

HOME Homeowner Rehabilitation Program POLICY & PROCEDURE MANUAL

Funded through the Housing and Urban Development:
HOME Investment Partnerships Program

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INTRODUCTION

The HOME Homeowner Rehabilitation Program provides a mechanism for eligible homeowners to bring their eligible house into compliance with local and state codes and provide safe, decent housing for lower income individuals. The program provides funding for owner-occupied housing rehabilitation.

Funding for the Homeowner Rehabilitation Program is provided through the HOME Investment Partnership Program. The HOME Investment Partnerships Program (HOME) was created under Title II of the National Affordable Housing Act of 1990. Under the HOME program, the Department of Housing and Urban Development (HUD) allocates funds to the Asheville Regional Housing Consortium, administered by the City of Asheville Planning and Economic Development Department (City of Asheville), which may be used in accordance with Federal HOME regulations, including rehabilitation of housing owned and occupied by income eligible families.

The National Affordable Housing Act requires that each state develop a Consolidated Housing & Community Development Plan (Consolidated Plan) to identify housing needs. The State of North Carolina's Consolidated Plan recognizes realizes it cannot meet all of the housing need, but it can strategically invest its limited resources to alleviate important housing problems for North Carolina's households.

The state has three (3) basic goals:

1. Provide decent and affordable housing
2. Provide a suitable living environment
3. Expand economic opportunity.

The primary goal of the HOME Homeowner Rehabilitation Program is to assist qualifying families in their efforts to rehabilitate their home to a decent, safe and sanitary standard. HOME Homeowner Rehabilitation funds can also be used to increase energy efficiency and make accessibility modifications to a property when done in conjunction with other rehabilitation work. Specific programmatic property standards must be satisfied.

Transylvania County is a Subrecipient providing HOME Homeowner Rehabilitation funding in accordance with Federal HOME regulations. The Transylvania County Planning and Community Development Department will administer the HOME Homeowner Rehabilitation Program. HOME Homeowner Rehabilitation funds are provided for the purpose of rehabilitating the Homeowner's residence and are subject to funding availability and program guidelines. Program funds are issued to Contractors that perform specified repairs to the dwellings of eligible homeowners. The total amount of the repairs to a dwelling is secured to the property in the form of forgivable loan.

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Table of Contents

INTRODUCTION	3
SECTION I: PROGRAM OVERVIEW	7
SECTION II: PROGRAM POLICIES	8
A. INCOME ELIGIBILITY.....	8
B. PREFERENCES AND PRIORITIES.....	9
C. AFFIRMATIVE MARKETING REQUIREMENTS.....	10
D. PROPERTY ELIGIBILITY	11
E. OWNERSHIP ELIGIBILITY	13
F. LEAD-BASED PAINT REGULATIONS	13
G. PROPERTY STANDARDS COMPLETION REQUIREMENTS.....	15
H. PROPERTY STANDARDS INSPECTIONS	16
I. FUNDING LIMITATIONS - HOMEOWNER REHAB.....	16
J. SUBSIDY LAYERING	17
K. APPLICATION FORMS	17
L. WAITING LIST MANAGEMENT.....	18
SECTION III: ADDITIONAL FEDERAL REGULATIONS.....	18
A. EQUAL OPPORTUNITY AND FAIR HOUSING	18
B. SECTION 3.....	18
C. MINORITY AND WOMEN'S BUSINESS ENTERPRISE ACT	19
D. PROCUREMENT STANDARDS	19
E. FEDERAL DEBARMENT AND SUSPENSION POLICIES	19
F. DRUG FREE WORKPLACE	20
G. TEMPORARY RELOCATION	20
H. CONFLICT OF INTEREST	20
SECTION IV: ASSISTANCE TERMS.....	20
A. FORMS OF ASSISTANCE	20
B. PROMISSORY NOTE & MORTGAGE AND SECURITY AGREEMENT	20
C. TERMS OF PROMISSORY NOTE & MORTGAGE AND SECURITY AGREEMENT	20
D. AGREEMENT	23
E. OWNER'S NOTICE OF COMPLETION	23

SECTION V: PROJECT COSTS	24
A. ELIGIBLE COSTS.....	24
B. PROHIBITED ACTIVITIES AND COSTS	26
SECTION VI: CONTRACTORS	26
A. BID PROCESS	26
B. SELECTION AND CLEARANCE OF CONTRACTORS	27
C. CONTRACTOR QUALIFICATIONS	28
D. CONTRACT DOCUMENTS AND INSPECTIONS.....	30
E. RIGHTS AND RESPONSIBILITIES OF CONTRACTORS	31
F. WORK PERFORMANCE AND GENERAL CONDITIONS.....	32
SECTION VII: RECORD KEEPING	33
A. RECORD KEEPING REQUIREMENTS	33
B. PERIOD OF RECORD RETENTION	34
C. ACCESS TO RECORDS	35
SECTION VIII. RIGHTS AND RESPONSIBILITIES OF THE HOMEOWNER .	35
A. PRELIMINARY ELIGIBILITY DETERMINATION AND NOTIFICATION	35
B. FIELD ASSESSMENT	36
C. PRE-REHABILITATION CONFERENCE	36
D. EXECUTION OF AGREEMENTS AND NOTICES	37
E. NOTICE TO PROCEED.....	37
F. PROJECT MONITORING	37
G. PROJECT REVISIONS.....	37
H. PROJECT COMPLETION.....	38
SECTION IX: PROGRAM/PROJECT FILES AND MONITORING.....	38
A. PROGRAM MONITORING POLICIES AND PROCEDURES	38
B. ONSITE PROJECT MONITORING	39

APPENDIX

Appendix A: Program Definitions

Appendix B: Equal Employment and Procurement Plan

Appendix C: Limited English Proficiency

Appendix C: Local Jobs Initiative: Section 3 Act

Appendix D: Bid Documents

SECTION I: PROGRAM OVERVIEW

The primary purpose of the HOME Homeowner Rehabilitation program is to provide decent, safe, and sanitary housing throughout Transylvania County. To be eligible for HOME Homeowner Rehabilitation funding from the Transylvania County (Subrecipient) a person must be a Homeowner whose “annual income” does not exceed eighty percent (80%) of the area median income, as determined by HUD, and adjusted for family size. The annual income limits for Transylvania County increases based on the number of persons in the household. Family size will be determined by the number of occupants living in the dwelling to be rehabilitated on a regular basis.

Additionally, because of the limited amount of HOME Homeowner Rehabilitation funds available, preferences are given to HOME Homeowner Rehabilitation applicants whose households exhibit certain characteristics. These priorities are determined by the Selection Committee, and are identified in this Policies and Procedure Manual.

To receive HOME Homeowner Rehabilitation funds for rehabilitation, a person must own and occupy a home, as their principle residence. Applicants must certify that the home is not being offered for sale and is their primary residence/homestead, as indicated by the Transylvania County tax records. Subsequent to the completion of HOME Homeowner Rehabilitation funded rehabilitation activities, continued ownership is required and is subject to recapture provisions outlined within this Policies and Procedure Manual.

HOME Homeowner Rehabilitation assistance, in an amount up to \$45,000, is provided to qualifying Homeowners in the form of a zero percent (0%) interest rate, conditionally-forgivable five year loan. Twenty percent (20%) of the loan is forgiven each full year the person owns and maintains the property as their primary residence beginning from the date of Promissory Note.

Homeowners receiving HOME Homeowner Rehabilitation assistance must execute a Promissory Note and Mortgage and Security Agreement securing the property as collateral for the loan. Homeowners must also sign an agreement with the Subrecipient, which details applicable HOME Homeowner Rehabilitation processing procedures and requirements, and other documents specified by Transylvania County pertaining to the processing of the rehabilitation activity.

In the event that the owner sells the assisted property during the forgivable ownership period, the portion of assistance that was not forgiven at the time of sale or transfer of the property will be repaid to Transylvania County.

Rehabilitation work to be completed must primarily focus on work needed to bring the home into compliance with property standards specified further in this Policy and Procedure Manual. Funding assistance provided to each Homeowner may not exceed \$45,000 without approval from Transylvania County and the City of Asheville. In special circumstances, determined on a case by case basis by Transylvania County and the City of Asheville, these funding restrictions can be waived to cover unanticipated costs. Other funding sources must be utilized to pay for all rehabilitation costs that exceed the amount of the projects approved HOME Homeowner Rehabilitation funding.

The Subrecipient will conduct an assessment of the proposed property to be rehabilitated and coordinate appropriate work to be completed by qualified Contractors. The property assessment will include a review of the North Carolina State Building Code (2012) Standards and accessibility related improvements. Applicants with physical disabilities who also meet the income eligibility requirements will be eligible for the removal of architectural barriers that restrict mobility and accessibility. A determination must be made by the Subrecipient that all necessary work can be completed with the

funds committed to the project (HOME Homeowner Rehabilitation funds), and ensure that the applicant is qualified, based on eligibility criteria established in this Policy and Procedure Manual. The Subrecipient will coordinate the rehabilitation activity, facilitate the execution of all required documents, ensure that work is performed in accordance with North Carolina State Building Codes (2012), and submit required project documentation to the City of Asheville who administers the HOME funds. The Subrecipient will use Contractors to perform the rehabilitation work. Rehabilitation work may not begin without Transylvania County's review and approval of the project, based on the submission of required project scope of work for each property.

Upon project approval, Transylvania County will commit HOME Homeowner Rehabilitation funds. Upon completion of the rehabilitation work and submission of all required project completion documentation to Transylvania County, the Contractors will be paid. Transylvania County will seek reimbursement from the City of Asheville by submitting a final request for payment.

