

**Richland County, South Carolina**  
**Community Development Block Grant – Disaster Recovery**  
**Programmatic Policy and Procedures**

## Contents

**Single Family Housing Rehabilitation Program Guidelines (P&P)**

**Small Rental Rehabilitation Program Guidelines (P&P)**

**HMGP Residential Buyout Match Program Guidelines (P&P)**

**HMGP Commercial Buyout Match Program Guidelines (P&P)**



# SINGLE FAMILY HOMEOWNER REHABILITATION PROGRAM

## HOUSING GUIDELINES

This document provides the overarching housing guidelines for implementation of the Single Family Homeowner Rehabilitation Program administered by the Richland County Department of Community Development. This program 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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## REVISION DETAIL

(NOTE: Add most recent revision details above previous entry to keep entries in reverse chronological order. This will allow the user to quickly locate and identify the relevant changes to which he or she needs to understand.)

<b>December 28, 2016</b>	Version 0 Drafted
<b>February 8, 2017</b>	Version 1 Drafted
<b>April 19, 2017</b>	Version 2 Drafted
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<b>June 9, 2017</b>	Version 4 Drafted
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## Part 1 Program Overview

### 1.1 Introduction

The Richland County Department of Community Development (RCCD) is the administrator of a Community Development Block Grant—Disaster Recovery (CDBG-DR) Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 114-113. RCCD is the agency responsible for the administration of disaster funds allocated to housing, economic development and infrastructure activities. RCCD is administering these programs directly.

The RCCD Single Family Homeowner Rehabilitation Program (SFHRP) will provide housing assistance to those affected by the storms and flooding that occurred in October 2015. RCCD has developed these Housing Guidelines to serve as the basis for the SFHRP program based on the recommendations of the Long Term Recovery Work Group, as presented to the Blue Ribbon Committee and approved by the Richland County Council.

Richland County is currently allocating Ten Million One Hundred Sixty One Thousand Dollars (\$10,161,000.00) in Disaster Recovery Community Development Block Grant (CDBG) funding for SFHRP. Based on the maximum level of assistance, at least one hundred forty five (145) properties will be rehabilitated.

Richland County has established three objectives for the housing programs. The primary objective of the SFHRP is to provide decent, safe, and sanitary housing in the storm and flood-impacted areas through the provision of activities designed to mitigate storm damage that occurred as a result of the October 2015 weather events. Additionally, Richland County seeks to ensure that the housing needs of low, very low and extremely low-income households are assisted with housing. A third objective is to prioritize the provision of decent, safe and sanitary housing in good repair for low to moderate income, elderly (age 62 or older) and disabled populations.

The CDBG funds are provided in the form of a deferred forgivable note. The note is forgiven at the end of the compliance period as long as the 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 un-forgiven balance of the loan will be owed back to the program.

This is a construction program and will provide construction assistance to qualifying property owners who are owner-occupants of single family homes. 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 owner, to a program-assigned construction contractor at pre-determined construction intervals. No payments will be made to the property 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 initial documentation 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 property owner through direct construction activities performed by the program and the result is a rehabilitated housing unit. After final construction activities and the completion of the five-year compliance period, the loan will be completely forgiven assuming that the owner has remained in compliance for the entire five-year period.

Figure 2: Construction and Compliance



Benefit to Low to Moderate Income (LMI) and Urgent Need are the two National Objectives that are approved for the SFHRP. 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 income qualified, single family, owner occupied 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 homeowner rehab program.

- 1) The primary objective of this Program is to provide decent, safe, and sanitary housing, in good repair, in the storm and flood impacted areas of Richland County.
- 2) A second objective is to ensure that the housing needs of low to moderate income households are assisted with housing.

All rehabilitated housing units must be retained in ownership by the applicant during the five year period for which the funds are being forgiven. Exceptions to this are explained further in this document.

## 1.3 Definitions

**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 HOPWA program with the person with AIDS 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.

**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. Activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU.

**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.

**Replacement** – The demolition and removal of manufactured housing unit followed by the replacement of that unit on the same lot, and in the same footprint as the original unit.

**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 Income Limits

FY 2017 Income Limits Summary

FY 2017 Income Limit Area	Median Income <a href="#">Explanation</a>	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 (\$) <a href="#">Explanation</a>	23,450	26,800	30,150	<b>33,500</b>	36,200	38,900	41,550	44,250
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	14,100	16,240	20,420	<b>24,600</b>	28,780	32,960	37,140	41,320
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	37,550	42,900	48,250	<b>53,600</b>	57,900	62,200	66,500	70,800

### 1.5 Program Requirements

- A. All housing activities for the SFHRP 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.

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- B. RCCD's proposed performance for the SFHRP 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. 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 1.7.

LMI Demographic Groups are:

1. 0%-30% AMFI Very Low
  2. 31%-50% AMFI Low
  3. 51%-80% AMFI Moderate
- 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 SFHRP must submit a completed Registration Form.
- Successfully completed Registration Forms found to be eligible will then need to have a Program Eligibility and Verification Form completed and submitted by the applicant. Notification of eligibility and invitation for verification will be conducted in order based on the preliminary prioritization assignment described in Section 1.7.
- 1A applicants will be mailed Notification of Registration Success Form and Program Eligibility and Verification Forms through certified mail on the same day asking to submit all forms and supporting documentation within thirty (30) days. 1B, 1C and 2 priority applicants will be mailed a letter notifying the applicant that their application is on hold until the SFHRP has attempted contact with all applicants in the priority group before them and have been given the opportunity to submit their materials. Once that priority group has been contacted and vetted for eligible

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applicants, the following priority group will be notified to send in their application for consideration into the SFHRP.

- Case manager will also call homeowners based on their preliminary subprioritization to set up in-person consultation for eligibility verification. Consultation will be scheduled, to the greatest extent possible, in the order in which the calls are placed. All appointments will be schedule by the SFHRP Case Managers through a calendar program such as Outlook Calendar.
- The in-person consultation will include the submission of all supporting documentation to verify income, ownership, duplication of benefits, citizen status and other required criteria.
- Only completion and submission of the official SFHRP Registration Form and the Program Eligibility and Verification Form, including the submission of all supporting documentation, will be considered as application for program benefits.
- Applications will be sent to the SFHRP Selection Committee for application approval based on the date of their completed verification process.
- 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 SFHRP.
- Submission of a public comment form or other written documentation of damage during public meetings or hearings does not constitute application to the SFHRP.
- Registration with 2-1-1 does not constitute application for the SFHRP.
- 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.

An Outreach Plan will designate how populations, including existing disaster lists, will be targeted for registration outreach. If the 30 day window is not sufficient to obtain the necessary applications required to expend the funds, RCCD may extend the intake period for an additional 30 days, if needed. The outreach period may be closed prior to the planned thirty day period if the Program reaches an intake level of six hundred (600) registration forms. If 600 registration forms are received prior to the end of intake, all registration forms received on that day will be accepted. The complete outreach, intake and application details will be outlined in a separate document.

Submission of applications through the Hearts and Hands emergency response case management database, along with 2-1-1 registration, and the SoVI will be a starting point for outreach and information-gathering.

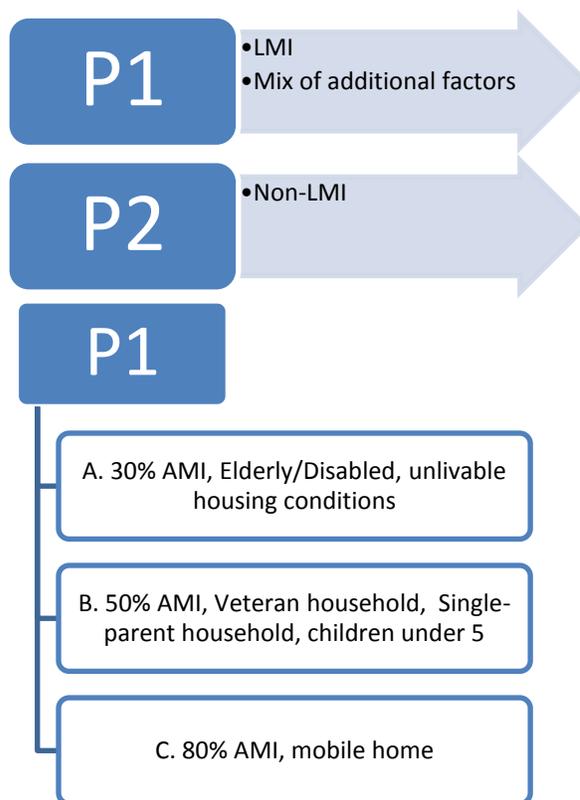
Applicants will be served on a priority basis, as described below in Section 1.7.

## 1.7 Priority Schedule

Richland County has created a two-tiered priority system. Where low to moderate income individuals are prioritized over non-LMI applicants. Within the Priority 1 LMI group, additional factors are considered to prioritize sub-groups, allowing the program to serve any LMI individual in order to confer benefits to eligible applicants in the most efficient manner possible.

An LMI individual with a compounding factor will be allowed to move up the line for more expedient consideration. The sub-priorities are characterized by: disaggregated LMI demographic groups; elderly or disabled individuals in the household; single parent households; households with children under age 5; military veteran households; households existing in unlivable or unsafe conditions; and mobile homes. An applicant has to meet only one of the sub-priority characteristics to be classified in each of the three sub-priorities.

The intention is to incorporate both the family and dwelling characteristics of applicants in order to establish a system that gives the households that are less able to address need without public assistance a higher priority.



All registrations will be given a preliminary priority determination. Letters notifying P1As of their eligibility for verification will be sent to all P1As. In person meetings will be scheduled as applicants contact the case managers to set up meetings. Completed verifications will be reevaluated for priority assignment and further prioritized according to the schedule below:

- 1A1 – You must have all four criteria within the household
- 1A2 – You must have 3 of the 4 criteria within the household
- 1A3 – You must have 2 of 4 criteria within the household
- 1A4 – You only have LMI and are living in a life threatening condition within the household
- 1A5 – You only have LMI and Disabled within the household
- 1A6 – You only have LMI and Elderly within the household
- 1A7 – You only have extremely low income within the household

The first set of verified applicants will be sent to the Selection Committee for review and confirmation. Continuation of the specific verified cases will take place based on the sub-prioritization.

## 1.8 Application Intake

Limited pre-screening may occur in order to identify persons who may not be in the County or are located in ineligible portions of the County in order to provide them with information needed to apply to their applicable recovery program in a timely manner. County staff may assist applicants with registration completion as requested. Anyone who makes an inquiry about the program will be provided an application package to complete; however, applications will only be accepted during the published intake

period (May 15, 2017 to June 15, 2017) or until the day 600 registration forms have been received. Additional intake periods may be opened at a later date depending on funding availability and the need to qualify additional applicants.

## 1.9 Program Education

Program educational materials will be made available to all applicants. Case managers and other flood recovery staff will be available 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 SFHRP include single unit, single family stick-built dwelling units and manufactured housing units (MHU's). Attached structures are eligible if they are under the common roof of the damaged single structure.
- ✓ Manufactured housing property owners are eligible to apply for assistance in accordance with local zoning and code requirements. The applicant needs to either own the land where the manufactured housing unit (MHU) is or was located or needs to receive permission from the property owner to allow for the replacement of the unit on their land. The applicant must own the MHU being replaced to receive a replacement unit. MHU's will not be eligible for rehabilitation.
- ✓ Homes that are used for both residential and commercial purposes are not eligible for the program at this time.
- ✗ No condominiums, co-operatives, townhomes, or other housing units that share any common wall or area will be eligible under the SFHRP.
- ✗ 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.
- ✗ Second homes are not eligible.
- ✗ 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.

## 1.11 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.
  - ✘ No condominiums, co-operatives, townhomes, or other housing units that share any common wall or area will be eligible under the SFHRP.
  - ✘ 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) All people and/or legal entities listed on the deed as property owners must agree to allow physical rehabilitation to take place on the property and agree to a lien being placed on the property, or on the MHU in the case MHU replacement, for the five year forgiveness period.
- 4) Agree to stop all on-going construction activities at the time of application.
- 5) Agree to maintain homeowner's 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. Homeowner's and flood insurance must each individually, at minimum, cover the cost of rehabilitation costs.

