



**2018 Hurricane Florence  
Housing Assistance Programs  
Policy and Procedure Manual**

December 4, 2024

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## Overview

In September 2018, Hurricane Florence impacted South Carolina with hurricane storm surge, rainfall, high winds, tornados, and flash flooding as it made landfall near Wrightsville Beach, North Carolina on September 14, 2018, as a Category 1 hurricane. Hurricane Florence's impacts on South Carolina occurred mainly east of Interstate 95 and north of Interstate 26. Large portions of the state saw high amounts of rainfall with several areas receiving more than 20 inches of rain in a 24-hour period. Hurricane Florence caused significant flooding, winds, and coastal storm surges which caused damage to infrastructure, homes, and businesses.

As the State continues its recovery efforts, the focus of putting residents back in their homes will be key. South Carolinians have come together to help each other in the wake of this disaster. On October 5, 2018, Public Law 115-254 was signed by the President of the United States, which provides \$1.68 billion in CDBG-DR funding for "disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2018." These funds are to be used in order to satisfy a portion of unmet need that remains after other federal assistance, such as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), National Flood Insurance Program (NFIP), or private insurance, has been allocated.

The Department of Housing and Urban Development (HUD) uses the "best available" data to identify and calculate unmet needs for disaster relief, long-term recovery, restoration of infrastructure, and housing and economic revitalization. Based on this assessment, HUD notified the State of South Carolina that it will receive an allocation of \$72,075,000 in disaster recovery funds to assist in recovery from the 2018 Hurricane Florence weather event.

The South Carolina Disaster Recovery Office (SCDRO) was designated as the responsible entity for administering the CDBG-DR funds allocated to the State. In September 2020, the South Carolina Legislature passed the Disaster Relief and Resilience Act, S.C. Code Ann. § 48-62-10 et. seq., which created the new South Carolina Office of Resilience (SCOR) and transferred and incorporated the South Carolina Disaster Recovery Office into SCOR. SCOR now refers to the former SCDRO as the Disaster Recovery Division (DRD). The SCOR and its DRD are responsible for administering the CDBG-DR program and enforcement of its policies. SCOR DRD will faithfully execute the CDBG-DR program in South Carolina.

The CDBG-DR Action Plan provides a concise summary of the proposed programs and activities for use of the CDBG-DR funds in order to meet the unmet needs identified through the unmet needs assessment process. The state's Action Plan allocates the CDBG-DR funds.

## Purpose and Objectives of South Carolina's CDBG-DR Funded Disaster Recovery Programs

The purpose of the CDBG-DR funded South Carolina Disaster Recovery Programs (the Programs) is to provide assistance to those affected by the declared disaster. Under the State's HUD approved, Hurricane Florence Disaster Recovery Action Plan, financial assistance will be provided for the rehabilitation, replacement, reconstruction, elevation, demolition, and buyout of homes. The Programs will focus on unmet housing needs for applicants ("applicants" includes co-applicants) by providing safe, sanitary, and secure housing. The Programs will fulfill this goal by either, bringing existing affected housing units into compliance with applicable health and safety codes, replacing those structures that cannot be technically

or economically repaired, or acquiring eligible properties of South Carolina citizens that live in a floodplain to allow them to relocate to an area with a reduced risk of future flooding, otherwise referred to as the buyout program.

All proposed activities within the Programs meet one of three CDBG-DR National Program Objectives:

- Principally benefit low- and moderate-income persons;
- Aid in the elimination of slum or blight; or
- Address Urgent Need.

### Counties Eligible for Assistance

Per HUD’s grant directives, SCOR DRD will provide assistance to eligible applicants in the following eight (8) counties only. Of those eight (8) counties, those designated by HUD as the Most Impacted and Distressed (MID) counties are **bolded** in the table below:

Chesterfield	<b>Dillon</b>	Georgetown	<b>Marion</b>
Darlington	Florence	<b>Horry</b>	Marlboro

### Program Design

SCOR DRD has developed three CDBG-DR funded recovery programs in response to the 2018 Hurricane Florence declared disaster. These programs include the Single-Family Housing Program, the Rental Repair Program, and the Buyout Program. Applicants will apply directly to SCOR DRD for each of these programs, therefore the policies within this manual following the buyout program section will be overarching for all three programs. For example, the information found in the intake section is applicable to all three programs.

### Definitions

*Age-Dependent:* Age-Dependent refers to applicants with household members who are either 65 years old or over, or 17 years old or younger.

*Area Median Income (AMI)* – Calculated limits based on HUD-estimated median family income with adjustments based on family size.

*Buyout* – An acquisition of an eligible property by the program purchase with the intent to remove the risk from the property’s future flooding or to reduce the risk from the hazard that led to the property’s Disaster Risk Reduction Area (DRRA). The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

*Case Management-* Working with individual survivors and their families to understand the program’s housing options, resulting in a clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the survivor’s needs to decrease their barriers to participate in

the program where possible. Staff should meet with survivors at designated locations and supply information in a standard format.

*Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts* – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with the assistance received under this chapter shall be paid fair wages.

*Demolition* – The destruction, clearance, and proper disposal of buildings, improvements, and any other necessary items from an eligible property.

*Duplication of Benefits* – The *Robert T. Stafford Disaster Assistance and Emergency Relief Act* (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

*Environmental Review*- All substantially eligible applicants must undergo an environmental review process. This process ensures that the activities comply with the *National Environmental Policy Act* (NEPA) and other applicable state and federal laws.

*Housing Incentives*- Incentive payments are generally offered in addition to other programs, to encourage households to relocate to a suitable area.

*Housing and Urban Development Act of 1968, Section 3* – Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 75.

*LMB National Objectives* – Low to Moderate Buyout (LMB) is used for a buyout award to acquire housing owned by a qualifying LMI household.

*LMHI National Objectives* - Low Moderate Housing Incentive (LMHI) benefits LMI households that are used for a housing incentive award and tied to a voluntary buyout or other voluntary acquisition of housing owned or occupied by a qualifying LMI household.

*LMI – Low Income*: The Low-Income category describes applicants with household income levels between 51% and 80% of the Area Median Income level.

*LMI – Very Low Income*: The Very Low-Income category describes applicants with household income levels between 31% and 50% of the Area Median Income level.

*LMI – Extremely Low Income*: The Extremely Low-Income category describes applicants with household income levels between 0% and 30% of the Area Median Income level.

*Manufactured Housing Unit (MHU)* – A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and designed to be used as



a dwelling with or without a permanent foundation when connected to the required utilities and includes the plumbing, heating, air-conditioning, and electrical systems contained therein S.C. Code Ann §40-29-20(9).

*Subrogation Agreement*– An agreement executed by the beneficiary agreeing to repay or turn over to the program any duplicative assistance if they later receive other disaster assistance for the same purpose.

*Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to URA)*– Applies to all acquisitions of real property or displacements of persons resulting from Federal or federally-assisted program or projects. URA’s objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multi-family damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

## Single Family Housing Program

Applicants applying for assistance must have suffered documented damage to their housing units as a result of the presidentially declared 2018 Hurricane Florence disaster. Such documentation may include an inspection report conducted by FEMA, SBA, NFIP, and/or a privately contracted inspector.

All applicant homeowners will be held to the following criteria as a condition of eligibility:

- Applicant must own and have occupied a single-family home or mobile home unit (MHU) located within the eight eligible counties for which FEMA Individual Assistance (IA) was approved for the presidentially declared 2018 Hurricane Florence disaster area;
- The property must have documented damage as a result of the declared disaster;
- Applicants must provide evidence of Primary Residency at the damaged property location, showing that the applicant lived there at the time of the event and for which they are seeking assistance;
- One person on the application must have an ownership interest in-part or in-whole in the property and must be able to demonstrate U.S. Citizenship or Lawful Permanent Residence;
- The homeowner must agree to own the home and use the home as their primary residence for a period of 3 years after rehabilitation, replacement or mitigation as secured through a forgivable promissory note and lien (Appendix C); and
- If located in a flood plain, the applicant must acquire flood insurance and comply with obligations to notify future owners of flood-insurance requirements. The State may pay the first-year flood insurance premium for those applicants required to have it and demonstrate financial need.

**Note:** Applicants with homes residing in the flood plain will be referred to the buyout program initially.

In order to assist the most vulnerable populations with this disaster recovery funding, South Carolina intends to prioritize assistance for all housing Programs based on the following criteria:

- Individuals who are in the extremely low and very low-income brackets;
- Persons with documented disabilities; and

- Age-dependent household members at the time of the disaster or at the end of the application intake period (aged 65 or older, or 17 or below).

Priorities will be addressed as follows, in accordance with the State's Action Plan:

HOUSEHOLD'S (AMI) AREA MEDIAN INCOME CATEGORY				
	30% AMI or BELOW	31% AMI to 50% AMI	51% AMI to 80% AMI	81% AMI to 120% AMI
<b>Applicant's Household Includes <i>Either</i> Age Dependent or Disabled</b>	1st Priority	3rd Priority	5th Priority	7th Priority
<b>Applicant's Household Includes Neither Age Dependent or Disabled</b>	2nd Priority	4th Priority	6th Priority	8th Priority

The Program is committed to serving vulnerable populations first which fully supports the State's mission in prioritizing applications. The application process will require disability verification, age verification, household member confirmation, and supporting income documentation. Once provided, the Programs will verify the supplied information using nationally recognized third-party data and prioritize each verified application, and rank the prioritized applications against the verified applicant pool. Applicants with the lowest verified income will receive assistance first within their priority until all applicants are served or all funds expended.

### Single Family Housing Process Overview

- 1. Application, Eligibility, and Priority:** The applicant will complete the intake process by submitting an application including all required documents. The applicant's preliminary eligibility and priority level will be determined. Applicants who reside in a flood plain in one of the three MID counties will be referred to the buyout program.
- 2. Damage Assessment and Initial Estimated Cost to Repair (ECR):** A damage assessment will be scheduled with the applicant after eligibility and priority status are confirmed. A damage assessment is a meeting in which initial inspections take place at a scheduled time. Damage assessments include:
  - Damage assessments;
  - Initial Estimated Cost to Repair; and
  - Environmental questionnaire.
- 3. Award Letter and Contract Signing:** The applicant will be mailed an "award letter" informing the applicant that SCOR DRD intends on serving them, pending available funds, through repairing, reconstructing or replacing their disaster-damaged home. The applicant will sign a contract agreement, a forgivable 3-year promissory note and lien (Appendix C), and select construction options.
- 4. Construction:** The applicant will move their belongings out of the home and make arrangements to temporarily relocate during construction. The necessary construction work will occur depending on

the project type. Once construction is complete, and the final inspection is passed, the applicant will move back into their construction complete home.

- 5. Closeout:** The applicant's home will have a one (1) year warranty period following construction completion. After the warranty period has expired, the applicant's case will be officially closed.

## Structure Type

To be eligible for assistance with the Program, a property must be a Stick-Built home, Modular home, or a Manufactured Housing Unit (MHU). The program will not assist any structures containing two or more dwelling units to include duplexes, condominiums, or townhouses. The program will not assist properties which are commercial in nature or are offices or warehouses which have portions converted to living space.

If the damaged property is anything other than these structure types listed above, the Program may approve an exception if the applicant can meet the following requirements and the structure type can be confirmed by a certified inspector:

- Structure must have been connected to active utilities as of September 2018 in the name of the Applicant;
- Structure is generally fixed in a permanent location (if a structure is found to be mobile, the inspector will flag the file for further investigation); and
- Structure was not used for recreational purposes (recreational vehicles are ineligible for assistance).

## Damage Assessment

This section is designed to guide the assessment/inspection staff with inspection protocol and preparation of a damage assessment, scope write up, and verification of DOB (if applicable). The purpose of these procedures is to establish routineness and standardization when conducting assessments. The desired result of this process is to produce a complete Scope of Work as efficiently as possible with the highest degree of completeness and quality assurance for South Carolina Disaster Recovery Housing Programs.

In order to accomplish the desired result, the damage assessment, cost estimate, and environmental site questionnaire will be consolidated into a single coordinated inspection (if applicable).

Any damage assessment conducted after January 1<sup>st</sup>, 2021 (1/1/2021), must be assigned to a General Contractor (GC) within 120 days of the damage assessment. Any damage assessment conducted after January 1<sup>st</sup>, 2021 (1/1/2021) must begin construction within 90 days of the contractor assignment. Construction start is defined as when Notice to Proceed (NTP) has been submitted, approved, and documented in the Grant Management System.

If these timeliness standards are not met for rehabilitation projects, then a new damage assessment must be conducted and recorded. SCOR DRD will not reimburse the IC or the GC for any costs associated with any damage assessment other than the initial damage assessment. These time standards will apply for the subsequent damage assessment, if applicable.

If the timeliness standard of 120 days from damage assessment to contractor assignment is not met for reconstruction or replacement projects, the IC must notify SCOR DRD of the reason for the delay. If the timeliness standard of 90 days from contractor assignment to NTP is not met for reconstruction or replacement projects, the IC will document this unmet standard in that GC's scorecard. This scorecard will affect new project distribution from the IC to the GC.

**Overview:**

- Right of Entry will be provided by applicants during the application/intake process.
- Applicants will be contacted to schedule their site visit with a 72-hour notice given prior to the site visit. Scheduling will be made and tracked in the Grant Management System.
- A Joint Site Visit will be conducted at the physical address of the dwelling applicants have provided. The Program Damage Assessor (DA) and the applicant will be present during each site visit.
- The purpose of the site visit is to do an initial environmental assessment, verify storm damage, observe, measure and quantify the repairs needed to repair, replace or rebuild the applicant's structure in accordance with the Program policies.
- The inspector must ensure any repairs suggested are in-line with local code and housing quality standards "HQS".
- The inspector will use Xactimate estimating software to produce the Scope of Work write up and DOB verification (if applicable). Each inspector's Xactimate software will be uploaded with the approved universal price list including sales taxes and Overhead and Profit to ensure that consistent and correct pricing is used throughout the project.
- After a complete exterior and room-by-room assessment of the dwelling has been completed, the DA will record the quantities of eligible and damaged items throughout the structure and determine what will be needed to repair the house in accordance with Program policies.
- Based on the assessment, the Implementation Contractor (IC) will coordinate with a Volunteer Organizations Active in the Disaster (VOAD) Coordinator to determine if the Scope of Work and location are areas that VOAD groups can serve.
  - a. For each house, the IC will work with the VOAD Coordinator to define their interest in specific components of both the rehabilitation and reconstruction projects. The IC and the VOAD Coordinator will discuss the regions, which the VOAD Coordinator wants to focus their efforts, and the IC will attempt to assign work to VOAD Coordinator in their desired locations. General Contractors (GCs) will perform the work that VOAD Coordinator is not interested in or in regions where VOAD Coordinator is not interested in working.
- The Damage Assessment team will review documents for overall accuracy and completeness, and the VOAD Coordinator or the GC team will review documents for scope and quantities. Documents will then be uploaded to the online Grant Management System to be reviewed for verification and program eligibility determination.
- Repair, replace or reconstruct will be determined by the Construction Manager (CM) depending on the type of structure, amount of the scope write up, and DOB relative to the value of the house and program guidelines.
- After the Scope of Work has been completed, the Construction Manager will review and approve it. Once approved the Scope of Work will then be incorporated into the work order.

## Procedures:

### 1. Damage Assessment & Initial Environmental Assessment Process (in order of occurrence):

- a. INSPECTORS ARE NOT TO PLACE THEMSELVES IN HARMS WAY DUE TO UNSAFE CONDITIONS OR HAZARD (refer to the example of Hazardous Conditions sub-section below). If unsafe or hazardous conditions exist, the inspector is to document the condition via photographs taken from a safe area, and in the Scope of Work coversheet narrative section state a narrative summary of the unsafe existing conditions. Do not continue with the inspection. Document as much of the premises as possible with photographs and inform the IC and Construction Manager of the unsafe conditions. A determination of how to proceed will be made by the IC of CM.
- b. Upon receipt of a work order for inspection, the Damage Assessor (DA) is to familiarize themselves with the route(s) required to allow for adequate travel time to arrive at the applicant's dwelling in a timely fashion.
- c. The DA will also coordinate with the homeowner to confirm the start time for the site visit.
- d. The DA will greet the applicant, present his/her photo ID badge, explain the purpose of the visit, and provide a brief overview of the assessment process. The DA will provide the applicant with a copy of the approved Program guidelines, fact sheet, or pamphlet and answer any follow-up questions the applicant may have.
- e. The DA will document the description of the structure inclusive of the roofing type, exterior building envelope type, floor plan and square footage, electrical system size, electrical breaker type, electrical wiring type, plumbing system type, domestic water distribution piping type, water utility type (public service or well), gas utility type (public service or tank), sewer service (municipal service, septic tank or wastewater treatment plant), and Heating/HVAC system.
- f. If the sewer service is determined to be a septic system, then a third-party septic system inspector must pump and inspect the existing system and determine if it needs to be replaced and provide a written report. If the septic system needs to be replaced, the original inspector may **not** perform the replacement.
- g. The DA will observe each space within the home to identify damages and repair items to produce a scope write up and duplication of benefits report.
- h. Photographs will be taken in each space of the dwelling and its exterior to adequately document the existing condition of each scope item that is determined. The importance of good quality photographs in the damage assessment cannot be overstated. These photographs provide important historical context for the project, a tool to produce a good initial ECR, as well as evidence of the potential need to change a project type to reconstruction or replacement. The following list is a basic list of features/areas to photograph. The list is not meant to be all-inclusive. Photograph all listed items/areas, but do not limit photographs to those listed. Damage assessments are our first look at a home and more photographs provide a more complete assessment of the home's condition. More is always better, and when in doubt, photograph. The Damage Assessment photos requirements are:
  - **Elevations:** Photograph all elevations at a distance great enough to view entire elevation (front, rear, left, and right). Note that multiple photos may be required if the elevation is extremely wide or has unusual features such as alcoves, garages, etc.

- **Home siding:** Photograph general condition of and all damages to brick, block, vinyl, aluminum, wood, composite, stucco, etc. to include holes, peeling/chipping paint, termite damage, rot, etc.
- **Foundation (exterior):** Photograph any visible skirting, brick, block, stone, or other material used to enclose the crawlspace.
- **Roof:** Photograph all areas of the roof at a distance, and photograph any damaged areas close up. Also, provide a photograph of the pitch reading(s). Pay special attention to (and photograph) the junction of chimney and roof, any valleys, hips, or other unusual roof features. Photograph all fascia and soffits.
- **Attic:** Photograph all areas of the attic to include corners, insulation (or lack thereof), areas hidden behind chimneys, rafters, ventilation, plumbing exhausts, air handlers (if applicable), ductwork, water damage, fire damage, sheathing (if visible), etc. The only exception to providing extensive photos of the attic is if the attic is not accessible (no access door) or does not exist (MHU, etc.). The inability to photograph the attic must be adequately explained in the damage assessment narrative.
- **Additional Exterior:** Photograph any gas meters, rain gutters, downspouts, missing drip edge, faucets, chimneys, doors, windows, stairs, steps, porches, railings, balconies, driveways, walkways, encroaching trees or bushes, apparent drainage issues, well pumps, wellheads, expansion tanks, standing water, fences, sheds, other structures, or other features which might affect the home not separately listed here.
- **Crawlspace (including basements):** Photograph all areas of the crawlspace (not just from the door/access) to include the corners, insulation (or lack thereof), ductwork, visible sill plates, joists, rim joists, piers, condition of foundation walls, subflooring (if insulation is missing in any area), standing water, evident termite damage (active or inactive), any HVAC equipment, water heaters (traditional or continuous), drain lines, water supply lines, electrical wiring, or other features not covered here. The inability to photograph the crawlspace must be adequately explained in the damage assessment narrative.
- **Electrical:** Photograph the electrical panel(s), meter, light switches, electrical outlets (notate distance from water source as needed), and any exposed wiring (crawlspace, attic, open walls, etc.).
- **Garage:** General interior photos are needed. Additionally, photograph any damages to the ceiling or shared wall with living space wherein a rodent might gain access to the living space, crawlspace, or attic.
- **Plumbing:** Photograph all fixtures (toilets, faucets, ice maker lines, water heaters, tubs, showers, vanities, hot and cold supply lines, drain lines (beneath sinks), dishwasher lines, garbage disposal lines, etc.
- **HVAC:** Photograph all heating, ventilation, and air conditioning equipment to include package units, split systems, gas packs, electric heaters, window units, baseboard heaters, heat

pumps, condenser units, air handlers, mini-split units, and any type not covered here. Photograph serial number plates to determine age of equipment.

- **Appliances:** Photograph all appliances to show condition or any damages prior to construction.
  - **Interior:** Photograph all rooms to include an overview, all walls, flooring, ceilings, visible water stains or separating drywall joint tape, ceiling/wall junctions, corners, wall/floor junctions, visible holes (walls, ceilings, floors), flooring trip hazards or soft flooring, windows, doors, cabinets (including photos under sinks), vanities, closets, ceiling or wall light fixtures, ceiling fans, thermostats, fireplaces, stove exhaust fans/hoods, bathroom exhaust fans, smoke or carbon monoxide detectors, or any other feature not listed here.
  - **General:** Any feature or area not covered above.
- i. Reference photos from the street are also required,
  - j. Exterior photos with address verification (house number on porch or mailbox) are also required,
  - k. The DA will measure and provide a sketch of the entire structure including each room or space in the house.
  - l. The on-site damage assessment will be complete once all damages are observed, measured, and quantified.
  - m. Once the on-site damage assessment is complete, the DA will produce a Scope of Work and DOB report, which will be sent to QA/QC and then sent to the online Grant Management System to be verified for eligibility.

2. Environmental:

- a. Any repair items that require the abatement of asbestos or mitigation of lead-based paint will be included in a revised Scope write up. If the DA determines that the project will be a reconstruction, then no abatement of asbestos or mitigation of lead-based-paint is necessary.

3. Unsafe Entry:

- a. If a dwelling is deemed unsafe for entry by verbal advice of the applicant or visual confirmation of the DA, photos of the exterior will be taken only. The DA is not to enter the property and take pictures. A short narrative describing the unsafe conditions should be included in the narrative of the Scope of Work.

**Hazardous Conditions Sub-Section:**

This chart contains only examples of hazardous conditions. Inspectors are to be cognizant of any hazardous conditions observed.

Low headroom ceiling, damaged or failing framing	Fallen trees on the structure	Subflooring removed or open floor joists
Presence of extreme suspected mold or	Debris	Electrical Hazards

toxic substances		
Severely damaged or undermined Foundation	Aggressive Pets	Crumbling Foundation
Dead/live animals, vermin and/or insect infestation (termites, carpenter ants, carpenter bees) – interior (including attic), exterior, basement/crawl space	Aggressive Neighbors	Visibly observed weapons
Condemned signs affixed	Contaminated Soil	Poison Ivy or other toxic plants impeding assessment
Suspected asbestos (chipping, friable or converts to dust), heating pipes, siding (clapboards, shakes), floor tiles (usually 9 x 9), some sheet flooring (may be able to tell from the backing), fireplace flues, duct work, ceiling and wall tiles		

## Construction Management

The Program will provide Construction Management and Construction Oversight services for the rehabilitation, replacement, or reconstruction of damaged properties. The State’s Implementation Contractor will conduct all construction activities. A construction contract award will not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM) in accordance with the Office of Management and Budget (OMB) guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” The State Fiscal Accountability Authority Procurement Services will verify that the Implementation Contractor is eligible, meaning not suspended or debarred, prior to entering a contract with the Program. The Implementation Contractor will verify that its general contractors, subcontractors, or entities otherwise being paid for delivering program services are not debarred or suspended.

The Implementation Contractor must assess the cost effectiveness of each proposed project undertaken to assist a household, including criteria for determining when the cost of the rehabilitation or reconstruction of the unit will not be cost-effective relative to other means of assisting the property-owner, including through buyout or acquisition of the property, or the construction of area-wide protective infrastructure, rather than individual building mitigation solutions designed to protect individual structures.

Construction Oversight services include inspections for each rehabilitated/reconstructed home. Inspections include the initial damage assessment inspection, construction progress inspections as needed, program final inspections, and joint inspections with the state compliance inspectors at the request of the State.

The Program will also prepare a Construction Estimate for damaged properties. The Construction Estimate is a vital part of the Construction Management / Oversight process and includes the Initial Inspection,



Contractor Assignment between the General Contractor (GC) and the VOAD Coordinator, and Eligible Construction Activities. Once the initial damage assessment is completed the process will continue with construction activities.

The Single-Family Housing Program will provide assistance for housing needs identified in the unmet needs assessment to include:

- Repair/Rehabilitation of existing housing units;
- Replacement of damaged homes and manufactured housing units (MHUs) deemed unreparable through a Rehabilitation Viability Analysis (RVA);
- Consideration of limited relocation assistance on a case-by-case basis; and
- Inclusion, during the execution of these activities, as needed and appropriate, identification of opportunities for mitigation enhancement measures, improvement of resilience, ancillary improvements such as elevation and access ramps, and assistance to applicants in completing applications.

The housing assistance limits for this Program are:

- Up to \$50,000 for “stick built” home rehabilitations;
- Up to \$15,000 for MHU rehabilitations;
- Up to \$85,000 for single-wide MHU replacements;
- Up to \$100,000 for double-wide MHU replacements;
- Up to \$175,000 for reconstruction of existing “stick built” homes; and
- Up to \$5,000 for limited relocation assistance (case-by-case basis).

If an applicant applies for assistance for a disaster damaged singlewide MHU, then their replacement housing solution will be a replacement 3 bedroom /2 bathroom singlewide MHU. If an applicant applies for assistance for a disaster damaged doublewide MHU, then their replacement housing solution will be a replacement 3 bedroom /2 bathroom doublewide MHU. If at the time of intake, the applicant’s household member composition would result in one of the following bedroom sharing configurations:

- more than 2 children of the same sex sharing a bedroom, or
- children of the opposite sex sharing a bedroom, or
- an adult and a child sharing a bedroom, or
- adults of different generations sharing a bedroom,

then the housing replacement solution will be reviewed by the Special Case Panel for a potential 4 bedroom /2 bathroom housing replacement solution.

Exceptions to the cap for MHU replacements and stick-built reconstructions are handicap ramps at a fixed cost of \$5,500, handicap friendly units/homes that will be approved at an additional cost of \$3,000 per unit/home, initial fixed portable on-site storage cost, and septic tank replacements at a fixed cost of \$5,600 for a 3 bedroom /2 bathroom and \$6,400 for a 4 bedroom /2 bathroom. All 4 bedroom /2

bathroom reconstruction or replacement homes must be approved on a case by case basis by the Special Case Panel. All other exceptions to these established housing assistance limits must be approved by the Special Case Panel.

## Rehabilitation Price Methodology

Rehabilitation projects undertaken through the SCOR DRD Housing Programs will be priced using Xactimate's Pricing Data Service and Xactimate Cost Estimating Software. All rehabilitation work orders must follow the fixed pricelist established by the program. The fixed pricelist that forms the basis of all rehabilitation work orders is the "Florence February 2021" price list.

Rehabilitation projects may include a 15% surcharge for overhead and a 15% surcharge for profit. However, no overhead or profit may be calculated on taxes or fees. This O & P prohibition includes the general conditions line item "Taxes, insurance, permits, & fees." Based on a cost-benefit analysis, the SCOR DRD determined that a fixed pricelist approach would guarantee the consistency to achieve the program's goals in a manner that is necessary, reasonable, allowable, and allocable.

All materials purchased for use in the SCOR DRD Single-Family Housing Program must meet or exceed minimum quality specifications as outlined in Xactimate or the SCOR DRD Construction Standards & Materials Specification Requirements in effect when construction commences. The Special Case Panel is responsible for approving the Construction Standards & Materials Specification Requirements based on the recommendation of the Implementation Contractor.

SCOR DRD will review the cost reasonableness of using the "Florence February 2021" Xactimate pricing on a semiannual basis. Reviews will occur every three (3) months. SCOR DRD will conduct a review of the current costs of commonly used elements in construction to ensure that the "Florence February 2021" price list remains appropriate. If SCOR DRD determines that a price increase must occur based on the actual percent increase of construction costs, the SCOR DRD Program Management Director will prepare a Pricing Increase Decision Memorandum and deliver it to the Implementation Contractor. If SCOR DRD chooses to implement a price increase, it will be added to the initial damage assessment work order and subsequent change orders, if applicable. In the instance where a GC must perform a second or third damage assessment, the GC is only entitled to the pricing at the time of the initial damage assessment.

### **Procedures:**

- To ensure that the "Florence February 2021" pricelist continues to be the most reasonable and appropriate pricing solution to achieve the program goals for rehabilitation projects, SCOR DRD staff will review the pricing of each Xactimate quarterly to ensure that all assumptions remain valid.
- Reviews outside the quarterly process will be conducted if unanticipated construction material shortages necessitate a reevaluation of conditions.
- The SCOR DRD Program Management Director in writing to the IC will document all modifications to the Xactimate pricing.

## Threshold for Home Rehabilitation

Prior to conducting any rehabilitation on a disaster-damaged Home or MHU, a viability analysis will be conducted to determine if the rehabilitation will be cost-effective, support a long-term housing solution for the applicant, and improve the health and safety risk for the applicant's household. For homes, this analysis will vary for each housing unit based on its pre-disaster value, site location, and resilience needs. For all rehabilitation projects, a termite inspection must be conducted and submitted to the Grant Management System before construction starts.

Because of the difficulty of repairing damaged MHUs and their lower initial resilience, the Program has established specific threshold criteria to determine if replacement of an MHU may be necessary. If an MHU has a total rehabilitation cost above \$15,000; or fails the DA's viability analysis for another reason allowed by HUD, the MHU may be classified as "Not Suitable for Rehabilitation" and may be replaced.

## Construction Pricing and Selection

### Rehabilitation:

- For each house requiring rehabilitation, the Implementation Contractor (IC) will work with the VOAD Coordinator to define their interest in specific components of both the rehabilitation and reconstruction projects. The IC and the VOAD Coordinator will discuss the regions in which the VOAD Coordinator wants to focus their efforts and the IC will attempt to assign the work to the VOAD Coordinator in their desired locations. The IC will assign a GC to perform the work that the VOAD Coordinator is not interested in or in regions where VOAD Coordinator is not interested in working.
- As mentioned in the initial damage assessment section, the Damage Assessor will conduct the scheduled site visit with the homeowner to review the proposed work.
- The GC will identify any other rehabilitation and/or remediation items necessary to complete the work and identify the quantities and bid amount for each.
- The GC will work with the Construction Manager and utilize approved standardized pricing for all projects.
- The Construction Manager will evaluate and determine the most cost-effective and comprehensive scope of repairs; while ensuring that all work conforms to local code requirements and SCOR DRD Housing Quality Standards (HQS), whichever is more stringent.
- The Construction Manager will convert the scope of work into the work order using the standardized pricelist as approved by the State.
- The approved scope and pricing will be maintained in the Grant Management system capturing the final approval.
- In the event the Scope of Work is over the financial cap for a specific type of structure (applies to stick-built, modular, and mobile homes) there are two (2) options:
  1. The Construction Manager can coordinate with the VOAD Coordinator for a non-CDBG-DR funded VOAD to supply services that exceed the cap, or
  2. Policy exception may be considered through a demonstrable hardship for extreme cases and

will be evaluated by the SCP.

- Once the Scope of Work, pricing, and work order are acceptable to the Construction Manager, the GC will schedule a signing event with the applicant to review the Scope of Work and complete the contract signing.
- Prior to beginning construction on all rehabilitation projects, the GC must conduct a termite inspection.

#### **Reconstruction or Replacement of Homes:**

- The GC will perform the following reconstruction and/or replacement activities, to include but not be limited to: build new homes, provide all related appurtenances to complete new construction, confirm septic and water access or provide the cost to provide such access, and obtain a Certificate of Occupancy, or equivalent by meeting all applicable codes.
- Reconstruction and replacement pricing are based on the fixed price agreement between the State and the IC for both MHU replacement and stick-built reconstruction.
- The Construction Manager will review, approve, and upload all required documentation into the Grant Management System.

#### **Building and Construction Specifications**

The IC will provide floor plans with a unit price to include:

- Construction of new houses and replacement MHUs. Reconstructions will have a limited selection of front elevations or facades;
- Materials specification list;
- Adherence to the International Residential Code (IRC) and local building, and health and safety codes; and
- All utility hookups, and other construction requirements necessary to obtain a Certificate of Occupancy or equivalent.

Pricing will be inclusive of the demolition of existing houses and slabs, including disposal in accordance with Federal and State environmental regulations.

Each reconstruction or replacement project must meet, comply with, and/or include the following:

- All Housing Quality Standards (HQS) (Appendix A);
- All SCOR DRD Construction Standards and Material Specifications (Appendix B);
- HUD Green Building Requirements;
- HUD resiliency requirements;
- All permitting, licensing, and local business license costs;
- All surveying costs;
- Cost of elevation up to three (3) feet, if required, including utility elevation platform;
- All local building code requirements, including wind zone resistance requirements;
- Reconstruction homes must have a covered front and back porch unless otherwise approved;

- Must include refrigerator, stove with self-cleaning oven, and dishwasher;
- Must have washer and dryer connections and enough space to place side-by-side washer and dryer;
- Vinyl plank flooring that meets program quality specifications, however, sheet good vinyl is allowable in bathrooms (carpet will not be installed);
- All closets must have shelving and a hanging rod. Closets larger than 28 inches deep must have a light;
- Back entrance to the home must have a 5x5 landing;
- Front porch must be, at minimum, 5' x 15', per approved house plans;
- 1,800 square feet of sod must be installed around the home;
- Minor repairs to well systems with the exception of a full well replacement; and
- All pass-through doors must meet wheelchair accessibility requirements. Doorways, as required by the Americans with Disabilities Act (ADA) accessibility standard, should have a clear width of 36 inches from the door's face to the opposite stop.

The above criteria are included in the fixed cost pricing structure. If the GC believes they must perform additional and exceptional work above the cost of the fixed price, they have the option to present the change order to the Special Case Panel (SCP).

