

South Carolina Office of Resilience



2024 Hurricane Helene CDBG-DR Policy and Procedure Manual

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**All South Carolina Disaster Recovery Programs operate in Accordance with the
Federal Fair Housing Law (The Fair Housing Amendments Act of 1988)**

**Anyone who feels he or she has been discriminated against may file a complaint of
housing discrimination: 1-800-669-9777 (Toll Free) 1-800-927-9275 (TIY)**

www.hud.gov/fairhousing

**U.S. Department of Housing and Urban Development Assistant Secretary for Fair Housing
and Equal Opportunity Washington, D.C. 20410**

or

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OVERVIEW

BACKGROUND SUMMARY

In September 2024, Hurricane Helene impacted South Carolina as it made landfall near Florida's Big Bend area on September 26, 2024, as a Category 4 hurricane, moving north, just to the west of South Carolina. Hurricane Helene's impacts on South Carolina occurred mainly in western and upstate South Carolina. Large portions of the state saw high amounts of rainfall, damaging winds, and downed trees. Hurricane Helene 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 December 21, 2024, Public Law 118-158 was signed by the President of the United States, which provides \$12,039,000,000 in CDBG-DR funding for disaster relief, long-term recovery, restoration of infrastructure, restoration of housing, and economic revitalization in the most impacted and distressed areas resulting from major disasters declared in 2023 and 2024. These funds are to be used in order to satisfy a portion of unmet needs that remain 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, restoration of housing, and economic revitalization. Based on this assessment, HUD notified the State of South Carolina that it will receive an allocation of \$150,354,000 in disaster recovery funds to assist in recovery from the 2024 Hurricane Helene disaster.

The South Carolina Office of Resilience (SCOR) is designated as the responsible entity for administering the CDBG-DR funds allocated to the State. SCOR is responsible for administering the CDBG-DR programs and enforcement of its policies. SCOR will faithfully execute the CDBG-DR programs 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. SCOR's Action Plan allocates the CDBG-DR funds to Administration, Housing Programs, and Mitigation Set-aside Programs. SCOR's Action Plan was approved by HUD August 1, 2025.

PURPOSE AND OBJECTIVES

The purpose of the HUD CDBG-DR funded SCOR Disaster Recovery Programs (the Programs) is to provide assistance to those affected by the declared disaster. Under SCOR's HUD approved, Hurricane Helene Disaster Recovery Action Plan, financial assistance will be provided for the rehabilitation, replacement, reconstruction, voluntary buyout, and demolition of homes, as well as Mitigation Set-aside (MIT Set-aside) programs for infrastructure, voluntary buyout, plans and studies, and match. The Programs will focus on unmet housing needs for applicants ("applicants" includes co-applicants) by providing safe, sanitary, and secure housing and programs to mitigate the effects of future disasters.

The Programs will fulfill these goals 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, acquiring eligible properties of South Carolina citizens that live in a floodplain or disaster risk reduction area (DRRA) to allow them to relocate to an area with a reduced risk of future flooding, or employing infrastructure construction projects, plans and studies, or matching funds to mitigate the effects of future disasters.

All proposed activities within the Programs meet a CDBG-DR National Program Objective:

- 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 will provide assistance to eligible applicants in the following fifteen (15) counties only. Of those fifteen (15) counties, those designated by HUD as the Most Impacted and Distressed (MID) counties are **bolded** in the table below. Those not bolded are Grantee-designated MID counties. At least eighty (80%) percent of grant funds will be spent in the HUD-identified MID (HUD MID) counties, and up to twenty (20%) percent of grant funds will be spent in the Grantee-identified MID (Grantee MID) counties.

Abbeville	Aiken	Anderson	Cherokee
Edgefield	Greenville	Greenwood	Laurens
McCormick	Oconee	Orangeburg	Pickens
Saluda	Spartanburg	Union	

PROGRAM DESIGN

SCOR has developed seven (7) CDBG-DR funded Housing and MIT Set-aside programs in response to the 2024 Hurricane Helene declared disaster. Housing Programs include the Single-Family Home Rehabilitation, Replacement, and Reconstruction Program; the Affordable Rental Housing Rehabilitation Program; and the Voluntary Buyouts Program. MIT Set-aside Programs include the Infrastructure Program; the Voluntary Buyouts Program; the Match Program; and the Plans and Studies Program. Applicants will apply directly to SCOR for each of these programs, therefore the Program-wide Policies will be overarching for all programs, as applicable. HUD designated \$19,611,000 of the CDBG-DR grant as a MIT Set-aside. Additional mitigation efforts will be incorporated in all Housing Programs. Applicants for Housing Programs will be individuals whose properties were damaged or destroyed by Hurricane Helene. MIT Set-aside program applicants will be Units of General Local Government (UGLG), such as counties, councils of government (COGs), cities, towns, and

other state agencies. MIT Set-aside program applicants will be afforded a separate application process than housing applicants.

DEFINITIONS

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

Area Median Income (AMI): Calculated income limits, by county, based on HUD-estimated median family income with adjustments based on family size.

Buyout: A purchase of an eligible property by the program's Voluntary Buyouts Program(s) 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 returned to green space 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 potential housing options, resulting in a clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of a 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.

Demolition: The destruction, clearance, and proper disposal of buildings, improvements, and any other necessary items from an eligible property for the purposes of replacement, reconstruction, or voluntary buyout.

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 they have already received financial assistance under any other program, from insurance, or other sources for the same purpose.

Environmental Review: All substantially eligible applicants' properties 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: Voluntary Buyout incentive payments are generally offered in addition to other program funding, 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 135.32.

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.

URA – 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. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

ACRONYMS

ADC	Activity Delivery Cost
AGI	Adjusted Gross Income
AMI	Area Median Income
BFE	Base Flood Elevation
CDBG-DR	Community Development Block Grant – Disaster Recovery
COG	Councils of Government
CO	Change Order
COO	Certificate of Occupancy
DA	Damage Assessment or Damage Assessor
DCM	Disaster Case Management or Disaster Case Manager
DOB	Duplication of Benefits
DRGR	Disaster Recovery Grant Reporting
DRSCP	Disaster Recovery Special Case Panel
EA	Environmental Assessment
ECR	Estimated Cost of Repair
ERR	Environmental Review Record
FEMA	Federal Emergency Management Agency
FWA	Fraud, Waste, or Abuse
GC	General Contractor

Grantee MID	Grantee (SCOR) Most Impacted and Distressed
HQS	Housing Quality Standards
HUD	(Department of) Housing and Urban Development
HUD MID	HUD-identified Most Impacted and Distressed
IA	Individual Assistance
IC	Implementation Contractor
LMI	Low and Moderate Income
LTRG	Long-term Recovery Group
MHU	Manufactured Housing Unit
MID	Most Impacted and Distressed
MIT	Mitigation
MSCP	Mitigation Special Case Panel
NFIP	National Flood Insurance Program
NTP	Notice to Proceed
OIG	Office of the Inspector General
PII	Personally Identifiable Information
QPR	(Quarterly) Performance Report
RFP	Request for Proposal
RSSS	Resilient, Safe, Sanitary, and Secure Specifications
R3VA	Rehabilitation, Replacement, and Reconstruction Viability Analysis
SBA	Small Business Administration

SCOR	South Carolina Office of Resilience
SHPO	State Historic Preservation Office
SOR	System of Record
SoVI	Social Vulnerability Index
SOW	Scope of Work
UGLG	Units of General Local Government
URA	Uniform Relocation Act
VOAD	Voluntary Organization Active in Disaster
WACC	Work After Construction Complete

GRANT-WIDE POLICIES

ACTION PLAN

The Action Plan defines how SCOR will effectively use all available funding to support a data-driven recovery effort based on the calculation of unmet need across South Carolina's Hurricane Helene Most Impacted and Distressed (MID) counties. The Action Plan describes SCOR's proposed use of HUD CDBG-DR grant funds by program and provides each program's allocation.

AMENDMENTS TO THE ACTION PLAN

SCOR 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:

- A change in program benefit or eligibility criteria; or
- An addition or deletion of any allowable activity; or
- A proposed reduction in the overall benefit requirement (70% LMI); or
- An allocation or reallocation of more than \$10,000,000; or
- A change in planned beneficiaries; or
- The establishment of an additional Grantee-identified MID area; or
- An update to the submitted Action Plan if the original submission was incomplete as allowed by the Universal Notice

Citizens will be provided with no less than thirty (30) days to review and provide comment on proposed substantial amendments. 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 non-substantial amendments, SCOR shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the SCOR website, not replacing, but in addition to all previous versions of the Action Plan.

AMENDMENTS TO THE POLICY AND PROCEDURE MANUAL

This manual contains the policies and procedures related to the SCOR Hurricane Helene 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 website and Disaster Recovery website.

CHAIN OF LEADERSHIP

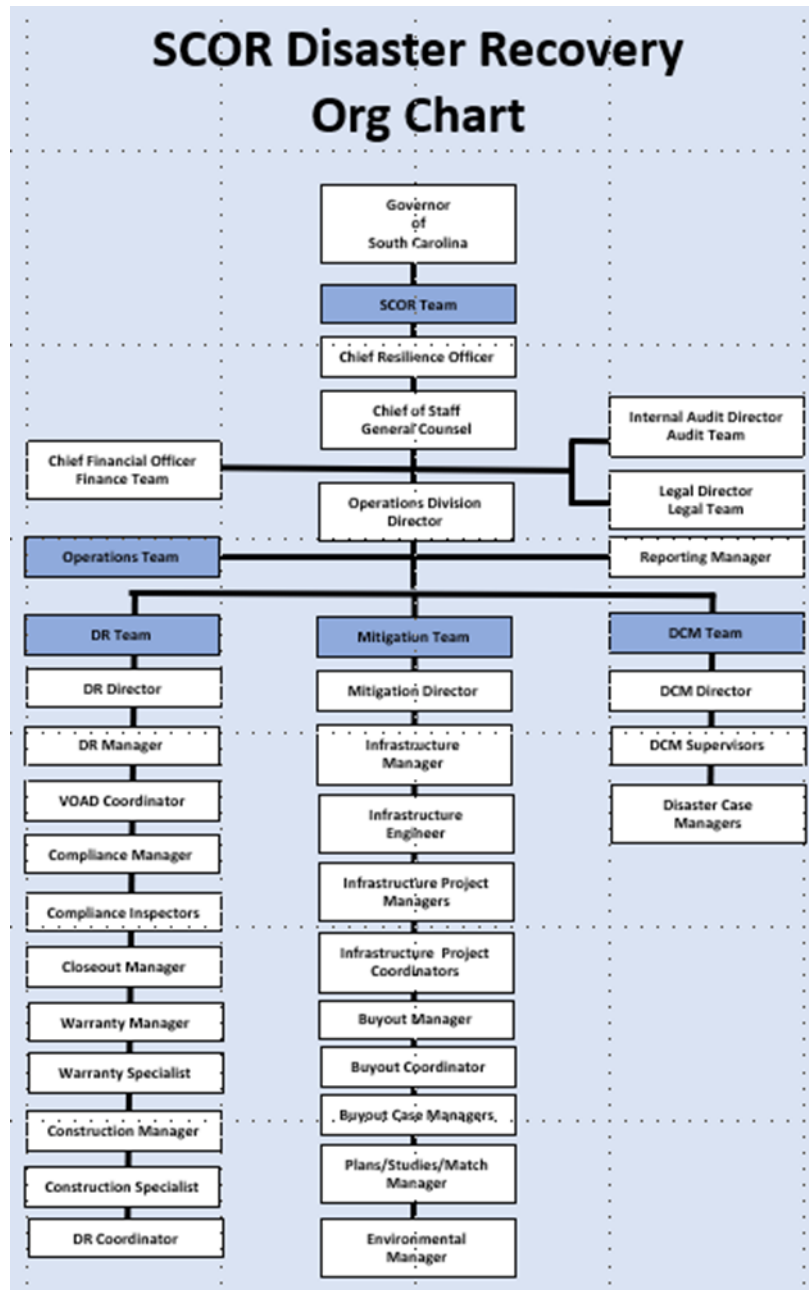
The HUD-Approved SCOR Action Plan for Hurricane Helene affirms that a capacity assessment was conducted to determine the optimal organizational structure and key positions necessary to support critical management, oversight, and implementation of the Action Plan by the SCOR. In order to provide for those 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 the SCOR Chief Resilience Officer (CRO).
2. The CRO provides governance and direction and is the chief executive officer of SCOR, which administers the State's Community Development Block Grant for Disaster Recovery (CDBG-DR) allocations. The CRO supervises the Chief of Staff/General Counsel.
3. The Chief of Staff and General Counsel directs, implements, coordinates, and advocates disaster recovery goals, objectives, and outcomes set by SCOR. The Chief of Staff supervises the Operations Division Director, the Chief Financial Officer, the Legal Director, and the Internal Audit Director.
4. The Chief Financial Officer directs and supervises all activities and Finance Department staff.
5. The Legal Director directs and supervises all activities and Legal Department staff.
6. The Internal Audit Director directs and supervises all activities and Audit Department staff.
7. The Operations Division Director has operational authority over all programs and activities funded by CDBG-DR or FEMA grants. The Operations Division Director supervises the Mitigation Director, the Disaster Recovery Director, and the Disaster Case Management Director.
8. The Mitigation Director has program authority to plan and conduct all mitigation program activities funded by CDBG-DR grants. The Mitigation Director supervises the Mitigation Department staff.
9. The Disaster Case Management Director has program authority to plan and conduct all disaster case management activities funded by FEMA Disaster Case Management Program (DCMP) grants, including service to and interaction with CDBG-DR housing applicants. The Disaster Case Management Director supervises the Disaster Case Management Department staff.
10. The Disaster Recovery Director has program authority to plan and conduct all housing program activities funded by CDBG-DR grants. The Disaster Recovery Director coordinates programs (housing and mitigation set-aside), with regards to Policies and Procedures, financial reconciliation, action plan compliance, and timely expenditure of funds. The Disaster Recovery Director manages the procured Implementation Contractor (IC). The Disaster Recovery Director supervises the Disaster Recovery Department staff.

All other positions listed in the Financial Management and Grant Compliance Certification Requirements (FMGCC) with position descriptions are assigned to and report directly to either the Chief Resilience Officer, Chief of Staff, Operations Division Director, Disaster Recovery Director, Mitigation Director, or Disaster

Case Management Director. The SCOR organizational chart shows each position by title as detailed in the FMGCC.

SCOR DISASTER RECOVERY ORGANIZATIONAL CHART



OFFICE AND OPERATIONAL SECURITY

SCOR 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, 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:

- A. All suspicious activities in or around any SCOR, 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.
- B. Official identification badges must be in the custody of all SCOR, IC, and IC contractor personnel
 - a. at all times, while they are conducting work activities.
- C. SCOR, its IC, IC contractor, and Subrecipient personnel must never allow anyone access to any SCOR, IC, and/or IC contractor facility or housing assistance project site without an official identification badge.
- D. All personally identifiable 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.
- E. 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 do not access PII.
- F. Under no condition are unauthorized SCOR, its IC, IC contractor, or Subrecipient personnel to be allowed access to PII.
- G. Under no condition is PII to be sold, shared, discussed, or transferred to any person or entity outside the control of SCOR, its IC, IC contractors, or Subrecipients.
- H. SCOR, its IC, contractor, Subrecipient personnel must not perform any action, which results in a data connection between a work device and a personal device.
- I. All violations of office security procedures contained within this policy must be immediately reported to the appropriate staff member in the chain of leadership.

COVID-19 PRECAUTIONS (FOR ALL OFFICES AND INTAKE CENTERS)

SCOR 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:

- A. Do not report to work if you are:
 - a. Ill with symptoms of the infectious disease.
 - b. Have a member of your household who is ill with symptoms of the infectious disease.
 - i. Telecommuting may be implemented by supervisors on a case by case basis.
- B. If either A(a) or A(b) exist, 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.
- C. Prior to scheduling any meetings with applicants, the following questions must be asked:
 - a. 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?
 - b. Has the applicant or other household member(s) had contact with anyone who either have or are suspected of having COVID-19?
 - c. Has the applicant or other household member(s) traveled outside of the USA recently?
 - i. If the answer to any of these questions is yes, staff may **not** coordinate any meetings with the applicant.
 - ii. Applicant responses are confidential. SCOR will follow all Personally Identifiable Information (PII) Policies and Procedures, as well as the Health Insurance Portability and Accountability Act (HIPAA).
- D. Immediately report the following to your supervisor:
 - a. Known or suspected exposure of any office personnel to a confirmed or suspected case of infectious disease.
 - b. Any applicant who reports symptoms of infectious disease within the household or exposure to a confirmed or suspected case of infectious disease.

HUMAN RESOURCES

SCOR uses a mission functionality approach to human resources. Individuals selected for open positions at SCOR 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 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 to 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 SCOR Chief Resilience Officer or Chief of Staff; 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 personnel are expected to:

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

TRAINING AND TECHNICAL ASSISTANCE FOR PERSONNEL

SCOR's CDBG-DR in-house training program provides a rounded perspective of various topics, essential to Housing and MIT Set-aside programs.

PURPOSE

To provide a comprehensive onboarding and training framework for new employees working under the Community Development Block Grant - Disaster Recovery (CDBG-DR) program, ensuring they understand program requirements, compliance obligations, and operational procedures.

SCOPE

This training program applies to all newly hired staff, contractors, and subrecipient personnel assigned to or working on any CDBG-DR funded projects.

TRAINING OBJECTIVES

- Understand the purpose, structure, and regulations governing CDBG-DR.
- Comprehend key program requirements including eligibility, duplication of benefits, procurement, environmental review, and financial management.
- Learn the roles and responsibilities of program staff and how to interact with beneficiaries.
- Familiarize staff with systems such as DRGR and internal reporting tools.

MODULES

Modules may be stand-alone trainings or incorporated in SCOR's All Hands training sessions.

Module 1: Introduction to CDBG-DR

- Overview of HUD and CDBG-DR
- Key regulations and Federal Register notices
- Roles of grantees, subrecipients, and HUD oversight

Module 2: Program Design and Eligibility

- Action Plan components and program activities
 - Housing Programs
 - MIT Set-aside Programs
- National objectives and eligible uses
- Beneficiary eligibility and intake process

Module 3: Duplication of Benefits (DOB)

- Stafford Act Section 312
- Identifying and preventing DOB
- Calculations and documentation procedures

Module 4: Financial Management and DRGR

- Budgeting and expenditure tracking
- Drawdowns and compliance in DRGR
- Financial documentation and audit readiness

Module 5: Procurement and Contract Management

- 2 CFR Part 200 procurement standards
- Procurement in South Carolina
- Solicitation, evaluation, and contract oversight

Module 6: Environmental and Labor Compliance

- Environmental review requirements (24 CFR Part 58)
- Section 3 requirements

Module 7: Monitoring, Reporting, and Performance Management

- Internal monitoring processes
- HUD performance reporting
- HUD monitoring visits
- Corrective action planning

Module 8: Case Management and Customer Service

- Working with vulnerable populations
- Communication best practices
- Managing complaints and appeals

Module 9: Ethics and Fraud Prevention

- Conflict of interest policy

- Fraud, waste, and abuse identification
- Reporting mechanisms and protections

Delivery Methods

- **Instructor-led sessions:** In-person or virtual via webinar.
- **Self-paced online modules:** Through learning management system (LMS).
- **Hands-on training:** Shadowing experienced staff and case simulations.
- **Assessment:** Knowledge checks after each module and final quiz.

Evaluation and Certification

- Trainees must complete all modules and pass assessments (minimum 80%).
- Certificates of Completion will be issued.
- Results tracked by the Disaster Recovery Director.

Refresher Training and Continuing Education

- Required for all staff assigned to or working on any CDBG-DR funded projects.
- New federal guidance or program changes will trigger targeted update sessions.

Related Documents and Resources

- HUD Exchange CDBG-DR Toolkit
- Federal Register Notices
- DRGR User Manuals
- Universal Notice
- Hurricane Helene Policy Manual
- Current Action Plan

DECISION MAKING

SCOR 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 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 Chief Resilience Officer or the CRO’s designees. When considering decision options, teams will strive to produce decisions, which meet the following SCOR 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:
 - What is the issue requiring this decision?
 - Is it our issue or does it belong to someone else?
 - Is this really the issue or is it a symptom of a deeper hidden issue?
 - 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, or entities who have dealt with the same decision issue in the past or from SCOR's own past experience,
- Teams will conduct an analysis of all gathered intelligence and lessons learned and formulate all viable courses of action (COA) with their rationale, advantages, and disadvantages. This analysis may include deliberating such questions as:
 - How much involvement by others will be needed for each decision option?
 - What is the cost in dollars, resources, and time for each decision option?
 - Which decision options require immediate action, and which can wait?
 - Could the need for a decision go away on its own, if we wait?
 - Is there a risk to our mission if we delay our decision until a later date?
 - Are there ethical/political landmines attached to any decision options?
 - Do any decision options impact actions, which must remain unaltered?
- Teams will achieve consensus on which COA 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 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 Reporting and Policy Manager, who will maintain a Book for Decision Memorandums for accountability, future reference, and public record.

STATEMENT OF FINANCIAL MANAGEMENT AND CONTROLS

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

Specifically, SCOR 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

PROCUREMENT PROCEDURES

Procurements for CDBG-DR programs are governed by those specific procurement requirements set forth under 24 CFR Part 570, Part 85, 2 CFR 200.318-200.326 and all applicable State laws and regulations. Aligned with the requirements of these federal regulations, when procuring property or services to be paid for in whole or in part with CDBG-DR funds, South Carolina will follow its own procurement policies as those procedures are as stringent, or more so, than the federal procurement requirements. Furthermore, SCOR shall ensure that each procurement occurs with full and open competition.

Additionally, SCOR will comply with full and open competition and establish requirements for procurement processes for local governments and subrecipients based on full and open competition pursuant to 24 CFR 570.489(g), and the requirements for the state, its local governments, and subrecipients to evaluate the cost or price of the product or service comply with 2 CFR 570.489(l) [Universal Notice Section II.A.1.b.(i)(2)]. SCOR will comply with applicable alternative procurement requirements for all procurement actions [Universal Notice Section III.B.7.a.]. SCOR will comply with procurement requirements for projects using CDBG-DR funds as non-federal match [Universal Notice Section III.B.7.b.].

South Carolina has a two-tiered procurement system for State agencies. Agencies have direct authority to make purchases below a certain dollar threshold. Above that amount (which differs for each agency), procurements are conducted under the authority of a central procurement office that serves all State agencies covered by the South Carolina Consolidated Procurement Code. Known as Procurement Services, this office involves three subdivisions with purchasing authority: the Office of the State Engineer (OSE), the Information Technology Management Office (ITMO), and the State Procurement Office (SPO).

The policies and procedures shall also include ethical standards of conduct governing employees engaged in the award or administration of contracts. Recipient will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. Conflict of Interest provisions listed at 24 CFR Part 85.36 (3) and all other applicable federal regulations will be incorporated.

Generally, the governing statutes can be found at *Title 11, Chapter 35 of the South Carolina Code of Laws*. Procurements subject to the South Carolina Procurement Code (S.C. Code Ann. § 11-35-10 et. seq. 1976, as amended) are also governed by procurement regulations promulgated by the South Carolina Revenue and Fiscal Affairs Authority, which are available in Article 19 of the South Carolina Code of Regulations. (The Procurement Regulations begin at Regulation 19-445.2000.) Methods of procurement (e.g., small purchase, sealed bids/formal advertising, competitive proposals, and noncompetitive proposals) and their applicability shall be specified by the State.

As outlined in the following table and in the South Carolina Procurement Code and Regulations, the State uses a variety of competitive source selection processes, including three simplified "small purchase" procedures; five standard competitive procedures (competitive sealed bidding, competitive best value bidding, competitive fixed price bidding, competitive on-line bidding, and competitive sealed proposals); qualification based selection procedures for the acquisition of construction-related professional design services; and, indefinite delivery contracts for construction and related design services. A primary focus for the State is that opportunities be made

available for small and minority-owned businesses. Accordingly, the State maintains a robust Small & Minority Business Contracting and Certification Program.