- 6) Swear to the accuracy and completeness of all information provided to the program under penalty of law.
- 7) Acknowledge that any overpayment of benefit will be subject to recapture.
- 8) Agree to a lien being placed on their property for the value of the rehabilitation costs to be forgiven at 20% per year for five years. If the property is to be sold within the 5-year forgivable loan period the balance shall be recovered by the County. The County reserves the right to review the situations on a case-by-case basis to determine if exceptions may need to be made or when sales may be occurring within a family or other unique situations.
- 9) In the case of MHUs, a lien will be placed on the MHU for the cost of the MHU to be forgiven at 20% per year for five years. If the MHU leaves the property where the replacement unit was located or if the MHU is sold during the five year forgivable loan period, the balance shall be recovered by the County.
- 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 home. Replacement of MHUs will be limited to situations where local zoning/building permits, or federal requirements, such as environmental regulations, will allow the replacement of the original, hurricane-damaged structure with a like structure.

Understanding that it may be necessary for applicants to remove themselves and their belongings from their homes during the period of repair, RCCD will consider relocation and personal property storage assistance 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 persons 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 SFHRP.

Where replacement of a MHU is indicated, a replacement mobile home will be offered. If a replacement home is provided, the original MHU must be demolished and/or removed from the site prior to the replacement of that structure.

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 homes inhabited by special needs or elderly (age 62 or older) persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas may be installed, if appropriate. Hearing and sight impaired adaptations should also be considered. All special needs requirements must be documented prior to approval.
- Standard appliances limited to refrigerator, stove/oven, but will only be considered when repair would not be cost effective.
- 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.

Structures which suffered substantial damages may require reconstructed as the most cost effective method to rehabilitate the structure. Any rehabilitation project which exceeds \$70,000 in rehabilitation costs is qualified for a reconstruct. This may occur due to substantial damage caused by the disaster event and/or to ensure that the building is structurally safe to inhabit. A reconstruction will occur in the same footprint or as reasonably close as possible to the previous footprint. This will include a standard floorplan to be presented to and accepted by the property owner before agreements are signed.

## 1.14 General Program Requirements

Housing assistance funds must satisfy the following:

- a. The property must pass a federally required environmental review. The applicant cannot make any project limiting decisions until the environmental review is approved.
- b. 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.
- c. 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. The South Carolina Building Code 2015 must be used as required and where appropriate. 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. Construction standards are defined in the county’s Construction Standards Policies and Procedures document.

### 1.16 Allocation and Housing Assistance Caps

A total of \$ 10,161,000.00 has been set aside for the SFHRP. This allocation may be increased or decreased based on the demand for the Program and with amendment to the Action Plan, as well as approval by the Richland County Council and HUD.

Homeowner Assistance is limited to a maximum cap, less any duplication of benefits. The base unit “bid” amount is the maximum amount of assistance available to rehabilitate a stick built home or replace a MHU. 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.

#### Assistance Funding Levels

**Table A: Funding Levels – Maximum Allowable**

	Assistance Type	
	Rehabilitation	MHU Replacement
Base Rehab Cost*	\$70,000	\$80,000
Accessibility	\$10,000	\$10,000
Relocation	\$5,000	\$15,000
<b>Totals:</b>	<b>\$85,000 Max</b>	<b>\$105,000 Max</b>

\*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,
- Standard appliance replacement limited to refrigerator and/or oven/cooktop (if required),
- Onsite storage containers,
- Onsite toilets,
- Dumpsters,
- Costs of project oversight, monitoring and delivery, and
- Environmental mitigation testing, reporting and remediation.

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. Whether or not these costs are moved will depend upon budget availability and need to do so.

### **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 SFHRP, 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. The ECR for each project will be submitted to the Selection Committee for cost verification if the total cost of the project is:

- 1) Less than 75% of Rehab Cap, the SFHRP will offer rehabilitation services to the applicant.
- 2) More than 75% of Rehab Cap and less than Total Funding Cap, the Selection Committee 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 total Rehab Cap and Total Fund Cap, SFHRP, 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.
- 4) More than \$5,000 in rehabilitation costs for a MHU. RCCD has created a presumption that rehabilitation of a MHU is not feasible and replacement is warranted.

### **1.18 Applicant Responsiveness**

During the Application process, an Applicant is required to respond in a timely fashion with requests for information/materials to complete the eligibility process. 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) working 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". "On Hold" is defined as the failure to answer or return phone calls, and failure to respond to written requests within program timeframes. Closure of an application for unresponsiveness may be appealed once. If a successful appeal results in the reactivation of an application, subsequent closure for unresponsiveness is not appealable.

An exception to the 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 SFHRP have the following responsibilities:

- 1) RCCD will not be responsible for lost or damaged belongings of the Applicant that have occurred during construction. The Applicant is responsible for securing any personal property which may be damaged during construction or which must be moved to allow the contractor adequate access to work areas. These must be secured until construction is complete or until an agreed upon time between the applicant and the contractor. The applicant is responsible for the movement, storage, and security of all property and personal belongings.
- 2) Applicants can apply for up to \$5,000 in financial assistance for temporary relocation and personal property storage costs for rehabilitation projects. Rebuilds and MHU replacement allow for \$15,000 in financial assistance for temporary relocation and personal property storage costs
- 3) Securing a relocation site and place and method of storage are the responsibilities of the applicant.
- 4) Upon the signing of the contract, the applicant 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.
- 5) Households participating in mobile home replacement will have thirty (30) calendar days from the signing of the contract to move personal property out of the property and have it stored off site.
- 6) All personal property moving and storage costs are the responsibility of the homeowner except where the applicant has applied for and received temporary relocation assistance through the county.
- 7) Households participating in mobile home replacement are responsible for removing any obstructions on the property which would prevent the moving and installation of the new mobile home unit unless otherwise agreed upon with the Building Contractor.
- 8) Households participating in mobile home replacement must occupy the new mobile home unit within 7 days of final unit installation, certificate of occupancy approval and utility hook-up.
- 9) 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 repairs, the applicant will become responsible for completing the construction / repairs himself and the award may be terminated.
- 10) During construction the applicant and/or household members 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.
- 11) Upon completion, the property must meet Housing Quality Standards (or current standards), local Richland County and/or local municipal building code requirements .

- 12) The applicant/homeowner occupy the home as their primary residence after project completion for a period of at least five (5) years.
  - 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 homeowner continues to occupy the home 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 homeowner 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.
- 13) Applicants/homeowners 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. SFHRP will not pay for the first year of flood and hazard insurance. The homeowner is responsible for obtaining, paying and maintaining all insurance premiums.
- 14) Keep current on all property taxes or have a tax deferral, tax exemption, or be current on an approved repayment plan.
- 15) 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 homeowners will remove derelict personal property. The homeowner has thirty (30) days from the date of contract signing 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 will need to vacate the property, the applicant has thirty (30) days **from contract signing** to vacate the property and move all personal belongings into storage. The Program will pay for onsite storage. In most cases, the Program will not pay relocation assistance, as this is a voluntary program. However, in limited circumstances, the Program may consider direct rent or hotel payment for the duration of construction activities. Such relocation assistance is limited to the lesser of ninety (90) days or \$5,000.00 for rehabilitation or \$15,000 for MHU replacement or rebuild.. 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 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 SFHRP. 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. SFHRP 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](mailto: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

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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:

- Applicant household's income
- Household's income as a percentage of area median family income as defined by HUD
- The race and ethnicity of the head of household
- The household's familial status
- The presence or non-presence of a household member with a disability

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.



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## 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 SFHRP are:

- (1) October 2015 storm or flood damage;
- (2) Location of damaged property within Richland County (outside the city limits of Columbia);
- (3) US Citizenship or Qualified Alien Status;
- (4) Proof of ownership at the time the disaster damage occurred and have maintained ownership;
- (5) Damaged structure is principal place of residence;
- (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;
- (8) Property is a single family owner-occupied unit;
- (9) Property is not a second home; and
- (10) Income Eligible.

### 2.2 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 need not have registered for Federal Emergency Management Agency (FEMA) individual assistance to be eligible for SFHRP. For those who were registered, the SFHRP may use FEMA damage information for informational purposes, but the SFHRP 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, SFHRP will verify by third party that the home was damaged using the same damage verification process. If there are no documents proving damage, SFHRP 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. FEMA, SBA or Insurance award letters
- ii. In the event that the above-referenced documentation is not available, 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 SFHRP that certifies that the damage occurred as a result of the hurricane will be acceptable.
- 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 SFHRP 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.

## **2.3 Location**

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

## **2.4 Citizenship**

Only US Citizens and non-citizens with Qualified Alien Status are eligible. All applicants are required to sign a Citizenship Verification Form as recommended by HUD.

## **2.5 Proof of Ownership & Primary Residence**

The applicant(s) must have occupied the property as their primary residence as of October 3, 2015, the beginning date of the storm and flooding events funded by this CDBG-DR allocation. The program verifies ownership and primary residency 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.

Proof of residency can be provided through a homestead exemption. In the absence of a homestead exemption, the following hierarchy will be used to establish occupancy (all occupancy documentation must be from the time of the storm, in the applicant's or co-applicant's name, and reference the damaged address). Applicants will provide an Affidavit of Ownership and Affidavit of Principal Residency plus one of the following:

- 1) Copy of water, electric, gas, credit card, or cable bill. The bill must confirm that service was provided at the time of the storm.
- 2) Copy of FEMA letter showing payment received for home repairs or contents or insurance document showing content coverage.
- 3) Letter from electric, gas, cable or other utility service provider. The letter must confirm that service was provided at the time of the storm.
- 4) Other qualified documents may be presented to the SFHRP for consideration of proof of occupancy or primary residency but the acceptance of other documents is subject to approval by RCCD.

## **2.6 Special Circumstances Related to Occupancy**

The following exceptions apply under special circumstances related to occupancy:

- 1) Active duty military personnel who own a storm-damaged home in the County but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the storm are eligible to apply.
- 2) Applicants incapacitated due to illness who own a storm damaged home in the County and are currently incapacitated or were incapacitated at the time of the storm are eligible to

apply. If the applicant is currently incapacitated, an authorized legal representative must make application for the benefit of the applicant.

- 3) Applicants who were incarcerated at the time of the storm but are no longer incarcerated are eligible to apply for the program. If the applicant is incarcerated at the time of application, the applicant must give someone Power of Attorney on his or her behalf.
- 4) Applicants who were in a nursing home at the time of the storm but are no longer in a nursing home are eligible to apply for the program. If the applicant is in a nursing home at the time of application, the applicant must give someone Power of Attorney on his or her behalf.

## 2.7 Ownership

The applicant(s) must have resided in 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. Ownership will be verified through a warranty deed. If the property has multiple owners as identified on the property deed all deedholders must sign documentation indicating that they understand and agree to the terms of the program. This includes rehabilitation being performed on the property, a lien being placed on the property, ownership transfer limitations and maintenance requirements regarding insurance, property taxes and

## 2.8 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 SFHRP.
  - 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.

## 2.9 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.

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## 2.10 Trust

Property held in trust for the benefit of natural persons can be eligible for SFHRP assistance as long as at least one of the occupants 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.

## 2.11 Death of Eligible Owner Occupant

If the deceased owner of the damaged address passed away after the October 2015 storm and flooding events, the deceased owner must meet the eligibility requirements up to the time of their death (i.e., homeownership at time of storm, primary residence, taxes). Ownership, residency and tax status of the original deceased applicant is applicable for the property while all additional income requirements will be attributed to the heir. Income determination will be based on the heir at the time the program benefits are being conferred. The heir must agree to occupy the home after repairs are completed for the term of the deferred forgivable loan.

If the legal owner of the damaged address passed away before the storm, the heir occupying the property must meet all eligibility requirements except for ownership at the time of the storm and will be processed for assistance in the same manner as all other applicants.

If the applicant passes away during construction or during the compliance period, the heir is not responsible for the Program agreements.

If an eligible owner occupant dies and leaves their damaged property to a business entity, the application is ineligible for assistance. If the eligible owner occupant passes away once construction is complete and then leaves property to a business entity, then the heir is not responsible for Program agreements.

## 2.12 Property Taxes

All applicants have to 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. SFHRP will have the applicant provide documentation from the local Tax Assessor's Office.

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## 2.13 Child & Spousal Support

All applicants listed on the application will also be checked for child and spousal support arrearages. 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 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.