### Reconstruction Homes

Contractors may only construct homes pursuant to plans approved by the State. Each model or type of home must be approved by the SCOR DRD Program Management Director prior to being utilized in the program.

#### **Square footage specifications:**

- 2 bedroom/ 2 bath reconstruction homes must have a minimum of 960 square feet of living space.
- 3 bedroom/ 2 bath reconstruction homes must have a minimum of 1,250 square feet of living space.
- 4 bedroom/ 2 bath reconstruction homes must have a minimum of 1,400 square feet of living space.
- All 4 bedrooms/ 2 bath reconstruction homes must be approved by the Special Case Panel.

### Manufactured Housing Units

Contractors may only replace manufactured housing units pursuant to plans approved by the State. Each model or type of home must be approved by the SCOR DRD Program Management Director prior to being utilized in the program.

#### **Specifications:**

- Singlewide 3 bedroom/ 2 bathroom.
- Doublewide 3 bedroom/ 2 bathroom.
- Doublewide 4 bedroom/ 2 bathroom.

- All 4 bedrooms/ 2 bath MHUs must be approved by the Special Case Panel.

SCOR DRD will consider placing a newly installed MHU in a different location than the applicant's address at the time of the disaster if all of the following conditions are met:

- The MHU owner does not own the land where the disaster-damaged MHU is located;
- The disaster damaged MHU is determined to be not suitable for rehabilitation by the IC;
- the MHU owner, through no fault of their own, is unable to utilize the existing MHU location;
- The proposed location is in the same county as the applicant's disaster damaged MHU;
- The proposed location has existing utility infrastructure in place;
- Either through ownership or a lease, the applicant can secure the proposed location for the duration of the promissory note; and
- The disaster-damaged MHU is demolished prior to the installation of the new MHU.

### Wheelchair Accessible Homes

For wheelchair compliant stick-built homes or MHUs, the wheelchair accessible bathroom must be the master bath, unless otherwise agreed to by State on a case by case basis. When a wheelchair compliant ramp is required, the Program will pay a fixed cost for the ramp that is in addition to the original fixed cost. Ramp pricing is as follows:

- Up to 4 feet above grade- \$5,500.
- Up to 5 feet above grade- \$7,500.
- Up to 6 feet above grade- \$9,500.
- Over 6 feet above grade- Elevation pricing must be approved by the State and provided to the contractor.

### Elevations in a Flood Plain

For homes installed in a flood plain, whether the home is a manufactured housing unit or a stick-built home, the State will pay a prorated elevation per foot price. Since the first three (3) feet of elevation are included in the base price, the per foot calculation starts at three feet. Anything above 3 feet above grade will be paid as follows:

- For pier and beam foundations, the State will pay \$2,200 per foot (above 3 feet) for the total elevation above site grade.
- For pilings, the State must approve this cost based on a cost estimate provided by the contractor.

## Eligible Construction Activities

The following policy applies to eligible reconstruction, new construction, and relocation activities for stick-built structures and MHUs. The activities described below are considered eligible reconstruction and rehabilitation construction activities under the Program:

- Mandatory work items resulting from damage caused by storm and necessary to bring the property into SCOR DRD Housing Quality Standards (HQS) compliance including room additions and improvements to address occupancy issues within program guidelines.

Construction activities may also include the items below if they are deemed as necessary by the Construction Manager to ensure safe and sanitary conditions are met:

- International Residential Code (IRC) applicable to the location, and applicable building/housing/municipal requirements of the applicable jurisdiction, including requirements for elevation, storm weatherization, and mitigation for future storm events.
- Other items that are necessary to deal with conditions detrimental to the health or safety of residents such as upgrades to basic structural elements; mechanical, electrical, and plumbing systems, etc.
- Other necessary items to mitigate environmental issues such as:
  - a. Noise abatement;
  - b. Cleanup of environmental contamination;
  - c. Abatement and disposal of lead-based paint (LBP);
  - d. Abatement and disposal of asbestos-containing materials (ACM); and
  - e. Modifications to increase accessibility for occupants who have a verified disability.

### Ineligible:

- Additions to an existing structure, unless it is necessary to meet housing and building codes or occupancy standards;
- Purchase of tools or equipment, or other similar items; and
- Purchase of washers, dryers, dishwashers or removable air conditioning/heating units not attached to the house structure.

### Procedures:

- Upload, review, and approve inspection data into the Grant Management System.
- Upload, review, and approve required documentation into the Grant Management System.

## VOAD Rehabilitation Construction Activities

In an effort to maximize the benefit of the recovery dollars, SCOR DRD, through the IC, will partner with faith-based, charitable, and non-profit organizations, and Long-Term Recovery Groups to complete rehabilitation and reconstruction activities that meet eligibility requirements under the Programs. These groups will be collectively referred to as Volunteer Organizations Active in the Disaster (VOADs). Eligible construction activities for VOAD rehabilitation projects include:

- Repair/Rehabilitation of existing stick-built housing units with a rehabilitation cost not to exceed \$50,000; and

- Repair of MHUs deemed repairable through a Rehabilitation Viability Analysis (RVA) with a rehabilitation cost not to exceed \$15,000 unless prior approval is obtained from the Special Case Panel.

VOAD construction activities will be coordinated through the IC and the VOAD Coordinator SC Program Manager (VOAD Coordinator). The VOAD Coordinator shall be responsible for qualifying eligible VOADs for program participation. Eligible VOADs must be federally recognized charitable organizations. The VOAD Coordinator is subject to all policies that apply to the GCs. Eligible VOADs will be given the right of first refusal for projects in their service areas. There is no penalty for declining projects. The scope of work shall include all necessary items that must be repaired or replaced at each property, and the VOAD will be paid the full value of the SCOR DRD approved Estimated Cost of Repair (ECR). For the first five projects each VOAD undertakes, the VOAD will be eligible to receive the lesser amount of \$10,000 or 50% of the SCOR DRD-approved ECR, with the remainder of the ECR paid upon official completion of each project. SCOR DRD contractors and staff will certify construction completion for all projects prior to the release of ECR balance.

VOAD construction projects must be completed under a South Carolina general contractor license or non-profit builders permit while safely while adhering to all federal, state, and local building codes and regulations.

- VOADs must meet program insurance requirements with the following general liability coverage:
  - a. \$1,000,000 per occurrence; and
  - b. \$2,000,000 aggregate coverage.
- VOADs are required to maintain confidentiality about any potential or active projects they have knowledge of based on their participation in this program.

## Contractor Responsibilities

For rehabilitation:

- The Program will utilize Nationally recognized Xactimate estimating software to produce the Scope of Work and DOB verification; and
- The GC will be bound by the contract with the owner/applicant for rehabilitation activities.

For reconstruction projects:

- The GC will use approved standardized pricing to complete new reconstruction projects; and
- The GC will be bound by the contract with the applicant /owner for reconstruction activities.

The GC will be responsible for:

- Performing construction as specified in a timely manner;
- Performing all work in accordance with the International Residential Code (IRC) and local building and health and safety codes;
- Obtaining all building permits throughout the construction process;
- Disposal of all construction debris at a licensed construction waste landfill;
- Warranties for all materials and workmanship in accordance with requirements following completion



of the work;

- Performing all work in accordance with regulatory requirements for accessibility;
- If the property is located in a floodplain, the Program will ensure the base flood elevation is two (2) feet above the currently published Advisory Base Flood Elevation (ABFE) or the local code requirements, whichever is more stringent; and
- Rehabilitation project responsibility includes:
  - a. Performing Lead-Based Paint (LBP) inspections and encapsulation/remediation in accordance with the Department of Housing and Urban Development (HUD), Environmental Protection Agency (EPA) and State Health Services environmental requirements;
  - b. Performing asbestos-containing material (ACM) inspections and remediation in accordance with EPA, National Emissions Standards for Hazardous Air Pollutants (NESHAP) and State Health Services environmental requirements;
  - c. Disposal of all household hazardous waste in accordance with State and Federal environmental regulations; and
  - d. Completing a termite inspection.

For all new construction or rehabilitated structures, the State requires construction to meet an industry-recognized standard that has achieved green building certification under one or more of the following:

- ENERGY STAR;
- Enterprise Green Communities;
- LEED;
- ICC-700 National Green Building Standard; and/or
- Any other equivalent comprehensive green building program.

All contracts and required permits must be reviewed and approved by the Construction Manager prior to beginning construction activities.

## Construction Communication

Frequent communication with the citizens served by the SCOR DRD Housing Programs is a critical component of program success.

Once an inspection has been completed on a homeowner's property, the IC must contact the homeowner via telephone every 30 days to provide a status update until the homeowner's case enters the construction phase.

If the project type is a stick-built reconstruction or an MHU replacement, and the new home is not planned to be placed in the disaster-damaged home's footprint, the GC must, prior to construction, meet with the applicant and advise them of the new orientation. This stipulation includes instances where the front facade positioning of the new home will differ from that of the disaster-damaged home. The GC must document this meeting with the applicant in the Grant Management System, prior to beginning construction. The only instance where this directive does not apply is when the Special Case Panel (SCP) has approved of an MHU replacement relocating to a different property than that of the disaster damaged

MHU.

Once a homeowner has moved out of their home at the request of the IC to begin the construction phase, the homeowner must be contacted on a weekly basis for a progress update. The IC must make a minimum of two attempts to contact the homeowner via telephone each week. The IC must document all contact attempts in the Grant Management System.

There are several critical information requirements that must be communicated to homeowners once construction is complete on their home.

- The IC must provide a magnet with contact information and date of warranty expiration at the time the homeowner moves back into their home. The warranty packet must be hand delivered to the homeowner at key turnover, and all items must be explained to and initialed by the homeowner. The warranty packet must include:
  - a. Statement of Completion and Warranty – general information about the warranty, including start and end date and the warranty reporting phone number. This document will discuss warranty coverage (i.e., materials, labor, workmanship, etc.), the homeowner’s obligation(s), the general contractor’s obligation(s), examples of items not covered by warranty (i.e., intentional damage, normal wear and tear, items not part of original scope, etc.).
  - b. The State Final Inspection Report.
  - c. Manufacturers’ Warranty information, to include manufacturer’s warranty documents, registration cards, warranty phone numbers, length and coverage of warranty, should be included for the following, if supplied/repaired by the Program:
    - HVAC system,
    - Water heater,
    - Shingles,
    - Refrigerator,
    - Stove/oven,
    - Dishwasher,
    - Well pump,
    - Any additional warranty provided by MHU manufacturer past one year, and
    - Any other item warrantied past one year(note that manufacturers’ warranties are to be used only after State warranty period has expired).
  - d. Refrigerator magnet with warranty reporting phone number and date of warranty expiration.
  - e. A Warranty Packet Delivery Acceptance form must be included in the packet, signed by the homeowner indicating acceptance and understanding, and uploaded to the System of Record (SOR) as part of the Warranty Packet.
- 15 days after the homeowner moves back into the home, the IC shall mail a letter to the homeowner reiterating that the homeowner is required to maintain insurance on their property. This letter shall include the flood insurance requirement for homes in the floodplain.
- 45 days after the homeowner moves back into the home the IC shall mail a letter to the tax assessor in the homeowner’s county detailing the requirement that the homeowner’s home value cannot be reassessed based on the work completed by SCOR DRD contractors. The homeowner shall receive a copy of this letter from the assessor.

## Construction Timeliness

SCOR DRD housing program activities consist of stick-built house and MHU rehabilitation, stick-built house reconstruction, and MHU replacement. The SCOR DRD notifies a homeowner of their participation in the housing program through the issuance of an award letter. The award letter creates an expectation of timely service for the homeowner.

SCOR DRD has established limits for the amount of time that a homeowner should be out of the home. This period starts at Homeowner Verified Moveout (HVM) and ends at passed final inspection (State). The standard time frames are:

- 45 days for a singlewide MHU replacement;
- 60 days for a doublewide MHU replacement;
- 75 days for a rehabilitation project; and
- 120 days for a “stick-built” reconstruction project.

An additional 30 days will be added to the time standards for MHU replacement or stick built reconstruction elevation projects. Penalties will be imposed for projects that exceed the established standards. For every day beyond the set time standards, the IC must deduct \$100 from the project amount invoiced to the SCOR DRD for that project. The contractor may petition the SCP for relief from the penalty for situations reasonably outside the control of the contractor.

If a project type changes from rehabilitation to reconstruction or replacement, the following standards apply. The IC must schedule the presentation of the project type change to the Special Case Panel no later than 10 days after the subcontractor indicates that the home is not suitable for rehabilitation. Once the change in project type has been approved by the Special Case Panel, the IC will have 30 days to complete the homeowner signing. If the 30-day time standard is not met, the IC must notify SCOR DRD and explain the reason for the delay. The clock will reset for the stick-built reconstruction or MHU replacement after the completion of the homeowner signing.

## Performance Evaluation

The GC will be subject to a Program Performance Evaluation by the Construction Manager on a re-occurring basis to assess their performance under the Program. This evaluation may include, but is not limited to, the following:

- Demonstrated professionalism;
- Adherence to construction schedules;
- Quality of work performed to date;
- Demonstrated safety performance;
- Capacity (financial and construction) related to the number of jobs in progress;
- Applicant/Owner satisfaction; and
- Other PM defined performance criteria.

These criteria will be used by the Construction Manager as a consideration factor in awarding additional work orders. The associated quality score will factor into the assignments' process.

## Labor Standards

Contractors will adhere to all labor standard requirements unless exempted. Where applicable, verification will be handled on a case-by-case basis for specific issues referred.

## Applicant/Owner Construction Signing Event

Once the Scope of Work has been confirmed and approved, the GC or the VOAD Coordinator will conduct a construction signing event meeting with the applicant/owner.

- A signing event meeting will be held prior to any construction work being performed;
- Applicants or agent(s) with POA are required to attend the signing event and sign documents;
- Authorized Signatory from the GC or the VOAD Coordinator must attend; and
- The meeting purpose is to cover all aspects of construction to include:
  - a. Applicant expectations;
  - b. House plan selection;
  - c. Accessibility options;
  - d. Construction schedule;
  - e. Preferences of colors and materials, as available;
  - f. DOB and Gap Funding availability (if applicable);
  - g. Applicant move-out;
  - h. Construction Contract Signing;
  - i. Grant Agreement; and
  - j. All other Program required documents for the signing event.

Applicant/owners will be provided all signing event documents at least 72-hours prior to the meeting. Homeowner signing documents are included as appendices to this policy manual.

### Procedures:

- A meeting will be held between each applicant and Program representatives to ensure they fully understand the construction Scope of Work, Construction Contract, Grant Agreement, and other Program required signing event documents.
- Applicants will be given the opportunity to sign their Construction Contract, Grant Agreement, and other Program required signing event documents digitally.
- Executed contracts, grant agreements, and corresponding signing event documents will be housed in the Grant Management System.
- Applicants and contractors will provide copies of all signed documents via email or printed copy when necessary.

### **Special Needs:**

- Applicants who are illiterate or otherwise unable to sign their name may sign with an “X” if there is:
  - a. Third-party witness at the signing;
  - b. Photo identification of the applicant in the file; and
  - c. A proper notarized notation on all documents the applicant signs that address special circumstances.
- Accommodations will be made when it is determined that an applicant is out-of-state and unable to attend their signing event appointment or homebound due to disability or illness.

Signing Event documents will be available to be signed digitally and paper documentation may be available on a case-by-case basis. The needs of all applicants will be taken into consideration in an effort to provide a high level of customer service.

### **Courtesy Rescission Period:**

The Program will grant all applicants a courtesy 3-day Right of Rescission, which they may choose to waive.

- Prior to disbursement of Gap Funds, recording and/or filing appropriate documents, the signing event agent will confirm the rescission period has expired; and
- In the event an applicant rescinds the transaction, the signing event agent will notify their supervisor immediately and the Program will return Gap Funds, if applicable, to the applicant.

### **Permits and Codes**

The GC will be responsible for documenting and obtaining all necessary permits for each job site.

- The permits will be posted at each site in plain view. A permit box in the front yard or posted in the front window of the home is acceptable.
- The GC will ensure work performed satisfies all International Residential Code (IRC), International Energy Conservation Code (IECC), applicable green building standards, and all other Federal, State, and local construction, health and safety code requirements upon project completion.
- The SCOR DRD Program Management Director or designee will oversee the work of the construction contractor for each rehabilitation and reconstruction project.

### **Quality Control Inspections**

Inspections for the purpose of quality control will be performed for each site by the Construction Manager to determine consistency within the Program and across contractors and inspectors.

### **Procedures:**

- Review and approve the inspection notes and photographs; and
- Inspections will be recorded with photographs and log notes and uploaded into the Grant Management System.

## Construction Change Orders

The GC will conduct all due diligence activities prior to starting construction to discover any potentially unforeseen circumstances.

- If in the event any unforeseen conditions are discovered during the course of construction, the GC will prepare a Change Order, with supporting documentation, and submit to the Construction Manager for review and determination.
- If project costs including the change order do not exceed the allowable construction budget caps and the Construction Manager deems the repairs necessary to achieve SCOR DRD Housing Quality Standards, the change order will be approved. It will then be added to the contract, provided the costs are reasonable and in accordance with similar services provided on other construction projects as determined by the Construction Manager.

### Procedures:

- Review and approve/deny the Change Order and supporting documentation.
- Update the Grant Management System with versioned ECR and adjustments to award.

## Final Inspection

Once construction is completed the GC's Superintendent must complete and document a quality control inspection prior to the final inspection. The Superintendent's compliance review must be uploaded to the Grant Management System. The project must then pass a municipal final inspection before the program final inspection. Then, the contractor and inspector will conduct a final inspection of the structure and document that all scope items are complete and meet program guidelines. The construction inspector will either pass or fail the inspection. In the event that the final inspection fails, photos of all deficiencies and reasons for failure must be documented and entered into the Grant Management System. Then all parties will be notified of the deficiencies and a request for completion will be documented. Once any deficiencies are repaired and the structure has been re-inspected as a pass then all documentation will be submitted to the Grant Management System.

- The contractor and inspector will agree that the construction is complete;
- The contractor will obtain a Certificate of Occupancy or comparable documentation; and
- The contractor will upload the permit card into the Grant Management System

The contractor will conduct the key turnover to the homeowner, authorizing the homeowner to move into the home. The key turnover is not complete until the homeowner has received a magnet identifying the warranty phone number expiration date, and the hand delivered warranty package.

## Homeowners Remaining on Property During Construction

The procedure and sequence of events when an applicant is provided a new home under the Program is for the homeowner to secure temporary housing away from the site of the damaged property, and then vacate the damaged property during the construction phase of the project, regardless of the project type. Therefore, homeowners are not allowed to remain on the property during the construction or rehabilitation phase.

## Temporary Housing

On an extremely limited basis and only as a last resort, the State may provide temporary housing to applicants that meet the requirements outlined in this policy until construction activities are complete at their home. The temporary housing budget is capped at \$5,000 for individual eligible applicants. All temporary housing costs must be approved by the Special Case Panel. Temporary housing costs will be presented to the Special Case Panel after construction is complete and the homeowner has moved into their home.

In order to be eligible for consideration for State-funded temporary housing during construction, the applicant must:

- Be determined to be eligible to receive CDBG-DR assistance as stipulated by the SCOR DRD; and
- Accept the State's proposed housing solution for their situation; and
- Have no Duplication of Benefits issues that would prevent program service; and
- Have no unpaid utility bills, environmental fees, or property taxes that would prevent construction; and
- Have exhausted all possible options to relocate temporarily with family, friends, self-funded housing or any other options available to a typical applicant; and
- Have no other available temporary housing solutions through non-state-funded options identified by either an advocate, disaster case manager or the long-term recovery group operating in the applicant's area.

Applicants requesting limited state-funded temporary housing must request assistance through the SCOR DRD Constituent Services Department. Applicants that require state-funded temporary housing may have construction activities delayed until appropriate housing can be secured. Inability to secure temporary housing for the duration of construction may result in an applicant not receiving service from the program.

## Portable On-Site Storage Units

The IC is responsible for providing on-site storage units, if necessary, for the storage of an applicant's possessions during the time of construction. Forty-foot (40') storage units must be the only size of storage unit used in this program, unless they are unavailable due to supply chain issues or site conditions. The fixed cost associated with the rental unit, paid to the IC, through the SCOR DRD housing program are as follows. The fixed cost of a container for a rehabilitation project type, either a stick built or MHU is \$1,000. The fixed cost of a container for an MHU replacement project type is \$800. The fixed cost of a container for a stick-built reconstruction project type is \$1,200. If a project changes from a rehabilitation to a replacement or reconstruction project, SCOR DRD will pay a \$600 change in project fee to the IC. SCOR DRD will not pay other costs associated with units above the aforementioned fixed prices.

### Procedures:

1. The IC must deliver a letter to the applicant stating when the household items must be moved out. The letter must be delivered either with the unit delivery of a maximum of 7 days prior to unit delivery.

2. The applicant will have 15 days after container delivery to move their belongings into the container. If the applicant is unable to move all belongings into the container within 15 days, the IC must notify SCOR DRD.
3. After the project has passed the program final inspection and the applicant has moved back into the home, the applicant must empty the container within 14 days.
4. The IC must coordinate unit pickup as soon as practical after the 15th day from the applicant moving into the home.
5. If container pickup fails, the IC must notify SCOR DRD within 5 days.
6. If the applicant does not comply and causes a delay in construction, the GC must inform the SCOR DRD. The SCOR DRD will decide what repercussions will apply to the applicant.
7. If the applicant does not comply and causes a delay in construction or container pickup, the IC must inform the SCOR DRD. The SCOR DRD will decide what repercussions will apply to the applicant.

### Uncooperative Applicants

If a citizen creates conditions that impede the contractors' ability to accomplish the necessary scope of work, then the GC will present the citizen with an "Uncooperative Citizen Process" letter. This letter will outline the issue at hand and caution the citizen that they agreed to allow the contractor unencumbered access to their home in order to complete the work necessary.

If the citizen remains obstinate and disruptive after receiving this letter, the GC will notify the SCOR DRD Director of Support. The SCOR DRD Director of Support will sign a second letter which states that the citizen must allow for the subcontractor to continue work, or they will be removed from the program. This letter will be delivered via the SCOR DRD compliance monitoring staff.

If the citizen continues to hinder the subcontractor's labor after the delivery of the second letter, the GC will notify the SCOR DRD Director of Support. The SCOR DRD Director of Support will issue a third letter which states that the citizen has been removed from the Program. This letter will be delivered via the SCOR DRD compliance monitoring staff and documented in the Grant Management System. The citizen will be annotated as inactive in the Grant Management System and the case will be closed.

### Housing Quality Standards

The goal of the SCOR DRD Housing Program is to provide safe, sanitary, and secure housing to eligible program participants. In order to serve as many people as possible, the Program follows a set of regulations for basic Housing Quality Standards (HQS). These standards are the minimum criteria necessary for the health and safety of the occupants. All projects undertaken by the SCOR DRD must meet, but in general, will not exceed HQS.

HQS regulations provide acceptability criteria to meet each of the following thirteen (13) performance requirements:

<b>Sanitary facilities</b>	<b>Food preparation and refuse disposal</b>	<b>Space and security</b>
<b>Thermal environment</b>	<b>Illumination and electricity</b>	<b>Structure and materials</b>
<b>Interior air quality</b>	<b>Water supply</b>	<b>Lead-based paint</b>
<b>Access</b>	<b>Site and neighborhood</b>	<b>Sanitary conditions</b>
<b>Smoke detectors</b>		



## **Sanitary Facilities**

### *Acceptability Criteria*

- The bathroom must be located in a separate room and have a flush toilet
- The home must have a sink, and a shower or tub with hot and cold water, all in proper operating condition.
- All newly installed appliances and fixtures must be ENERGY STAR labeled.

## **Food Preparation and Refuse Disposal**

### *Acceptability Criteria*

- The home must have an oven and a stove or range, or a microwave oven.
- The home must have a refrigerator and kitchen sink with hot and cold running water.
- The home must have space for storage, preparation, and serving of food.
- All required equipment must be in proper operating condition.

## **Space and Security**

### *Acceptability Criteria*

- At a minimum, the home must have a living room, a kitchen, and a bathroom.
- The home must have a least one bedroom, defined as a sleeping room with a window and closet, for every two persons. Children of the opposite sex may not be required to occupy the same bedroom.
- Windows and exterior doors must be lockable.
- When replacing windows, geographically appropriate ENERGY STAR rated windows will be used.

## **Thermal Environment**

### *Acceptability Criteria*

- There must be a safe system for heating the home.
- The air conditioning system or evaporative cooler must safely provide adequate cooling to each room.
- The home must not contain unvented room heaters that burn gas, oil, or kerosene.
- When replacing, size heating and cooling equipment in accordance with the equipment specifications required by the HUD Green Building Retrofit Checklist.

## **Illumination and Electricity**

### *Acceptability Criteria*

- There must be at least one window in both the living room and each bedroom.
- The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture.
- The kitchen must have at least one electrical outlet.
- The living room and each sleeping space must have at least two electrical outlets. Permanent overhead light fixtures may count as one of the outlets.

## **Structure and Materials**

### *Acceptability Criteria*

- Ceilings, walls, and floors must not have any serious defects such as severe bulging, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- The roof must be structurally sound and weather-proof.
- The foundation and exterior wall structure and surface must not have any serious defects or vermin infestation.
- Interior and exterior stairs, halls, porches, and walkways must not present the danger of tripping and falling. All stairs must have a support railing.

## **Interior Air Quality**

### *Acceptability Criteria*

- There must be adequate air circulation in the home.
- Bathroom areas must have one openable window or other adequate ventilation.
- Any bedroom must have at least one working window.
- Newly installed in-unit ventilation systems must be capable of providing adequate fresh air.
- All Composite wood products, adhesives, caulks, and sealants must comply with the HUD Green Building Retrofit Checklist.
- Clothes dryers must vent directly to the outdoors using rigid-type ductwork.

## **Water Supply**

### *Acceptability Criteria*

- The home must be served by a working public or private water supply.
- All new fixtures installed must meet conservation guidelines outlined in the HUD Green Building Retrofit Checklist.

## **Lead-Based Paint**

### *Acceptability Criteria*

- During initial inspections of pre-1978 units the inspector must conduct a technical assessment for all paint surfaces and, if lead-based paint is found, deteriorated surfaces must be stabilized by the contractor.
- Any additional painting that is needed will be completed.

## **Access**

### *Acceptability Criteria*

- The home must have private access.
- In case of fire, the building must contain an alternate means of exit such as windows.

## **Site and Neighborhood**

#### *Acceptability Criteria*

- The site may not be subject to serious adverse natural or manmade environmental conditions.

#### **Sanitary Condition**

##### *Acceptability Criteria*

- The home and its equipment must be in a sanitary condition.

#### **Smoke Detectors**

##### *Acceptability Criteria*

- On each level of the home at least one smoke detector and carbon monoxide detector must be present.
- If a hearing-impaired person is occupying the home, the detectors must have an alarm system designed for hearing-impaired persons.
- All detectors must be in operating condition.

A completed HQS checklist must be included as a part of the final inspection.

## **Floodplain Assistance**

**Note: Applicants with homes located in floodplains in the MID counties will be referred to the Buyout Program. If a buyout is not achievable, then the applicant may still participate in the Single-Family Home Repair or Replace Program.**

The National Flood Insurance Program (NFIP) requires that work on homes in the flood plain that exceeds 50% of the fair market value (FMV) of the structure must be elevated to meet the proposed Flood Insurance Rate Map requirements. SCOR DRD Housing Programs will only elevate existing structures if it is deemed feasible through a viability analysis. Therefore, it is critical that homes in the flood plain receive additional scrutiny during the development of the Estimated Cost of Repair (ECR) to ensure that the construction repair work does not exceed 50% of the fair market value. All home estimates in the flood plain in excess of 50% FMV will require that the structure be replaced with a properly elevated new construction.

The IC must determine that a home is in the flood plain prior to the execution of the Damage Assessment. All Damage Assessments on homes in the flood plain must be coordinated with SCOR DRD staff to ensure that SCOR DRD personnel are present. Damage Assessments for flood plain homes must be of a high-fidelity nature to ensure that no change orders will be required that may cause the total construction costs to exceed 50% FMV. The High Fidelity ECR (HiFiECR) must account for all possible unforeseen elements that may drive the cost over the threshold for elevation.

The IC must determine the Fair Market Value (FMV) of the structure prior to the completion of the HiFiECR. The IC shall use reasonably available and reasonably reliable data to determine the FMV and document the source in the Grant Management System.

SCOR DRD will track the progress of all flood plain homes using the HiFiECR Tracker. The IC must report to the designated SCOR DRD contact the following elements for every home in the flood plain:

- Property Address; and

- Fair Market Value of the Property; and
- Date of Damage Assessment (Prior to execution); and
- HiFiECR total estimated cost.

Homes in the flood plain that receive federal assistance are required to maintain flood insurance, therefore the IC must communicate to the applicant the anticipated cost of flood insurance for non-elevated structures. This communication must occur prior to the scheduling of the contract-signing event. The communication of the flood insurance requirements must be documented in the Grant Management System.

### **MHU Replacements in a Floodplain**

SCOR DRD Action Plans require that the top of the bottom floor, meaning the floor level that one walks upon, of newly installed MHUs in the floodplain be at least two feet above the Base Flood Elevation (BFE) identified on a site-specific elevation certificate completed by a licensed surveyor. Due to the complexity and increased cost of elevating newly installed MHUs higher than five feet, seven inches (5'7") above the Lowest Adjacent Grade (LAG), the SCOR DRD will not elevate replacement MHUs more than five feet, seven inches above the LAG.

If the elevation certificate indicates that the structure must be elevated more than five feet, seven inches above the LAG, the applicant must lease or purchase an alternative plot of land outside the floodplain in order to be served by the SCOR DRD Housing Program. The alternative plot must be located in one of the disaster-damaged counties served by the SCOR DRD for the applicant's appropriate Housing Program. If the applicant is able to secure the alternative land, the applicant's disaster-damaged MHU will be demolished, and the new MHU will be placed on the land outside the floodplain. The Special Case Panel will review any additional site-specific costs associated with the alternative land prior to the start of construction. These site-specific costs include, but are not limited to, utility installation, lot clearance, and lot access.

For replacement MHUs in the floodplain that do not need to be elevated higher than five feet, seven inches, the SCOR DRD will pay all associated elevation costs as established by the SCOR DRD Program Management Director and maintained by the construction manager. All replacement MHUs in the floodplain must be approved by the Special Case Panel prior to the start of construction.

### **Well Water Testing**

During the execution of these repair or replace programs, the IC may encounter homeowners whose source of drinking water is a private well. When this occurs, there may be times when it will be necessary to test wells to ensure their safety. The decision as to when and where to conduct a test will be made by evaluating the following:

- The site location.
- Unsolicited remarks concerning water quality and/or unexplained sickness given by a Homeowner.
- The physical condition of the well.
- A sensory inspection of the water.

**Procedures:**

SCOR DRD will utilize a Well Test Evaluation (WTE) on properties with wells to determine if a well needs to be tested. This evaluation will answer the following questions:

- Is the property location consistent with areas of the State where flood water levels are known to have been high enough to top local wells;
- Did the homeowner, either during the intake process or at the one knock visit make unsolicited comments concerning their water quality or an unknown household illness;
- Is the well in poor physical condition to include a broken cap seal; and
- Does a sensory inspection of the water reveal any warning signs such as those noted by US Geological Services, which include:
  - a. Unusual colors (black, blue-green, brown, cloudy, foamy, milky, reddish or yellow),
  - b. Strange smells (bleach, chlorine, grass, chlorophyll, musty, oily, rubber, sweet, pungent or rotten eggs), and/or
- SCOR DRD will test wells on properties when the answer to any above question is yes.
- Test results, which require additional action, will be sent to the Special Case Panel for a decision on what, if any, further action will be taken.
- If the Special Case Panel determines the IC must drill a new well, then the IC will comply with the requirements of SC DHEC Reg. 61-71 for private residential well water standards. The IC will have a certified well driller, as required, drill the new well. The new well will be sanitized per the requirements of SC DHEC Reg. 61-71 and a bacteriological test will be performed.

## Property Demolition and Assisted Properties Lien

For rehabilitation of MHUs and stick-built homes, the Program requires a future residency obligation and execution of a mortgage/lien to enforce that residency obligation. For replacement or reconstruction of MHUs and stick-built homes, the Program requires the same future residency obligation, enforcement mortgage/lien, and must follow specific processes concerning the demolition of existing structures. The IC is responsible for filing liens and titling according to the following policy following construction completion. The IC may not invoice SCOR DRD for the final 2% of the project cost until the lien or title has been filed appropriately and uploaded to the Grant Management System.

Once a decision has been made to rehabilitate, replace or reconstruct an existing MHU or stick-built home, a number of conditions for receiving assistance from the Program must be satisfied to include:

- Owners of MHUs or stick-built homes to be rehabilitated, replaced or reconstructed who have no outstanding mortgages/liens on their properties:
  - a. Must agree to remain in their rehabilitated, replacement or reconstructed MHU/stick-built home for a period of three (3) years from the time they are issued a Certificate of Occupancy or its equivalent; and
  - b. Sign an interest-free forgivable promissory note for the full amount of their assistance placing a 1st mortgage/lien on their rehabilitated, replacement or reconstructed MHU/stick-built home for the required three (3) year residency period.

