed by June 30, 2019.

### **How do I request an application?**

Contact:

Patsy McGhee,  
Grants & Intergovernmental Relations  
Nash County  
120 West Washington St.-Suite 3040  
Nashville, NC 27856  
Phone: (252) 462-7215

Mike Barnette, Program Manager  
McDavid Associates, Inc.  
3714 North Main Street  
P.O. Drawer 49  
Farmville, NC 27828  
Phone: (252) 753-2139

**Or:** pick up an application at the J. Claude Mayo Administrative Building, 120 West Washington Street, Suite 3040, Nashville, NC 27856.

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

#### **During the application process:**

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

#### **During the rehabilitation process:**

1. If the homeowner feels that construction is not being completed per the contract, he/she must inform the contractor and the Rehabilitation Specialist.
2. The Rehabilitation Specialist will inspect the work in question. If he finds that the work is not being completed according to the contract, the Rehabilitation Specialist will review the contract with the contractor and ask the contractor to correct the problem.

3. If problems persist, the homeowner must put the concern in writing and a mediation conference between the homeowner and the contractor may be convened and facilitated by the Program Manager.
4. Should the mediation conference fail to resolve the dispute, the Grants & Intergovernmental Relations Administrator will render a written final decision.
5. If the Program Manager finds that the work is being completed according to contract, the complaint will be noted and the Program Manager and the homeowner will discuss the concern and the reason for the Program Manager's decision.

**Final Appeal:**

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

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

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

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

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

Patsy McGhee,  
Grants & Intergovernmental Relations  
Nash County  
120 West Washington Street  
Suite 3040  
Nashville, NC 27856  
Phone: (252) 462-7215

Mike Barnette, Program Manager  
McDavid Associates, Inc.  
3714 North Main Street  
P.O. Drawer 49  
Farmville, NC 27828  
Phone: (252) 753-2139



The County Manager may amend the Assistance Policy as needed for effective and efficient program operation.

This Assistance Policy is adopted by the Nash County Board of Commissioners  
June 5, 2107.

## Nash County

*original signed by Chairman Robbie Davis*

Robbie B. Davis, Chairman

Nash County Board of Commissioners

Attest:

*Original signed by Janice Evans*

Janice Evans

Clerk to the Board

### Amendment Version 002 - August 31, 2017

- *Included Manufactured Home requirement in "What Types of Houses are Eligible" section*
- *Changed dates in "What are the key dates?" section*

Approved by:



Zee Lamb, County Manager