SECTION II: PROGRAM POLICIES

A. INCOME ELIGIBILITY

To qualify for the HOME Homeowner Rehabilitation Program, the assisted family's annual gross income may not exceed eighty percent (80%) of the area median income, as established by the U.S. Department of Housing and Urban Development (HUD), adjusted for family size, at the time funds are committed. The applicant and any other family member must execute a release of information form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to Transylvania County such information as determined to be necessary for verifying gross annual income. Gross annual income, includes but is not limited to wages, child support, Social Security, pensions, income from annuities, interest income on savings, etc.

Income calculation and verification rules are summarized below:

- i. To determine whether an owner-occupant is income eligible, Transylvania County will use the adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual tax income purposes.
- ii. All sources of income used in the calculation, as describe above in Section A (i), must be verified. Therefore, it is not expected to just use the IRS 1040 Tax Form as verification.
 - a. The preferred verification method is through third-party documentation. This method requires that a third-party be contacted to provide proof of the applicant's assets. Written requests mailed directly to the third-party are ideal, however, conversations with a third-party to verify income is acceptable, if accompanied by a memorandum in the file.
 - b. Second-party verification such as documents provided by the applicant (e.g. pay stubs, tax returns, bank account statements, etc.) may be appropriate for verifying certain types of income and can be used as an alternative to third party verifications. Although easier to obtain than third-party verifications, a review of documents often does not provide the needed information. For instance, an employed applicant's pay stubs may not contain sufficient information about the average number of hours worked, overtime, tips and bonuses. A conversation with the third-party may be necessary to accurately project annual income.

Annual income must be calculated by projecting the prevailing rate of income of the owner-occupant at the time the owner-occupant is determined to be income eligible and include any anticipated or known changes, such as raises or promotions. Annual income must include income from all household members over the age of 18.

Depending on individual circumstances of each household, additional documentation and verification may be required, e.g. full-time student, etc. Guidance is provided in the “Technical Guide for Determining Income and Allowances for the HOME Program”. It is available on the HUD website:

https://portal.hud.gov/hudportal/documents/huddoc?id=19754_1780.pdf

- iii. The Subrecipient must re-verify a homeowner's income eligibility, if more than 180 days has passed since the Subrecipient initially determined the income eligibility of the owner-occupant family.

B. PREFERENCES AND PRIORITIES

Transylvania County with the assistance of a selection committee will establish an administrative plan outlining any targeting policy that may exist and notify all applicants if any of the following preferences exist:

- i. Families in which the head of householder or at least one occupant has a disability, as defined in 24 CFR Part 92.2 (See B(iv) for additional guidance)
- ii. Persons over the age of 62 (Elderly)
- iii. Families with children who are eighteen (18) years of age or younger and living in the home
- iv. Families living within a census tract that is designated as a food desert
- v. Large families with more than 5 permanent occupants
- vi. Families with less than 30% of the area median income
- vii. Families with 30%-50% of area median income
- viii. Homes constructed after 1978

Transylvania County may choose to utilize additional program priorities identified by Transylvania County and the selection committee.

The Subrecipient has developed a Prioritization system which will be reviewed and accepted by the selection committee and the City of Asheville. Project waiting lists, set-ups, and subsequent rehabilitation activities, should reflect, as closely as possible this Prioritization. The Subrecipient will retain records regarding the prioritization and preferences of applicants, and their approval or denial of all applications received. Furthermore, the HOME Homeowner Rehabilitation application form will inform the Homeowner of the priorities and preferences of the program.

In accordance with Fair Housing Law, when a person chooses to claim a disability preference

the disability must only be verified, if it is not obvious to the Subrecipient. The disability does not have to be verified by a medical professional, but can be confirmed by another reputable entity such as a social service agency, educational institution, or employer. The information regarding the disability also does not have to be disclosed to the Subrecipient.

C. AFFIRMATIVE MARKETING REQUIREMENTS

Transylvania County will advertise in *The Transylvania Times*, distribute notices to community service agencies and utilize other methods that are likely to inform and solicit applications from persons throughout the Transylvania County housing market (service area). Additional efforts will be made to solicit applications from those who are not likely to apply for the housing assistance without special outreach. Some examples of additional efforts include use of community centers, community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies.

Minimum outreach to potential applicants include the following:

- i. Notification of Program Availability. A notice will be published in *The Transylvania Times* advising potential eligible homeowners of the opportunity to apply for the rehabilitation assistance and solicit applications for rehabilitation activities.

The notice will at a minimum will include the following:

- Instructions as to where and with whom the applicant must apply.
- Basic eligibility criteria, i.e., income restriction, owner- occupancy etc.
- Establish a fixed period of time (for example, 30 days) in which potential eligible applicants should apply for assistance.
- Asheville Regional Housing Consortium HOME Program recognition as the sponsor of program and HUD the funding source through the HOME Investment Partnerships Program.
- The statement, "We provide home rehabilitation loans without regards to race, color, religion, sex, national origin, handicap or familial status."
- Equal Opportunity Logo

- ii. Insufficient Applicants. In the event that there are insufficient eligible homeowners identified through the marketing, additional applicants may be identified using the existing waiting list for the Transylvania County Single Family Rehabilitation (SFR) program administered by Western Carolina Community Action (WCCA) and Benchmark Planning. Transylvania County may also elect to advertise the public notice, or utilize remaining available funds on a first-come, first-served basis, subject to other non-prioritized eligibility criteria.

- iii. Equal Opportunity (See Appendix B and Appendix C). The Affirmative Marketing Plan will include the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for program participation, and display of fair housing posters in common space(s) of the Transylvania County Planning and Community Development offices. The Affirmative Marketing Plan may further include Public Service Announcements, press releases and informational mailings, and other forms of advertisements. In addition, Transylvania County Planning and Community Development Department will also post the Equal Opportunity Logo, Affirmative Marketing Plan and other materials on their website.

- iv. Periodic Assessments. Transylvania County will periodically assess the success of the

Affirmative Marketing Plan, and take additional actions where it is determined that affirmative marketing requirements have not been met.

- v. The Subrecipient's Affirmative Marketing Plan and assessment conclusions will be retained at the Subrecipient's office, and made available to City of Asheville staff upon request.

D. PROPERTY ELIGIBILITY

Properties eligible for HOME Homeowner Rehabilitation assistance must comply with the following criteria:

- i. They must be the principal residence of an income-eligible homeowner occupant. Residences that are rented out and not occupied by the owner (owner-occupied) throughout the rehabilitation activity do not qualify. Mobile homes and manufactured homes are not eligible. In addition homes where business activity is conducted are not eligible.
- ii. The value of the assisted property after rehabilitation must not exceed 95% of the median purchase price of home for the area. Due to the limited amount of HOME funds no more than \$50,000 will be spent on any home.
- iii. No property that has previously received rehabilitation funds from the HOME Investment Partnerships Program (HOME Program), SFR program or Community Development Block Grant (CDBG) program since 2000 is eligible.
- iv. The property cannot result in an increase in the building footprint in a floodplain or wetland. See Section II for additional guidance.
- v. The property cannot have an outstanding Notice of Default or Notice of Sale filed against it. This must be certified by conducting a search with the Transylvania County Register of Deed's Office. If this information cannot be verified at the Register of Deed's Office then a title search must be ordered from a title company. Additionally, after the title search or Register of Deed's Office search is conducted if the homeowner has significant liens outside of a first or second mortgage, such as outstanding tax, home repair, medical, and auto liens this must be documented and submitted to the City of Asheville for approval, prior to execution of the Promissory Note and Mortgage and Security Agreement.
- vi. In order to be determined eligible for participation in the HOME Homeowner Rehabilitation Program, ad valorem (property) taxes must be paid.
- vii. Standard property insurance must be maintained on the property (with coverage adequate to insure the County's lien position). If a property is located in a flood plain, flood insurance must also be maintained (with coverage adequate to insure the County's lien position).
- viii. Transylvania County will only accept a first or second lien position. In a case where the second lien is due to participation in a down payment assistance program to secure the initial purchase the property, the County may accept a third lien position.
- ix. The property cannot be in conflict with environmental regulations established in the National Environmental Policy Act (NEPA) of 1969. To ensure compliance with this Act, Transylvania County will make the following determinations:

- a. Historic Properties. A determination whether or not the property is an historic property or located in an historic district, in accordance with the National Historic Preservation Act of 1966 and Executive Order 11593, Protection and Enhancement of the Cultural Environment (Historic Properties).

For each property proposed to be rehabilitated with HOME Homeowner Rehabilitation funds, Transylvania County will obtain a written determination from the State Historic Preservation Office (SHPO) or the Transylvania County Joint Historic Preservation Commission (JHPC):

State Historic Preservation Office
109 E Jones St, Raleigh, NC

The SHPO will make a determination regarding the property and notify the Transylvania County within 30 days. A copy of the historic determination will be retained in the applicable project file.

Note: If a property is determined to be historical and the rehabilitation activity will modify the historical integrity of the property, the property will not be eligible for HOME Homeowner Rehabilitation Funds.

- b. Floodplain Management. A determination that the activity will not adversely affect the floodplain. This determination must be made in one of the two following ways:

Not Located in a Special Flood Hazard Area. Transylvania County will document whether or not the property is located in a Special Flood Hazard Area (100-year flood plain).

Activity is Limited to "Minor Improvements." Any activity limited to "minor improvements" as defined under 24 CFR Part 55.2(b)(8) does not trigger Floodplain Management compliance requirements. To qualify as a "minor improvement," rehabilitation costs must be no greater than 50 percent (50%) of the estimated before-rehabilitation value of the property and must not increase the building footprint.

Note: If a property is in a floodplain and rehabilitation activity cannot be limited to 50 percent (50%) of the before-rehabilitation value of the property, the property will not be eligible for HOME Homeowner Rehabilitation Funds.

