

**Lexington Housing Community Development Corporation
Assistance Policy
For the 2021 Cycle of the Urgent Repair Program**

What is the Urgent Repair Program?

LHCDC has been awarded \$100,000 by the North Carolina Housing Finance Agency (NCHFA) under the 2021 cycle of the Urgent Repair Program (URP21). This program provides funds to assist very-low and low-income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low-income homeowners with special needs such as frail elderly and persons with disabilities. A minimum of 16 households will be assisted under URP21.

This Assistance Policy describes who is eligible to apply for assistance under URP21, how applications for assistance will be rated and ranked, what the form of assistance is and how the repair/modification process will be managed. LHCDC has designed this URP21 project to be fair, open, and consistent with the LHCDC’s approved application for funding and with NCHFA’s URP Program Guidelines.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund. Additional funds for construction costs are provided by local organizations in the amount of \$6,000.

Eligibility: To be eligible for assistance under URP21 applicants must:

- reside within Davidson County and own and occupy the home in need of repair.
- must have a household income which does not exceed 50% of the Statewide median income for the household size (see income limits below).
- must have a special need (i.e. be elderly, ≥ 62 years old, handicapped or disabled, a single parent with a dependent living at home, a Veteran, a large family with ≥ 5 household members or a household with a child below the age of 6 with lead hazards in the home).
- must have urgent repair needs, which cannot be met through other state or federally funded housing assistance programs within a timely manner.

URP21 Statewide Non- Metro Income Limits* for LHCDC

Number in Household	30% of Median (very-low income)	50% of Median (low income)
1	\$ 14,900	\$ 24,800
2	\$ 17,000	\$ 28,350
3	\$ 19,150	\$ 31,900
4	\$ 21,250	\$ 35,450
5	\$ 22,950	\$ 38,300
6	\$ 24,650	\$ 41,100
7	\$ 26,350	\$ 43,950
8	\$ 28,100	\$ 46,800

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

NOTE: Currently the Lexington Housing Community Development Corporation (LHCDC) does NOT allow repairs to mobile homes, regardless of foundation type.

Outreach Efforts of the Urgent Repair Program: LHCDC will advertise or publish an article about the Urgent Repair Program in local newspaper(s) serving the county (Thomasville Times and/or Lexington Dispatch), at senior centers throughout the county, on social media outlets, on our website (lhcdc.org) and local municipality websites.

How are applicants ranked? LHCDC has devised a points system to rank what order eligible applicants will be selected for assistance. Under this system, pre-approved applicants will be placed on a 'Budget Counseling' waiting list according to the date the eligible application is received. In such cases where multiple applications are returned on the same date then order will be placed by time and date of initial application intake. Within two weeks of an applicant being placed on the 'Budget Counseling' waiting list, a LHCDC Certified Housing Counselor will call to schedule a free budget counseling assessment. The primary purpose of this assessment is to verify homeownership and to verify household income requirements as defined in this URP21 Assistance Policy and according to the HUD provided URP21 Statewide Non- Metro Income Limits table seen on page one. The assessment also allows LHCDC staff to link clients to other services and resources that may match their needs. With the homeowner's permission, a case file will be created and a staff person will follow up with the homeowner concerning the available services in our referral network. Once the assessment is complete then applicant(s) will be provided a rank according to the Points Ranking System (PRS) below. The PRS will determine URP eligibility and order of priority until funds are depleted for the grant cycle. Those who qualify but do not receive assistance during the current grant cycle will need to reapply and will be awarded additional points towards the next grant cycle.

LHCDC Points Ranking System (PRS)

Eligibility Factor	Value
Household <30% Statewide Median Income	6
*Dire Emergency (needs immediate attention to prevent disaster)	6
Elderly (62+) household member	5
Disabled household member	5
Veteran household member	5
Household 30-50% Statewide Median Income	4
Child under the age of 6 living in home built prior to 1978	4
Single parent household (1 or more child in home full-time)	3
Matching Funds and/or Volunteer Labor can be utilized for the project	2
Large family household (5+ permanent residents under same roof)	2
Applied before and qualified but didn't receive assistance	2
Client has already received State rehab assistance within 3 years	-1
Client has already received Federal rehab assistance within 5 years	-2
Client has received State and Federal rehab assistance within 5 years	-3
<i>A minimum of 9 points is needed to qualify for this grant cycle</i>	

* = In the event a small repair can prevent a huge disaster and/or a contractor is needed immediately in order to protect the safety, security or well-being of a client, or the structural integrity of their home, LHCDC can expedite the budget counseling session and bypass the bidding process as long as the total "turn-key" repair costs isn't estimated to exceed Eight Hundred Dollars (\$800) of URP funding. Contractors on the agency's preferred contractors list that have shown consistency in fair pricing and quality of work will be considered first.

