

Forsyth County

Housing and Rehabilitation Assistance Policy

2017-2018

I. Program Purpose

For Fiscal Years 2017-18, Forsyth County has been awarded a combined \$713,800 in grants from both the North Carolina Housing Finance Agency (NCHFA) and the federal government's Housing and Urban Development (HUD) department to be used for the rehabilitation of low-income households with qualifying needs. Although our program is designed to assist residents living in Forsyth County, some funding sources apply restrictions to those residing within the city-limits of Winston-Salem.

The Forsyth County Housing Rehabilitation program provides funds in the form of grants, loans, deferred loans, and deferred-forgiven loans.

II. Assistance Policy Purpose

This assistance policy describes Forsyth County's housing rehabilitation funding sources, including details of: who is eligible to apply for assistance, how applications for assistance will be ranked, what forms of assistance can be provided, and how the entire rehabilitation process will be managed. The County has designed this program to be fair, open, transparent, and consistent with the County's grant applications for funding from both our federal and state sources.

III. Fair Housing

The federal Fair Housing Act prohibits discrimination in the rental or sale of housing to a person based on the person's affiliation to one or more of the protected classes under the act. The protected classes are familial status, race, sex, disability, color, religion, and national origin. Although the Fair Housing act does not specifically include sexual orientation and gender identity as protected classes, discrimination based on these classes will be prohibited for purposes of this program. For more information on Fair Housing law and how it applies, please visit <http://www.fairhousingnc.org/>.

IV. Language Access Policy

The purpose of this Policy and Plan is to ensure compliance with Title VI of the Civil Rights Act of 1964, and other applicable federal and state laws and their implementing regulations with respect to persons with limited English proficiency (LEP). Title VI of the Civil Rights Act of 1964 **prohibits** discrimination based on the grounds of race, color, or national origin by any entity receiving federal financial assistance. Administrative methods or procedures, which have the effect of subjecting individuals to discrimination or defeating the objectives of these regulations, are prohibited.

In order to avoid discrimination on the grounds of national origin, all programs or activities administered by the Forsyth County Department of Housing must take adequate steps to ensure that their policies and procedures do not deny or have the effect of denying LEP individuals with equal access to benefits and services for which such persons qualify. This Policy defines the responsibilities the agency has to ensure LEP

individuals can communicate effectively. This policy and plan is effective August 1, 2017. For a copy or more information regarding our Language Access Policy please contact Dan Kornelis at 336-703-2681.

V. The Applicant Selection Process

To apply, please call Diana Westrick, the Rehab Project Manager, at 336-703-2677 to schedule an appointment or request an application. Applications can be mailed to the applicant (pre-paid return postage available upon request), completed in our office (located at the Housing and Community Development Department on the Fourth Floor of the Government Center at 201 North Chestnut Street Winston-Salem, NC 27101-4120), or, at the applicant's request, may be completed at the applicant's home if they are disabled and/or do not have the means to commute to our location.

To qualify for our program, all of the following conditions must be met***:

1. Homes must be owner-occupied and within Forsyth County.
 - o The homeowner must have been living in the home for at least 6 months from the date of application.
 - o For residents living within the city-limits of Winston-Salem, we only accept those at the 30% income limit and only for our Urgent Repair Program. Former participants in the County's first-time homebuyer program may also be considered for assistance.
2. Households must meet the low-income eligibility requirements (the program uses the U.S. Department of H.U.D.'s adjusted income limits by household size). See below:

Forsyth County Income Limits by Household Size
Median Family income (2017) \$59,200.00

Household Size	Maximum Income Limits		
	30%	50%	80%
1 Person	\$12,300	\$20,500	\$32,800
2 Person	\$16,020	\$23,400	\$37,450
3 Person	\$20,160	\$26,350	\$42,150
4 Person	\$24,300	\$29,250	\$46,800
5 Person	\$28,440	\$31,600	\$50,550
6 Person	\$32,580	\$33,950	\$54,300
7 Person	\$36,300*	\$36,300	\$58,050
8 Person	\$38,650*	\$38,650	\$61,800

** Income limits are subject to change based on annually published HUD HOME limits. Low-income households are those with incomes less than 80% of the county median. Income limits will be defined using the most recent HUD income estimates, as initially provided by the Agency and updated annually at the HUD website www.hud.gov.*

3. Homeowners must be current on property taxes or on a payment plan for delinquent property taxes.
 - o If on a payment plan, its terms must be current and will require official, written verification (on department letterhead) from the Tax Department.
 4. The assessed after-rehab value of the home must not exceed \$143,000 *.
 - o The total after-rehab value of the intended property must be less than 95% of the area median purchase price to qualify as affordable housing, as established by the maximum Property Value Limit under the Federal Housing Administration 203(b) schedule and in accordance with 24 CFR 92.254(b).