- For owners of MHUs or stick-built homes to be rehabilitated, replaced or reconstructed who have outstanding mortgages/liens on their properties:
  - a. Lienholders of existing mortgages/liens on MHUs/stick-built homes to be rehabilitated must allow SCOR DRD to record new 1st mortgages/liens on the rehabilitated properties and SCOR DRD prefers to move the existing mortgages/liens to positions behind the new SCOR DRD 1st mortgages/liens as detailed above; and
  - b. Lienholders of existing mortgages/liens on MHUs/stick-built homes to be replaced or reconstructed must have their existing mortgages/liens transferred to the replacement or reconstructed MHUs/stick-built homes and SCOR DRD prefers a position behind the new SCOR DRD 1st mortgages/liens as detailed above.
  - c. If SCOR DRD's preference for first position cannot be met or if a subordination agreement is required by the existing mortgage or lienholder, then the secondary or later position must be approved by the SCOR DRD legal department on a case by case basis. Any subordination agreement must be reviewed and approved by the SCOR DRD legal department.
- These options will be implemented using the following process:
  - a. The IC will check with the County Clerk of Court, Deeds Office and/or the South Carolina Department of Motor Vehicles (SCDMV) to determine if an MHU/stick-built home has any existing mortgages/liens;
  - b. If the property has no outstanding mortgages/liens, the IC will proceed with rehabilitation, or demolition and replacement or reconstruction using the appropriate mortgage/lien procedure shown above and demolition procedure;
  - c. If the property has outstanding mortgages/liens, the IC will notify existing lienholders of the situation and request they agree to move their existing mortgages/liens on the rehabilitated property to a position behind a new SCOR DRD 1st mortgage/lien or transfer their existing mortgages/liens to the replacement or reconstructed home in a position behind a new SCOR DRD 1st mortgage/lien;
  - d. If all existing lienholders agree, rehabilitation, or demolition and replacement or reconstruction can proceed using the appropriate demolition procedure below once all paperwork for moving or transferring existing mortgages/liens have been executed.
  - e. If SCOR DRD's preference for first position cannot be met or if a subordination agreement is required by the existing mortgage or lienholder, then the secondary or later position must be approved by the SCOR DRD legal department on a case by case basis. Any subordination agreement must be reviewed and approved by the SCOR DRD legal department.
- For replacement and reconstruction projects, the IC must determine the appropriate demolition procedure for existing MHUs/"stick-built" homes. For demolition of existing MHUs the IC will:
  - a. Check the County Clerk of Court or Deeds Office to determine if the MHU has been converted to "real property";
  - b. If the answer is yes, the IC will follow County requirements, if any, for demolition of real property structures;
  - c. Regardless of whether the answer is yes or no, the IC will check to see if the MHU has a registered VIN# with the County and/or SCDMV;
  - d. If the answer is yes, the IC will notify the County and SCDMV that the MHU is being demolished allowing the County and SCDMV to record this and retire the VIN#;
  - e. If the MHU has not been converted to "real property" and also does not have a registered VIN#, the IC will follow County requirements, if any, for demolition of MHUs.
- For demolition of existing "stick-built" homes to be replaced or reconstructed, the IC will:

- a. Follow County requirements, if any, for demolition of real property structures.
- When titling replacement MHUs, the first preference will:
  - a. Always be to incorporate the MHU into land and record the MHU as “Real Property” with SCOR DRD’s 1st mortgage/lien at the same time;
  - b. If this is not possible, the IC will record MHUs and SCOR DRD’s lien at the SCDMV, which has agreed to put the Program’s replacement MHU titles in a “suspense” status until the liens have expired.

### Violation of Requirements, Limitations, or Lien Recapture

SCOR DRD has in place a Forgivable Promissory Note and Lien (Note) for owner occupied properties. The Note is attached to the referenced policies. The Note has provisions by which non-compliance by the homeowner or landlord may result in the amount of assistance provided by SCOR DRD being due and payable back to SCOR DRD. A person receiving SCOR DRD assistance could also violate program requirements outside of the Note. If the assisted person violates the terms of the program, they may owe back to SCOR DRD the amount of assistance provided to them. If the awardee violates a specific term within the Note or if there is a non-compliant act outside of the Note and SCOR DRD determines that recapture of funds is appropriate, SCOR DRD will:

- Confer with the homeowner or landlord to determine if they can voluntarily cure the non-compliance; or
- Provide written notice to the homeowner or landlord of the reason for the non-compliance and demand either an immediate cure of the non-compliance or the voluntary repayment of the amount of program assistance provided; or
- Seek legal recourse in the judicial system for the state of South Carolina.

SCOR DRD recognizes there may be a multitude of reasons for non-compliance including but not limited to, death, incarceration, military deployment, incapacitating disability, or another disaster. Homeowners or landlords may petition the Special Case Panel to review any extenuating circumstances that they believe should grant them relief from the requirements of the Note. The Special Case Panel will evaluate the concerns and make a determination on whether the recapture of funds is necessary.

If SCOR DRD recaptures, by whatever means, any funds from a non-compliant homeowner or landlord, then those funds will be returned to the current grant and utilized for any eligible grant activity. If the active construction phase of the grant is completed, then the recaptured funds will be subject to the requirements of the Federal Register Notice for the current grant and will be used in accordance with SCOR DRD’s current Action Plan. If funds are recaptured after closeout of the grant that generated the recapture, then SCOR DRD will confer with HUD regarding transferring the recaptured funds to South Carolina’s annual CDBG grant award.

### Warranty Issues and Construction Complaints

All communications pertaining to warranty issues or construction complaints received will be received by the SCOR DRD Constituent Services team. The Constituent Services Member (CSM) will document the warranty claim in the Grant Management System within one (1) day of receiving the issue. Construction

contractors are responsible for any costs incurred for warranty issue corrections.

**Procedures:**

- The CSM will receive and document construction complaint calls as a warranty claim.
- The call will be logged in the appropriate case file in the Grant Management System within 1 business day of receiving the initial call.
- The Grant Management System will send an automated message that a warranty claim has been logged to the SCOR DRD Compliance and Monitoring Team, the appropriate GC, and the IC.
- The IC and the GC must acknowledge the warranty claim in the Grant Management System.
- The GC must verify the warranty claim's validity and report valid or invalid line items to the IC and SCOR DRD Compliance and Monitoring team.
- The SCOR DRD Compliance and Monitoring team will review the GC's findings and give the GC direction on what warranty work must be completed.
- The applicable GC will contact the citizen within 2 business days to confirm the issues and schedule corrective actions if necessary. The call must be documented in the grant management system.
- The GC will correct the issue within 7 business days of the initial call and document the completion in the Grant Management System.
- After corrective actions are completed, the GC and a member of the SCOR DRD Compliance and Management team will complete a joint inspection.
- At the joint inspection the applicant will sign that the warranty repair work was completed to satisfaction. The Warranty Confirmation Report is included as Attachment D in the appendices. The Warranty Confirmation report will be uploaded to the Grant Management System.

If the GC or IC believes that the issue has been addressed, but the citizen has further concerns, the IC should forward the issue to the SCOR DRD Director of Support.

Issues that cannot be corrected within the designated 7 business days must be reported to the SCOR DRD management team via email. If the IC identifies any failure pattern in products or services, the IC must notify the SCOR DRD Director of Support of such pattern and the IC's course of action for resolving the failure pattern within two business days.

Constituent Services shall provide a report to the SCOR DRD management team on a weekly basis documenting, at minimum, the following:

- Open Warranty Issues/Complaints with date received, client name, issue, and status.
- Open Warranty Issues/Complaints as a percentage of total homes completed.

### Work After Construction Complete (WACC)

For work identified by the SCOR DRD Director of Support (DOS) as work that should have been included in the original scope of work (missed HQS items) but was not included in the scope of work prior to the completion of the final inspection, the State will pay for incurred charges at the established rates for authorized post construction change orders.



All post construction work completed must be inspected by the IC and SCOR DRD Compliance staff. All post construction work must be warrantied for the latter of 90 days, or until the completion of the warranty period for the initial scope of work.

**Procedures:**

1. The General Contractor (GC) or SCOR DRD Compliance team determines that the issue identified on a warranty call does not qualify as a warranty issue but is a Housing Quality Standard (HQS) issue. The scope for post-construction work will be limited to issues concerning water, septic, or other issue that present an imminent threat to the safety of the applicant.
2. The GC or SCOR DRD Compliance staff completes a report that outlines the WACC issue and what repair work must occur.
3. The report is forwarded to the SCOR DRD Director of Support (DOS) for review and a determination on whether the issue should result in the initiation of the post construction change order process, otherwise known as Work After Construction Complete (WACC).
4. DOS reviews:
  - a. Original work order
  - b. SCOR DRD Compliance Staff reports
  - c. Change orders
  - d. Communication log
  - e. Any additional facts bearing on the issue in question
5. DOS determines if initiating the WACC process is authorized after reviewing the relevant facts.
6. DOS notifies IC and Palmetto Disaster Recovery to re-open any applicable case management.
7. IC assigns GC and coordinates:
  - a. The IC, SCOR DRD Compliance and Monitoring Staff, and GC representative will conduct a joint inspection to define the scope of work for the construction change order. The Change Order (CO) will have WACC issue(s) only. No additional work is authorized. A joint inspection is always required, unless the requirement is waived by the DOS as described below:
    - In cases that involve an active leak, internal sewage backup, or a loss of seasonal environment control (air in summer, heat in winter), the DOS may: Authorize the GC to conduct an independent inspection in lieu of the joint inspection, and/or, authorize the GC to begin work immediately. The DOS will notify the IC in writing (typically by email) when either of these options are exercised.
    - When the DOS authorizes an independent inspection, the GC will conduct the inspection and upload the inspection report to the Grant Management System.
    - When the DOS authorizes the GC to begin work immediately, the GC will conduct an independent inspection prior to beginning work. This inspection report must be uploaded to the Grant Management System.
  - b. For routine cases, the GC will upload the joint inspection report into HGMS and notify the DOS. The DOS will then confirm if the WACC is eligible.
  - c. All WACC cases must go to Special Case Panel (SCP) for final approval, even when the DOS authorized the GC to begin work immediately. The DOS will present the WACC CO to the Panel for approval. A copy of the DOS' authorization for WACC will accompany the justification for the CO.
  - d. At the conclusion of WACC, the IC, SCOR DRD Compliance Staff, and a GC representative will conduct a joint final inspection to ensure all work was completed to standard. At the discretion of the DOS, the requirement for a joint final inspection may be waived.
8. GC will warranty the work completed until the latter of 90 days or the expiration of the warranty for the initial scope of work.

## Rental Repair Program

The State of South Carolina has allocated up to \$1,000,000 in funding for the Rental Repair Program to repair and restore affordable rental housing stock. The Program will provide up to \$50,000 in assistance to rental property owners for eligible activities including rehabilitation and associated improvements, such as energy efficiency and resilience activities, of single-family stick-built rental properties. Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or in foreclosure, are not eligible for the rental repair program. The Affordable Rental Program will repair up to two units per rental property owner, with a \$50,000 cap for each. The Special Case Panel (SCP) may consider repairs beyond the \$50,000 cap on a case-by-case basis.

In order to receive assistance, property owners must agree to a five-year affordability requirement. The five-year affordability requirement begins with the occupancy of the repaired rental home. The Grant Management System will be updated with the new tenant information upon occupancy and income will be verified, reviewed, and documented to ensure compliance with the HUD HOME rent requirements. The affordability requirement necessitates the property owner to lease the units to LMI households earning 80% or less of their County AMI and to lease the units at affordable rents. In order for rents to be considered affordable, they must comply with the maximum HUD HOME rent limits. The maximum allowable HUD HOME rent is the lesser of:

- Fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65% of the AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

Property Owners interested in the Affordable Rental Program may apply at a Program Intake Office.

The Program is estimated to assist in the repair of approximately 20 rental homes, based on the \$50,000 cap per unit, therefore intake is limited. The availability of program assistance has been publicized and citizen participation encouraged following the program approved outreach plan. At the time of initiating the application process, using the methods outlined in the intake section, the applicant will designate their application as "Rental."

Landlord applicants will be served in a "first come first serve basis", with first come defined as having a completed application with all the required documentation submitted and verified by the program. Processing will be capped at 100 completed applications; however, intake of landlord information will continue to be accepted throughout life of program.

The Affordable Rental Program will follow all requirements outlined in the Single-Family Housing Program. However, the requirements outlined in this subsection supersede the requirements listed for the Single-Family Program in instances where Single Family requirements differ.

### **Program Requirements Include:**

- Properties located within a floodplain will not be considered for assistance under the affordable

rental program.

- Primary Residence - Rental units are not expected to be the primary residence of landlord applicants.
- Ownership – Property owner must demonstrate ownership and all applicants/co-applicants will be verified through the Office of Foreign Asset Control (OFAC) and cleared of any potential fraud. Program staff shall positively identify, by an official government issued ID, all owners of a partnership, Limited Liability Corporation and officers of corporations designated to sign legal binding agreements before executing grant agreements.
- Income - While landlords will not be required to be Low-to-Moderate Income, they will be required to comply with a five-year affordability period that necessitates the owner(s) to lease the unit(s) to LMI households earning 80% or less of their County AMI and to lease the units at affordable rental fees.
- Vacancy - all units of the applicant’s property must be vacant at the time of application and remain vacant through the completion of construction. If the owner’s property was occupied at any time since Hurricane Florence the owner shall disclose the name, current address and phone number of previous tenants. After submitting an application to the Rental program, owners shall not rent any units identified on the application as vacant until construction is complete.

**Note:** *Special Circumstances* Related to Vacancy: If any property owner is found to have improperly asked a tenant to leave, or some other illegal displacement has occurred, the owner is not eligible to receive an award from the program, and may be subject to legal penalties.

- Insurance - The property owner will maintain insurance such as flood, wind and/or hazard insurance as required by federal, state and local regulations. Landlord will be required to provide insurance policy within thirty days of construction completion which includes certificate of occupancy or its equivalent. Insurance requirements will not be covered (i.e. funded) by the program.
  - a. The property owner’s hazard insurance shall be placed in an amount sufficient to cover replacement of the property or at a minimum to completely repay existing mortgages and the Program’s investment.
  - b. In the event of a sale or transfer of the Real Property, Property owner shall, not later than the date on which such transfer occurs, notify the buyer/transferee in writing of the requirements to:
    - Maintain insurance with the understanding that the program or the state may require proof of the policy within the five-year affordability period.
    - The notification shall be contained in documents evidencing the transfer of ownership of the Real Property (and improvements thereon).

**Note:** If Property owner fails to provide notice as described above, and, subsequent to the transfer of the Real Property, the buyer/transferee fails to obtain or maintain flood insurance in accordance with applicable federal law with respect to the Real Property, the Real Property is damaged by a presidentially-declared disaster, and federal disaster relief assistance is provided for the repair, replacement, or restoration of the Real Property as a result of such damage, then the Property owner (the transferor) shall be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the Real Property.

- Tenant Selection: Property owners shall screen and select their own tenants, however, tenant selection must comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, familial status, and disability. Property owners are required to sign a fair housing and affirmative housing statement as

part of the application. Property owners must ensure that the tenant is income eligible before the tenant signs a lease and/or occupies a Program assisted unit.

- **Lead-Based Paint:** In pre-1978 buildings the owner shall provide the lessee with an EPA approved lead hazard information pamphlet. Such pamphlets include the EPA document entitled Protect Your Family from Lead in Your Home (EPA – 747-K-94-001) or an equivalent pamphlet that has been approved for use by the SCOR DRD or South Carolina Department of Health Services. The owner shall also disclose any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces. The property owner shall include appropriate disclosures and notifications in the lease according to 24 CFR Part 35.

### **Procedures:**

1. The IC will receive applications through its intake centers and referrals from the State’s disaster case management contractor, LTRGs, VOADs, and county Emergency Management offices;
2. Applications will be reviewed, and additional documentation requested as needed to determine eligibility and acceptance of conditions as follows:
  - a. The IC will verify the rental property owner:
    - Is a U.S. citizen or lawful permanent resident;
    - Had an ownership interest in up to two rental properties located within an eligible county at the time of the Presidentially declared disaster and now; and
    - Had damage from the disaster to one or more of these two rental properties, which still needs repair.
3. The IC will review the deed or title for the rental properties and/or lot to ensure there are no issues to prevent a mortgage and lien from being successfully recorded on the properties;
4. The IC will then conduct an environmental assessment, historic assessment, Scope of Work assessment, and a Duplication of Benefit (DOB) assessment. If a DOB exists, the rental property owner will have to escrow available DOB funds for use in repairs or the Scope of Work must be adapted, if possible, to account for any unavailable DOB funds;
5. Once the rental properties have cleared all assessments, either without issues or with issues, which were solved, the IC will schedule and conduct a rental property assistance signing event with the rental property owner to review the scope and cost estimate, and place the rental properties on its work schedule.
6. In order for rental property owners to receive assistance, they must agree to a 5-year affordability requirement, which requires them to:
  - a. Lease their assisted housing units to households whose total income is classified as Extremely Low, Very Low or Low Income, which means it is 80% or less of their County Area Median Income (AMI); and
  - b. Lease their assisted housing units at affordable rents, which comply with the maximum U.S. Department of Housing and Urban Development (HUD) HOME Program rent limits. Maximum HUD HOME rents are the lesser of:
    - The fair market rent for existing housing for comparable Housing units in the area as established by HUD under 24 CFR 888.111; or
    - A rent that does not exceed 30 percent of the Adjusted Income of a family whose annual income equals 65% of their County AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. HOME Program rent limits provided by HUD.

## Voluntary Buyout Program

Buyout programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain, thus eliminating vulnerability to future flooding situations. The program is designed to purchase and acquire the properties of South Carolina citizens that live in a floodplain located in one of the three MID counties, Dillion, Horry, and Marion. The buyout serves multiple purposes and provides a resiliency option versus rebuilding in the flood plain. Buyouts prevent repetitive loss and extreme risk to human health and safety. Additionally, buyouts prevent homeowners from making repairs and investing funds in properties repeatedly. After homes are purchased, the structures will be demolished. The land will revert to a natural floodplain, converted into a retention area, or retained as a green space for recreational purposes.

### **The objectives of the buyout program are:**

- Acquire properties that have been subject to multiple floods and use for public space, green space, and/or flood control measures;
- Return properties in the floodplain to a natural and beneficial function, aiding in the storage of stormwaters;
- Eliminate future flood damages and health and safety risks for owners and rescuers.; and/or
- Reduce repetitive subsidized flood insurance payments and federal disaster assistance.

### Maximum Buyout Assistance Amount

SCOR DRD will use CDBG-DR funding for the buyout of a number of properties identified through the application process. The maximum amount of CDBG-DR funding available for any single buyout is capped at \$250,000 including any additional incentives. Using CDBG-DR funds, the program provides property owners the pre-disaster fair market value of their home and may also include an incentive payment to encourage relocation to an area of reduced flood risk.

Eligible costs included in the buyout maximum assistance amount are:

- Buyout purchase price<sup>1</sup>;
- Moving incentive up to \$5,000; and
- LMI incentive up to \$25,000.

SCOR DRD will use Low to Moderate Buyout (LMB) as the national objective in order to extend a buyout award to acquire housing and land owned by qualifying LMI households.

## Buyout Process Overview

### **1. Application:**

Citizens will apply for assistance through the Single-Family Housing Program. Required information will be collected in order to determine preliminary program eligibility. Home and land ownership will

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<sup>1</sup> Purchase price set at pre-disaster fair market value due to significant decrease in home values in areas due to damage caused by prior disasters

be determined. If the applicant's disaster damaged home is located in a MID county and located within the 100-year floodplain, they will be made aware of the buyout program. If the applicant wishes to continue through the buyout program, the following steps will ensue. If the applicant does not wish to continue to the buyout program, they still may be eligible to participate in the Single-Family Housing Program.

**2. Evaluation and Eligibility Determination:**

The applicant's household income will be calculated and verified. In accordance with the Stafford Act, the IC will check all potential duplicative benefits received by applicants for the October 2015 Storm Recovery Program, the 2016 Hurricane Matthew Recovery Program, and this 2018 Hurricane Florence Recovery Program. A Tier II environmental review will be conducted.

**3. Identify the Entity Responsible for Acquiring Property (SCOR DRD will not own property under any circumstance):**

**Step 1:** The respective county/jurisdiction will be contacted to determine if they will own and maintain the applicant's land in perpetuity. If they reject, then SCOR DRD will move onto step two.

**Step 2:** If the county/jurisdiction will not receive ownership of the property, the neighboring property owners will be approached to learn if they would like to own and maintain the property in perpetuity, with the understanding that a deed restriction will be placed on the property.

**Step 3:** If neither the county nor the neighboring property owners will acquire the land, then the applicant will be asked to find an eligible non-profit to receive the property or keep ownership of the land, with the understanding that the purchase amount associated with the land will be deducted from the final buyout price. If the applicant is unable to find an entity to receive the land or keep ownership of their land within 30 days, the applicant will be ineligible for the buyout program and will be referred to the repair/replace program.

**4. Appraisal:**

If an entity responsible for acquiring the property is identified, then the property will be appraised to determine the pre-disaster fair market value.

**5. Complete Program Documents:**

Applicants will provide any further documentation necessary and will be referred to a HUD approved Housing Counselor to discuss relocation options.

**6. Offer to Purchase:**

Once the applicant and property are determined eligible for this program, a purchase contract will be extended which includes all incentives.

**7. Commitment:**

The applicant will enter into an agreement with SCOR DRD and the entity acquiring the land to confirm that they will participate in the buyout program. This is represented by the purchase contract. The timeline for when the homeowner is required to be out of their home, inspection, demolition, etc. will be presented.

**8. Closing Documents Completed:**

All necessary closing documents will be completed, and the title/deed will be transferred to the responsible entity acquiring the property. A deed restriction will be placed on the property to ensure no future development and allow only future uses consistent with open green space, recreation, or wetlands’ management. The deed restriction will last in perpetuity.

**9. Demolition:**

Once the property is acquired and all necessary documents have been signed, completed, and appropriately filed, existing structures, pavement, or impervious structures will be demolished. Photo evidence of demolition must be documented to the Grant Management System.

**Priority**

Priorities will be addressed as follows, in accordance with the State's Action Plan:

	HOUSEHOLD’S (AMI) AREA MEDIAN INCOME CATEGORY			
	30% AMI or BELOW	31% AMI to 50% AMI	51% AMI to 80% AMI	81% AMI to 120% AMI
Applicant’s Household Includes <i>Either</i> Age Dependent or Disabled	1st Priority	3rd Priority	5th Priority	7th Priority
Applicant’s Household Includes Neither Age Dependent or Disabled	2nd Priority	4th Priority	6th Priority	8th Priority

**Structure Type**

Eligible properties must be real property residential dwelling structures. A dwelling structure is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

**Eligible Structure Types:**

- Single-family housing units;
- Stick Built homes;
- Modular homes;

- De-Titled Manufactured Housing Units (MHUs) on owned land; and
- De-Titled Manufactured Housing Units (MHUs) on leased land.

The buyout program will acquire properties from owners who agree to voluntarily participate in the program. However, if a structure type listed includes occupant(s) that are not the owner and who will be required to move from the unit involuntarily, all Uniform Relocation Act (URA) requirements will be adhered to.

## Appraisal

All properties will be appraised by a State licensed appraiser and in conformity with the Uniform Relocation Act at 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals.

- If appraisal exceeds the established maximum assistance limit as set by the State, the applicant may receive more than the established limit. Such cases will be evaluated on a case-by-case basis and a final determination made by the Special Case Panel.
- If the appraisal is below the established maximum assistance limit, the applicant will be offered the pre-disaster FMV. In instances where the applicant believes the appraisal is unjust, they may appeal to the Special Case Panel.
- The properties will be purchased at a pre-disaster FMV of the home, less any identified duplication of benefits.

## Deed Restriction or Restrictive Covenant

Properties acquired through the buyout program must have a recorded deed restriction or restrictive covenant running with the property and require that the buyout property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain, and wetlands management practices.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the buyout program other than:
  - Public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); or
  - Restroom facility.
3. Flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
4. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the buyout program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity. The entity acquiring the property may lease it to adjacent property owners or other parties for



compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.

## Buyout Award Determination

SCOR DRD will provide eligible participants with the pre-disaster fair market value of their property, less any duplication of benefits, and plus any incentive in which they qualify.

### Incentives

SCOR DRD will provide eligible participants with housing incentives to relocate to areas with a reduced risk of flooding. The purpose of the incentive is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the program. While housing incentives are allowable, they must be justified and reasonable.

#### **Moving Expense Incentive:**

To assist homeowners with relocating to a new home, moving expenses will be offered and capped at \$5,000.

#### **LMI Incentive:**

To assist the most vulnerable homeowners with relocating to a new home, \$25,000 will be offered to Low- to- Moderate Income (LMI) citizens. LMI citizens are classified as those who have an income of 80% or less of the Area Median Income (AMI).

### Exceptions

Applicants that exceed the maximum award due to the appraised value will be reviewed on a case-by-case basis and may be considered for an exception. Applicants will be allowed to submit a written request to their case manager. Applicants may include an independent appraisal to request an exception. These requests will be reviewed by the Special Case Panel, and the extenuating circumstances will be documented and approved on an as-needed basis.

### Applicants with Negative Equity on Mortgage

The buyout program may assist applicants who owe more on their mortgage than their house is worth, also known as negative equity mortgage or being underwater on their mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to move from the damaged home to an area of reduced flood risk. SCOR DRD reserves the right to review each applicant with negative equity on their mortgage on a case-by-case basis.

### Applicants with Reverse Mortgage

The buyout program may assist applicants who have a reverse mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided

if the assistance will allow the household to pay off the reverse mortgage and move from the damaged home to an area of reduced flood risk. SCOR DRD reserves the right to review each applicant on a case-by-case basis.

### Applicants in Foreclosure

Applicants in foreclosure may not be provided buyout assistance.

### Contract for Deed/Land Leases/Mobile Homes

Properties where there is a different owner of the land than the owner of the dwelling unit(s), such as in Contracts for Deed, long-term land leases, and often with mobile homes, may be assisted through the buyout program only if the property owner converts the contract to full ownership. SCOR DRD reserves the right to review each application on a case-by-case basis.

### Moving Costs and Relocation

If the buyout is a voluntary acquisition of an owner-occupied residence, owners are not entitled to assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).

### Offer

Once the applicant has been determined eligible for buyout assistance, SCOR DRD will provide the applicant with a buyout offer in accordance with the appraised value (pre-disaster fair market value). Funding will include buyout assistance and, if any, incentives less any DOB.

### Certification Requirements Prior to Receiving Assistance

All applicants must agree to the following to receive assistance:

1. Sign an Authorization for the Release of Information so that information provided can be shared and/or verified with the state, federal, and other third-party agencies. The applicant, co-applicant, and other adult household members are required to sign the release unless one of the eligible applicants has provided power of attorney to another to represent him/her.
2. Sign a Certification of Completeness attesting to the accuracy and completeness of all information provided to the program under penalty of law.
3. Agree to verification of their ownership status and any assistance received (if applicable).
4. Power of attorney: Applicant(s) may grant power of attorney to someone who can apply on their behalf, as applicable:
  - Sign a Certification of Residency attesting to the fact that the new address where the applicant will relocate to or has already relocated to an area of reduced flood risk.
  - All signed documents will include the following statement: 'Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729'.

## Eligible Allowable Expenditures

1. Appraised Property Buyout Costs;
2. Settlement Costs:
  - Appraisal Cost;
  - Appraisal Review;
  - Attorney's Closing Fees, if Applicable,
  - Title Search;
  - Boundary Surveys;
  - Document Signing Fees;
  - Environmental/Historic Property Assessment Costs;
  - Inspection Costs;
  - Deed Conversion Fees;
  - Recording Fees; and
  - Other Associated Closing Costs outlined in the HUD 1.
3. Demolition Costs- Including the actual demolition of the existing structures on the property, clearing the property, and proper disposal of resulting debris;
4. Moving expense Incentive- To assist homeowners with relocating to a new home, moving expenses will be offered and capped at \$5,000; and/or
5. LMI Incentive- To assist the most vulnerable homeowners with relocating to a new home, \$25,000 will be offered to Low- to- Moderate Income (LMI) citizens.

## Documenting Eligibility and Acceptance of Offer

SCOR DRD will document the owner and property eligibility in the applicant file and will retain detailed copies of all award determinations as well as the applicant's acceptance of the offered buyout and incentive amounts.

If the homeowner is unable to complete the Offer Documents, the Contract of Sale will expire after 90 days. If the homeowner has remained active during the 90 days, the Contract of Sale can be extended. If in the 90 days, the homeowner has not responded to communication, all which will be documented on the Grant Management System, the Contract of Sale will expire. The applicant may appeal the decision to reopen their case.

## Closing

### Property Before Closing

Participants must remove all personal property from the residence and land prior to the day of closing. Any personal property remaining after closing will be included in the demolition.

## Document Execution at Closing

The following documents will be signed by the applicant at the time of agreement:

- Purchase Contract;
- Subrogation Agreement; and
- Agreement to have all utilities disconnected within 7 days.

## Authorization for Program to Contact Third Parties

The Property Owner explicitly allows the Program to request of any company with which the Property Owner held Policies or FEMA or SBA, any non-public or confidential information needed by the Program to monitor/enforce its interest in the rights assigned to it under the Consent and Release Agreement, and to give the Property Owner's consent to such company to release said information to the Buyout Program.

## Property After Closing

The SCOR DRD attorney or designated closing attorney maintains a copy the recorded deed and title policy in the program file. The attorney files the appropriate deed and restrictive covenant with the Clerk of Court or Register of Deeds (as applicable) in the county in which the property is situated. A covenant will be placed on the property being acquired to maintain it as open space.

The identified responsible entity receiving the deed-restricted property is responsible for the maintenance of the property in accordance with any local, state, and federal environmental laws, rules, and regulations.

## Demolition

### Pre-Demolition

Detailed photographs of the site must be uploaded into the Grant Management System prior to demolition. Any additional hazards should be identified and documented in the file. This includes any fire hazards or public health concerns. If environmental hazards such as asbestos or LBP are identified, then the demolition process must comply with applicable federal environmental and SC DHEC regulations for demolition involving such materials. All demolition permits must be obtained, as needed.

### Notice of Demolition

SCOR DRD will publish an internal Notice to Proceed (internal NTP) after the closing is complete. A copy of the internal NTP will be placed in the property-specific file. Once the demolition contractor receives the executed NTP, they may legally enter the site. The demolition contractor will begin by verifying that the structure is unoccupied.

## Utility Site Walk-Through

Prior to demolition, the demolition contractor will be required to coordinate with the applicable county to identify and make safe utilities to the property. This includes:

- Marking easements and underground utilities;
- Removing utility meters;
- Capping wells, water, sewer, and septic lines to the mains; and/or
- Disconnecting electrical and gas service and propane tanks.

SCOR DRD will perform a site walk after the Pre-Demolition Inspection to verify all utilities have been turned off and removed. Once utilities are secured, the demolition contractor will have 60 days to complete demolition and restore the site to green space. The demolition contractor will mobilize the appropriate assets to the site for demolition activities and will be responsible for providing hauling equipment to transfer the materials to a landfill.

## Hazardous Materials Processing

Where hazardous materials are present, SCOR DRD and the demolition contractor will lead a supplemental process for the identification, removal, and disposal of asbestos, lead-based paints, and other hazardous materials per State of South Carolina and U.S. Environmental Protection Agency (EPA) environmental requirements.

## Household Hazardous Waste (HHW) Processing

Where HHW are present, the Demolition Contractor will identify, remove, and dispose of HHW per State environmental agency/EPA requirements.

- Visual assessment performed and documented.
- Removal of all identified HHW based on the environmental review.
- Documentation of all HHW waste transferred to the landfill.

## Demolition

All demolition related documents must be captured and retained. This file will contain photo documentation of the process before, during, and post-demolition. Once lot filling and restoration is complete, SCOR DRD will conduct a Demolition Inspection to verify quality, and confirm that the process has been completed. The inspector will take post-demolition photos. These photos must be uploaded to the Grant Management System. All Demolition Inspections must be completed within 60 days of actual demolition completion. If the lot appears to have settled/sunk, then the Demolition Contractor will return to stabilize the soils.

## Ownership After Buyout Complete

Under no circumstance will SCOR DRD acquire properties that were bought out through the buyout program. Properties must be acquired and maintained by one of the identified responsible entities below:

- Original property owner;
- County or local government where the property resides;
- Neighboring property owner;
- Non-profit entity; or
- Any other entity deemed to be responsible by SCOR DRD.

## Program-Wide Policies

### Action Plan

The Action Plan defines how South Carolina will effectively use all available funding to support a data-driven recovery effort based on the calculation of need across South Carolina. The Action Plan describes the State's proposed use of HUD's CDBG-DR allocation by activity and lays out program design for each area of assistance, as well as identifying the beginning and end dates for each activity, and performance and expenditure schedules.

### Amendments to the Action Plan

South Carolina will engage citizens throughout the program lifecycle to maximize the opportunity for input on proposed program changes that result in a Substantial Amendment. Program changes result in a Substantial Amendment when there is:

- An addition or deletion of any allowable activity described in the approved application;
- An allocation or re-allocation of more than \$5 million; and
- A change in planned beneficiaries.

Citizens will be provided with no less than thirty days to review and provide comment on proposed substantial changes. A summary of all comments received will be included in the final Substantial Amendment submitted to HUD for approval. Final Substantial Amendments approved by HUD will be posted to the Disaster Recovery website.

For other non-substantial amendments, the State shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the SCOR DRD website, not replacing, but in addition to all previous versions of the plan.

### Amendments to the Policy Manual

This manual contains the policies and procedures related to the SCOR DRD Hurricane Florence Recovery Program. HUD requires that each CDBG-DR grantee adopt and follow written policies and procedures throughout the life of their program. As the program evolves, the applicable policies and procedures may be amended. Each amendment will be clearly outlined within this manual to include the substance of the amendment and the date for which the amendment occurred. The updated policy manual will replace the

existing manual on the SCOR DRD website.