Only under the following circumstances will LHCDC deviate from the Points Ranking System.

- #1. If circumstances arise where a client cannot be available on their turn, then the next ranked client(s) will be awarded. If a client cannot be available within 3 turns then that client will be removed from the list and must reapply.
- #2. In the event that funding becomes limited, or cost of repairs exceed remaining grant budget, then eligible applicants will be chosen by the estimated costs of the repairs. Therefore, if applicant was next in line but repair costs exceed remaining budget then they may be skipped until future funding is available and extra points will be awarded toward next grant cycle.
- #3. If an eligible applicant is facing foreclosure then preventive measures to save the home must be met *and* six months of on-time payments must be made before they reapply for the Home Repair Program.

Under NCHFA Program Guidelines, a minimum of 50% of households assisted must have incomes which are less than 30% of the area median income for the household size, and no household with an income exceeding 50% 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 URP21.

Recipients of assistance under the URP21 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 for URP21 are:

- *Elderly*: An individual aged 62 or older.
- *Emergency*: A situation in which a household member has an immediate threat of being evicted or removed from a home due to health or safety issues within a time frame that the program can complete a repair to stop eviction or removal.
- *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 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.
- *Household Member*: Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- *Occupant*: An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of occupancy); or non-immediate family member who has resided in the dwelling at least 3 months prior to the submission of the family's application.
- *Single-Parent Household*: A household in which one and only one adult resides with one or more dependent children.
- *Veteran*: A person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.
- *Child with lead hazards in the home*: a child below the age of six living in the applicant house which contains lead hazards

What is the form of assistance under URP21? The LHCDC will provide assistance to homeowners, whose homes are selected for repair/modification in the form of a loan. Homeowners will receive an unsecured deferred, interest-free loan, forgiven at a rate of \$2,000 per year, until the principal balance is reduced to zero.

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 the LHCDC's rehabilitation specialist. There is no minimum to the amount of the loan; however, the maximum life-time limit according to the guidelines of URP21 is \$10,000.

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 under the LHCDC's URP. It should be noted that all deficiencies in a home may not be rectified with the available funds. All work that is completed under URP21 must meet or exceed NC Residential Building Code.

Who will do the work on the homes? The LHCDC is obligated under URP21 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 LHCDC will invite bids only from contractors who are part of an "approved contractors' registry". Please request a copy of the LHCDC's Procurement and Disbursement Policy for further information. (Homeowners who know of quality rehabilitation contractors that are not on the LHCDC's Approved Contractors Registry are welcome to invite them to apply.)

Reasonable effort will be made to receive at least three quotes, bids or proposals for the services needed on each home. The lowest responsive and responsible bidder will be selected for the contract.

What are the steps in the process, from application to completion? Now that you have the information about how to qualify for the LHCDC's URP21, 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 who wish to apply for assistance must contact the Lexington Housing Community Development Corporation (LHCDC), at telephone # (336) 236-1675. Proof of ownership and income will be required. Those who have applied for housing assistance from the LHCDC in the past will not automatically be reconsidered. A new application will need to be submitted.
2. **Preliminary inspection:** The LHCDC's Rehabilitation Specialist will visit the home of potential loan recipients to determine the need and feasibility of repairs/modifications.
3. **Screening of applicants:** Applications will be prioritized by the LHCDC based on the priority system outlined on page 2 under "**How are applicants ranked**". Household income and ownership will be verified for program purposes only (information will be kept confidential). All inquiries may contact Jimmy Cox, Rehabilitation Specialist, at (336) 236-1675 to confirm the disposition of the application.