**Area median purchase price is subject to change based on annually published HUD assessments.*
 5. Applicants must have homeowner’s insurance and provide us a copy of the policy as a part of their application packet.
 - o Applicants may be required to list Forsyth County as a Loss Payee on their insurance policy depending on the construction cost of the rehabilitation of the home.
 6. Applicants must be current on their mortgage payments or show documentation of satisfaction of Deed of Trust.
 7. Homes may not have a pending foreclosure.
- ***Other requirements may be applicable based upon the specific funding source and will be outlined further under their respective sections within this manual*****

Other Considerations:

- Previously assisted homes under our “First Time Homebuyer” program may be eligible for Rehabilitation Assistance. A new application for rehab assistance must be submitted; old applications will not be reused.
- Those who have been assisted in the past through our Rehabilitation Assistance Program will not automatically be reconsidered. A new application will need to be submitted and may be denied, at the discretion of the Director of Housing and Community Development, if funding is limited.
- Properties cannot be located in the right-of-way of any impending planned public improvements. The Rehabilitation Specialist will review each situation and will make recommendations to the County’s Selection Review Committee.
- The property may not be located in a flood hazard area. The County will make this determination and inform the Selection Review Committee.
- Manufactured homes will be considered for this program but must be real property (permanently affixed to the land), and the owner must own the land on which the manufactured home is located.

Priority Ranking System

Forsyth County Housing and Community Development devised the following priority system to rank eligible applicants who have already gone through pre-qualification (met the required conditions listed above), and are on our Wait List. Under this system, applicants will receive points for falling into certain categories of special need and income. The applications will be ranked according to those who receive the most points. For those applicants with the same ranking score, the date an applicant entered the wait list will next be considered.

<i>Special Needs (for definitions, see below)</i>	<i>Points</i>
Disabled, Elderly or Veteran Head of Household (62 or older)	4
Disabled, Elderly, or Veteran Household Member (not Head of Household)	3
Single-Parent Household (with one or more children in the home)	3
Large Family (5 or more permanent residents)	2
Emergency (may submit without regard to application deadlines)	2
Elevated Blood Lead Level Child	2
<i>Income (See Income Table above)</i>	<i>Points</i>
Less than 30% of County Median Income	10
30% to 50% of County Median Income	5

*****The Priority Ranking system is contingent upon available resources and staffing*****

Completing an Application:

The following items are required to complete a housing rehabilitation application. Applications will not be processed, nor applicants qualified, until ALL materials are received.

- Valid Government-issued photo ID for all members of the household over the age of 18
- Social security card for all members of the household over the age of 3 (United States citizenship is a requirement for our program)
- Verification of income, including, but not limited to: social security award letter, pension award letter, and 6 most recent paystubs. If an applicant is employed, an employment verification form, filled out by the applicant’s employer, may be required.

Additional verifications may be requested depending on the funding source awarded. After we receive all required application materials, the project manager will verify the household meets minimum requirements. Applications for this program will be received continuously or until grant funds are no longer available. All applications will be kept on file for 30 days. If this time has expired, and no contact has been made with the project manager, an incomplete application will be determined inactive and the file closed. If an application is not approved for any reason, a letter will be sent documenting the reason of ineligibility or inactivity. If found eligible for our program, an applicant will be added to the waiting list and their file passed along to our Rehab Specialist so that they can visit the home and complete an assessment of repairs that are needed.

The Waiting List:

Once the project manager receives all required documentation from an applicant, and they are determined eligible, their name is put on a waiting list in the order of the above-referenced Ranking System. Please note, being placed on the waitlist does NOT guarantee the County will be able to assist a household. Furthermore, it is at the discretion of the Selection Review Committee, based upon available resources and staffing, to err outside of the Priority Ranking System.

Preliminary Inspection:

The County's Housing Rehabilitation Specialist, Ken Nelson, will visit the homes of potential recipients to determine the need and feasibility of the home for rehabilitation. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems, such as electrical short circuits, blinking lights, roof leaks, etc.. If necessary, follow-up inspections may be set up.