- c. Wild and Scenic Rivers. A property cannot be located within one mile of a Wild and Scenic River Area, in accordance with the Wild and Scenic Rivers Act of 1968. If the property is located within one mile of such Horsepasture River, contact Transylvania County for information on how to obtain written approval before committing any funds to the project.
- d. Noise Abatement and Control. A determination that either (1) or (2) are true:
 1. The project is limited to "non-substantial rehabilitation." To qualify as non-substantial rehabilitation the cost of the project (including all sources of funds) may not exceed 75% of the after-rehab value.
 2. The project will not be subject to excessive noise. To qualify for this, each of the

following must be true: The property is not 1) located within 15 miles of a military airport or 5 miles from a civilian airport, or 2) is not located within the 65 DNL or greater contour of an official airport map. If airport has been contacted and no such map exists, simply document this fact. A copy of the written confirmation from the airport or the map showing location of the property and location of the 65 DNL contour must be attached as documentation. Is not within line of site or 1,000 feet of an arterial roadway with 20,000 or more vehicles a day. Is not within line of site or 3,000 feet of a railroad.

- x. Conform to Lead-Based Paint Poisoning Prevention Act. All housing assisted with Homeowner Rehabilitation funds must comply with the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856), and implementing regulations, as applicable, at 24 CFR part 35, subparts A, B, J, K, M and R. See Section II F for additional guidance regarding Lead-Based Paint.

E. OWNERSHIP ELIGIBILITY

Homeowners must live in the single family home and be defined as an owner-occupied property including:

- i. Title to the property and home is in the form of fee simple ownership. A life-estate does not satisfy the Homeownership requirement.
- ii. The unit must be a one-unit dwelling.

F. LEAD-BASED PAINT REGULATIONS

As referenced in Section II D all housing assisted with HOME Homeowner Rehabilitation funds must conform to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and the implementing regulations, as applicable, at 24 CFR Part 35, Subparts A, B, J, K, M and R of this title. The steps below summarize requirements set forth in the regulations. They do not substitute for them, nor do they include all the detail necessary to fully comply with all the requirements. The complete regulation, 24 CFR Part 35, "Lead Safe Housing Regulation: Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance, Final Rule" is available on the internet at: <http://www.hud.gov/offices/lead/index.cfm>.

- i. Age of House. Identify and document the age of the housing to be assisted. For all homes built before January 1, 1978, the following steps must be taken. See 24 CFR Part 35 for more detail. For all homes built on or after January 1, 1978, the following steps are not required.
- ii. Lead Hazard Information Notice. In accordance with 24 CFR 35.125, provide all occupants of occupied dwelling units to be assisted with the lead hazard information pamphlet developed by EPA, HUD and the Consumer Product Safety Commission pursuant to section 406 of the Toxic Substances Control Act (15 USC 2686). The pamphlet is entitled "Protect Your Family from Lead in your Home" (EPA747-K-99-001 June 2003). The brochure may be accessed at https://www.epa.gov/sites/production/files/2013-09/documents/lead_in_your_home_brochure_land_color_508.pdf. The pamphlet is also

provided in Spanish and other languages on the EPA website or upon request.

- iii. The Subrecipient must obtain written certification by the Homeowner that he or she has received this pamphlet, including the date the pamphlet was received and reviewed. The space on the back page of the pamphlet will include the statement: "I acknowledge that I have received the brochure on Protecting Your Family from Lead in Your Home." The Homeowner sign and date below the acknowledgment and a copy of the back page will be included in the file after it has been signed.
- iv. Lead-Based Paint Testing. Conduct paint testing or presume the presence of lead-based paint in accordance with 24 CFR Part 35. 930(a). It is recommended that the lead based paint inspector or risk assessor provide a summary of the results suitable for posting or distribution to occupants in compliance with 35.125.
- v. Lead-Based Paint Assessment. If lead-based paint is found or presumed, perform a risk assessment in the dwelling units, common areas, and exterior painted surfaces, in accordance with 35.1320(b), before rehabilitation begins. This must be done by a certified risk assessor. It is strongly recommended that the lead-based paint risk assessor provide a summary of the results suitable for posting or distribution to occupants in compliance with 35.125.
- vi. Notice of Evaluation or Presumption. Within 15 days of the evaluation or presumption, if lead-based paint or lead-based paint hazards are determined or presumed to be present, the Subrecipient shall provide a Notice of Inspection, Presumption and/or Risk Assessment (as apply) to occupants, in accordance with 24 CFR 35.125(a). This notice must be posted and maintained in centrally located common area(s) and, if necessary because the head of household is a person with a known disability, distributed to the dwelling unit OR the Notice must be distributed to each occupied dwelling unit affected by the hazard reduction activity or serviced by common areas in which hazard reduction activities will take place. Level of Lead Hazard Reduction Activity. Calculate the rehabilitation cost to identify the level of hazard reduction activity in accordance with 24 CFR Part 35.915. The remaining steps assume the project falls under 35.915(b)(ii). Assistance of more than \$5,000 per home up to and including \$25,000 per unit regardless of funding source, excluding lead- based paint hazard reduction activities, or, no more than \$25,000 of federal funds in the project, regardless of use. If this is not the case, other steps identified in 24 CFR Part 35 are required.
- vii. Interim Controls and Safe Occupant/Safe Work Practices. Perform interim controls in accordance with 35.1330 of all lead-based paint hazards identified and any lead-based paint hazards created as a result of the rehabilitation work. Occupants of dwelling units where interim controls are being performed shall be protected during the course of the work in accordance with 35.1345. Persons performing interim controls must be trained in accordance with 29 CFR 1926.59 and either supervised by an individual certified as a lead-based paint supervisor or have successfully completed one of the courses listed in 24 CFR 35.1330(4).
- viii. Notice of Hazard Reduction Activity. No more than 15 calendar days after the hazard reduction activities have been completed, the Subrecipient shall provide a Notice of Hazard Reduction Activity to occupants, in accordance with 24 CFR 35.125(b). This notice must be posted and maintained in centrally located common area(s), and, if necessary because

the head of household is a person with a known disability, distributed to the dwelling unit. Or the Notice must be distributed to each occupied dwelling unit affected by the hazard reduction activity or serviced by common areas in which hazard reduction activities have taken place.

- ix. Clearance. Clearance testing shall be performed at the conclusion of interim control activities in accordance with 35.1340. Clearance must be performed by a certified risk assessor, a certified lead-based paint inspector, or certified lead-based paint clearance technician. Clearance examinations shall be performed by persons or entities independent of those performing hazard reduction or maintenance activities, unless the Subrecipient uses qualified in-house employees to conduct clearance. An in-house employee shall not conduct both a hazard reduction or maintenance activity and its clearance examination. Clearance is not required if maintenance or hazard reduction activities in the worksite do not disturb painted surfaces of a total area more than set forth in 35.1350(d) ("de minimis levels").
- x. Failed Clearance. All surfaces represented by a failed clearance sample shall be re-cleaned or treated by hazard reduction, and retested, until the applicable clearance level in 24CFR35.1320(b)(2) is met.
- xi. Notice Update. Update the notice in (vi) above, based on re-evaluation of the residential property and as any additional hazard reduction work is conducted. This notice must be posted and maintained in centrally located common area(s) and, if necessary because the head of household is a person with a known disability, distributed to the dwelling unit. Or the Notice must be distributed to each occupied dwelling unit affected by the hazard reduction activity or serviced by common areas in which hazard reduction activities have taken place.

G. PROPERTY STANDARDS COMPLETION REQUIREMENTS

North Carolina State Building Codes (2012) ensure that housing quality standards are met and a housing unit is decent, safe, and sanitary. In addition, property standards provide a level of inspection for judging the actual physical condition of a property and assist in determining a rehabilitated property's scope of work. Transylvania County must be able to ensure that the North Carolina State Building Codes (2012) have been met. These standards are designed so that they provide a common basis for Contractor bids, assist in determining cost reasonableness, and help ensure that high quality of work is being performed on the subject property.

Upon completion of rehabilitation activity, the property must:

- i. Be decent, safe, and sanitary.
- ii. The property must comply with applicable North Carolina State Building Codes (2012) and local ordinances. Compliance will be determined by passing a building inspection by a local code official in the Transylvania County Building and Permitting Department that is certified in accordance to the current North Carolina State Building Code (2012) standards.

H. PROPERTY STANDARDS INSPECTIONS

Transylvania County, with technical assistance from the Land of Sky Regional Council will assess and certify that the North Carolina State Building Code (2012) standards identified in the Work Write-Up have been satisfied. For projects which involve rehabilitation activities that require local or state code compliance, Transylvania County shall ensure that all such inspections are obtained.

Work requiring inspection will be inspected for proper installation by the Transylvania County Building and Permitting Department. The inspection will occur while the work is exposed and uncovered by sheetrock or other finish material that would prevent visual inspection. Contractor or Crew members (including foreman) that are working on the job are NOT authorized to complete the inspection. If site visit is not feasible, then crew will document work with sufficient photos to detail quality of work, which will then be reviewed by a qualified person (as described above) and the photos will be placed in the project file.

Required Paperwork. The individual completing the inspection should document the file with: Day inspection was completed; If work passed or needs to be re-worked; Any pictures as applicable.

I. FUNDING LIMITATIONS - HOMEOWNER REHAB

With the exception of the waivers identified below, the amount of HOME Homeowner Rehabilitation funding assistance provided to each Homeowner shall not exceed \$45,000. The HOME Homeowner Rehabilitation Program will perform the general rehabilitation necessary to bring the structure into compliance with the local ordinances and the North Carolina's State Building Code (2012), and Lead-Based Paint regulations. The program addresses actual and incipient code violations, as well as necessary removal of architectural barriers, weatherization, foundation repairs, energy efficiency, and security improvements, which may also be performed as part of any housing rehabilitation project authorized under this program. Weatherization improvements such as attic insulation, roofing, vinyl siding, ceiling fans, and storm windows may be completed on all projects depending on the availability of repair funds. Program per unit expenditure limits may only be exceeded to address unforeseen Priority I code violations (see Section VII). A request to exceed program limits must be made in writing, documenting the code violation(s) and the cost of repair. Transylvania County administrator will review the request and determine if the conditions warrant a variance. Program expenditures are secured by lien to each rehabilitated property. The owner and the County enter into a loan agreement in an amount equal to the cost of rehabilitation. The loan is a forgivable loan, forgivable at the rate of 20% per full year over the term of the 5-year loan agreement beginning from the date of Promissory Note.