South Carolina's procurement policies align with the requirements set forth under 2 CFR 200.318-200.36 ensuring fair and open competition. Further ensuring consistency with federal requirements, South Carolina shall ensure that all purchase orders and contracts include any clauses required by Federal statutes, executive orders and implementing regulations. The full set of South Carolina procurement processes and the laws and regulations applicable thereto can be located at <http://procurement.sc.gov/legal/procurement-law>.

State of South Carolina procurement policies are found at <https://procurement.sc.gov/osp/policy>.

The following table provides a cross-reference between the federal regulatory requirement and its counterpart under South Carolina's procurement law:

<i>Federal Citation</i>		<i>South Carolina Consolidated Procurement Code & South Carolina Budget and Control Board</i> <i>Regulations 19-45-445, et seq.</i>		
		<i>Short Title</i>		<i>Short Title</i>
2	CFR	General Procurement	§11-35-20	Purposes and Policies
200.318		Standards		
2	CFR	Competition	§11-35-20(a)-(h)	Purposes and Policies
200.319				
2	CFR	Methods of	§§11-35-1510-1580	Methods of source selection; Methods of
200.320		Procurement to be followed		Procurement to be followed including, but not limited to, Micro Purchases (§11-35-1550(2)(a)), Small Purchases, Competitive Sealed Bidding, Competitive Proposals and Non-Competitive

			<i>Proposals/Sole Source</i>
2	CFR	<i>Contracting with</i>	§§11-35-5010; 11-35-
200.321		<i>Small, Minority,</i>	Article 21: Assistance to Minority
		<i>Women Owned Bus.</i>	5210; 11-35-5230; 11-
			<i>Businesses; includes Statement</i>
			35-5240; 11-35-5260;
			<i>Policy/Implementation, Regulations</i>
			<i>for</i>
			11-35-5270
			<i>negotiations with State Minority</i>
			<i>Firms;</i>
			<i>MBE Utilization Plan; Reporting;</i>
			<i>Division</i>
			<i>of Small/MBE Certification</i>
2	CFR	<i>Procurement of</i>	§11-35-3810; 19-
200.322		<i>Recovered Material</i>	<i>Surplus Property Management</i>
			445.2150
2	CFR	<i>Contract Cost and</i>	§§11-35-2010(1); 11-
200.323		<i>Price</i>	35-
			<i>Cost and/or Pricing Data; Contract</i>
			<i>Price</i>
			3510; 11-35-1830; 11-
			<i>Adjustments; Cost Principles; Fair and</i>
			35-1210(2)(C); 11-35-
			<i>Reasonable Price Minority Firms</i>
			1550(2)(a); 11-35-1830;
			11-35-3040; 11-35-
			3050; 11-35-
			3410(2)(a);
			11-35-5230(a)(5)
2	CFR	<i>Federal Awarding or</i>	<i>(Compliance with this</i>
200.324		<i>pass-through Entity</i>	<i>reg. to be achieved</i>
		<i>review</i>	<i>through execution of</i>
			<i>implementation of</i>
			<i>grant</i>
			<i>agreement with HUD)</i>
2	CFR	<i>Bonding</i>	§11-35-3030; 19.445-
			<i>Bond and Security</i>

200.325	<i>Requirements</i>	2145(C)(M)	
2	CFR <i>Contract Provision</i>	§11-35-3040	<i>Contract Clauses and their</i>
200.326			<i>Administration</i>

COMPREHENSIVE AND ACCESSIBLE DISASTER RECOVERY WEBSITES

In accordance with HUD requirements, SCOR will maintain a public-facing website with program information pertaining to applicants and stakeholders posted on an ongoing basis. Website information will be updated on an as needed basis, and at a minimum quarterly. The initial website will reside on the SCOR website at <https://scor.sc.gov/> during action plan development and program setup. SCOR plans to design, launch and maintain a customized program website shortly after execution of the Grant Agreement and program implementation begins. The public website serves as a central source for program information and transparency in the management of federal dollars. It is a powerful tool for public participation and engagement.

SCOR follows ADA-compliant standards for website accessibility and readability. Content and webpage layout is designed with best practices for adaptive aids use in mind.

SCOR maintains ownership of its current website and is involved in publishing all content to the Disaster Recovery page in cooperation with SCOR staff. Content for the site will be generated from all aspects of the program and will be drafted by operational staff with purview over the subject matter. All content will undergo draft review before final approval prior to posting. The following program information that will reside on the website includes but is not limited to:

- Announcement of Public Hearings
- The HUD-approved Action Plan and any subsequent amendments
- The DRGR Action Plan, once established.
- Substantial Action Plan Amendments for no less than 30 calendar days to solicit public comment before being submitted to HUD
- Non-substantial Action Plan Amendments
- Each Performance Report (as created using the DRGR system)
- The Citizen Participation Plan
- Projections of expenditures and outcomes
- Procurement policies and procedures
- Program-specific policies and procedures
- Executed contracts that will be paid with CDBG-DR funds
- Description and status of services or goods currently being procured by the grantee or subrecipient, including all Requests for Proposals (RFP)
- Applications under review
- Applications approved
- Applications disapproved

DETECTING AND PREVENTING FRAUD, WASTE, AND ABUSE

SCOR has a robust Internal Audit team. The Audit team, along with the Disaster Recovery Department, the Mitigation Department, the Legal Department, the Finance Department, and all team members involved with this CDBG-DR grant will actively detect and prevent fraud, waste, and abuse.

PURPOSE

This policy establishes guidelines to prevent, detect, and respond to fraud, waste, and abuse (FWA) within the CDBG-DR programs. It ensures the responsible use of federal funds, in compliance with applicable laws, regulations, and U.S. Department of Housing and Urban Development (HUD) requirements.

SCOPE

This policy applies to all CDBG-DR program personnel, contractors, subrecipients, consultants, and any other parties involved in administering or delivering CDBG-DR-funded activities.

DEFINITIONS

Fraud: Any intentional deception designed to unlawfully deprive the program of resources or secure benefits improperly.

Waste: The careless or inefficient use of funds, property, or resources.

Abuse: The intentional or improper use of program resources that is inconsistent with applicable laws, policies, or procedures.

POLICY STATEMENT

The CDBG-DR program maintains a zero-tolerance stance toward fraud, waste, and abuse. All participants must conduct activities ethically, transparently, and in full compliance with federal, state, and local regulations.

PREVENTION MEASURES

- **Training and Awareness:** All personnel and partners must complete annual FWA training. Materials will include how to identify and report suspected incidents.
- **Internal Controls:** The program shall implement robust internal controls, including segregation of duties, approval hierarchies, and financial oversight procedures.
- **Monitoring and Auditing:** Regular internal audits and monitoring reviews will be conducted to identify risks, ensure compliance, and evaluate the effectiveness of controls.

REPORTING MECHANISMS

- Suspected FWA must be reported immediately to the Internal Auditor.

- Reports may be submitted anonymously through a designated hotline or email address.
- Retaliation against whistleblowers is strictly prohibited and may result in disciplinary action.

INVESTIGATION AND RESPONSE

- All credible allegations will be investigated promptly and thoroughly.
- Confirmed cases may result in disciplinary action, recovery of funds, and reporting to HUD or law enforcement, as appropriate.
- Results of investigations will be documented and reviewed to improve future controls.

INVESTIGATION AND ACTION WHEN FRAUD OCCURS OR IS ALLEGED

Should fraud occur or be alleged, the Chief Resilience Officer will be notified immediately, and the fraud or suspected fraud will be referred to SCOR's Internal Auditor for investigation. If it is determined that fraud has occurred within CDBG-DR Activities and/or Programs, HUD-OIG and/or SC State OIG will be contacted and briefed on the fraud. SCOR will cooperate with and assist all federal or state investigations. SCOR will refer instances of fraud, waste, and abuse to the HUD OIG Fraud Hotline (phone: 1-800-347-3835 or email: hotline@hudoig.gov).

PURPOSE

This policy outlines the procedures for investigating allegations or indications of fraud, waste, or abuse (FWA) within the CDBG-DR program to ensure accountability, transparency, and compliance with U.S. Department of Housing and Urban Development (HUD) regulations.

SCOPE

This policy applies to all CDBG-DR staff, contractors, subrecipients, consultants, and any individuals or organizations receiving or managing CDBG-DR funds.

DEFINITIONS

- **Fraud:** Intentional deception or misrepresentation to gain a benefit or to cause loss to another party.
- **Waste:** The careless or inefficient use of resources that results in unnecessary cost to the program.
- **Abuse:** Improper use of authority or resources for personal or institutional gain that violates policies or laws.

REPORTING MECHANISMS

- **Internal Reporting:** All staff must report suspected FWA to the Program Compliance Officer or Internal Auditor immediately.
- **External Reporting:** Reports may also be submitted via an anonymous FWA hotline, secure web form, or email managed by the Compliance Division.
- **Whistleblower Protection:** Retaliation against individuals who report suspected FWA in good faith is strictly prohibited and subject to disciplinary action.

INVESTIGATION INITIATION

Upon receipt of a report or identification of suspicious activity through audits or monitoring:

- A **preliminary assessment** will be conducted within 5 business days to determine the credibility of the allegation.
- If warranted, a **formal investigation** will be opened and documented in an FWA case file.

INVESTIGATION PROCEDURES

All investigations will follow these general steps:

A. Planning

- Assign an internal investigator or team.
- Define the scope, timeline, and objectives of the investigation.

B. Evidence Collection

- Review relevant documentation (e.g., invoices, applications, communications).
- Interview witnesses and involved parties.
- Secure electronic records and physical evidence, ensuring chain of custody.

C. Analysis

- Compare actions and transactions to policies, laws, and program guidelines.
- Identify any violations, irregularities, or discrepancies.

D. Reporting

- Prepare a written investigation report detailing findings, conclusions, and recommended corrective actions.
- Submit the report to the Program Director and, if necessary, HUD's Office of Inspector General (OIG).

DISCIPLINARY AND CORRECTIVE ACTION

If FWA is confirmed:

- Administrative, civil, or criminal actions may be taken depending on severity.
- The program may seek repayment of misused funds, termination of contracts, suspension or debarment of vendors, or employee discipline.
- The results of the investigation will be used to strengthen internal controls and prevent recurrence.

CONFIDENTIALITY

All investigations will be conducted discreetly. Information will be shared only with those who need to know. Confidentiality will be maintained to the extent possible, consistent with legal and programmatic obligations.

BENEFICIARY AWARENESS OF THE RISKS OF CONTRACTOR FRAUD

Fraud awareness is a critical component of program integrity in SCOR's CDBG-DR efforts. By equipping beneficiaries with knowledge, tools, and support, the program can minimize the risk of contractor fraud and protect public funds and vulnerable communities.

OBJECTIVE

To educate beneficiaries on how to identify, prevent, and report contractor fraud in the context of CDBG-DR-funded recovery and rebuilding efforts.

DEVELOPMENT OF EDUCATIONAL MATERIALS

Responsible Party: Strategic Communications Team / Legal Team / Disaster Recovery Team

- Develop clear, accessible materials (flyers, brochures, videos, FAQs) explaining
 - What contractor fraud is
 - Common fraud schemes (e.g., overcharging, taking payments and not completing work, use of substandard materials)
 - Red flags to watch for
 - Steps to take before hiring a contractor
 - How to report suspected fraud

INTEGRATION INTO INTAKE AND ORIENTATION

Responsible Party: Disaster Case Managers / Intake Specialists

- Provide beneficiaries with fraud awareness materials during intake.
- Verbally explain the key risks and prevention strategies.

ONGOING COMMUNICATION AND REMINDERS

Responsible Party: Disaster Case Management Team

- Incorporate fraud awareness reminders into:

- Progress check-ins
- Contractor selection guidance
- Construction milestone inspections
- Send periodic fraud awareness messages via:
 - Email and SMS
 - Program social media channels
 - Community meetings and local media

TRAINING AND SUPPORT FOR BENEFICIARIES

Responsible Party: Disaster Case Management Team / Disaster Recovery Team

- Host webinars and in-person workshops (when possible) to:
 - Teach contractor selection best practices
 - Explain contract negotiation and payment structuring
 - Provide real-life examples of fraud cases
- Offer one-on-one contractor vetting support when needed

REPORTING AND COMPLAINT CHANNELS

Responsible Party: Internal Audit Team / Compliance Team

- Establish and publicize multiple channels for reporting suspected fraud:
 - Hotline
 - Email and online complaint form
 - In-person reporting at program offices
- Clearly communicate that reports can be anonymous and will not affect program eligibility

COORDINATION WITH LAW ENFORCEMENT AND OVERSIGHT AGENCIES

Responsible Party: Internal Audit Team / Compliance Team / Legal Team

- Share information about fraud cases with HUD OIG and local law enforcement when appropriate.
- Provide referrals for beneficiaries who may be victims of contractor fraud.
- Cooperate with investigations while protecting beneficiary confidentiality.

MONITORING AND CONTINUOUS IMPROVEMENT

Responsible Party: Disaster Recovery Team

- Track:
 - Number and types of fraud reports
 - Beneficiary feedback on awareness materials

- Outcomes of contractor-related complaints
- Use findings to adjust outreach strategies and materials

SHOULD CONTRACTOR FRAUD OCCUR

Should the beneficiary encounter fraud, SCOR will assist in contacting the correct state or local agency responsible for investigating fraud. Additionally, SCOR will assist the beneficiary, if possible, when the fraud causes a duplication of benefits gap, preventing the beneficiary from receiving assistance.

If an applicant was a victim of contractor fraud, the amount paid to the contractor may 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.
- Physical examination of the premises to document if contracted work was done and/or its workmanship.

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.

VERIFICATION OF THE ACCURACY OF INFORMATION PROVIDED BY APPLICANTS

Verification of the accuracy of information provided by applicants is a three-step process. Information pertaining to home ownership, residency, DOB, and income are first cross referenced with official state or federal issued identification. If a discrepancy exists (i.e., the name varies between the documentation and the state or federal issued identification), operations will request SCOR's Internal Auditor investigate. If the Internal Auditor cannot determine a document's accuracy (or sometimes in the process of review), additional review and investigation is required, including contacting other state agencies, federal agencies, insurance companies, mortgage companies, utility companies, etc. Only when Internal Audit is satisfied with the accuracy of the information, may the case proceed.

CRITERIA FOR EVALUATING THE CAPACITY OF POTENTIAL SUBRECIPIENTS

SCOR will only allow subrecipients in the MIT Set-aside programs. The following are evaluation criteria requested from potential subrecipients to ascertain their capacity to complete projects:

- **Entity Background/Program Experience**

Include the length of time the entity has been in operation, the date of incorporation, the purpose of the entity, and the type of entity. Describe the type of services provided, the entity's capabilities, the number and characteristics of clients served, and license to operate (if appropriate). The experience of the applicant, including the length of time in business and experience in undertaking FEMA, CDBG, and/or HUD projects, will be evaluated. The applicant will be evaluated in terms of its past performance in relation to any local, state, or Federal funding program. The past performance will refer to the attainment of objectives in a timely manner and the expenditure of funds at a reasonable rate in compliance with the contract. Compliance with the contract will include, but not be limited to, submission of reports and adherence to the scope of services.

- **Entity Personnel/Staff Capacity**

Briefly describe the entity's existing staff positions and qualifications, its capacity to carry out this activity, and state whether the entity has a personnel policy manual with an affirmative action plan and grievance procedure. The applicant's capacity to implement, manage, monitor, and successfully execute the timely completion of complex grant programs and projects will be evaluated.

- Newly created entity
- Well established, but no prior CDBG or Federal experience
- Prior experience with CDBG or other Federal programs

- **Entity Financial Capacity**

Describe the entity's current operating budget, itemizing revenues and expenses. Identify commitments for ongoing funding. Describe the entity's fiscal management, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements.

- **Entity Insurance/Bonding/Worker's Compensation**

State whether or not the entity has liability insurance coverage, in what amount, and with what insuring agency. State whether or not the entity pays all payroll taxes and workers' compensation as required by federal and state laws. State whether or not the entity has fidelity bond coverage for principal staff who handle the entity's accounts, in what amount, and with what insuring agency.

- **Entity Monitoring**

Briefly describe how you will monitor progress in implementing the program. Attach copies of all data collection tools that will be used to verify achievement of program goals and objectives. Describe who will be responsible for monitoring progress.

- **Entity Audit Requirements**

- If your agency already conducts audits of all its funding sources, including CDBG, the agency must submit a copy of its most recent audit.
- If your agency already conducts audits of its other funding sources but has neither received nor included CDBG in the past, the scope of the audit would be modified to incorporate CDBG-DR audit requirements. The associated cost of the augmentation could then be

included in the CDBG-DR project budget, accompanied by the auditor's written cost estimate.

- **Highlight organizational strengths:**
 - record-keeping methods;
 - filing system;
 - financial systems;
 - existence of a written procedure manual for financial management and personnel

MONITORING SUBRECIPIENTS

SCOR closely monitors all subrecipients. Monitoring review activities will be conducted to ensure compliance with the following objectives:

- Review Subrecipient Agreement compliance. A Subrecipient or contracted vendor will be monitored to ensure all funded activities are eligible; beneficiaries served are accountable; and funds have been expended in accordance with SCOR, state, and federal requirements, as outlined in the Subrecipient Agreement.
- Procedures to detect fraud, waste, and abuse. A Subrecipient or contracted vendor's processes or systems and other policies and procedures used to manage SCOR CDBG-DR funds will be monitored for adequate protections against fraud, waste, and abuse.
- Identify any necessary corrective actions. A review could result in prescribed corrective measures to be carried out by the Subrecipient or contracted vendors up to and including repayment.
- Identify technical assistance needs. A review may reveal a need for additional technical assistance. Repeated unsatisfactory performance and/or delays in submitting responses to monitoring reports may affect a Subrecipient's or contracted vendor's eligibility to apply for future CDBG-DR funding or receive funds under current grants.

MONITOR REVIEW TYPES

Desk Review: A desk review requires Subrecipients or contracted vendors to provide requested documentation so SCOR can sufficiently review selected project(s) or activities and the related compliance area(s) via electronic means. A desk review is generally conducted in the following situations:

- The size, scope, or complexity of the review allows a desk review.
- An interim review or a complaint is received and warrants a desk review.
- The Subrecipient or contracted vendor requests a desk review, and this request is approved by SCOR management.

INTERNAL AUDITOR

SCOR employs an Internal Auditor (Internal Audit Director) who provides both programmatic and financial oversight of grantee activities and has adopted policies that describe the auditor's role in detecting and preventing fraud, waste, and abuse.

KEY RESPONSIBILITIES

Financial Oversight

- Verify that expenditures are reasonable, allowable, and allocable under 2 CFR Part 200.
- Conduct periodic reviews of drawdown requests in the Disaster Recovery Grant Reporting (DRGR) system.
- Ensure program income is accounted for and used prior to additional fund drawdowns.
- Reconcile accounting records to HUD disbursement data.

Compliance Auditing

- Assess adherence to applicable federal laws, HUD regulations, and the program's internal policies.
- Monitor procurement processes to ensure compliance with 2 CFR Part 200 Subpart D.
- Review subrecipient performance and documentation for compliance with grant terms.

Risk Management

- Identify high-risk areas for fraud, waste, or mismanagement.
- Recommend improvements to internal controls and risk mitigation strategies.
- Assist in the development and implementation of corrective action plans.

Fraud, Waste, and Abuse Prevention

- Monitor for signs of misrepresentation, collusion, or conflicts of interest.
- Maintain channels for anonymous reporting and whistleblower protection.
- Refer potential violations to the HUD Office of Inspector General (OIG) as appropriate.

Monitoring and Reporting

- Conduct regular audits and prepare detailed audit reports.
- Track the status of open findings and corrective actions.
- Present findings and recommendations to executive leadership and the governing board.

Training and Capacity Building

- Educate program staff and subrecipients on internal control practices.
- Support development of written procedures to address audit findings and compliance gaps.

AUTHORITY AND INDEPENDENCE

- The Internal Auditor shall have unrestricted access to all CDBG-DR records, systems, personnel, and facilities relevant to audit work.
- To ensure independence, the auditor shall not perform direct program implementation tasks.

- The Internal Auditor reports functionally to the Board or Executive Director and administratively to a designated audit liaison.

QUALIFICATIONS

- Bachelor's degree in Accounting, Finance, or related field.
- Professional certification (e.g., CPA, CIA, CFE) highly desirable.
- Experience in auditing federally funded programs or HUD grants.

ROLE AND ACTIVITIES OF INTERNAL AUDITOR AND AUDIT DEPARTMENT

The role of the Internal Auditor in detecting fraud, waste, and abuse includes financial auditing, compliance monitoring, and investigating citizen complaints or reports of fraud, waste, or abuse. SCOR has an Internal Audit department to assist with oversight of the CDBG-DR grant as required by the U.S. Department of Housing and Urban Development's (HUD) Universal Notice, issued and amended in 2025, and the HUD Allocation Announcement Notice (90 FR 4759). Internal Audit's universe includes all activities of SCOR employees and any Contractor's employees procured for assistance in the grant. The Internal Auditor typically adheres to Generally Accepted Government Auditing Standards (GAGAS).

The Audit Department designs audit programs and conducts audits to determine if CDBG-DR funds are being spent within the confines and parameters of the Disaster Recovery Program's Policies and Procedures and all relevant HUD guidelines. The Internal Auditors design monitoring procedures and checklists for programmatic activities determined to be eligible per the Disaster Recovery Program's Action Plan and all relevant HUD guidelines.

The Internal Auditor audits, monitors, and issues reports with the focused goal to detect and prevent fraud, waste, and abuse in all facets of the Disaster Recovery Programs, to include administrative, financial and operational capacities.

The Internal Auditor receives and monitors all calls or emails to an established Fraud Hotline and Fraud Reporting email address. The Internal Auditor investigates any reports of fraud, waste, or abuse and follows them to their ultimate resolution, informing integral personnel as warranted. The Internal Auditor ensures that the Fraud Hotline and Fraud Reporting email are posted publicly (e.g., The Disaster Recovery website, Disaster Recovery literature, Stakeholder and Town Hall meeting presentations, etc.).

The Internal Auditor staffs the Internal Audit Department with qualified auditors to ensure the highest standards in the detection and prevention of fraud, waste, and abuse are maintained. The Internal Auditor and staff will acquire overall knowledge of the Program's processes, policies, risks and controls to provide independent assurance that the Program is in compliance in all relevant areas, to include administrative, financial, and operational functional areas.

Internal Audit utilizes risk-based programmatic auditing of the activities conducted throughout the process of implementing SCOR'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.

The Internal Auditor reports directly to the Agency's Chief of Staff and Chief Resilience Officer. The Internal Auditor shall remain independent of all external influence throughout his or her tenure with the South Carolina Office of Resilience.

AUDITEE RESPONSIBILITIES

In accordance with 2 CFR § 200.508, SCOR 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 Programs are required to submit documents to meet program eligibility requirements. These documents are subject to examination by the SCOR 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 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 Audit Director, IC Program Manager, SCOR Disaster Recovery Director or SCOR Disaster Recovery Program Manager (DR Program Manager), SCOR Attorney, SCOR Constituent Services representative, 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 Disaster Recovery Director 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 CRO for a final decision. This decision memorandum must be uploaded to the System of Record (SOR). 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 CRO.

STANDARD OF CONDUCT AND CONFLICTS OF INTEREST POLICY

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 to encourage confidence in the integrity of all Program staff.

This includes the Management Team, Customer Service Representatives (CSRs), State Employees, Subrecipients, Contractors, Subcontractors, and any additional team members. SCOR has 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 are required to make full disclosure to their supervisors 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 supervisor. Supervisors 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 expediency, efficiency, and integrity. In the event a potential or actual conflict is reported, the SCOR Chief Resilience Officer or their designee 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.

Δ SCOR has an approved agency-wide policy regarding conduct and conflicts of interest (See Appendix A: *HR-209 – CODE OF CONDUCT*).

DUPLICATION OF BENEFITS (DOB)

In accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93- 288 as amended, 42 U.S.C. 5121-5207, SCOR will implement policies and procedures, similar to those in its previous CDBG-DR programs, to ensure no individual receives duplication of benefit (DOB) for the same purpose and/or effect to recover from the disaster. Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he has received financial assistance under any other program, from private insurance, charitable assistance, or any other source.