Work write-up:

The Rehabilitation Specialist will prepare complete and detailed work specifications (known as a "work write-up") of an eligible home. A final cost estimate will also be prepared and held in confidence until bidding procedures (detailed below) are completed.

Selection Review:

All applications will be reviewed to ensure that they meet eligibility guidelines and that their proposed loan structure meet the underwriting criteria for the County. After the selection review, an applicant will be notified whether or not their application is accepted for funding under the County's housing rehabilitation program. If required by funding guidelines, an application will be submitted to the proper funding agency.

VI. The Rehab Process

Bidding:

The work write-up and bid documents are mailed to up to five contractors from the Approved Contractors Registry and will be given one to three weeks in which to inspect the property and prepare bid proposals. The names of the invited contractors will be supplied to the homeowner. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted at a specified date and time, with all bidders and the homeowner invited to attend. Please note: under special circumstances, additional bid walkthroughs may need to be scheduled; the homeowner will be included in all scheduling efforts.

Contractor selection:

Within 24 hours of the bid opening, after review of bid breakdowns and timing factors, the winning bidder will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, and, (3) if other than the lowest bidder is selected, the specific reasons for the selection.

Loan closing and Contract execution:

After approval of the work write-up, loan and contract documents will be drafted; these are binding* documents between all parties. The contract will be between the contractor, the homeowner, and the County. The homeowner will sign legal construction rehabilitation contracts, including, but not limited to: deeds of trust, promissory notes, deferred loan agreements, and assignments of notes and deeds of trust. These documents will define the roles of the parties and their responsibilities throughout the rehabilitation process. Contractors must submit proof of liability insurance and any required building permits prior to start of construction.

**There is a three day right of rescission. During this period, the homeowner will have the opportunity to terminate the contract without any penalty. The rescission must be in writing and submitted by 5pm on the 3rd day (not including weekends and holidays).*

Pre-construction conference:

The loan closing and contract execution will be held during a pre-construction conference. The conference is typically held at the Forsyth County Department of Housing and Community Development. However, at the request of the homeowner, and for mobility concerns, the conference may be held at the home. At this time, the homeowner, contractor, and program representatives (typically the project manager and rehab specialist) will discuss the details of the work to be done*. Topics include scope of the work**, starting and ending dates, expectations, and any special arrangements. Furthermore, any questions or hesitations of the homeowner or contractor will be addressed. Within 24 hours of receiving fully-executed contracts***, the County will issue a “proceed order,” formally instructing the contractor to commence work by the agreed-upon date.

** For rehab projects with a cost over \$20,000, an attorney will also be in attendance.*

*** The scope of the work is the winning contractor’s bid write-up.*

**** Per Forsyth County policy, contracts must be submitted through a portal for various representatives’ approval, including budget, finance, County Attorney, and County Manager. This process typically takes approximately two weeks, but can potentially span from one week to one month.*

Construction:

The contractor is responsible for obtaining a building permit for the project before beginning work. The permit must be posted at the house during the entire period of construction. The rehab specialist will closely monitor the contractor during the construction period to ensure that the work is being done according to the work write-up, in a timely manner, and up to minimum housing/building code. The homeowner will be responsible for protecting personal property by clearing work areas as much as practicable. Similarly, the contractor is responsible for cleaning up their building materials and waste. Interim inspections and a final inspection will be completed by the Forsyth County Rehab Specialist. The work on a unit is considered complete when: the final inspection is complete, the homeowner signs an acceptance of the work, the contractor submits lien waivers and final invoices, and final payment is made.

Change Orders:

Any and all changes to the original scope of work must be approved by the homeowner, the contractor, the Rehabilitation Specialist, the Project Manager, and the Forsyth County Housing Director. The change must be reduced to writing as a contract amendment (“change order”). If the changes require an adjustment in loan amount, the change must be specified in the change order. Also, if required by the funding source, a modification agreement will be executed stating the changes from the original contract amount.

Progress payments:

For some projects, the contractor is entitled to partial payments during the construction phase of the project. One partial payment can be requested at 40% of completion, another at 80%, and a final 20% at full completion of the project. The County may hold the 20% retainage for 30 days after final inspection. When a payment is requested by the contractor, the Rehabilitation Specialist will inspect the work within three days, list all completed items, and calculate a payment based on 85% of the total contracted amount of those completed items. The inspector will inform the contractor of any deficiencies as soon as practical. Payment will be made between 5 to 10 business days after each inspection (potentially excluding the final 20%).