- i. The minimum amount of HOME Homeowner Rehabilitation assistance provided to a qualifying Homeowner must equal at least \$1,000.
- ii. Before committing HOME Homeowner Rehabilitation funds to a project, Transylvania County will evaluate the rehabilitation needs and amount of funding for the project. Please see Section V for additional information regarding this requirement.
- iii. Total rehabilitation cost caps listed below apply to the total amount of all rehabilitation funding sources combined:

- a. The estimated value of the property, after rehabilitation, cannot exceed the median purchase price for the area as defined by the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act, which can be found on the HUD website: https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ins/203b--df.
- b. The cost of rehabilitation and all additional financing liens cannot exceed \$50,000.

J. SUBSIDY LAYERING

The Subrecipient must limit the investment of HOME Homeowner Rehabilitation funds to only that amount necessary to meet the North Carolina State Building Codes (2012), the priorities identified within this Policies and Procedures Manual and in accordance with HUD Requirements. Additional sources of funding may be utilized for additional weatherization improvements and energy efficiency items that are desired by the homeowner and are beyond the HOME Homeowner Rehabilitation funding availability. If other sources of public and private funds are being used to rehabilitate or modify the residence, it must be documented in the project file.

K. APPLICATION FORMS

Transylvania County will create its own application form that, at a minimum, will collect the following information: the name of the applicant, the home's physical address, the name of the head of household, the last two-years of annual family income, a contact phone number and email, ethnicity and racial data as defined by HUD, household type, dwelling type, dwelling age, residential status, priority and preference information, and a reasonable request accommodation statement.

The submission of an application does not guarantee assistance under the HOME Homeowner Rehabilitation Program. If an applicant meets the basic eligibility criteria, the application will be processed for full eligibility and the dwelling unit will be inspected to determine the scope of work to be performed to bring the dwelling up to applicable code. If insufficient funding or other resources are available to assist the applicant at the time of application, the application will be placed on the HOME Homeowner Rehabilitation Program waiting list.

Transylvania County will schedule the property for a physical inspection to determine the scope of work required to bring the structure into compliance with program guidelines and objectives as outlined in Section VII entitled "Eligible Improvements". If the property can be rehabilitated in accordance with the requirements of Section VII and the cost of the rehabilitation does not exceed the economic feasibility, program expenditure limits and other required regulatory requirements, the application will be approved based on available funding. An applicant's eligibility for assistance is based on the approved policies and procedures that are in effect at the time the applicant is selected for processing from the waiting list.

It is the responsibility of the applicant to notify Transylvania County of any changes in occupancy, household income, family composition, or any other information on the application. Notice of changed information must be submitted to the Transylvania County in writing within 30-days of the effective date of the change. Upon receipt of the notice of change, Transylvania County will record and date stamp the changes received and place the notice of changed information in the applicant's file. If the homeowner cannot meet the requirements for eligibility, the homeowner will be informed of the determination of ineligibility.

L. WAITING LIST MANAGEMENT

The HOME Homeowner Rehabilitation Program waiting list will be maintained by Transylvania County. Applicants will be selected from the waiting list in chronological order based on the established preferences and priorities for providing assistance. When the application reaches the top of the waiting list, Transylvania County will then process a full application with the applicant to verify the information provided and to confirm that the applicant meets all HUD program requirements. An applicant must meet all applicable eligibility requirements, as described in Section II of these policies, at the time their name is selected from the waiting list.

SECTION III: ADDITIONAL FEDERAL REGULATIONS

A. EQUAL OPPORTUNITY AND FAIR HOUSING

Transylvania County must adhere to the following Federal Equal Opportunity and Fair Housing laws under the HOME Homeowner Rehabilitation program. No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied benefits of, or be subjected to, discrimination under any program or activity funded in whole or in part with HOME funds.

- i. Fair Housing Act. Requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., p.652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1.
- ii. Age Discrimination. Prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146, and prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.
- iii. Equal Employment Opportunity. Requirements of Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60 (Appendix B).

B. SECTION 3

Transylvania County is not receiving HOME Funds exceeding \$200,000 and is therefore not subject to Section 3 Act requirements. However, efforts to follow the intent of Section 3 will be made (Appendix D). Additionally it is encouraged that each construction or professional service contract exceeding \$100,000 which Transylvania County enters into for any purpose associated with the HOME Program will apply Section 3 Act requirements.

Requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u).

- i. To the greatest extent feasible, opportunities for training and employment arising in

connection with the planning and carrying out of any project assisted with HOME funds be given to low and very-low income persons residing within the general local government area or metropolitan area (or non-metropolitan county) as determined by HUD, in which the project is located; and

- ii. To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including, but not limited to individuals or firms doing business in the field of planning, consulting, design architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area (or non-metropolitan county) as the project.

C. MINORITY AND WOMEN'S BUSINESS ENTERPRISE ACT

Minority and Women's Business Enterprise Act requirements apply to all contracts over \$25,000 which Transylvania County may enter into associated with a HOME project. Requirements of Executive Orders 11625 and 12432 (Minority Business Enterprise) and 12138 (Women's Business Enterprise), consistent with HUD responsibilities under these Orders, the Transylvania County will make efforts to encourage the use of minority and women's business enterprises in connection with HOME-funded activities (See Appendix B for more information).

D. PROCUREMENT STANDARDS

Transylvania County's Procurement Standards (Appendix B) are in accordance with Sec. 84 of HUD Title 24, and Federal OMB Circular No. A-100 and include the following:

- i. The types of services solicited will be documented in the Request for Proposal (RFP).
- ii. Efforts will be made to receive at least three bids to ensure adequate competition. If necessary, procedures for documenting that there were a limited numbers of suppliers and three bids could not be obtained.
- iii. Documentation of the most responsive bidder and the rational for why the bidder was chosen to receive the contract.
- iv. An outreach program designed to inform minority and women-owned business enterprises of present and future contract opportunities will be implemented.
- v. Transylvania County will assist Contractors in identifying qualified minority and women-owned business enterprises to participate as subcontractors.

E. FEDERAL DEBARMENT AND SUSPENSION POLICIES

Transylvania County, including its principals, may not be presently debarred, suspended, proposed for debarment, declared ineligible, on probation, or voluntarily excluded from participation in any Federal programs. Transylvania County will ensure that each Contractor and performing work on the assisted housing is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in HUD or any other Federal programs or by the City of Asheville.

F. DRUG FREE WORKPLACE

Transylvania County must administer the HOME Homeowner Rehabilitation program in accordance with the Drug Free Workplace Act of 1988 (41 U.S.C. 701). Transylvania County is a zero or no tolerance workplace. Therefore, it is the policy of Transylvania County to terminate the employment of employees who test positive for drugs or alcohol; however, Transylvania County reserves the right to offer employees convicted of violating a criminal drug statute in the workplace participation in an approved rehabilitation or drug abuse assistance program as an alternative to discipline. If such a program is offered and accepted by the employee, then the employee must satisfactorily participate in the program as a condition of continued employment.

G. TEMPORARY RELOCATION

The HOME Homeowner Rehabilitation Program is a voluntary program (not a mandatory rehabilitation program) and will not offer relocation benefits if temporary or permanent relocation is necessary. Any relocation or related expenses will be borne by the homeowner.

H. CONFLICT OF INTEREST

In the procurement of property and services, Transylvania County must adhere to the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively. In all cases not covered by 24 CFR 85.36 and 24 CFR 84.42, the provisions of 24 CFR part 92.356 apply.

SECTION IV: ASSISTANCE TERMS

A. FORMS OF ASSISTANCE

HOME Homeowner Rehabilitation assistance must be provided to qualifying homeowners in the form of a zero percent (0.0%) interest rate, conditionally-forgivable loan up to \$45,000. The applicant is responsible for submitting true and accurate financial and other information required to document eligibility for the program. Homeowners receiving HOME Homeowner Rehabilitation assistance must execute an HOME Homeowner Rehabilitation Program Promissory Note and Mortgage and Security Agreement securing the property as collateral for the loan. Homeowners must also complete an agreement with Transylvania County which details applicable HOME Homeowner Rehabilitation processing procedures and requirements, as well as other pertinent documents specified within this Policy and Procedure Manual.

B. PROMISSORY NOTE & MORTGAGE AND SECURITY AGREEMENT

Before HOME Homeowner Rehabilitation funds are invested in a property, a Promissory Note and Mortgage and Security Agreement must be executed and recorded on the property.

C. TERMS OF PROMISSORY NOTE & MORTGAGE AND SECURITY AGREEMENT

- i. Terms. Upon approval of the Rehabilitation Construction Contract between the homeowner and Contractor, the homeowner shall execute a Promissory Note with Transylvania County for the amount of the agreed improvements up to \$45,000. The funding will be provided to the Homeowners/Borrower(s) as a loan with zero percent (0%), repayable per the terms of the Promissory Note. The repayment and fulfillment of loan agreement shall be due and

payable according to its terms upon any sale of the property secured by such Deed during the five-year period following the contract date for the program.