## 2.14 Ineligible Applications

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 homes due to foreclosure are ineligible for assistance.
- Persons who previously had their homes constructed under Disaster Recovery programs and failed to maintain insurance are ineligible to participate in the program.

## 2.15 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, co-applicant, and everyone 18 and older in the household are required to sign the release (unless one of the eligible owner-occupants has provided power of attorney to the other to represent them, then the eligible owner-occupant 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.
- 3) Swear to the accuracy and completeness of all information provided to the program under penalty of law.
- 4) 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.

## **2.16 Income Eligibility Requirement**

All applicants must meet income eligibility criteria in order to be eligible for assistance. In order to meet this eligibility requirement, applicants 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.

Applicants who are not LMI, may be served under the Urgent Need National Objective.

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## 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 applicant’s home 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.

Duplication of benefits will be calculated based on what previous funding was utilized for. The total cost and work write up will be evaluated against what previous funding sources addressed and the amount that involved. Where potential overlap of funding may occur it will need to be noted and subtracted from the project rehab estimate for CDBG-DR funds. Where previous funds were not utilized for any work identified in the CDBG-DR work write-up then no overlap in funding use exists. The use of other funds which could impact DOB estimates must be recorded in order to identify potential DOB activities and funding overlaps.

### 3.2 FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by SFHRP 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, SFHRP 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. SFHRP will verify payments by reviewing FEMA claim information or by providing a request for verification to FEMA. If an applicant is

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able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not related to the structural loss, SFHRP 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 SFHRP 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 SFHRP by contacting the insurance company and verifying proceeds. If SFHRP is unable to verify the private insurance proceeds through the insurance company, SFHRP 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, SFHRP 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 will be determined and verified by SFHRP through the SBA database. If SFHRP is unable to verify the SBA qualifying loan amount through the SBA database, SFHRP 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, SFHRP 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 be 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.

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### **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. SFHRP 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 or replacement of a mobile home unit or manufactured home are the only benefit options. 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. In regards to the replacement of a MHU only funds that are also being utilized for the replacement of the MHU will be counted towards DOB.

### **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 SFHRP 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 SFHRP 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, SFHRP 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 SFHRP 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 SFHRP, 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.

Applicants with funding gaps must fund the shortfall in order to complete construction. If an applicant elects to fund a shortfall, the applicant must secure the funding before the time of signing the contract. Repair expenses in excess of the prior benefits received will not be reimbursed by the Program.

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## Part 4      Inspections and Environmental Reviews

### 4.1      Overview

Inspections will be conducted on preliminarily qualified 1A1 cases in order to confirm several verification factors such as the presence of mold or structural safety risks as well as to confirm that damage to the property is storm related. Verified 1A1 cases will be processed through to bid and construction as they are verified. Case progress will be monitored to determine a relevant point at which to proceed with inspections on 1A2s or moving to bid and construction for 1A2s that had been reprioritized from 1A1s.

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 home 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 home. 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 SFHRP. Appliances 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, and detached garages and carports are not eligible to be replaced under the SFHRP. 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.

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## **Part 5      Pre-Construction**

### **5.1      Escrowed & Supplemental Funds**

Applicants must provide funding to cover gaps in the cost of construction if there is a gap in funding caused by a duplication of benefits. Additional funds provided by applicants will be escrowed to be used during the construction of the home. Applicants may not escrow funds for construction activities such as upgrades, additions or other unnecessary activities. Applicant provided funds that are put into escrow for DOB will count toward the CDBG-DR cap limits listed in Part 1, Section 1.8 of this document.

### **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 also be performed upon completion of construction.

Demolition of MHUs for MHU replacement do not require final clearance testing as a visual confirmation of the removal of material is acceptable.

### **5.4      Development of Costs for Rehabilitation Projects**

For projects that qualify for Rehabilitation, the SFHRP will develop site specific sets of plans and specifications 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 and answer any questions. 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      Replacement Mobile Home Units**

For Mobile Home Units, a (3) bedroom/two (2) bathroom single-wide mobile home with a standard floor-plan will be the only available option initially. If necessary, other sizes and floor-plans will be explored based on the needs of applicants.

### **5.6      Contractor Assignments and Construction Agreement**

Contractor assignments will be issued to a construction contractor from RCCD Contractor pool that was procured to support construction efforts associated with CDBG-DR programs. RCCD will issue assignments

to the contractors based on approved criteria such as capacity, quality, Section 3 compliance and performance.

Each rehabilitation or MHU replacement project will be subject to a construction contract or agreement. This agreement will establish performance measures to ensure timely construction. Contractors will be allowed up to 2 progress draws, and one final payment for rehabilitation projects. A retainage amount of 10% of the project will be deducted from the final draw and paid 30 days after successful completion of the Final Inspection. The applicant must approve and sign off on the progress draws. No change order will be effective without the expressed written approval of the SFHRP and applicant.

## 5.7 Contract Execution Documents

The following documents will be signed by the applicant 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) Certification of Principal Residency
- 3) Limited Subrogation Agreement
- 4) Tri-Party Agreement
- 5) Notice and Acknowledgement of Applicant Responsibility
- 6) Work Write-Up Document
- 7) Any other documents required by RCCD

## 5.8 Secured Deferred Forgivable Note

Disaster assistance is provided as a secured note to the applicants receiving rehabilitation or MHU replacement 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 the property will remain their principal place of residence and they will occupy the property for at least the five (5) 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.

## 5.9 Notice to Proceed

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

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## 5.10 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.
- 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. 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.
- 6) Contractor will be responsible for determining utility needs, providing sanitary facilities and safely operating equipment on site and obtaining any required permits.
- 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 a Notice to Proceed from SFHRP, Contractors shall begin work within three days of the applicant moving themselves and their belongings out of the unit or no later than thirty (30) days from contract signing. 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.

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## 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.

**Replacement** is the demolition and removal of manufactured housing unit followed by the replacement of that unit on the same lot, and in the same footprint as the original unit.

**Elevation** shall be defined as the piers 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, when applicable.
- 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 and is considered fault of the contractor. 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.

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## 6.4 Rehabilitation Progress Inspections

SFHRP 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 SFHRP 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 RCCD 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 RCCD.

All Change Orders will be reviewed for cost reasonableness by program management.

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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

The SFHRP will not be responsible for lost or damaged belongings of the Applicant that may have occurred during construction. The Applicant must secure or relocate their belongings until construction is complete.

- 1) RCCD will not be responsible for lost or damaged belongings of the Applicant that have occurred during construction. The Applicant is responsible for securing any personal property which may be damaged during construction or which must be moved to allow the contractor adequate access to work areas. These must be secured until construction is complete or until an agreed upon time between the applicant and the contractor. The applicant is responsible for the movement, storage, and security of all property and personal belongings.
- 2) Securing a relocation site and place and method of storage are the responsibilities of the applicant.
- 3) Upon the signing of the contract, the applicant will have thirty (30) calendar days to move out of the property and store any valuable personal property that might be damaged during the course of construction.
- 4) Households participating in mobile home replacement will have thirty (30) calendar days from the signing of the contract to move personal property out of the property and have it stored off site.
- 5) All personal property moving and storage costs are the responsibility of the homeowner except where the applicant has applied for and received temporary relocation assistance through the county.
- 6) Households participating in mobile home replacement are responsible for removing any obstructions on the property which would prevent the moving and installation of the new mobile home unit unless otherwise agreed upon with the Building Contractor.
- 7) Households participating in mobile home replacement must occupy the new mobile home unit within 7 days of final unit installation, certificate of occupancy approval and utility hook-up.
- 8) 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.
- 9) During construction the 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..
- 10) 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. Applicants must remove dilapidated personal property.

- 11) The applicant must provide all existing utilities as needed for use by the building contractor during construction.

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## 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.

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## 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](http://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, 1<sup>st</sup> 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 control 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:

- 
- 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:

- 
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) Spousal or 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 Housing Advisory Committee decisions.* If the grievance is not resolved to the satisfaction of the program participant at this level, the aggrieved party can submit a written request for a hearing before Richland County Administration within (10) ten days from date of the Housing Advisory Committee response. This request should be sent to the Richland County Administrator, 2020 Hampton Street, Columbia, South Carolina 29202. The aggrieved party is entitled to a hearing before the Richland County Administration. This hearing represents the final level of appeal at the local level.



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## 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 SFHRP 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

<b>Level of Assistance</b>	<b>Hazard Reduction Requirements</b>	<b>Post-Rehabilitation Clearance Examination Requirements</b>
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](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 an **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, 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.



# 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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## REVISION DETAIL

(NOTE: Add most recent revision details above previous entry to keep entries in reverse chronological order. This will allow the user to quickly locate and identify the relevant changes to which he or she needs to understand.)

<b>December 28, 2016</b>	Version 0 Drafted
<b>May 11, 2017</b>	Version 2 Drafted
<b>July 27, 2017</b>	Version 3 Drafted
<b>November 11, 2017</b>	Version 4 Drafted
<b>April 23, 2018</b>	Version 5 Drafted

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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.

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### 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

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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 <a href="#">Explanation</a>	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 (\$) <a href="#">Explanation</a>	23,450	26,800	30,150	<b>33,500</b>	36,200	38,900	41,550	44,250
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	14,100	16,240	20,420	<b>24,600</b>	28,780	32,960	37,140	41,320
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	37,550	42,900	48,250	<b>53,600</b>	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.

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## 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.

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### 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 \$95,000, 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*	\$80,000
Accessibility	\$10,000
Relocation	\$5000
<b>Totals:</b>	<b>\$95,000 Max</b>

\*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](mailto: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.

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## 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

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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

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**Property Owner Household Eligibility Table**

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

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## 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.

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### **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

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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.

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### 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.

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## 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.

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## **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.

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## 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

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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.

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## 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.

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## 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.

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## 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](http://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.

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Complaints may be submitted in the following ways:

**Mail:** Richland County Government Center  
CDBG-DR Office, 1<sup>st</sup> 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:

- 
- 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:

- 
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

<b>Level of Assistance</b>	<b>Hazard Reduction Requirements</b>	<b>Post-Rehabilitation Clearance Examination Requirements</b>
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](http://cfpub.epa.gov/flpp/searchrrp_training.htm).

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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.



# HMGP RESIDENTIAL BUYOUT LOCAL MATCH

## PROGRAM GUIDELINES

This document provides the overarching housing guidelines for implementation of the HMGP Residential Buyout Local Match Program administered by the Richland County Department of Community Development. This program 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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## REVISION DETAIL

(NOTE: Add most recent revision details above previous entry to keep entries in reverse chronological order. This will allow the user to quickly locate and identify the relevant changes to which he or she needs to understand.)

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<b>September 22, 2017</b>	Version 1 Drafted
<b>September 26, 2017</b>	Version 2 Drafted
April 2, 2018	Version 3 Drafted

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## Part 1 Program Overview

### 1.1 Introduction

The Richland County Department of Community Development (RCCD) is the administrator of a Community Development Block Grant—Disaster Recovery (CDBG-DR) Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 114-113. RCCD is the agency responsible for the administration of disaster funds allocated to housing, economic development and infrastructure activities. RCCD is administering these programs directly.

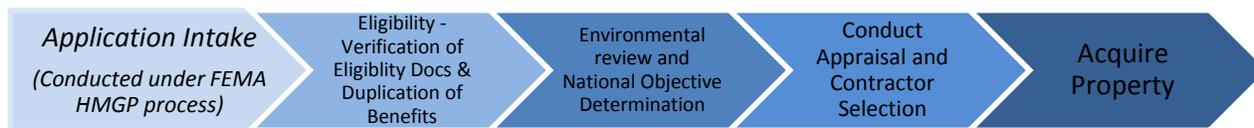
The RCCD Hazard Mitigation Grant Program (HMGP) Residential Local Buyout Match Program will provide required match funding for FEMA's housing buyout for those affected by the storms and flooding that occurred in October 2015. RCCD has developed these Match Buyout Guidelines to serve as the basis for the HMGP Residential Local Buyout Match Program based on the recommendations of the HMGP Emergency Services Division and the Long Term Recovery Work Group, as presented to the Blue Ribbon Committee and approved by the Richland County Council.

Richland County is currently allocating One Million Six Hundred Eighty Thousand Dollars (\$1,680,000.00) in Disaster Recovery Community Development Block Grant (CDBG) funding for HMGP Residential Local Buyout Match Program. Based on the maximum level of assistance, approximately sixty three (63) properties will be acquired and cleared.