- 4. Applicant interviews:** 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. Work write-up:** The LHCDC's Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace, 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.
- 6. 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.
- 7. Bidding:** The work write-up and bid documents will be sent to a minimum of three contractors on the Approved Contractors' Registry who will be given two weeks in which to inspect the property and prepare bid proposals. The names of the invited contractors will be supplied to the homeowner. Each will need access to those areas of the house, in which work is to be performed, in order to prepare a bid. A bid opening will be conducted at the office of the LHCDC at a specified date and time, with all bidders and the homeowner invited to attend.
- 8. Contractor selection:** Within 5 business days, after review of bid breakdowns and timing factors, the winning bidder will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the LHCDC's cost estimate, (4) any support or contingency costs that will be included in the loan amount, and (5) if other than the lowest bidder is selected, the specific reasons for the selection.
- 9. Execution of loan and contract:** The loan will be executed as well as the repair/modification contract prior to work beginning on the project. This contract will be between the contractor and homeowner, with the LHCDC signing as an interested third party. The cost of the actual work and project related support costs up to the amount of \$1000 will be included in the loan document.
- 10. Pre-construction conference:** A pre-construction meeting will be held at the home. At this time, the homeowner, contractor and LHCDC Rehabilitation Specialist 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 LHCDC will issue a "proceed order" formally instructing the contractor to commence by the agreed-upon date set during the pre-construction meeting.
- 11. 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 as required by the guidelines of URP21. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.

12. Change Orders: All changes to the scope of work must be reduced to writing as a contract amendment ("change order") and approved by all parties to the contract: the owner, the contractor and two representatives of the LHCDC. If the changes require an increase in the loan amount, a loan modification stating these changes in the contract amount must be completed by the LHCDC, and executed by the owner. If the changes result in a decrease in the loan amount, an estoppel informing the homeowner of these changes in the contract amount will be completed by the LHCDC and conveyed to the owner.

13. 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 LHCDC's Procurement and Disbursement Policy.

14. 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.

15. Closeout: Once each item outlined in section 13 has been satisfied & the homeowner has signed a Certificate of Satisfaction, the job will be closed out (fully completed).

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

- Applications available to the public September 1, 2021.
- All rehabilitation work must be completed by December 31, 2022.

How do I request an application?

Contact:

Jimmy Cox, Director of Construction & Repairs/ Rehabilitation Specialist
 Lexington Housing Community Development Corporation (LHCDC)
 Mailing address: P.O. Box 933, Lexington, NC 27292
 Physical address: 21 W. 2nd Street, Lexington, NC 27292.
 or call us at (336) 236-1675 or visit our website @ lhcdc.org

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

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or ranked and would like to appeal the decision made about it, he/she should contact LHCDC's Rehabilitation Specialist, Jimmy Cox, within five days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. A written appeal must be made within 10 business days of the initial decision on an application.
3. At that point, LHCDC's Executive Director (Toby Prince), will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the repair/modification process:

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

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 LHCDC employees who are directly involved in the program, the North Carolina Housing Finance Agency, US Department of Housing and Urban Development (HUD) and auditors.

What about conflicts of interest? No LHCDC employee or board member who exercises any functions or responsibilities with respect to URP21 shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with program funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of LHCDC employees or board members may be approved for rehabilitation assistance only upon public disclosure before the LHCDC Board of Directors.

What about favoritism? All activities under URP21, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability.

Who can I contact about URP21?

Any questions regarding any part of this application or program should be addressed to:

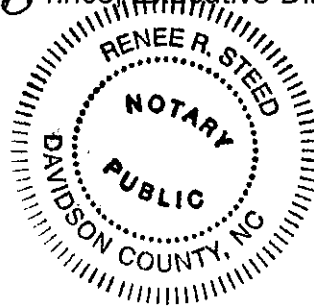
Toby Prince (Executive Director) or Jimmy Cox (Rehabilitation Specialist)
21 W. 2nd Street
Lexington, NC 27292
(336) 236-1675

These contacts will do their utmost to answer questions and inquiries in the most efficient and correct manner possible.

This Assistance Policy is adopted this 11 day of August 2021.

Toby Prince
Toby Prince, Executive Director

Renee R. Steed / Renee R. Steed
Notary Public
exp. 11/30/2024



Important disclosure: Due to Covid-19

EMERGENCY and HEALTH Notifications: Due to the current COVID-19 pandemic, increased awareness of the need to protect Lexington Housing Community Development Corporation representatives, and the homeowners they serve, from various health related exposures has become more apparent than ever. Homeowners participating in the URP program must agree to follow all local, state and federal guidelines for emergency preparedness surrounding the COVID-19 pandemic, and any other emergency declared, that includes their property address for the duration of rehabilitation/modification services to the property.