## Chain of Leadership

The HUD-Approved South Carolina Action Plan for Hurricane Florence affirms that a capacity assessment was conducted to determine the optimal organizational structure and key positions necessary to support critical management, oversight, and implementation of the Action Plan by the SCOR DRD. In order to provide for those capacity needs, the following Chain of Leadership is created and listed in order of hierarchy:

1. The Governor of the State of South Carolina appoints Chief Resilience Officer (CRO).
2. The CRO provides governance and direction to SCOR DRD.
3. The CRO is the Chief Executive Officer of the South Carolina Office of Resilience (SCOR), which administers the State's Community Development Block Grant Disaster Recovery allocations. The CRO supervises:
  - The SCOR DRD Program Management Director, who day-to-day directs, implements, coordinates, and advocates disaster recovery goals, objectives, and outcomes set by the State and who manages the:
    - a. Director of Support Services, who works with vendors, suppliers of goods and services through every phase of vendor contract performance.
    - b. Mitigation Director, who directs, implements, coordinates, and advocates mitigation and resiliency goals, objectives, and outcomes set by the State.
    - c. SCOR DRD Lead Attorney who is responsible for providing Legal Counsel.
    - d. Administrative Assistant, who provides administrative support to the SCOR DRD Program Management Director and SCOR DRD as a whole.
  - SCOR DRD Financial Management, Financial Monitoring & Compliance, Procurement, Grant Accounting, and Internal Audit Functions, are assisted by the SCOR Chief Financial Officer (CFO) and executed by various positions shown on the SCOR DRD Organizational Chart under CFO direction.

All other positions listed in the Action Plan with position descriptions are assigned to and report directly to either the SCOR DRD Program Management Director, Director of Support Services, Mitigation Director, or the Lead Legal Attorney. The SCOR DRD organizational chart shows each position by title as detailed in the Action Plan.

## Office and Operational Security

SCOR DRD will maintain office and operational security at all times during its day-to-day operations and interactions with the public. This policy includes physical information and cyber security. All SCOR DRD, IC, and contractor personnel (whether paid or volunteer) will adhere to all elements of this policy, and take other steps as necessary to protect persons, property, and information. Violations of this policy may result in administrative and/or disciplinary action up to and including immediate termination.

### Procedures:

- All suspicious activities in or around any SCOR DRD, IC, and/or IC sub-contract facility or housing assistance project site must be reported to the appropriate staff member in the chain of leadership as soon as possible.
- Official identification badges must be in the custody of all SCOR DRD, IC, and IC sub-contractor

personnel at all times, while they are conducting work activities.

- SCOR DRD, IC, and IC sub-contractor personnel must never allow anyone access to an SCOR DRD, IC, and/or IC sub-contractor facility or housing assistance project site without an official identification badge.
- All personal identification information (PII) must, at all times, be stored on a secure computer or phone, or in a secure physical location, which is out of view of the public.
- All computers, phones, and other equipment containing or having access to PII must be logged off or turned off as needed to ensure that unauthorized personnel does not access PII.
- Under no condition are unauthorized SCOR DRD, IC, and/or IC sub-contractor personnel to be allowed access to PII.
- Under no condition is PII to be sold, shared, discussed, or transferred to any person or entity outside the control of SCOR DRD, its IC, and/or IC sub-contractors.
- SCOR DRD, IC, and IC sub-contractor personnel must not perform any action, which results in a data connection between a work device and a personal device.
- All violations of office security procedures contained within this policy must be immediately reported to the appropriate staff member in the chain of leadership.

## Human Resources

SCOR DRD uses a mission functionality approach to human resources. Individuals selected for open positions at SCOR DRD are chosen because they have been deemed to possess the necessary combination of education, skill sets, work ethic, and character to perform their duties at a very high level and represent the State of South Carolina with the highest level of integrity and commitment to its citizens. When performing their job duties, all SCOR DRD personnel are expected to:

- Follow all State of South Carolina human resource standards and procedures in all employment and benefit areas;
- Contact their direct supervisor, or the SCOR Human Resources Department, if they have a question concerning State standards or procedures;
- Communicate with their direct supervisor if they have a request, concern, or need to schedule a meeting and attempt to find a solution for their issue;
- Inform their direct supervisor if they are not satisfied with the outcome of this meeting and ask for a meeting with the SCRO DRD Program Management Director; and
- Ask for clarification if they have uncertainty concerning a work assignment, timeline, or work schedule.

Regardless of requests, concerns, needs, or other issues, interactions between all personnel should always be courteous and professional. All SCOR DRD personnel are expected to:

- Perform their duties with maximum efficiency;
- Work together as a team; and
- Both respect and work within the SCOR DRD chain of leadership.



## Decision Making

SCOR DRD will utilize a modified Design-Thinking model for decision making. This modified approach will make use of ad-hoc teams to “war game” (brainstorm/think) the issue requiring a decision. Such teams can range in size from two (2) up to all SCOR DRD personnel depending on the complexity of the decision and expertise needed. These teams may be pulled together informally during a meeting or given more structure as needed and directed by the SCOR DRD Program Management Director or the Director’s assignees. When considering decision options, teams will strive to produce decisions, which meet the following SCOR DRD guiding principles:

- Pursue the maximum return on investment for citizen tax dollars;
- Seek to provide assistance to the greatest number of our most vulnerable citizens; and
- Achieve those results in a manner fully compatible with all applicable laws, regulations, and local codes and ordinances.

### Procedures:

- Ad-hoc decision teams will be pulled together or assigned with the structure and composition as needed based upon the decision being deliberated.
- Teams will brainstorm questions in order to identify, define, and fully understand the issue underlying the needed decision. Such questions may include:
  - a. What is the issue requiring this decision?
  - b. Is it our issue or does it belong to someone else?
  - c. Is this really the issue or is it a symptom of a deeper hidden issue?
  - d. Has this issue occurred before, and if so, what was the decision then?
- Teams will gather all available intelligence concerning their decision including any lessons learned from other states, localities, and entities who have dealt with the same decision issue in the past.
- Teams will conduct an analysis of all gathered intelligence and lessons learned, and formulate all viable decision options with their rationale, advantages, and disadvantages. This analysis may include deliberating such questions as:
  - a. How much involvement by others will be needed for each decision option?
  - b. What is the cost in dollars, resources, and time for each decision option?
  - c. Which decision options require immediate action, and which can wait?
  - d. Could the need for a decision go away on its own, if we wait?
  - e. Is there a risk to our mission if we delay our decision until a later date?
  - f. Are there ethical/political landmines attached to any decision options?
  - g. Do any decision options impact actions, which must remain unaltered?
- Teams will achieve consensus on which decision option is best and formulate a recommendation.
- Teams will use a decision memorandum or comparable document to summarize their work and capture all decisions.

- Such decisions can range from very simplistic to very complicated. They may be written in detail, in summary format, or be in the form of a visual flow chart.
- Teams will send completed decision memorandums/comparables to the Policy and Procedures Manager, who will maintain a Book for Decision Memorandums for accountability, future reference, and public record.

## Procurement

SCOR DRD will follow all state laws in the South Carolina Consolidated Procurement Code. SCOR DRD has also adopted 2 CFR 200.317 -Procurements by states: When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with 200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section 200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow 200.318 General procurement standards through 200.326 Contract provisions.

## Intake

South Carolina residents will be applying for the CDBG-DR funds for housing assistance. These funds are to be used to satisfy a portion of the unmet need for damage sustained to their housing units as a result of the presidentially declared disaster caused by Hurricane Florence in September 2018.

The application process will require each applicant to authorize by signing a consent/release form in an electronic application that permits the Programs to obtain 3rd-party data. In addition, other documentation that requires each applicant's signature is the application, a subrogation agreement, and a communication designee form, if applicable.

The Program will review completed applications and documentation submitted by affected property owners to determine if the applicant meets the eligibility criteria for assistance from the Programs. Application processing priority will be given to households with members who are disabled and households with age-dependent members (age 65 and older, or 17 and below), or those with multiple disabled household members. If the applicant is 65 at the time of intake, but not at the time of the storm, they will still be considered age-dependent for this program. Also, if a household member was 17 at the time of the storm in September 2018 but is older than 17 at the time of intake, they will still be considered age-dependent for the program. The Program will attempt to schedule a personal consultation and determine the eligibility of homeowners from whom applications were received. Intake operations centers will include one (1) static location and one (1) mobile team, as well as a self-service appointment system available via website or mobile device for applicants to schedule appointments with the Intake team.

## Intake Center Environment

Intake centers will be set up for Gold Standard customer service. Waiting areas will include a small play space with a few books and toys to accommodate families with small children, as well as accessibility features to serve the elderly and those with access and functional needs. Water will be available for all clients.

Reception areas will include information displays with brochures and other assistance material for available services that applicants might not be aware of such as homeowner education, financial management (important to address the potential tax and insurance implications of new housing), and other social services. All intake center staff will be friendly and knowledgeable regarding all aspects of the intake process.

The primary goal is to ensure every homeowner "customer" who walks through the door is treated promptly with care, courtesy, and respect.

- Customer Service team members and greeters should acknowledge the arrival of a homeowner with a smile and "Hello, how can I help you?" upon the individual's arrival.
- Team members must ensure that the facilities are orderly, brochures and resource materials are available, water and cups are available, and the play area for children is kept clean and accessible.
- Families with children should be pointed to the play area for children upon their arrival in a reassuring manner so they will feel welcome and comfortable.
- Visitors with special needs should be assisted as needed and guided to the nearest accessible seats. Accessible seating should be reserved for homeowners with disabilities to the extent possible.
- All arriving visitors will be greeted promptly upon arrival and seen by the intake staff as expeditiously as possible.

## COVID-19 Precautions

SCOR DRD is committed to the health and safety of its employees and applicants. The purpose of this policy is to set forth procedures to control the spread of the 2019 Novel Coronavirus (COVID-19) infectious disease.

### Office Procedures:

1. Do not report to work if you are:
  - Ill with symptoms of the infectious disease.
  - Have a member of your household who is ill with symptoms of the infectious disease.
    - a. Telecommuting may be implemented by supervisors on a case by case basis.
2. Masks covering the mouth and nose must be worn in the office when it is likely you will come into contact with another employee, or when you are actively interacting with another employee.
3. Prior to scheduling any meetings with applicants, the following questions must be asked:
  - Does the applicant or other household member(s) have a cold, flu like systems, dry cough, current fever or had a fever within the last 24 hours?
  - Has the applicant or other household member(s) had contact with anyone who either have or are suspected of having COVID-19?
  - Has the applicant or other household member(s) traveled outside of the USA recently?
    - b. If the answer to any of these questions is yes, staff may **not** coordinate any meetings with the applicant.

- c. Applicant responses are confidential. SCOR DRD will follow all Personally Identifiable Information (PII) Policies and Procedures, as well as the Health Insurance Portability and Accountability Act (HIPAA).
4. Immediately report the following to your supervisor:
    - Known or suspected exposure of any office personnel to a confirmed or suspected case of infectious disease.
    - Any applicant who reports symptoms of infectious disease within the household or exposure to a confirmed or suspected case of infectious disease.

## Safety and Security

Standard minimum operating hours for all intake centers will be Monday through Friday from 9:00 a.m. until 5:00 p.m. Saturday hours may be offered depending on intake volume. Additional morning, evening and weekend hours will be added based on the need of the community where each office is located. Any variations to these core business hours will be posted at each facility. Security signs will be displayed prominently at all intake centers. The following rules are created in order to provide a secure environment for the staff as well as the protection of all applicant's personal information.

The Customer Representative staff must adhere to the following at all times:

- Under no circumstances should anyone be in the facility alone. This is both to ensure the employees' personal safety as well as protect the integrity of the information stored and maintained in the facility.
- Entrance for homeowners/applicants should be made available 15 minutes prior to scheduled opening time and 15 minutes prior to closing.
- Entrance for homeowners/applicants and the general public may be denied prior to official or after official closing if there is not adequate staff on-site.
- Where possible, a separate entry should be established for employees allowing them to gain entry to the facility prior to the admittance of homeowners and the general public. This entrance should remain locked and opened only to admit employees.
- Homeowners/applicants and the general public must be escorted by a Customer Representative staff member at all times while in the intake center. Homeowners are not allowed access to restricted work areas inside the facilities.
- All visitors to the facility are required to sign in upon arrival and sign out upon departure.

### After Hours Security

A Team Lead and one other person must complete the closing checklist prior to departure at the end of the workday:

- Ensure everyone has exited the facility;
- Secure all entrances;
- Secure all windows;
- Ensure all case files documents are secured and nothing with personally identifiable information has been left on any desk, table, or copy machines;

- Secure and/or lock away all tablet computers, and all other internet access portals; and
- Ensure all entrances are locked and properly closed after exit.

Local police and the SCOR DRD Program Management Director should be provided with emergency contact information for all permanent facilities. The contact list should include all Production Managers and Team Leads. Team Leads should immediately notify the Production Manager in the event of any site security issues.

### **Meeting Safety and Security**

The primary role of the Case Manager is to meet with Program homeowners/applicants. To ensure the safety of Program staff, the following rules must be adhered to:

- There will always be at least two staff members present for any closed-door meeting. This not only ensures the personal safety of the staff but also ensures a 3rd-party witness in case of miscommunication or misunderstandings during the meeting;
- Home visits REQUIRE a minimum of two people in attendance (if applicable);
- Home visits REQUIRE a call to the Site Manager or designee upon arrival at the home, and again immediately after departure from the home;
- Home visits REQUIRE that a working cell phone be on and available during the meeting; and
- If a customer becomes angry and is perceived to be out-of-control such that a staff member becomes concerned for their safety, they should immediately call 911.

The documentation provided by the homeowners/applicants is considered Personal Identifiable Information (PII) and must be guarded for the security of the homeowner/applicant. To ensure the security of this information, the following rules must be adhered to:

- Print only the documents necessary to process the applications;
- Ensure all printed documents are always undercover;
- Shred all printed documents that are no longer necessary;
- Properly file all case files in a secure area during the non-productive time;
- Original documents used to support the application are to be scanned in the presence of the homeowner/applicant and returned;
- The password protection protocol on I-Pads must always be followed;
- To protect the privacy of PII, no recordings or photos of intake activities will be allowed; and
- The protection of PII is an absolute and fundamental requirement of this Program. PII must be protected from the view of third parties and may not be shared with any other person outside of the Program.

### **Maintaining a Safe Workspace**

- All work locations must be kept clean and orderly;
- Ensure all spills, drips, and leaks are cleaned up immediately;

- Place trash in the proper receptacles;
- Report all injuries sustained in the workplace immediately to the Manager on duty; and
- Report any unsafe conditions or acts to your supervisor.

**Emergency Contact Information**

Every employee must provide emergency contact information to their Team Lead or designee. This information will only be used in the event of an emergency.

**End of Intake Prioritization**

The Single-Family Housing Program and the Voluntary Buyout Program both use a prioritization matrix to determine what applicants will be served and the order in which they will be served. The Rental Repair Program is prioritized on a first come first serve basis. Therefore, the following policy applies to the Single-Family Housing and Voluntary Buyout Programs only. Eighty percent (80%) of the Hurricane Florence recovery efforts will be targeted to Dillon, Marion, and Horry Counties since those counties have been designated by HUD as MIDs. Lower priority applicants in those counties may be served before higher priority applicants in other counties.

The SCOR DRD prioritizes applicants based on income, age dependency, and the presence of disabled individuals in the household. There are eight priority categories with one being the highest, and eight being the lowest. SCOR DRD will not have the funds to serve all preliminarily eligible applicants. Service will be provided in the following order:

1. All priority one applicants will be served first.
2. Priority two through eight applicants will be served in order of lowest-income first.
3. If an applicant reported no taxable income, non-taxable income will be used to determine the lowest income.
4. If two applicants have both an equal income and an age dependent household member, then the applicant who completed their program paperwork first will receive priority.
5. SCOR DRD will follow these prioritization steps until program funds are exhausted.

There are a variety of other reasons why an applicant may not receive service. These include, but are not limited to, incomplete documentation, unpaid taxes, title issues, or an inability to overcome a DOB. Applicants that fail to correct the following issues within the timeframe allowed, will have their case moved to an inactive status. All applicants that have inactive cases due to the reasons below, will be notified in writing that their case will be closed if the issue is not resolved within 30 days.

<b>Issue</b>	<b>Moved to an inactive status after:</b>	<b>Inactive cases closed if not resolved within:</b>
Failure to submit required eligibility documents	45 days	30 days
Unpaid taxes	10 days	30 days
Title or heirship issues that prevent construction permitting	15 days	30 days

Duplication of Benefits requiring applicant funds	30 days	30 days
Unpaid utility bill(s) that prevent construction permitting	30 days	30 days
Unpaid environmental fee that prevents construction permitting	30 days	30 days
Any other applicant issue that prevents construction	45 days	30 days

The time limits stated above do not apply to any case in which construction activity has begun. Such cases must be brought to Special Case Panel (SCP) for adjudication.

Any applicant that receives the written notification that their case will be closed may appeal that decision or provide the necessary documentation, within the allotted 30 day time period. Once the 30-day time frame has expired and the case has subsequently closed, the applicant may not submit an appeal.

## Disabilities

The SCOR DRD policy is to resolve disability questions in favor of the applicant where a scintilla of evidence exists in support of disability. The program policy is to be inclusive when considering disability as a priority basis to support the repair of storm damaged homes of those in need.

### Procedures:

- The IC will receive applications through its intake centers and referrals from the State’s disaster case management team, LTRGs, VOADs, and county emergency management offices.
- If an Applicant indicates a disability at time of application by selecting the “Disabled” option from the application for the corresponding household member, the IC will validate the claimed disability for each household member by one of three methods:
  - a. Written documentation indicating federal or state disability benefits at the time of initial intake;
  - b. In-person visual confirmation by the IC of an obvious disability such as blindness or permanent necessity of wheelchair use caused by obvious missing limbs or physical disfigurement; or
  - c. Medical Professional Certification of Disability. All information provided by a medical professional will be used solely to establish disability status.
- When the IC uses the visual confirmation method for validation, the IC shall make a note in the comments and priority screens to state exactly what was noticed and in the case of multiple household members which individual it was noticed with. The IC will not inquire as to the nature of the disability.
- The use of a wheelchair or walker alone may be sufficient to validate disability when considering the totality of the applicant’s circumstances. In instances where the applicant is using a wheelchair or walker or other mobility assistance device, but the use of the assistive device appears questionable the IC may request written documentation of federal disability benefits or a medical professional’s statement of disability.
- The intent to apply for disability benefits but not having been declared disabled is not sufficient evidence to establish disability without gathering additional medical documentation.

- When an applicant had not originally indicated a disability in the household in their application, but updates the application to indicate disability, the IC should evaluate the reasons for the disability basis being later added to the application. If the IC has concerns regarding the validity of the disability basis, then the IC should refer the concern to the SCOR DRD Audit Department for further review.
- Any questionable cases shall be forwarded to the SCOR DRD Audit Department, or to the Special Case Panel, if necessary.

## Communication Standards

All communication (in person and via telephone, text, and emails) with applicants must be professional and pleasant. Any communication with elected officials, the media, and/or attorneys should be directed to their supervisor or a manager. Any substantive contact with these individuals will be handled by management unless directed otherwise.

The Customer Service Representative (CSR) MUST log all communication with applicants into the Grant Management System throughout the life of the project. All entries should include appropriate language, describe the nature of the communication, and describe the nature of transmitting documentation. No entries should be negative about the applicants.

If an applicant is rude, vulgar, or offensive on the telephone or in-person, the CSR is not obligated to continue the conversation. If the applicant is present, the CSR should notify their Team Lead and/or security immediately to defuse the incident. If the applicant is on the telephone, the CSR should give the applicant their Team Lead's name and telephone number, as well as immediately notify their Team Lead of the applicant's name, telephone number, and details concerning the incident. The Team Lead should call the applicant as soon as possible, but no later than 24 hours after the initial conversation.

All communication with or inquiries from elected officials, the media, or attorneys must be referred to and coordinated with the SCOR DRD Program Management Director. No contractor or sub-contractor personnel may make public statements about the Program without first coordinating and clearing such communication with the SCOR DRD Program Management Director.

## Critical Information Requirements

The contractor will notify SCOR DRD within 2 hours if any of the following critical events occur:

- Achievement of contractual performance measure(s);
- Any injury associated with the Program resulting in the immediate movement to a Hospital or Clinic for further treatment;
- Any vehicle wreck associated with the Program resulting in or which may result in a Program delay;
- Viable evidence that a citizen has attempted or completed fraud against the Program;
- Any citizen fraud complaint lodged against the State, its Implementation Contractor, its contractors or sub-contractors associated with the Program;
- Any non-routine inspection conducted by any entity regarding the Program;
- Any complaint by any person regarding harassment or discriminatory conduct regarding any aspect of the Program or operations;



- Any allegation that the State’s Implementation Contractor, its contractors, or sub-contractors have committed a crime while performing their work; and
- Any loss or potential loss of citizen Personally Identifiable Information (PII) in any form to include the loss of a computer containing PII, or the loss or compromise of a paper or electronic communication containing PII;
- Any non-routine inspection conducted by any entity regarding the program;
- Any complaint by any person regarding harassment or discriminatory conduct regarding any aspect of the program or operation;
- Any threat of legal action by a citizen against any contractor or the state which threat relates to any aspect of the program;
- Information that an applicant is living in deplorable conditions;
- Any home turned over to a client by a general contractor prior to a required governmental final inspection;
- Any instance in which a sub-contractor places a mechanic’s lien on an applicant’s home in the program; and
- The diagnosis of any person, associated with the program in any way, of having a highly communicable disease including but not limited to: Cholera; Diphtheria; Infectious Tuberculosis; Plague; Smallpox; Yellow Fever; viral hemorrhagic fevers; communicable severe acute respiratory syndromes; Flu, coronavirus, or respiratory illness that can cause a pandemic.

### Seeking Customer Feedback

SCOR DRD is committed to the success of this project. We care about what our citizen customers have to say as well as their expectations. Constituent Service Representatives (CSRs) will provide a customer survey to each applicant 90 days following construction completion to obtain their level of satisfaction with Program services. Surveys will be conducted via phone call. All surveys will be documented in the Grant Management System. Surveys with negative feedback will be contacted within 24 hours to mitigate any potential complaints.

Using the information in the customer survey will ensure the Program is focused on improving services while maintaining a finger on the pulse of the overall project. The goal is to continually improve internal processes as well as customer service skills. Program staff will contact any applicant who indicates a concern to discuss a possible resolution, if applicable.

### Case Managers

Applicants may need support throughout the process. Applying to the program may be complicated by the loss of documents or temporary residence outside the area. SCOR DRD, through its case managers, will establish and maintain partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc. to assist applicants with a multitude of needs. Case Managers will work in collaboration with other agencies to assist owners and displaced persons from inception to close-out. Each applicant will be assigned a case manager as a single point of contact to work with throughout the eligibility process. As applications are being accepted and reviewed for

determinations of eligibility to participate in the Program, each applicant will be advised and made aware of their application status.

## Ownership

All primary applicants must be able to demonstrate they had ownership/ownership interest at the time of the disaster, and they are the current owner of the damaged property for which they are requesting assistance to repair. Demonstrating ownership interest at the time of the disaster may qualify an applicant to be eligible to receive rehabilitation assistance in the Single-Family Housing Program or Rental Repair Program. However, in addition to the requirements for each property to be eligible for assistance, owners of the properties must also meet certain requirements in order to be eligible to receive buyout, reconstruction, or replacement assistance:

- Homeowner must have a clear deed to the property; and
- Homeowner must be current on property taxes and other fees that would prohibit the buyout, reconstruction, rehabilitation, or replacement of the disaster damaged home.

Participants will be required to certify to all eligibility criteria and must sign an acknowledgment agreeing to the following false claims statement: "Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729 and under applicable South Carolina law."

All primary applicants must be able to demonstrate that they are the current owner of the property for which they are applying. Second homes are not eligible for SCOR DRD programs.

In all cases possible, the Program will validate applicant ownership of the property using nationally recognized third-party database services, such as FEMA/SBA/NFIP Data or Melissa Data, to expedite applicant processing. FEMA IA data that designates applicants as "Owner" will be considered verified. Any event of conflicting information received or submitted will be reviewed by the Program on a case-by-case basis.

If an applicant owned a damaged structure, such as an MHU, but does not own the land where the structure is located, they may still be considered eligible.

In the event that applicant ownership cannot be confirmed through third-party data, applicants will be required to submit documentation to satisfy the ownership criteria. This documentation may include, but is not limited to, one the following:

### **A. MOST COMMON PROOF OF OWNERSHIP DOCUMENTATION (STICK-BUILT)**

- Deed or Official Record for the home;
- Mortgage Payment Book or other mortgage documents;
- Real Property Insurance Policy; and/or
- Property Tax Receipts or Tax Bill documenting the applicant as the owner.

**Alternative forms of ownership documentation that may be considered:**

- Life Estate Deed: must show the applicant as the grantee of the property (if transferred upon the death of another - death certificate of prior owner required) and the person holding the remainder interest will be required to execute the buyout documents;
- Probated Will\Court Order\judgment granting applicant an ownership interest in the property;
- Divorce Decree - if ownership was obtained consequent to divorce the decree must specify the property was granted to the applicant;
- Contract for Sale/Deed (Rent to Own) – If the applicant purchased the property in a private owner sale via contract for deed/sale the contract must be satisfied and a warranty deed granting the property to the applicant must be recorded in the property records. The original contract and subsequent warranty deed are required; and
- Other documentation that will be reviewed and considered on a case-by-case basis.

**B. MANUFACTURED HOUSING UNIT (MHU):**

The Owner/Occupant must present evidence of ownership in the MHU and that the MHU was located on land within an eligible County. Ownership documentation for MHUs may include, but are not limited to, one of the following items:

- Property Title or SC DMV Mobile Home Certificate of Title;
- Bill of Sale showing applicant name as owner;
- State issued Manufactured Certificate showing the name of the applicant as owner. If the applicant was under a Lease Purchase Agreement for the property and/or MHU, the contract must be satisfied and a warranty deed granting the property to the applicant must be recorded in the property records. The original contract and subsequent Warranty deed are required; and
- Other forms of MHU ownership, which may be considered on a case-by-case basis.

**C. OWNER OF RECORD DECEASED:**

If the applicant is applying for a property where the owner on record recently died, the applicant may be eligible for assistance if they can demonstrate they have an ownership interest in the property. The applicant must submit one of the following items to prove an ownership interest in the property:

- A Probated Will for the deceased owner, which is legally enforceable, granting the property to the applicant in the estate administration; or
- An Heirship Affidavit that has been recorded in the property records that demonstrates the applicant is a direct heir to the property, accompanied by a copy of the deceased owner's death certificate (or a verified report from the Social Security Death Index), and the deceased owner's warranty deed or other proof to show the deceased's ownership of the property.

**D. 99-YEAR LEASE:**

An applicant may be considered to fulfill the ownership requirement for the Single-Family Housing Program and the Rental Repair Program if the owner/occupant is the lessor on a lease of the real property, which has a 99-year term or greater.

#### **E. OWNERSHIP BY TRUST:**

If any percentage of the damaged property was transferred to the applicant through a family trust by the prior owner of the property, a copy of the Trust document that has been recorded in the property records will satisfy the ownership requirement.

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

- Applicants who lost ownership of their home due to foreclosure or properties with an outstanding suit
- Properties located where federal assistance is not permitted. Properties must be in compliance with Environmental Code 24 CFR Part 58

### **Mortgage Obligations**

The Program requires applicants to disclose circumstances that may affect their home ownership.

Required Documentation:

- 3rd-party ownership information (preferred).
- Current mortgage/lien holder statement with company contact information (if applicable).

The program will ensure the home is not in active foreclosure by verifying ownership status through 3rd party data feeds (title/ ownership verification process). In the event that clear ownership cannot be established, an applicant may supply mortgage statements showing the current status of payments for Program consideration.

### **Communication Designee**

The Program understands there may be circumstances when an applicant may prefer another individual to be able to assist with obtaining information, Program status, and being a secondary contact.

Each applicant will be able to designate a third party to communicate with the Program on their behalf by completing the Communication Designee section of the application. A communication designee is authorized to make inquiries with the Program regarding the status of an applicant's application. Communication designees are not authorized to sign documents or affidavits, nor make decisions on behalf of the applicant unless he or she also has Power of Attorney. Communication designees must always have the identification information necessary to prove their identity in their possession.

### **Power of Attorney**

Applicants may have circumstances that require an appointment of an individual (agent) as Power of Attorney, which gives another person the authority to act on their behalf in specified or all legal or financial matters. The person receiving the power of attorney (agent) is the "attorney in fact" for the person giving the power.

There are multiple types of Power of Attorney to include: General (which covers all activities); Medical (can be used only for medical decisions and is not applicable for Program use); Special (limited to specific

powers only); and Durable (generally covers all activities and is not affected by subsequent disability or incapacity of the principal). A power of attorney generally is terminated when the principal dies or becomes incompetent, but the principal can revoke the power of attorney at any time.

Any applicant or their agent may submit a signed and notarized Power of Attorney (POA) which will allow the agent the right to act in the same capacity as the applicant for all actions related to the application. In the event a Power of Attorney for an applicant is received, Program staff will do the following:

- Review the document to determine the type of power granted (durable, limited, medical, etc.) to the named agent, and that it has been signed and notarized;
- Obtain contact information for the agent with POA and a copy of valid identification for placement in the applicant file; and
- Secure or make a physical or electronic copy of the Power of Attorney to be maintained with the applicant file.

## Heirship Property

Heirs' property is land that has been passed down through generations without a Will, creating shared ownership among many descendants. All heirs have legal ownership of the whole property. No one heir has greater rights over the other. During program intake, applicants may have questions regarding an heirship property or need assistance obtaining a clear title.

### Key Definitions:

- Title- Ownership rights for use of the property.
- Deed- The legal document that evidences the title/right to use. The deed must be a written document and recorded in the county of record where the property is located.
- Probate Process- To “Probate an Estate” means the legal process by which ownership of property of someone who has died (decedent) is legally transferred to someone who is living (heir).

### Procedures:

1. During program intake, the applicant will be asked who owns the disaster-damaged property to determine who is the deeded/title owner.
2. The IC will search county records for each case to determine who is the documented owner of the disaster-damaged property. The IC will inform the applicant of their findings.
  - a. If the applicant is the only owner, then the applicant has satisfied ownership requirements and normal case processes will occur.
  - b. If the applicant is a co-owner, all other owners will be asked to sign a homeowner agreement, then normal case processes will occur.
3. If the owner is deceased, the IC will learn how long the owner has been deceased.
  - a. If the owner has been deceased less than ten (10) years, the following process occurs:
    - The applicant will identify all living heirs by completing an Heirs Property Questionnaire to

- include an attestation (Appendix I) and a Friend of Family Affidavit (Appendix J).
- The applicant will be referred to SC Legal Services or an Heirs Property resolution entity or a Pro Bono attorney or service (collectively referred to hereafter as “Advocates”) to assist with the probate process, if possible.
  - Advocates will determine if a Will exists.
    - If there is a Will, then the Advocates may file a Probate action and seek a Deed of Distribution to the devised owner(s). All owners must sign a homeowner agreement, then normal case processes can occur.
    - If there is not a Will, then the Advocates may file a Probate action and seek a Deed of Distribution to Intestate devised owner(s). All owners must sign a homeowner agreement, then normal case processes can occur.
    - If all heirs will not sign the homeowner agreement, then the applicant does not satisfy SCOR DRD ownership requirements and is ineligible for assistance.
- b. If the owner has been deceased for more than ten (10) years, the following process occurs:
- The applicant will identify all living heirs by completing a Family Tree Form, Heirship Affidavit, and a Friend of Family Affidavit.
  - If the applicant is unable to identify all heirs, Advocates will determine the viability of filing an Action to Quiet Title.
  - Once all heirs have been identified, they must sign the Homeowner Agreement, then normal case processes can occur.
  - If all heirs will not sign the homeowner agreement, then the applicant does not satisfy SCOR DRD ownership requirements and is ineligible for assistance.
- c. Any exceptions to the Heirs Property process must be presented to the Special Case Panel for consideration.

## Uniform Relocation Act

In part, the Uniform Relocation Act (URA) was passed by Congress in 1970, as amended, to ensure homeowners whose real property was acquired for Federal and federally-assisted projects were treated fairly and consistently, and to ensure persons displaced as a result of such projects do not suffer disproportionate injuries. As such, relocation assistance is provided to displaced persons, including tenants who were living in a Property at the time of the Disaster, to lessen the financial impact of displacement and to ensure individuals/families are living in decent, safe, and sanitary housing.

As required by Federal Register, 83 FR 5849 (2018), South Carolina must describe how it shall minimize the displacement of tenants and assist any tenants that may or have been displaced. Thus, the purpose of this policy is to establish policies and procedures to identify tenants whose primary residence, prior or post the Disaster, was or is in a Property that is to receive benefit from the program, to document those tenants, and to ensure outreach has been made to tenants to safeguard the ideals and requirements of URA.

### Key Definitions:

- Comparable Replacement Dwelling – a functionally equivalent dwelling that performs the same function and utility and has the principal features of the previous dwelling. However, it does not have to possess every feature of the displacement dwelling.<sup>2</sup>
- Disaster – the Hurricane Florence disaster that took place in South Carolina in 2018.
- Displaced Person<sup>3</sup> – any person who moves from real property or moves his or her personal property from real property as a direct result of rehabilitation or demolition for a project. A person is not displaced if:
  - a. A person moves before the start of rehabilitation unless the State determines that the person was displaced as a direct result of the program or project.
  - b. A person who initially begins to occupy the Property after the date of its rehabilitation for the project.
  - c. A person who has occupied the property to obtain assistance under URA.
  - d. A person who is not required to relocate permanently as a direct result of a project.
  - e. A person who, after receiving a notice of relocation eligibility, is notified in writing that he or she will not be displaced for a project.
  - f. A person who retains the right of use and occupancy of the real property for life following its rehabilitation by the State.
  - g. A person who is determined to be in unlawful occupancy prior to or after the start of rehabilitation, or a person who has been evicted for cause, under applicable law.
  - h. A person who is not lawfully present in the United States.
  - i. Tenants are required to move as a result of the sale of their property to a person using down payment assistance provided under the American Dream Down Payment Initiative.
- Property – includes a residential dwelling that includes a single-family home, condominium, duplex, mobile home, or any place where a person dwells that is connected to utilities.<sup>4</sup>
- Tenant – a renter who pays fair market rent and obtained the rental/lease as a result of an arm’s length transaction,<sup>5</sup> therefore both parties entered the agreement willingly and without force or pressure from either party.