Richland County has established two objectives for the HMGP Residential Local Buyout Match Program. The primary objective of the program is to assist residents whose homes were severely impacted by the October 2015 flood event by providing required match for FEMA's HMGP. Additionally, Richland County seeks to remove structures which are at continual risk of flooding in the county.

The CDBG funds will be combined with FEMA funds in order to buy properties found eligible through the HMGP process and confirmed against CDBG-DR eligibility criteria. The properties must be purchased at the pre-flood fair market value of the land and structure. Properties located in the designated area must be deed-restricted to remain open space in perpetuity. Properties acquired through the program must remain as and provided to eligible applicants. The 25% match provided by HUD will match all costs incurred in the process which includes the acquisition cost for the value of the property, appraisal costs, contractor demolition costs and clearance costs, legal costs and any related soft costs to implement the program.

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. Intake for this program had previously occurred as part of the FEMA HMGP applicant identification and verification process, therefore, there is technically no intake process defined separately for CDBG-DR funds. Initial intake was conducted as part of the HMGP process. In addition to the FEMA verification process, an additional CDBG-DR eligibility confirmation and national objective identification process will need to be completed to ensure conformity with HUD regulations and to identify which national objective each applicant meets. The terminal point of the initial documentation phase is the signing of an acquisition agreement.



The second phase is the clearance phase where funds are utilized to demolish and clear existing structures and prepare the site of eligible open space utilization. After final demolition and clearance of the site it will be redeveloped for appropriate open space reuse.

Figure 1: Demolition/Clearance and Compliance



Benefit to Low/Moderate Income (LMI) and Urgent Need are the two National Objectives that are approved for the HMGP Residential Local Buyout Match Program. Eligible activities are defined as follows: acquisition of property (including associated soft costs) and demolition and clearance of the site. RCCD may also provide assistance for relocation assistance on an as need basis.

## 1.2 Program Purpose

The primary focus of this program is to provide matching funds for property acquisition, demolition and clearance for households found eligible for FEMA’s HMGP Residential Buyout Program relating to impacts from the October 2015 storms and flooding events.

## 1.3 Definitions

**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 HOPWA program with the person with AIDS 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.

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**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.

**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.

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## 1.4 HUD Income Limits

The sites being acquired will be evaluated to determine if the resulting green space from the acquisition will primarily benefit a LMI qualified area. If so, the project may be found eligible under LMI criteria. Sites will be evaluated on a case-by-case basis.

## 1.5 Program Requirements

- A. All housing activities for the HMGP Residential Local Buyout Match Program will meet one of 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. The Property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions. Such uses may include: parks for outdoor recreational activities; wetlands management; nature reserves; cultivation; grazing; camping (except where adequate warning time is not available to allow evacuation); unimproved, unpaved parking lots; buffer zones; and other uses consistent with FEMA guidance for open space acquisition.
- C. Structures. No new structures or improvements shall be erected on the Property other than:
  - A public facility that is open on all sides and functionally related to a designated open space or recreational use;
  - A public rest room; or
  - A structure that is compatible with open-space, recreational, or wetlands management usage and proper floodplain management policies and practices, which the FEMA Regional Administrator approves in writing before the construction of the structure begins;
- D. Must provide assurances that certain restrictions will be conveyed in the deed to acquired property.
- E. May not apply for or receive additional disaster assistance for acquired property.
- F. Must acquire properties only from property owners who voluntarily agree to sell their properties, and notify property owners in writing that it will not use its power of eminent domain to acquire properties if a voluntary agreement is not reached.
- G. The applicant must meet certain eligibility standards to qualify for assistance. Eligibility standards are discussed in Part 2 of this document.
- H. 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 physical work or “choice limiting activities” being undertaken.
- I. All properties must have been qualified under FEMA policies for HMGP buyout.

## 1.6 Application Intake

Application intake is based on the voluntary participation in the HMGP buyout program and took place as part of the FEMA recovery process. This began with inspections of the structures impacted by the storm event which were located in the Special Flood Hazard Area (SFHA). Structures were inspected to identify the level of damage the units suffered and to identify structures which are considered

substantially damaged. Structures are considered substantially damaged if “damage of any origin is sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value.” Letters were then sent out to persons with structures identified as substantially damaged to identify their interest in participating in the HMGP buyout program. The County also held public meetings and went door to door to identify persons eligible and interested in participating in the program. Eligible applicants signed a Letter of Interest which allowed for their inclusion into the program. The verification of the location of the unit in the SFHA, the confirmation of substantial damage and the signing of the letter of interest constituted the initial application phase of the program. Required FEMA documentation was forwarded to the state for review and once approved was forwarded to FEMA for confirmation. All applicants that were approved by FEMA were considered eligible applicant to the program.

The CDBG-DR portion of application intake involves obtaining copies of all FEMA required material for inclusion in a CDBG-DR case file. Applicants were also asked to identify household size and household income to determine their national objective eligibility as LMI or urgent need.

## **1.7 Eligible Structures**

Only structures found eligible under FEMA HMGP regulations as governed by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) and Title 44 of the Code of Federal Regulations (CFR) will be acquired. Only residential properties will be acquired and cleared under the HMGP Residential Buyout Local Match Program. These include properties that are located in a SFHA and are identified as being substantially damaged.

## **1.8 Ineligible Applications/Properties**

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

- ✘ Business entities are not eligible under the HMGP Residential Buyout Local Match Program. This includes but not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations and other similar entities.
- ✘ Properties that are contaminated by hazardous materials (other than general household hazardous materials such as lead paint and asbestos). If a property contains hazardous materials, it must be cleaned up before it can be acquired. Applicants who lost ownership of their properties due to foreclosure are ineligible for assistance.
- ✘ Properties whose acquisition will NOT provide a substantial reduction in future risk.
- ✘ Properties that can only be acquired through the use of eminent domain.
- ✘ The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees)

## **1.9 Type of Assistance Offered**

Funds will be provided to acquire the property through voluntary acquisition. This includes any related soft costs such as legal and environmental costs. Additionally, funds will be utilized to demolish

structures located on the site, clearance of the site and improvements to the site to allow for its use as open space. Funds may also be used to meet Uniform Relation Assistance requirement for tenants who may be displaced by the acquisition of rental properties.

### **1.10 General Program Requirements**

HMGP Residential Buyout Local Match Program funds must satisfy the following:

- a. The property must be located in SFHA.
- b. The property must be verified as substantially damaged.
- c. Applicants' national objective eligibility must be confirmed as either LMI or urgent need. (All applicants are considered eligible under urgent need since the properties are both in the SFHA and substantially damaged which qualifies as urgent need under HUD guidance.)
- d. The project must comply with all applicable federal, state and local requirements.

### **1.11 Applicant Responsiveness**

Applicants are required to respond in a timely fashion with requests for information/materials to complete the eligibility process. 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) working 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". "On Hold" is defined as the failure to answer or return phone calls, and failure to respond to written requests within program timeframes. Suspension of an application for unresponsiveness may be appealed once. If a successful appeal results in the reactivation of an application, subsequent closure for unresponsiveness is not appealable.

### **1.12 Applicant Responsibilities**

Applicants who receive assistance from the HMGP Residential Buyout Local Match Program have the following responsibilities pertaining to HUD:

- 1) Qualified displaced tenants can apply for in financial assistance for temporary relocation and personal property storage costs.
- 2) Securing a new residence and living arrangements are the responsibility of the property owner.
- 3) All personal property moving and storage costs are the responsibility of the homeowner except where tenants have applied for and received temporary relocation assistance through the county.
- 4) Meet all requirements agreed upon in the executed legal documents required by the program.

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All debris, abandoned vehicles, and buildings left on the property after the transfer of title to the County is subject to demolition and removal from the site.

Prior to closing the homeowner will need to be moved out of the structure .

### **1.13 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 HMGP Residential Buyout Local Match. In order to file a complaint applicants must complete a Customer Concern Form and submit it to the RCCD office.

#### **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](mailto: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.

### **1.14 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.

## **1.15 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:

- Applicant household's income for applicants being identified as meeting the LMI national objective.
- Proof of ownership of the property.
- The race and ethnicity of the head of household
- Copies of all materials which qualify the applicant as part of the FEMA HMGP Residential Buyout Program.

## **1.16 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.

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## 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 SFHRP are:

- (1) October 2015 storm or flood damage;
- (2) Location of damaged property within Richland County (outside the city limits of Columbia);
- (3) US Citizenship or Qualified Alien Status;
- (4) Proof of ownership at the time the disaster damage occurred and have maintained ownership;
- (5) Property taxes are current or current on an approved payment plan (including exemptions under current law);

### 2.2 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 the Letter of Interest. Proof of Damage options will be provided by the FEMA letter approving applicant for HMGP Residential Buyout.

### 2.3 Location

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

### 2.4 Citizenship

Only US Citizens and non-citizens with Qualified Alien Status are eligible. All applicants are required to sign a Citizenship Verification Form as recommended by HUD.

### 2.5 Ownership

The applicant(s) must currently own be the owner of the damaged property, in order to be eligible for the program. Ownership will be verified through a warranty deed. 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 SFHRP.
  - 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 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.

## **2.7 Death of Eligible Owner Occupant**

If the deceased owner of the damaged address passed away after the October 2015 storm and flooding events, the deceased owner must meet the eligibility requirements up to the time of their death (i.e., homeownership at time of storm and taxes). Ownership and tax status of the original deceased applicant while all additional income requirements will be attributed to the heir. Income determination will be based on the heir at the time the program benefits are being conferred.

If the legal owner of the damaged address passed away before the storm, the heir occupying the property must meet all eligibility requirements except for ownership at the time of the storm and will be processed for assistance in the same manner as all other applicants.

If the applicant passes away during construction or during the compliance period, the heir is not responsible for the Program agreements.

If an eligible owner occupant dies and leaves their damaged property to a business entity, the application can be acquired under the HMGP Commercial Buyout Local Match program.

## **2.8 Property Taxes**

All applicants have to 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. SFHRP will have the applicant provide documentation from the local Tax Assessor's Office.

## **2.9 Child and Spousal Support**

All applicants listed on the application will also be checked for child and spousal support arrearages. 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 support, an affidavit of this fact will suffice.

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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 Ineligible Applications**

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 homes due to foreclosure are ineligible for assistance.

## **2.11 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, co-applicant, and everyone 18 and older in the household are required to sign the release (unless one of the eligible owner-occupants has provided power of attorney to the other to represent them, then the eligible owner-occupant 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.
- 3) Swear to the accuracy and completeness of all information provided to the program under penalty of law.
- 4) 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.

## **2.12 Low-Mod Income Area Benefit National Objective**

A portion of the applicants must meet income eligibility criteria in order to be eligible for assistance. In order to meet this eligibility requirement, applicants 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.

Applicants who are not located in a LMI qualified block group may be served under the Urgent Need National Objective.

## **2.13 Urgent Need National Objective**

Applicants who are not located in a LMI qualified block group may be served under the Urgent Need National Objective.

HUD has found properties eligible for the urgent need objective e if they meet the FEMA HMGP buyout criteria of sustaining 51% or great damage to the unit and the unit being located in the Special Flood Hazard Area (SFHA)

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## 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.

Duplication of benefits will be identified and calculated as part of each applicant intake process. Funds found to be duplicative in nature under CDBG-DR guidelines will be deducted from the total award allocation.

### 3.2 FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified through documentation collection and verification against the FEMA IA database. Funds provided by FEMA will be evaluated to verify that they were and are not being used for the same purpose. All documentation regarding the FEMA HMGP match will be included in the file to clarify any DOB concerns. The documentation provided by the applicant must come from FEMA.

### 3.3 FEMA National Flood Insurance Program (NFIP) Insurance

Since NFIP Insurance funds would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### 3.4 Increased Cost of Compliance (ICC)

The program will determine duplication of benefits regarding ICC funds for elevation and/or demolition activities. If SFHRP 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.

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### **3.5 Private Insurance**

Since private insurance would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### **3.6 The Small Business Administration (SBA)**

Since SBA Loans would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### **3.7 Cost of Repairs**

Cost of repairs do not qualify as duplication of benefit costs or activities under this program since the funds utilized for repair (interim repairs) were not for the same purposes of the FEMA and HUD HMGP residential buyout program funds (acquisition and demolition).