To prevent DOB, SCOR will require that all sources (federal, state, local, private) and amounts of disaster assistance received or reasonably anticipated to be received are documented with submission of an application for CDBG-DR funding. SCOR will procure a qualified Implementation Contractor (IC) to implement DOB procedures in review of each application. The IC will perform a basic calculation known as the Housing Assistance Award Calculation which is completed by: (1) Determining each applicant’s remaining recovery need; and then (2) reducing that remaining recovery need by previously received funding for housing recovery, if any (less amounts expended on Allowable Activities). This activity will be monitored for accuracy and completeness by SCOR’s Finance, Compliance, and Internal Audit departments.

SCOR will consider all amounts received/approved from alternate sources such as FEMA, NFIP, SBA, private insurance coverage, and philanthropic organizations used to make repairs due to the declared disaster damage. Duplication of benefit for housing assistance will only consider other sources of funding pertaining to structural damage caused by the disaster. Assistance for contents and personal items will not be considered duplication of benefits. SCOR currently has secured data sharing agreements with FEMA and SBA to ensure the most recent assistance data is used in confirming other Federal assistance. SCOR is working with FEMA to secure NFIP data.

All applicants will be required to sign a Subrogation Agreement upon application to the program. The Subrogation Agreement must include the following language: ***“Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.”*** Applicant awardees must subrogate any additional funds received for housing damage caused by the disaster back to SCOR. CDBG-DR funding must be funding of last resort, and if additional funds are paid to applicant awardees for the same purpose as the housing assistance award they receive through CDBG-DR funding (i.e., rehabilitation, replacement, or reconstruction of the damaged structure) after SCOR has completed rehabilitation or reconstruction of the stick-built housing unit or rehabilitation, replacement, or reconstruction of the Manufactured Housing Unit (MHU), those funds must be returned to SCOR.

PURPOSE

To establish the policy and procedures for preventing Duplication of Benefits (DOB) in accordance with federal regulations under the CDBG-DR program and ensure that no beneficiary receives assistance for the same purpose from multiple sources in excess of their need.

SCOPE

Applies to all CDBG-DR funded housing, infrastructure, economic revitalization, MIT Set-aside and public service activities, and to all staff, subrecipients, and contractors involved in program implementation.

DEFINITIONS

Duplication of Benefits (DOB): Receiving assistance from more than one source for the same purpose and the total assistance exceeds the need.

Assistance: Includes funds from FEMA or NFIP, insurance, SBA loans, grants, or services from private or public sources intended for recovery.

Unmet Need: The remaining need after all other assistance received is deducted.

POLICY STATEMENT

All CDBG-DR assistance must comply with Section 312 of the Stafford Act and HUD guidance on preventing DOB. The program will ensure that each applicant's total disaster assistance does not exceed their total need through verification and documentation procedures.

PROCEDURES:

Assessment of Total Need

- Responsible: Disaster Case Managers / Damage Assessors / Intake Staff
- Activities:
 - Conduct a thorough needs assessment based on damage or loss.
 - Document scope of work and estimated cost for recovery.

Identification and Verification of Other Assistance

- Responsible: Intake Staff / Compliance Team / Internal Audit Team
- Activities:
 - Require applicants to disclose all forms of disaster assistance received.
 - Verify assistance through documentation (FEMA, SBA, insurance, nonprofit aid, etc.).
 - Use third-party data systems and written verification when applicable.

DOB Calculation and Determination of Unmet Need

- Responsible: Implementation Contractor / Disaster Recovery Team
- Activities:
 - Calculate DOB using the formula: **Total Need - All Other Assistance = Unmet Need**
 - Determine award amount based on unmet need only.
 - Document all calculations in the applicant file.

Reduction and Recapture Mechanisms

- Responsible: Implementation Contractor / Legal Team
- Activities:
 - If DOB is discovered after disbursement, initiate recapture procedures per HUD guidance.
 - Notify beneficiary and establish repayment terms where applicable.
 - Track repayments and maintain records of adjustments.

Documentation and File Management

- Responsible: Implementation Contractor / Disaster Case Management Team
- Activities:
 - Maintain complete files including need assessments, assistance verifications, and DOB calculations.
 - Ensure audit readiness and HUD compliance.

Training and Oversight

- Responsible: Implementation Contractor / Disaster Recovery Team / Disaster Case Management Team
- Activities:
 - Provide training to all program staff on DOB policies and procedures.
 - Monitor adherence through periodic audits and file reviews.

Exceptions and Appeals

- Applicants may appeal DOB determinations with supporting evidence.
- Appeals must be submitted in writing within 30 days of determination.
- The Implementation Contractor, Disaster Case Management Team, or Legal Team will review and respond within 15 business days.
- Special Case Panel may be used to adjudicate appeals.

Related Policies and References

- Stafford Act, Section 312
- HUD DOB Guidance and Federal Register Notices
- Program Fraud Prevention Policy

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 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, or reconstruction, replacement, or rehab 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.

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 damaged 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.

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 SCOR has completed rehabilitation, replacement, reconstruction, or buy out of their home, those funds must be returned to the State of South Carolina.

Subrogation Agreement must include the following language: ***“Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.”***

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.

TYPES OF ASSISTANCE

FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by SCOR through the FEMA database. If SCOR is unable to verify the FEMA IA amount through the FEMA database, SCOR 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 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 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 through the FEMA database and cross-referenced with other applicable data. If SCOR is unable to verify the NFIP insurance proceeds through the NFIP database, SCOR 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 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 rehabilitation, replacement, or reconstruction 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 through 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.

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 by 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 number 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 rehabilitating, stabilizing, or reconstructing the property;

- Tree/shrub removal if tree/shrub 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.

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 2024 Hurricane Helene 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.

TIMELY EXPENDITURE OF GRANT FUNDS

Timeliness of expenditure for the grant funds under Public Law PL 118-158 is defined as 6 years from the time of HUD’s execution of the grant agreement. SCOR will comply with this timeline by implementing effective budgeting

and maintenance of expenditure projections. Within the 6-year grant timeline, there are also requirements for prompt payment as part of the general financial management process. SCOR will reconcile these projects with actual transactions as tracked in the general ledger on a regular and frequent basis.

SCOR will track expenditure projections monthly over the life of the award utilizing HUD's Disaster Recovery Grant Reporting (DRGR) system as compared to the Finance System for the State of South Carolina, the SCEIS record system. SCOR will submit a complete projection of expenditures after the initial Action Plan has been approved through the DRGR system. Revised projections will be sent to HUD, via a Substantial or Non-substantial Amendment to the Action Plan, when program changes impact projected outcomes, funding levels, and recovery timelines.

SCOR has adequate databases and procedures in place to monitor program expenditures, track timeliness of expenditures, evaluate grant recipient performance, and monitor overall financial and programmatic compliance status of HUD grant funds. SCOR has existing, mature systems in place to administer HUD CDBG grants, which have been audit-tested and received no findings from HUD regional or OIG audit teams.

SCOR will manage financial transactions through the SCEIS record system and will use its grants management system operated by the Implementation Contractor, who will undertake implementation of SCOR's CDBG-DR grant, to reconcile and track program direct costs. The grants management system contains extensive detail about grant-funded projects and is used to generate award documents, financial reports, voucher summaries, fiscal and program year HUD grant financial status reports. It is also used to generate payment vouchers when pay requests are received from grant recipients. For HUD CDBG grants, these vouchers are entered into the State's SCEIS financial database and then into HUD's DRGR system.

To ensure expenditures for housing projects are timely and do not lag, construction timeliness will be held to a standard, and penalty will be incurred for all general contractors who do not meet the appropriate standard. SCOR's *Hurricane Helene Policy Manual* will outline the construction timeliness standard, the penalties incurred for each project type, and the procedure for adjudicating any requested exception to the standard.

PURPOSE

To ensure the timely and compliant expenditure of Community Development Block Grant - Disaster Recovery (CDBG-DR) funds in accordance with HUD requirements and to mitigate the risk of grant recapture due to delayed disbursement.

SCOPE

This policy applies to all CDBG-DR program departments, staff, subrecipients, and contractors responsible for the management, oversight, and implementation of grant-funded activities.

DEFINITIONS

Timely Expenditure: The obligation and disbursement of grant funds within the timelines established by HUD, typically 6 years from the date of obligation for CDBG-DR funds.

Obligation: A binding commitment for the use of funds (e.g., executed contract).

Disbursement: The actual payment of grant funds for eligible costs.

POLICY STATEMENT

All program activities must be planned, implemented, and managed to ensure timely obligation and disbursement of CDBG-DR funds. Delays must be proactively identified and mitigated to avoid non-compliance with HUD's timely expenditure requirements.

PROCEDURES

Program Planning and Budgeting

- Responsible: Disaster Recovery Team / Finance Team / Mitigation Team
- Projections of Expenditure of CDBG-DR Funds
 - Housing Programs
 - SCOR establishes fixed pricing and caps for reconstructed and replaced homes.
 - SCOR uses caps and industry estimator software to establish pricing for rehabilitations (rehab).
 - Applying historical rehab average costs, fixed pricing for reconstructions and replacements, and historical proportions of each project type, SCOR estimates the number of projects and the costs for each housing program, establishing a budget and timeline.
 - SCOR establishes a timeline of project completion (see example below, to be updated when IC procured) and expenditure of funds.

4th Quarter Oct – Dec 2025	Intake Support / Eligibility Operations Ongoing
	Intake complete (unless extension required)
	40 R3 & 5 Rental Projects Complete
	Recurring Quarterly Responsibilities
1st Quarter Jan – Mar 2026	90 R3 & 15 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
2nd Quarter Apr – Jun 2026	140 R3 & 30 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities

3rd Quarter Jul – Sep 2026	195 R3 & 45 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
4th Quarter Oct - Dec 2026	250 R3 & 60 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
1st Quarter Jan – Mar 2027	310 R3 & 75 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
2nd Quarter Apr – Jun 2027	370 R3 & 90 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
3rd Quarter Jul – Sep 2027	430 R3 & 100 Rental Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
4th Quarter Oct – Dec 2027	485 R3 Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
1st Quarter Jan – Mar 2028	525 R3 Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
2nd Quarter Apr – Jun 2028	555 R3 Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities

3rd Quarter Jul – Sep 2028	580 R3 Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities
4th Quarter Oct – Dec 2028	600 R3 Projects Complete
	Closeout, Warranty, and Customer Service
	Recurring Quarterly Responsibilities

- MIT Set-aside Programs
 - SCOR’s application and selection process reviews project scopes and schedules to identify potential causes of delays, including permitting, easement acquisition, floodplain modifications, etc.
 - SCOR evaluates the feasibility that projects will be completed within the schedule indicated on the application.
 - Only project applications with measured and realistic completion schedules are awarded.
 - Based on the schedule of the original application, adjusted as needed for any potential delays, SCOR projects expenditures for the lifecycle of each project, according to historical data.
 - A consolidated schedule of expenditures is established for all awarded MIT Set-aside projects.
 - The consolidated schedule is reviewed at monthly finance meetings to ensure that funds are expended within the allotted period of performance of the grant.
- Activities:
 - Develop detailed implementation schedules and budgets.
 - Allocate funds in alignment with performance milestones.
 - Forecast expenditures by quarter and establish drawdown targets.

Monitoring of Expenditure Progress

- Responsible: Finance Team / Disaster Recovery Team / Mitigation Team
- Activities:
 - Tracking and Documenting Expenditures
 - SCOR will track and document all expenditures of this grant, including its subrecipients’ expenditures via the State of South Carolina’s financial system, SCEIS.
 - SCOR will reconcile actual and projected expenditures between SCEIS and DRGR to ensure grant expenditures are timely and not delayed.

- SCOR requires its Implementation Contractor (housing projects) to provide “Daily Reports” (Mon-Fri) wherein all housing construction expenditures are reported, by county.
- SCOR will produce weekly reporting of expenditures for State-run MIT Set-aside projects.
- SCOR requires subrecipients (MIT Set-aside) to:
 - Provide monthly and quarterly progress reporting.
 - Provide monthly reimbursement requests, including invoices received and paid for that period.
- SCOR’s Disaster Recovery and Finance teams meet monthly to review actual and projected expenditures.
 - Establish timelines of expected expenditure
 - Review burn rates for all programs
 - Identify any programs falling below 80% of expenditure
 - Take corrective actions to ensure expenditure burn rates are acceptable
 - Provide technical assistance to subrecipients
 - Increase capacity: general contractors, subcontractors, etc.
- Tracking, Reporting, and Expenditure of Program Income
 - SCOR will track and report any expenditure of program income generated from this grant both in SCEIS and DRGR.
 - SCOR will, before any expenditure, consult DRGR, SCEIS, and internal tracking databases for the presence of received and unspent program income.
 - Should program income exist, it will be expended before any drawdown of regular program funds.
 - As part of SCOR’s monthly Finance/Disaster Recovery meeting, program income will be a standing agenda item, to ensure compliance on expenditure of such funds before any other funding.
 - Program income funds not expended before close of the grant can be transferred to South Carolina’s annual CDBG program, with HUD’s approval.
- Activities:
 - Monitor obligations and disbursements against projected timelines.
 - Track drawdowns in HUD’s Disaster Recovery Grant Reporting (DRGR) system.
 - Identify variances and flag potential delays.

Corrective Action for Delays

- Responsible: Disaster Recovery Team / Mitigation Team / Finance Team
- Reprogramming Stalled Activities in a Timely Manner
 - SCOR will work with its subrecipient and Implementation Contractor to develop a course of corrective action for any stalled activity or program.
 - Define milestones and deliverables.
 - Schedule dates for milestones and deliverables.
 - Monitor scheduled milestones and deliverables.

- Should a project fall behind schedule without hope of correction, SCOR will reallocate those funds to other vetted, eligible, and/or high priority projects.
- Reallocation will only be considered for:
 - Successful in-progress projects with additional funding needs, or
 - Unfunded projects scoring high on the published criteria, which can be completed in a timely manner.
 - Reprogramming and reallocation require a Special Case Panel decision and may require a Substantial or Non-substantial Action Plan Amendment.
- Activities:
 - Investigate root causes of delays (e.g., procurement, staffing, regulatory).
 - Develop and implement corrective action plans.
 - Reallocate resources or modify timelines as appropriate.

Subrecipient and Contractor Oversight

- Responsible: Disaster Recovery Team / Mitigation Team / Finance Team
- Activities:
 - Require monthly financial and performance reporting.
 - Include timely expenditure clauses in contracts and MOUs.
 - Conduct regular site visits and desk reviews.

Documentation and Reporting

- Responsible: Finance Team / Reporting Manager
- Activities:
 - Maintain expenditure documentation for all drawdowns.
 - Submit timely and accurate reports to HUD via DRGR.
 - Document justifications for any expenditure delays.

Training and Capacity Building

- Responsible: Disaster Recovery Team / Mitigation Team / Finance Team
- Activities:
 - Train staff and subrecipients on timely expenditure requirements.
 - Provide tools and templates for scheduling and tracking.

Performance Standards

- 100% of grant funds must be disbursed within 6 years of Grant Agreement execution.
- Drawdown targets must be met per the HUD-approved Action Plan and performance schedule.

Exceptions and Appeals

- Extensions or modifications to timelines must be requested in writing and approved by the CRO or their designee.
- HUD waivers or modifications must be coordinated through the Grantee's authorized representative.

Related Policies and References

- HUD CDBG-DR Federal Register Notices
 - 2 CFR Part 200 – Uniform Administrative Requirements
 - HUD DRGR User Manual
 - *Program Financial Management Policies and Procedures*

Timely Expenditures of Grant Funds – Subrecipients

With respect to timely expenditures of subrecipient funding, SCOR will track expenditure projections based on the date the HUD CDBG-DR grant agreement is signed, award dates for all subrecipients of CDBG-DR funds, and payment request dates and amounts. Other data elements will be added as necessary to provide information sufficient to monitor timeliness of subrecipient expenditures, time elapsed since last draw, time elapsed since grant award, percent of grant drawn down compared with progress on the funded project, as indicated by status reports, etc. Subrecipients which appear to be lagging will be evaluated and either a) provided technical assistance to remediate their slow progress, b) terminated if the project appears to be stalled and time allows for re-award to other eligible subrecipients, or c) the project scope will be reduced and the subrecipient award reduced as necessary and recaptured funds re-obligated to other eligible projects and/or subrecipient projects. As with the SCOR's previous CDBG-DR programs, the focus will be on identifying fast-moving projects and subrecipients that have already demonstrated competence in expeditiously moving projects forward, drawing funds, and moving projects toward completion.

Timely Preprogramming of Subrecipient Funds

Consistent with SCOR's CDBG-DR Action Plan, the goal will be to obligate funds that will be available for subrecipients (i.e., excluding funds set-aside for program administration) as soon as possible to maximize the amount of time new subrecipients have to implement projects and expend available funds. Subrecipients will be required to identify under-budget contracts, changes in beneficiary eligibility, project scope changes, etc. as soon as possible. This will allow SCOR to identify funds subrecipients are not expected to draw, permitting SCOR to identify subrecipients with on-track projects where recaptured funds can be redirected, and reduce funds awarded to non-performing subrecipients or subrecipients at risk of non-performing. Where necessary, SCOR will identify additional eligible subrecipients and projects that have existing funded projects and require additional funding for new/expanded project activities, or that have projects that can move forward immediately. This will allow for SCOR to expeditiously expend funds to accomplish program goals while complying with all applicable requirements.

PROGRAM INCOME

PROPER REPORTING, TRACKING, AND EXPENDITURE OF PROGRAM INCOME

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

If program income is generated, SCOR 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 will resubmit the Action Plan and DRGR Action Plan for HUD approval.

Program income includes, but is not limited to, the following:

- (i) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds.
- (ii) Proceeds from the disposition of equipment purchased with CDBG-DR funds.
- (iii) Gross income from the use or rental of real or personal property acquired by state or unit of general local government grantees, including subrecipients, with CDBG-DR funds less costs incidental to generation of the income.
- (iv) Gross income from the use or rental of real property owned by state or local government grantees, including subrecipient, that was constructed or improved with CDBG-DR funds, less costs incidental to generation of the income.
- (v) Payments of principal and interest on loans made using CDBG-DR funds, including interest paid by borrowers on loans made from a revolving fund, as defined in section III.B.13.
- (vi) Proceeds from the sale of loans made with CDBG-DR funds.
- (vii) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds.
- (viii) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund, as defined in section III.B.13.
- (ix) Interest earned on lump sum drawdowns for financing of property rehabilitation activities as described in 24 CFR 570.513;
- (x) Funds collected through special assessments made against non-residential properties and properties owned and occupied by non-LMI households, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement.
- (xi) Gross income paid to a state or local government grantees, including subrecipients, from the ownership interest in a for-profit entity in which the income is in return for the provision of CDBG-DR assistance.
- (xii) Any income received by state or local government grantees related to the CDBG-DR grant after closeout, including income received by subrecipients after closeout (see section II.D.12.e.).

Program income does not include the following:

- (i) The total amount of funds that is less than \$35,000 received over the life of the grant and retained by state or local government grantees, including subrecipients. Once a grantee, including subrecipients, meets or exceeds the \$35,000 threshold, only funds over the threshold are considered program income and are subject to the requirements of the Universal Notice.
- (ii) Amounts generated by activities eligible under section 105(a)(15) of the HCDA (42 U.S.C. 5305(a)(15)) and carried out by an entity under the authority of section 105(a)(15) of the HCDA.
- (iii) Income (except for interest described in 24 CFR 570.513) earned on grant advances from the U.S. Treasury; this income must be remitted to HUD for transmittal to the U.S. Treasury.

Recording program income

For state or local government grantees, including their subrecipients, the receipt and expenditure of program income shall be recorded using both DRGR and internal financial records as part of the financial transactions of the CDBG-DR grant.

Retention of program income

State grantees may permit local governments that receive or will receive program income to retain the program income but are not required to do so. Additionally, state or local government grantees may permit subrecipients that receive or will receive program income to retain the program income but are not required to do so. In all cases, program income retained by local governments or subrecipients is treated as additional CDBG-DR funds subject to the requirements of the Universal Notice.

The written agreement between the grantee and the subrecipient, shall specify whether program income received is to be returned to the grantee or retained by the subrecipient. When program income is to be retained by the subrecipient, the agreement shall specify the activities that will be undertaken with program income and that all provisions of the written agreement shall apply to the specified activities. When the subrecipient retains program income, transfers of grant funds by the grantee to the subrecipient shall be adjusted according to the disbursement principles described in section III.B.12.e. Any program income on hand when the agreement expires, or received after the agreement's expiration, shall be paid to the grantee.

Program income—use, close out, and transfer

Program income received (and retained, if applicable) before or after closeout of the grant that generated the program income, and used to continue disaster recovery activities, is treated as additional CDBG-DR funds subject to the requirements of the Universal Notice and must be used in accordance with the grantee's Action Plan for disaster recovery. Grantees must substantially disburse program income before making additional withdrawals from the U.S. Treasury, except as provided in section III.B.13. State grantees may meet this requirement by carrying out activities directly or by distributing program income to local governments in accordance with SCOR's approved method of distribution, as provided in section I.C.1.e. Local government grantees may meet this requirement by carrying out activities directly as provided in section I.C.1.e.

Any income received by state or local government grantees related to the CDBG-DR grant after closeout, including income received by subrecipients after closeout, shall be treated as program income and shall be subject to the requirements of the Universal Notice, unless transferred to an annual CDBG program. If transferred to an annual CDBG program, the following rules apply:

- (1) Program income received by state or local government grantees before or after closeout, including program income received by subrecipients, may be transferred by the state or local government grantees

to the annual CDBG program before or after closeout of the grant that generated the program income. In all cases, the grantee must first seek and then receive HUD's approval;

(2) Any program income transferred will not be subject to the waivers and alternative requirements of the Universal Notice. Rather, those funds will be subject to the applicable regular CDBG program rules. Any other transfer of program income not specifically addressed in the Universal Notice may be carried out if the grantee first seeks and then receives HUD's approval; and

(3) CDBG-DR grantees must continue to report annually in DRGR on any program income received following closeout of the grant.

CITIZEN PARTICIPATION PLAN

SCOR values citizen and stakeholder engagement. SCOR 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 SCOR CDBG-DR program. In order to facilitate citizen involvement, SCOR has identified target actions to encourage participation and allow equal access to information about the program by all citizens. SCOR intends to focus outreach efforts to facilitate participation from LMI individuals, non-English speaking persons, and other disadvantaged populations. SCOR has published its Action Plan in Spanish as well as English. In addition to citizen involvement, SCOR encourages the participation of regional and State-wide institutions. SCOR 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, SCOR 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 is required to incorporate specific citizen participation requirements. This plan outlines how SCOR intends to meet or has already met these requirements. As the agency administering the CDBG-DR Program, SCOR is committed to furthering fair housing through established affirmative marketing and outreach activities. SCOR 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 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'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

SCOR 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. SCOR 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 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 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.

SUSPENSION AND DEBARMENT

SCOR 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.

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 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.

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, but that they are encouraged to do so when feasible. The 2020 Final Rule, found within 24 CFR Part 75, set forth new requirements for Section 3. The Old Rule under 24 CFR Part 135, which previously set monetary and hiring requirements, is no longer applicable.

Section 3 is only applicable to projects involving Public Housing Financial assistance¹ and Section 3 Projects.² HUD defines Section 3 Projects as:

“Section 3 projects means 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. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 ([12 U.S.C. 1701z-1](#) or [1701z-2](#)), the Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4801](#) et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 ([42 U.S.C. 4851](#) et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.” – 24 CFR 75.3(a)(2)

A Section 3 project can vastly differ from what most people consider to be a regular project. Depending on the structure of a regular project, it can host several Section 3 projects or be classified as one Section 3 project. A Section 3 project can also encompass multiple regular projects, which sometimes happens with UGLG and Infrastructure projects. The subsections below will break down how Section 3 will apply to each program.