## Applicable Laws and Regulations

24 CFR 570.606 and 49 CFR part 24 - The specific Codes of Federal Regulations for Community Planning and Development Programs, and Community Development Block Grants, which are applicable to this policy.

## Procedures to Identify & Document Tenants in Single-Family Households

Applicability of URA will be confirmed at the time the applicant completes his or her in-person, grant

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<sup>2</sup> 49 CFR 24.2(a)(6)

<sup>3</sup> 49 CFR 24.2(a)(9)

<sup>4</sup> See 49 CFR 24.503 for additional information regarding mobile homes.

<sup>5</sup> As defined in the Recovery Act Changes under the Community Development Program.

[https://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp\\_faq\\_recovery\\_act\\_changes.pdf](https://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp_faq_recovery_act_changes.pdf)

award meeting, which informs the applicant of their benefits to be received under the program. In order to determine whether URA is applicable, the applicant must complete a survey at the grant award meeting.

- The survey will include the following:
  - a. The definition of a tenant.
  - b. Boxes for the applicant to indicate whether they had a tenant as defined in their Property, at the time of the Disaster or post-Disaster.
  - c. If the applicant answers yes that he or she had a tenant as defined in their Property, then the applicant will be required to provide the name and contact information of the tenant(s).
  - d. If the applicant answers, no, that he or she did not have a tenant as defined, then the applicant will move directly to the certification section of the survey.
  - e. At the end of each survey, each applicant must certify the information provided is true and accurate, prior to electronically signing the survey.
- Upon completion, the survey will automatically be uploaded and maintained in the applicant's current file via the Grant Management System.
- If the applicant did have a tenant in the Property, within three (3) days of completion of the survey, a caseworker will directly contact the tenant(s) and take the appropriate actions described in the following section:
  - a. All tenants contacted will have a subfolder created in their name under the original homeowner's application. This folder will contain their contact and identifying information, a record of all communications with the tenant, and any documentation presented to receive assistance.

Without regard to race, color, religion, sex, age, handicap, familial status, or national origin, and in accordance to 49 CFR 24, the State must offer the following services and/or provide applicable reimbursements, where the tenant has already obtained one or more of the following:

- General Information Notice. As soon as feasible, the tenant must receive a written description of the relocation program and his or her rights. The notice must inform the tenant of the following:
  - a. He or she may be displaced for the project and generally describe the relocation payment(s) for which the tenant may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s).
  - b. He or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the tenant successfully relocate.
  - c. He or she will not be required to move without at least 90 days advance written notice;
  - d. Any tenant cannot be required to move permanently unless at least one comparable replacement dwelling has been made available.
  - e. Any tenant who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child.
  - f. Describes the tenant's right to appeal the State's determination as to a tenant's application for assistance for which a tenant may be eligible under this part.
- Eligibility & 90-day Notice. Eligibility for relocation assistance shall begin on the date of actual rehabilitation, as defined under the benefits agreement. After the caseworker has contacted the identified tenant and confirmed the tenant's occupancy of part of the Property, the State shall then promptly notify the Tenant in writing of their eligibility for applicable relocation assistance.



- a. No lawful occupant shall be required to move unless he or she has received at least 90 days advance written notice of the earliest date by which he or she may be required to move.
- b. The 90-day notice shall either state a specific date as the earliest date by which the occupant may be required to move or state that the occupant will receive a further notice indicating, at least 30 days in advance, the specific date by which he or she must move. If the 90-day notice is issued before a comparable replacement dwelling is made available, the notice must state clearly that the occupant will not have to move earlier than 90 days after such a dwelling is made available.
  - In unusual circumstances, an occupant may be required to vacate the property on less than 90 days advance written notice if the State determines that a 90-day notice is impracticable, such as when the person's continued occupancy of the property would constitute a substantial danger to health or safety.
- Advisory services. A tenant must be advised of his or her rights under URA and the Federal Fair Housing Act, the general scope of the recovery project, and provided with comparable replacement dwelling, in addition to financial forms of assistance listed below, where applicable.
  - a. No tenant to be displaced shall be required to move from his or her dwelling unless at least one comparable replacement dwelling has been made available to the person. When possible, the State will provide the tenant with at least three comparable options.
    - The comparable replacement dwelling is considered made available when:
      1. The tenant is informed of its location;
      2. The tenant has sufficient time to negotiate and enter into a purchase agreement or lease for the property; and
      3. Subject to reasonable safeguards, the tenant is assured of receiving the relocation assistance to which the tenant is entitled, with sufficient time to complete the purchase or lease of the property.
  - b. If the comparable replacement dwelling to be provided to a minority tenant is located in an area of minority concentration, the minority tenant must also be given, if possible, referrals to comparable and suitable decent, safe, and sanitary replacement dwellings not located in such areas.
- Forms of Assistance – All claims for relocation payment must be filed with the State no later than 18 months after the date of displacement.<sup>6</sup>

All requests for reimbursements or relocation payments shall be supported by reasonable documentation to support expenses, such as bills, certified prices, appraisals, or other evidence of expenses. Each request will be reviewed expeditiously, and the State will promptly inform the tenant of any additional documentation that is required.

All records will be kept confidential and reports will be submitted related to its displacement activities as requested by the State and/or HUD.

- Moving expenses. The State shall provide payment for moving expenses as described in 81 FR 39702, which established a waiver from the standards described in 49 CFR part 24.
  - a. As per the waiver, the State shall create a moving expense allowance under a schedule of allowances that is reasonable for South Carolina and considers the number of rooms in the displacement dwelling, whether the tenant owns and must move furniture and etc.

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<sup>6</sup> 49 CFR 24.207(d)

- Security deposits and credit checks. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit.
  - a. Interim living costs. The State shall reimburse a tenant for actual reasonable out-of-pocket costs incurred in connection with a displacement, including moving expenses and increased housing costs, if:
    - The tenant must relocate temporarily because continued occupancy of the Property constitutes a substantial danger to the health or safety of the person or the public; or
    - The tenant is displaced from a “lower-income dwelling unit,” none of the comparable replacement dwelling units to which the person has been referred qualifies as a lower-income dwelling unit, and a suitable lower-income dwelling unit is scheduled to become available.
  - b. Replacement housing assistance. A tenant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance or down payment assistance, if the tenant:
    - Actually, and lawfully occupied the displacement dwelling for at the time of the Disaster or at least 90 days immediately prior to the start of rehabilitation; and
    - Rented and occupied a decent, safe, and sanitary replacement dwelling within 1 year after the date he or she moves from the displaced Property.
    - Rental Assistance: An eligible applicant who rents a replacement Property is entitled to a payment not to exceed \$5,250. The payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:
      1. The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
      2. The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the tenant.
      3. The base monthly rental is the lesser of the average monthly cost for rent and utilities at the new Property or 30% of the tenant’s average monthly gross household income if you are low-income based on the HUD income limits.
        - 81 FR 39702 established a waiver to use higher than 30 percent if the tenant was paying the rent without demonstrable hardship.
        - That total monthly need, if any, is multiplied by 42, to determine the total amount the tenant will receive. This amount will be paid directly to the tenant in monthly installments or periodic payments.
      4. All or a portion of this assistance may be offered through a certificate or voucher for rental assistance (if available) provided under Section 8. If a Section 8 certificate or voucher is provided to a tenant, the State must provide referrals to comparable replacement dwelling units where the owner is willing to participate in Section 8 Tenant-Based Assistance Existing Housing Program. When provided, cash assistance will generally be in installments, in accordance with 42 U.S.C. 3537c; or
        - 81 FR 39702 established a waiver that will allow an owner who is willing to participate in the tenant-based rental assistance (TBRA) housing program subsidy (Section 8 rental voucher or certificate), to allow a displaced tenant who only meets a portion or all of the traditional requirements to participate in the TBRA program.
    - Down payment Assistance. If the tenant decides to purchase a replacement Property, the tenant is able to receive assistance to make a down payment equal to the amount he or she would receive if they rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home), which can

be no greater than \$5,250. Down payment assistance payment will be paid in a lump sum.

## Identification

It is the intent of the Program to ensure household compliance with the Low-to-Moderate Income National Objective. The Program will confirm the identity of all applicants using Nationally recognized 3rd Party database services to validate Program eligibility. Any event of conflicting information will be reviewed by the Program on a case-by-case basis.

All applicants will be required to submit documentation to prove their identity. This documentation may include, but is not limited to, the following:

- Government Issued Photo Identification (Federal or State issued);
- Driver's License;
- Passport;
- Military ID Card; and/or
- Certificate of Naturalization or Permanent Resident Card.

Note: Applicants are required to submit proof of birth verification for all household members for identification purposes. Examples include: birth certificate, passport, driver's license, vaccination/medical records, school records, and tax forms.

## Citizenship

U.S. Citizens or lawful permanent residents are eligible to receive benefits under this Program. At least one person on the application with an ownership interest in-part or in-whole on the property must be able to demonstrate U.S. Citizenship or Lawful Permanent Residence to ensure Program eligibility. The documentation needed may include, but is not limited to, the following:

- If the applicant who also appear on the ownership data/documentation, has a valid South Carolina Driver's License, the Program will consider this validation complete (Note: The State of South Carolina requires proof of Citizenship in order to receive a Driver's License);
- Other State Driver's Licenses that require proof of Citizenship for issuance will also be considered to validate Citizenship; and/or
- In the event a Driver's License is not available, applicants that have confirmed assistance using FEMA IA or SBA data for property assistance will be considered verified using this method since both FEMA and SBA validate legal residency as part of their application process.

Applicants without a Driver's License, or FEMA IA or SBA assistance, must submit one of the following:

- Resident Alien Card;
- Birth Certificate (verified against government-issued photo ID);
- US Passport or Certificate of Naturalization; or
- In the event the applicant is unable to provide any of the above documentation, a US Immigration and Naturalization Service, SAVE search, may be conducted to determine citizenship or residency.

## Eligibility

Individual homeowners who occupied a storm/flood-damaged structure as their principal residence as of September 2018 (depending upon geographical location), may be eligible for this Program. Applicants to the disaster recovery Programs will be screened for eligibility to ensure all the criteria meets the primary objectives of the Programs. Applicants will be required to provide complete and accurate information regarding their household composition, household income, and housing situation. Failure to disclose accurate and complete information may affect eligibility requirements and all such instances will be referred to SCOR DRD for further action.

Applicants may be required to make full restitution to the State of South Carolina, including the forfeiture of a deferred forgivable lien position if they are found to have submitted inaccurate or incomplete information in order to appear to meet eligibility requirements. Each application will be reviewed for the following eligibility and benefit determination criteria:

- Property Location;
- Property Structure/Type;
- Ownership;
- Occupancy at the time of the storm;
- Disaster damage;
- Duplication of Benefits; and
- Income.

Other social vulnerability factors such as disability and/or age dependency may affect an applicant's eligibility priority.

## Disaster Damage

The property must have been damaged by the Disaster and the applicant is not able to complete repairs or rebuild since the named disaster. Disaster damage is defined as rain, wind, and/or flood damage received as a direct result of the Disaster to the damaged property in September 2018 plus subsequent damage related to the original Disaster damage. Using a 2-Prong process, the Program will determine if a property received damage from the disaster.

### Prong 1

Applicants will provide a reasonable confirmation of damage to their property from the disaster at the application stage.

Verification of a benefit paid to the applicant for damage to their property will be attempted using third Party data in an attempt to expedite the determination process. A data search for information will be conducted, but not limited to, the following items:

- FEMA (3rd party data match will suffice to prove damage, no other documentation is needed);

- SBA (3rd party data match will suffice to prove damage, no other documentation needed); or
- NFIP (3rd party data match will suffice to prove damage, no other documentation needed).

If no match is identified through the displayed data searches, applicants may submit documentation that verifies their home received damage from the disaster. This documentation may include, but is not limited to, one of the following items:

- FEMA Claim Letter for housing repair demonstrating payment for structure damage;
- SBA Loan documentation demonstrating payment for structure damage;
- NFIP Claim payment for structural damage;
- Private Insurance Claim paid for structural damage;
- Litigation payment resulting from a denied Insurance Claim or potential payment due to pending litigation; or
- Photos submitted by the applicant, and attested to as disaster-damage, as part of the application.

The purpose of Prong 1 Damage Validation is to reasonably confirm applicant eligibility in advance of the On-Site Damage Inspection (Prong 2).

## Prong 2

A qualified Program inspector will perform a damage assessment complete with photos and a written assessment of the damage to confirm the presence of disaster-related damage to the property, if existent. If disaster-related damage to the property cannot be confirmed by the damage assessment and the applicant is unable to provide documentation to reasonably confirm damage, the property will be deemed ineligible for assistance.

An exception to the Disaster Damage Policy may be made on a case-by-case basis in the event that an applicant's home received damage from the disaster and was subsequently demolished. The applicant must provide sufficient documentation from the listed items in Prong 1 OR supply alternate documentation, such as private, certified third party property inspection completed prior to the demolition of the structure.

## Primary Residency

All applicants must provide evidence that they occupied the property for which they are seeking assistance as their principal residence in September 2018 to satisfy the Primary Residency eligibility criteria. The Program will attempt to validate the applicant's primary residence address using Nationally recognized third-party database services, such as FEMA/SBA/NFIP Data or Melissa Data, in an effort to expedite applicant processing. Any event of conflicting information received or submitted will be reviewed by the Program on a case-by-case basis.

Applicants that have confirmed assistance using FEMA IA or SBA data for property assistance will be

considered verified. Other Nationally recognized third-party data will be used to confirm primary residence when FEMA IA or SBA data are unable to match the applicant and/or co-applicant information. Third-party data that matches the applicant application data for primary residence will be considered verified.

Additional types of documentation that may be considered as proof of primary residency includes, but is not limited to, the following:

- FEMA correspondence to applicant demonstrating the applicant applied for and received FEMA IA (Individual Assistance) for the damaged property address (Letters from FEMA);
- Federal or state income tax return with permanent home and damaged property address matching (2018 returns for applicant or co-applicant);
- Government-issued identification issued prior to the date of the affected-storm, and expiring after the date of the affected-storm;
- Property Tax Homestead Exemptions for damaged property address (confirmed with county appraisal districts);
- Insurance documentation indicating the insured property matching the damaged property address as the primary residence;
- Utility Bill for the home with the named applicant (major utilities, such as electricity, gas, or water with the service address matching the street address of the home);
- Vehicle registration or renewal for the impacted year or Certificate of Title issued for the vehicle in the impacted year with the applicant's name and damaged property address listed;
- Receipt of government benefits received for at least one month between the three months before or after the qualifying storm showing applicant's name and damaged property address (Examples include: Social Security, Medicare, LIHEAP, Medicaid, WIC, and Unemployment);
- Merchant's Statement addressed to the applicant at the damaged home address and dated during the disaster time period (Examples include: merchant statements, credit card bills, delivery notices, or other first-class mail);
- Employer's Statement addressed to the applicant at the damaged home address and dated during the disaster time period (Examples include: pay stubs and similar documents); or
- Current Driver's License or State-Issued Identification Card showing the damaged home address and dated during the disaster time period.

**Primary Residency Verification Procedures:**

All documentation will be reviewed to ensure the documents include the applicant's name, the damaged property address, and is dated at the time of the disaster (if applicable) to reasonably substantiate the damaged property was the applicant's principle place of residence at the time of the disaster.

**Primary Residency Exceptions:**

Exceptions to this Policy include the following:

- An Owner/Occupant that is/was in the United States military and was deployed outside of the United States may still qualify for an award as long as he or she was not renting the property to another person.

- An Owner/Occupant was temporarily living in a nursing home, assisted living facility or other medical facilities may still qualify.

If the Owner/Occupant of the damaged property in September 2018 died after the disaster, the applicant (heir) must provide evidence that the damaged property was also the applicant (heir's) primary residence in September 2018.

## Income

The Program will use the Internal Revenue Service (IRS) Form 1040 definition of income, as set forth in HUD regulations, for the purpose of determining all applicants' eligibility for this South Carolina CDBG-DR funded Program. The IRS Form 1040 method of calculating income is often referred to as the Adjusted Gross Income or AGI method.

To ensure Program compliance with HUD's National Objective, at least 70% of applicant households must be low-to-moderate income with a total household annual gross income that does not exceed 80% of Area Median Income (AMI), adjusted for family size, as published annually by HUD. If an applicant's AMI exceeds 80%, the Urgent Need National Objective must be used. Applicants will be screened for income eligibility through submission of specific required income documentation or third-party data sources.

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single-family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. Household members are all persons (minors and adults) who are living in the damaged home. The test of meeting the low-to-moderate income objective is based on the total adjusted gross income of all the household members.

- The Program will use the following rules to determine the income of household members to be included in the household income calculation: Minors - Earned income of minors, including foster children (under 18) is not counted. Unearned income attributable to a minor is included in the household income calculation (Examples include payments from trusts, stocks, bonds, etc. if the payments are taxable at the Federal level).
- The income of temporarily absent family members is counted in the annual income, regardless of the amount the absent member contributes to the household. Temporarily absent family members are also counted as a member of the household when determining the household size.
- In situations where family members are permanently absent such as when a spouse is in a nursing home, the head of household has the choice of excluding the individual in the household composition, as well as any taxable income they receive. However, if the absent family member is included in the household composition, the taxable income must also be included in the total household income calculation.
- In the event that one of the following special circumstances applies, the income of the referenced individuals will be excluded from the total household income calculation:
  - a. Persons who are temporarily living with the applicant;
  - b. Persons who are employed by the household as a live-in aide and/or are a child of that aide. Note: A live-in aide/caregiver that is related does not qualify. In such cases, their income will be included in the total household income calculation and the live-in aide and any child of the aide will be included in the total household composition; and

- c. If an applicant is married and their spouse is absent from the household, the income of the absent spouse will not be included in the total household income if documentation of a separate residence for the absent spouse is provided.

All household members included in the AGI calculation, if required to file, must provide a copy of their previous year's filed tax return or tax return transcript, if available, in order for the AGI of the household to be calculated. The Program will allow the use of the previous tax year's tax return in determining household AGI and no other documentation will be required.

There may be situations where a household member may have had no obligation to file a return, have not yet filed it, or filed an extension. If any household member did not file a prior year income tax return, the household member is required to submit current documentation that reflects their current income. The following income documentation will be required for each household member only if the type of income is applicable and if a prior year income tax return is not available:

- Wages:
  - a. 3 paystubs from the most recent 90-day period prior to the date of application, they do not need to be consecutive unless pay frequency is monthly.
- Retirement/Social Security:
  - a. Current Social Security Benefits letter (including benefits paid to minors);
  - b. Current Pension/Retirement Benefit letter (if applicable), or prior year 1099; or
  - c. Current Annuity Payment letter (if applicable), or prior year 1099.
- Self-Employment Income:
  - a. Most recent tax return (1040 or 1040A); or
  - b. Current year profit and loss statement.
- Rental Income:
  - a. Current lease agreement(s).
- Unemployment Benefits:
  - a. Current benefit letter with gross benefit amount.
- Court Ordered Alimony/Spousal Maintenance:
  - a. Copy of court order documentation.
- Taxable Interest and Dividends (including amounts received by, or on behalf of minors):
  - a. Most recent statement or prior year 1099.
- Documentation for other less common types of income that may be taxable at the federal level and will be assessed by the Program based on the type of income reported.

If an applicant submits paystubs as proof of income, the annual income will be calculated by taking the average of the gross income of the 3 paystubs provided and multiplying that figure by the corresponding number of pay periods in one year. If the paystubs indicate a federal taxable income line that is less than the gross income, that figure will be used for the income calculation using the average of the 3 paystubs multiplied by the corresponding number of pay periods in one year.



## FEMA Non-Compliance

Applicants found to be non-compliant with FEMA regulations or who failed to comply with the requirements of the National Flood Insurance Reform Act are not eligible for CDBG-DR assistance.

An applicant is FEMA non-compliant if they failed to obtain and maintain flood insurance after receiving federal funding for a previous disaster.

This is verified by reviewing FEMA IA eligibility codes in the federal dataset for the event. Any records with ineligible code "NCOMP - non-compliant with Flood Insurance Requirement" or "NPND - NFIRA - Non-Compliance" are FEMA non-compliant applicants and therefore ineligible for program assistance.

The entire FEMA IA dataset for both the 2015 Storms, 2016 Hurricane Matthew, and 2018 Hurricane Florence will be reviewed for the applicable eligibility code to identify non-compliant households. The FEMA registrant numbers for the non-compliant households are cross-checked against the FEMA registrant numbers for the CDBG-DR applicant universe to ensure that no ineligible applicants are served.

## Duplication of Benefits

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C.5155) prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which he or she has received financial assistance under any other Program or from insurance or any other source. CDBG-DR funds issued through South Carolina Disaster Recovery Programs may not be used for any costs when other disaster recovery assistance was previously provided by another source for the same purpose.

The Stafford Act directs administrators of Federal assistance to ensure that no person, business, or other entity will receive duplicative assistance and imposes liability to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The amount of duplication is the amount of assistance provided in excess of need. (Federal Register/Vol.76, No. 221/Wednesday, November 16, 2011). The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. A Duplication of Benefits (DOB) occurs when:

- A beneficiary receives assistance;
- It comes from multiple sources (examples: private insurance, FEMA, NFIP, non-profits, etc.); and
- The total assistance amount exceeds the need for a particular recovery purpose

In accordance with the Stafford Act, the Implementation Contractor (IC) will check all potential duplicative benefits received by applicants for the October 2015 Storm Recovery Program, the 2016 Hurricane Matthew Recovery Program, and the 2018 Hurricane Florence Recovery Program. The three programs may be ongoing simultaneously, so it is important that all possible funding sources are identified and examined.

All Site Inspections (for ALL programs) occurred or will occur after the 2015 Severe Storm, 2016 Hurricane Matthew, and 2018 Hurricane Florence. While the inspections do verify damage related to the named storm associated with the program being applied for, the repair estimates developed do not separate out the damage from storms. The repairs address all items that are required to bring a home to a safe,

sanitary, and secure condition. For this reason, the following will occur:

- The program will evaluate any federal or private funding received by applicants for both storms (regardless of the specific program the applicant applied for). This entails:
  - a. Running all cases against both 2015, 2016, and 2018 datasets for all forms of federal funding; and
  - b. Capturing all private housing funds received in response to both the 2015, 2016, 2018 disaster.

In accordance with the Stafford Act, the Program will use the following framework to assure that any funds provided by the Program are not a DOB:

1. Identify the total need for assistance prior to any assistance being provided;
2. Identify all potentially duplicative assistance received or to be received;
3. Deduct assistance determined to be duplicative;
4. Determine the maximum eligible award;
5. Determine the Program cap (if applicable); and
6. Determine a Final Program Award.

### Basic Framework for Calculating Disaster Recovery Awards

Amounts in calculation are for example purposes only and not necessarily reflective of actual amounts.

1. Identify Applicant's Total Need Prior to Any Assistance being provided,	\$100,000
2. Identify All Potentially Duplicative Assistance,	\$35,000
3. Deduct Assistance Determined to be Duplicative,	\$30,000
4. Determine the Maximum Eligible Award (Item 1 less Item 3),	\$70,000
5. Determine the Program Cap (if applicable), and	\$50,000
6. Determine Final Program Award (lesser of Items 4 and 5).	\$50,000

Eligible applicants may have previously received assistance from other sources. Under the requirements of "The Robert T. Stafford Disaster Assistance and Emergency Relief Act" (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, the Program must take into account certain aid received by applicants in determining the amount of assistance which can be granted. The following are sources of funding assistance provided for structural damage and loss that may be considered a DOB and under federal law must be deducted from the assistance provided:

- FEMA Individual Assistance for Structure (IA);
- FEMA National Flood Insurance Program (NFIP) and/or Increased Cost of Compliance (ICC);
- Private Insurance;
- Small Business Administration (SBA);
- Charity; and/or
- Any other funding source that may duplicate assistance.

### Recapture Duplication of Benefits

If duplication of benefits is identified, SCOR DRD will recapture funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

## Sources of Duplication of Benefits

The following are sources of funding assistance provided for structural damage and loss that are considered a DOB. Under federal law DOB must be deducted from the assistance amount (the amount that will be offered for the purchase of the home): FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Private Insurance, Small Business Administration (SBA) and other sources. Assistance received in the form of services instead of money, for home repairs from any source is not considered a duplication of benefits. Any additional duplication of benefits received by the applicant after the offer for purchase has been extended, the funding for the purchase of the home has been awarded or the purchase transaction has occurred, must be applied to reduce the award amount. Funds received from any source including flood insurance, FEMA, and hazard insurance that were used to cover repair to the applicant's home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance. Documentation must be provided demonstrating the cost and type of repair conducted. The Program will conduct a work write-up that will inspect, confirm, and estimate value of repairs based upon the applicant's statement of repair work already completed.

## Subrogation of Funds

All applicants will be required to sign a Subrogation Agreement as a part of participating in the Program. Applicants must subrogate any additional funds received for damage caused by the disaster back to the State. CDBG-DR funding must be funding of last resort, and if additional funds are paid to an applicant for the same purpose as the housing assistance they receive through State CDBG-DR funding after the State has completed repair/rehabilitation/buy out of their home or replacement of their MHU, those funds must be returned to the State of South Carolina.

If it can be established that an applicant has an additional need, the subsequent funds would not be considered a DOB (76 FR 221, 71062). However, if an additional need is not demonstrated, disaster recovery funds must be recaptured to the extent they are in excess of the need and duplicate other assistance received by the applicant for the same purpose. If CDBG-DR funds were provided last and unknowingly create duplication, the method of recapturing those CDBG-DR funds will be consistent with HUD 2 CFR 200.

## FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by SCOR DRD through the FEMA database. If SCOR DRD is unable to verify the FEMA IA amount through the FEMA database, SCOR DRD will use the payment amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes amounts not paid to cover structural loss, SCOR DRD will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

## FEMA National Flood Insurance Program (NFIP)

SCOR DRD will check all applicants for NFIP to verify whether they maintained flood insurance. Any payments for loss to the dwellings under NFIP insurance policies are deducted from the amount the

applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award.

The payment to applicants under NFIP policies will be determined and verified by SCOR DRD through the FEMA database and cross-referenced with other applicable data. If SCOR DRD is unable to verify the NFIP insurance proceeds through the NFIP database, SCOR DRD will use documentation supplied by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not covered in the home evaluation or not paid to cover structural loss, SCOR DRD will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

### Increased Cost of Compliance (ICC)

The program will determine the duplication of benefits regarding Increased Cost of Compliance funds for elevation and/or demolition activities.

If severe property damage occurs as a result of flooding, before repair or rebuild activities can occur, it may be required by law that the damaged property meet community ordinances and/or state floodplain management standards. ICC coverage provides funding to help cover the costs of meeting those requirements with the intent aimed at reducing future flood damage. ICC coverage is separate from and in addition to insurance coverage that provides for structural or personal flood damage repairs.

### Private Insurance and Wind Insurance

All private insurance settlement amounts for loss to dwellings are considered a DOB and may reduce the amount of assistance for which an applicant may be eligible. Private insurance payments for anything other than the damaged structure (contents, fences, storage sheds, etc.) are not deducted from the applicant's award. Applicants must submit the following:

- Validated external data-source information;
- Insurance Policy Declarations page; and
- Insurance award or claims letter (if applicable) and Insurance/Benefit Certification.

Insurance proceeds are determined and verified by the Program by contacting the insurance company and verifying proceeds if confirmed data is unavailable from a third-party data source. If the Program is unable to obtain a response from the insurance company within two weeks, it will use the amount provided by the applicant on the insurance/benefit certification.

Mold remediation is not included in the home evaluation. Therefore, insurance payments to cover mold remediation are not deducted from an applicant's funding assistance award. The documentation provided by the applicant must come from the insurance company which issued the payments.

## The Small Business Administration (SBA)

SBA loan proceeds available to the applicant are DOB. Any proceeds available for repair to the dwellings less any verifiable expenditures used for temporary repairs to the dwelling under Small Business Administration Disaster Assistance are deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award. The following documentation must be reviewed:

- SBA 3rd-party data set; and
- SBA award letter (if applicable).

SBA awards will be determined and verified by the Program through the SBA database. See the SBA Hardship section for details on benefit calculation. If it is not possible to verify the SBA qualifying loan amount through the SBA database, the Program will use the qualified loan amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating the amount provided the SBA database includes amounts not loaned to cover structural loss, the Program will use the documentation provided by the applicant to adjust the SBA loan amount. The documentation provided by the applicant must come from SBA.

If the applicant was offered an SBA award and declined that award, the amount of a subsidized loan that is cancelled or declined is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined unless the loan qualifies under the exclusion discussed below:

- A grantee is only required to document declined loans if information available to the grantee (e.g., the data the grantee receives from FEMA, SBA, or other sources) indicated that the applicant received an offer for subsidized loan assistance, and the grantee is unable to determine from that available information that the applicant declined the loan. If the grantee is aware that the applicant received an offer of loan assistance and cannot ascertain from available data that the applicant declined the loan, the grantee must obtain a written certification from the applicant that the applicant did not accept the subsidized loan by signing loan documents and did not receive the loan; or
- Cancelled loans are loans (or portions) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant.

## Charity

The Program will contact the charity agency and verify the value of any assistance provided for structural repairs. If an applicant is able to provide documentation demonstrating the amount provided by the nonprofit agency, the Program will use the amount provided by the applicant.

## Adjustments and Offset to the Amount of Assistance

Any portion of DOB funds that has been determined to have been spent by the applicant on Allowable Activities, as defined below, will reduce the amount considered to be a DOB. When an applicant is eligible for the Programs, the amount of Allowable Activities that are allocated to the specific Program award to offset the DOB is determined based on the percentage of specific Program DOB of the total DOB. This percentage method is used in lieu of allocating the total of allowable activities to only one of

the Program's awards. The applicant will be responsible for accurately reporting the specific amounts spent on the Allowable Activities. Such activities include:

- Repair Expenses, Including Emergency Repairs;
- Contractor Fraud;
- Forced Mortgage Payoffs;
- Legal Fees; and
- Temporary Living Expenses.

Applicants will be able to deduct from their DOB insurance, SBA, and FEMA amounts spent to repair their home due to damage by the applicable disaster.

**Examples of Allowable Eligible Repair Expenses:**

- Structure repairs (roof, foundation, electrical, plumbing, and windows);
- Limited debris removal;
- Mold remediation;
- Labor, material, and equipment rental to permanently or temporarily repair the damaged residence (carpeting, cabinetry, appliances, flooring, fixtures, doors, walls, and ceilings);
- Demolition costs;
- Installation of wells, septic tanks, electricity, HVAC, and plumbing;
- Grading or leveling of property;
- Rental of Disposal and Removal Equipment (backhoes and dumpsters);
- Other costs or expenses associated with repairing, stabilizing, or reconstructing the property;
- Tree/shrub removal if tree/scrub blocked access to the home or presented a safety hazard; and
- The following more specific examples are considered to be allowable activities:
  - a. Tarps,
  - b. Building Supplies,
  - c. Siding,
  - d. Sewer/Septic,
  - e. Paint,
  - f. Weather head, and
  - g. Water heater.

**Required Repair Expenses Documentation:**

- Receipts (if applicable);
- Paid invoice(s); and/or
- Validation by Construction Inspector.

A Program Inspector must determine with reasonable assurance that any repairs claimed for DOB offset were made after the date of the event and will document confirmed repairs with a written assessment, cost estimate, and photographs.

Copies of receipts that support repairs to the home may be provided to the Program to document eligible expenditures in support of the inspection. All receipts will be reviewed for fraud and/or post-dating. Invalid receipts will not be included in the cost of repairs. Applicants will be required to document repairs made to the home if a construction inspector is unable to validate the repairs on site.

### Contractor Fraud

If an applicant was a victim of contractor fraud, the amount paid to the contractor will not be counted as a DOB. The following documentation is required to allow the Program to determine if any amount paid to a Contractor can be excluded in the DOB calculation:

- Police report or complaint dated before the date of the application;
- Proof of canceled check (if applicable);
- Bank statement reflecting payment (if applicable); and
- Contract between applicant and contractor, if applicable.

Reported Contractor fraud will be verified through a review of the police report and complaint. If no amount is included in the complaint, the applicant will complete an affidavit to accompany the complaint that lists an amount to reduce the DOB total. In scenarios where a police report, complaint, or contract, are not available, the information provided by the applicant will be reviewed on a case-by-case basis.

### Forced Mortgage Payoff

In the event an applicant's mortgage requires any insurance proceeds to be applied to reduce the lien balance, the mortgage holder (not the homeowner) is considered to have legal control over those funds making the homeowner legally obligated to use insurance proceeds for that purpose.

Under these circumstances, the amount of the insurance proceeds required by the mortgage company to be applied to the mortgage balance will be excluded from the DOB calculation.

To be considered for exclusion, the applicant must provide a copy of the correspondence or letter from the mortgage company on company letterhead and signed by an authorized representative stating the applicant was required to use the disaster assistance funds for this purpose. This will demonstrate they were required to apply the insurance proceeds to their mortgage balance.

The Program will verify the correspondence/letter is on mortgage company letterhead, includes the damage address, and lists the amount forced to pay off the principal. The amount of involuntary payoff will reduce the amount of DOB.

## Legal Fees

Legal fees/expenses incurred by the applicant due to litigation related to an Insurance policy claim for the named disaster will be excluded from the DOB calculation. To be considered for exclusion, an applicant must submit the following documentation:

- Evidence of payment to a legal firm (Attorney Fee and Expense statement); and/or
- Settlement agreement (if applicable).

The Program will review the submitted documentation and verify if the amount paid to the Attorney can be excluded and reduce the DOB.

## Temporary Living Expenses

Funds spent by an applicant for temporary housing from the date of the storm, which can be established by the Program can be deducted from the DOB total.