### **3.8 Duplication of Benefits**

Duplication of benefits will only be calculated for financial assistance that was used in storm recovery for the same purposes. RCCD does not anticipate DOB occurrences since only funds used for acquisition of the property or demolition and clearance of the structure, along with associated soft costs, would meet the same purposes CDBG-DR funds may be used for.

### **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 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 SFHRP policy in order to be credited.

### **3.11 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.

### **3.12 Calculating the Amount of Assistance**

A professional appraiser will estimate the appraised value of the property prior to the storm event. The value calculated will be the recorded as part of the buyout cost. Additionally, any legal or related fees or expenses related to the acquisition of the property will also be calculated. These will be combined to find the total acquisition cost. The pre-selected demolition contractor will provide an estimate for the cost of demolition, clearance and site prep for open space, including all permitting and related fees. These costs will be added to the estimated acquisition cost to determine the total amount of assistance needed.

Any applicable DOB items will be subtracted from the total amount of assistance needed in order to identify the amount of assistance that is available.

## **Part 4 Environmental Reviews**

### **4.1 Environmental Review Adoption**

The environmental review for the CDBG-DR portion of funding for the HMGP Residential Buyout Local Match Program will involve adoption of the FEMA environmental review as described in the HUD, March 4, 2013 Memorandum. Notice of Intent to Release Funds and the Request for Release of Funds will be submitted based on the findings of the FEMA ER as clarified under the memorandum.

### **4.2 Initial Inspection and Damage Verification**

Initial inspection and site examinations were conducted by emergency management staff and submitted to both the state and FEMA for review and approval.

### **4.3 Eligible and Ineligible Items**

Eligible activities under this program include buyout value of the property, soft costs such as legal and permitting fees, demolition and clearance costs and site finishing for open space use.

### **4.4 Environmental Review**

The County will utilize the Tier 1 Environmental Review (ER) conducted as part of the FEMA funding and program implementation process. Adoption of another Federal agency's environmental review is permitted under the Disaster Relief Appropriations Act, 2013, (P.L. 113-2). The County will follow the guidance provided in the March 4, 2013 HUD memorandum entitled Adoption of FEMA and Other Federal Environmental Reviews and Processes for Hurricane Sandy Supplemental Appropriations (H.R. 152) Activities. The County will publish its Notice of Intent to Release Funds and submit its Request for Release of funds based on the documentation and findings included in the FEMA environmental review documentation.

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## **Part 5      Pre-Construction**

### **5.1      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.

### **5.2      Asbestos Hazard Identification**

SC Department of Health and Environmental Control has required that projects under this program must conform to state asbestos monitoring and removal requirements. This will require utilization of a state certified contractor for demolition and on site air monitoring and visual clearance during demolition.

### **5.3      Contractor Assignments and Construction Agreement**

Contractor assignments will be issued to a demolition contractor from RCCD Contractor pool that was procured to support acquisition/demolition project under HMGP.

### **5.4      Contract Execution Documents**

The following documents will be signed by the applicant 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)    Ownership Verification Form
- 2)    DOB Worksheet
- 3)    Income form and required documentation (as applicable)
- 4)    3<sup>rd</sup> Part Income Verification Form (as applicable)
- 5)    Deed transfer documentation
- 6)    Any other documents required by RCCD

### **5.5      Notice to Proceed**

Notice to Proceed is given after the County has acquired the property from the owner, RCCD approves the contract and performs all administrative assignment procedures; the applicant's or tenant's belongings are removed from the home (if necessary); the contractor obtains necessary permits; and utilities are terminated (if applicable).

### **5.6      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.

- 3) Contractors are responsible to comply with HUD's Lead Safe Housing Rule and all other applicable rules and regulations. Project sites are required to be in full compliance at all times.

**Part 6 Eligibility Data**

Property Address	Block Group Number	% Low-Mod	LMI Eligible
1572 JEROME DR, Columbia, SC 29203			
4128 BEECLIFF DR, Columbia, SC 29205	450790026041	65.52%	
1369 POULTRY LN, Eastover, SC 29044	450790120003	72.27%	
1365 POULTRY LN, Eastover, SC 29044			
312 ROCKINGHAM RD, Columbia, SC 29223			
100 LAKE ELIZABETH DR, Columbia, SC 29203	450790114041		NO
2332 PLEASANT RIDGE DR, Columbia SC 29209	450790116086		NO
2416 CONGAREE RD, Eastover, SC 29044	450790118002		NO
18 RAINTREE CT, Irmo, SC 29063	450790103091		NO
1434 PEEPLES ST, Columbia, SC 29212	450790105011		NO
22 RAINTREE CT, Irmo, SC 29061	450790103091		NO
125 RAINTREE DR, Irmo, SC 29061	450790103091		NO
1693 HORSESHOE DR, Columbia, SC 29223	450790113033	53.87%	
1506 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	
216 TALLY ADAMS RD,			

**Indicated Does Not Want to Particiate Buyout Program - Declination Letter will be obtained when application is approved**

Property Address	Block Group Nu	% Low-Mo	LMI Eligible
1444 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1450 ELMON/PEEPLES ST, Columbia, SC 29203	450790105011		NO
4624 DEVINE ST, Columbia, SC 29205	450790026041	65.52%	
1723 Peeples St., Columbia, SC 29203			
1725 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1717 & 1721 PEEPLES ST, Summerville, SC 29203	450790105011		NO
1504 ELMON/PEEPLES ST, Columbia, SC 29203	450790105011		NO

Program Declination Letter On File

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1441 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1447 PEEPLES ST, Columbia, SC 29203	450790105011		NO
6003 ELMON ST, Columbia, SC 29203	450790105011		NO
6011 ELMON ST, Columbia, SC 29203	450790105011		NO
6020 ELMON ST, Columbia, SC 29203	450790105011		NO
6021 ELMON ST, Columbia, SC 29203	450790105011		NO
6027 ELMON ST, Columbia, SC 29203 (vacant Lot)	450790105011		NO
6028 ELMON ST, Columbia SC 29203	450790105011		NO

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1208 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1216 GLENHAVEN DR, Columbia, SC 29205 and 2 adjacent lots	450790026041	65.52%	YES
1230 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1304 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1306 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1308 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1312 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1316 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
4220 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4225 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4230 TIMBERLANE DR, Columbia, SC 29205			
4232 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4236 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4240 TIMBERLANE DR, Columbia, SC 29205			
4246 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4300 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4302 TIMBERLANE DR, Columbia, SC 29205 (adjacent vacant lot)	450790026041	65.52%	YES
4314 TIMBERLANE DR, Columbia, SC 29205 and adjacent lot	450790026041	65.52%	YES
4316 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4318 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES

Program Declination Letter On File

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1701 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1705 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1709 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1713 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1717 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1721 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1725 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1729 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1733 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1737 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1741 TALL PINES CIR, Columbia SC 29205			
1745 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1749 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1800 TALL PINES CIR, Columbia SC 29205			
1804 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1808 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1812 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1816 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1820 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1824 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1828 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES

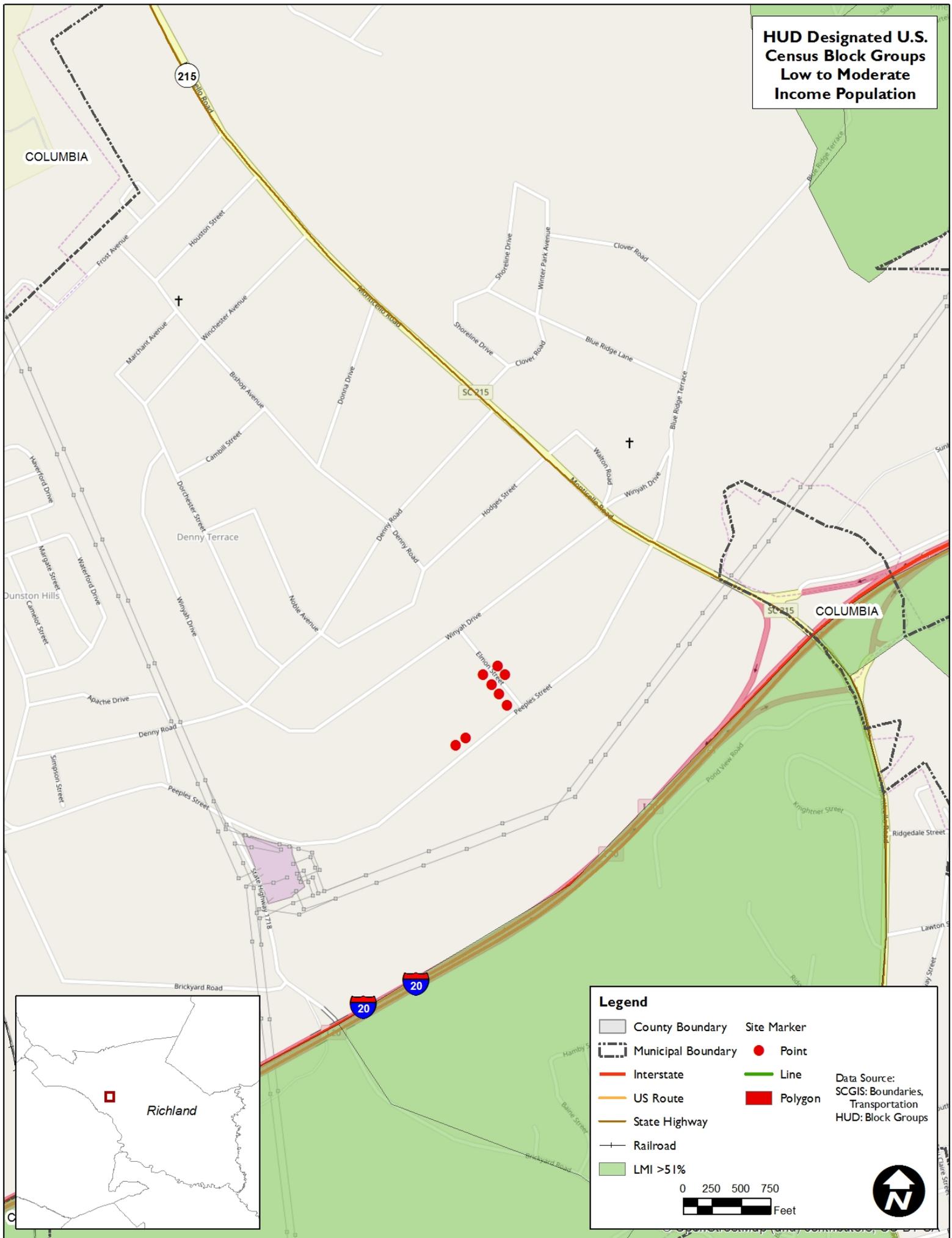
Property Address	Block Group Number	% Low-Mo	LMI Eligible
7130 FIRE LANE RD, Columbia, SC 29233	450790113041		NO
6040 MONTICELLO RD, Columbia, SC 29203	450790107013		NO

Property Address	Block Group Number	% Low-Mo	LMI Eligible
4335 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES

Property Address	Block Group Num	% Low-Mo	LMI Eligible
433 Brookgreen Drive, Columbia, SC 29210	450790104101	64.67%	

Property Address	Block Group Number	% Low-Mo	LMI Eligible
4 Knollwood Ct, Columbia, SC 29209	450790116044		NO
8 Knollwood Ct, Columbia SC 29209	450790116044		NO
12 Knollwood Ct, Columbia, SC 29209	450790116044		NO
602 Knollwood Dr, Columbia, SC 29209	450790116044		NO
606 Knollwood Dr, Columbia, SC 29209	450790116044		NO
610 Knollwood Dr, Columbia, SC 29209	450790116044		NO
614 Knollwood Dr, Columbia, SC 29209	450790116044		NO
613 Planters Dr, Columbia, SC 29209	450790116044		NO
619 Planters Dr, Columbia, SC 29209	450790116044		NO
625 Planters Dr, Columbia, SC 29209	450790116044		NO
631 Planters Dr, Columbia, SC 29209	450790116044		NO

