

Housing Selection Committee
Assistance Policy
For the 2020 Cycle of the
North Carolina Revitalization CDBG Program

What is the North Carolina Neighborhood Realization Program (NC Neighborhood)?

The City of Hendersonville is applying for \$750,000 by the North Carolina Department of Commerce under the 2020 cycle of the North Carolina Revitalization Program. This program provides funds to assist low-and-moderate income persons with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modifications and other repairs necessary to prevent displacement of low-and-moderate income individuals. A total of 3 households will be assisted under this program in the City of Hendersonville.

This Assistance Policy describes who is eligible to apply for assistance under NC Neighborhood, how applications for assistance will be rated and ranked, what the form of assistance is and how the repair/modification process will be managed.

Eligibility To be eligible for assistance under NC Neighborhoods applicants

- 1) must reside within the county limits of the City of Hendersonville and own and occupy the home in need of repair
- 2) must have a household income which does not exceed 80% of the median income for the household size
- 3) must have repair needs, which cannot be met through other state or federally-funded housing assistance programs

Number in Household	80% of Median (moderate income)	50% of Median (low income)	30% of Median (very low income)
1	\$40,150	\$25,100	\$15,050
2	\$45,850	\$28,650	\$17,240
3	\$51,600	\$32,250	\$21,720
4	\$57,300	\$35,800	\$26,200
5	\$61,900	\$38,700	\$30,680
6	\$66,500	\$41,550	\$35,160
7	\$71,100	\$44,400	\$39,640
8	\$75,650	\$47,300	\$44,120

HUD 2020 Income Limits* for Henderson County

*Income limits are subject to change based on annually published HUD HOME Limits and will be updated each year. This update will not require a re-approval of the governing authority.

Outreach Efforts of the Program The City of Hendersonville and the Housing Assistance Corporation called and dropped off information to homeowners in the project area about the program. The City of Hendersonville's CDBG application was published through their website and social media pages.

Selection of applicants The Housing Selectin Committee has devised the following priority system to rank eligible applicants, determine which of them will be selected for assistance and in what order. Under this system, applicants will receive points for falling into certain categories of special need and income. The applications will be ranked according to which receive the most points.

Priority Ranking System for NC Revitalization Program

<i>Special Needs (for definitions, see below)</i>	<i>Points</i>
Disabled and/or Elderly Head of Household (62 or older)	4
Single Head of Household	3
Large Family (5 or more permanent residents)	2
<i>Income (See Income Table above)</i>	<i>Points</i>
Less than 30% of County Median Income	10
30% to 50% of County Median Income	5
50% to 80% of County Median Income	3

Under NC Neighborhood Program Guidelines, all applicant must have incomes which are less than 80% of the area median income for the household size, and no household with an income exceeding 80% of the area median income will be eligible. This guideline will be adhered to strictly and will be the primary factor in the selection of those households to be assisted under this program.

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

The definitions of special needs populations are:

- *Elderly*: An individual aged 62 or older.
- *Disabled*: A person who has a physical, mental or developmental disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment.
- *Large Family*: A large family household is composed of five or more individuals; at least four are immediate family members.
- *Head of Household*: The person or persons who own(s) the house.
- *Occupant*: An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of occupancy).

Client Referral and Support Services: Many homeowners assisted through the NC Neighborhood Program may also need other services. When the Housing Assistance Corporation staff meet the homeowner during the work write-up process, they will discuss the resources and programs available in the area and provide pamphlets and a list of the agencies with contact information.

What is the form of assistance under NC Neighborhood? The City of Hendersonville will provide assistance to homeowners, whose homes are selected for repair/modification in the form of a loan. Homeowners will receive a forgivable deferred, interest-free loan, forgiven at an amount per year that will reduce the principal balance to zero over the recapture period. To calculate the amount to be forgiven each year, the principal balance of the loan will be divided by number of years in the recapture period in accordance with the table below. The deferred loan is repaid when the house is sold, or the recipient no longer occupies the home during the recapture period. As the level of NC Neighborhood assistance increases the recapture period must lengthen according to the following table:

<i>CDBG Assistance</i>	<i>Recapture Period</i>
Less than \$12,000	5 years
\$12,001-16,000	6 years
\$16,001-\$20,000	7 years
\$20,001 or more	8 years

What is the amount of the loan? The amount of the loan will depend on the scope of work necessary to address the identified imminent threats to life and/or safety, and that will be determined by Housing Assistance Corporation's or other rehabilitation specialist. There is no minimum to the amount of the loan; however, the maximum life-time limit is \$75,000.

What kinds of work will be done? Only repairs that address imminent threats to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed. All work that is completed under the NC Neighborhood program must meet or exceed NC Residential Building Code.

Who will do the work on the homes? The City of Hendersonville will work with The Housing Assistance Corporation to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet

those very difficult requirements, the agency will invite bids only from contractors who are part of a list of approved contractors. Please request a copy of the agency's Procurement and Disbursement Policy for further information.

What are the steps in the process, from application to completion? Now that you have the information about how to qualify for the N.C. Neighborhood Program, what work can be done, and who will do it, let's go through all the major steps in the process:

- 1. Completing an Application form:** Homeowners applied for assistance contacted Stefanie Kompathoum, Home Repair Coordinator at (828) 692-4744 ext.107 by phone or by email. All homeowners in the project area were contacted through phone, in person, or flyer left in their mail box.
- 2. Inspection and Work write-up:** The Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up"). A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bidding is completed.
- 3. Screening of applicants:** Applications will be rated and ranked by the agency based on the priority system outlined in this document. Household income will be verified for program purposes only (information will be kept confidential). Ownership of property will be verified. From this review, the three (3) most qualified applicants will be chosen according to the priority system described above. There will also be a list of alternates (waiting list) in the order of qualification and application time.
- 4. Applicant interviews:** After program award by N.C. Department of Commerce, approved applicants will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with their project at this informational interview.
- 5. Formal agreement:** After approval of the work write-up, the homeowner will sign a formal agreement that will explain and govern the repair/modification process and an explanation of the Promissory Note, which is considered a forgivable loan. This agreement will define the roles of the parties involved throughout the process.
- 6. Bidding and Contractor Selection:** All bidding procedures will follow The City of Hendersonville's Procurement and Disbursement Policy.
- 7. Pre-construction conference:** A pre-construction meeting will be held at the home. At this time, the homeowner, contractor and program representatives will be present and discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.). If the contract has been executed, the agency will issue a "proceed order" within 24 hours of the pre-construction meeting, formally instructing the contractor to commence by the agreed-upon date.

8. **Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Code Enforcement Officers will inspect new work for compliance with the State Building Code. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.
9. **Payments to contractor:** The contractor will be paid following inspection of and satisfactory completion of all items on the work write-up and change orders, if any, as outlined in the Procurement and Disbursement Policy.
10. **Post-construction meeting:** Following construction, the contractor and the Rehabilitation Specialist will sit down with the homeowner one last time. At this meeting the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work and the loan.
11. **Closeout:** Once each item outlined in section 10 has been satisfied and the homeowner has signed a Certificate of Satisfaction, the job will be closed out (fully completed).

Will the personal information provided remain confidential? Yes. All information in applicant files will remain confidential. Access to the information will be provided only to Agency employees who are directly involved in the program, Housing Selection Committee Member, and the North Carolina Department of Commerce.

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

This Assistance Policy is adopted this 31st day of August 2022.



Member, Housing Selection Committee