¹ 24 CFR 75.3(a)(1)

² 24 CFR 75.3(a)(2)

GENERAL SECTION 3 PROJECT REQUIREMENTS

Section 3 projects require recipients of grant funds to ensure the greatest extent feasible, while remaining consistent with existing Federal, State, and local laws and regulations, “[...] that employment and training opportunities arise 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.”³ This prioritization also extends to YouthBuild Participants. Section 3 projects, when feasible, should also prioritize “Section 3 business concerns that provide opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and YouthBuild programs.”⁴

SECTION 3 SAFE HARBOR BENCHMARKS AND HOUR REQUIREMENTS

HUD considers the grantee to have complied with all Section 3 requirements if they certify they have followed the prioritization of effort in 24 CFR 75.19 and meet the applicable Section 3 benchmarks. Failure to meet one of the Benchmarks will remove the project from the automatic Section 3 Safe Harbor. Failure to meet the Benchmark does not automatically trigger non-compliance, as the Grantee can still prove compliance through its non-benchmark efforts to prioritize Section 3 employment and provide opportunities to the local Section 3 community.

SCOR is required to provide the following information for each Section 3 project to HUD:

1. The total number of labor hours worked
2. The total number of labor hours worked by Section 3 workers
3. The total number of labor hours worked by Targeted Section 3 workers.

In order meet the Safe Harbor Benchmarks⁵, Section 3 Projects must have:

- 25% of total labor hours come from Section 3 workers and;
- 5% of total labor hours come from Targeted Section 3 workers.
 - Hours worked by Targeted Section 3 workers also count towards the hourly 25% regular Section 3 worker goal.

SCOR will require its Implementation Contractor, Subrecipients, and their Contractors to track this information for each Section 3 project. It will provide technical assistance to Contractors and Subrecipients when required. Additionally, SCOR may assume responsibility for verifying if a Section 3

³ 24 CFR 75.19(a)(1)

⁴ 24 CFR 75.19(b)

⁵ 85 FR 60907

worker can also be categorized as a Targeted Section 3 worker if the Contractor has provided the required information.

DETERMINING SECTION 3 AND TARGETED SECTION 3 WORKER STATUS

SCOR will require all contractors working on a Section 3 project to confirm and identify which of their employees qualify as Section 3 workers, as defined in the Federal Register⁶ and 24 CFR 75⁷. Contractors can do this either by having applicable employees complete a Self-Certification form⁸ or by using the Employer Certification form⁹. SCOR will provide a walkthrough and an Annualized Wage Calculator in Excel to assist with filling out this form. These determinations must be done using the HUD Income Limits for the year the qualifying income occurred.

The following subsections will cover Section 3 for each program area. This section will cover general Section 3 requirements.

- SCOR will ensure that Section 3 language is incorporated in all applicable contracting documents generated in conjunction with the use of HUD funding.
- Contractors are required to track the hours of all employees working at the job site.
- The SCOR 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.
- All Section 3 efforts and hours will be reported on a quarterly basis within the Disaster Recovery Grant Reporting (DRGR) Quarterly Progress Report (QPR), as required by HUD.

SINGLE FAMILY HOUSING REHABILITATION, REPLACEMENT, AND RECONSTRUCTION PROGRAM

Based upon the definition set in 24 CFR 75.3(a)(2)(i), every home within the Single-Family Housing Rehabilitation program is categorized as an individual Section 3 project since none of them share common ownership. Section 3 reporting is therefore triggered when the cost of construction per home exceeds \$200,000 in HUD-funded assistance.

In order to comply with Section 3 requirements, SCOR will require the following:

- Prior to starting construction, the Implementation Contractor is required to identify homes that are expected to exceed \$200,000 in construction costs.

⁶ [85 FR 60907](#)

⁷ [24 CFR 75](#)

⁸ [Section 3 and Targeted Section 3 Worker Self-Certification Sample Form - HUD Exchange](#)

⁹ [Section 3 Housing and Community Development Employer Certification Form](#)

- The \$200,000 threshold does not include unexpected change orders that occur while construction is underway. It does, however, apply to cases when construction is stopped and the case is transferred to a different General Contractor or a Rehabilitation case is changed into a Replacement or Reconstruction project.
- The Implementation Contractor is required to reevaluate a case's Section 3 applicability whenever an already *in progress* MHU or House Rehabilitation is recategorized as a Replacement or a Reconstruction project.
- The Implementation Contractor and its General Contractors will be responsible for tracking and reporting its Section 3 hours and Section 3 Recruitment efforts for each individual home.

SINGLE FAMILY HOUSING RENTAL REHABILITATION PROGRAM

The Single Family Housing Rental Rehabilitation program, based off current program caps, is not expected to have any projects trigger Section 3 reporting requirements. Nonetheless, SCOR and its contractors will review all cases for Section 3 Reporting Applicability. Unlike the owner-occupied Single Family Housing Rehabilitation program, the Rental Rehabilitation program may include several homes that are owned or managed by the same person, company, or entity. When this occurs, all rental properties belonging to or managed by the same entity must be grouped together as a singular Section 3 project. Section 3 applicability determinations and reporting must occur at the Section 3 project level, at minimum.

In order to comply with Section 3 requirements, SCOR will require the following:

- Prior to starting construction on a case, the Implementation Contractor must identify all viable, potential cases that involve the same property owners or management. The Implementation Contractor will be responsible for tracking the total costs of each Section 3 Project.
- The Implementation Contractor is required to notify SCOR whenever the total construction costs for a Section 3 Project exceeds \$200,000. Once that determination has been made, all properties within the Section 3 Project that have not yet begun construction will be required to report their Section 3 hours and Section 3 efforts.
- The Implementation Contractor and its General Contractors will be responsible for tracking and reporting its Section 3 hours and Section 3 Recruitment efforts for each individual property and Section 3 project.

DISASTER RECOVERY BUYOUT PROGRAMS

While the same Section 3 rules apply to both the Disaster Recovery Buyout Program and the Mitigation Set Aside Buyout Programs, the programs are different enough to require separate policies. The key difference between the two is based off the Section 3 project definition and how the programs deal with "Common Ownership". Instead of basing "Common Ownership" on the previous owner who sold

the property, HUD guidance received from our previous CDBG-DR programs considers the new receiving entity as the owner. Therefore, all houses that are received by a common new owner within the Buyout Program will be combined to create one Section 3 Project.

In order to comply with Section 3 requirements within our Disaster Recovery Buyout program, SCOR will require the following:

- Section 3 Reporting Requirements and Recruiting Language will be incorporated in all demolition contracts.
- SCOR Staff and the Implementation Contractor must identify all potential Section 3 projects and track their combined demolition costs.
 - Acquisition and Incentive costs are excluded from this calculation since they are not construction-related projects
- Since all participants are LMI, the Implementation Contractor and Demolition Contractors are only required to track their required Section 3 hours at the Section 3 project level. SCOR and the Implementation Contractor will provide guidance as to which properties should be individually reported or be combined.

SECTION 3 & MITIGATION SET-ASIDE

The Mitigation Set-Aside features Infrastructure, Plans & Studies, Funding Match, and Buyout programs. Section 3, due to its focus on construction-related activities, is only applicable to some of the Mitigation Set-Aside programs. In general, Section 3 will apply to all Infrastructure projects due to them exceeding \$200,000 in construction costs. Most Mitigation Set-Aside Buyout programs are expected to trigger Section 3, unless they have less than 10 houses. Section 3 is not applicable to Plans & Studies projects since they do not include construction activities. For Funding Match Programs, Section 3 will only apply to projects that involve construction and have received over \$200,000 in HUD funding.

Mitigation Infrastructure Program

Unless a project receives less than \$200,000 in HUD funding, all projects within the Infrastructure Program are expected to trigger Section 3 reporting requirements. Reporting-wise, multiple projects may be combined into one Section 3 project if they belong to the same UGLG recipient.

In order to achieve its Section 3 goals and meet its requirements, SCOR will require the following:

- Section 3 Reporting Requirements and Recruiting Language will be incorporated in all construction contracts.
- Construction Contractors, at minimum, are required to report their project's quarterly Section 3 efforts and hours no later than 10 days after the end of the quarter.
 - a. Contractors are allowed to use their Davis Bacon Certified Payrolls to track hours but must identify who is a Section 3 Worker or a Targeted Section 3 Worker.

- Contractors are required to demonstrate how they have attempted to recruit or assist the low income population that lives near where the project site is located.

Mitigation Buyout Program

While the same Section 3 rules apply to both the Disaster Recovery Buyout Program and the Mitigation Set Aside Buyout Programs, the programs are different enough to require separate policies. The key difference between the two is based off the Section 3 project definition and how the programs deal with “Common Ownership”. Instead of basing “Common Ownership” on the previous owner who sold the property, HUD guidance received from our previous CDBG-DR programs considers the new receiving entity as the owner. Since the UGLG applicant is likely to be the sole receiving owner, all Buyout programs with over \$200,000 in demolition costs will be considered one Section 3 project. Since demolition work will likely be classified as an Area Benefit, Section 3 hours can be reported at the individual Buyout Program level.

In order to achieve its Section 3 goals and meet its requirements, SCOR will require the following:

- SCOR will coordinate with the applicant UGLG to identify opportunities to recruit from or benefit the local LMI community.
- Section 3 Reporting Requirements and Recruiting Language will be incorporated in all demolition contracts.
- If the program’s demolition portion is classified as an Area Benefit and all properties will be owned by the same entity, the whole Buyout project would be a single Section 3 project, and the Demolition Contractor is allowed to combine all labor hours.
- If the program’s demolition portion is classified as Direct Benefit or the properties will be owned by different entities, then the project likely features several Section 3 projects. The Demolition Contract must follow SCOR’s guidance in how to report their labor hours in order for them to be attributed to the correct national objective, Section 3 project, and activity.
- Demolition Contractors, at minimum, are required to report their project’s quarterly Section 3 efforts and hours no later than 10 days after the end of the quarter.
- The DR implementation Contractor and SCOR’s Buyout Manager will coordinate to identify any DR cases that are located within the Mitigation project area.

Mitigation Plans and Studies Program

Section 3 does not apply to non-construction, planning activities.

Mitigation Funding Match Program

For the Mitigation Set Aside’s Funding Match Program, Section 3 regulatory applicability will depend on the project type and the total amount of HUD funding – from all sources – that went towards the project. Section 3 regulations only apply to projects that involve some form of Construction or Demolition work,

which excludes Acquisition projects and Plans and Studies. As mentioned within the above Buyout Sections, Section 3 regulations will apply to the Demolition portion of Buyout projects.

Funding-wise, Section 3 reporting requirements become applicable when over \$100,000 in HUD funding goes towards a Lead Hazard Control and Healthy Homes program or \$200,000 in HUD funding goes to a Construction or Demolition project. The Section 3 Reporting Threshold amount for the project must include all HUD funding, whether from a different program within HUD or from another entity that is also contributing to the project with HUD dollars. Adherence to Section 3 is required for all applicable projects, regardless of the total project cost.¹⁰

In order to ensure full compliance with Section 3, SCOR will require the following:

- SCOR will notify all applicants prior to awarding a project about any Section 3 requirements.
- Award recipients must report on their applicable Section 3 requirements within 10 days of the end of each quarter (April 10th, July 10th, October 10th, January 10th).
- The Award recipients are required to incorporate Section 3 language within all construction or demolition-related contracts for applicable Section 3 Projects.
- For Applicable Section 3 Projects, Award recipients and their construction/demolition contractors must demonstrate their Section 3 recruitment efforts and assistance to the LMI community to SCOR prior to commencing construction. In order to determine their Section 3 applicability and requirements, SCOR, its Funding Match Awardees, and their contractors are encouraged to read the State-Run Program requirements that best match their project type.

CRITICAL INFORMATION REQUIREMENTS

The contractor will notify SCOR 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 SCOR, 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;

¹⁰ 24 CFR 75.3(a)(2)(iii)

- Any allegation that SCOR'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 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 general contractor or 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.

DISASTER RECOVERY GRANT REPORTING (DRGR)

As required by HUD, SCOR 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 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)s, Public Law Documents, and other required documents are properly uploaded to the Hurricane Helene 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 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. 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 Helene 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.

FAIR HOUSING

During the operations of its Housing Programs, SCOR 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:
 - SCOR's Analysis of Impediments to Fair Housing (AI).
 - Fair Housing activities conducted by fair housing stakeholders.
 - Organizations that advocate on behalf of disadvantaged population groups.

PROCEDURES:

- During planning, public comment, implementation and ongoing operations of its Housing Recovery Programs, SCOR 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 will utilize a wide range of knowledge gained from various fair housing sources to develop a Fair Housing Outreach Plan. These sources include:
 - a. SCOR'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 will implement the Fair Housing Outreach Plan, monitor plan implementation for success, and make adjustments to the plan as needed.

RECORDS RETENTION AND ACCESS

SCOR will establish and maintain such records as may be necessary to facilitate review and audit by HUD of SCOR'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 SCOR 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.

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.

NOISE

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 reduction 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.
- 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 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 DES) 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 Voluntary Buyouts Program, home builders will retain demolition contractors to properly demolish and dispose of construction debris.

For houses that were built before 1978 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 contractor 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 contractor and the rehabilitation contractor 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 IC Program Manager for consideration. Upon approval, the lead-based paint assessor will prepare an assessment report to be uploaded to the System of Record.

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 DHS) regulations.
- 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 contractor will retain a lead-based paint remediation subcontractor to prepare an estimate of the remediation. This estimate will be provided to the Construction Manager by the rehabilitation contractor for comparison to the remediation cap prescribed by the method of distribution (MOD). Remediation amounts above the cap will be presented to the IC Program 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 DHS) 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)

SCOR's Implementation Contractor, its contractors, and sub-contractors will familiarize themselves with SC DES Regulation 61-86.1 regarding Standards of Performance for Asbestos Projects, and provide notice to SC DES 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 voluntary 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 general contractor 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 System of Record.
- 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 DES) regulations, and any other required sections based on HUD, EPA regulations.
 - 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 voluntary 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 (NEPA) 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 IC Program 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 reviews 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 subsequent 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 voluntary 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 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.
- A Secretary of the Interior's Standards (SOI) qualified person will draft a Determination of Eligibility (DOE) and send it to SHPO for eligibility concurrence, 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.

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 the Universal Notice and 90 FR 4759, SCOR 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.²
- **Disaster** – the Hurricane Helene disaster that took place in South Carolina in 2024.
- **Displaced Person** – 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 SCOR 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 SCOR.
 - 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.⁴
- **Tenant** – a renter who pays fair market rent and obtained the rental/lease as a result of an arm's length transaction,⁵ 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 intake. If applicable, the applicant will be informed of their potential benefits to be received under the program. If applicable, the applicant must complete a survey to determine eligibility.

- 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 System of Record.
- 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 with 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 SCOR'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, SCOR 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 SCOR 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, SCOR will provide the tenant with at least three comparable options. The comparable replacement dwelling is considered "made available" when:
 - The tenant is informed of its location.
 - The tenant has sufficient time to negotiate and enter into a purchase agreement or lease for the property.
 - 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 SCOR no later than 18 months after the date of displacement.⁶
 - a) 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 SCOR will promptly inform the tenant of any additional documentation that is required.
 - b) All records will be kept confidential and will be submitted related to its displacement activities as requested by SCOR and/or HUD.
- **Moving expenses.** SCOR 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, SCOR 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.
- **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. SCOR 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
 - b. 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.

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 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:

 - a. The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
 - b. The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the tenant.

- c. 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 they are low-income based on the HUD income limits.
 - i. 81 FR 39702 established a waiver to use higher than 30 percent if the tenant was paying the rent without demonstrable hardship.
 - ii. 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.
- d. 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, SCOR 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
- e. 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 their 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.

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

- Closeout Checklist; and
- Grantee Closeout Certification.

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

- Line of Credit. Check to determine if SCOR 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 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. 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.

HOUSING PROGRAMS

HOUSING PROGRAMS OVERVIEW

Applicants applying for assistance must have suffered documented damage to their housing units as a result of the presidentially declared 2024 Hurricane Helene disaster. Such documentation may include an inspection report conducted by FEMA, SBA, NFIP, and/or a privately contracted inspector.

Per SCOR's HUD-approved Action Plan (<https://scor.sc.gov/Helene>), three housing programs will be administered by SCOR.

- Program One: Single-family Home Rehabilitation, Replacement, and Reconstruction Program
- Program Two: Affordable Rental Housing Rehabilitation Program
- Program Three: Voluntary Buyouts Program

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

- Program One: Applicant must own and have occupied a single-family home or mobile home unit (MHU) located within the fifteen (15) eligible counties for which FEMA Individual Assistance (IA) was approved for the presidentially declared 2024 Hurricane Helene disaster area and HUD or SCOR designated as Most Impacted and Distressed (MID); or
- Program Two: Applicant must own a vacant rental single-family home located within the fifteen (15) eligible counties for which FEMA Individual Assistance (IA) was approved for the presidentially declared 2024 Hurricane Helene disaster area and HUD or SCOR designated as MID; or
- Program Three: Applicant must own and have occupied a single-family home located in a floodplain or DRRA and within the six (6) eligible counties for which FEMA Individual Assistance (IA) was approved for the presidentially declared 2024 Hurricane Helene disaster area and HUD designated as MID;
- Programs One, Two, and Three: The property must have documented damage as a result of the declared disaster;
- Programs One and Three: 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; or
- 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;

- Program One: 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 reconstruction as secured through a forgivable promissory note and lien;
- Program One: If located in a flood plain and the home is reconstructed, the applicant must acquire flood insurance and comply with obligations to notify future owners of flood-insurance requirements. SCOR 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 or a DRRA will be referred to the Voluntary Buyouts Program initially.
- Program Two: Applicant must agree to ensure the rehabilitated rental unit is held to affordable rent standards for five years.

RESPONSIBILITIES IN THE HOUSING PROCESS

The Implementation Contractor generally has responsibility for the steps in the housing process, as per the contract between SCOR and its procured Implementation Contractor. However, SCOR will necessarily become involved in certain aspects and/or if certain conditions manifest.

RESPONSIBILITY OF PROCESSES COMMON TO ALL HOUSING PROGRAMS

Intake: Both SCOR and the IC have responsibility for intake. Immediately after the disaster, SCOR will begin its initial intake of disaster survivors. After the IC is procured, SCOR will provide its initial intakes to the IC to migrate into the System of Record. The IC will continue intake and secure application, increasing the pool of citizens who will be vetted for eligibility. Documentation is uploaded to the SOR by the IC.

Eligibility: The responsibility of determining eligibility lies with the IC. However, SCOR may assist the IC with resolving heirship issues or making difficult eligibility decisions via its Special Case Panel.

Prioritization: The IC has the responsibility of prioritizing (see priority matrix) eligible citizens. SCOR can override a priority decision if it has sufficient evidence that a change in priority is warranted.

DOB Review: The IC has the responsibility of performing Duplication of Benefits reviews on all files. SCOR can assist, if requested, with verifying qualifying repairs made with Non-CDBG-DR funds.

Damage Assessment: The IC will conduct all damage assessments on eligible citizens' disaster-damaged homes or rental units. The damage assessment will be uploaded to the SOR by the IC. SCOR may accompany the IC's damage assessor for compliance purposes only.

Environmental Reviews: Tier I Environmental Reviews are the responsibility of SCOR, via its procured vendor(s). Tier I Environmental Reviews and Authorities to Use Grant Funds (AUG) must be approved by HUD before work begins in a particular county. Tier II Environmental Reviews may be conducted by the IC or SCOR's procured vendor(s), as directed by SCOR. A notation will be entered into the SOR as to who is responsible for the Tier II Environmental Review.

Project Type Determination: The IC will determine the type of project (rehabilitation, replacement, reconstruction, or voluntary buyout). The IC will prepare an R3VA for each home, indicating the project type and reasons for such determinations. SCOR's Disaster Recovery Director or SCOR DR Program Manager will review each decision to reconstruct a stick-built house or replace/reconstruct an MHU. If SCOR disagrees with the R3VA outcome, the IC will be notified and may be required to provide additional explanations of the R3VA decision.

RESPONSIBILITY OF PROGRAM-SPECIFIC PROCESSES

Voluntary Buyout Referrals (Program Three): If, after a home is deemed eligible, the home is determined to be in the floodplain or a DRRA, the IC will refer that home to SCOR. SCOR will determine if the homeowner is eligible for a Voluntary Buyout, contact the owner, and proceed with the Voluntary Buyout. If the homeowner accepts the Voluntary Buyout, the responsibility of the IC ends. If the homeowner rejects the Voluntary Buyout, they may be allowed to return to the Single-family Home Rehabilitation, Replacement, and Reconstruction Program. Should a return to the Single-family Home Rehabilitation, Replacement, and Reconstruction Program occur, the IC would be responsible for the project going forward.

Offer (Program Three): SCOR will procure appraisals for each potential Voluntary Buyout property and present an offer to purchase to the homeowner. Offers will include the base house purchase price and any incentives, as are appropriate.

Closing (Program Three): SCOR will coordinate the closing for each Voluntary Buyout. Closing will be conducted by an attorney selected by SCOR.

Work Order Creation (Programs One & Two): The IC will create all work orders (rehab, replacement, or reconstruction) for the housing program. All work orders must contain only the initial cost to rehab, the base cost of the reconstruction, or the base cost of the replacement MHU.

General Contractor Assignment (Programs One & Two): The IC is responsible for assigning eligible, prioritized projects to GCs. SCOR can become involved if a GC makes complaint that they are not receiving assignments.

Homeowner Signing (Programs One & Two): The IC is responsible for scheduling and conducting homeowner signings. A SCOR attorney will be involved in cases wherein the home is reconstructed. A SCOR attorney will conduct a lien consultation with the citizen, as an attorney is required in transactions involving real estate.

Preconstruction (Programs One & Two): Preconstruction tasks are the responsibility of the IC and GC(s), but SCOR may assist with approvals or temporary housing, while construction occurs. Permitting and storage container delivery are the responsibility of the GC, but if additional storage containers are needed, SCOR's Special Case Panel must review and approve each additional storage container via the change order process.

Temporary Housing (Program One): If temporary housing is required, while the home is under construction, SCOR's Disaster Case Management team can assist in finding temporary housing if the citizens cannot. In rare circumstances, where no other option is available, SCOR will arrange and pay for temporary housing.

Construction (Programs One, Two & Three): Construction tasks are the responsibility of the IC Construction Manager and GCs; however some change order approvals are the responsibility of SCOR's Special Case Panel or SCOR's Disaster Recovery Director or SCOR DR Program Manager. SCOR is responsible for demolition of Voluntary Buyout properties.

Change Orders (Programs One & Two): The IC, General Contractor (GC), or VOAD GC will create all change orders. SCOR will be responsible for approving some change orders (over the cap, septic system replacements, etc.) via its Special Case Panel or its Disaster Recovery Director or SCOR DR Program Manager, as determined by policy (see Construction Change Orders).

Final Inspection & Key Turnover (Programs One, Two and Three): For Programs One and Two, final inspection of the home and key turnover are the responsibility of the IC and GC, respectively. SCOR may accompany the IC's final inspector(s) for compliance purposes only. For Program Three, SCOR is responsible for final inspection.

Warranty (Programs One & Two): Warranty administration is SCOR's responsibility. Warranty resolution is the responsibility of the IC and GC. SCOR may also need to adjudicate warranty disputes between the IC/GC and the citizen via its Compliance team.

File Closeout (Programs One, Two and Three): Both the IC and SCOR have responsibility for the closeout of each completed file. The IC's closeout process involves reviewing the file for proper documentation, making any corrective actions, and identifying the file as closed. Once the IC deems a file closed, SCOR will begin its closeout process. The SCOR closeout process involves review by SCOR's Legal, Constituent Services, Audit, and Finance departments, making any corrective actions, a closeout letter signed by the Chief of Staff and the Disaster Recovery Director, and electronically locking the file.

POLICIES AND PROCEDURES COMMON TO ALL HOUSING PROGRAMS

Housing Program processes begin with Intake and end with file Closeout. All activities are to be documented in the System of Record, along with documents and photos, in an intuitive, logical format, allowing for ease of review. All steps of the housing process must take place in an efficient order.

INTAKE

South Carolina residents will be applying for housing assistance funded by South Carolina's CDBG-DR allocation. These funds are to be used to satisfy a portion of the unmet need for damage sustained to applicants' housing units resulting from Hurricane Helene in September 2024.

The application process will require each applicant to authorize service by signing a consent to release form, as part of the application, which permits the Program to obtain 3rd-party data. In addition, other documentation requiring an applicant signature include 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 one of the Housing Programs. Application processing priority will be given to households with members who are disabled or households with age-dependent members (age 65 and older or 17 and younger). 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 2024 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 three (3) static locations (one each in Greenville County, Greenwood County, and Aiken County) and multiple mobile teams, as well as a self-service system available via website or mobile device for application to the Program.