Closeout:

When the contractor declares the work completed, program staff will thoroughly inspect the work. If deficiencies are observed, the contractor will be required to correct them. When the Rehabilitation Specialist and the homeowner are satisfied that the contract has been fulfilled, each will sign off on the work. After receipt of the contractor's final invoice, the final payment will be ordered. The contractor will submit all lien releases prior to release of the final payment. All material will carry the manufacturer's warranty and the workmanship will be guaranteed for a one-year period after the date of the project completion.

Post-construction conference:

Following construction, the contractor and the Rehabilitation Specialist will meet with the homeowner one last time*. At this conference, the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for the new equipment and appliances, as well as discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work. Upon completion, the homeowner will be required to sign an owner satisfaction form.

** Depending on scheduling restraints, the post-construction conference may be held without the contractor.*

Final Loan Amount Determination:

If, upon completion of all rehabilitation work, the original contract price has changed (as documented in change orders), the amount that was changed will be added to the original contract amount. If the North Carolina Housing Finance Agency (NCHFA) loan pool funding is used, NCHFA will execute and record the appropriate documents to reflect the resulting increase or decrease in the original loan amount. The loan will remain the property of NCHFA, with original documents remaining at their location for storage and "servicing."

The Warranty Period:

If any problems or deficiencies occur after work is completed, it is extremely important for the homeowner to report to the Rehabilitation Specialist as soon as possible. All bona fide defects in materials and workmanship reported within one year of completion of construction will be corrected, free of charge.

VII. Marketing

Forsyth County Department of Housing and Community Development will market the housing rehabilitation program by placing an advertisement in local newspapers, as well as advertise the program on the local government television channel. A copy of this policy will also be displayed on the Forsyth County Website.

VIII. Lead Based Paint

On December 15, 1999, HUD issued a new Federal, lead-based paint regulation implementing Title X (24CFR35) of the Housing and Community Development Act of 1992. These new lead standards and regulations became effective September 15, 2000. The County will abide by these new regulations and will contract with a certified lead paint inspector to perform an assessment of every housing unit constructed prior to 1978 that is being considered for acceptance into the County's Housing Rehabilitation Programs. Additional lead regulations and licensing, known as Renovate, Repair and Paint (RRP), as mandated by the North Carolina Department of Public Health and Human Services, Health Hazards Control Unit, will also be required for Contractors working on households with lead hazards. If lead is found at unacceptable levels, the County will

determine the appropriate treatment to be taken as required by federal regulations. The County, due to budgetary restraints, may not be in a position to treat every home that contains lead hazards. Therefore, the County reserves the right to decline assistance to households residing in homes that contain unhealthy levels of lead-based paint that cannot be treated in an economically feasible manner. Again, the Selection Committee will make these decisions based upon information and recommendations provided by the Housing Department's staff. If children under seven (7) are present in any home found to have high levels of lead based paint, the family will be referred to the County Health Department or their family doctor to be screened for elevated lead blood levels.

If lead paint found in a house is above the allowable levels, and the County decides to provide rehabilitation assistance to the dwelling, it may be necessary for the household to be temporarily relocated, during the construction period, for protection against lead poisoning. Families that must be relocated will first be asked to find alternative temporary housing on their own and at their own cost. However, if a family cannot find or afford temporary housing, the County can, but is not obligated to, use federal, state, or local funds to pay for the costs of the family's temporary relocation. Other funds may be available for temporary relocation, if needed.

IX. Contractors

The County is obligated under the State and Federal housing programs to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open, and competitive process. To meet those very difficult requirements, the County will invite bids only from contractors who are part of a certified contractors list, as compiled and approved by the Forsyth County Department of Housing.

To be included on the certified contractor list, contractors must (1) fill out an application, listing several references and recent jobs completed; (2) meet the workmen's compensation and other insurance requirements of the County; (3) hold an active general contractor's license; and (4) receive the conditional approval of the County. Once a contractor, who has been conditionally approved, has successfully completed one job for the County, his or her status is upgraded to full approval status; they will be allowed to bid on a regular rotation as long as they remain in good standing. Homeowners who know of quality rehabilitation contractors, not currently on the County's certified list, are welcome to invite them to apply.