HOME Homeowner Rehabilitation assistance up to \$45,000 will be forgiven based on the following conditions:

- The assisted homeowner cooperates with Transylvania County to ensure that all HOME Homeowner Rehabilitation Policies and Procedures are satisfied during the rehabilitation activity phase.
- Title to, and ownership of, the rehabilitated property continues to be in the name(s) of the owner-occupant(s).
- An annual credit of 20% will only be forgiven on a full year basis, beginning from the date of Promissory Note. In the event that the owner sells the assisted property during the required ownership period, the portion of assistance that was not forgiven at the time of sale or transfer of the property will be repaid to Transylvania County. The repayable portion of the loan will be determined by calculating the amount already forgiven (20% a year). If the transfer of title is the result of divorce where one of the original Homeowners retains title to the assisted property, funds will continue to be forgiven annually in the same fashion as above. Title transfer in the case of divorce will not trigger repayment.
- If there are no breaches in the Promissory Note, Mortgage and Security Agreement, or the agreement with the Subrecipient, and following the mandatory forgiveness period, Transylvania County will satisfy the Mortgage and Security Agreement.

Should the Homeowner wish to re-convey the Mortgage and Security Agreement at an earlier date, he or she may contact Transylvania County at any time to request a pay-off amount. Please note that the remaining amount due on a HOME Homeowner Rehabilitation loan will not be subordinated to a refinanced loan or an additional loan on the property unless prior approval is received from Transylvania County.

The amount repayable at time of sale or transfer of title may be reduced if the Homeowner can show that the appraised value of the home is not sufficient to pay off the HOME Homeowner Rehabilitation loan in addition to any other lien(s) in superior position, and standard and customary seller's closing costs.

ii. Repayment. Repayment is required under the following circumstances:

1. The date the Mortgaged Property is sold or transferred by the Mortgagor, whether voluntarily or involuntarily or by operation of law;
2. The date a default occurs under the terms of any loan secured by a lien to which the Mortgage and Security Agreement is subordinate (the "First Loan");
3. The date the Mortgaged Property ceases to be the principal residence of the Mortgagor.
 - a. Transfer of Title. If, during the required ownership period, the owner sells or otherwise transfers title to the assisted property under circumstances other than those identified as exceptions in (ii) above, will become due and payable upon the sale or transfer of title of the rehabilitated property. The amount due will be calculated by Transylvania County, based on the period of time that the assisted homeowner did not continue to own the rehabilitated property during the

forgivable time period.

- b. Refinance. Under limited circumstances during the period of affordability, Transylvania will subordinate to a new mortgage in superior position to that of the HOME Homeowner Rehabilitation loan. These circumstances are described in the section that follows. Unless a refinance conforms to these circumstances, Transylvania County will not subordinate its position with regards to the HOME Homeowner Rehabilitation loan to a refinanced or new mortgage. In such cases, the new loan's lenders will require the HOME Homeowner Rehabilitation loan be paid off in order for Transylvania County to completely re-convey the loan. The amount due is calculated by Transylvania County, based on the number of months that have passed since the HOME Homeowner Rehabilitation activity has been completed and if there are funds in excess of the program limits.

iii. General Subordination Policy

Subordination of a loan made by Transylvania County under the HOME Homeowner Rehabilitation program is granted at the discretion of Transylvania County and only after consideration of a recommendation made by the City of Asheville HOME funds administrator. Factors considered for subordination include the homeowner's current primary residence, the appraised value of the property for which the mortgage will be subordinated, the outstanding balance of all mortgages, the proposed use of the proceeds of the new mortgage, impact on the Homeowner Rehabilitation program, the needs of the applicant, and other pertinent facts.

A request for subordination of a HOME Homeowner Rehabilitation loan must be in writing and show the new mortgage to which HOME Homeowner Rehabilitation will subordinate is for one or more of the following purposes:

- a. Refinance an existing mortgage to obtain a reduced (fixed) interest rate resulting in a lower monthly payment for the borrower. (No cash out.)
 - b. Refinance an existing mortgage to obtain a comparable (fixed) interest rate and extended payment terms resulting in a lower monthly payment for the borrower. (No cash out.)
 - c. Obtain a home equity loan for the sole purpose of improving the premises for which Transylvania County had made the original HOME Homeowner Rehabilitation loan.
 - d. Refinance an existing mortgage to halt foreclosure proceedings by a lender or halt tax deed foreclosure proceedings.
 - e. Obtain a loan to pay for medical emergencies not covered by insurance.
 - f. For any of the above circumstances, actual customary and reasonable costs required to close the new loan may be included in the new principal mortgage.
- iv. Important Subordination Limitation. It is the duty of Transylvania County to manage its HOME Homeowner Rehabilitation loan portfolio in a responsible manner, not subject tax dollars to unnecessary risk, and maintain the integrity of the HOME Homeowner Rehabilitation program's intent to assist low income homeowners in housing.

As such, Transylvania County will not consider requests to subordinate for cash out for the consolidation of consumer debt, such as credit cards, vehicles, or other “cash to homeowner” transactions. In no case will Transylvania County agree to subordinate in a transaction where the Loan to Value ratio (including outstanding HOME Homeowner Rehabilitation dollars) exceeds 100% of the appraised property value.

At the time of the subordination request, the premises for which Transylvania County made the original HOME Homeowner Rehabilitation loan must also be and remain the household’s primary residence.

- v. Subordination Request Instructions. All requests for subordination must include the following documents. Requests will not be processed or considered complete until all required documents are received.
 - a. A written request from the Homeowner(s) indicating the reason for the additional financing.
 - b. If required by the provider of the refinanced mortgage, a complete copy of the appraisal performed on the subject property by a qualified appraiser. Otherwise, the property’s most recent tax assessment.
 - c. Copy of the lender’s good faith estimate of closing costs, signed by the borrower.
 - d. Request for subordinations must be submitted to the following address:
Transylvania County Planning and Community Development Department
106 East Morgan Street
Brevard, NC 28712
Attn: HOME Funds Administrator
Tel: (828) 884-3205

Upon approval, Transylvania County will draft and forward an executed subordination agreement to the borrower, or their agent. However, all filing costs associated with this document shall be the responsibility of the borrower.

Please allow 10 working days for subordination requests to be processed. Upon approval, Transylvania County will draft and forward an executed subordination agreement to the borrower, or their agent. However, all filing costs associated with this document shall be the responsibility of the borrower.

D. AGREEMENT

Before HOME Homeowner Rehabilitation funds are invested in a property, an agreement must be executed between Contractor and the homeowner receiving assistance. Provisions of the agreement must include, as applicable, the scope of work, expected completion date, client responsibilities, property value limitations, principal residence requirements, property standards, repayment requirements, project termination terms, and a disclosure of the source of HOME Homeowner Rehabilitation funds. Other clauses may be included, as needed.

E. OWNER’S NOTICE OF COMPLETION

A Certificate of Final Inspection Form must also be executed by the homeowner when the rehabilitation work is completed.

SECTION V: PROJECT COSTS

Housing rehabilitation assistance may only be provided to cover the cost of rehabilitation necessary to bring the property in compliance with locally adopted, written property standards, and applicable North Carolina State Building Codes (2012). All conditions described in Priorities I thru III must be addressed before Priority IV (Allowable, Additional Improvements) can be considered. Physical improvements to the dwelling will be made based on priority and must fall in one of the following priority categories in order to be eligible. Transylvania County will prioritize the rehabilitation needs of each project in the order identified below:

A. ELIGIBLE COSTS

Eligible costs include:

- i. Project Hard Costs: the actual cost of housing improvements and site improvements. Such costs include those associated with the following:

- a. Priority I- Housing Systems.

Rehabilitation activity must focus first on all work necessary to meet North Carolina Building Code (2012). Priority housing systems include:

- Repairing electrical wiring, fixtures or systems
- Repair/replace mechanical systems including heating, venting and air-conditioning (HVAC)
- Repair/replace structural components such as roofs, posts, beams, structural and load bearing walls, etc.
- Repair foundations and or chimney
- Repair/replace plumbing, including creating utility connections if necessary
- Health and safety items
- Removal or replacement of attached building components (deck, porch) that were specifically cited as a code violation by Transylvania County
- Miscellaneous code violations
- Repair, replace, and/or install rain gutter system.
- Repair or replace damaged/non-functional doors and windows.
- Grade the site to direct the flow of rainfall or melting snow away from structure.

- b. Priority II- Architectural Barrier Removal.

Applicants with physical disabilities are eligible for accessibility improvements if there are sufficient project funds remaining after all required housing systems have been brought up to North Carolina Building Code (2012). Accessibility improvements may include exterior ramps, kitchen and bathroom adaptations, or any other improvement which would upgrade the living conditions for handicapped use, as listed under Section 504 of the Rehabilitation Act of 1973. Accessibility improvements must meet the North Carolina Building Codes (2012) and may include:

- Widening of doors

- Installation of ramps
 - Roll-in showers (as space permits)
 - Grab bars and permanently attached physical-assist apparatus
 - Air-conditioning (if medically necessary)
 - Hearing-impaired smoke detection equipment
 - Specialty plumbing fixtures
 - Lowering of light switches
 - Other permanently attached fixtures determined to be of assistance in removing architectural barriers
- c. Priority III- Incipient Code Violations. Incipient code violations include deficiencies or conditions of deterioration, if left unattended, would continue to deteriorate into or contribute to a code violation. Potential incipient code violations that may be addressed to North Carolina Building Code (2012) standards include:
- Replacement of building components (roofs, water heaters, HVAC systems) that have exceeded their life expectancy or, due to condition, is expected to fail within a two-year period from the date of inspection.
 - The current manufactures specifications and North Carolina Building Code (2012) shall be used as the standard to determine the life expectancy of building components for the purpose of eligibility for replacement.
 - Unsafe & unused fireplaces with a deteriorated or unsafe chimney should be disassembled to below the roof line and sealed (roof will be patched over area that chimney penetrated the roof). Unsafe & used fireplaces will be repaired or an alternate exhaust system will be installed.
- d. Priority IV- Weatherization improvements and Energy Efficiency Upgrades.