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 that 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.

INTAKE CENTER 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 (9:00 a.m. until noon) will be offered during the first three months of intake. 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 applicants should be made available 15 minutes prior to scheduled opening time and 15 minutes prior to closing.
- Entrance for 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.
- Applicants and the general public must be escorted by a Customer Representative staff member at all times while in the intake center. Applicants 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 file documents are secured and nothing with Personally Identifiable Information (PII) has been left on any desk, table, or copy machines.
- Secure and/or lock away all tablet computers, and all other internet access portals.
- Ensure all entrances are locked and properly closed after exit.

Local police and the SCOR Disaster Recovery Director should be provided with emergency contact information for all permanent facilities. The contact list should include all 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 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 Intake Center 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.
- 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.

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

- Print only the documents necessary to process the application.
- Ensure all printed documents are always under cover.

- 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 applicant and returned.
- Password protection protocol on tablets and phones must always be followed.
- To protect PII, no recordings or photos of intake activities will be allowed.
- 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 proper receptacles.
- Report all injuries sustained in the workplace immediately to the Manager on duty.
- 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.

ELIGIBILITY

Individual homeowners who occupied their disaster-damaged home as their principal residence at the time of Hurricane Helene and property owners whose rental units were damaged by Hurricane Helene, may be eligible for one of SCOR's three Housing Programs. Applicants to the Housing Programs will be screened for eligibility to ensure all the criteria meets the primary objectives of the Programs. Failure to disclose accurate and complete information may affect eligibility requirements and all such instances will be referred to SCOR for further action.

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 or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729."***

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:

- Identification
- Citizenship
- Property Location
- Structure Type

- Ownership
- Primary Residency at the time of the storm (Programs One and Three only)
- Disaster Damage
- Income (Programs One and Three only)

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

Identification

It is the intent of the Program to ensure household compliance with the Low and Moderate Income National Objective. The Program will confirm the identity of all applicants using Nationally recognized Third 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 appears 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.

Property Location

All properties must be located in one of the fifteen (15) MID counties, per SCOR's approved Action Plan: Abbeville, Aiken, Anderson, Cherokee, Edgefield, Greenville, Greenwood, Laurens, McCormick, Oconee, Orangeburg, Pickens, Saluda, Spartanburg, and Union.

Structure Type

To be eligible for assistance from a Housing Program, a property must be a Stick-Built home, Modular home, or 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 the 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 at the time of Hurricane Helene, 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). Structure was not used for recreational purposes (recreational vehicles are ineligible for assistance).

In the case of a non-traditional type of structure, the Special Case Panel must approve eligibility of structure type.

Ownership

All primary applicants must be able to demonstrate ownership or ownership interest at the time of the disaster, and that they are the current owner of the damaged property for which they are requesting assistance. Demonstrating ownership interest at the time of the disaster may qualify an applicant to be eligible to receive rehabilitation assistance in the Single-Family Home Rehabilitation, Replacement, and Reconstruction or Affordable Rental Housing Rehabilitation Programs. 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 or title to the property; and
- Homeowner must be current on property taxes and other fees that would prohibit the buyout, reconstruction, replacement, or potentially rehabilitation of the disaster damaged home.

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 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:

MOST COMMON PROOF OF OWNERSHIP DOCUMENTATION - STICK-Built Home

- Deed or Official Record for the home.
- Mortgage Payment Book or other mortgage documents.
- Real Property Insurance Policy.
- 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.
- Other documentation may be reviewed and considered on a case-by-case basis.

MOST COMMON PROOF OF OWNERSHIP DOCUMENTATION - 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 title granting the property to the applicant must be recorded in the property records. The original contract and subsequent title are required.
- Other forms of MHU ownership, which may be considered on a case-by-case basis.

OWNER OF RECORD DECEASED

If the applicant is applying for a property where the owner of 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.
- 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.

99-YEAR LEASE:

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

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.

Ineligible Ownership

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:

- Third-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 Third 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.

Heirship Property

Heirs' property is land and/or improvements that have been passed down through generations without a Will, creating shared ownership among multiple 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).

Ownership Determination Procedures:

1. During program intake, the applicant will be asked who owns the disaster-damaged property to determine who is the deeded/titled 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 Construction Contractor/Homeowner Agreement (Appendix B), 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 and a Friend of Family Affidavit.
 - 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 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 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.

Primary Residency

For Programs One and Three, applicants must provide evidence that they occupied the property, for which they are seeking assistance, as their principal residence in September 2024 to satisfy the Primary Residency eligibility criteria. The Program will attempt to validate the applicant's primary residence address using federally recognized third-party databases, such as FEMA/SBA/NFIP 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. The Primary Residency requirement does not apply to the Affordable Rental Housing Rehabilitation Program.

Applicants that have confirmed assistance using FEMA IA or SBA data for property assistance will be considered verified. Other Nationally recognized third-party data may be used to confirm primary residence when FEMA IA or SBA data are unable to match the applicant and/or co-applicant information.

Additional documentation that may be considered as proof of primary residency include, 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 (2024 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 addressed to the named applicant (major utilities, such as electricity, gas, or water with the service address matching the street address of the home).
 - Note that an electric bill which appears to be a minimum charge or outside spotlight only does not satisfy as proof of residency.
- 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, SNAP, 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).
- Current Driver's License or State-Issued Identification Card showing the damaged home address and dated during the disaster time period.
 - Note that a SCDL may still retain original issue and expiration dates if the SCDL owner changes address within that 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 principal 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.
- Applicants to the Affordable Rental Housing Rehabilitation Program.

If the Owner/Occupant of the damaged property died after the disaster, the applicant (heir) must provide evidence that the damaged property was also the heir's primary residence in September 2024.

Disaster Damage

The property must have been damaged by Hurricane Helene 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 2024 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).

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

If no match is identified through the 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.
- 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 damage to the property, if existent. If disaster 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.

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 SCOR 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 adjusted gross income (AGI) that does not exceed 80% of Area Median Income (AMI) for their county, adjusted for family size. If an applicant's household AGI exceeds 80% of AMI, the Urgent Need National Objective must be used (requires a Substantial Amendment to the Action Plan). Applicants will be screened for income eligibility through submission of specific required income documentation or third-party data sources.

AMI is determined using the most current CDBG (used for CDBG-DR) Income Limits document, found on the HUD Exchange at <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>, (e.g., FY 2025 CDBG Income Limits, FY 2024 CDBG Income Limits, etc.). HUD publishes AMI charts annually, and the

effective dates typically fall between 1 May and 15 June of the appropriate year but may change from year to year. SCOR will use the most current HUD Income Limits.

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 LMI 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:
 - Persons who are temporarily living with the applicant.
 - 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.
 - 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:
 - Three (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:
 - Current Social Security Benefits letter (including benefits paid to minors).
 - Current Pension/Retirement Benefit letter (if applicable), or prior year 1099.
 - Current Annuity Payment letter (if applicable), or prior year 1099.
- Self-Employment Income:
 - Most recent tax return (1040 or 1040A).
 - Current year profit and loss statement.
- Rental Income:
 - Current lease agreement(s).
- Unemployment Benefits:
 - Current benefit letter with gross benefit amount.
- Court Ordered Alimony/Spousal Maintenance:
 - Copy of court order documentation.
- Taxable Interest and Dividends (including amounts received by, or on behalf of minors):
 - 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 three (3) paystubs provided and multiplying that figure by the corresponding number of pay periods in one (1) 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 three (3) paystubs multiplied by the corresponding number of pay periods in one (1) year.

PRIORITIZATION

The Single-Family Home Rehabilitation, Replacement, and Reconstruction Program and the Voluntary Buyouts Program both use a prioritization matrix to determine which applicants will be served and the order in which they will be served. The Affordable Rental Housing Rehabilitation Program is prioritized on a first come first serve basis. Therefore, the following policy applies to the Single-Family Home Rehabilitation, Replacement, and Reconstruction Program and Voluntary Buyouts Program only. Eighty percent (80%) of the Hurricane Helene recovery efforts will be targeted toward Aiken, Anderson, Greenville, Greenwood, Laurens, and Spartanburg Counties, since those counties have been designated by HUD as MIDs. With SCOR's approval, lower priority applicants in those counties may be served before higher priority applicants in other counties.

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

1. Priority one applicants will be served first.
2. Priority two through six applicants will be served in order of lowest income first. Housing Program Three applicants are not necessarily LMI, so prioritization does not apply.
3. If an applicant reports 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 will follow these prioritization steps until program funds are exhausted.
6. Any exception must be approved by SCOR.

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

- Homeowners who are in the extremely low and very low-income brackets.
- Persons with documented disabilities.
- 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 SCOR'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	Not Eligible
Applicant's Household Includes Neither Age Dependent nor Disabled	2nd Priority	4th Priority	6th Priority	Not Eligible

Priority Matrix

The Program is committed to serving vulnerable populations first which fully supports SCOR'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.

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 Gap. Applicants who fail to correct the following issues within the timeframe allowed, will have their case moved to an inactive status and may be eventually closed. All applicants who 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.

Issue	Moved to an inactive status after:	Inactive cases closed if not resolved within:
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 who 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: SCOR 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 rehabilitation, replacement, reconstruction, or voluntary buyout of storm damaged homes of those in need.

Procedures:

- The IC will receive applications through its intake centers and referrals from SCOR's Disaster Case Management team.

- If an Applicant indicates a disability at time of application by selecting the “Disabled” option from the application for a corresponding household member, the IC will validate the claimed disability for each household member by one of four methods:
 - a. Written documentation indicating federal or state disability benefits at the time of initial intake; or
 - 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 or need for home accessibility. All information provided by a medical professional can be used to establish disability status or provide home accessibility; or
 - d. A handicap placard with applicant’s photo attached.

- When the IC uses the visual confirmation method for validation, the IC shall make a note in the comments and priority screens of the System of Record to state exactly what was noticed and with which individual it was noticed, if applicable. 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 has not originally indicated a disability in the household on 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 Audit Department for further review.

- Any questionable cases shall be forwarded to the SCOR Audit Department or to the Special Case Panel, as necessary.

DUPLICATION OF BENEFITS (DOB) REVIEW

A DOB review is conducted via the “Duplication of Benefits (DOB)” policy found in the Grant-wide Policies section of this manual. It is essential that no applicant receive a duplication of benefit for the same need.

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, they 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 System of Record. Upon request, applicants will be provided with their specific DOB gap funding calculation. If the applicant is participating in the Voluntary Buyouts Program, the DOB amount will simply be deducted from the final award amount. For the Single-Family Home Rehabilitation, Replacement, and Reconstruction and Affordable Rental Housing Rehabilitation Programs, the following policy is in place. A cashier's check or money order must be provided within 30 days of notification. If a payment 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.

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 SCOR 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).

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 System of Record.
- 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 rehabilitate, replace, or reconstruct the applicant's structure in accordance with the Program policies.
- The inspector must ensure any repairs suggested are in-line with local code, housing quality standards (HQS), and RSSS specifications and standards
- 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 price lists 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 rehabilitate the house in accordance with Program policies.

- Based on the assessment, the Implementation Contractor (IC) will coordinate with SCOR's Volunteer Organizations Active in 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 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 General Contractors in their desired locations. Other General Contractors (GCs) will perform the work that VOAD General Contractors are not interested in or in regions where VOAD Coordinator and/or VOAD General Contractors are 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 System of Record to be reviewed for verification and program eligibility determination.
- Rehabilitation, replacement, or reconstruction will be determined by the IC 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. A Rehabilitation, Replacement, and Reconstruction Viability Analysis (R3VA) must be completed for every home.
- 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.

Procedure:

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 or 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 – SCOR typically replace units over ten years old.
 - **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 System of Record to be verified for eligibility.
 - n. If the project type is determined to be rehabilitation, a termite inspection will be conducted before construction begins.
 - o. If the project type is determined to be a rehabilitation, a second assessment will be conducted by the IC and GC after the homeowner has removed all furniture.

- p. SCOR compliance inspectors will accompany IC damage assessors on all damage assessments. Compliance inspectors will communicate any noncompliance of this process to the Disaster Recovery Director for corrective action.
- 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 toxic substances	Debris	Electrical Hazards
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		

ENVIRONMENTAL REVIEWS

Environmental Reviews are conducted via the “Environmental Criteria and Standards” policy found in the Grant-wide Policies section of this manual. As per Federal requirements, Tier I and Tier II reviews must accompany each served file in the System of Record.

PROJECT TYPE DETERMINATION VIA A REHABILITATION, REPLACEMENT AND RECONSTRUCTION VIABILITY ANALYSIS (R3VA)

After a damage assessment and Tier II Environmental review are completed, project type must be determined. The IC will prepare an R3VA for each home, indicating the project type and reasons for such determinations. The R3VA must contain determinants as to why the project type was selected. The R3VA determination will be based on, but not limited to, pre-disaster value, cost to rehabilitate, site location, site conditions, resilience needs, location in a floodplain, floodway, DRRRA, etc. The IC Construction Manager will review the decision to reconstruct a stick-built house or replace/reconstruct an MHU. SCOR will review all Implementation Contractor R3VA decisions which specify the project type as a reconstruction or replacement.

Project Types are as follows:

1. Stick-built Rehabilitation (Programs One and Two) – factors to consider in the R3VA:
 - a. Cost to rehabilitate to Resilient, Safe, Sanitary and Secure (RSSS) as a factor of the tax value of the home.
 - b. Cost to rehabilitate to RSSS is within the cap (\$75,000), given the possibility of change orders resulting from hidden damage.
 - c. Location of the property in a floodplain, floodway, or DRRRA.
 - d. Other conditions.
2. MHU Rehabilitation (Program One) – factors to consider in the R3VA:
 - a. Cost to rehabilitate to Resilient, Safe, Sanitary and Secure (RSSS) as a factor of the tax value of the home.
 - b. Cost to rehabilitate to RSSS is within the cap (\$15,000), given the possibility of change orders resulting from hidden damage.
 - c. Location of the property in a floodplain, floodway, or DRRRA.
 - d. Other conditions.
3. Stick-built Reconstruction (Program One) – factors to consider in the R3VA:
 - a. Cost to rehabilitate to Resilient, Safe, Sanitary and Secure (RSSS) as a factor of the tax value of the home.
 - b. Cost to rehabilitate to RSSS is within 15% of the cap (\$75,000), given the possibility of change orders resulting from hidden damage.
 - c. Location of the property in a floodplain, floodway, or DRRRA.

- d. Empirical evidence that the foundation is failing or sinking, beyond cost reasonable repair.
 - e. Other conditions.
4. MHU Replacement (Program One) – factors to consider in the R3VA:
- a. Cost to rehabilitate to Resilient, Safe, Sanitary and Secure (RSSS) as a factor of the tax value of the home.
 - b. Cost to rehabilitate to RSSS is within 15% of the cap (\$15,000), given the possibility of change orders resulting from hidden damage.
 - c. Location of the property in a floodplain, floodway, or DRRA.
 - d. Elevation (no MHU shall be elevated above 5’7”).
 - e. Empirical evidence that the MHU foundation is failing.
 - f. Other conditions.
5. MHU to Stick-built Reconstruction (Program One) – factors to consider in the R3VA:
- a. Homeowner owns land and desires a stick-built reconstruction in place of an MHU replacement.
 - b. Zoning of the property.
 - c. Cost to rehabilitate to Resilient, Safe, Sanitary and Secure (RSSS) as a factor of the tax value of the home.
 - d. Cost to rehabilitate to RSSS is within 15% of the cap (\$15,000), given the possibility of change orders resulting from hidden damage.
 - e. Location of the property in a floodplain, floodway, or DRRA.
 - f. Empirical evidence that the MHU foundation is failing.
 - g. Other conditions.
6. Voluntary Buyout (Program Three) – factors to consider in the R3VA:
- a. Location of the property in a floodplain, floodway, or DRRA.
 - b. Property is a stick-built home or de-titled MHU.
 - c. Property is in a HUD MID county.
 - d. Other conditions.

OTHER POLICIES AND PROCEDURES COMMON TO ALL HOUSING PROGRAMS

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 SCOR’s Strat Comm Team. Any contact with these individuals will be handled by SCOR management unless directed otherwise.

The IC Case Manager MUST log all communication with applicants into the System of Record 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 IC Case Manager is not obligated to continue the conversation. If the applicant is present, the IC Case Manager should notify their Team Lead and/or security immediately to defuse the incident. If the applicant is on the telephone, the IC Case Manager 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 Strategic Communications Director. No contractor or sub-contractor personnel may make public statements about the Program without first coordinating and clearing such communication with the SCOR Strategic Communications Director.

Customer Feedback

SCOR is committed to the success of this project. We care about what our citizen customers have to say as well as their expectations. IC Case Managers 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 System of Record. Surveys with negative feedback will be contacted within 24 hours, by the Implementation Contractor, 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 (IC Case Managers and SCOR Disaster 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, through its Disaster 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. Disaster 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 an IC 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.

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 System of Record.
- If contact has not been made with the applicant, the System of Record 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 System of Record 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 System of Record.
- 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 System of Record 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 System of Record.
- The System of Record 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 System of Record 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.
- Inactive files will be reviewed on a case-by-case basis to determine reactive status, as applicable.

The Inactive Process:

- The applicant's IC Case Manager 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.

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.
- A demonstrable hardship.

Citizens may submit a written concern, request, suggestion, or appeal through the Disaster Recovery email at Contact@SCOR.sc.gov or submit by postal mail to the following address:

ATTENTION: CONSTITUENT SERVICES TEAM
SOUTH CAROLINA OFFICE OF RESILIENCE
632 ROSEWOOD DRIVE
COLUMBIA, SC 29201

SCOR'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

Special Case Panel

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

- Applicable federal and state statutes.
- The Code of Federal Regulations.
- State and local codes and ordinances.
- Local guidelines.
- The SCOR Action Plan for Disaster Recovery (Action Plan).
- The SCOR Hurricane Helene Policy and Procedure Manual.

SCOR 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 elevation of an MHU or stick-built reconstruction.
- 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-funded flood insurance.
- All Work After Construction Complete (WACC) change order requests.
- If the proposed assistance type changes from rehabilitation to replacement or reconstruction or from replacement or 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.
- Priority or eligibility appeals as requested by the Constituent Services Manager.

SCOR has defined excessive demolition as the demolition of structures in excess of 3,500 square feet. For excessive demolition, SCOR 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 the SCOR Disaster Recovery Director or SCOR DR Program Manager for review.

Internal Auditing may review change orders and research any findings of inappropriate scope items. Internal Auditing will forward any findings to the SCOR Disaster Recovery Director. The Director will make a final determination as to whether SCOR 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 (7) member panel that consists of the SCOR Disaster Recovery Director (Chair), the SCOR DR Program Manager, the SCOR Compliance Manager, the SCOR Legal Director, the SCOR DCM Director, a Finance Manager, and the SCOR Reporting and Policy Manager, 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 SCOR Legal Director. The signed decision memorandum will be uploaded to the System of Record.

Other types of Review Panels may be appointed by the SCOR Chief Resilience Officer or the SCOR Disaster Recovery Director, as determined to be necessary.

APPEALS

Grievance Policy/Procedure

SCOR and IC staff are 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. 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 CRO approval. SCOR 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 SCOR.

Complaints (non-warranty)

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

Responsibilities

SCOR 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.
- Ensuring that a response to all complaints and appeals are within the appropriate time frame (response must be provided within fifteen (15) working days of the receipt of the complaint).
- Ushering all complaints and appeals through to a resolution.

Documentation

Documentation for each complaint or appeal must be maintained and included in the System of Record for tracking. 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.
- Any resolution or other action that is taken.

COMPLIANCE AND MONITORING

SCOR utilizes risk-based programmatic monitoring of the activities conducted by the IC throughout the process of implementing SCOR's Programs. Monitoring activities involve a direct review of the actions of the IC and its 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 Audit 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 SCOR Disaster Recovery Director will conduct a final review and record the findings via email. The email will be forwarded to the Chief Resilience Officer for review and to the Implementation Contractor for inclusion in the System of Record.

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, or acting as 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.
- Secure or make a physical or electronic copy of the Power of Attorney to be maintained with the applicant file.

SEPTIC SYSTEMS INSPECTION AND REPLACEMENT

South Carolina homes' sanitary disposal needs are frequently served by Septic Systems (tank and drain field), especially in rural areas of the state. If a septic system is found to serve a home, and no municipal sewer service is available, a third-party (not the general contractor) will conduct an inspection and pump the septic tank. If the septic system fails the inspection, a new septic system will be installed. Replacement septic systems must not be installed by the inspection company. If municipal sewer service is available, and the cost is not prohibitive, homes will be connected to the available sewer service. Any septic system replacement or municipal sewer connection must be reviewed and approved by SCOR's Special Case Panel for need and cost reasonableness.

HOUSING PROGRAM NUMBER ONE: SINGLE-FAMILY HOME REHABILITATION, REPLACEMENT, AND RECONSTRUCTION

The Single-family Home Rehabilitation, Replacement, and Reconstruction Program is designed to repair Hurricane Helene damaged single-family homes when a cost-reasonable rehabilitation will make the home resilient, safe, sanitary, and secure and to replace or reconstruct it, when rehab is not viable. SCOR has allocated funding for the Single-family Home Rehabilitation, Replacement, and Reconstruction Program to rehabilitate and restore affordable rental housing stock. The Program will provide up to \$75,000 in assistance for a stick-built Rehabilitation, up to \$15,000 for an MHU Rehabilitation, up to \$125,000 for a single-wide MHU Replacement, up to \$140,000 for a double-wide MHU Replacement, and up to \$225,000 for a stick-built Reconstruction to homeowners for eligible activities including rehabilitation, replacement, and reconstruction, with improvements, such as energy efficiency and resilience activities.

Once Intake, Eligibility, Prioritization, DOB Review, Damage Assessment, Environmental Review are complete, and the Applicant is eligible and of appropriate priority, the project type is determined. If then the Project Type is determined to be a Rehabilitation, Replacement, or Reconstruction (R3) via a

completed R3VA, and the homeowner also resides in the home, the project is moved to the Single-family Home Rehabilitation, Replacement, and Reconstruction Program.

Once moved to the Single-family Home Rehabilitation, Replacement, and Reconstruction Program, the project will move through the following steps:

1. Work Order Creation
2. General Contractor Assignment
3. Homeowner Signing
4. Preconstruction
5. Temporary Housing
6. Construction
7. Change Orders (as needed)
8. Final Inspection and Key Turnover
9. Warranty
10. File Closeout

WORK ORDER CREATION

Work Orders provide direction to general contractors. The scope of work and approved cost of the scope are plainly stated. Costs are subject to review by SCOR and are derived via SCOR's fixed price list, a county specified Xactimate Estimate of Cost to Repair (ECR). The name of the homeowner, address of the property, and case number must be displayed on each work order. Work orders must include HQS and RSSS specifications and standards. Resilience measures must be included in all work orders, if appropriate for the specific project (e.g., if roof replacement is included in the scope of work, an enhanced roof must be installed).

GENERAL CONTRACTOR ASSIGNMENT

Implementation Contractor will employ enough GCs to ensure that SCOR's construction schedule is met. R3 work is assigned to GCs by the Implementation Contractor. Implementation Contractor will continually monitor and evaluate GCs for efficiency, quality of work, and capacity to ensure SCOR's construction goals are met. Non-performing GCs must be corrected or replaced, as needed, to ensure timely construction completions and to ensure SCOR's construction goals are met.

HOMEOWNER SIGNING

Once the Scope of Work has been confirmed and approved, the GC or the VOAD 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 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; and
- i. All other Program required documents for the signing event.

Applicant/homeowner(s) will be provided all signing event documents at least 72-hours prior to the meeting.

Procedures:

- A meeting will be held between each applicant and Program representatives to ensure they fully understand the construction Scope of Work, Construction Contractor/Homeowner Agreement (Appendix B), Promissory Note and Lien (Appendix C), and other Program required homeowner signing event documents.
- Applicants will be given the opportunity to sign their Construction Contractor/Homeowner Agreement, Promissory Note and Lien, and other Program required homeowner signing event documents digitally.
- Executed Construction Contractor/Homeowner Agreements, Promissory Notes and Liens, and other Program required homeowner signing event documents will be housed in the System of Record.
- Applicants and contractors will provide copies of all signed documents via email or printed copy as necessary.