Between three to five contractors will be invited to bid on each job. The lowest responsive and responsible bidder will be selected for the contract. Responsive and responsible bidder means the contractor (1) is deemed able to complete the work in a timely fashion, and (2) that the bid is reasonable.*

**A reasonable bid is one that is priced within either 15% higher or lower than the Rehab Specialist's estimate.*

X. Funding Sources

Sources and Amounts of Housing Rehabilitation Funds

Fiscal Year 2018*

Source	Project Funds	Administrative Funds	Total Funds
1) ESSENTIAL SINGLE FAMILY REHAB LOAN POOL (ESFRLP) NORTH CAROLINA HOUSING FINANCE AGENCY	\$175,000	\$0	\$225,000
2) URGENT REPAIR PROGRAM (URP) NORTH CAROLINA HOUSING FINANCE AGENCY	\$100,000	\$0	\$100,000
3) HOME INVESTMENTS PARTNERSHIP CONSORTIUM (HOME) FORSYTH COUNTY MUNICIPALITIES	\$151,290	\$16,810	\$168,100
4) COUNTY EMERGENCY FUNDS FORSYTH COUNTY	\$15,000	\$0	\$15,000
TOTAL	\$441,290	\$16,810	\$458,100

**The above chart represents grant funds awarded for Fiscal Year 2018 and does not necessarily represent the total funds available, including carry-over, from prior years.*

1) Essential Single Family Loan Pool (ESFRLP)

This program provides the County with funds via a “loan pool” to assist with the rehabilitation of moderately deteriorated homes that are owned and occupied by lower-income, special need households. ESFRLP assists eligible households by facilitating aging in place, meeting minimum housing code requirements, promoting long-term affordability, lowering operating costs, and stabilizing pre-1978 homes inhabited by children aged 6 or under whose health is threatened by the presence of lead hazards.

The funds provided by NCHFA come from the US Department of Housing and Urban Development’s (HUD) Federal HOME Investment Partnerships Program. Assistance for construction-related costs (hard costs) will be provided as no interest, no payment loans which are forgiven at the rate of \$3,000 per year. Non-construction related costs (soft costs including lead/asbestos, inspections/clearances, radon testing, and environmental reviews) will be provided in the form of a grant (no repayment or recovery terms).

To provide assistance to households selected for the project, NCHFA will create loan documents including a Promissory Note and Deed of Trust covering hard costs for the rehabilitation in an amount not to exceed \$25,000. This loan covering the hard costs remains 0% interest and forgivable at a rate of \$3,000 per year for as long as the owner resides in the home or until the balance is reduced to \$0. The term of the loan is dependent upon the loan amount. For example, if the amount of the loan is \$21,452, then the term is 8 years (\$21,000 forgiven over the first 7 years and \$452 forgiven at the end of the 8th year). The maximum term of the loan will be nine years.

As long as the borrower lives in the home, no payments on the loan will be required. If the recipient prefers, the loan can be paid off at any time to NCHFA, either in installments or as a lump sum payment. Furthermore, under certain circumstances, NCHFA may allow assumptions or refinancing of the loan. Should an heir inherit the property and choose to live in the house as their permanent residence, they may assume the loan without being income eligible. However, the lien remains on the property. A buyer who may wish to buy the property to live in may assume the loan so long as they can document that they are income-eligible ($\leq 80\%$ AMI). Default can occur if the property is sold or transferred to another person, and/or if the borrower fails to use the home as a principal residence, without prior written approval of the North Carolina Housing Finance Agency.

➤ ESFRLP Program Requirements

Below are the major requirements to be eligible for ESFRLP assistance:

- 1) The housing unit to be rehabilitated must be located in Forsyth County, but outside of Winston Salem city limits. An exception may be made to those living within city limits that were in the County’s First Time Homebuyer Program.
- 2) The home must be owner-occupied
- 3) The household occupying the unit must have a full-time household member who is one of the following:
 - Elderly - An individual aged 62 or older
 - Disabled - A person who as a physical, mental, or developmental disability that greatly limits one or more major life activities, has record of such impairment, or is regarded as having such an impairment.
 - A veteran - A person who served in the active military, naval, or air service and who was

discharged or released there from under conditions other than dishonorable.