Hotel receipts, apartment leases, rental agreements, rental receipts, and/or proof of payment for other temporary living arrangements must be submitted by the applicant.

A calculation of all monthly payments made by the applicant may be necessary. If sufficient documentation for Temporary Living Expenses is provided, the DOB total will be reduced.

## Duplication of Benefits Gap Funding

The difference between eligible financial assistance received and documented work completed is the duplication of benefits gap (DOB Gap). The applicant will be required to provide the DOB gap funds in order to be eligible for assistance. After the applicant has been approved for assistance, he/she will be notified of any existing DOB gap amount. The Program will attempt phone contact with applicants to explain the DOB gap. The DOB gap funding calculation will be available in the Grant Management System. Upon request, applicants will be provided with their specific DOB gap funding calculation. If the applicant is participating in the buyout program, the DOB amount will simply be deducted from the final award amount.

## DOB Gap Funding (Applicable for the Single-Family Housing and Rental Repair Programs)

For the Single-Family Housing and Rental Repair Programs, the following policy is in place. A cashier's check or money order must be provided within 30 days of notification. If a cashier's check is not provided within 30 days, the application will become inactive. Applicants who fail to provide the DOB gap funding within the 30-day time period will be at risk of not being served by the program.

## Environmental Criteria and Standards

In accordance with HUD Environmental Criteria and Standards, application site environmental reviews will be a factor in determining eligibility, environmental and historic preservation mitigation requirements, and resultant project Scope of Work and funding needs.



It is possible that sites may be determined in close proximity to major noise sources such as but not limited to airports, industrial facilities, railroads, or major thoroughfares. HUD has established policy in 24 CFR Part 51 Subpart B for its Programs to protect beneficiaries from excessive noise in their communities and place of residence. The purpose of these regulations is to establish acceptable noise exposure standards and guide noise attenuation approaches for HUD-assisted projects. Noise attenuation needs will be identified during the environmental review. Under these circumstances, the Program policy is that it will fund within the Program maximum benefit noise attenuation measures required to reduce noise levels to HUD's standards. Although not required for rehabilitation work, noise attenuation will be encouraged within the programs for maximum benefit.

**Exceptions:**

For reconstruction/new construction activities where excessive noise is identified or the site is in an unacceptable noise zone, and attenuation will be cost prohibitive relative to reconstruction costs, the Program will evaluate applications for approval on a case-by-case basis.

**Procedures:**

- The Program will perform a site-specific environmental review to determine project site location proximity relative to major noise sources with the use of a Geographic Information System application and direct field observation during initial construction inspection;
- The Project Manager will complete a noise impact assessment for project sites close to major noise sources (within 1000 ft. of a major road, 3000 ft. of railroad, or 75 miles of a military or commercial airport with jet service) consistent with HUD regulations at 24 CFR Part 51 Subpart B and technical guidance from HUD Region VI Noise Assessment Guideline; and
- A review of reconstruction Scope of Work and/or site design, and Cost to Rehabilitate or Reconstruct will be conducted, where noise attenuation is required.

## Hazardous Operation Definitions

Definitions related to the HUD-assisted projects relative to their proximity to hazardous operations are provided in the Environmental Criteria and Standards regulations at 24 CFR Part 51 Subpart C. These include: acceptable separation distance, blast overpressure, danger zone, hazard, hazardous substance, HUD-assisted project, and thermal radiation level. The purpose of these regulations is to establish safety standards for HUD-assisted projects, raise awareness of inherent potential dangers, and to provide guidance on identifying hazardous facilities, and determining acceptable separation distances. These definitions will be employed during the environmental review.

## Hazardous Operations and Project Site Proximity

Properties may have above-ground storage tanks with a capacity in excess of 100 gallons for residential Liquefied Natural Gas (LNG) or Propane use. It is possible that project sites for on-site reconstruction (e.g. new construction) may be determined in close proximity to hazardous operations.

Under these circumstances and consistent with HUD's Environmental Criteria and Standards at 24 CFR Part 51 Subpart C relative to hazardous operations, it is the Program policy that it will not approve an application for reconstruction at a project site that is less than the pertinent acceptable separation distance unless practicable mitigation measures are included as possible within the target property parcel.

**Exceptions:**

For reconstruction activities where hazard mitigation costs will be cost prohibitive relative to reconstruction costs, the Program will evaluate applications for approval on a case-by-case basis.

**Procedures:**

- The Program will perform a Site-Specific Environmental Review to determine project site location proximity relative to hazardous operations with the use of the Geographic Information System application.
- Direct field observation during initial construction inspection for visible hazardous operations.
- Acceptable separation distance (ASD) per facility type will be determined consistent with HUD technical guidance at 24 CFR Part 51 Appendix II and using their web-based ASD tool.
- A review of reconstruction Scope of Work and/or site design, and Cost to Rehabilitate or Reconstruct will be conducted, where mitigation measures are required.

## Airports and Airfields Definitions

Definitions related to HUD-assisted projects relative to Runway Clear Zones at a Civil Airport or Runway Clear Zones or Accident Potential Zones at a Military Airfields are provided in the Environmental Criteria and Standards regulations at 24 CFR Part 51 Subpart D.

These include: accident potential zone, airport operator, civil airport, runway clear zone, and clear zone. The purpose of these regulations is to establish compatible land uses around the civil airport and military airfields along with standards for HUD assistance therein. These definitions will be used during the environmental review.

## Airports and Airfields and Project Sites

It is possible that project sites for major rehabilitation and on-site reconstruction may be determined within a Runway Clear Zone at a Civil Airport or Runway Clear Zone or Accident Potential Zone at a Military Airfield.

Under these circumstances and consistent with HUD's Environmental Criteria and Standards at 24 CFR Part 51 Subpart D to avoid incompatible land uses relative to these zones, it is the Program policy that such applications will not be approved. This will be a benefit eligibility factor.

**Exceptions:**

An application may be considered eligible in these zones where extenuating circumstances exist but must be approved by the Program Certifying Officer as defined in 24 CFR Part 58.2(a)(2).

**Procedures:**

- Site-Specific Environmental Review will determine project site location proximity relative to civil airports and military airfields with the use of the Geographic Information System application.
- Direct field observation will be conducted during the initial construction inspection.
- Sites within one (1) mile of such facilities will be compared with pertinent operator provided zones.

## Contaminated Properties

During the application review, it may be determined that the project site or adjacent property is potentially contaminated with hazardous materials, toxic chemicals, and gases, or radioactive substances. These do not include common household chemicals.

In accordance with HUD policy outlined at 24 CFR Part 58.5 (i) (2) Environmental Standards, HUD-assisted projects must be free of such substances; therefore the Program will not approve assistance where the project site review results in observable environmental conditions (as defined by the Standard Testing and Material E1527-05 American Environmental Site Assessment Process) on the target property or affecting it. This policy does not apply to conditions in the structure such as lead-based paint, asbestos-containing materials, or mold as these conditions are addressed in separate policies.

A portion of the benefit proceeds may be used to better characterize and delineate an identified environmental condition through completion of a Phase I Environmental Site Assessment (ESA) which may include an estimate for additional Phase II work and plan/estimate for abatement thereafter. A portion of the assistance may be used for abatement, where costs are not prohibitive. The Program will consider, review, and approve in advance, on a case-by-case basis, proceeding to Phase I and II ESA work along with abatement proposals.

The identified environmental condition must be successfully resolved or addressed in accordance with applicable state and federal requirements as documented with "no further action" findings from either the State Commission on Environmental Quality (SC DHEC) or the US Environmental Protection Agency in order for the application to be considered eligible.

### Procedures:

- Site-Specific Environmental Review will determine project site location proximity relative to known and reported sources with the use of Geographic Information System application.
- Coordination with local authorities on known contaminated properties, as necessary.
- Direct field observation will be conducted on environmental conditions during initial construction inspections.
- Review of regulatory agency documentation, as necessary.
- Review of Phase III Environmental Closure Reports, as necessary.

## Lead -Based Paint

For houses built before 1978 (when EPA banned lead-based paint) and that are to be demolished to clear a lot for new house construction or as a part of the buyout program, home builders will retain demolition contractors to properly demolish and dispose of construction debris.

For houses that were built before 1978 (when EPA banned lead-based paint) and are eligible for rehabilitation, a lead based paint assessment will be conducted by a licensed lead-based paint assessor subcontracted to the rehabilitation contractor assigned to the applicant by the Construction Manager.

The lead-based paint assessor will be notified of houses qualifying for an assessment by the rehabilitation subcontractor assigned to them and will be given a Construction Work Order Packet with the specific house and Construction Quantities information.

The lead-based paint assessor will provide an estimate of the assessment to the rehabilitation subcontractor and the rehabilitation subcontractor will provide this estimate to the Construction Manager. The Construction Manager will then review the estimate to determine if it is within the assessment cap. Assessment amounts above the cap will be presented to the Project Manager for consideration. Upon approval, the lead-based paint assessor will prepare an assessment report to be uploaded to the Grant Management System.

The report will include at a minimum:

- Delineation of existing lead-based paint areas within the house;
- List of Requirements for lead-based paint remediation as required by HUD, EPA, and the State Department of Health Services (SC DHEC) regulations; and
- Any other required section based on HUD, EPA, and the State Department of Health Services regulations.

In the cases where lead-based paint is found and remediation is required, the rehabilitation subcontractor will retain a lead-based paint remediation contractor to prepare an estimate of the remediation. This estimate will be provided to the Construction Manager by the rehabilitation subcontractor for comparison to the remediation cap prescribed by the MOD. Remediation amounts above the cap will be presented to the Project Manager for consideration.

Upon approval, the lead-based paint remediation subcontractor will perform the work and the lead-based paint assessor will make interim inspections and prepare a clearance report at the end of the rehabilitation construction project. The homeowner will be given a home hazards pamphlet upon positive identification of the lead hazard as well as the assessment report and the clearance report.

For houses built before 1978 and rehabilitated, reconstructed, or bought out, lead-based paint shall be disposed of in accordance with applicable HUD, EPA, State Department of Health Service (SC DHEC) and any other applicable regulations unless lead based paint inspection and testing have been performed to show that the house does not contain lead-based paint. For houses that were built in or after 1978, when EPA banned lead-based paint, it is assumed that lead is not present.

Effective for all rehabilitation construction activities executed on March 1, 2019, or later, all lead-based paint hazards in stick-built home rehabilitations will be abated. 24 CFR section 35.100, defines abatement as: "any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards (see definition of "permanent"). Abatement includes: (1) The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and, (2) All preparation, cleanup, disposal, and post-abatement clearance testing activities associated with such measures. Abatement strategies include on- and off-site paint stripping, component replacement, enclosure, and encapsulation. For the Lead Safe Housing Rule, "permanent" enclosure or encapsulation means that the activity must have "an expected design life of at least 20 years" to be considered to be abatement.

## Coastal Barrier Resource Areas

The Coastal Barrier Resources Act precludes federal assistance such as residential rehabilitation and reconstruction in designated Coastal Barrier Resource System (CBRS) units. The damaged property for which assistance is being requested cannot be in a CBRS unit.

The current FEMA (FIRM) Flood Insurance Rate Map will be used to determine if the damaged property is in a CBRS unit. Applications for damaged property in a designated CBRS unit will be determined ineligible for federal assistance. The IC will ensure the most current FIRM is used for determination. Where it is unclear if the damaged property is in a CBRS unit, the PM will consult with the US Fish and Wildlife Service for a written determination.

## Asbestos Containing Materials (ACM)

The State's Implementation Contractor, its contractors, and sub-contractors will familiarize themselves with SC DHEC Regulation 61-86.1 regarding Standards of Performance for Asbestos Projects, and provide notice to SC DHEC and secure proper permitting, if required to do so. Note: Residences of 4 units or less are exempt unless work is performed by a Licensed Asbestos Contractor.

The EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) residential exemption for ACM applies to residents served under the Program for reconstruction (new construction) only. In addition, for houses that are eligible for reconstruction or buyouts, home builders are required to retain demolition subcontractors to perform all demolition and disposal activities in accordance with applicable federal, state, and local regulations and utilize industry accepted techniques to complete the demolition work. For houses that are eligible for rehabilitation, an ACM assessment will be conducted, if needed, by a certified ACM assessor subcontracted to the rehabilitation subcontractor assigned to the applicant by the Construction Manager. When an ACM assessment is needed, the following will take place:

- The ACM assessor will be notified of houses qualifying for an assessment by the rehabilitation subcontractor assigned them and will be given a Construction Work Order Packet with the specific house and Construction Quantities information.
- The ACM assessor will provide an estimate of the assessment to the rehabilitation subcontractor and the rehabilitation subcontractor will provide this estimate to the Construction Manager. The Construction Manager will then review the estimate to determine if it is within the assessment cap.
- Upon approval, the ACM assessor will prepare an assessment report and upload it into the Grant Management System.
- The report will include at a minimum:
  - a. Delineation of existing ACM areas within the house;
  - b. List of Requirements for ACM remediation as required by EPA and State Department of Health Services (SC DHEC) regulations, and any other required sections based on HUD, EPA regulations; and
  - c. In the cases where ACM is found and remediation is required, the rehabilitation subcontractor will retain an ACM remediation contractor to prepare an estimate of the remediation. This estimate will be provided to the Construction Manager by the rehabilitation subcontractor for comparison to the remediation cap prescribed in the MOD.

- Upon approval the ACM assessor will make interim and/or final inspections and prepare a clearance report at the end of the rehabilitation construction project.
- The homeowner will be given a home hazards pamphlet upon positive identification of the ACM hazard as well as the assessment report and the clearance report.

For each rehabilitation, reconstruction, or buyout project, ACM is to be disposed of in accordance with applicable EPA, and any other applicable regulations unless an ACM inspection and testing have been performed to show that the house does not contain ACM.

ACM assessment estimates, ACM assessment reports, ACM remediation estimates, and ACM remediation will be conducted, as necessary. ACM clearance reports and ACM notification documents will be completed and delivered as necessary.

## Environmental Reviews

Grantee funding assistance from HUD is contingent on compliance with the National Environmental Policy Act and related environmental and executive orders. Accordingly, environmental review activities will be carried out for each funded Program activity.

The HUD Environmental Review Procedures are outlined in 24 CFR Part 58 and allow grantees to assume environmental review responsibilities. The Program assumes the role of the Responsible Entity, as outlined in 24 CFR Part 58 Subpart B, to undertake compliance effort for the Program. The Program will be responsible to perform required environmental reviews.

The Program will conduct the environmental analysis and prepare compliance documentation in support of Tier I and Tier II Site Specific environmental reviews in accordance with HUD's regulations. The Program will review all environmental draft documents as outlined in the required documentation and sign all documents requiring Responsible Entity or agency official signatures.

Once the Program has satisfactorily reviewed and signed off on the Site-Specific Checklists and all supporting documentation, it will provide written clearance to the Project Manager for each activity. Applicants are responsible for fully completing the Program applications and working in good faith with the Project Manager where additional documentation may be necessary to resolve an outstanding environmental/historic preservation compliance factor. Project Managers will monitor the environmental review implementation and audit Environmental Review Records (ERR).

## Tier II Site Specific Reviews

The HUD Environmental Review Procedures are outlined in 24 CFR Part 58 and other compliance requirements are outlined in their Environmental Criteria and Standards at 24 CFR Part 51. Because site-specific environmental analysis may not be possible early in Program implementation, HUD's Procedures allow for a tiered approach by conducting a broad-scale environmental review to eliminate some unnecessary and repetitive review at the site-specific level. A site-specific environmental review strategy is also developed at this stage to implement when specific locations are identified.

The Program's approach to aggregating projects by activity and geographic area is defined in the Project

Descriptions. The approach of conducting site-specific environmental reviews is outlined in the respective Tiering Plans, and Site-Specific Checklists developed as part of the Project's Broad Review. Furthermore, specific policies and procedures to implement environmental reviews have been developed for the Program. Accordingly, it is the Program's policy that environmental reviews will be carried out per the above HUD regulations before any site-specific activities or funding is approved to proceed.

Site-specific environmental reviews will be achieved through application review desktop research, direct field observation during the initial construction inspection, and agency coordination/consultation, as necessary. Reviews will be documented through Environmental Review Records. Any resultant implementation conditions resulting from environmental reviews will become part of the benefit agreement.

**Procedures:**

- The Program will conduct monitoring of environmental review implementation.
- The Program will obtain written clearance of Site-Specific Checklists.
- The Program will audit the Environmental Review Record.

## Historic Properties

In accordance with the National Historic Preservation Act, the Program will conduct a review. For rehabilitation, reconstruction, or buyouts, benefit applications involving historic properties (structures) as defined at 36 CFR Part 800.16 or 44 CFR Part 59.1 Subpart A, mitigation measures may need incorporating to avoid or reduce adverse effects to the historic property, including historic districts.

In the case of substantial improvements to historic properties in the floodplain, per the National Flood Insurance Program at 44 CFR Part 60 Subpart A, the variance provisions at 44 CFR Part 60 .6 will apply as implemented by the applicable local floodplain ordinance. In order to retain the architectural integrity of historic structures, so they maintain their National Register of Historic Places eligibility, flood-proofing approaches other than structure elevation may be more appropriate.

The variance will be the minimum necessary to retain each historic property's integrity. Similarly, historic properties not in the floodplain may require the use of certain construction materials, design features, or workmanship to retain their integrity; whether in a historic district or not.

Construction activities will be closely coordinated with the applicant and South Carolina SHPO. SCOR DRD will sign the HUD SC FEMA Programmatic Agreement ("PA") regarding National Historic Preservation Act Section 106 compliance or execute the PA between the region IV of the U.S. Department of Housing and Urban Development and the South Carolina State Historic Preservation Office for the review of HUD-Funded activities. The PA provides for a more efficient means of compliance with Section 106 requirements. The costs associated with historic property mitigation are eligible costs up to the maximum benefit.

**Procedures:**

- Site-Specific Environmental Review Tier II will determine whether a property is listed on the National Register of Historic Places or located in a National Register Historic District.
- An SOI qualified person will draft a Determination of Eligibility (DOE) and send it to SHPO for eligibility

concurrency, as necessary.

- Consultation with the South Carolina SHPO will be obtained if any project will have an adverse effect determination, a Memorandum of Agreement will be prepared, and guidance and policy from the Advisory Council on Historic Preservation (ACHP) will be followed.
- Reviews of rehabilitation inspection reports and/or construction Scope of Work and elevations to confirm historic character defining features will be conducted, as required.

## Due Diligence for Communication with Applicants

The Program will follow a due diligence process to contact applicants to schedule personal consultations (PC) and required meetings.

### Required Documentation:

- Due Diligence Letter, and/or
- PC Cancellation Letter

### Due Diligence Process:

- The Program will record three (3) phone contact attempts in the Grant Management System.
- If contact has not been made with the applicant, the Grant Management System application status will be updated, and a Due Diligence Letter will be mailed and/or emailed. The Due Diligence Letter will be available in the System of Record.
- If contact has not been made with the applicant within seven (7) days of the date of the mailed Due Diligence Letter, the applicant's Grant Management System application status will be updated, and a PC Cancellation Letter will be mailed. The signed PC Cancellation Letter will be copied, scanned, and uploaded into the Grant Management System.
- If contact has not been made with the applicant within fifteen (15) days of the date of the mailed PC Cancellation Letter, the applicant's Grant Management System application status will be updated to "inactive" and follow the Inactive Process.

## Missing Documentation

Applicants must submit all required documentation for their application to be complete. Only after all documentation has been received, can an application be processed to completion and a final eligibility determination to be made. Applicants will be encouraged to submit all requested documentation before the Intake process is complete.

## Voluntary Withdrawal

An applicant may request to withdraw from the Program at any time before construction begins. The voluntary withdrawal process will be followed in the event an applicant requests to withdraw from the Program.

### Required Documentation:



- Withdrawal request or Letter, if applicable.

#### **Voluntary Withdrawal Process:**

- The applicant's desire to withdraw must be recorded in the Grant Management System.
- The Grant Management System application status will be updated and a Withdrawal Letter will be mailed to the applicant.
- Applicants will also be provided an opportunity to voluntarily withdraw using an electronic method.
- Upon receipt of the withdrawal request, as noted, a withdrawal confirmation letter will be sent to the applicant and the Grant Management System application status will be updated to "Withdrawn".

#### **Inactive Status Process**

An application may result in inactive status if any of the following conditions exist:

- Insufficient documentation has been submitted to verify all eligibility requirements;
- An applicant does not have the ability to fund a required gap amount;
- An applicant has not been responsive to a number of required meetings;
- Due to lack of information, a program assistance award calculation cannot be completed;
- Due to a program decision concerning damage to a home and the resulting program outcome; or
- Inactive files will be reviewed on a case-by-case basis to determine reactive status, as applicable.

#### **The Inactive Process:**

- The applicant's CSR will designate the application as Inactive with a detailed reason, and ensure all documentation is recorded in the System of Record.
- An Inactive Letter will be generated and sent certified mail to the applicant. This letter will include the reason for the inactive status and Program contact information as needed.

#### **Demonstrable Hardship**

The Program may consider exceptions to Program policies for applicants who demonstrate undue hardship. Applicants in this situation will be reviewed to determine whether their program priority ranking or denial of program assistance will further perpetuate the circumstances attributing to such hardship. A demonstrable hardship may include but is not limited to, the following: prolonged job loss, substantial reduction to household income, death of a family member, unexpected and extraordinary medical bills, a disability, etc. Requests for an exception to Program policy based on an undue hardship will be evaluated on a case-by-case basis.

#### **Applicant Concerns, Requests, Suggestions, And Appeals**

During the course of the program's operations, decisions will be made on housing assistance applications and/or housing project types to be delivered. These decisions will be made based on applicable statutes, codes of federal regulation, state, and local codes and ordinances, local guidelines, and program

operational procedures, as each is interpreted by SCOR DRD.

During the course of these activities, it is possible that citizens may decide they have a legitimate concern, request, or suggestion. In addition, once they receive a response to their application for services, they may believe they have a legitimate reason to appeal a decision. In order to allow for such circumstances, applicants are allowed to communicate their program concerns, requests, and suggestions; and appeal program decisions related to one of the following activities:

- A program eligibility and/or priority determination;
- A program assistance award calculation;
- A program decision concerning housing unit damage and the resulting program outcome; or
- A demonstrable hardship.

Citizens may submit a written concern, request, suggestion, or appeal through the Disaster Recovery email at [ContactSCDR@scdr.sc.gov](mailto:ContactSCDR@scdr.sc.gov) or submit by postal mail to the following address:

**Attention: Constituent Services Team  
South Carolina Disaster Recovery Office  
632 Rosewood Drive, Columbia, SC 29201**

SCOR DRD's Constituent Services Team (CST) will make every effort to provide a timely written response upon receipt of a citizen's petition, usually within fifteen (15) business days, as expected by HUD, where practicable. If a citizen is not satisfied by the CST response, the citizen may file a written appeal by following the instructions contained within the letter of response. If at the conclusion of the appeals process the citizen has not been satisfied with the response, a formal complaint may then be sent directly to the regional Department of Housing and Urban Development (HUD) at:

**U.S. Department of Housing & Urban Development  
1835 Assembly Street, 13th Floor  
Columbia, SC 29201**

## **Financial Basics**

A fundamental purpose of grant financial management is to ensure the appropriate, effective, timely, and ethical use of grant funds.

Specifically, SCOR DRD will ensure:

- Internal controls are in place and adequate;
- Documentation is obtained and available to support accounting record entries;
- Financial reports and statements are complete, current, reviewed periodically; and
- Audits are conducted in a timely manner and in accordance with applicable standards

## Program Income

The State does not intend to implement any programs that generate income as described in 24 CFR 570.489. If program income is generated, the State of South Carolina will utilize program income as follows: Income received prior to the grant closeout will be utilized as additional CDBG-DR funds in the same manner as other CDBG-DR funds referenced; any income received after the grant closeout, will be transferred to South Carolina's annual CDBG award.

If program income is generated, SCOR DRD will input the amount of program income into DRGR on a quarterly basis. With the input of program income, the Project Budgets and Activity Budgets will also be updated. After the adjustments in DRGR have been made to account for program income, SCOR DRD will resubmit the DRGR Action Plan for HUD approval.

## Suspension and Debarment

SCOR DRD will follow the procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities<sup>7</sup>.

Prior to award, it must be ensured that all contractors receiving CDBG-DR funds have met all the eligibility requirements outlined in state and federal law. The State will verify that the IC is not debarred or suspended at the time of the contract award. The IC must verify the eligibility of all general contractors, subcontractors, or any entity receiving federal funds for delivering program services. At a minimum, the following steps must be taken to ensure contractor eligibility for all services procured.

**Contractors:** All contractors, including professional consulting and engineering firms, must be cleared via a search of the Federal System of Award Management ('SAM') to ensure the contractor is in good standing and has not been debarred. A copy of the Sam search result must be kept in the file on that contractor. The SAM portal can be found here: <https://sam.gov/SAM/pages/public/searchRecords/search.jsf>

**Subcontractors:** SCOR DRD will notify the selected prime contractors that it is the sole responsibility of the prime contractor to verify subcontractor eligibility based on factors such as past performance, proof of liability insurance, possession of a federal tax number, debarment, and state licensing requirements. It should be noted that if any of the above-listed parties are deemed ineligible to receive CDBG-DR funds after the award of the contract, the contract will be immediately terminated.

## Conflicts of Interest

A conflict of interest is, by definition, a conflict between the private interests and the official or professional responsibilities of a person in a position of trust. It is the intent of SCOR DRD to encourage confidence in the integrity of all Program staff.

This includes the Management Team, Customer Service Representatives (CSRs), South Carolina State Employees, Subrecipients, Contractors, Subcontractors, and any additional team members. SCOR DRD has

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<sup>7</sup> 2 CFR 200.318(h) and 2 CFR 200.213

a firm expectation that all staff will be diligent in the avoidance of potential and actual conflicts of interest, as well as perceptions of conflicts of interest. A conflict of interest may occur when the private interests of a person in a position of trust are inconsistent with or impede his/her official responsibilities. This is especially true when applicants are selected to receive assistance and when contracts for goods or services are awarded.

To establish internal controls for identifying potential conflicts of interest, all team members, employees, and other parties participating in the determination of eligibility and/or the distribution of funds, are expected to practice good judgment when presented with a situation, which may involve a potential or actual conflict.

All Program staff is required to make full disclosure to their Team Lead of any interests, relationships, and holdings, which could potentially result in a conflict of interest. Potential conflicts of interest may include relationships with neighbors, acquaintances, friends, family members, and other members of the community. As soon as a project team member is aware, they have a current or prior relationship or familiarity with a potential applicant they are required to immediately notify their Team Lead. Team Leads will ensure project team members do not process or interact with applications with potential conflicts of interest.

This separation of responsibility will ensure an unbiased approach to the processing of all applications and final eligibility determinations. The goal is for every South Carolina citizen to have confidence their application is being processed with expedient efficiency and integrity. In the event a potential or actual conflict is reported, the SCOR DRD Program Management Director will review the circumstances in-depth and be responsible for determining the course of action to be taken if a conflict is found to exist. If a team member has any doubt as to whether a current or prior relationship poses a potential conflict of interest, they should request guidance from their supervisor.

### **Section 3**

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires Grantees to ensure that training, employment, and other economic opportunities generated by certain HUD financial assistance shall be directed, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Section 3 regulations do not mean Grantees or contractors are required to hire Section 3 residents or award contracts to Section 3 businesses. The 2018 Hurricane Florence Program, due to being awarded shortly after the 2020 Final Rule, will comply with all the applicable goals, requirements, and regulations set forth in 24 CFR Part 75 and not those listed under the Old Rule in 24 CFR Part 135.

SCOR will ensure that Section 3 compliance is incorporated and enforced in all applicable contracting documents generated in conjunction with the use of HUD funding.

SCOR's Section 3 Coordinator serves as a resource to assist the contractors and subcontractors with Section 3 compliance. The Section 3 Coordinator may request additional documentation from the Contractor or subcontractors to ensure compliance. The Coordinator will also be responsible for reporting all Section 3 reporting within the Quarterly Progress Report in the Disaster Recovery Grant Reporting System (DRGR).

SCOR, its Implementation Contractor (IC), and their General Contractors (GC) will comply with 24 CFR Part 75, Subpart C. “To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.” Similar efforts will be made contracting with Section 3 business concerns for Section 3 projects. These Qualitative efforts are to be included in any Section 3 Reports.

SCOR and its IC will be responsible for identifying any actual or probable Section 3 projects prior to starting construction. Since the \$200,000 reporting threshold is above the housing assistance limits for this program, all potential Section 3 projects already will undergo review by the Special Case Panel prior to starting construction.

When working on a Section 3 project, Contractors must, to the greatest extent feasible, meet the Section 3 Benchmark Goals. In order to meet the Section 3 Safe Harbor Benchmark, contractors must ensure that 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project are from Section 3 workers. They must also ensure that 5 percent or more of the total number of labor hours come from Targeted Section 3 workers. Hours worked by a Targeted Section 3 worker can be included in the general Section 3 worker hour count as well. The GCs must report on their Section 3 project hours and qualitative Section 3 efforts on a quarterly basis in a form provided by SCOR and its IC. Both SCOR and the IC are responsible for identifying any Section 3 projects that trigger reporting. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goal was not feasible and their efforts to recruit and assist low- and very low-income persons.

### **Section 3 Definitions:**

**Section 3 Projects** are, according to 24 CFR 75.3(a)(2)(i), “[...] housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.” Since Buyouts involve both non-construction acquisition activities and construction activities, only HUD assistance towards the demolition portion count towards the \$200,000. HUD further defines a Section 3 project as the “[...] site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.” For our Single Family Housing Rehabilitation Program, this means that each individual house, since its owned by an individual owner, would count as a Section 3 project if it received over \$200,000 in HUD assistance. For our Buyout Program, the Section 3 project threshold amount is based on the sum of all demolition assistance provided to the new acquiring owner, since SCOR never assumes ownership of the property at any time. Additionally, HUD has advised that the \$200,000 threshold amount does not include any unexpected change orders that occur after construction work has begun and hiring decisions have been made.

**Section 3 Business Concern** is a business concern meeting at least one of the following criteria, documented within the last six-month period:

1. 51% (or more) of the business is owned and controlled by low- or very low-income persons;
2. Over 75% of the labor hours performed for the business over the prior 3-month period are performed by Section 3 workers; or
3. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

**Section 3 worker** is any worker who fits or when hired within the past 5 years fit at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild participant.

**Targeted Section 3 Worker** is a Section 3 Worker is a Section 3 worker employed by a Section 3 business concern or a Section 3 worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

1. Living within the service area or neighborhood of the project, as defined in 24 CFR 75.5; or
2. A YouthBuild participant.

The 24 CFR 75.5 defines the Service Area or Neighborhood of the project as “[..] an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.”. GCs are responsible for identifying any possible Section 3 workers that live nearby in the Section 3 project area. SCOR and the IC will then confirm if the Section 3 worker is also a Targeted Section 3 worker using the definition set in 24 CFR 75 and any resource tools provided by HUD.

## Fair Housing

During the operations of its Housing Recovery Programs, SCOR DRD will utilize fair housing principals and take action necessary to affirmatively further fair housing to include:

- Seeking participation from organizations whose target populations include individuals and families in the LMI category.
- Creating and implementing a Fair Housing Outreach Plan which incorporates knowledge obtained from:
  - a. The State's Analysis of Impediments to Fair Housing (AI).
  - b. Fair Housing activities conducted by fair housing stakeholders.
  - c. Organizations that advocate on behalf of disadvantaged population groups.

### Procedures:

- During planning, public comment, implementation and ongoing operations of its Housing Recovery Programs, SCOR DRD will invite participation from neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the low- and moderate-income community assistance category.
- SCOR DRD will utilize a wide range of knowledge gained from various fair housing sources to develop a Fair Housing Outreach Plan. These sources include:
  - a. The State's Analysis of Impediments to Fair Housing (AI).

- b. Fair housing surveys, public awareness activities, fair housing fairs, and roundtables detailed in the State’s Consolidated Annual Performance and Evaluation Report to HUD and conducted by select fair housing stakeholders such as:
  - The SC Human Affairs Commission (HAC).
  - SC Department of Consumer Affairs (DCA).
  - The SC State Housing Finance Development Authority (SHFDA).
- c. The SoVI® index of vulnerability factors developed by the University of South Carolina
- d. The National Association for the Advancement of Colored People’s (NAACP) adaptation planning structure is described in the organization’s paper on “Equity in Building Resilience in Adaptation Planning”.
- SCOR DRD will implement the Fair Housing Outreach Plan, monitor plan implementation for success, and make adjustments to the plan as needed.

## Citizen Participation Plan

SCOR DRD values citizen and stakeholder engagement. South Carolina has developed a Citizen Participation Plan in compliance with § 24 CFR 91.115 and applicable HUD requirements to set forth the policies and procedures applicable to citizen participation. This plan is intended to maximize the opportunity for citizen involvement in the planning, development, and execution of the South Carolina CDBG-DR program. In order to facilitate citizen involvement, South Carolina has identified target actions to encourage participation and allow equal access to information about the program by all citizens. South Carolina intends to focus outreach efforts to facilitate participation from LMI individuals, non-English speaking persons, and other disadvantaged populations. SCOR DRD has published its Action Plan in Spanish as well as English. In addition to citizen involvement, South Carolina encourages the participation of regional and State-wide institutions. South Carolina will consider any comments received in writing, via email, or expressed in-person at official public hearing events. Additionally, to permit public examination and public accountability, South Carolina will make the above information available to citizens, public agencies, and other interested parties upon request.

In anticipation of receiving federal CDBG-DR funds, SCOR DRD is required to incorporate specific citizen participation requirements. This plan outlines how SCOR DRD intends to meet or has already met these requirements. As the agency administering the CDBG-DR Program, SCOR DRD is committed to furthering fair housing through established affirmative marketing and outreach activities. SCOR DRD will take steps based on the Fair Housing Act of 1968 to reduce disparities in housing choice, access, and opportunities based on protected classes (e.g., race, color, religion, familial status, sex, national origin or disability). Toward achieving that objective, SCOR DRD will ensure that its outreach, communication, and public engagement efforts are comprehensive in order to reach as many impacted citizens as possible.