Special Needs:

- Applicants who are 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 DOB Gap Funds, recording and/or filing appropriate documents, the signing event agent (Implementation Contractor) will confirm the rescission period has expired; and
- In the event an applicant rescinds the transaction, the signing event agent (Implementation Contractor) will notify SCOR immediately, and the IC or SCOR will return any DOB Gap Funds, if applicable, to the applicant.

PRECONSTRUCTION

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 Disaster Recovery Director or designee will oversee the work of the construction contractor for each rehabilitation, replacement, and reconstruction project.

TEMPORARY HOUSING

On an extremely limited basis and only as a last resort, SCOR 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; and
- Accept SCOR'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 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. 160 square foot storage units must be used in this program, unless larger units are available at the same costs and space allows. Storage units may not be less than 8' in either length or width. The fixed cost associated with the storage unit, paid to the IC, through the SCOR housing program are as follows.

- The fixed cost of a container for an MHU replacement project type is \$800.
- 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 a stick-built reconstruction project type is \$1,200.
- If a project changes from a rehabilitation to a replacement or reconstruction project, SCOR will pay a \$600 change in project fee to the IC. SCOR will not pay other costs associated with units above the 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 seven (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 14 days, the IC must notify SCOR.
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, once the applicant has moved into the home.
5. If container pickup fails, the IC must notify SCOR within five (5) days.
6. If the applicant does not comply with the moveout timeline and causes a delay in construction, the IC must inform SCOR. SCOR will decide what repercussions will apply to the applicant.
7. If the applicant does not comply with move in and causes a delay in container pickup, the IC must inform SCOR. SCOR will decide what repercussions will apply to the applicant.

CONSTRUCTION

The Program will provide Construction Management and Construction Oversight services for the rehabilitation, replacement, or reconstruction of damaged properties. SCOR'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.

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 SCOR compliance inspectors at the request of SCOR or the IC.

The Single-Family Home Rehabilitation, Replacement, and Reconstruction Program will provide assistance for housing needs identified in the damage assessment and R3VA to include:

- Rehabilitation of existing housing units;
- Replacement of damaged manufactured housing units (MHUs) or reconstruction of stick-built homes deemed unrepairable through an R3VA, which must be uploaded to the System of Record;
- Consideration of limited relocation assistance on a case-by-case basis; and
- During the execution of these activities, as needed and appropriate, identification of opportunities for mitigation enhancement measures, improvement of resilience, and ancillary improvements such as elevation and access ramps.

The housing assistance limits for this Program are:

- Up to \$75,000 for “stick built” home rehabilitation;
- Up to \$15,000 for MHU rehabilitation;
- Up to \$125,000 for single-wide MHU replacement;
- Up to \$140,000 for double-wide MHU replacement;
- Up to \$225,000 for stick-built home reconstruction of existing stick built homes or MHU wherein the homeowner also owns the land; and
- Up to \$5,000 for limited relocation assistance (case-by-case basis).

If an applicant applies for assistance for a disaster damaged single-wide MHU, then their replacement housing solution will be a replacement 3 bedroom/2 bathroom single-wide MHU. If an applicant applies for assistance for a disaster damaged double-wide MHU, then their replacement housing solution will be a replacement 3 bedroom/2 bathroom double-wide 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.

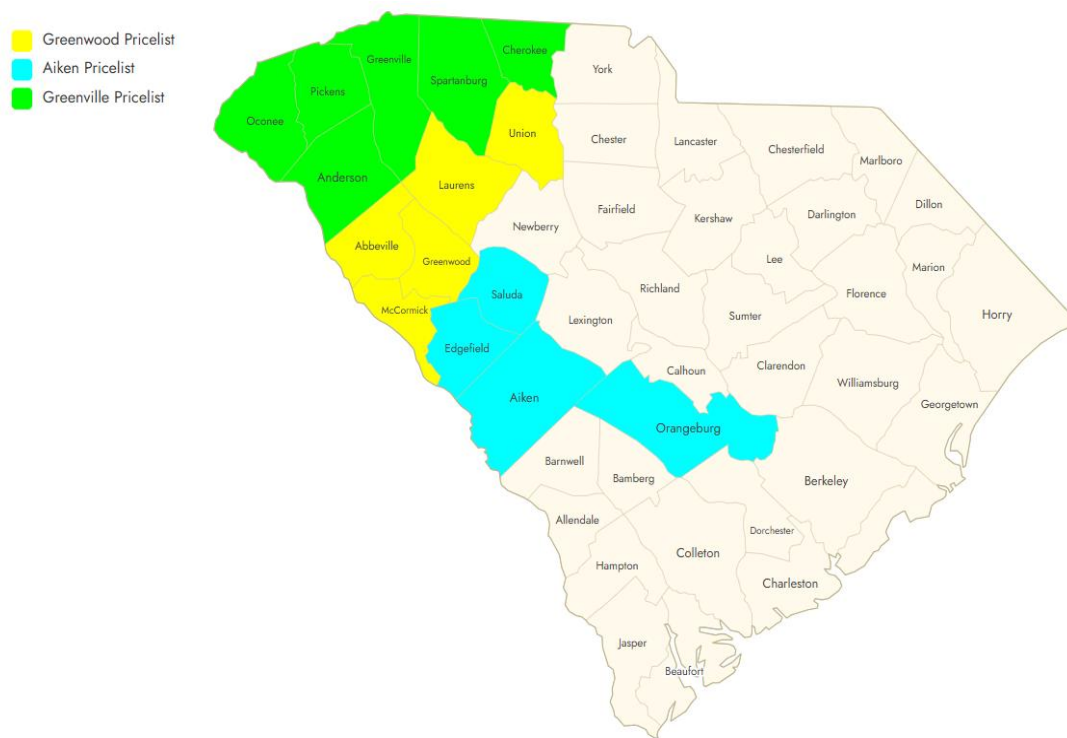
Exceptions to the cap for MHU replacements and stick-built reconstructions are handicap ramps at a fixed cost, handicap friendly homes, initial fixed portable on-site storage cost, and septic system replacements. All 4 bedroom/2 bathroom reconstruction or replacement homes must be approved on a case 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 Housing Programs will be priced using Xactimate's Pricing Data Service and Xactimate Cost Estimating Software. All rehabilitation work orders must follow the Xactimate pricelists established by the program. The Xactimate pricelists that forms the basis of all rehabilitation work orders is as follows:

- Aiken December 2025 pricelist (Aiken, Edgefield, Orangeburg, Saluda Counties)
- Greenville December 2025 pricelist (Anderson, Cherokee, Greenville, Oconee, Pickens, Spartanburg Counties)
- Greenwood December 2025 pricelist (Abbeville, Greenwood, Laurens, McCormick, Union Counties)

Effective date: December 1, 2025



The IC will establish a test list of common rehabilitation line items in Xactimate for each of the three(3) pricelists above. Every three (3) months, the IC will provide a current test list for each of the pricelists above and present to SCOR's Disaster Recovery Director. SCOR will review cost reasonableness and decide whether to use the new price list(s) going forward or retain usage of the last approved price list(s). An updated Policy and Procedure Manual will codify any price changes and their effective dates. All ECRs produced prior to an effective date remain in effect, as do any change orders for those particular projects.

Rehabilitation projects may include a 15% surcharge for overhead and a 15% surcharge for profit. However, no overhead and profit (O&P) 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, SCOR determined that a fixed pricelist approach would guarantee consistency to achieve the program's goals in a manner that is necessary, reasonable, allowable, and allocable.

All materials purchased for use in the Single-Family Home Rehabilitation, Replacement, and Reconstruction Program must meet or exceed minimum quality specifications as outlined in Xactimate or the SCOR Construction Standards & Materials Specification Requirements in effect when construction commences.

Procedures:

- To ensure that the codified pricelist(s) continue to be the most reasonable and appropriate pricing solution to achieve the program goals for rehabilitation projects, SCOR will review the pricing of each Xactimate pricelist 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.
- All modifications to Xactimate pricing will be codified in the Policy and Procedure Manual.

THRESHOLD FOR HOME REHABILITATION

Prior to conducting any rehabilitation on a disaster-damaged Home or MHU, an R3VA will be completed 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. The R3VA may vary for each housing project based on the home's pre-disaster value, site location, and resilience needs. For all rehabilitation projects, a termite inspection must be conducted and submitted to the System of Record before construction starts.

Because of the difficulty of rehabilitating 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 R3VA for another reason allowed by HUD, the MHU may be classified as "Not Suitable for Rehabilitation" and may be replaced with another MHU or reconstructed stick-built home, if the homeowner also owns the land.

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 the rehabilitation

project. 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 and/or general contractor(s) in their desired locations. The IC will assign a GC to perform the work that the VOAD Coordinator and/or VOAD general contractor are not interested in or in regions where VOAD Coordinator or VOAD general contractor are not interested in working.

- The Damage Assessor will conduct the scheduled site visit with the homeowner to review the proposed work.
- The assigned GC will identify any other rehabilitation scope necessary to complete the rehabilitation.
- The GC will work with the Construction Manager and utilize approved standardized pricing for all projects.
- The IC 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, SCOR Housing Quality Standards (HQS), and SCOR resilient, safe, sanitary, and secure (RSSS) specifications, as applicable.
- The Construction Manager will produce a work order stating the scope of work and pricing.
- The approved scope of work and pricing will be maintained in the System of Record 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 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 and passing all municipal and state inspections.
- Reconstruction and replacement pricing are based on the fixed price agreement between SCOR and the IC for both MHU replacement and stick-built reconstruction.
- The IC Construction Manager will review, approve, and upload all required documentation into the System of Record.

- The IC will provide an R3VA for any home deemed an MHU replacement or stick-built reconstruction. The R3VA must be uploaded to the System of Record before a replacement or reconstruction work order can be completed and assigned to a general contractor.

Building and Construction Specifications

SCOR will provide prototype house plans and approved MHU floorplans 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, SCOR resilience specifications; 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);
- All SCOR Construction and Standards and Material Specifications (Appendix B);
- HUD Green Building Requirements;
- SCOR RSSS specifications;
- All permitting, licensing, and local business license costs;
- For reconstructions, all required site specific engineering (for prototype house plans);
- 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;
- 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 secure shelving and a hanging rod. Closets larger than 28 inches deep must have a light;
- Back entrance to the home must have a covered 5x5 landing;
- Front porch must be, at minimum, 5' x 15', per provided house plans;
- 1,800 square feet of sod must be installed adjacent the home or credited back if not needed;
- Minor repairs to well systems, with the exception of a full well replacement; and
- All doors must be installed per the reconstruction drawings and specifications or the approved MHU floor plans and specifications

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 house plans provided and approved by SCOR, except in cases where the lot size precludes this. Should another house plan be required, because of small lot size, the alternative house plan must be approved by the SCOR prior to being utilized in the program.

Square footage specifications:

- 2 bedroom/2 bath reconstruction homes must have a minimum of 1,068 square feet of living space.
- 3 bedroom/2 bath reconstruction homes must have a minimum of 1,347 square feet of living space.
- 4 bedroom/2 bath reconstruction homes must have a minimum of 1,500 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 SCOR. Each model or type of home must be approved by the SCOR CRO prior to being utilized in the program.

Specifications:

- Single-wide 3 bedroom/2 bathroom.
- Double-wide 3 bedroom/2 bathroom.
- Double-wide 4 bedroom/2 bathroom.
 - All 4 bedrooms/2 bath MHUs must be approved by the Special Case Panel.

SCOR 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.

*****If the MHU homeowner also owns the land on which the MHU is located, the homeowner may be eligible to receive a stick-built reconstruction in place of a replacement MHU.**

Wheelchair Accessible Homes

For wheelchair compliant stick-built homes or MHUs, the wheelchair accessible bathroom must be the primary 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- approved pricing
- Up to 5 feet above grade- approved pricing
- Up to 6 feet above grade- approved pricing
- Over 6 feet above grade- Elevation pricing must be approved by SCOR 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, SCOR will pay a prorated elevation per foot price. All elevation costs must be approved by the Special Case Panel as a change order to the original work order. Since the first three (3) feet of elevation are included in the base price, the per foot calculation starts at three (3) feet. Anything above three (3) feet above grade will be paid as follows:

- For pier and beam foundations, SCOR will pay approved pricing for the total elevation above site grade.
- For pilings, SCOR must approve this cost based on three (3) cost estimates 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 Housing Quality Standards (HQS), 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. Redon testing and/or remediation, as required by municipality or county;

- e. Abatement and disposal of asbestos-containing materials (ACM); and
- f. 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, or removable air conditioning/heating units not attached to the house structure.

Procedures:

- Conduct damage assessments of eligible applicants' properties.
- Upload, review, and approve required documentation, including the R3VA, into the System of Record.

VOAD REHABILITATION, REPLACEMENT, OR RECONSTRUCTION ACTIVITIES

In an effort to maximize the benefit of the recovery dollars, SCOR, 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 VOADs include:

- Rehabilitation of existing stick-built housing units with a rehabilitation cost not to exceed \$75,000, unless prior approval is obtained from the Special Case Panel;
- Rehabilitation of MHUs deemed repairable through an R3VA, with a rehabilitation cost not to exceed \$15,000, unless prior approval is obtained from the Special Case Panel; and,
- Reconstruction of a stick-built home or MHU (if the land is owned) with a reconstruction cost not to exceed \$225,000, unless prior approval is obtained from the Special Case Panel.

VOAD construction activities will be coordinated through the IC and SCOR's VOAD Coordinator. The VOAD Coordinator shall be responsible for qualifying eligible VOADs for program participation. Eligible VOADs must be federally recognized charitable organizations. VOADs and their GCs are subject to all policies that apply to other non-VOAD 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 rehabilitated or replaced at each property, the replacement of any MHU, or the reconstruction of a destroyed MHU or stick-built home, and the VOAD will be paid the full value of the SCOR approved Estimated Cost of Repair (ECR), the fixed cost on an MHU replacement, or the fixed cost of a reconstruction, respectively.

VOAD construction projects must be completed under a South Carolina general contractor license or non-profit builders permit, 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.

CONSTRUCTION COMMUNICATION

Frequent communication with the citizens served by the SCOR 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 System of Record, 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 System of Record.

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

- The IC must provide a warranty packet and a refrigerator magnet with the start and end dates of the warranty and the warranty reporting phone number, when 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 date, end date, and 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. SCOR 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.
- Within 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 contractors. As a means of identification, the letter shall specify the homeowner's name, the construction address, and the build permit number. The homeowner shall also receive a copy of this letter to the assessor.

CONSTRUCTION TIMELINESS

SCOR housing program activities consist of stick-built house and MHU rehabilitation, stick-built house reconstruction, MHU replacement, and MHU to stick-built reconstruction if the applicant also owns the land. SCOR 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 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 State inspection. The standard time frames are:

- 45 days for a single-wide MHU replacement;
- 60 days for a double-wide 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 (via a negative change order) from the project amount invoiced to SCOR for that project. The contractor may petition the SCP for

relief from the penalty for situations reasonably outside the control of the contractor. All reasonable situations must be contemporaneously documented in the system of record. Excessive rain is **NOT** a reasonable situation and will not be accepted as such, unless:

- No other work can be conducted (e.g., inside MEP work, cabinetry, interior trim, other interior work once the house is dried in, etc.), and;
- the rain is contemporaneously documented in the system of record, with photographic evidence, and;
- the Implementation Contractor is contemporaneously informed, via email, of the delay.

If, after an R3VA confirms rehabilitation and work has begun, 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 ten (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 a new homeowner signing. If the 30-day time standard is not met, the IC must notify SCOR 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

General Contractors will be subject to a Program Performance Evaluation by the IC 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 IC 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.

HOUSING QUALITY STANDARDS

The goal of the SCOR 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 SCOR must meet, but in general, will not exceed HQS.

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

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

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.
- 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 impact 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 working 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 working 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. Clothes dryers may not vent to the crawlspace.

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.

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.
- All elevation costs must be submitted as a change order to the original work order in all cases. Once the reconstruction or replacement is determined to need elevation (i.e., in a flood plain and an elevation certificate has been obtained), a change order is prepared by the GC and must be approved by the Special Case Panel.
- If project costs including the change order do not exceed the allowable construction budget caps and the Construction Manager deems the rehabilitations necessary to achieve SCOR Housing Quality Standards, the change order will be approved by the IC Construction Manager. The change order may need the approval of SCOR. 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 IC Construction Manager.

Procedures:

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

FINAL INSPECTION AND KEY TURNOVER

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 System of Record. 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 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 System of Record. 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 System of Record.

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

The general 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.

WARRANTY

All communications pertaining to warranty issues or construction complaints will be received by the SCOR Disaster Recovery Warranty Team. The Warranty Manager or Warranty Specialist will document the warranty claim in the System of Record within one (1) day of receiving the issue. General contractors are responsible for any costs incurred for warranty issue corrections.

Procedures:

- The Warranty Team will receive and document construction complaint calls as a warranty claim.
- The call will be logged in the appropriate case file in the System of Record within one (1) business day of receiving the initial call.
- The System of Record will send an automated message that a warranty claim has been logged to the SCOR Compliance Team, the appropriate GC, and the IC.
- The IC and the GC must acknowledge the warranty claim in the System of Record.
- The GC must verify the warranty claim's validity and report valid or invalid line items to the IC and SCOR Compliance Team.
- Should the GC deem any warranty claim invalid, the SCOR Compliance 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 two (2) business days to confirm the issues and schedule corrective actions if necessary. The call must be documented in the System of Record.
- The GC will correct the issue within seven (7) business days of the initial call and document the completion in the System of Record.
- The homeowner will sign that the warranty repair work was completed to satisfaction. A Warranty Resolution Report will be uploaded to the System of Record.
- After corrective actions are completed, and if the homeowner refuses to sign the Warranty Resolution Report, the GC and a member of the SCOR Compliance Team will complete a joint inspection, as needed.

If the GC, IC, and SCOR Compliance Monitor believes that the issue has been addressed, but the citizen has further concerns, the IC should forward the issue to the Disaster Recovery Director or DR Program Manager for adjudication.

Issues that cannot be corrected within the designated seven (7) business days must be reported to the SCOR management team via email. If the IC identifies any failure pattern in products or services, the IC must notify the SCOR Disaster Recovery Director of such pattern and the IC's course of action for resolving the failure pattern within two (2) business days.

The IC shall provide a report to the SCOR 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.

FILE CLOSEOUT

All cases for the Single-Family Home Rehabilitation, Replacement, and Reconstruction and Affordable Rental Housing Programs must be properly closed after the completion of the mandatory one-year warranty period. All cases for the Voluntary Buyouts Program must be closed 90 days after demolition is complete.

Prior to the closeout of completed cases, the IC and SCOR 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 System of Record. 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 Closeout Manager. The Closeout Manager will then review the case to ensure compliance with the SCOR Case Closure Checklist, shown below.

Areas of Interest	Yes	No	Responsible Review Party
Open warranty issues			SCOR Team
Open DOB issues			SCOR Team
Open monitoring issues			SCOR Team
Open constituent services issues			Constituent Services Team
Open environmental and legal issues			Legal Team
Invoices paid			Finance Team
Open Audit issues			Audit Team

- The Closeout Manager will verify that a copy of the lien or MHU title has been uploaded to the System of Record. If not, the Closeout Manager will notify the appropriate department that the lien or title must be filed and documented in the System of Record in order to proceed with closeout functions.
- The Closeout Manager will send a list of reviewed case files to the following departments for review:
 - a. Finance;
 - b. Legal;
 - 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 Closeout Manager.
- 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 Closeout Manager will work with the appropriate department(s) and IC to resolve the issue(s).
- Once all issues have been resolved, the Closeout Manager generates a Memo, certifying that the case is closed. Each Memo is signed by the Environmental Certifying Officer and the SCOR Disaster Recovery Director.
- After the Memo has been signed, it is uploaded to the System of Record.
- The file is then locked by Closeout Manager and put into a “read-only” status in the System of Record. If the lien has not been filed, the case file will not be locked until the lien is uploaded.

OTHER PROGRAM ONE POLICIES AND PROCEDURES

Quality Control Inspections

Inspections for the purpose of quality control will be performed for each site by the IC Construction Manager or their designee and/or SCOR’s Compliance Team 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 System of Record.

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.

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 Disaster Recovery Director. The SCOR Disaster Recovery Director 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 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 Disaster Recovery Director. The SCOR Disaster Recovery Director will issue a third letter which states that the citizen has been removed from the Program. This letter will be delivered via the SCOR compliance monitoring staff and documented in the System of Record. The case will be annotated as inactive in the System of Record and the case will be closed.

Floodplain Assistance

Note: Applicants with homes located in floodplains in the MID counties will be referred to the Voluntary Buyouts Program. If a voluntary buyout is not achievable, then the applicant may still participate in the Single-Family Home Rehabilitation, Replacement, and Reconstruction 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 Housing Programs will only elevate existing structures if it is deemed feasible through an R3VA. 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 rehabilitation 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 staff to ensure that SCOR 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 System of Record.

SCOR will track the progress of all floodplain homes using the HiFiECR Tracker. The IC must report to the designated SCOR 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 System of Record.

MHU Replacements in a Floodplain

SCOR requires 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 three (3) 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), SCOR will not elevate replacement MHUs more than five feet, seven inches (5'7") 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 Housing Program. The alternative plot must be located in one of the disaster-damaged counties served by SCOR 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 (5'7"), SCOR will pay all associated elevation costs as established by SCOR 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 the Single-family Home Rehabilitation, Replacement, and Reconstruction Program, 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 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 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 DES 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 DES 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 for the final 5% of the project cost until the lien or title has been filed appropriately and uploaded to the System of Record.

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 to record new 1st mortgages/liens on the rehabilitated properties and SCOR prefers to move the existing mortgages/liens to positions behind the new SCOR 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 prefers a position behind the new SCOR 1st mortgages/liens as detailed above.
 - c. If SCOR'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 Legal Department on a case by case basis. Any subordination agreement must be reviewed and approved by the SCOR 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 1st mortgage/lien or transfer their existing mortgages/liens to the replacement or reconstructed home in a position behind a new SCOR 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'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 legal department on a case by case basis. Any subordination agreement must be reviewed and approved by the SCOR 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.

Violation of Requirements, Limitations, or Lien Recapture

SCOR has in place a Forgivable Promissory Note and Lien (Appendix C) for owner occupied properties. The Promissory Note and Lien has provisions by which non-compliance by the homeowner or landlord may result in the amount of assistance provided by SCOR being due and payable back to SCOR. A person receiving SCOR assistance could also violate program requirements outside of the Promissory Note and Lien. If the assisted person violates the terms of the program, they may owe back to SCOR 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 determines that recapture of funds is appropriate, SCOR 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 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 Promissory Note and Lien. The Special Case Panel will evaluate the concerns and make a determination on whether the recapture of funds is necessary.

If SCOR 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’s current Action Plan. If funds are recaptured after closeout of the grant that generated the recapture, then SCOR will confer with HUD regarding transferring the recaptured funds to South Carolina’s annual CDBG grant award.

Work After Construction Complete (WACC)

For work identified by the SCOR Disaster Recovery Director as work that should have been included in the original scope of work (missed HQS or RSSS items) but was not included in the scope of work prior to the completion of the final inspection, SCOR 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 Compliance staff. All post construction work must be warranted 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 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 Compliance staff completes a report that outlines the WACC issue and what rehabilitation work must occur.
3. The report is forwarded to the SCOR Disaster Recovery Director 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. Disaster Recovery Director reviews:
 - a. Original work order
 - b. SCOR Compliance Staff reports
 - c. Change orders
 - d. Communication log
 - e. Any additional facts bearing on the issue in question
5. Disaster Recovery Director determines if initiating the WACC process is authorized after reviewing the relevant facts.
6. Disaster Recovery Director notifies IC and SCOR's Disaster Case Managers to re-open any applicable case management.
7. IC assigns GC and coordinates:
 - a. The IC, SCOR Compliance Team, and GC representative will conduct a joint inspection to define the scope of work for the construction change order. The change order will include WACC issue(s) only. No additional work is authorized. A joint inspection is always required, unless the requirement is waived by the Disaster Recovery Director as described below:
 - In cases that involve an active leak, internal sewage backup, or a loss of seasonal environment control (air conditioning in summer, heat in winter), the Disaster Recovery Director 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 Disaster Recovery Director will notify the IC in writing (typically by email) when either of these options are exercised.
 - When the Disaster Recovery Director authorizes an independent inspection, the GC will conduct the inspection and upload the inspection report to the System of Record.
 - When the SCOR Disaster Recovery Director or the SCOR DR Program Manager 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 System of Record.
 - b. For routine cases, the GC will upload the joint inspection report into SOR and notify the SCOR Disaster Recovery Director and SCOR DR Program Manager. The Disaster Recovery Director or the SCOR DR Program Manager 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 Disaster Recovery Director authorized the GC to begin work immediately. The Disaster Recovery Director will present the WACC CO to the Panel for approval. A copy of the

Disaster Recovery Director's authorization for WACC will accompany the justification for the CO.