- o A child aged 6 or under if there are lead hazards in the home
- 2) The gross annual household income must not exceed 80% of the Area Median Income for the County (see income limit table in section V). Household assets are considered into the calculation.
- 3) The cost of rehabilitation cannot exceed the Program limit of \$25,000 and the requested repairs must include all Essential Rehabilitation Criteria as described in the ESFRLP Administrator's Manual (available online at www.NCHFA.com).

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

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

- The property must require at least \$5,000 of improvements.
- The property must not currently meet the County's Minimum Housing Code.
 - o An exception to this rule will be made when an accessibility modification is requested, or if there is an imminent threat to health or safety of the occupants.
- Manufactured housing is eligible for assistance if the foundation and utility hookups are permanently affixed, including removal of all transporting equipment (e.g. wheels, axles, tongue) and installation of a full masonry foundation and tie-downs.
- No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g. day care). Program funds may only be used to improve the residential portion of mixed-use buildings.
- The property must be free of environmental hazards and other nuisances as defined by all applicable codes or regulations. Or, any such hazards or nuisances must be corrected as part of the rehabilitation of the home.
 - o The Rehabilitation Specialist will determine the presence of any known environmental hazards/nuisances on the site, if they can be removed through rehabilitation, and whether it is economically feasible to remove said hazards or nuisances.
 - o The County Housing staff can require the owner/occupants of the property to clean up and remove excess hazards, nuisances, and debris from the property to demonstrate the willingness of the owner to maintain the property after the rehabilitation services are performed.
- The property must be economically feasible to rehabilitate. This means that it must be possible to bring the unit into compliance with all rehabilitation standards at a cost not exceeding the program limits. The Rehabilitation Specialist will make recommendations to the County's Review Committee regarding the cost determinations.
- The property cannot have been repaired or rehabilitated with public funding of \$25,000 or more within the past 10 years without NCHFA approval.

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

Each house selected for assistance must be rehabilitated to meet ESFRLP Rehabilitation Criteria. That means every house, upon completion of the rehabilitation, must:

- Meet the requirements of either NCHFA's Essential Property Standard or Forsyth County's Minimum Housing Code, whichever is more stringent. These are "habitability standards" which set

minimum standards for decent, safe, and sanitary living conditions. Additionally, the home must meet applicable Lead-Based Paint regulations (24 CFR part 35).

- Retain no “imminent threats” to the health and safety of the home’s occupants or to the home’s “structural integrity.” For example, an imminent threat to occupants, as well as to the home’s structural integrity, is an infestation of insects, or a crawlspace that is too damp.

In addition to the above items that must be done to satisfy NCHFA requirements, the scope of work may include approved items to:

- Reduce future maintenance and operational costs
- Protect homes from natural disasters
- Enable greater accessibility for household members to function more independently as they age.

All work done under the program must be performed to meet NC State Residential Building Code standards. This does not mean, however, that the whole house must be brought up to current Building Code Standards.

Once the rehabilitation is complete, major systems in the home that undergo reasonable maintenance and normal use should be capable of lasting another 5 years. These systems include structural support, roofing, cladding and weather-proofing, plumbing, and electrical and heating/cooling systems.

These requirements are spelled out in full in the ESFRLP Administrator’s Manual which you may view, at reasonable times, upon request, at the Housing and Community Development department of Forsyth County or anytime online at www.NCHFA.com.

2) Urgent Repair Program (URP):

This program provides funds to assist very-low and low- income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety. Or, funds can be used to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low- income homeowners with special needs.

Urgent need is defined as an immediate threat of being displaced or removed from a home due to health or safety issues. The need must be able to be amended within a reasonable timeframe to prevent said displacement or removal.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund. These funds are given in the form of a deferred loan that is forgiven at a rate of one thousand (\$1,000) per year until the principal is reduced to zero. There is no minimum to the amount of the loan; however, the maximum lifetime limit, according to the guidelines of URP, is \$8,000.

➤ URP Program Requirements

The major requirements to be eligible for URP assistance:

- 1) The housing unit to be rehabilitated must be located in Forsyth County, but outside of Winston Salem city limits. Exceptions may be made to those living within city limits that are under 30% area median income or to former participants of the County's First Time Homebuyer Program.
- 2) The home must be owner-occupied
- 3) The household occupying the unit must have a full-time household member who is one of the following:
 - Elderly - An individual aged 62 or older
 - Disabled - A person who as a physical, mental, or developmental disability that greatly limits one or more major life activities, has record of such impairment, or is regarded as having such an impairment.
 - A veteran - A person who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable.
 - A child aged 6 or under if there are lead hazards in the home
 - A single parent with a dependent living at home
 - A large family - A household with more than five members
- 2) The gross annual household income must not exceed 50%* of the Area Median Income for the County (see income limit table in section V)
- 3) The cost of rehabilitation cannot exceed the Program limit of \$8,000 and the requested repairs must include all Urgent Repair Criteria as described in the URP Administrator's Manual (available online at www.NCHFA.com).
- 4) The home must have urgent repair needs which cannot be met through other state or federally-funded housing assistance programs.