Where practicable, and subsequent to a determination that all required property standards will be satisfied, individual measures which further the weatherization and energy efficiency of the rehabilitated property may be performed. Homeowners will be referred to nonprofit agencies for assistance weatherization and energy efficiency improvements when funding does not allow these upgrades. Individual measures completed under this category must be of a nature that would further the rehabilitated property's ability to meet the North Carolina Building Codes (2012) and energy efficiency.

- Weather stripping/caulking
 - Insulation
 - Storm doors
 - Windows and doors
 - Energy Efficient Water Heater
- ii. Project Soft Costs: other reasonable and necessary costs incurred by Transylvania County and associated with the home improvements funded with HOME Homeowner Rehabilitation.

Such soft costs include the following:

- a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.

- b. Processing the financing for a project, such as fees for title evidence, recording and filing of legal documents, building permits, attorney fees, private appraisal fees, and fees for an independent cost estimate and builders profit and developers fees.
- c. Staff and overhead costs, up to \$500 per HOME Homeowner Rehabilitation loan, directly related to carrying out the project, such as work specification preparation, loan processing, inspections, and other services related to assisting HOME Homeowner Rehabilitation recipients.
- d. Public information, including the provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HOME Homeowner Rehabilitation funds.
- e. Activities that affirmatively further fair housing.

B. PROHIBITED ACTIVITIES AND COSTS

- i. Purchase or repair of appliances not permanently attached to the home.
- ii. Landscaping, except for restoration of the site following an eligible activity, or for health, safety or accessibility reasons.
- iii. Permanent Relocation costs. Program funds may not be used to pay for permanent relocation costs of any household member.
- iv. Site improvements, unless necessary to correct a violation of the North Carolina State Building Code (2012).
- v. Any other cost determined to be ineligible per federal HOME regulations for HOME Homeowner Rehabilitation funded projects.
- vi. Additions to the footprint of a home that is located in a floodplain. Other additions need to be approved by the HOME Project manager. If changes, are made to increase the size of the dwelling the additions must comply with local building code.

SECTION VI: CONTRACTORS

A. BID PROCESS

All bids shall be returned to the Transylvania County Planning and Community Development Office at the address indicated on the bid cover letter.

- i. Bids as received must be for the execution on the entire work as called for in the Contractor's Proposal Form provided (Appendix E).
- ii. Bids shall be returned on the sheets provided, in a sealed envelope and signed by the Contractor. Bids must be received at the Transylvania County Planning and Community Development Office by the time specified on the due date (or as required on the bid documents). Bids must be returned in neat, legible form.
- iii. The Contractor shall verify, on job site, all quantities, measurements or dimensions, conditions, plans and working drawings before submitting a bid. There will be no Change Order to prices based on mistaken quantity count, measurements or dimensions.

- iv. Each bidder shall thoroughly examine and familiarize himself/herself with the drawings, specifications, all other contract documents, general specifications, existing conditions, difficulties and restrictions involved with doing the work. The Contractor will not be relieved of his/her obligations because of failure to do the above when contracted to do the work. The Contractor shall make arrangements with Transylvania County to do the inspection. Each bidder shall, upon discovery of any apparent error or omission in the bidding documents, notify the Transylvania County Planning and Community Development Office of such in writing.
- v. Interpretations, corrections and changes of bidding documents will be made by Transylvania County in the form of addenda to the bid documents. Revisions to bidding documents made in any other manner will not be binding, and bidders shall not rely upon them.

All sections of the general specifications, whether specifically cited on the bid sheet or not, shall apply to all work performed.

Rehabilitation work may not be performed prior to Transylvania County project approval of the project set-up.

B. SELECTION AND CLEARANCE OF CONTRACTORS

Transylvania County will obtain a minimum of three (3) bids on the planned repairs, based on the preliminary work write-up prepared by the County and Land of Sky Regional Council (See Appendix E for Bid Documents). If only two (2) eligible bids are received Transylvania County will advertise and call for additional bids. The bids are to be returned to the designated location on the specific due date. Transylvania County will record the total amount of the bid and the date and time the bid was received. The County will evaluate the bid documents to determine which bids are eligible. Bids are considered eligible when the following conditions are met:

- i. The bid is complete with all bid documents completely filled out including a completed e-verify form (Appendix E).
- ii. The submitting Contractor currently meets all program requirements and is not debarred or suspended from participating in the HOME Homeowner Rehabilitation Program.
- iii. The Contractor is not on probation or debarred as described in Section III E.
- iv. The bid is received by Transylvania County prior to the bid submission deadline date and time stated in the bid documents.
- v. The total amount of the bids are not more than 15% of the total cost listed on the initial work write-up prepared by Transylvania County and does not exceed the maximum dollar limits of the program.
- vi. The bid is from a licensed general Contractor. Furthermore, all Contractors and subcontractors must possess trade or other professional licenses as may be required by the State of North Carolina and Transylvania County in order to perform such functions that are subject to licensing.

The award will be granted to the Contractor who submits the best overall bid as determined by Transylvania County using the evaluation criteria outlined above. The contract shall be awarded to the lowest responsible, responsive bidder, taking into consideration quality, performance, and the ability to complete the project within given scheduling constraints. Transylvania County will notify the selected bidder in writing. The Contractor should be prepared to have the bid incorporated, along with all other written correspondence concerning this RFP, into the contract. Any false or misleading statements found in the bid will be grounds for disqualification. All bids submitted shall be valid for a period of 60 days from the date of bid opening.

Transylvania County reserves the right to reject any or all bids, with or without cause, when such rejection is determined to be in the interest of the County. Transylvania County also reserves the right to reject the bid of a Bidder who has previously failed to perform properly or complete on time contracts of a similar nature, or who is not in a position to provide the terms and conditions of the project as determined by the County.

If none of the bids solicited are within 15% of the preliminary work write-up initially or by negotiation, the bid must be rejected and other bids must be obtained that are within the specified cost limits. Any bids received outside of the estimated range of housing rehabilitation will be rejected and the Contractor will be notified in writing. Contracts will not be awarded until Transylvania County has completed its Contractor certification and the Contractor has met the requirements.

When an acceptable, eligible bid is secured and the Contractor is selected, the Contractor is notified that they must furnish Transylvania County with a current Certificate of Insurance, and a statement concerning the non-use of lead-based paint. Information will be verified for accuracy and completeness of the forms submitted by the Contractor. If all submitted documents are in order and the Contractor is not on the list of parties debarred or suspended from participation in federal procurement or non-procurement programs or if the Contractor is not suspended or debarred from participation in the Transylvania County HOME Homeowner Rehabilitation Program, the County will proceed with the preparation of contract documents. All Contractors will be subject to approval by Transylvania County and the Homeowner prior to the awarding of contracts.

Participating general Contractors must obtain all permits that are required to perform the authorized scope of work. Contractors are responsible for obtaining any progress or final inspections from the Transylvania County Building and Permitting Department. Failure to call for required inspections or proceeding without inspection may result in the County determining that the Contractor has failed to meet performance requirements of the contract. A copy of all permits shall be publicly displayed at the job site for all interested parties concerned. The Contractor must comply with all the regulations governing the issuance and inspections of any work permitted. Each contract between a Contractor and County shall contain language denying participation to Contractors who fail to perform in a satisfactory manner.

Contractors proven to provide poor service or quality of workmanship and/or who exhibit behavior that is not professional, or is under the influence of drugs or alcohol will be debarred or suspended from any future contracts with the Transylvania County HOME Homeowner Rehabilitation Program. Contractors will be informed of this decision in writing with the opportunity to appeal to Transylvania County and the City of Asheville.

C. CONTRACTOR QUALIFICATIONS

- i. Contractor. The term “Contractor” applies to the firm bidding on work or receiving an award. The firm must hold a current North Carolina Contractor license.
- ii. General Insurance Requirements. The Contractor must have, or obtain, and maintain an insurance policy that meets the following minimum requirements:
 - shall be issued by an insurance carrier acceptable to Transylvania County;
 - shall be kept in force throughout performance of the Contractor’s services and for one (1) year after the end of such performance;
 - shall be an occurrence policy; and,
 - shall be evidenced by a certificate of insurance acceptable to Transylvania County which provides that the coverage evidenced thereby shall not be substantially modified or canceled without twenty-eight (28) calendar days prior written notice to the County. Transylvania County must be listed as an additional insured on the certificate with a notation of the project name.
 - Limits of coverage to be included on certificate of insurance are:
 - a. General Liability: \$1,000,000 per Occurrence / \$2,000,000 Aggregate
 - b. Automobile Liability: \$1,000,000 per occurrence
 - c. Worker’s Compensation: \$500,000
- iii. Contract Requirements.
 - Contract. Upon acceptance and award of a Contractor’s bid, the contract between the Contractor and the homeowner shall be comprised of (a) the RFP and addenda, (b) the Bid Form (Appendix E) (response to the RFP by the Contractor) and any attachments thereto, (c) the contract documents (Appendix E) as defined in the RFP including the Contractor Proposal Form, the Contractor Data Sheet, Proposed list of subcontractors, and proof of required insurance coverage and (d) all other written communications between the homeowner, Transylvania County and the Contractor concerning the transactions. The RFP will govern in the event of conflict between the RFP and the selected bid.
 - The contract shall constitute the entire and only agreement and shall supersede all prior negotiations, commitments, understandings, or agreements, whether oral or written.
 - Contractor Incurred Costs. Transylvania County and/or the homeowner will not be liable for any cost incurred by Contractors prior to the contract award date.
 - Default. In case of default by the Contractor, Transylvania County and/or the homeowner may procure the articles and/or services called for in the contract from other sources and hold the Contractor responsible for any excess cost associated therewith. The performance of the contract may be terminated by Transylvania County in accordance with this clause, in whole or in part, in writing whenever the County shall determine that the Contractor has failed to meet performance requirements of the contract.
 - Assignment. The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of its agreements with Transylvania County and/or the homeowner; its rights, title, or interest herein; or its power to execute such agreement to any other person, company, or corporation without the previous consent and approval in

writing by Transylvania County.