## Outreach Activities and Public Hearings

The objectives of SCOR DRD’s outreach activities are to ensure that all citizens are aware of the CDBG-DR funding and planning process, have an opportunity to comment on or suggest proposed uses for the funds, and to maximize public awareness and access to CDBG-DR program funds when available.

## Limited English (LEP) & Special Needs

South Carolina is committed to providing all citizens with equal access to information about the recovery

program, including persons with disabilities and Limited English Proficiency (LEP) persons. The State follows HUD's regulation, 24 CFR Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development—Effectuation of Title VI of the Civil Rights Act of 1964," which requires all recipients of federal financial assistance from HUD to provide meaningful access to LEP persons

SCOR DRD has adopted a Language Assistance Plan (LAP) in order to provide meaningful access to its programs and activities by persons with LEP. In accordance with federal guidelines, SCOR DRD will make reasonable efforts to provide or arrange free language assistance for its LEP persons. When a significant number of non-English speaking residents can be reasonably expected to participate in public hearings or open comment periods, materials to be handed out will be translated into the appropriate language, citizen comments in a language other than English will be translated, and translators will be present. These populations will be identified through mapping of Census and other data or non-profit or stakeholder identification of need. The SoVI® Targeted, specialized outreach will be conducted to these populations in order to ensure proper notice of the opportunity to attend hearings or provide input on all proposed plans.

The LAP focuses on plans for individuals with limited English proficiency. Plans to meet the communication needs of clients who are deaf, hard-of-hearing, or blind are also important and will be properly addressed by reasonably complying with applicable legislation such as Section 504 and the Section 508 Amendment to the Rehabilitation Act of 1973, and Title II and Title III of the Americans with Disabilities Act (1990).

Meaningful access is free language assistance in accordance with federal guidelines. The number and proportion of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be encountered by the program or grantee are based on U.S Census Bureau American Community Survey (ACS) 2006-2010 population. Based on the eligible population, it was concluded that Spanish is the only majority language spoken, other than English, in any eligible county for the CDBG-DR Program. As a result of this initial population analysis, all Action Plans, any ensuing amendments, outreach materials and any application and related guidance materials will be published in both English and Spanish.

## Public Website

To provide the public with comprehensive information on the status of mitigation activities, SCOR DRD has created a Hurricane Florence Program website, which can be found at: <https://admin.sc.gov/SCDRO/disasters/HurricaneFlorence>

The Hurricane Florence Program website includes the HUD-approved CDBG-DR Action Plan, any action plan amendments, program availability, Quarterly Performance Reports (from the HUD DRGR system), policy and procedure manuals, procurement policies, and the status of services or goods currently being procured (e.g., phase of the procurement, requirements for proposals, etc.); and other required and pertinent information.

## Timely Expenditure

Timeliness of expenditure for the grant funds is defined as 6 years from the time of HUD's execution of the grant agreement. The State will track expenditure projections monthly over the life of the award utilizing the HUD-provided Projection of Expenditures and Outcome Template, in conjunction with the Disaster Recovery Grant Reporting (DRGR) system. South Carolina will submit a complete projection of



expenditures within 120 days after the initial Action Plan has been submitted through the DRGR system. Revised projections will be sent to HUD when program changes impact projected outcomes, funding levels, and recovery timelines. The State will manage financial transactions through the SCEIS record system.

## Disaster Recovery Grant Reporting (DRGR)

As required by HUD, SCOR DRD will utilize the Disaster Recovery Grant Reporting System (DRGR) to submit its Action Plan detailing its projected use of CDBG-DR grant funds and report quarterly on its accomplishments pertaining to the same. In addition, DRGR will be used to draw down CDBG-DR grant funding from HUD.

SCOR DRD staff will ensure that accurate information is collected and reported to HUD in DRGR and that relevant systems and procedures comply with Federal policies and requirements governing reporting. Additionally, they will ensure that the Quarterly Performance Reports (QPR), Public Law Documents, and other required documents are properly uploaded to the Hurricane Florence website for Public viewing.

### Procedures:

- DRGR breaks down a grant into categories known as projects. It further breaks down each grant project into subcategories called activities. Activities are grouped in a project based on their geographic or National Objective similarities. SCOR DRD will base its DRGR projects on those stated in the Action Plan.
- Activities are based on a single National Objective. Each National Objective is defined by HUD and has individual requirements that must be met by SCOR DRD. Any activity actions that do not meet a specific National Objective's requirements must be reported under a new separate activity.
- QPRs are to be submitted to HUD no later than 30 days after the end of a Quarter. A copy of the QPR, Public Laws, and other required documents must be uploaded to the Hurricane Florence website within 3 days. The same 3-day requirement applies to QPR resubmissions and approved QPRs.
- All Action Plan Amendments must be properly reflected in DRGR the quarter they occur.

## Internal Audit

Internal Audit is independent of SCOR DRD and reports directly to the Chief Resilience Officer. The Internal Audit Department reports administratively to the SCOR DRD Program Management Director.

Internal Audit utilizes risk-based programmatic auditing of the activities conducted throughout the process of implementing the State's Programs. Auditing activities involve a direct review of the actions pertaining to the following activities:

1. Intake
  - a. Eligibility Verification; and
  - b. Duplication of Benefits Analysis.
2. Construction
  - a. Environmental Reviews;
  - b. Septic Tank Approvals;
  - c. Lead-based Paint Reviews;

- d. Construction Standards;
  - e. Timeliness Standards;
  - f. Cost Reasonableness of Labor and Materials; and
  - g. Demolition.
3. Programmatic
- a. Citizen Participation Compliance;
  - b. Section 3 Compliance;
  - c. Fair Housing Compliance; and
  - d. Relocation Activities.

Other activities conducted by Internal Audit include:

- Review of Individual Department Audits such as Finance, DRGR, and Monitoring.
- Review of specific program pricing policies to ensure that the decisions that are made are in the best interest of the Program, Applicant, and Taxpayer.
- Review of Customer Service Complaints at both intake and throughout the process.
- Review of any items received through the Fraud Hotline (844-506-5436).

Internal Audit will specifically monitor the following:

1. Intake Monitoring
  - a. Review files to verify applicant program eligibility;
  - b. Review files of applicants classified as unlikely to be served to ensure eligibility validity; and
  - c. Internal Audit will review a minimum of 25% of applicant files.
2. Construction Monitoring
  - a. Review construction files to ensure consistent and appropriate documentation, including evidence of permits;
  - b. Validate initial demolition costs and any exceptions that are approved by the Special Case Panel when necessary; and
  - c. Internal Audit will review a minimum of 25% of completed construction projects.
3. Special Case Monitoring
  - a. 100% of the files will be reviewed that are submitted to the Special Case Panel. These reviews will focus on eligibility, cost containment, and the appropriate and timely scope of work items.

On a weekly basis, Internal Audit reports the number of cases reviewed to the Program as a metric of Internal Audit progress. Internal Audit reports any issues identified through daily monitoring activity to the contractor to facilitate expeditious corrections.

On an as-needed basis, other audits or reviews will be completed using an approved audit program. The results will be reported through a formal report along with any findings.

Semi-Annual reports are provided to the Steering Committee to ensure they are aware of Internal Audit's progress.

### Auditee Responsibilities

In accordance with 2 CFR § 200.508, SCOR DRD must:

- Procure or otherwise arrange for the audit required by this part in accordance with §

200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with § 200.512 Report submission;

- Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements;
- Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with § 200.511; and
- Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

## Audit Hold

Citizens participating in SCOR DRD Programs are required to submit documents to meet program eligibility requirements. These documents are subject to examination by the SCOR DRD Audit Department.

In the event that the Audit Department does not agree on the eligibility of an applicant's documentation, the Audit Department may place a file on Audit Hold, pending an investigation and/or the submission of additional documentation. The Audit Hold process is as follows:

1. The SCOR DRD Internal Audit Department disputes an applicant's eligibility.
2. Audit Department places the case on Audit Hold and notifies the IC.
3. Audit will coordinate with Constituent Services in order to contact the applicant and make them aware that their case has placed on Audit Hold and the reasoning behind the Hold
4. The IC must respond within two days and attempt to resolve issues within 30 days.
5. After a case has been on Audit Hold for 30 days, without resolution, it must be placed on an Audit Hold Tracker that will be updated weekly and sent to all directors and the IC.
6. Monthly, or more frequently if necessary, an Audit Hold Reconciliation Meeting will occur. Attendees include: SCOR DRD Program Management Director, Audit Director, IC Director, Director of Support, Lead Legal Attorney, Constituent Services Director, and Operations Director or someone appointed as any of the named attendees' designee.
7. A decision will be made at this meeting on whether the cases on a 30 day+ Audit Hold will move forward or will be closed. If a case is closed, the Director of Support will prepare a decision memorandum to indicate the reasons why the case cannot move forward. The Lead Legal Attorney will review, sign, and send the letter to the SCOR DRD Program Management Director for a final decision. This decision memorandum must be uploaded to the Grant Management System. The applicant has the right to appeal an adverse decision.
8. If the Management Team decides that the Hold is not justified, Audit must remove the Hold from the file within 24 hours. Audit reserves the right to write a decision memorandum outlining their position on the matter.

If a case is placed on audit hold after construction is complete, but prior to the payment of the final invoice for the case file, then the Audit Department will be responsible for drafting a memo outlining the facts of the case to be placed in the case file. The Finance Department will not withhold a payment to the IC for completion of the construction activities unless ordered to do so by the SCOR DRD Program Management Director.

## Special Case Panel

During the activities of the Programs, many decisions will be made involving each application. These decisions will be made based on the State of South Carolina's interpretation of:

- Applicable federal and state statutes;
- The Code of Federal Regulations;
- State and local codes and ordinances;
- Local guidelines;
- The South Carolina Action Plan for Disaster Recovery (Action Plan); and
- The SCOR DRD Hurricane Florence Policy and Procedures Manual.

SCOR DRD will consider and respond to concerns, suggestions, requests, and other issues pertaining to its CDBG-DR Program by utilizing a Special Case Panel (SCP).

The SCP must review the following:

- Any proposed construction in excess of established program pricing guidelines;
- For reconstruction or replacement projects, any items that the General Contractor believes are truly excessive and outside the scope of the standard fixed price;
- All requests for SCOR DRD-funded flood insurance;
- All WACC change order requests;
- If the proposed assistance type changes from repair to replacement/reconstruction or from replacement/reconstruction to repair;
- MHU replacement relocation to a site different than that of the disaster-damaged home;
- Any requests for portable storage units in excess of one (1) per active construction site;
- All requests for 4 bedroom/ 2 bathroom MHU replacements or stick built reconstructions;
- Any proposed buyout award in excess of established program guidelines;
- Any items the demolition contractor believes are truly excessive and outside the scope of the standard fixed price; and
- Priority or eligibility appeals as requested by the Constituent Services Manager.

SCOR DRD has defined excessive demolition as the demolition of structures in excess of 3,500 square feet. For excessive demolition, SCOR DRD will pay for the square footage over 2,000 at the lowest possible demolition rate available in the fixed price list.

The SCP Chair may authorize one or more panel members to preliminarily-approve emergency change orders for work in excess of program pricing guidelines. Emergency change orders that receive preliminary approval must be presented to the SCP at the next scheduled meeting for final approval.

The IC has the authority to approve change order requests that do not exceed established program pricing

guidelines. The IC must forward all approved change orders that do not exceed the established program pricing limits but have a total change order price greater than \$5,000 to Internal Auditing for review.

Internal Auditing will review the change order and research any findings of inappropriate scope items. Internal Auditing will forward any findings to the SCOR DRD Program Management Director. The Director will make a final determination as to whether the State will pay for any scope items designated as inappropriate by Internal Auditing. Internal Auditing must submit documentation of the review into the System of Record.

The SCP is a seven member panel that consists of the Director of Support (Chair), the Compliance and Monitoring Manager, a SCOR DRD attorney, a Constituent Services Member (CSM), a Finance Department Representative, and 2 additional members from the SCOR DRD organization, so chosen and designated by the Chair. A decision memorandum or equivalent will set forth the Panel's findings on each matter it considers. The decision memorandum is signed by the Chair and the Program Management Director. The signed decision memorandum will be uploaded to the Grant Management System.

Other types of Review Panels may be appointed by the SCOR DRD Program Management Director, as determined to be necessary.

## Appeals

### Grievance Policy/Procedure

SCOR DRD staff is responsible for responding to complaints and appeals in a timely and professional manner. A grievance and appeals procedure will be afforded to applicants to provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed and services provided by SCOR DRD. The appeals procedure will include both an informal and a written grievance process which may include but not be limited to informal hearings, third-party review, and Program Management Director approval. SCOR DRD will keep a record of each complaint or appeal that it receives to include all communications and their resolutions. Complaints alleging violation of fair housing laws will be directed to the U.S. Department of Housing and Urban Development for immediate review. Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov). If an applicant disagrees with an official decision, he or she can appeal to the SCOR DRD.

### Complaints

When a complaint or appeal is received, a Constituent Service Representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, the SCOR DRD staff shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

### Responsibilities

SCOR DRD has identified a Constituent Services Staff which will be tasked with handling all homeowner

inquiries. These staff will be responsible for:

- Determining whether or not complaints and appeals relate to the business or authority of SCOR DRD;
- Ensuring that a response to all complaints and appeals are within the appropriate time frame (response must be provided within 15 working days of the receipt of the complaint); and
- Ushering all complaints and appeals through to a resolution.

## Documentation

Documentation for each complaint or appeal must be maintained. Each file must include the following:

- Contact information for the complainant;
- Initial complaint;
- Address and assigned project number (if applicable);
- Any communications to and from complainant or appellant;
- Results of the investigation, together with any notes, letters, or other investigative documentation;
- The date the complaint or appeal was closed; and/or
- Any other action that is taken.

## Compliance and Monitoring

The SCOR DRD utilizes risk-based programmatic monitoring of the activities conducted by the IC throughout the process of implementing the State's Programs. Monitoring activities involve a direct review of the actions of the IC and GCs.

### Procedures:

1. Intake Monitoring
  - a. Monitors will examine one out of every four files that have been designated "eligible" by the IC and continue until complete.
  - b. Monitors will examine 25% of the files designated "not eligible" to validate that program rules have been properly applied and ensure compliance with Fair Housing standards.
2. Construction Monitoring
  - a. Informal monitoring will occur frequently during the key turnover phase of construction.
  - b. Formal monitoring will occur during actual construction and final inspection activities.
  - c. Selection of cases will be based upon the open projects currently under construction with priority determined by:
    - Second visits to previously on-site monitored failures.
    - Directed on-site monitoring based on citizen concerns.
    - Newly mobilized construction sites.
3. Directed Monitoring
  - a. Constituent Services, Finance, or the Auditing staff may request a directed monitor activity about any aspect of the program.
  - b. Constituent Services will forward all comments implying or indicating fraud, waste, or abuse to auditing for further investigation.
  - c. Constituent Services will request directed monitoring activities:

- For every ten complaints pertaining to construction quality.
  - Whenever customer service scores fall below 90% in any area.
  - Whenever there are two concerns about a particular location or IC staff member.
  - For any report of actions or behaviors that could generate a substantially negative public perception of the program.
4. Once a monitoring activity is complete, the Director of Support will conduct a final review and record the findings via email. The email will be forwarded to the SCOR DRD Program Management Director for review and to the Policy and Procedure Manager for inclusion in the System of Record.

## Closeout

### Case Closeout

All cases for the Single-Family Housing Program and Rental Repair Program must be properly closed after the completion of the mandatory one-year warranty period. All cases for the Voluntary Buyout Program must be closed 90 days after demolition is complete.

Prior to the closeout of completed cases, the IC and SCOR DRD will conduct a review to ensure that each case:

- Met a HUD national objective;
- Was an eligible activity; and
- Had no outstanding issues.

In order for a case to be officially closed, the review must be completed, the lien must be filed with the appropriate county, if applicable, and a Certification of Case Closure Form (Memo) must be generated. The Memo will be uploaded into the Grant Management System. The case file will be locked into a “read-only” status.

#### Procedures:

- After a home has passed the final inspection and the mandatory one-year warranty period has expired, or a maximum of 90 days following a completed buyout project, the IC will review the case to ensure compliance with the Activity File Documentation Checklist.
- The IC will notify the SCOR DRD Closeout Specialist (COS). The COS will then review the case to ensure compliance with the SCOR DRD Case Closure Checklist, shown below.

Areas of Interest	Yes	No	Responsible Review Party
Invoicing Review Complete			COS
Open warranty issues			COS
Open DOB issues			COS
Open monitoring issues			COS
Open constituent services issues			Constituent Services
Open environmental and legal issues			Legal

Invoice paid			Finance
Open Audit issues			Audit

- The COS will verify that a copy of the lien or MHU title has been uploaded to the Grant Management System. If not, the COS will notify the appropriate department that the lien or title must be filed and documented in the Grant Management System in order to proceed with closeout functions.
- The COS will send a list of reviewed case files to the following departments for review:
  - a. Finance;
  - b. Environmental;
  - c. Audit; and
  - d. Constituent Services.
- Each department will review the list of cases to ensure there are no outstanding issues. Each department will then return the list with comments to the COS.
- If the case file has no outstanding issues and the lien has been filed, if applicable, then it will be closed. If there are outstanding issues, the COS will work with the appropriate department and IC to resolve the issue(s).
- Once all issues have been resolved, the COS generates a Memo, certifying that the case is closed. Each Memo is signed by the Environmental Certifying Officer and the SCOR DRD Program Management Director.
- After the Memo has been signed, it is uploaded to the Grant Management System.
- The file is then locked by COS and put into a “read-only” status in the Grant Management System. If the lien has not been filed, the case file will not be locked until the lien is uploaded.

## Program Closeout

The closeout of a grant is a process in which HUD determines that all applicable administrative and program requirements of the grant were completed. Once HUD determines that all of the funds were expended and the activities were completed, or if SCOR DRD requests initiation of the closeout process, the assigned HUD office will proceed with grant closeout.

The program is ready for closeout when the following conditions are met:

- All CDBG-DR funds were spent on eligible activities and met a national objective;
- Administrative, Planning, and Program Delivery Costs:
  - a. No more than 15% of the total grant was used for planning costs;
  - b. No more than 5% of the total grant was used for administrative costs;
  - c. At least 80% of the total grant was used for program delivery costs;
  - d. At least 80% of the grant was used to address the MID counties; and
  - e. At least 70% of the grant was used to address the LMI population.
- Other responsibilities of SCOR DRD under the grant agreement and applicable laws and regulations



have been carried out satisfactorily (such as the reporting requirement), or there is no further federal interest in keeping the grant agreement open for the purpose of securing performance.

Once SCOR DRD and the HUD staff jointly determine that SCOR DRD is prepared to begin the closeout process, HUD will inform the grantee that the closeout process has commenced and SCOR DRD will complete the following documents:

- Closeout Checklist (Appendix E); and
- Grantee Closeout Certification (Appendix F).

To ensure that the criteria for closeout have been met, SCOR DRD will review the following for consistency with the following HUD files and systems:

- Line of Credit. Check to determine if SCOR DRD has any remaining funds in the line of credit. Any remaining funds will be canceled through the closeout process.
- Audit Reports and Monitoring Letters. Review files to determine if there are any unresolved monitoring, audit findings, and/or citizen complaints.
- DRGR Reports or Financial Status Reports. Check to determine all grant funds have been drawn down and all activities have been completed.

Once HUD determines that the criteria for closeout were met, HUD will complete and execute the Grantee Closeout Certification. Within 90 days of the Closeout Certification execution, SCOR DRD will submit the final performance report in the DRGR system. Once HUD completes all final reviews, a closeout agreement will be prepared by HUD and executed by SCOR DRD. If there are any remaining unused funds in the grant, HUD will recapture these CDBG-DR funds. HUD is then responsible for closing the grant in DRGR.

### Record Retention and Access

SCOR DRD will establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State's administration of CDBG-DR funds under 24 CFR § 570.493. All records documenting funding decisions will be kept, regardless of the organizational level at which final funding decisions are made, so that they can be reviewed by HUD, the Inspector General, the Government Accountability Office, and citizens pursuant to the requirements of 24 CFR § 570.490. Representatives of HUD, the Inspector General, and the General Accounting Office will have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG-DR funds and necessary to facilitate such reviews and audits. All records of the State will be retained for the greater of five (5) years from closeout of this grant. All physical and electronic records, following closeout of this grant, will be maintained by the South Carolina Office of Resilience.

## Appendix A: HQS Checklist

### HQS Checklist:

#### **General:**

---

\_\_\_ Home has a functional living room, kitchen, and minimum of one bathroom and one bedroom

\_\_\_ Home equipped with a fully operating HVAC system less than 10 years old

Manufactured Date \_\_\_\_\_

\_\_\_ Ductwork that supplies central air is free of defects and has been sealed (Photo evidence)

\_\_\_ Home is equipped with a fully operational water heater less than 7 years old

Manufactured date \_\_\_\_\_ (New unit has securing strap)

\_\_\_ Home is free from any unventilated space heaters that burn gas, oil, or kerosene

\_\_\_ Home has attic insulation is in good condition meeting R-38 standard

\_\_\_ Home has underfloor insulation meeting R-19 standard

\_\_\_ Home has a full encompassing vapor barrier of at minimum 6 mil thickness

\_\_\_ Home is supplied with one carbon monoxide detector and one smoke detector per level

#### **Exterior:**

---

\_\_\_ Exterior is free from any rotted materials

\_\_\_ Exterior is free from any unfinished materials

\_\_\_ All openings in the exterior envelope are sealed, including siding and curtain

\_\_\_ Foundation is free of any visible serious defects

\_\_\_ All stairs over 30" high have proper guard railing with at least one unobstructed grab rail

\_\_\_ All exterior doors are lockable with functional deadbolt

#### **Living Room:**

---

\_\_\_ Living Room is equipped with one permanent light fixture

\_\_\_ Living room is equipped with minimum of one properly functioning lockable window

\_\_\_ Living Room is free of any trip hazards

\_\_\_ Living Room is free of any holes larger than 3", loose materials, or serious damage

#### **Kitchen:**

---

\_\_\_ Kitchen has operating stove and oven or microwave oven with operable range hood

\_\_\_ Kitchen has working refrigerator

\_\_\_ Kitchen is supplied with sufficient cabinet and counter space for storage, food preparation, and disposal of waste

\_\_\_ Kitchen has fully operational sink with hot and cold water, and is free of leaks

\_\_\_ Kitchen is supplied with minimum of one outlet and one permanent light fixture

\_\_\_ Any outlets within 3 foot of water source is GFCI protected

**Laundry Room:**

---

\_\_\_ Clothes Dryer is vented to the exterior using rigid duct

\_\_\_ Laundry Room is free of any trip hazards

\_\_\_ Laundry Room is free of any holes larger than 3", loose materials, or serious damage

**Bedroom(s):**

---

1. Bedroom has at minimum one permanent light fixture and two outlets
2. Bedroom is free of any trip hazards
3. Bedroom is free of any large holes, loose materials, or serious damage
4. Bedroom has minimum one lockable, operable window

Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4
1.			
2.			
3.			
4.			

**Bathroom(s):**

---

1. Bathroom is equipped with a fully functional toilet free of leaks
2. Bathroom (1) is equipped with a functional bathtub or shower free of leaks, that supplies both hot and cold water
3. Bathroom is equipped with a functional sink free of leaks, that supplies hot and cold water
4. Bathroom is equipped with a lockable operable window or operation ventilation fan
5. Bathroom is supplied with a permanent ceiling or wall mounted light
6. Any outlets within 3 feet of water source are GFCI protected

Bathroom 1	Bathroom 2	Bathroom 3
1.		
2.		
3.		
4.		
5.		
6.		

## Appendix B: SCOR DRD Construction Standards & Material Specifications

### HVAC

Window A/C units do not meet the State's standard for HQS-thermal environment. Homes having existing ductwork for central HVAC will have that system returned to working condition via repair or replacement, whichever is most cost effective. Homes without existing ductwork will be fitted either with ductwork and a central HVAC unit or with split units, whichever is most cost effective. All replaced HVAC units will be replaced with electric heat pumps. All HVAC units over 10 years in age will be replaced. If possible, the existing HVAC parts will be equally exchanged. All MHU HVAC replacements must follow the HVAC Estar and HUD sizing guidelines:

- <https://www.energystar.gov/sites/default/files/asset/document/SizingGuidelines.pdf>

### Interior

**ADA Bathroom:** For new construction stick-built or modular homes that are ADA compliant, the ADA bathroom must be the master bathroom.

**Cove molding:** Cove molding is required for transitions between walls and ceilings, and where two disparate surfaces join such as paneling and drywall. Cove molding must be ¾" paint grade, finger-jointed pine or equivalent.

**Closets:** Bedroom closets on new construction homes must have either wood shelving or vinyl-coated wire mesh shelving units. All bedroom closets in new construction homes must have a closet rod. All walk-in bedroom closets must have a source of illumination within the closet.

**Toilets:** All toilets used must have a vitreous china coating and be white in color.

**Water Heaters:** All water heaters over 7 years in age must be replaced. New expansion tanks will be installed as well.

**Walls:** If an existing wall material cannot be matched when making a repair, all wall material in the room will be replaced with the same type of existing material to ensure consistency of appearance.

**Insulation:** For all stick-built rehabilitation homes, the default option for ceiling insulation is R-38. For all MHU rehabilitation homes, the type of ceiling insulation that will be installed is based upon the joist size. For homes with 2x4 ceiling joists, R-13 insulation will be installed. For homes with 2x6 ceiling joists, R-19 insulation will be installed. For homes with 2x10 ceiling joists, R-30 insulation will be installed. For homes with 2x12 ceiling joists, R-38 insulation will be installed.

### Flooring

The default option for all flooring replacements is vinyl plank flooring which meets the minimum specifications outlined below. For bathroom applications, vinyl sheet goods (vinyl floor coverings) may be substituted for vinyl plank flooring. In kitchens, vinyl sheet goods will be used unless both length and width dimensions of the kitchen are greater than 12'. For stick-built rehabilitation homes, the default option for flooring insulation is R-19. Vapor barrier must be emplaced as part of all rehabs.

**Carpet:** Carpet may not be installed in reconstruction or replacement homes. Carpet may not be replaced in rehabilitations.

Texture	BCF Nylon		BCF Polypropylene		Staple Polyester	
	Weight	Density	Weight	Density	Weight	Density
Level/Texture Loop	20	3300	20	3600	N/A	N/A
Cut-pile Heat Set Plied	24	1250	32	4000	32	1550

**Vinyl Floor Coverings:** Vinyl floor coverings must meet the standards specified in ASTM F 1303 with a 34% minimum binder content and an overall thickness that is no less than 0.040 inches.

**Vinyl Plank Flooring:** Vinyl plank flooring must be a minimum of 4 mm thick with interlocking edges, and a simulated wood design. Vinyl plank flooring must be wet applied on site and properly sealed.

**Exterior**

**Landings:** All new construction landings must have a minimum unobstructed surface area that measures 5' by 5'.

**Shingles:** Shingles must meet ASTM D3161 Class F and/or ASTM D7158 Class H standards for high wind usage for roof replacements in Wind Zone 2 or higher areas. Contractors must nail shingles using a storm-nailing pattern as illustrated for applications requiring wind speed tolerances in excess of 110 mph.

Max Wind Speed	ASTM D3161	ASTM D7158
60 mph	Class A	--
90 mph	Class D	Class D
110 mph	Class F	Class H
120 mph	Class F	Class H
150 mph	Class F	Class H

**Appendix C: Promissory Note and Lien**

**STATE OF SOUTH CAROLINA PROMISSORY NOTE AND  
LIEN**

**South Carolina Disaster Recovery Office – a division of the South Carolina Office of Resilience**

**U.S. Department of Housing and Urban Development Community Development Block Grant –**

**Disaster Recovery Forgivable Promissory Note and Notice of Lien for Rehabilitated, Reconstructed, or Replaced Property**

**Date:** <date signed>

**Borrower, Co-Borrower:** <name of homeowner, co-homeowner>

**Borrower’s Mailing Address:** <mailing address>

**Property:** **The real property and any improvements thereon, more fully described as:**  
<legal description/metes and bounds of property>

**With a property address of:**  
<damaged property address>

**Principal Amount:** <amount of CDBG-DR funds for the rehab or replacement>

**Annual Interest Rate:** **Zero percent (0%)**

**Expiration/Anniversary Date:** **Three years from the date of the final construction inspection**

**Whereas**, the State of South Carolina has established the South Carolina Disaster Recovery Program by way of a U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant for Disaster Recovery (“CDBG-DR”), administered by the South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience, to assist with housing repair/rehabilitation, reconstruction and replacement activities for owners who occupied housing units that were damaged by a qualifying Presidentially-declared disaster, that meet program eligibility; and

**Whereas**, the housing repair/rehabilitation, reconstruction and replacement activities through the South Carolina Disaster Recovery Office’s meet HUD national objectives as set forth under the state’s HUD-approved Action Plan by benefiting low to moderate income persons, eliminating slum and blight and addressing urgent need. The intent of the policies and procedures supporting these activities is to achieve the national objectives by providing non-discriminatory race neutral relief while causing no

disparate impact to the beneficiaries of the program as the intent and impact will be to revitalize the low to moderate income housing stock in impacted and distressed areas; and

**Whereas**, the undersigned, <insert Homeowner, Co-Homeowner> (herein referred to as the Homeowner) qualifies under the South Carolina Disaster Recovery Program for housing assistance for the property commonly known as <property address> legally described as:

<legal description/metes and bounds of property> ; and

**Whereas**, the total construction repair/rehabilitation, reconstruction or replacement contract amount for the property listed above is <amount of construction contract/total repair/rehabilitation, reconstruction or replacement amount> and the Homeowner has placed into escrow <amount of escrow if other funds such as insurance are involved (Use \$0.00 if no funds in escrow)> to be used toward the Construction contract amount, leaving <amount to be covered by CDBG-DR funds> in the form of a Forgivable Promissory Note; and

**Now Be It Known**, each term and provision of the Forgivable Promissory Note is expressly subject to the terms and conditions of the South Carolina Disaster Recovery Program administered by the South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience (“Lender”), and the terms and conditions of the Construction Contractor/Homeowner Agreement Contract, executed between Contractor and the Homeowner, which provides assistance to Homeowner under the State of South Carolina Disaster Recovery Program for disaster relief, long-term recovery, and restoration of housing in areas declared federal disaster areas as a result of a qualifying Presidentially declared disaster,

**Whereas**, a requirement of the South Carolina Disaster Recovery Program is for the repayment of the Forgivable Promissory Note to be in the total amount listed above whenever the property is sold, transferred, vacated, or abandoned within three (3) years of the date of the final construction inspection and Homeowner key turnover for the repaired property,

**Therefore**, in consideration of the awarding of the Forgivable Promissory Note the mutual covenants and promises of the parties and other good and valuable consideration, the Lender and Homeowner agree as follows:

The term of the Forgivable Promissory Note and mortgage lien is three years, remaining at one hundred percent of the Note amount for all three years. The anniversary date of the Forgivable Promissory Note and mortgage lien is three years from the date of the final construction inspection of the repaired/replaced/reconstructed property and corresponding homeowner key turnover. Upon the third anniversary date, and if all conditions of the Construction Contractor/ Homeowner Agreement, and program rules and regulations have been satisfactorily followed as determined by the Lender, the entire amount of the Forgivable Promissory Note will be forgiven.

The Forgivable Promissory Note is in the amount of \$<total CDBG-DR funds amount>.

In the event that a Change Order executed during the construction phase of this agreement changes the Forgivable Promissory Note amount, the Change Order and the amended amount will become part of this agreement and will be included as an attachment(s) to this agreement.

In the event that Homeowner fails to meet the terms of the Forgivable Promissory Note, repayment shall be made to the South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience, 632 Rosewood Dr., Columbia, SC 29201.

The following are the terms of this Forgivable Promissory Note:

1. This property described above was assisted with disaster relief funds from the United States Department of Housing and Urban Development to facilitate the necessary repairs/rehabilitation, or reconstruction, or the replacement of the residential structure. If, after completion of the repairs/rehabilitation, reconstruction or replacement, this property or any part of the property is sold, transferred, foreclosed, or leased, during the course of this note, then the full amount becomes due and payable to the Lender, except that this clause will not apply to the following situations:

(i) The Homeowner applicant is in the military and his or her family is being reassigned to a military base more than 50 miles from current home.

(ii) The Homeowner applicant becomes disabled to the extent they can no longer live alone in the home and there are no other household members who will be residing in the home.

(iii) Other significant, extenuating circumstances as determined in the sole discretion of the Lender.

2. This Promissory Note gives the signee no greater or lesser property right than the rights that existed in the damaged property at the time of the qualifying Presidentially declared disaster. The Promissory Note conveys no right, title or property interest.

3. If the Homeowner applicant passes away after contract signing but before the start of construction, then the contract is void and the construction project for the Homeowner applicant will not go forward. If the Homeowner applicant passes away after the start of the construction period or during the three (3) year compliance period the amount will not be immediately due and payable; however, the terms remain in effect as to the Homeowner applicant's Estate and heirs.

4. Hazard insurance coverage for the replacement value of your home must be secured at the Homeowner's own expense (your expense) for as long as you own the property. Hazard insurance coverage must also cover the replacement cost of the property during the period the lien is valid. The replacement value of your home could be more or less than the lien amount, therefore replacement value will be accepted at the value set by your insurance carrier to replace your home.

If Flood Insurance is required, then the homeowner must pay for Flood Insurance coverage. If the Homeowner cannot afford the first year of Flood Insurance, then the Lender (the South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience) may purchase only the first year of insurance, but the Homeowner will be responsible for Flood Insurance for every year thereafter. Flood Insurance, if it is required, must be purchased for the property every year, unless and until FEMA Flood Insurance Rate Maps change so as to no longer include the property in a zone which requires Flood Insurance.