**Under NCHFA Program Guidelines, a minimum of 50% of households assisted must have incomes which are less than 30% of the area median income for their household size.*

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

Only repairs that address imminent threats to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed under URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

3) Home Investments Partnership (HOME) Consortium

This program provides funds to Forsyth County, the City of Winston Salem, and other municipalities in Forsyth County, whom form the Winston-Salem/Forsyth Housing Consortium. Forsyth County is responsible for administering the HOME program for the County and all Cooperating Units.

The HOME program was created by the National Affordable Housing Act of 1990 (NAHA). Its intent is to provide decent, affordable housing to lower-income households and strengthen the ability of state and local governments to provide said housing. The Consortium is awarded HOME funds from the U.S. Department of Housing and Urban Development (HUD) on an annual-basis.

Assistance under the HOME program can be offered in varying forms at the discretion of the Forsyth County Director of Housing and Community Development. Amortized loans, deferred loans, and grants are all available forms of assistance. The form chosen takes into consideration the amount of funds spent on a project, the length of the term, and the homeowner's financial circumstances.

➤ Home Consortium Requirements:

The major requirements to be eligible for assistance with HOME funds:

- 1) The housing unit to be rehabilitated must be located in Forsyth County, but outside of Winston Salem city limits. An exception may be made to those living within city limits that were in the County's First Time Homebuyer Program.
- 2) The home must be owner-occupied and the owner's principal residence.
- 3) The gross annual household income must not exceed 80% of the Area Median Income for the County (see income limit table in section V) and;
- 3) The minimum cost of rehabilitation must be at least \$1,000.

➤ What Kinds Of Work Will Be Done?

All work completed on a home must meet the rehabilitation standards of both the HOME project and the minimum building code. Eligible rehabilitation costs include essential improvements, energy-related improvements, lead-based paint hazard reduction, accessibility for disabled persons, repair/replacement of major housing systems, incipient repairs and general property improvements of a non-luxury nature, and site improvements and utility connections.

XI. Grievance Policy

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

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or rated, they may appeal the County's decision by contacting the Housing Director, Dan Kornelis, within five days of the initial decision to voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. A written appeal must be made within 10 business days of the initial decision on an application.
3. Forsyth County will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the rehabilitation process:

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

XIII. Other Information

Will the personal information provided remain confidential?

Yes. All information in applicant files will remain confidential. Access to the information will be provided only to County employees who are directly involved in the program, the North Carolina Housing Finance Agency, the US Department of Housing and Urban Development (HUD), and auditors.

What about conflicts of interest?

No officer, employee, public official, County Commissioner, or contractor, who exercises any functions or responsibilities with respect to the ESFR, URP, and HOME programs, shall have any interest, direct or indirect, in any (sub)contract for work to be performed with program funding, either for themselves or for those with whom they have family or business ties, during their tenure and for one year thereafter. Relatives and others closely identified with the County may be approved for rehabilitation assistance only upon public disclosure before the County Commissioners and written permission from the proper state or federal agency.

XII. Contact Information

Dan Kornelis

Director

Phone: 336-703-2681

Diana Westrick

Project Manager/Analyst

Phone: 336-703-2677

Ken Nelson

Rehab Specialist / Code Enforcement Advisor

Phone: 336-703-2682

Bianca Boykin Green

Loan Officer

Phone: 336-703-2678

Kyle Hanley

Economic Development Analyst

Phone: 336-703-2896

Forsyth County Housing and Community Development

201 North Chestnut Street, Fourth Floor

Winston-Salem, NC 27101-4120

Phone: 336-703-2680

Fax: 336-727-2852

North Carolina Housing Finance Agency

3508 Bush Street

Raleigh, NC 27611-8066

PO BOX 28066

Raleigh, NC 27609-7509

Phone: 919-877-5700