- **Governing Law and Forum.** The contract between the homeowner and the Contractor shall be governed in accordance with the laws of the State of North Carolina.
- **Amendments and Modifications of Contract; Waiver of Contract Terms.** The contract between the homeowner and the Contractor shall not be amended or modified, nor any of its terms waived, except in writing and approved by Transylvania County and executed by the party against whom enforcement of the amendment, modification, or waiver is sought.
- **Indemnification.** The Contractor shall indemnify and hold the homeowner and Transylvania County, their officers, agents, and employees harmless from liabilities, obligations, losses, claims, damages, actions, suits, proceedings, costs, and expenses, including attorneys' fees that (a) arise out of, are connected with, or result directly or indirectly from the Contractor's failure to perform any of its obligations under this RFP; or (b) result from any negligent act or omission of the Contractor, its employees or agents in the performance of services; or (c) are a result of breach of any of the Contractor's warranties. The indemnification responsibilities created by this Section shall survive and be enforceable after the contract between the homeowner and the Contractor terminates or expires, and they shall be terminated only by the written agreement of the Contractor and the homeowner.
- **Form of Contract.** The contract documents to be executed by the homeowner and the Contractor will be prepared by Transylvania County after a preconstruction conference is held. At this preconstruction conference, the homeowner and Contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the rehabilitation work. These contract documents shall state a specific date for commencement of the work, a specific date for completion of work, and a copy of the work write-up. An executed copy of the contract shall be furnished to the homeowner, Contractor, and to Transylvania County.
- **Subcontractors.** The Contractor shall be responsible for the actions of their subcontractors.
- **Contractors and subcontractors will be required to show proper licensing, bonding and insurance.** They will also be required to show evidence of the ability to perform acceptable work.

D. CONTRACT DOCUMENTS AND INSPECTIONS

- i. Contract documents to be executed by the homeowner and the Contractor will be prepared by Transylvania County after a preconstruction conference is held.
- ii. At the preconstruction conference, the homeowner, Transylvania County and the Contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the rehabilitation work. No work shall commence until Transylvania County issues a notice to proceed.

- iii. These contract documents shall state a specific date for commencement of the work, a specific date for completion of work, and a copy of the rehabilitation work write-up.
- iv. An executed copy of the contract shall be furnished to the homeowner, Contractor, and to retained at the Transylvania County Planning and Community Development office. It is the goal of the HOME Homeowner Rehabilitation Program to ensure that all work is completed in the highest quality and in a professional workmanlike manner and to ensure customer satisfaction to the highest extent possible, while ensuring effective and efficient administration and use of Transylvania County's time.
- v. Inspections will be made by Transylvania County and possibly the City of Asheville while the work is in progress. The required plumbing, electrical, structural and mechanical inspections will be conducted by Transylvania County Building and Permitting Department (or its designated representative) while the work is in progress. The Contractor (or relevant sub-Contractor) will schedule all required inspections with homeowner, if the homeowners is occupying house during repairs.
- vi. Upon completion of the work, a final inspection will be conducted by Transylvania County or the City of Asheville, the Code Enforcement Officer and the homeowner. The Contractor's presence is recommended, but not required, at such final inspection. However, the Contractor must sign a Certificate of Completion and Lien Waiver Affidavit before submittal of an invoice for final payment.
- vii. Transylvania County will not sign the Certificate of Completion until all work has been completed and approved by the homeowner (see Section IV E). In a situation where the homeowner refuses to approve the completed work, a written complaint must be filed with Transylvania County by the homeowner within ten (10) business days. Failure to file a written complaint within the specified timeframe shall indicate acceptance of the work and the Contractor will be paid in full.

The Contractor shall not enter separate agreements with homeowners and/or owner's agents for additional work or materials greater than or less than the original Contract. The Contractors' and subcontractors shall not offer suggestions to owners regarding changes in the Specifications. Such suggestions will be offered directly to Transylvania County or designee. Failure to comply may result in suspension of the Contract.

E. RIGHTS AND RESPONSIBILITIES OF CONTRACTORS

The Contractor is responsible for completing the work as identified in the contract and work write-up within the agreed-upon timeframe and for the following:

- i. Communication. Communicating with the homeowner and Transylvania County regarding status of the work during the construction period.
- ii. Warranty. The Contractor shall warrant their work against faulty materials or workmanship for a period of ONE YEAR and replace same at the direction of Transylvania County at no cost to the homeowner or the County. The one-year period shall begin on the date of the final acceptance for the completed job by Transylvania County or designee and the issuance of the Certificate of Occupancy. The Contractor shall convey all manufacturers' warranties to the homeowner.

- iii. Notification. Notifying Transylvania County in writing, including justification(s) of the need for any change orders and negotiating with Transylvania County regarding the cost of such change orders and time required to complete them.
- iv. Materials. Providing all materials, labor, equipment, etc., that may be necessary to the execution of the Contract at the Contractor's expense. The materials used and installed must be new and should be quality, and the labor shall be performed by skilled and competent craftsmen.
- v. Completion. Completing any items identified at the final inspection prior to execution of the Certificate of Completion.
- vi. Cleaning. Cleaning the property of work material after conclusion of work on a daily basis.
- vii. Ground Repairs. All pavement or yards disturbed or damaged as a result of construction work under this Contract shall be repaired to the original condition.
- viii. Workmanship. Ensuring quality of workmanship and materials in compliance with the contract and in accordance with the applicable manufacturer's latest instructions and specifications.
- ix. Making reasonable accommodation with Transylvania County and the homeowner regarding scheduling of inspections and completion of the work.
- x. Performing all work in an acceptable and professional manner.
- xi. Completing all required Priority I items prior to starting any Priority II, III, or IV items as identified in Section VIII.

Contractors performing work for the HOME Homeowner Rehabilitation Program will adhere to the North Carolina State Building Codes, written property codes, written rehabilitation standards, bid specifications, and local ordinances.

E. WORK PERFORMANCE AND GENERAL CONDITIONS

Repairs shall be made to all surfaces damaged by the Contractor resulting from his work under this Contract at no additional cost to the homeowner or Transylvania County. Where "repair of existing work" is called for by the Contract, the repair is to be placed in "equal to new condition" either by patching or replacement. All damaged, loose or rotted parts shall be removed and replaced and the finished work shall match adjacent work in design and dimension. All labor furnished by Contractors and subContractors must be performed by licensed (if required), trained, skilled, competent craftsmen. The homeowner and Transylvania County reserve the right to have personnel who are not performing their services in an acceptable manner removed from the job site. All work performed will be subject to inspections and approval by Transylvania County prior to final disbursement of funds.

SECTION VII: RECORD KEEPING

A. RECORD KEEPING REQUIREMENTS

The Subrecipient, Transylvania County, will establish and maintain sufficient records to enable the City of Asheville and/or HUD to determine whether the County has met the requirements of the contract and policies and procedures outlined in this manual. Additionally, project files must be set-up in a manner that is easily referenced and accessed.

At a minimum Transylvania County will, as appropriate, keep the following records:

- i. Records demonstrating the income eligibility of each household assisted with HOME Homeowner Rehabilitation.
- ii. Records demonstrating that the dwelling was the principal residence of the owner at the time HOME Homeowner Rehabilitation funds were invested in the property.
- iii. Documentation that the owner has legal title to the property and that a records search was conducted, or that a title search was ordered.
- iv. A full description of each project assisted with HOME Homeowner Rehabilitation, including the location and form of assistance provided.
- v. Records demonstrating that each project meets the property standards established within the Policy and Procedure Manual.
- vi. Records demonstrating that the value of the property, after rehabilitation cannot exceed the Single Family Mortgage Limits under Section 203(b) of the National Housing Act.
- vii. Records demonstrating that the value of the property after rehabilitation does not exceed 95% of the median purchase price for Transylvania County.
- viii. Records which identify all sources and amounts, and application of funds contributed to each project.
- ix. Records documenting soft costs incurred by Transylvania County in the performance of HOME Homeowner Rehabilitation activities.
- x. Records demonstrating adequate budget control, in accordance with 24 CFR 85.20, including evidence of periodic account reconciliation.
- xi. Records demonstrating compliance with the contract.
- xii. Records demonstrating compliance with applicable uniform administrative requirements identified within the Policy and Procedure Manual.
- xiii. Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.
- xiv. Equal Opportunity, Fair Housing and Affirmative Marketing Records:

- a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME Homeowner Rehabilitation Program funds.
 - b. Documentation of actions undertaken and outcomes achieved under Transylvania County's Affirmative Marketing Plan.
 - c. Documentation of actions undertaken to meet the requirements of 24 CFR part 135, which implements Section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).
 - d. Documentation and data on the steps taken to implement outreach programs to minority and female-owned businesses, including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract, paid, or to be paid, with HOME Homeowner Rehabilitation funds; the amount of the contract or subcontract, and documentation of the Subrecipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as the source of supplies, equipment, construction, and/or services.
- xv. If applicable, records supporting requests for waivers of the conflict of interest prohibitions identified in 24 CFR part 92.356.
 - xvi. Records of certifications concerning debarment and suspension required by 2 CFR part 2424.
 - xvii. Records demonstrating compliance with the environmental review requirements of 24 CFR part 92.352 and 24 CFR part 58.
 - xviii. Records demonstrating the age of house.
 - xix. For HOME Homeowner Rehabilitation projects on buildings built before 1978: any required lead-based paint notices provided to occupants of assisted housing, and evidence of compliance with lead-based paint regulations at 24 CFR part 35.
 - xx. Evidence that all required agreements, Promissory Notes, Mortgage and Security Agreements, have been properly executed.
 - xxi. Procurement policy standards if Contractors or subContractors are utilized by Transylvania County.