If you do not purchase the required insurance and your home is damaged in a subsequent federally declared disaster, then you will not be eligible for federal disaster recovery repair or



replacement assistance in the subsequent disaster. Stated another way, federal disaster housing recovery dollars are not going to repair or replace a house a second time if the homeowner did not buy insurance after the first disaster in which they received assistance.

5. Homeowner must not have outstanding property tax or utility debts (to include environmental fees) at the start of construction and homeowner must remain current on all obligations during the term of the lien.

### **IMPORTANT NOTICE FOR FEDERAL DISASTER RELIEF**

**DUTY TO NOTIFY.** In the event of the transfer of the Property described above by Homeowner or Homeowner's successors and assigns ("Transferor"), the Transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

(i) Obtain flood insurance in accordance with applicable federal law and obtain hazard insurance, with respect to said property, if the above described property is not so insured as of the date on which the above described property is transferred; and

(ii) Maintain flood insurance in accordance with applicable federal law and maintain hazard insurance, with respect to said property.

Such written notification shall be contained in documents evidencing the transfer of ownership of the above described property.

**FAILURE TO NOTIFY.** If Transferor fails to provide notice as described above and subsequent to the transfer of the above described property:

(i) The transferee fails to obtain or maintain flood and hazard insurance, in accordance with applicable federal law with respect to the above described property;

(ii) The above described property is damaged by a disaster; and

(iii) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the Transferor MAY be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the above described property.

**LIEN ON REAL ESTATE**

The South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience, requires that a lien be filed against the property for the duration of the three (3) year compliance term of this Forgivable Promissory Note. Per State of South Carolina law, for certain properties, a real property lien may be filed in the county in which the property is located or a lien for a manufactured housing unit may be filed with the SC DMV and noted on the title or the Form UCC-1 from the South Carolina Secretary of State must be completed and the original document must be submitted to the <County in which property is located> Register of Deeds' Office for filing. The lien will be automatically released and expire upon the third anniversary date of the Forgivable Promissory Note which is three years from the date of the final construction inspection. If Homeowner desires an actual lien release document, then Homeowner must request a lien release document from the South Carolina Disaster Recovery Office.

The South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience, has the right to waive any or all of the terms of the note due to extenuating circumstances that would warrant or justify decision to do so, regardless of the age of the Forgivable Promissory Note.

\_\_\_\_\_  
Signature of Homeowner

Date:

\_\_\_\_\_  
Signature of Co-Homeowner

Date:

\_\_\_\_\_  
Signature of S.C. Disaster Recovery  
Office or its Designee

Date:

### Duplication of Benefits Analysis

The South Carolina Disaster Recovery Office, a division of the South Carolina Office of Resilience, in accordance with the *Stafford Act*, for Community Development Block Grant Disaster Recovery Grantees, calculates any potential Duplication of Benefits received by program applicants. The Duplication of Benefits (DOB) is calculated by determining applicant's post disaster unmet recovery need, and reducing the need by the amount of funding previously received for the same purposes. The remaining amount and any associated program caps is what the program is able to award. The DOB (if any) is calculated and documented below:

*Applicant Case ID*

*Applicant Name & Address*

South Carolina Disaster Recovery Office *Contract #*

#### Assistance Type and Amount Verified/Documented:

*FEMA/NFIP:* \$

*SBA:* \$

*Private Insurance:* \$

*Other (with description as needed):* \$

#### Expenditures from Previously Received Assistance:

(insert dollar amount/findings from receipts/inspection)

**Total DOB Gap: \$\$**

#### Options and Alternatives

Original Project Cost: \$\$

DOB Calculated: \$\$

Total Reductions to Bid Amount: \$\$

Provide Other Funding: \$\$

**Remaining Gap: \$\$**

**ACKNOWLEDGEMENT**

State of South Carolina

County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me personally

appeared \_\_\_\_\_, who provided satisfactory evidence of his/her  
(Print Name of Document Signee)

identification to be the person whose name is subscribed to this instrument and acknowledged  
he/she executed the South Carolina Disaster Recovery Office, a division of the South Carolina  
Office of Resilience, U.S. Department of Housing and Urban Development Community  
Development Block Grant, Disaster Recovery Forgivable Promissory Note and Notice of Lien for  
Rehabilitated, Reconstructed, or Replaced Property

by his/her signature here: \_\_\_\_\_.  
(Document Signee’s Signature)

Sworn to (or affirmed) and subscribed before me this the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Notary

(Official Seal)

\_\_\_\_\_  
Notary’s printed or typed name  
My commission expires: \_\_\_\_\_

**Appendix D: Warranty Resolution**

**South Carolina Disaster Recover Office**

**Warranty Resolution**

**Warranty Line: 1-xxx-xxx-xxxx**

Case #: \_\_\_\_\_ Warranty case #: \_\_\_\_\_  
Homeowner: \_\_\_\_\_  
Contact phone #: \_\_\_\_\_  
Address: \_\_\_\_\_ County: \_\_\_\_\_  
General Contractor: \_\_\_\_\_ Final Inspection date: \_\_\_\_\_  
Date Warranty opened: \_\_\_\_\_ Date Warranty closed: \_\_\_\_\_

Issue(s) reported by Homeowner:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Valid or Invalid & Resolution(s) per General Contractor:

Homeowner initials and date

- |          |       |
|----------|-------|
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |
| 5. _____ | _____ |

OGP comments on Issues deemed invalid only:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**By signing below, homeowner verifies that all valid issues have been satisfactorily resolved.**

\_\_\_\_\_  
Homeowner Printed Name

\_\_\_\_\_  
SCOR DRD Representative Printed Name

Homeowner Signature

Date

SCOR DRD Representative Signature

Date

**Appendix E: Closeout Checklist**

**Grant Closeout Review/Checklist**

Date Grant Opened: \_\_\_\_\_

GRANTEE: \_\_\_\_\_

Grant Amount: \_\_\_\_\_

Grant #: \_\_\_\_\_

Method of Distribution: \_\_\_\_\_

**FUNDS WERE ADMINISTERED BY:** \_\_\_\_\_

**STATUS OF FUNDS:**

The State disbursed all funds by either directly carrying out activities, or by providing funds to units of general local governments (UGLGs), eligible households, eligible businesses, and other eligible recipients.

Entitlements received and disbursed all funds.

Total Budget per Grant Agreement \_\_\_\_\_

Total Amount of Funds Disbursed \_\_\_\_\_

Total Unused Funds \_\_\_\_\_

**Required Measures (Proposed vs. Actual)**

Specified Limit or Minimum

Minimum Overall benefit: Projected	<u>    %</u>	Actual	<u>    %</u>
Limit on Public services: Projected	<u>    %</u>	Actual	<u>    %</u>
Limit on Admin/Planning: Projected	<u>    %</u>	Actual	<u>    %</u>
Limit on Grantee Administration: Projected	<u>    %</u>	Actual	<u>    %</u>

**SUBMISSION OF QUARTERLY PROGRESS REPORTS:**

Has the grantee submitted the QPR in DRGR? Yes No

Is the final QPR accurate, complete, and consistent with LOCCS, the Action Plan, and/or approved Action Plan amendments?

Yes No

**STATUS OF MONITORING:**

Date of last monitoring visit by HUD: \_\_\_\_\_

Were there any findings?    
Yes No

Have all issued findings been cleared?    
Yes No

**Program Income**

(ii) Is there any program income on hand?    
Yes No

If yes, explain:

**Activity Eligibility and Meet a National Objective**

(ii) Are all activities eligible and does each activity meet a national objective?    
Yes No

If no, explain:

Explanation be

**Audits**

**(ii) Did the grantee make reviews and audits of subrecipients?**

Yes No

**If no, explain:**

Explanation box

**Certifications**

**(iii) Have all Federal Requirements been met? For example, Affirmatively Furthering Fair Housing, Section 3, Lead-based paint procedures, Environmental Review, Davis Bacon, etc.**

Yes No

**If no, explain:**

Explanation Box

**Grantee maintained an inventory of real property and equipment acquired with grant funds.**

Yes No

**If no, explain:**

Explanation box



**Appendix F: Closeout Certification**

**CLOSEOUT CERTIFICATION**

**Grantee Name:** \_\_\_\_\_

**Grant Number:** \_\_\_\_\_

**The Grantee hereby certifies that: (1) the grant as described in the approved application has been performed in accordance with the terms and conditions of the Grant Agreement and that, there are no known outstanding programmatic or financial issues; and (2) all data provided below fairly reflect costs and sources of funds of the CDBG-DR grant and are taken from HUD-approved reports and other project-related documents.**

- |   |                 |
|---|-----------------|
| <b>1. Grant amount</b>                      | <b>\$</b> _____ |
| <b>2. Cumulative grant funds disbursed</b>  | <b>\$</b> _____ |
| <b>3. Previously recaptured grant funds</b> | <b>\$</b> _____ |
| <b>4. Balance of grant funds (1-2-3)</b>    | <b>\$</b> _____ |
- (These funds will be recaptured by HUD.)

Grantee Authorized Representative's Signature

CPD Division Director Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Typed Name of Signatory

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date : \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**The above signature by HUD signifies approval of grant closeout.**

**Note: Any false statements knowingly or deliberately made are subject to civil or criminal penalties under Section 1001 of Title 18 of the U.S. Code**

**Appendix G: Contactor Homeowner Agreement**

**CONSTRUCTION CONTRACTOR / HOMEOWNER AGREEMENT**

SOUTH CAROLINA DISASTER RECOVERY OFFICE, A DIVISION OF THE SOUTH  
CAROLINA OFFICE OF RESILIENCE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY  
DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY PROGRAM

The parties identified below (each a “Party;” collectively, the “Parties”) hereby enter into this agreement (“Contract”) relating to home construction services for the construction or replacement of a new home, or the repair/rehabilitation of a home damaged by a Presidentially declared disaster in South Carolina. By signing this Contract, the Parties agree to its terms and conditions as stated herein below.

**THE PARTIES:**

**HOMEOWNER:**

Name: \_\_\_\_\_

Phone Number(s): \_\_\_\_\_

Email address: \_\_\_\_\_

Homeowner Case Identification Number: \_\_\_\_\_

Address of Property: \_\_\_\_\_

Legal Description of  
Property: \_\_\_\_\_

\_\_\_\_\_

**CONTRACTOR:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number(s): \_\_\_\_\_

Email address: \_\_\_\_\_

Work Order Number: \_\_\_\_\_

**(1) PURPOSE OF AGREEMENT:** The purpose of this agreement is to authorize Contractor to construct, replace, or repair/rehabilitate the house owned by Homeowner, located at the address above (the “Property”). The work to be performed by Contractor is for damages sustained to the Property due to a Presidentially declared disaster and any other items identified in the Scope of

Work (“SOW”) which are included to meet Program requirements (collectively, the “Project”).

**(2) SOURCE OF FUNDING FOR THE PROJECT:** All funding for the Project is being provided pursuant to the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery Program (the “Program”) which is administered by the South Carolina Disaster Recovery Office (“SCDRO”). **Homeowner is not required to pay money or provide any type of payment to Contractor or other third parties in order to participate in this program.** However, Homeowner is solely responsible for all outstanding taxes and/or fees on the property that may inhibit the construction, replacement, or repair/rehabilitation of the home.

**(3) ACCEPTANCE OF PLANS AND CONSENT TO PERFORM THE PROJECT:** Homeowner hereby acknowledges that they have been presented the Scope of Work (“SOW”) for their home. Homeowner has fully reviewed the SOW, and Homeowner accepts and consents to the SOW, which specifies the construction project and other activities, such as environmental mitigation, to be conducted by Contractor on the Property. Homeowner acknowledges and agrees that they cannot add tasks to the SOW, and only the SCDRO can authorize Contractor to perform any additional tasks. Contractor also acknowledges that Contractor has been presented the SOW and has fully reviewed the SOW. Contractor accepts and consents to the SOW which specifies the construction project and other activities, such as environmental mitigation, to be conducted by Contractor on the Property. Contractor acknowledges and agrees that only the SCDRO may add tasks to the SOW and only the SCDRO has the authority to authorize Contractor to perform the additional tasks. The SOW is attached and incorporated into this Contract.

**(4) ACCESS TO PROPERTY AND HOMEOWNER AGREEMENT TO COOPERATE:** Homeowner grants full access to the Property to the Contractor and its authorized designees including, but not limited to, Contractor’s workforce and subcontractors, the SCDRO designated onsite representative, the Architect/Engineer (as needed), and any authorized inspectors, whether for the SCDRO or other governmental entity with appropriate legal authority, as may be required to make inspections and to complete the Project. Homeowner agrees to vacate the property during construction activities. Homeowner agrees to cooperate with all such parties and their designees’ and Homeowner agrees not to unreasonably interfere with work on the Project or inspections of the Property. **In the event that Homeowner unreasonably interferes with the work or inspections in any manner, Contractor shall deliver a written notice to Homeowner and to the SCDRO.** If Homeowner does not cease the activities specified in the notice within three (3) calendar days, Homeowner may be prohibited from participating in the Program and may be required to reimburse SCDRO for work completed on the Property by Contractor. Homeowner will cooperate with Contractor to ensure that all utilities, including water, sewer, and electrical service, are available and supplied to the Property for the duration of the Project. Contractor will notify SCDRO and Homeowner when construction activities are completed.

**(5) SITE READY:** Upon execution of this Contract by the Parties, Homeowner agrees to remove all personal items and valuables from the Property and disconnect utilities, if instructed to do so, within fifteen (15) days. Homeowner agrees that they have secured adequate temporary housing while construction occurs. Neither the SCDRO nor any of its designees, including Contractor, shall bear responsibility or liability for the loss, misplacement, or damage to any such items not removed timely by Homeowner. Notwithstanding the preceding, if Homeowner’s items are damaged or

lost solely through negligence of Contractor, Contractor will reimburse Homeowner for such damage, loss or utility expense. Homeowner must notify Contractor and the SCDRO of the damage, loss or utility expense in writing. Contractor must reimburse Homeowner within fifteen (15) days' written request by Homeowner to Contractor. If the Contractor disputes liability or the amount of Homeowner's claim, it must inform the Homeowner and SCDRO of its dispute and specific facts supporting its dispute. The SCDRO shall have sole discretion to determine whether damage, loss or utility expense was caused by Contractor's negligence and the amount of liability. The fifteen (15) day period for reimbursement will be tolled during the dispute resolution process.

**(6) DUTY TO INFORM:** Homeowner shall inform Contractor of any known onsite hazards at the Property including, but not limited to, buried lines, tanks, septic systems, water wells, propane tanks, and the presence of natural hazards, including but not limited to, poisonous vegetation, venomous snakes or insects, bats, termites, or other infestations.

**(7) FINAL APPROVAL OF THE PROJECT:** The Program's authorized inspectors, and any other governmental local inspectors as required, shall perform all required inspections of the Project, after which the Program will review and approve the completed Project. In the event that Homeowner protests the results of the final inspection, Homeowner must notify the Contractor and Program in writing within five (5) days of the final inspection. If the Program concurs with the Homeowner, they will request that the original Contractor perform any work they deem required. If, in the sole discretion of the Program, they determine the Contractor has not completed the work adequately, the Program will direct the Contractor to correct the work. If the Homeowner still does not agree after the Program determines that the work has been satisfactorily completed, the Program, after seven (7) days, may accept the work on behalf of the Homeowner to close out the Project.

**(8) CONTRACTOR, MATERIALMEN OR MECHANICS' LIENS:** Neither Homeowner nor Contractor will suffer or permit any mechanics' or materialmen's lien claims to be filed or otherwise asserted against the Property or against any funds due to Contractor, and will promptly seek discharge of any such lien claims filed. Contractor, subcontractors, suppliers, vendors, trades, and any other persons or entities performing work on the Property are strictly prohibited from placing liens on said Property. Contractor shall inform all persons or entities of such strict prohibition. Contractor is responsible for the removal, and any associated expense involved therewith, of any lien placed on the subject Property by any subcontractor, supplier, vendor, trade, or other person or entity performing work for the Contractor, irrespective of the fault or cause of such attachment.

**(9) SCDRO PROGRAM LIEN:** Even though no contractor, materialmen, or mechanics lien will be allowed per Paragraph (8) above, Homeowner agrees and understands that as a condition of participating in and benefitting from the Program, the State of South Carolina will have a three (3) year forgivable lien on the Property. The lien automatically expires three (3) years after the final inspection on the Property and the Homeowner Key Turnover is completed. The lien is contained within the Promissory Note and Lien documents that will be signed at the same time as this Contract.

**(10) WARRANTY ISSUES AND FOLLOW-UP:** Contractor will provide a one-year warranty on work completed by the Contractor as part of the Program. Contractor will provide a Warranty Package

Pamphlet, as identified by SCDRO, to Homeowner at the Key Turnover outlining the steps necessary for Homeowner to report a warranty claim.

**(11) ADDITIONAL WORK:** Homeowner and Contractor agree that any repairs/rehabilitation or improvements made to the Property not included in this Contract and the Project hereunder as authorized by the Program, will be by a separate agreement between Homeowner and Contractor at Contractor's sole discretion. Homeowner and Contractor understand that Program funds are solely for the exact Project authorized by the Program and the funds shall not be used for other purposes or improvements on the Property that are not part of the Project. Additional work agreed upon by the Homeowner and Contractor cannot be initiated until after all work identified in the Program Scope of Work has been completed and passed final Program inspection.

**(12) CONDITION OF PREMISES:** The Contractor agrees to keep the Premises orderly, and to remove all debris as needed during the course of the Project in order to maintain safe working conditions. The Contractor agrees to be on the Premises for construction purposes only. Homeowner agrees that Contractor may prohibit entry to the Property due to safety concerns for a reasonable period of time needed to provide a safe environment for entry, after which the Property visit may be scheduled to occur.

**(13) NOTICE TO HOMEOWNER AND ANY OCCUPANTS OF THE PROPERTY:** Homeowner confirms that all occupants of the Property and all people who may claim an interest in the Property have been notified about the terms of this Contract. Homeowner certifies by executing this Contract to have the authority to act on behalf of any occupants of the Property and any others who may seek to claim any interest in the Property. Homeowner understands and acknowledges that by participating in the disaster recovery program, Homeowner does not obtain any greater or lesser property rights than the rights that existed in the damaged property at the time of the qualifying Presidentially declared disaster. To state it another way, Homeowner's participation in the program in no way conveys any rights, or changes/affects any title or property interest in the listed property.

**(14) LEAD AND ASBESTOS:** If applicable, Homeowner acknowledges receipt of, and has reviewed and acknowledges, disclosures pertaining to lead-based paint and asbestos-containing building materials. Check and initial one of the two statements below:

Homeowner understands that (check as applicable): \_\_\_ lead \_\_\_ asbestos were discovered and will be (check applicable) \_\_\_ mitigated \_\_\_ removed as part of the Work.

\_\_\_\_\_  
(homeowner's initials)

Or

Homeowner understands that no lead based paint and no asbestos containing materials were discovered during the pre-construction inspection.

\_\_\_\_\_  
(homeowner's initials)

**(15) FORCE MAJEURE:** No Party will be liable for any failure or delay in performing its obligations under this Contract if such failure or delay is due to any cause beyond the reasonable

control of such Party including, but not limited to, unusually severe weather, strikes, natural disasters, severe fire, civil disturbance affecting the work of this Contract, epidemic, war, acts or threatened acts of terrorism, court order or acts of God. The existence of such causes of delay or failure will extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. Each Party must inform the other in writing and provide a copy to the Program, with proof of receipt, within five (5) business days of the existence of a Force Majeure event or shall otherwise waive this right as a defense to any claims that may arise from the delay or failure to performance. A claim of delay or failure due to a Force Majeure event shall be subject to review by the Program who shall have the final say as to whether the period of performance is extended and the length of said extension.

**(16) ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS:** As part of the application process under the Program, Homeowner executed all required documents, and hereby reaffirms all information provided by those documents, and agrees to all provisions as set forth thereunder.

**(17) REQUIREMENT TO PURCHASE HAZARD INSURANCE:** Homeowner must purchase hazard insurance for the replacement value of the reconstructed, replaced or repaired/rehabilitated home at Homeowner's expense for as long as Homeowner owns the property, to include the mandatory 3 year period immediately after construction complete, as identified more fully by the SCDRO / Homeowner Promissory Note and Lien document. The hazard insurance shall cover the value of the home, which could be more or less than the actual disaster recovery costs/loan. Therefore, the replacement value will be accepted as the value set by the insurance carrier to replace the home.

**(18) REQUIREMENT TO PURCHASE FLOOD INSURANCE:** If Flood Insurance is required, then the Homeowner shall purchase, at Homeowner's expense, Flood Insurance coverage. If the Homeowner cannot afford the first year of Flood Insurance, SCDRO may purchase ONLY the first year of insurance, but the Homeowner will be responsible for Flood Insurance for every year thereafter. Flood Insurance, if it is required, must be purchased for the property every year, unless and until FEMA Flood Insurance Rate Maps change so as to no longer include the property in a zone which requires Flood Insurance. Homeowner(s) acknowledge and understand that failure to maintain required flood insurance shall result in ineligibility from future federal disaster relief of any kind. Stated another way, federal disaster housing recovery dollars are not going to reconstruct, replace, or repair/rehabilitate a house a second time, if Homeowner did not buy homeowners insurance after the first disaster in which they received assistance.

**(19) DUTY TO NOTIFY TRANSFEREES OF REQUIREMENT TO PURCHASE HAZARD AND FLOOD INSURANCE:** If Homeowner is required to purchase Flood Insurance on the property, and the property is transferred, leased, sold, assigned or inherited by any person or entity not a party to this agreement, Homeowner must, not later than the date on which such transfer occurs, notify all Transferees in writing of the continuing obligation to maintain flood insurance on the property. Homeowner is also required to notify Transferees of obligation to maintain hazard insurance on the property as stated in paragraph (17) above. If Homeowner **FAILS TO PROVIDE NOTICE** to the Transferees of the requirement of purchasing and maintaining the hazard insurance and, if applicable, the flood insurance on the property, Homeowner may be required to reimburse and to repay to the Federal Government an amount equal to the previous disaster assistance for the property, AND, the Transferor/Homeowner may not be eligible for future federal disaster

assistance.

**(20) ASSIGNMENT AND POSSIBLE RE-ASSIGNMENT TO ANOTHER CONTRACTOR:** Contractor enters this Contract pursuant to a Work Order issued by the Program. SCDRO reserves the right to re-assign this contract to another Contractor for any reason, including but not limited to efficient workflow, performance, or other construction production purposes.

**(21) HEADINGS.** The headings or captions in this Contract are for convenience and reference only and shall not be construed or interpreted as expanding, limiting, defining, or otherwise construing the terms and provisions of this Contract as set forth herein.

**(22) Choice of Law.** This contract is governed by the law of the State of South Carolina and shall be interpreted according to South Carolina statutory and common law.

**(23) COUNTERPARTS.** This Contract may be executed in counterparts by facsimile transmission or by electronic mail in portable document format (.pdf) file. Each counterpart shall be considered an original and all counterparts shall, together, constitute but one and the same document.

**HOMEOWNER:**

**CONTRACTOR:**

**Sign Below:**

**Sign Below:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Print Name Below:**

**Print Name Below:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Date of execution:** \_\_\_\_\_

**Date of execution:** \_\_\_\_\_

**INCORPORATED HEREIN FOR ALL PURPOSES IN ITS ENTIRETY:**

**THE SCOPE OF WORK THAT FOLLOWS THIS PAGE**

## Appendix H: Homeowner Signing Checklist

SC-\_\_\_\_\_ Client Name \_\_\_\_\_ CSR \_\_\_\_\_

### Circle Project Type:

**Stick-Built Repair/Rehabilitation**    **Stick-Built Reconstruction**    **MHU Repair/Rehabilitation**  
**MHU Replacement**

- Purpose of the project is limited to the repair/rehabilitation, replacement, or reconstruction of storm related damages that restores your home to a basic safe, sanitary, and secure condition
- Scope of Work (SOW) - Review with applicant the scope of disaster recovery work
- Project time frame estimated at \_\_\_\_\_ days after start of work
- The best number at which to reach you while you are out of the home  
\_\_\_\_\_

### Homeowner Agreement

- Contractor Name: \_\_\_\_\_ (although program may reassign to another contractor as needed)
- Acceptance of Plans
- Access to Property
  - Vacate Premises
  - You are responsible for finding other temporary housing during construction period
  - No Interference with the progress construction
  - Due to strict safety constraints/concerns homeowner may not visit or be on-site during construction
  - Any concerns are to be reported to General Contractor and/or case manager
- Site Ready
  - Remove furniture and contents from room in which work performed
  - Remove all valuables
  - Review and sign Temporary Portable Storage Unit Agreement
  - Hand out Packing and Storage Tips Sheet
- Duty to Inform
  - Are there any hazards known to homeowner
  - Man-made or natural (example: buried storage tanks, bats, snakes, poisonous plants)



- Condition of Premises
  - Construction hazards while work underway
  - No entry/admittance without permission
- Lead/Asbestos
- Termites
- Final Inspection
- Warranty/Follow-up/Key Turnover packet

### **Promissory Note**

- Purpose
  - Housing recovery work is funded by HUD a grant. The lien protects disaster recovery dollars going into the home to make sure it continues to serve as the client's housing solution
  - Homeowner is expected to live in the home for the three (3) year lien period
  - Lien expires automatically three (3) years after the final inspection
- Amount
  - \$\_\_\_\_\_. The amount may increase or decrease depending upon authorized work orders or changes to the scope of work. The final amount of the project is the final amount of the lien
- Forgivable
  - Military transfer of a household member
  - Disability to the point that homeowner can no longer live in the home and home will not remain with a family member
  - Incarceration, Death, Other Disaster or Unforeseen Occurrence
  - Any extenuating occurrence can be submitted to SCDRO for review - on case by case basis
- Insurance
  - Hazard insurance coverage for the replacement value of your home must be secured at the Homeowner's own expense (your expense) for as long as you own the property
  - Flood Insurance (only required if you live in a designated flood zone)
    - The homeowner must pay for Flood Insurance coverage. If the Homeowner cannot afford the first year of Flood Insurance, then the Lender (the South Carolina Disaster Recovery Office, a division of the SC Office of Resilience) may purchase only the first year of insurance, but the Homeowner will be responsible for Flood Insurance for every year thereafter. Flood Insurance, if it is required, must be purchased for the property every year, unless and until

FEMA Flood Insurance Rate Maps change so as to no longer include the property in a zone which requires Flood Insurance

- If you do not purchase the required insurance and your home is damaged in a subsequent federally declared disaster, then you will not be eligible for federal disaster recovery repair or replacement assistance in the subsequent disaster(s)

**Miscellaneous**

- No Contractor should ask you for direct payment. SC Disaster Recovery Office pays for the entire project
  - Exception: Outstanding property taxes, utilities bills, and/or county fees (trash or otherwise) which prevents construction, must be paid by you prior to construction
- Homeowner is responsible for suspending garbage pickup during the reconstruction/replacement project.
  - Once reconstruction/replacement is finished, homeowner is obligated to contact the county to resume the service.
- Potential for change of project type
  - Review and sign the separate Notice Your Project Type May Change, i.e. Flip Notice
- Death
  - If homeowner passes away after signing but before construction starts, the project will not go forward
  - If homeowner passes away after construction starts, then the project will go forward and will be binding on the heirs

**Rental**

- If rental property, review five (5) year Rent Control Agreement

\_\_\_\_\_  
Homeowner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
CSR

\_\_\_\_\_  
Date

Appendix I



South Carolina Office of Resilience  
Disaster Recovery Division  
Benjamin I. Duncan II  
Chief Resilience Officer  
632 Rosewood Drive  
Columbia, South Carolina 29201

**HEIRS PROPERTY QUESTIONNAIRE**

DATE: \_\_\_\_\_

\_\_\_\_\_  
**Deeded Property Owner** -

Date of Death    /    /   

Is there a Will: Yes / No / UKN  
(circle one)

1<sup>st</sup> Marriage: \_\_\_\_\_

(Divorced / Death / Date    /    /   )

(If more marriages, list on an additional sheets)

(If spouse has unrelated bio-children list on separate sheet)

Children of person listed above (includes legally adopted children):

1<sup>st</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:    /    /   

(If deceased – Continue on separate sheet & list their heirs)

Married to:

2<sup>nd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:    /    /   

(If deceased – Continue on separate sheet & list their heirs)

Married to:

3<sup>rd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:    /    /   

(If deceased – Continue on separate sheet & list their heirs)

Married to:

4<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:    /    /   

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

5<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:    /    /   

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

(If more space is needed for additional children, list on additional sheet)

---

**Deceased Child of Deeded Property Owner**

(list each deceased child on a separate sheet)

Deceased Date of Death    /    /   

Is there a Will: Yes / No / UKN

1<sup>st</sup> Marriage: \_\_\_\_\_  
(Divorced / Death / Date    /    /   )

(If additional marriages, list on separate sheet)

(If spouse has unrelated bio-children list on separate sheet)

Children of the person listed above (includes legally adopted children):

1<sup>st</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their children/heirs)

Married to:

2<sup>nd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their children/heirs)

Married to:

3<sup>rd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their children/heirs)

Married to:

4<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on a separate sheet & list their children/heirs)

Married to:

5<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one)

Date of Death:

(If deceased – Continue on a separate sheet & list their children/heirs)

Married to:

(If more space is needed for additional children, list on additional sheet)

---

**Deceased Grandchild of Deeded Property Owner**

This person's parent was: \_\_\_\_\_

(Person listed previously /deceased child of deeded property owner)

Deceased Date of Death    /    /   

1<sup>st</sup> Marriage: \_\_\_\_\_

Is there a Will: Yes / No / UKN

(Divorced / Death / Date    /    /   )

(If additional marriages, list on separate sheet)

(If spouse has unrelated bio-children list on separate sheet)

Children of the person listed above (includes legally adopted children):

1<sup>st</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

2<sup>nd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

3<sup>rd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

4<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

5<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

(If more space is needed for additional children, please list on additional sheet)

---

**Deceased Great-Grandchild of Deeded Property Owner**

This person's parent was: \_\_\_\_\_

(Person listed previously /deceased grandchild of deeded property owner)

Deceased Date of Death \_\_\_/\_\_\_/\_\_\_

1<sup>st</sup> Marriage: \_\_\_\_\_

Is there a Will: Yes / No / UKN

(Divorced / Death / Date: \_\_\_/\_\_\_/\_\_\_)

(If additional marriages, list on separate sheet)

(If spouse has unrelated bio-children list on separate sheet)

Children of the person listed above (includes legally adopted children):

1<sup>st</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

2<sup>nd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

3<sup>rd</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on separate sheet & list their heirs)

Married to:

4<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

5<sup>th</sup> Child: \_\_\_\_\_

Alive / Dead (circle one) Date of Death:

(If deceased – Continue on a separate sheet & list their heirs)

Married to:

(If more space is needed for additional children, please list on additional sheet)



**South Carolina Office of Resilience**  
**Disaster Recovery Division**  
Benjamin I. Duncan II  
Chief Resilience Officer  
632 Rosewood Drive  
Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA)  
COUNTY OF \_\_\_\_\_)

**AFFIDAVIT OF APPLICANT:**  
SCDRO CASE # \_\_\_\_\_

**PERSONALLY APPEARING BEFORE ME AND HAVING BEEN DULY SWORN**, the Affiant/Applicant,  
\_\_\_\_\_, deposes and says:

1. I am over 18 years-old and otherwise fully competent to make a statement under oath.
2. I have reviewed the attached HEIRS PROPERTY QUESTIONNAIRE (HPQ) and swear and affirm that the information contained therein is correct, true, without omissions, and answered fully to the best of my knowledge.
3. I understand that by signing this affidavit, knowing that the information as stated on the HPQ is false, incomplete, or misleading, constitutes the crime of perjury under **S.C. Code** Ann. §16-9-10 A(2) and is punishable as a crime under the law.

\_\_\_\_\_  
Affiant/Applicant Signature

\_\_\_\_\_  
Affiant/Applicant Printed Name

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_, 2021

\_\_\_\_\_  
Notary of Public for South Carolina  
My Commission Expires: \_\_\_\_\_

Appendix J



South Carolina Office of Resilience
Disaster Recovery Division
Benjamin I. Duncan II
Chief Resilience Officer
632 Rosewood Drive
Columbia, South Carolina 29201
803.896.4068
803.771.2887 Fax

STATE OF SOUTH CAROLINA)
COUNTY OF \_\_\_\_\_)

AFFIDAVIT OF: Family Friend/Not Property Heir
SCDRO CASE #: \_\_\_\_\_

PERSONALLY APPEARING BEFORE ME AND HAVING BEEN DULY SWORN, the
Affiant/Family Friend/Not a Property Heir, \_\_\_\_\_, deposes and says:

- 4. I am over 18 years-old and otherwise fully competent to make a statement under oath.
5. I was personally well acquainted with the Deeded Property Owner, during his/her lifetime, having known him/her for \_\_\_\_\_ years.
6. I have reviewed the attached HEIRS PROPERTY QUESTIONNAIRE (HPQ) and swear and affirm that the information contained therein is correct, true, without omissions, and answered fully to the best of my knowledge.
7. I understand that by signing this affidavit, knowing that the information as stated on the HPQ is false, incomplete, or misleading, constitutes the crime of perjury under S.C. Code Ann. §16-9-10 A(2) and is punishable as a crime under the law.

Affiant Signature: \_\_\_\_\_
Affiant Printed Name: \_\_\_\_\_
Address: \_\_\_\_\_
Telephone: \_\_\_\_\_

SWORN TO AND SUBSCRIBED
BEFORE ME THIS \_\_\_\_\_ DAY
OF \_\_\_\_\_, 2021

Notary of Public for South Carolina
My Commission Expires: \_\_\_\_\_