**HUD Designated U.S. Census Block Groups Low to Moderate Income Population**



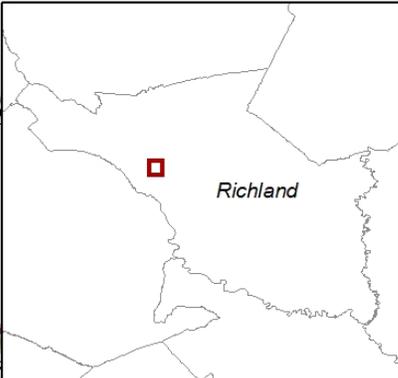
COLUMBIA

215

SC 215

SC 215

COLUMBIA

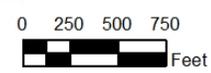


Richland

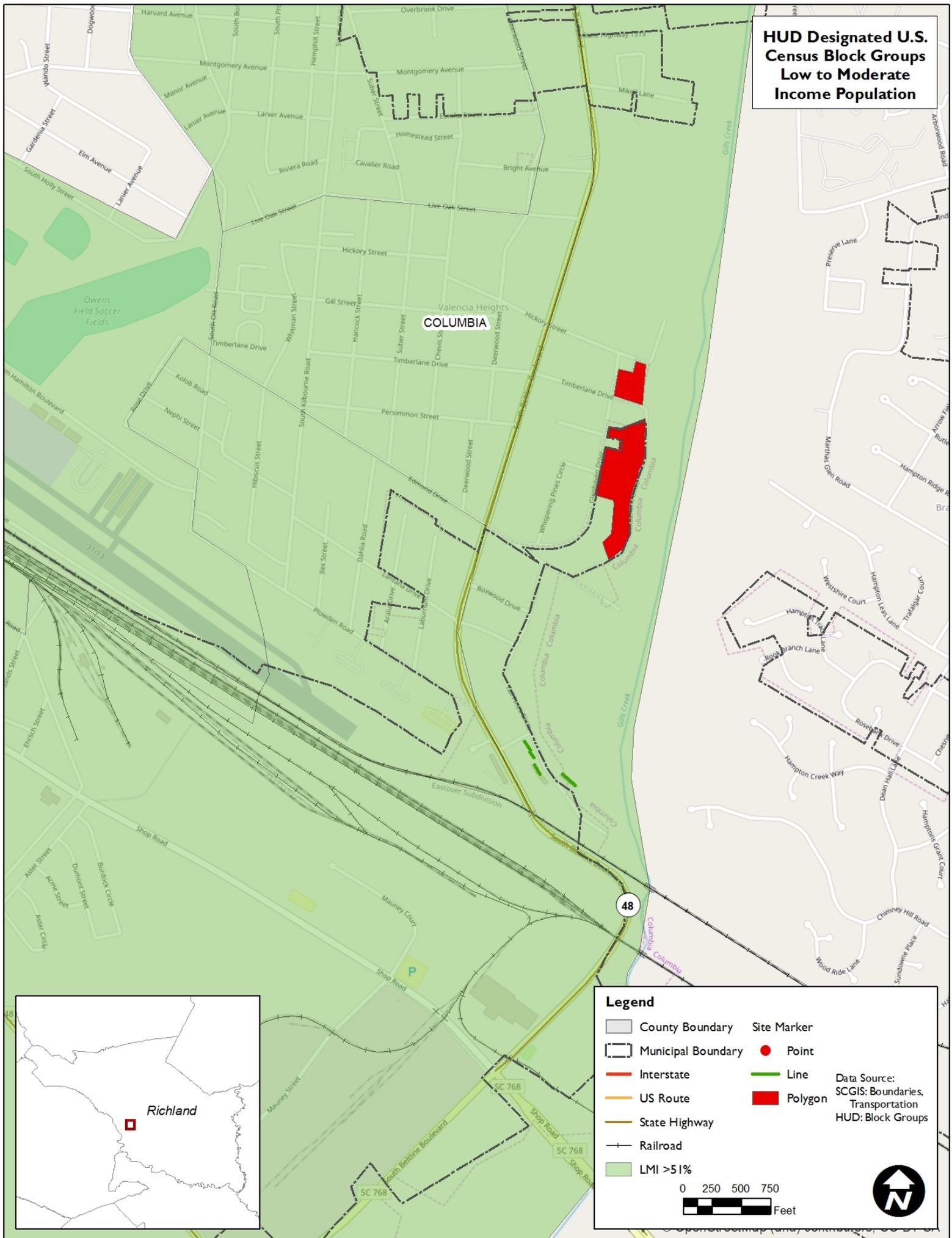
**Legend**

- County Boundary
- Municipal Boundary
- Interstate
- US Route
- State Highway
- Railroad
- LMI >51%
- Site Marker
- Point
- Line
- Polygon

Data Source:  
SCGIS: Boundaries,  
Transportation  
HUD: Block Groups



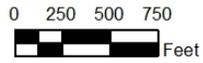
**HUD Designated U.S. Census Block Groups Low to Moderate Income Population**



COLUMBIA

**Legend**

- |   |                    |   |             |
|---|--------------------|---|-------------|
|  | County Boundary    |  | Site Marker |
|  | Municipal Boundary |  | Point       |
|  | Interstate         |  | Line        |
|  | US Route           |  | Polygon     |
|  | State Highway      |   |             |
|  | Railroad           |   |             |
|  | LMI >51%           |   |             |
- Data Source:  
 SCGIS: Boundaries, Transportation  
 HUD: Block Groups





# HMGP COMMERCIAL BUYOUT LOCAL MATCH

## PROGRAM GUIDELINES

This document provides the overarching housing guidelines for implementation of the HMGP Commercial Buyout Local Match Program administered by the Richland County Department of Community Development. This program 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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## REVISION DETAIL

(NOTE: Add most recent revision details above previous entry to keep entries in reverse chronological order. This will allow the user to quickly locate and identify the relevant changes to which he or she needs to understand.)

<b>September 5, 2017</b>	Version 0 Drafted
<b>October 4, 2017</b>	Version 1 Drafted
<b>January 9, 2018</b>	Version 2 Drafted
<b>April 2, 2018</b>	Version 3 Drafted

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## Part 1 Program Overview

### 1.1 Introduction

The Richland County Department of Community Development (RCCD) is the administrator of a Community Development Block Grant—Disaster Recovery (CDBG-DR) Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 114-113. RCCD is the agency responsible for the administration of disaster funds allocated to housing, economic development and infrastructure activities. RCCD is administering these programs directly.

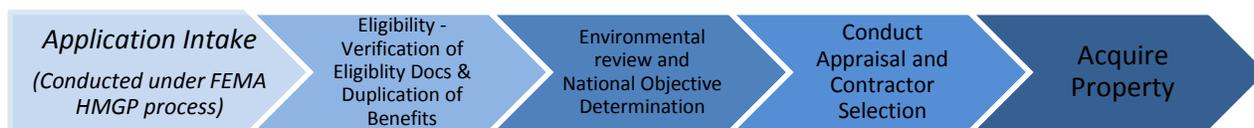
The RCCD Hazard Mitigation Grant Program (HMGP) Commercial Local Buyout Match Program will provide required match funding for FEMA's Commercial buyout for those affected by the storms and flooding that occurred in October 2015. RCCD has developed these Match Buyout Guidelines to serve as the basis for the HMGP Commercial Local Buyout Match Program based on the recommendations of the HMGP Emergency Services Division and the Long Term Recovery Work Group, as presented to the Blue Ribbon Committee and approved by the Richland County Council.

Richland County is currently allocating Nine Hundred, Forty Two Thousand, Two Hundred Seventy Nine Dollars and Thirty Seven Cents (\$942,279.37) in Disaster Recovery Community Development Block Grant (CDBG) funding for HMGP Commercial Local Buyout Match Program. Based on the maximum level of assistance, approximately fifteen (15) properties will be acquired and cleared.

Richland County has established two objectives for the HMGP Commercial Local Buyout Match Program. The primary objective of the program is to assist businesses that were severely impacted by the October 2015 flood event by providing required match for FEMA's HMGP. Additionally, Richland County seeks to remove structures which are at continual risk of flooding in the county.

The CDBG funds will be combined with FEMA funds in order to buy properties found eligible through the HMGP process and confirmed against CDBG-DR eligibility criteria. The properties must be purchased at the pre-flood fair market value of the land and structure. Properties located in the designated area must be deed-restricted to remain open space in perpetuity. Properties acquired through the program must remain as and provided to eligible applicants. The 25% match provided by HUD will match all costs incurred in the process which includes the acquisition cost for the value of the property, appraisal costs, contractor demolition costs and clearance costs, legal costs and any related soft costs to implement the program.

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. Intake for this program had previously occurred as part of the FEMA HMGP applicant identification and verification process, therefore, there is technically no intake process defined separately for CDBG-DR funds. All intake was conducted as part of the HMGP process. In addition to the FEMA verification process, an additional CDBG-DR eligibility confirmation and national objective identification process will need to be completed to ensure conformity with HUD regulations and to identify which national objective each applicant meets. The terminal point of the initial documentation phase is the signing of an acquisition agreement.



The second phase is the clearance phase where funds are utilized to demolish and clear existing structures and prepare the site of eligible open space utilization. After final demolition and clearance of the site it will be redeveloped for appropriate open space reuse.

Figure 1: Demolition/Clearance and Compliance



Benefit to Low/Moderate Income (LMI) and Urgent Need are the two National Objectives that are approved for the HMGP Commercial Local Buyout Match Program. Eligible activities are defined as follows: acquisition of property (including associated soft costs) and demolition and clearance of the site. It is anticipated that most project will be eligible under urgent need

## 1.2 Program Purpose

The primary focus of this program is to provide matching funds for property acquisition, demolition and clearance for commercial businesses found eligible for FEMA’s HMGP Commercial Buyout Program relating to impacts from the October 2015 storms and flooding events.

## 1.3 Definitions

**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.

**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.

**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) Area National Objective** – Activities which are available to benefit all the residents of an area which is primarily residential and where at least 51% of the residents are L/M income persons. The benefits of this type of activity are available to all residents in the area regardless of income.

**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 L/M Income Area Benefit

The sites being acquired will be evaluated to determine if the resulting green space from the acquisition will primarily benefit a LMI qualified area. If so, the project may be found eligible under LMI criteria. Sites will be evaluated on a case-by-case basis.

#### 1.5 Program Requirements

- A. All activities for the HMGP Commercial Local Buyout Match Program will meet one of the National Objective required under the authorizing statute of the CDBG program.
- B. The Property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions. Such uses may include: parks for outdoor recreational activities; wetlands management; nature reserves; cultivation; grazing; camping (except where adequate warning time is not available to allow evacuation); unimproved, unpaved parking lots; buffer zones; and other uses consistent with FEMA guidance for open space acquisition.
- C. Structures. No new structures or improvements shall be erected on the Property other than:
  - A public facility that is open on all sides and functionally related to a designated open space or recreational use;
  - A public rest room; or
  - A structure that is compatible with open-space, recreational, or wetlands management usage and proper floodplain management policies and practices, which the FEMA Regional Administrator approves in writing before the construction of the structure begins;
- D. Must provide assurances that certain restrictions will be conveyed in the deed to acquired property.
- E. May not apply for or receive additional disaster assistance for acquired property.

- 
- F. Must acquire properties only from property owners who voluntarily agree to sell their properties, and notify property owners in writing that it will not use its power of eminent domain to acquire properties if a voluntary agreement is not reached.
  - G. If needed to meet 70 % LMI beneficiary criteria the County will allocate a portion of the funds to benefit LMI populations meeting LMI criteria.
  - H. 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 physical work or “choice limiting activities” being undertaken.
  - I. All properties must have been qualified under FEMA policies for HMGP buyout.

## 1.6 Application Intake

Application intake is based on the voluntary participation in the HMGP buyout program and took place as part of the FEMA recovery process. This began with inspections of the structures impacted by the storm event which were located in the Special Flood Hazard Area (SFHA). Structures were inspected to identify the level of damage the units suffered and to identify structures which are considered substantially damaged. Structures are considered substantially damaged if “damage of any origin is sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value.” Letters were then sent out to persons with structures identified as substantially damaged to identify their interest in participating in the HMGP buyout program. The County also held public meetings and went door to door to identify persons eligible and interested in participating in the program. Eligible applicants signed a Letter of Interest which allowed for their inclusion into the program. The verification of the location of the unit in the SFHA, the confirmation of substantial damage and the signing of the letter of interest constituted the initial application phase of the program. Required FEMA documentation was forwarded to the state for review and once approved was forwarded to FEMA for confirmation. All applicants that were approved by FEMA were considered eligible applicant to the program.