- d. At the conclusion of WACC, the IC, SCOR 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 Disaster Recovery Director, 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.

HOUSING PROGRAM NUMBER TWO: AFFORDABLE RENTAL HOUSING REHABILITATION

SCOR has allocated funding for the Affordable Rental Housing Rehabilitation Program to rehabilitate and restore affordable rental housing stock damaged in Hurricane Helene. The Program will provide up to \$75,000 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 Affordable Rental Housing Rehabilitation Program. The Affordable Rental Housing Rehabilitation Program will rehabilitate up to two (2) units per rental property owner, with a \$75,000 cap for each. The Special Case Panel (SCP) may consider repairs beyond the \$75,000 cap on a case-by-case basis, if additional scope of work is needed to bring the home up to HQS and RSSS standards.

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 rehabilitated rental home. The System of Record 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. 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 in Greenville, Greenwood, or Aiken Counties, at mobile intakes, by phone, or online.

The Affordable Rental Housing Rehabilitation Program is estimated to assist in the rehabilitation of approximately 100 rental homes, based on the \$75,000 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 to account for total funding, eligibility, and applicant dropout.

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

Program Requirements Include:

- Properties located within a floodplain will not be considered for assistance under the Affordable Rental Housing Rehabilitation 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 rates.
- 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 Helene the owner shall disclose the name, current address and phone number of previous tenants. After submitting an application to the Affordable Rental Housing Rehabilitation 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 and final inspection, 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 SCOR 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 rehabilitation, replacement, or reconstruction 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 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.

Once Intake, Eligibility, Prioritization, DOB Review, Damage Assessment, Environmental Review are complete, and the Applicant is eligible, the project type is determined. If then the Project Type is determined to be a Rehabilitation via a completed R3VA, the project is moved to the Affordable Rental Housing Rehabilitation Program

Once in the Affordable Rental Housing Rehabilitation Program, the project will move through the following steps:

1. Work Order Creation
2. General Contractor Assignment
3. Homeowner Signing
4. Preconstruction
5. Construction
6. Change Orders (as needed)
7. Final Inspection and Key Turnover
8. Warranty
9. File Closeout

WORK ORDER CREATION

Work Orders provide direction to general contractors. The scope of work and approved cost of the scope are plainly stated. Costs are subject to review by SCOR and are derived via SCOR's fixed price list, a county and date specified Xactimate Estimate of Cost to Repair (ECR). The name of the homeowner, address of the property, and case number must be displayed on each work order. Work orders must include HQS and RSSS standards. Resilience measures must be included in all work orders, if appropriate for the specific project (e.g., if roof replacement is included in the scope of work, an enhanced roof must be installed).

GENERAL CONTRACTOR ASSIGNMENT

Implementation Contractor will employ enough GCs to ensure that SCOR's construction schedule is met. Rental Rehabilitation work is assigned to GCs by the Implementation Contractor. Implementation Contractor will continually monitor and evaluate GCs for efficiency, quality of work, and capacity to ensure SCOR's construction goals are met. Non-performing GCs must be corrected or replaced, as needed, to ensure timely construction completions and to ensure SCOR's construction goals are met.

HOMEOWNER SIGNING

Once the Scope of Work has been confirmed and approved, the GC or the VOAD GC 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 must attend; and
- The meeting purpose is to cover all aspects of construction to include:
 - a. Applicant expectations;
 - b. Scope of work;
 - c. Accessibility options;
 - d. Construction schedule;
 - e. Preferences of colors and materials, as available;
 - f. DOB and Gap Funding availability (if applicable);
 - g. Construction Contract Signing; and
 - h. All other Program required documents for the signing event.

Applicant/owners will be offered all signing documents for review prior to the signing event.

Procedures:

- A meeting will be held between each applicant and Program representatives to ensure they fully understand the construction Scope of Work, Construction Contractor/Homeowner Agreement (Appendix B), Promissory Note and Lien (Appendix C), and other Program required homeowner signing event documents.
- Applicants will be given the opportunity to sign their Construction Contractor/Homeowner Agreement, Promissory Note and Lien, and other Program required homeowner signing event documents digitally.
- Executed Construction Contractor/Homeowner Agreements, Promissory Notes and Liens, and other Program required homeowner signing event documents will be housed in the System of Record.
- Applicants and contractors will provide copies of all signed documents via email or printed copy as necessary.

Special Needs:

- Applicants who are 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/owner 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/owner 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 or via paper documentation, on a case-by-case basis. The needs of all applicants/owners 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 three (3)-day Right of Rescission, which they may choose to waive.

- Prior to disbursement of DOB Gap Funds, recording and/or filing appropriate documents, the signing event agent (Implementation Contractor) will confirm the rescission period has expired; and
- In the event an applicant rescinds the transaction, the signing event agent (Implementation Contractor) will notify SCOR immediately, and the IC or SCOR will return any DOB Gap Funds, if applicable, to the applicant.

PRECONSTRUCTION

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 IC Construction Manager or their designee will oversee the work of the construction general contractor for each rental rehabilitation project.

CONSTRUCTION

The Program will provide Construction Management and Construction Oversight services for the rehabilitation of damaged rental properties. SCOR'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.

Construction Oversight services include inspections for each rehabilitated rental home. Inspections include the initial damage assessment inspection, construction progress inspections as needed, program final inspections, and joint inspections with SCOR compliance inspectors at the request of SCOR or the IC.

The Affordable Rental Housing Rehabilitation Program will provide assistance for housing needs identified in the damage assessment and R3VA to include:

- Rehabilitation of existing rental housing units;
- During the execution of these activities, as needed and appropriate, identification of opportunities for mitigation enhancement measures, improvement of resilience, and ancillary improvements.

The housing assistance limit for this Program is:

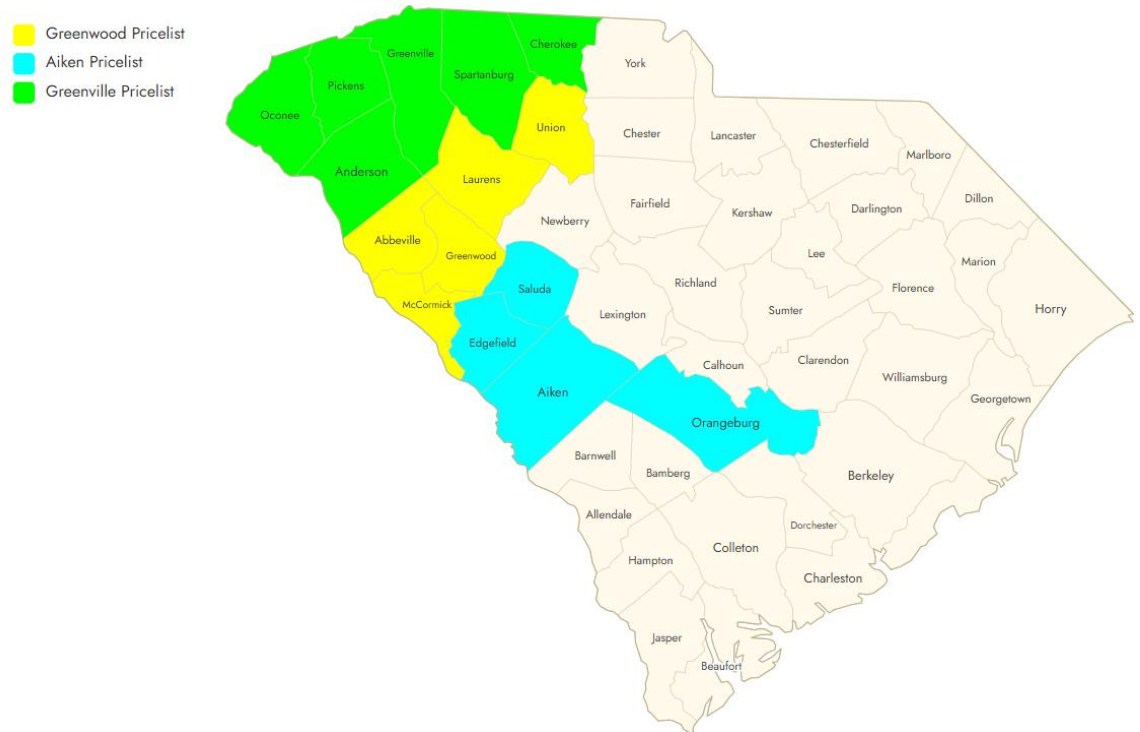
- Up to \$75,000 for "stick built" rental home rehabilitation.

Rehabilitation Price Methodology

Rental Rehabilitation projects undertaken through the SCOR Affordable Rental Housing Rehabilitation Program will be priced using Xactimate's Pricing Data Service and Xactimate Cost Estimating Software. All rehabilitation work orders must follow the Xactimate pricelists established by the program. The Xactimate pricelists that forms the basis of all rehabilitation work orders is as follows:

- Aiken December 2025 pricelist (Aiken, Edgefield, Orangeburg, Saluda Counties)
- Greenville December 2025 pricelist (Anderson, Cherokee, Greenville, Oconee, Pickens, Spartanburg counties)
- Greenwood December 2025 pricelist (Abbeville, Greenwood, Laurens, McCormick, Union Counties)

Effective date: December 1, 2025



The IC will establish a test list of common rehabilitation line items in Xactimate for each of the three (3) pricelists above. Every three (3) months, the IC will provide a current test list for each of the pricelists above and present to SCOR's Disaster Recovery Director. SCOR will review cost reasonableness and decide whether to use the new price list(s) going forward or retain usage of the last approved price list(s). An updated Policy and Procedure Manual will codify any price changes and their effective dates. All ECRs produced prior to an effective date remain in effect, as do any change orders for those particular projects.

Rehabilitation projects may include a 15% surcharge for overhead and a 15% surcharge for profit. However, no overhead and profit (O&P) 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, SCOR determined that a fixed pricelist approach would guarantee consistency to achieve the program's goals in a manner that is necessary, reasonable, allowable, and allocable.

All materials purchased for use in the Affordable Rental Housing Rehabilitation Program must meet or exceed minimum quality specifications as outlined in Xactimate or the SCOR Construction Standards & Materials Specification Requirements in effect when construction commences.

Procedures:

- To ensure that the codified pricelist(s) continue to be the most reasonable and appropriate pricing solution to achieve the program goals for rehabilitation projects, SCOR will review the pricing of each Xactimate pricelist quarterly to ensure that all assumptions remain valid and cost reasonable.
- Reviews outside the quarterly process will be conducted if unanticipated construction material shortages necessitate a reevaluation of conditions.
- All modifications to Xactimate pricing will be codified in the Policy and Procedure Manual.

Threshold for Home Rehabilitation

Prior to conducting any rehabilitation on a disaster-damaged rental unit, an R3VA will be completed to determine if the rehabilitation will be cost-effective, support a long-term housing solution for LIM citizens, and improve the health and safety risk for the home's occupants. The R3VA may vary for each rental housing project based on the home's pre-disaster value, site location, and resilience needs. For all rental rehabilitation projects, a termite inspection must be conducted and submitted to the System of Record before construction starts.

CONSTRUCTION PRICING AND SELECTION

Rehabilitation:

- For each rental unit requiring rehabilitation, the Implementation Contractor (IC) will work with the VOAD Coordinator to define their interest in specific components of the rehabilitation project. 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 and/or general contractor(s) in their desired locations. The IC will assign a GC to perform the work that the VOAD Coordinator and/or general contractor is not interested in or in regions where VOAD Coordinator is not interested in working.
- The Damage Assessor will conduct the scheduled site visit with the homeowner to review the proposed work.
- The assigned GC will identify any other rehabilitation scope necessary to complete the rehabilitation.
- The GC will work with the IC Construction Manager and utilize approved standardized pricing for all projects.
- The IC 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, SCOR Housing Quality Standards (HQS), and SCOR RSSS specifications, as applicable.
- The IC Construction Manager will produce a work order stating the scope of work and pricing.
- The approved scope of work and pricing will be maintained in the System of Record capturing the final approval.

- In the event the Scope of Work is over the financial cap, policy exception may be considered, and the exception must be reviewed and approved by the SCP
- Once the Scope of Work, pricing, and work order are acceptable to the IC Construction Manager, the GC will schedule a signing event with the applicant/owner 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.

Ineligible activities:

- 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, or removable air conditioning/heating units not attached to the house structure.

Procedures:

- Conduct damage assessments of eligible applicants' properties.
- Upload, review, and approve required documentation, including the R3VA, into the System of Record.

VOAD RENTAL REHABILITATION ACTIVITIES

In an effort to maximize the benefit of the recovery dollars, SCOR, 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 VOADs include:

- Rehabilitation of existing stick-built housing units with a rehabilitation cost not to exceed \$75,000, unless prior approval is obtained from the Special Case Panel;

VOAD construction activities will be coordinated through the IC and SCOR's VOAD Coordinator. The VOAD Coordinator shall be responsible for qualifying eligible VOADs for program participation. Eligible VOADs must be federally recognized charitable organizations. VOADs and their GCs are subject to all policies that apply to other non-VOAD 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 rehabilitated or replaced at each property, and the VOAD will be paid the full value of the SCOR approved Estimated Cost of Repair (ECR).

VOAD construction projects must be completed under a South Carolina general contractor license or non-profit builders permit, 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.

CONSTRUCTION COMMUNICATION

Frequent communication with the applicants/owners served by the SCOR Housing Programs is a critical component of program success.

Once an inspection has been completed on a rental 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.

Once construction begins, the applicant/owner must be contacted on a weekly basis for a progress update. The IC must make a minimum of two (2) attempts to contact the applicant/owner via telephone each week. The IC must document all contact attempts in the System of Record.

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

- The IC must provide a warranty packet and a refrigerator magnet with the start and end dates of the warranty and the warranty reporting phone number, once construction is complete. The warranty packet must be hand delivered to the applicant/owner at key turnover, and all items must be explained to and initialed by the applicant/owner. The warranty packet must include:
 - a. Statement of Completion and Warranty – general information about the warranty, including start date, end date, and 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. SCOR 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 applicant/owner indicating acceptance and understanding, and uploaded to the System of Record (SOR) as part of the Warranty Packet.
- Within 15 days after construction complete, the IC shall mail a letter to the applicant/owner reiterating that the homeowner is required to maintain insurance on their property.
- Within 45 days after construction complete, the IC shall mail a letter to the tax assessor in the applicant's/owner's county detailing the requirement that the home value cannot be reassessed based on the work completed by SCOR contractors. As a means of identification, the letter shall specify the homeowner's name, the construction address, and the build permit number. The applicant/owner shall also receive a copy of this letter to the assessor.

CONSTRUCTION TIMELINESS

The award letter creates an expectation of timely service for the homeowner.

SCOR has established limits for the amount of time required to rehabilitate a home. This period starts at Notice to Proceed (NTP) and ends at passed final State inspection. The standard time frame is 75 days for a rehabilitation project.

Penalties will be imposed for projects that exceed the established standard. For every day beyond the set time standard, the IC must deduct \$100 (via a negative change order) from the project amount invoiced to SCOR for that project. The contractor may petition the SCP for relief from the penalty for situations reasonably outside the control of the contractor. All reasonable situations must be contemporaneously documented in the system of record. Excessive rain is **NOT** a reasonable situation and will not be accepted as such, unless:

- No other work can be conducted (e.g., inside MEP work, cabinetry, interior trim, other interior work once the house is dried in, etc.), and;
- the rain is contemporaneously documented in the system of record, with photographic evidence, and;
- the Implementation Contractor is contemporaneously informed, via email, of the delay.

Performance Evaluation

General Contractors will be subject to a Program Performance Evaluation by the IC 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 IC 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.

Housing Quality Standards

The goal of the SCOR 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 must meet, but in general, will not exceed HQS.

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

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

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.
- 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 impact 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 working 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 working 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.

CHANGE ORDERS (AS NEEDED)

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 rehabilitations necessary to achieve SCOR Housing Quality Standards, the change order will be approved by the IC Construction Manager. The change order may need the approval of SCOR. 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 IC Construction Manager.

Procedures:

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

FINAL INSPECTION AND KEY TURNOVER

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 System of Record. 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 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 System of Record. 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 System of Record.

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

The general contractor will conduct the key turnover to the applicant/owner authorizing the applicant/owner to rent the home. The key turnover is not complete until the applicant/owner has received a magnet identifying the warranty phone number expiration date, and the hand delivered warranty package.

WARRANTY

All communications pertaining to warranty issues or construction complaints will be received by the SCOR Disaster Recovery Warranty Team. The Warranty Manager or Warranty Specialist will document the warranty claim in the System of Record within one (1) day of receiving the issue. General contractors are responsible for any costs incurred for warranty issue corrections.

Procedures:

- The Warranty Team will receive and document construction complaint calls as a warranty claim.
- The call will be logged in the appropriate case file in the System of Record within one (1) business day of receiving the initial call.
- The System of Record will send an automated message that a warranty claim has been logged to the SCOR Compliance Team, the appropriate GC, and the IC.
- The IC and the GC must acknowledge the warranty claim in the System of Record.
- The GC must verify the warranty claim's validity and report valid or invalid line items to the IC and SCOR Compliance Team.
- Should the GC deem any warranty claim invalid, the SCOR Compliance 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 two (2) business days to confirm the issues and schedule corrective actions if necessary. The call must be documented in the System of Record.
- The GC will correct the issue within seven (7) business days of the initial call and document the completion in the System of Record.
- The applicant/owner will sign that the warranty repair work was completed to satisfaction. A Warranty Resolution Report will be uploaded to the System of Record.
- After corrective actions are completed, and if the applicant/owner refuses to sign the Warranty Resolution Report, the GC and a member of the SCOR Compliance Team will complete a joint inspection, as needed.

If the GC, IC, and SCOR Compliance Monitor believes that the issue has been addressed, but the citizen has further concerns, the IC should forward the issue to the Disaster Recovery Director or SCOR DR Program Manager for adjudication.

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

The IC shall provide a report to the SCOR 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.

FILE CLOSEOUT

All cases for the Affordable Rental Housing Rehabilitation Program must be properly closed after the completion of the five-year affordability period.

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

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

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 System of Record. The case file will be locked into a “read- only” status.

Procedures:

- After a home has passed the final inspection and the mandatory five-year affordability period has expired, the IC will review the case to ensure compliance with the Activity File Documentation Checklist.
- The IC will notify the SCOR Closeout Manager. The Closeout Manager will then review the case to ensure compliance with the SCOR 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
Invoices paid			Finance
Open Audit issues			Audit

- The Closeout Manager will verify that a copy of the lien has been uploaded to the System of Record. If not, the Closeout Manager will notify the appropriate department that the lien or title must be filed and documented in the System of Record in order to proceed with closeout functions.
- The Closeout Manager 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 Closeout Manager
- 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 Closeout Manager will work with the appropriate department and IC to resolve the issue(s).
- Once all issues have been resolved, the Closeout Manager will generate a Memo, certifying that the case is closed. Each Memo is signed by the Environmental Certifying Officer and the SCOR Disaster Recovery Director.
- After the Memo has been signed, it is uploaded to the System of Record.
- The file is then locked by Closeout Manager and put into a “read-only” status in the System of Record. If the lien has not been filed, the case file will not be locked until the lien is uploaded.

OTHER PROGRAM TWO POLICIES AND PROCEDURES

Quality Control Inspections

Inspections for the purpose of quality control will be performed for each site by the IC Construction Manager and SCOR Compliance Team 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 System of Record.

Applicant/owners on Property During Construction

Due to potential hazards of a rehabilitation jobsite, applicants/owners are not allowed to remain on the property during the construction or rehabilitation phase unless coordinated with the GC.

Uncooperative Applicants

If an applicant/owner creates conditions that impede the contractors’ ability to accomplish the necessary scope of work, then the GC will present the applicant/owner with an “Uncooperative Citizen Process” letter. This letter will outline the issue at hand and caution the applicant/owner that they

agreed to allow the contractor unencumbered access to their home in order to complete the work necessary.

If the applicant/owner remains obstinate and disruptive after receiving this letter, the GC or IC will notify the SCOR Disaster Recovery Director. The SCOR Disaster Recovery Director 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 compliance monitoring staff.

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

HOUSING PROGRAM NUMBER THREE: VOLUNTARY BUYOUTS

The Voluntary Buyouts Program supports hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain or DRRA, thus eliminating vulnerability to future flooding situations. The program is designed to purchase and acquire the properties of South Carolina citizens who live in a floodplain or DRRA located in one of the six (6) HUD MID counties: Aiken, Anderson, Greenville, Greenwood, Laurens, and Spartanburg. The Voluntary Buyout Program serves multiple purposes and provides a resiliency option versus rebuilding in the flood plain. Voluntary Buyouts prevent repetitive loss and extreme risk to human health and safety. Additionally, Voluntary 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. SCOR will not own any property – all properties will be owned by an entity responsible for the property's maintenance. All voluntary buyout properties will have a deed restriction, preventing future development. Voluntary Buyouts are subject to a \$350,000 cap, including any incentives.

The Voluntary Buyouts Program is committed to serving vulnerable populations first which fully supports SCOR's mission in prioritizing applications. The application process will require disability verification, age verification, household member confirmation, and supporting income documentation. Once provided, the Program 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.

The objectives of the Voluntary Buyouts 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.

Once Intake, Eligibility, Prioritization, DOB Review, and Damage Assessment (if required) are complete, and the Applicant is eligible, the project type is determined. If then the home is in a floodplain or DRRA and Project Type is determined to be a candidate a Voluntary Buyout, via a completed R3VA, the IC will refer the project to SCOR and it will be moved to the Voluntary Buyouts Program. At that point, the Implementation Contractor will no longer be involved in the process.

SCOR will use Benefit to Low to Moderate Persons (LMI) as the national objective in order to extend a buyout award to acquire residential properties owned by qualifying LMI households, who applied for assistance through SCOR's Single-Family Home Rehabilitation, Replacement, and Reconstruction Program.

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

The Voluntary Buyouts 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.

Deed Restriction or Restrictive Covenant

Properties acquired through the Voluntary Buyouts 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 Voluntary Buyouts 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 Voluntary Buyouts 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.

PROCEDURES

Once in the Voluntary Buyouts Program, the project will move through the following steps:

1. Voluntary Buyout Referral
2. Identification of Entity Responsible for Acquiring the Property
3. Appraisal
4. Offer
5. Closing
6. Construction (Demolition and Seeding)
7. Final Inspection
8. File Closeout

VOLUNTARY BUYOUT REFERRAL

The IC will refer eligible applicants to SCOR's Mitigation Buyout team once a property is determined to exist in a floodplain or DRRRA. SCOR will contact the homeowner to enquire if they are interested in the Voluntary Buyout of their disaster damaged home. Should the homeowner be interested, SCOR will engage a firm to conduct a Tier II Environmental Review. SCOR will engage a firm to conduct an appraisal of the home to determine its pre-disaster fair market value. Should a homeowner not be interested in the Voluntary Buyouts Program, they may still be eligible to participate in the Single-family Home Rehabilitation, Replacement, and Reconstruction Program.

IDENTIFICATION OF ENTITY RESPONSIBLE FOR ACQUIRING THE PROPERTY

SCOR does not own property under any circumstances. An entity must be identified to own and maintain the Voluntary Buyout property. SCOR will conduct outreach to determine the responsible entity.

Steps to identifying a responsible entity:

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 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 Voluntary Buyouts Program and will be referred to the Single-family Home Rehabilitation, Replacement, and Reconstruction Program.