B. PERIOD OF RECORD RETENTION

Records will be retained by Transylvania County for a period of five years following the completion of all close-out procedures respecting HOME funds, and the final settlement and conclusion of all issues arising out of the HOME loan. If any litigation, claim, negotiation, audit, or other action has been started before the completion of all close-out procedures, the records will be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

C. ACCESS TO RECORDS

Transylvania County will provide the City of Asheville, HUD, the Comptroller General of the United States, or any of their representatives, with reasonable access to all and any pertinent books, documents, papers or other records pertaining to the administration of HOME Homeowner Rehabilitation Program funds provided by the Asheville Regional Housing Consortium, in order to make audits, examinations, excerpts, and transcripts.

SECTION VIII. RIGHTS AND RESPONSIBILITIES OF THE HOMEOWNER

The applicant is responsible for submitting true and accurate financial and other information required to document eligibility for the program. The applicant is also responsible for notifying Transylvania County, in writing, of any change in household composition or income within thirty (30) calendar days of such change. Failure to provide updated information shall result in exclusion from the program. The applicant is also responsible for:

- a. Making reasonable accommodation to the schedules of the Contractor and Transylvania County for the purposes of inspections, completion of work, etc.
- b. Participate in identifying the priority of all work items essential for bringing the structure to code.
- c. Reviewing, executing, and understanding the contract, work write-up, and associated documents.
- d. Notifying the Contractor and Transylvania County of any concerns during the construction period and during the warranty period.
- e. Participating in the final inspection and executing the Certificate of Final Inspection report.
- f. Repaying the prorated share of the project cost that may not yet be forgiven under the terms of the lien, if the property is sold within five (5) years of completion of work, per loan agreement.
- g. Providing proper maintenance to all installed items/components to help minimize premature failure or damage.
- h. Maintaining required homeowner insurance and if located in a Special Flood Hazard Area, flood insurance for the duration of the lien.

A. PRELIMINARY ELIGIBILITY DETERMINATION AND NOTIFICATION

- i. Transylvania County will notify the applicant of the status (preliminary eligibility or ineligibility), and if ineligible, state the reasons for this determination.
- ii. If eligible, homeowners will be provided with applicable agreement(s) for review. Certain agreements will need to be submitted in and must be signed before project set-up.
- iii. A file must be maintained which contains records regarding all denied applications. It should include copies of the application, letter of denial disclosing the reason, and any other relevant documentation which was utilized in the denial determination.

- iv. Appeals Procedures. If the property owner or Contractor wishes to appeal a decision made by Transylvania County, the applicant may submit a written appeal to City of Asheville HOME funds administrator.

B. FIELD ASSESSMENT

After the preliminary determination of an applicant's and their property's eligibility, Transylvania County shall:

- i. Complete an initial inspection and an environmental review. The assessment should answer the following questions:
 - a. What rehabilitation work needs to be completed to satisfy the North Carolina Building Codes (2012)?
 - b. After rehabilitation, will the entire unit meet the North Carolina Building Code (2012) Standards?
 - c. What heating system equipment, if any, should be replaced?
 - d. Is the property structurally sound and not in danger of becoming deteriorated or unsafe within five years after rehabilitation?
 - e. What incipient repairs are recommended?
 - f. What is the estimated cost of the rehabilitation/accessibility modifications work?
 - g. What needs to be accomplished to ensure compliance with the Environmental Regulations and Lead-Based Paint Poisoning Prevention Act requirements found in Section II F of this Manual.
- ii. Based on the assessment, supporting documentation and photographs, a scope of work, and cost estimate will be developed that details the rehabilitation and accessibility modifications needed to meet North Carolina Building Code (2012) standards.
- iii. Using the preliminary cost estimate developed in (iii) above, re-determine the eligibility of the proposed project, according to the following funding and property criteria:
 - a. Maximum HOME Homeowner Rehabilitation assistance which may be contributed, as identified in Section II, Funding Limitations, of this Policy and Procedure Manual.
 - b. Property value limitations.

C. PRE-REHABILITATION CONFERENCE

Transylvania County shall conduct a pre-rehabilitation conference, attended by the County, the Contractor, if applicable, and the Homeowner. Conference topics shall include:

- i. Confirmation of the scope of work (rehabilitation activities) to be performed.
- ii. Establishment of a schedule for the commencement and completion of work.

- iii. A discussion of the roles and responsibilities of the parties involved.
- iv. A thorough review of the agreements required to be executed by each party.

D. EXECUTION OF AGREEMENTS AND NOTICES

Subsequent to, or as part of the pre-rehabilitation conference, Transylvania County will facilitate the execution of, and retain as part of the project file, the following documents:

- i. Agreement. The agreement between Transylvania County and the Homeowner must be the most recent version, and must be executed.
- ii. HOME Homeowner Rehabilitation Promissory Note. The original Promissory Note must be forwarded to City of Asheville as part of the final project closeout material.
- iii. HOME Homeowner Rehabilitation Mortgage and Security Agreement.

The Mortgage and Security Agreement must be forwarded to Transylvania County Register of Deeds for recording. A copy of the recorded Mortgage and Security Agreement must be retained by the Subrecipient in the project file. The original recorded Mortgage and Security Agreement must be provided to City of Asheville.

Note: if a revision to the Promissory Note and Mortgage and Security Agreement needs to be made, the Note and Mortgage Modification Agreement must be recorded.

E. NOTICE TO PROCEED

Upon receipt of all notices, loan documents, and agreements identified above, and confirmation that the Mortgage and Security Agreement has been recorded, the Subrecipient may proceed with rehabilitation activities and/or issue a Notice to Proceed to the Contractor.

F. PROJECT MONITORING

Transylvania County will routinely monitor the progress of each project, and is responsible for ensuring that the Contractor adheres to all applicable rules, regulations and procedures outlined in this HOME Homeowner Rehabilitation Policy and Procedure Manual.

G. PROJECT REVISIONS

Any change orders associated with a project must be documented in the project file in writing, including the dollar amount of change and the reason for the change. If change orders result in the need to amend the HOME Homeowner Rehabilitation project commitment amounts, this documentation should be provided to the HOME funds administrator, as discussed below.

A project revision (commitment funding increase) may be submitted to City of Asheville for approval in the event that the project's scope of work needs to be amended, based on unforeseen and exceptional circumstances which cannot be completed within the budget. If approved by City of Asheville, the Subrecipient must have the Homeowner execute a Note and Mortgage Modification Agreement. Appropriate documentation for the project revision must be maintained by the Subrecipient in the project file.

H. PROJECT COMPLETION

- i. Building Inspections. When the Contractor has determined that the work has been completed, they will notify Transylvania County and schedule a Code Enforcement Officer to inspect the dwelling unit to confirm that all required property standards have been satisfied and that the original scope, or amended scope, if applicable, has been satisfactorily completed.
- ii. Claimant Liens. Subsequent to a determination that the scope of work and all required property standards have been satisfied, Transylvania County will:
 - a. Acquire and retain executed lien waivers ensuring that there are no outstanding liens on the property. It is Transylvania County's responsibility to ensure and verify that there are no outstanding liens on the property through title searches and register of deeds inquiry.
 - b. Once the Subrecipient has verified that there are no outstanding liens on the property they can proceed with requesting payment of the HOME Homeowner Rehabilitation funds.
- iii. Other Project Completion Tasks
 - a. Complete the Certificate of Final Inspection Form.
 - b. Take a sufficient number of photographs of the property to adequately represent the completed condition.
 - c. Complete Project Close-out form.
 - d. In the event that a modification of the Promissory Note and Mortgage and Security Agreement is necessary, Transylvania County will notify City of Asheville for preparation of the Note and Mortgage Modification Agreement.
- iv. Items outlined in Section VII must be submitted to City of Asheville upon project completion.

SECTION IX: PROGRAM/PROJECT FILES AND MONITORING

A. PROGRAM MONITORING POLICIES AND PROCEDURES

Monitoring and evaluation of Transylvania County is a requirement of the Department of Housing and Urban Development (HUD). Monitoring of the rehabilitation work is the responsibility of City of Asheville staff and Transylvania County Planning and Community Development with technical assistance from the Land of Sky Regional Council.

City of Asheville is also required to monitor Transylvania County for proper administration of HOME funds in compliance with the HUD HOME Program and the Asheville Regional Housing Consortium provisions. In addition, City of Asheville will periodically complete on-site visits to the project sites to verify implementation, environmental mitigations, if any, and actual program beneficiaries.

Transylvania County will respond within 45 days of receipt of the monitoring report all findings and deficiencies found during the monitoring. If a response cannot be provided within 45 days, the County will contact City of Asheville for other arrangements.

B. ONSITE PROJECT MONITORING

An onsite file monitoring visit may consist of reviewing any concerns that were established if documentation was reviewed ahead of time. The City of Asheville may request all necessary monitoring information to be submitted to the Transylvania County Planning and Community Development office at least 30 days prior to the onsite visit. To perform the monitoring, City of Asheville staff will review programmatic requirements and financial records.

Transylvania County and the City of Asheville staff will visit required projects onsite to verify implementation according to the contract, program beneficiaries, work write-ups for housing, and the results of the environmental review. Transylvania County Planning and Community Development staff will accompany City of Asheville staff for all housing projects. The results of all monitoring will be maintained in a file in order to develop a history of administrative practices.

City of Asheville staff and/or Transylvania County staff, as part of the monitoring requirement, will perform periodic property standards re-inspections, based on a random sample of the projects undertaken by Transylvania County. Transylvania County will retain evidence of such required inspections in the applicable project file