The CDBG-DR portion of application intake involves obtaining copies of all FEMA required material for inclusion in a CDBG-DR case file.

## 1.7 Eligible Structures

Only structures found eligible under FEMA HMGP regulations as governed by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) and Title 44 of the Code of Federal Regulations (CFR) will be acquired. Only commercial properties will be acquired and cleared under the HMGP Commercial Buyout Local Match Program. These include properties that are located in a SFHA and are identified as being substantially damaged.

## 1.8 Ineligible Applications/Properties

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

- ✘ Residences are not eligible under the HMGP Commercial Buyout Local Match Program. This includes apartment complexes and other multiunit residential structures.

- ✘ Properties that are contaminated by hazardous materials (other than general household hazardous materials such as lead paint and asbestos). If a property contains hazardous materials, it must be cleaned up before it can be acquired. Applicants who lost ownership of their properties due to foreclosure are ineligible for assistance.
- ✘ Properties whose acquisition will NOT provide a substantial reduction in future risk.
- ✘ Properties that can only be acquired through the use of eminent domain.
- ✘ The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees)

## 1.9 Type of Assistance Offered

Funds will be provided to acquire the property through voluntary acquisition. This includes any related soft costs such as legal and environmental costs. Additionally, funds will be utilized to demolish structures located on the site, clearance of the site and improvements to the site to allow for its use as open space.

## 1.10 General Program Requirements

HMGP Commercial Buyout Local Match Program funds must satisfy the following:

- a. The property must be located in SFHA.
- b. The property must be verified as substantially damaged.
- c. Applicants' national objective eligibility must be confirmed as either LMI or urgent need. (All applicants are considered eligible under urgent need since the properties are both in the SFHA and substantially damaged which qualifies as urgent need under HUD guidance.)
- d. The project must comply with all applicable federal, state and local requirements.

## 1.11 Applicant Responsiveness

Applicants are required to respond in a timely fashion with requests for information/materials to complete the eligibility process. 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) working 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". "On Hold" is defined as the failure to answer or return phone calls, and failure to respond to written requests within program timeframes. Suspension of an application for unresponsiveness may be appealed once. If a successful

appeal results in the reactivation of an application, subsequent closure for unresponsiveness is not appealable.

### **1.12 Applicant Responsibilities**

Applicants who receive assistance from the HMGP Commercial Buyout Local Match Program have the following responsibilities pertaining to HUD:

- 1) Upon the signing of the contract, the applicant will have thirty (30) calendar days to move personal property off of the property and store any valuable personal property.
- 2) All personal property moving and storage costs are the responsibility of the property owner.
- 3) Meet all requirements agreed upon in the executed legal documents required by the program.

All debris, abandoned vehicles, and buildings left on the property after the transfer of title to the County is subject to demolition and removal from the site.

### **1.13 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 HMGP Commercial Buyout Local Match. In order to file a complaint applicants must complete a Customer Concern Form and submit it to the RCCD office.

#### **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.

### **1.14 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.

## **1.15 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:

- Proof of ownership of the property.
- The race and ethnicity of the property owner
- Copies of all materials which qualify the applicant as part of the FEMA HMGP Residential Buyout Program.

## **1.16 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.

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## **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 SFHRP are:

- (1) The structure must have been substantially damaged (>50% damaged) by the storms and/or flooding of October 2015, and must have unrepaired damage as of the date of application;
- (2) Location of damaged property within Richland County (outside the city limits of Columbia);
- (3) Applicant must provide proof of ownership at the time the disaster damage occurred and have maintained ownership;
- (4) Applicant must be current on property taxes or current on an approved payment plan (including exemptions under current law).;
- (5) Applicant must be current on any child or spousal support obligation.;

### **2.2 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 the Letter of Interest. Proof of Damage options will be provided by the FEMA letter approving applicant for HMGP Commercial Buyout.

### **2.3 Location**

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

### **2.4 Citizenship**

Only US Citizens and non-citizens with Qualified Alien Status are eligible. All applicants are required to sign a Citizenship Verification Form as recommended by HUD.

### **2.5 Ownership**

The applicant(s) must currently own be the owner of the damaged property, in order to be eligible for the program. Ownership will be verified through a warranty deed. 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 RCCD.

- 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 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.

## **2.7 Death of Eligible Owner Occupant**

If the deceased owner of the damaged address passed away after the October 2015 storm and flooding events, the deceased owner must meet the eligibility requirements up to the time of their death (i.e., homeownership at time of storm and taxes). Ownership and tax status of the original deceased applicant while all additional income requirements will be attributed to the heir. Income determination will be based on the heir at the time the program benefits are being conferred.

If the legal owner of the damaged address passed away before the storm, the heir occupying the property must meet all eligibility requirements except for ownership at the time of the storm and will be processed for assistance in the same manner as all other applicants.

If the applicant passes away during construction or during the compliance period, the heir is not responsible for the Program agreements.

If an eligible owner occupant dies and leaves their damaged property to a business entity, the application can be acquired under the HMGP Commercial Buyout Local Match program.

## **2.8 Property Taxes**

All applicants have to 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. RCCD will have the applicant provide documentation from the local Tax Assessor's Office.

## **2.9 Child and Spousal Support**

All applicants listed on the application will also be checked for child and spousal support arrearages. 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 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 Ineligible Applications**

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

- Residential units whose primary use is for the housing people in a permanent residential structure whether it be rental or owner occupied.
- Applicants who lost ownership of their properties due to foreclosure are ineligible for assistance.

## **2.11 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, co-applicant, and everyone 18 and older in the household are required to sign the release (unless one of the eligible owner-occupants has provided power of attorney to the other to represent them, then the eligible owner-occupant 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.
- 3) Swear to the accuracy and completeness of all information provided to the program under penalty of law.
- 4) 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.

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## 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.

Duplication of benefits will be identified and calculated as part of each applicant intake process. Funds found to be duplicative in nature under CDBG-DR guidelines will be deducted from the total award allocation.

### 3.2 FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified through documentation collection and verification against the FEMA IA database. Funds provided by FEMA will be evaluated to verify that they were and are not being used for the same purpose. All documentation regarding the FEMA HMGP match will be included in the file to clarify any DOB concerns. The documentation provided by the applicant must come from FEMA.

### 3.3 FEMA National Flood Insurance Program (NFIP) Insurance

Since NFIP Insurance funds would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### 3.4 Increased Cost of Compliance (ICC)

The program will determine duplication of benefits regarding ICC funds for elevation and/or demolition activities. If RCCD staff 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**

Since private insurance would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### **3.6 The Small Business Administration (SBA)**

Since SBA Loans would not be used for property acquisition or clearance, and instead would be used for different purposes, no DOB occurrences are anticipated.

### **3.7 Cost of Repairs**

Cost of repairs do not qualify as duplication of benefit costs or activities under this program since the funds utilized for repair (interim repairs) were not for the same purposes of the FEMA and HUD HMGP Commercial Buyout Program funds (acquisition and demolition).

### **3.8 Duplication of Benefits**

Duplication of benefits will only be calculated for financial assistance that was used in storm recovery for the same purposes. RCCD does not anticipate DOB occurrences since only funds used for acquisition of the property or demolition and clearance of the structure, along with associated soft costs, would meet the same purposes CDBG-DR funds may be used for.

### **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 Tax Filings**

Personal Income tax filings related to losses to the business 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.

### **3.11 Calculating the Amount of Assistance**

A professional appraiser will estimate the appraised value of the property prior to the storm event. The value calculated will be the recorded as part of the buyout cost. Additionally, any legal or related fees or expenses related to the acquisition of the property will also be calculated. These will be combined to find the total acquisition cost. The pre-selected demolition contractor will provide an estimate for the cost of demolition, clearance and site prep for open space, including all permitting and related fees. These costs will be added to the estimated acquisition cost to determine the total amount of assistance needed.

Any applicable DOB items will be subtracted from the total amount of assistance needed in order to identify the amount of assistance that is available.

## **Part 4 Environmental Reviews**

### **4.1 Environmental Review Adoption**

The environmental review for the CDBG-DR portion of funding for the HMGP Commercial Buyout Local Match Program will involve adoption of the FEMA environmental review as described in the HUD, March 4, 2013 Memorandum. Notice of Intent to Release Funds and the Request for Release of Funds will be submitted based on the findings of the FEMA ER as clarified under the memorandum.

### **4.2 Initial Inspection and Damage Verification**

Initial inspection and site examinations were conducted by emergency management staff and submitted to both the state and FEMA for review and approval.

### **4.3 Eligible and Ineligible Items**

Eligible activities under this program include buyout value of the property, soft costs such as legal and permitting fees, demolition and clearance costs and site finishing for open space use.

### **4.4 Environmental Review**

The County will utilize the Tier 1 Environmental Review (ER) conducted as part of the FEMA funding and program implementation process. Adoption of another Federal agency's environmental review is permitted under the Disaster Relief Appropriations Act, 2013, (P.L. 113-2). The County will follow the guidance provided in the March 4, 2013 HUD memorandum entitled Adoption of FEMA and Other Federal Environmental Reviews and Processes for Hurricane Sandy Supplemental Appropriations (H.R. 152) Activities. The County will publish its Notice of Intent to Release Funds and submit its Request for Release of funds based on the documentation and findings included in the FEMA environmental review documentation.

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## **Part 5      Pre-Construction**

### **5.1      Asbestos Hazard Identification**

SC Department of Health and Environmental Control has required that projects under this program must conform to state asbestos monitoring and removal requirements. This will require utilization of a state certified contractor for demolition and on site air monitoring and visual clearance during demolition.

### **5.2      Contractor Assignments and Construction Agreement**

Contractor assignments will be issued to a demolition contractor from RCCD Contractor pool that was procured to support acquisition/demolition project under HMGP.

### **5.3      Contract Execution Documents**

The following documents will be signed by the applicant 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)      Ownership Verification Form
- 2)      DOB Worksheet
- 3)      3<sup>rd</sup> Part Income Verification Form (as applicable)
- 4)      Deed transfer documentation
- 5)      Any other documents required by RCCD

### **5.4      Notice to Proceed**

Notice to Proceed is given after the County has acquired the property from the owner, RCCD approves the contract and performs all administrative assignment procedures; the applicant's belongings are removed from the property (if necessary); the contractor obtains necessary permits; and utilities are terminated (if applicable).