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.

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 SCOR, 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.

OFFER

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

Eligible costs included in the voluntary buyout maximum assistance amount are:

- Voluntary buyout purchase price;
- Moving incentive up to \$5,000; and
- LMI incentive up to \$25,000.

Voluntary Buyout Award Determination

SCOR 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 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 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 Voluntary Buyouts 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 reserves the right to review each applicant with negative equity on their mortgage on a case-by-case basis.

Applicants with Reverse Mortgage

The Voluntary Buyouts 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 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 Voluntary Buyouts Program only if the property owner converts the contract to full ownership. SCOR 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 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 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:
5. 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 or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.”***

The applicant will enter into an agreement with SCOR and the entity acquiring the land to confirm that they will participate in the Voluntary Buyouts 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.

CLOSING

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.

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 seven (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 Voluntary Buyouts Program.

Property After Closing

The SCOR 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.

Ownership After Buyout Complete

Under no circumstance will SCOR acquire properties that were bought out through the Voluntary Buyouts 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.

CONSTRUCTION (DEMOLITION AND SEEDING)

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 by a qualified, procured contractor. Photo evidence of demolition must be documented to the System of Record.

After demolition, lots will be seeded with grass seed to prevent erosion.

Pre-Demolition

Detailed photographs of the site must be uploaded into the System of Record 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 DES regulations for demolition involving such materials. All demolition permits must be obtained, as needed.

Notice of Demolition

SCOR 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 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 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.

Documentation

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 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 System of Record. 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.

FINAL INSPECTION

After demolition and seeding, a final inspection must be conducted to ensure that all non-permeable structures have been removed from the property and that grass has germinated. Future maintenance of the property is the sole responsibility of the responsible entity or its designee.

FILE CLOSEOUT

All cases for the Single-Family Home Rehabilitation, Replacement, and Reconstruction and Affordable Rental Housing Programs must be properly closed after the completion of the mandatory one-year warranty period. All cases for the Voluntary Buyouts Program must be closed 90 days after demolition is complete.

Prior to the closeout of completed cases, the IC and SCOR 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 System of Record. 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 Closeout Manager. The Closeout Manager will then review the case to ensure compliance with the SCOR Case Closure Checklist, shown below.

Areas of Interest	Yes	No	Responsible Review Party
Invoicing Review Complete			Closeout Manager
Open warranty issues			Closeout Manager
Open DOB issues			Closeout Manager

Open monitoring issues			Closeout Manager
Open constituent services issues			Constituent Services
Open environmental and legal issues			Legal Team
Invoice paid			Finance Team
Open Audit issues			Audit Team

- The Closeout Manager will verify that a copy of the lien or MHU title has been uploaded to the System of Record. If not, the Closeout Manager will notify the appropriate department that the lien or title must be filed and documented in the System of Record in order to proceed with closeout functions.
- The Closeout Manager 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 Closeout Manager.
- 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 Closeout Manager will work with the appropriate department and IC to resolve the issue(s).
- Once all issues have been resolved, the Closeout Manager generates a Memo, certifying that the case is closed. Each Memo is signed by the Environmental Certifying Officer and the SCOR Disaster Recovery Director.
- After the Memo has been signed, it is uploaded to the System of Record.
- The file is then locked by Closeout Manager and put into a “read-only” status in the System of Record. If the lien has not been filed, the case file will not be locked until the lien is uploaded.

OTHER PROGRAM THREE POLICIES AND PROCEDURES

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 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 voluntary 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 System of Record, the Contract of Sale will expire. The applicant may appeal the decision to reopen their case.

MITIGATION SET-ASIDE PROGRAMS (SECTION UNDER CONSTRUCTION)

MIT SET-ASIDE PROGRAMS OVERVIEW

POLICES AND PROCEDURES COMMON TO ALL MIT SET-ASIDE PROGRAMS

MIT SET-ASIDE PROGRAM NUMBER ONE: INFRASTRUCTURE

MIT SET-ASIDE PROGRAM NUMBER TWO: VOLUNTARY BUYOUTS

MIT SET-ASIDE PROGRAM NUMBER THREE: MATCH

MIT SET-ASIDE PROGRAM NUMBER FOUR: PLANS AND STUDIES

APPENDIX A: HR-209 – CODE OF CONDUCT



HR-209 – CODE OF CONDUCT

Effective 07/2024

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY. THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS. THE AGENCY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.

REQUIRED ACTION:

- Employees are responsible for reading and following this policy.
- Supervisors are required to have every employee read and acknowledge this policy.

DEFINITIONS:

Family member: For purposes of Rule 2, a *"family member"* includes a spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and an individual claimed by you as a dependent for income tax purposes.

Individual with whom you are associated: For purposes of Rule 2, a *"individual with whom you are associated"* means an individual with whom you or a member of your immediate family mutually has an interest in any business of which you or a member of your immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth \$100,000 or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Business with which you are associated: For purposes of Rule 2, a *"business with which you are associated"* means a business of which you or a member of your immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth \$100,000 or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Official Function:

For purposes of Rule 2, "*official function*" means writing or preparing the contract specifications, acceptance of bids, award of the contract, or other action on the preparation or award of the contract.

GUIDELINES:

South Carolinians deserve good government, which includes, in part, citizens having the highest degree of confidence in the conduct of state officials and employees. Citizens depend on state officials and employees to make lawful, ethical decisions and expect them to serve the interests of the people, not their own, which is demonstrated by remaining free from favoritism, undue influence, and all forms of impropriety, real or perceived.

All state officials and employees are bound by the State Ethics Act ("Ethics Act"). In addition, this Code of Conduct ("Code") is intended to provide clear guidance, setting forth stringent and uniform standards of official conduct. Much of this Code merely restates in simple terms the rules that currently exist in the Ethics Act. All South Carolina Office of Resilience (SCOR) employees are bound by this code and continue to be bound by all federal and state laws, including the Ethics Act.

SCOR has appointed a primary and secondary Ethics Officer who will be responsible for assisting employees with questions concerning ethical conduct. In all cases of uncertainty, employees must seek guidance from the Ethics Officer.

I. General Policy

Five ethical principles are central to all of the rules contained in the Code:

- A. Honesty - Employees should be truthful and sincere in all interactions with the public and with each other.
- B. Fairness - Employees should seek to make impartial, just, and equitable decisions.
- C. Integrity - Employees should always act in a manner that instills public confidence and should avoid participating in any matter where a real or perceived conflict of interest exists.
- D. Respect- Employees should demonstrate respect to others at all times.
- E. Loyalty - Employees should remain loyal to the State and the citizens they serve and should not engage in any conduct that calls into question this loyalty.

Employees should be guided, first and foremost, by these ethical principles while performing their individual job duties and responsibilities. The following more specific rules are intended to be an application of these principles.

II. Eight Standards of Conduct

- A. Gifts and Other Things of Value

SCOR employees work hard, and it is understandable that citizens and businesses may want to show gratitude for quality customer service, a good working relationship, or a job well done by providing them with a gift.

Acceptance of these gifts by state employees, however, has the potential to create real or perceived favoritism toward particular customers, vendors, or businesses, undue influence, or a real or perceived conflict of interest. Thus, the best practice is to avoid this situation.

Rule 1 - *Except as provided below, you may not accept a gift or anything of value for yourself from a person or entity given as a result of your employment with the State.*

Clarifications:

Gifts given because of a relationship that existed before your employment with the State or for reasons other than your employment with the State are not prohibited. Gifts given by your employer and co-workers are not prohibited.

Promotional, informational, or educational items, such as calendars, pamphlets, or pens, given to you as a result of your state employment with a value of less than \$10 are not prohibited by this rule. These items, however, shall at no time be prominently displayed in the agency to create an appearance of favoritism or endorsement of a particular product, vendor, or business.

Acceptance of a personalized trophy or plaque with a value of less than \$150 is not prohibited by this rule.

Items given to an employee, department, or agency, not otherwise excluded from this rule, not easily returned may be donated to a charity or placed in a common area for the enjoyment of all agency employees. These items may not be retained for the benefit of any one employee or particular group of employees. Any items donated or retained by the agency for the benefit of all employees must be approved by the agency director, and the agency must retain a file documenting all of these items.

Employees may not receive compensation for speaking; however, they may accept a meal provided in conjunction with the speaking engagement where all participants are entitled to the

same meal. In addition, employees may accept or be reimbursed for actual and reasonable travel and lodging expenses related to the speaking engagement.

Gifts that include travel, lodging and/or meal expenses paid for on behalf of an employee to participate in a work-related event, that could otherwise have been paid for by the agency employing the employee, is a gift to the agency, not the individual employee, and is not prohibited with the following two exceptions: (1) a state agency may never receive any gift from a lobbyist; and (2) a state agency may receive a gift from a lobbyist principal up to the amounts prescribed by the State Ethics Commission.

B. Conflicts of Interest

SCOR employees have a duty of loyalty to the State as their employer. Certain dealings outside of work, both personal and financial, have the potential to create an actual or perceived conflict in fulfilling this duty to the State. Employees should avoid these situations by limiting certain dealings outside of their employment or removing themselves from particular matters.

Rule 2 - *You may not make, participate in, or influence a governmental decision in which you, a family member, an individual with whom you are associated, or a business with which you are associated has an economic interest. You may not have outside employment which creates a real or perceived conflict of interest or is incompatible with the duties and expectations of state employees. Outside employment must be approved in advance, in writing, by the agency director. An agency director must receive written approval from the Governor before engaging in outside employment. If the agency director seeks to be employed by another state agency or institution of higher education, he still must obtain the approvals as required by S.C. Code Ann. § 8-11-170. You may not have an economic interest in a contract with the State or its political subdivisions if you are authorized to perform an official function relating to the contract. Recusal: You must report, in writing, any actual or perceived conflicts to your agency's ethics officer, who will review and determine whether a conflict exists. If the ethics officer determines no conflict exists, he must document, in writing, the basis for the determination. If it is determined that a conflict exists, you must immediately remove yourself from the decision, vote, or process. The ethics officers must keep written documentation of all recusals.*

C. Financial Disclosures

Employees that affect the daily decisions of SCOR are more accountable through financial disclosure to the public.

The current law expressly requires the first and second levels of an agency to file a disclosure report, which includes the Chief Resilience Officer, the Chief of Staff, and Division/Department

Directors. Additional employees that serve in important decision-making positions may also be required to file a disclosure report. Forms must be filed by noon on March 30th of each calendar year unless otherwise notified.

Rule 3 - *State employees who are (1) agency heads; (2) chief, deputy, or assistant administrative officials or directors of a division, institution, facility, or department; (3) chief finance employees; and (4) chief purchasing employees are required by statute to annually file a Statement of Economic Interests with the State Ethics Commission pursuant to Section 8-13-1110 of the South Carolina Code of Laws.*

The Office of Resilience examine its organizational structure to determine if additional employees, because of their positions in the agency, should file a statement of Economic Interests. Employees will be notified, in writing, that they should file. Such employee, if not already required to file with the State Ethics Commission, must file a Statement of Economic Interests with the Office of Resilience.

D. Use of State Resources

State resources are limited, and the public must trust state officials and employees to be good stewards of these resources. The public should have confidence that state resources are being used for the benefit of all citizens, the owners of the property, and not as personal property of state employees.

Rule 4 - *You may only use state resources and/or property for conducting official business, except that incidental use of state property is permitted as long as it does not result in additional public expense. Incidental use is infrequent and minimal. You may never use state resources for private business and/or financial gain. You shall not permit others to access or use any assigned equipment, including state cars, laptops, cell phones, or other electronic devices, except as authorized by the agency. You may never use state personnel, equipment, materials, or facilities for political campaigns. Unless specifically required by the agency to perform a job function, you may not use social media, including but not limited to Facebook, Instagram, and Twitter, while on duty or through the use of state resources or equipment.*

E. Confidentiality

Many times, the State requires its citizens and businesses to file personal information. The State has a duty to protect this information. The public must be able to trust that employees with access to this information will protect its confidentiality and not use the information for personal or financial gain.

Rule 5 – *You must not disclose restricted or confidential information acquired through your employment to any unauthorized person or entity. SCOR will only provide to employee’s access to data required to perform their job duties and will regularly re-examine employee access levels to ensure that they remain aligned with job duties. You must only access, review, or examine data as necessary to perform your job function and not for any unlawful or improper purpose, including personal curiosity. You must only use information gained through your employment in furtherance of official business. You must protect the integrity of agency data and strive to diligently protect all restricted and confidential information from unauthorized disclosure. SCOR will designate in writing, information that is deemed restricted or confidential for purposes of this rule.*

F. Nondiscriminatory Work Environment

Rule 6 - *You must promote a nondiscriminatory work environment that provides equal employment opportunities to all employees and applicants without regard to race, color, religion, sex, gender, genetic information, national origin, age, veteran status, disability, or any other status protected by federal or state law.*

Post Employment Restrictions

Employees gain many valuable skills and connections while employed by SCOR. It is understandable that you may one day want to use these skills and connections outside of state employment. Citizens must have confidence, however, that while employed with the State, employees are working solely for the benefit of the State and not to use their position to create opportunities for themselves upon their departure that could result in a conflict of interest. The following post-employment rules are found in current state law and are not intended to limit employment opportunities of state employees; instead, it prohibits individuals from engaging in certain activities on behalf of persons or entities with state government.

Rule 7 - *For one year following your departure from state government, you may not represent another person or entity before your former agency in a matter you directly and substantially participated in during employment. [Section 8-13-755] You may not participate directly in the procurement of a contract and then depart the state agency and accept employment with a person contracting with the governmental body if the contracts fall or would fall under your official responsibilities. [Section 8-13-760].*

G. Reporting Requirements and Whistleblower Protections

At times, employees are aware that others are committing wrongdoing within an agency but for various reasons may have chosen not to report the misconduct. This may create the perception that this type of behavior is condoned by the agency. Citizens must be able to trust that state employees are doing all they can to prevent wrongdoing and at all times are protecting the interests and property of the State.

Rule 8 – *You must report an intentional violation of this Code of Conduct or any federal or state law or regulation by any agency employee, whether temporary or full-time, including a co-worker, subordinate, supervisor, senior manager, or any other employee. You must report any action by the SCOR that results in substantial abuse, misuse, destruction, or loss of substantial public funds or resources.*

Reporting Requirements:

SCOR designates the following process for such reports to be made to the appropriate authority. Depending on the facts of each case, the appropriate authority may be the SCOR Ethics Officer, the CRO, the Chief of Staff, the State Ethics Commission, or the SC Inspector General. If you are uncertain who the appropriate authority is, contact the SCOR Ethics Officer.

These reports must be made verbally or in writing as soon as possible after the employee first learns of the wrongdoing but no later than 180 days of the date the reporting employee first learns of the wrongdoing. This report must include the date of disclosure, the name of the employee making the report, the nature of the wrongdoing, and the date or date range of when the conduct occurred. If the report is oral, the agency designee, SCOR employee, or other state official to whom the report is made must reduce the report to writing.

Good Faith Requirement:

All reports of wrongdoing must be made in good faith. An employee may be disciplined or terminated for making a report that he or she knows or reasonably should know is false.

Whistleblower Protections:

An employee who files a report within the specified time frame, to the appropriate authority, and in good faith is considered a whistleblower. Whistleblowers may not be demoted, lose compensation, or be dismissed or suspended from employment as a result of filing a report of wrongdoing. Nothing prevents an agency from disciplining or terminating a whistleblower for causes independent of the filing of a report of wrongdoing.

III. Code of Conduct Training

The Department of Administration's Division of State Human Resources has developed a web-based and/or video training on the requirements of this Code, including specific examples and hypothetical situations to provide concrete guidance to employees. Every employee must receive initial training on this Code and certify in writing their understanding of this Code. Thereafter, all employees must receive annual refresher training on the Code and re- certify their understanding. All new employees must receive training on the Code within one week of employment and certify their understanding of its requirements.

IV. Point of Contact for this policy: SCOR Ethics Officer

APPROVED BY:

Benjamin I. Duncan II

Chief Resilience Officer

South Carolina Office of Resilience

CONSTRUCTION CONTRACTOR / HOMEOWNER AGREEMENT

SOUTH CAROLINA OFFICE OF RESILIENCE

HURRICANE HELENE CDBG-DR HOUSING 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 of a new home, or the replacement of a home damaged by a federally 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: {Applicant First Name} {Applicant Last Name}

Phone Number(s): {Applicant Phone}

Email address: {Applicant Email}

Homeowner Activity Number: {Case ID}

Address of Property: {Property Street Address}, {Property City} {Property State}
{Property Zip}

Legal Description of Property: {Property Legal Description}

CONTRACTOR:

Name: {Contractor Name}

Address: {Contractor Address}, {Contractor City}, {Contractor State} {Contractor Zip}

Phone Number(s): {Contractor Phone}

Email address: {Contractor Email}

Work Order Number: {Case ID}

(1) PURPOSE OF AGREEMENT: The purpose of this agreement is to authorize Contractor to construct or replace 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 federally 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: The State of South Carolina established the South Carolina Office of Resilience (SCOR) to provide disaster relief assistance through its administrative authority over the Disaster Relief and Resilience Reserve Fund, as established by the South Carolina Disaster Relief and Resilience Act (S.C. Code of Laws §48-6-10, et seq.). In accordance with this Act, SCOR established the Hurricane Helene CDBG-DR Housing Program to provide single family housing reconstruction and replacement assistance as per S.C. Code of Laws §48-62-60. **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 or replacement of the home.

(3) CANCELANATION OF CONTRACT DUE TO LACK OF FUNDING: The funding for the disaster recovery program is limited. Homeowner hereby acknowledges that even though a Project is approved and Homeowner determined eligible, if the Hurricane Helene CDBG-DR Housing Program funding is exhausted, as determined by the SCOR, then this contract is void and the Project will not go forward.

(4) 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 SCOR 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 SCOR may add tasks to the SOW and only the SCOR has the authority to authorize Contractor to perform the additional tasks. The SOW is attached and incorporated into this Contract.

(5) 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 SCOR designated onsite representative, the Architect/Engineer (as needed), and any authorized inspectors, whether for the SCOR 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 SCOR.** 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 SCOR 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 SCOR and Homeowner when construction activities are completed.

(6) 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 SCOR 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 SCOR 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 SCOR of its dispute and specific facts supporting its dispute. The SCOR 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.

(7) 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, insects, bats, termites, or other infestations.

(8) 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.

(9) 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.

(10) SCOR PROGRAM LIEN: Even though no contractor, materialmen, or mechanics lien will be allowed per Paragraph (9) 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.

(11) 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 SCOR, to Homeowner at the Key Turnover outlining the steps necessary for Homeowner to report a warranty claim.

(12) ADDITIONAL WORK: Homeowner and Contractor agree that any repairs/rehabilitation or other 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.

(13) 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.

(14) 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. For any misrepresentation regarding contracting authority, homeowner shall indemnify and defend SCOR against those claims. 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 federally 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.

(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 or replaced 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 SCOR / 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, SCOR 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 state and federal disaster relief of any kind. Stated another way, state and/or 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 State or 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) 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.

(21) 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.

(22) 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:

{ Contractor Signature }

Print Name Below:

Print Name Below:

{ Contractor Contact Name } _____

Date of execution: _____

Date of execution: _____

INCORPORATED HEREIN FOR ALL PURPOSES IN ITS ENTIRETY:

THE SCOPE OF SERVICES THAT FOLLOWS THIS PAGE

STATE OF SOUTH CAROLINA PROMISSORY NOTE AND LIEN

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: { Document Date }

Borrower, Co-Borrower: { Applicant First Name } { Applicant Last Name } { Co-Applicant
Name? } { Co-Applicant First Name } { Co-Applicant Last Name }

Borrower's Mailing Address: { Mailing Street Address }, { Mailing City }, { Mailing State }
{ Mailing Zip }

Property: **MHU Serial Number:** { ReplacementMHUSerial }

With a property address of:

{ Property Street Address }, { Property City }, { Property State }
{ Property Zip }

Principal Amount: { Award Amount }

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 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 Office of Resilience, meet HUD national objectives as set forth under the state’s HUD-approved Action Plan by benefiting low and 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 and moderate income housing stock in impacted and distressed areas; and

Whereas, the undersigned, {Applicant First Name} {Applicant Last Name} {Co-Applicant Name?} {Co-Applicant First Name} {Co-Applicant Last Name} (herein referred to as the Homeowner) qualifies under the South Carolina Disaster Recovery Program for housing assistance for the property commonly known as {Property Street Address}, {Property City}, {Property State} {Property Zip} legally described as:

MHU Serial Number: {ReplacementMHUSerial}; and

Whereas, the total construction repair or replacement contract amount for the property listed above is {Construction Amount} and the Homeowner has placed into escrow {Applicant Provided Funds} to be used toward the Construction contract amount, leaving {Award Amount} 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 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 (the South Carolina Office of Resilience) 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 South Carolina Office of Resilience, the entire amount of the Forgivable Promissory Note will be forgiven.

The Forgivable Promissory Note is in the amount of {Award 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 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 (the South Carolina Office of Resilience), 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 (the South Carolina Office of Resilience) .

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 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 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 {Property County} County 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 Office of Resilience.

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:

{Co-Applicant Signature?}

Date:

Signature of Co-Homeowner

Date:

Signature of S.C. Office of Resilience or its
Designee (Witness)

Date:

Signature of S.C. Office of Resilience or its
Designee (Witness)

Date:

Signature of S.C. Office of Resilience or its
Designee (Witness)

Duplication of Benefits Analysis

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 are what the program is able to award. The DOB (if any) is calculated and documented below:

{Case ID}

{Applicant First Name} {Applicant Last Name}

{Property Street Address}, {Property City}, {Property State} {Property Zip}

South Carolina Office of Resilience

Assistance Type and Amount Verified/Documented:

FEMA: {DOBReceivedFEMA}

NFIP: {DOBReceivedNFIP}

SBA: {DOBReceivedSBA}

Private Insurance: {DOBReceivedInsurance}

Other: {DOBReceivedOther}

Expenditures from Previously Received Assistance:

Residence Repair: {DOBOffsetResidenceRepair}

Forced Mortgage: {DOBOffsetForcedMortgage}

Contractor Fraud: {DOBOffsetContractorFraud}

Legal Fees: {DOBOffsetLegalFees}

SBA declined: {DOBOffsetSBADeclined}

Temporary Living Expenses: {DOBOffsetTemporaryLivingExpenses}

Total DOB Gap: {DOBTTotal}

DOB Gap Reduction

Total Reductions to Bid Amount: {Construction Work Order Reduction Amount}

Applicant Provided Funding: {Applicant Provided Funds}

Total DOB Gap after Reductions: {Unfunded Gap Amount}

Award Amount

Construction Work Order Cost: {Construction Amount}

Total Cost of Construction: {Construction Amount}

Applicant Provided Funding: ({Applicant Provided Funds})

Award Amount: {Award Amount}

Hurricane Helene and Additional Duplication of Benefits Waiver

As required by the South Carolina Office of Resilience and in accordance with the Stafford Act, all program applicants must disclose any funding received for the purposes of disaster recovery to the South Carolina Office of Resilience. Please disclose any funding received related to Hurricane Helene and initial below.

Hurricane Helene FEMA Funds: _____

Hurricane Helene NFIP Funds: _____

Hurricane Helene SBA Funds: _____

Hurricane Helene Insurance Funds: _____

Other Hurricane Helene Funds: _____

Any Other Disaster Recovery Funds: _____

Under penalty of perjury, I affirm that the amounts listed above related to Hurricane Helene funding are accurate. Additionally, the duplication of benefits analysis included with this promissory note is true and accurate. I acknowledge and understand that I must notify the South Carolina Office of Resilience if I receive any funds for disaster recovery in the future and that these funds may be surrendered to the South Carolina Office of Resilience.

Applicant Signature

Date

Co-Applicant Signature Date

Sworn to before me this _____ day of _____, 20____.

Notary Public for South Carolina

Signature of Affiant

My Commission Expires: _____, 20____.

ACKNOWLEDGEMENT

State of South Carolina

County of {Property County}

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 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: _____



REVISIONS TO THE POLICY AND PROCEDURE MANUAL

Rev #	Date	Section	Revision/Addition/Deletion
	01/12/26		Original Posting