### **5.5      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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**Part 6 Eligibility Data**

Property Address	Block Group Number	% Low-Mod	LMI Eligible
1572 JEROME DR, Columbia, SC 29203			
4128 BEECLIFF DR, Columbia, SC 29205	450790026041	65.52%	
1369 POULTRY LN, Eastover, SC 29044	450790120003	72.27%	
1365 POULTRY LN, Eastover, SC 29044			
312 ROCKINGHAM RD, Columbia, SC 29223			
100 LAKE ELIZABETH DR, Columbia, SC 29203	450790114041		NO
2332 PLEASANT RIDGE DR, Columbia SC 29209	450790116086		NO
2416 CONGAREE RD, Eastover, SC 29044	450790118002		NO
18 RAINTREE CT, Irmo, SC 29063	450790103091		NO
1434 PEEPLES ST, Columbia, SC 29212	450790105011		NO
22 RAINTREE CT, Irmo, SC 29061	450790103091		NO
125 RAINTREE DR, Irmo, SC 29061	450790103091		NO
1693 HORSESHOE DR, Columbia, SC 29223	450790113033	53.87%	
1506 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	
216 TALLY ADAMS RD,			

**Indicated Does Not Want to Particiate Buyout Program - Declination Letter will be obtained when application is approved**

Property Address	Block Group Nu	% Low-Mo	LMI Eligible
1444 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1450 ELMON/PEEPLES ST, Columbia, SC 29203	450790105011		NO
4624 DEVINE ST, Columbia, SC 29205	450790026041	65.52%	
1723 Peeples St., Columbia, SC 29203			
1725 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1717 & 1721 PEEPLES ST, Summerville, SC 29203	450790105011		NO
1504 ELMON/PEEPLES ST, Columbia, SC 29203	450790105011		NO

Program Declination Letter On File

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1441 PEEPLES ST, Columbia, SC 29203	450790105011		NO
1447 PEEPLES ST, Columbia, SC 29203	450790105011		NO
6003 ELMON ST, Columbia, SC 29203	450790105011		NO
6011 ELMON ST, Columbia, SC 29203	450790105011		NO
6020 ELMON ST, Columbia, SC 29203	450790105011		NO
6021 ELMON ST, Columbia, SC 29203	450790105011		NO
6027 ELMON ST, Columbia, SC 29203 (vacant Lot)	450790105011		NO
6028 ELMON ST, Columbia SC 29203	450790105011		NO

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1208 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1216 GLENHAVEN DR, Columbia, SC 29205 and 2 adjacent lots	450790026041	65.52%	YES
1230 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1304 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1306 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1308 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1312 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
1316 GLENHAVEN DR, Columbia, SC 29205	450790026041	65.52%	YES
4220 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4225 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4230 TIMBERLANE DR, Columbia, SC 29205			
4232 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4236 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4240 TIMBERLANE DR, Columbia, SC 29205			
4246 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4300 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4302 TIMBERLANE DR, Columbia, SC 29205 (adjacent vacant lot)	450790026041	65.52%	YES
4314 TIMBERLANE DR, Columbia, SC 29205 and adjacent lot	450790026041	65.52%	YES
4316 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES
4318 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES

Program Declination Letter On File

Property Address	Block Group Number	% Low-Mo	LMI Eligible
1701 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1705 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1709 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1713 TALL PINES CIR, Columbia, SC 29205	450790026041	65.52%	YES
1717 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1721 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1725 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1729 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1733 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1737 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1741 TALL PINES CIR, Columbia SC 29205			
1745 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1749 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1800 TALL PINES CIR, Columbia SC 29205			
1804 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1808 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1812 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1816 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1820 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1824 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES
1828 TALL PINES CIR, Columbia SC 29205	450790026041	65.52%	YES

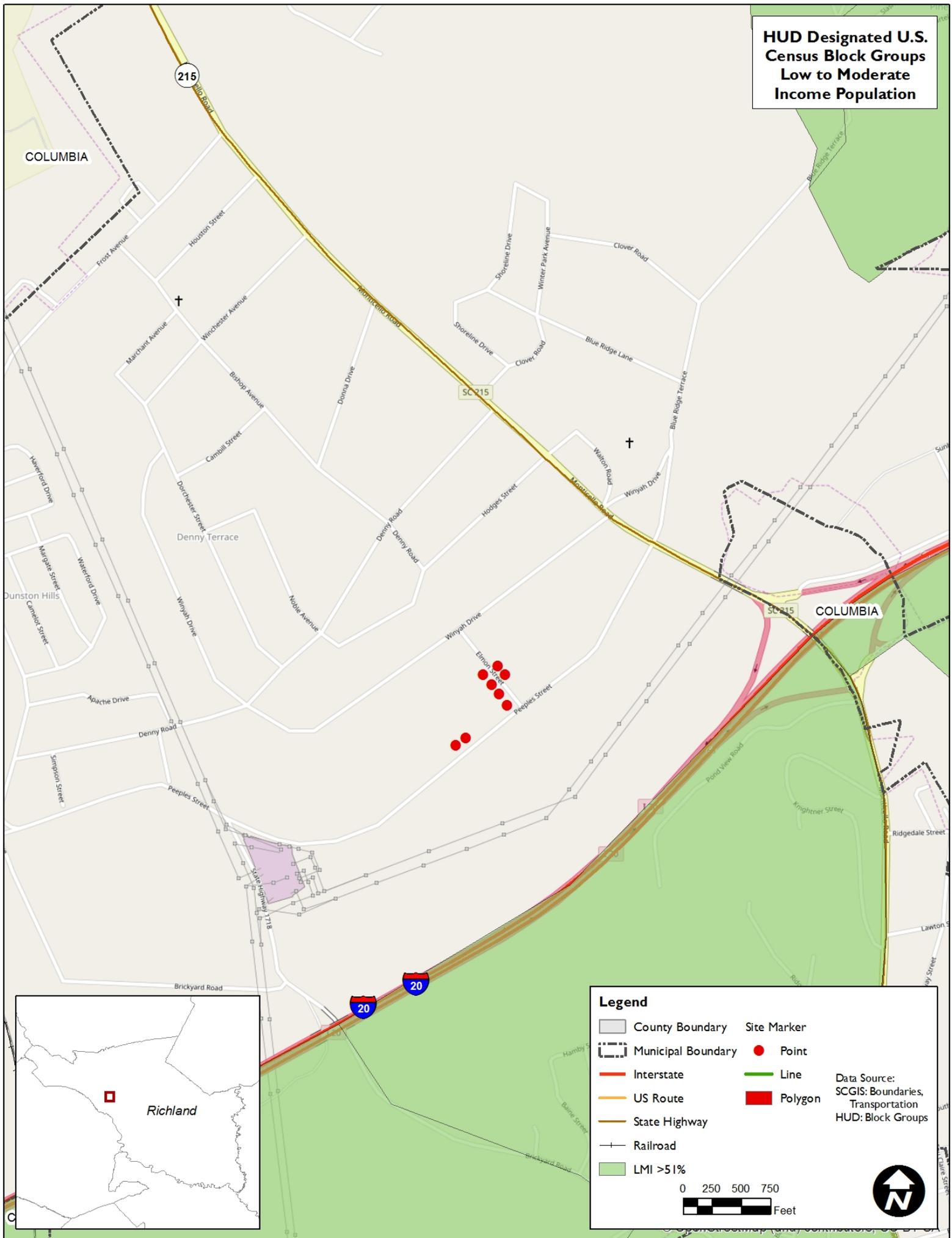
Property Address	Block Group Number	% Low-Mo	LMI Eligible
7130 FIRE LANE RD, Columbia, SC 29233	450790113041		NO
6040 MONTICELLO RD, Columbia, SC 29203	450790107013		NO

Property Address	Block Group Number	% Low-Mo	LMI Eligible
4335 TIMBERLANE DR, Columbia, SC 29205	450790026041	65.52%	YES

Property Address	Block Group Num	% Low-Mo	LMI Eligible
433 Brookgreen Drive, Columbia, SC 29210	450790104101	64.67%	

Property Address	Block Group Number	% Low-Mo	LMI Eligible
4 Knollwood Ct, Columbia, SC 29209	450790116044		NO
8 Knollwood Ct, Columbia SC 29209	450790116044		NO
12 Knollwood Ct, Columbia, SC 29209	450790116044		NO
602 Knollwood Dr, Columbia, SC 29209	450790116044		NO
606 Knollwood Dr, Columbia, SC 29209	450790116044		NO
610 Knollwood Dr, Columbia, SC 29209	450790116044		NO
614 Knollwood Dr, Columbia, SC 29209	450790116044		NO
613 Planters Dr, Columbia, SC 29209	450790116044		NO
619 Planters Dr, Columbia, SC 29209	450790116044		NO
625 Planters Dr, Columbia, SC 29209	450790116044		NO
631 Planters Dr, Columbia, SC 29209	450790116044		NO

**HUD Designated U.S. Census Block Groups Low to Moderate Income Population**



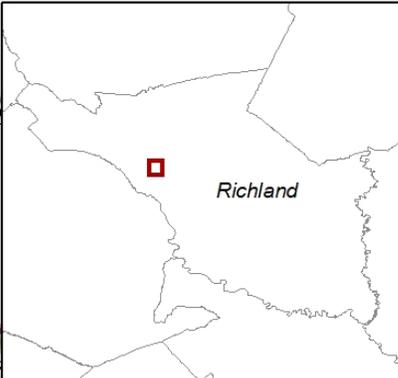
COLUMBIA

215

SC 215

SC 215

COLUMBIA

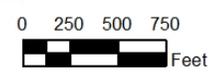


Richland

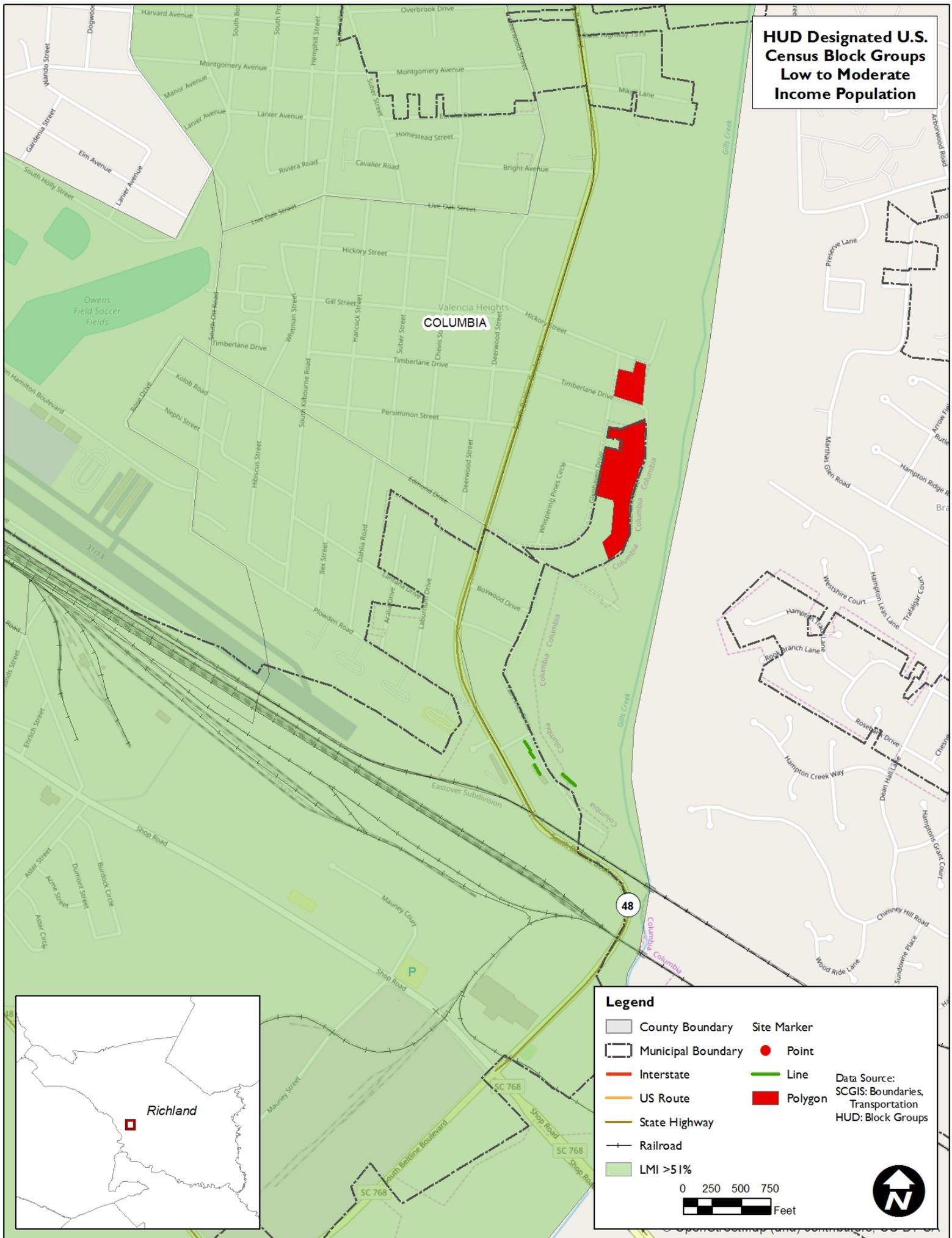
**Legend**

- County Boundary
- Municipal Boundary
- Interstate
- US Route
- State Highway
- Railroad
- LMI >51%
- Site Marker
- Point
- Line
- Polygon

Data Source:  
SCGIS: Boundaries,  
Transportation  
HUD: Block Groups



**HUD Designated U.S. Census Block Groups Low to Moderate Income Population**



COLUMBIA

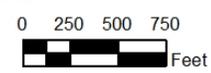
Valencia Heights

48

**Legend**

- County Boundary
- Municipal Boundary
- Interstate
- US Route
- State Highway
- Railroad
- LMI >51%
- Site Marker
- Point
- Line
- Polygon

Data Source:  
 SCGIS: Boundaries,  
 Transportation  
 HUD: Block Groups



Richland