

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: October 20, 2020

**Action Agenda
Item No.** 8-d

SUBJECT: North Carolina Housing Finance Agency (NCHFA) Urgent Repair Program (URP20) Award and Updates to ESFRLP20 Assistance Policy

DEPARTMENT: Department of Housing and
Community Development

ATTACHMENT(S):

Attachment 1: URP20 Assistance Policy
Attachment 2: ESFRLP20 Assistance Policy
Attachment 3: Orange County Procurement and
Disbursement Policy

INFORMATION CONTACT:

Emila Sutton, Director
Housing and Community Development
(919) 245-2490

PURPOSE:

1. To approve the 2020 Urgent Repair Program (URP20) Assistance Policy, updated 2020 Essential Single-Family Rehabilitation Loan Pool (ESFRLP20) Assistance Policy, and updated Orange County Procurement and Disbursement Policy for all housing rehab programs.
2. To authorize the County Manager to sign the Funding and Written Agreement for the URP20 award from the North Carolina Housing Finance Agency (NCHFA).

BACKGROUND: In May 2020, Orange County received a notice of award from NCHFA for the 2020 Urgent Repair Program (URP20). As an URP awardee, the County will receive \$80,000 for eligible repair projects.

Orange County's application for funding stated that match funds of \$40,000 will be available to assist with repair of eligible housing units. The Housing and Community Development Department will contribute this \$40,000 from its Local Urgent Repair account.

NCHFA requires recipients of URP20 awards to complete a packet of Post Approval Documentation, which includes documentation that an Assistance Policy and a Procurement and Disbursement Policy have been adopted. These policies describe how eligible applicants are selected for the program, and how the bid solicitation and payment processes for the rehabilitation work are conducted, respectively. The Procurement and Disbursement Policy will apply to all Orange County home rehab and repair programs. These two policies are attached for review and approval.

Once the Post Approval Documentation packet is reviewed and approved by NCHFA, Orange County must execute a Funding and Written Agreement with NCHFA.

Additionally, the Department has revised its Assistance Policy for ESFRLP20, which was signed by the Chair in June 2020, with updated staff contact information. This policy is also attached for review and approval.

FINANCIAL IMPACT: This \$80,000 award will increase funds available in Orange County for the repair of substandard housing. The \$40,000 matching funds are already in the Local Urgent Repair account.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goals are applicable to this agenda item:

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

The creation and preservation of affordable housing options helps to meet a basic need and advances economic self-sufficiency.

- **GOAL: CREATE A SAFE COMMUNITY**
The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

Affordable housing options allow individuals to reduce risks associated with being un-housed.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goals applicable to this agenda item.

RECOMMENDATION(S): The Manager recommends that the Board:

1. Adopt the URP20 Assistance Policy, revised ESFRLP20 Assistance Policy, and Orange County Procurement and Disbursement Policy, and authorize the Chair to sign the policies.
2. Authorize the County Manager to sign the URP20 Funding and Written Agreement, once received, and any renewals of the agreement.

ATTACHMENT 1

Orange County Assistance Policy
For the ~~2019~~ Cycle of the
~~NCHFA-Funded-Urgent Repair Program~~ 2020

What is the Urgent Repair Program? Orange County has been awarded \$80,000 by the North Carolina Housing Finance Agency (“NCHFA”) under the 20~~2019~~ cycle of the Urgent Repair Program (“URP~~2019~~”). This program provides funds to assist very low and low-income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modifications and other repairs necessary to prevent displacement of very low and low-income homeowners with special needs such as the frail, elderly and persons with disabilities. A total of (12) households will be assisted under Orange County’s URP~~2019~~ Program.

This Assistance Policy describes who is eligible to apply for assistance under URP~~2019~~, how applications for assistance will be rated and ranked, what the form of assistance is and how the repair/modification process will be managed. Orange County designed this URP~~2019~~ project to be fair, open and consistent with the County’s approved application for funding and with NCHFA’s URP Program Guidelines.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund. Additional funds for construction costs are provided by Orange County in the amount of \$40,000.

EMERGENCY and HEALTH Notifications: Due to the current COVID-19 pandemic, increased awareness of the need to protect Orange County representatives and the homeowners they service from various health-related exposures has become more apparent than ever. Homeowners participating in URP must agree to follow all local, state, and federal guidelines for emergency preparedness surrounding the COVID-19 pandemic and any other emergency declared that includes their property address for the duration of construction on the property.

Who is eligible to apply? : To be eligible for assistance under URP~~2019~~ applicants must meet the following requirements:

- Reside within the county limits of Orange County and own and occupy the home in need of repair
- Have a household income which does not exceed 50% of the County median income for the household size (see income limits below);
- Have a special need (i.e. be \geq 62 years old, handicapped or disabled, a single parent with a dependent child living at home, a Veteran, a large family with \geq 5 or more household members or a household with a child below the age of six with **an elevated blood lead-lead hazards in the home level (between 10g/dl and 20g/dl)**);
- Have urgent repair needs which cannot be met through other state- or federally-funded housing assistance programs.

URP~~2019~~ Income Limits* for Orange County

Number in Household	30% of Median (very-low income)	50% of Median (low income)
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1	\$19,100 \$17,850	\$31,850 \$29,700
2	\$21,800 \$20,400	\$36,400 \$33,950
3	\$24,550 \$22,950	\$40,950 \$38,200
4	\$27,250 \$25,450	\$45,450 \$42,400
5	\$29,450 \$27,500	\$49,100 \$45,800
6	\$31,650 \$29,550	\$52,750 \$49,200
7	\$33,800 \$31,600	\$56,400 \$52,600
8	\$36,000 \$33,600	\$60,000 \$56,000

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

Outreach Efforts of the Urgent Repair Program Orange County will advertise or publish an article about the Urgent Repair Program in local English-speaking and Spanish-speaking newspapers serving the County (such as *The Daily Tar Heel*, *The News of Orange* and *La Noticia*) at senior centers throughout the County, with the County's partner agencies, and provide printed information about the program at the Passmore and Seymour Senior Centers; Cedar Grove, Rogers Road and the Efland Cheeks Community Centers; Orange County Home Preservation Coalition; Orange County Affordable Housing Coalition; Carrboro Town Hall, Chapel Hill Town Hall, Orange County DSS Office and on the County's website.

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

Priority Ranking System for Orange County's URP~~2019~~

<i>Special Needs (for definitions, see below)</i>	<i>Points</i>
Disabled, Elderly or Veteran Head of Household (62 or older)	4
Disabled, Elderly or Veteran Household Member (not Head of Household)	3
Single-Parent Household (with one or more minor children in the home)	3
Emergency (may submit without regard to application deadlines)	2 3
Large Family (5 or more permanent family members)	2
<u>Elevated Blood Lead Level Child</u> Child under six years of age with lead hazards in the home	2
<i>Income (See Income Table above)</i>	<i>Points</i>
Less than 30% of County Area Median Income	10
30% to 50% of County Area Median Income	5

Under NCHFA Program Guidelines, a minimum of 50% of households assisted must have incomes which are less than 30% of the area median income for the household size, and no household with an income exceeding 50% of the area median income will be eligible. This guideline will be adhered to strictly and will be the primary factor in the selection of those households to be assisted under URP~~2019~~.

Recipients of assistance under the URP~~2019~~ will be chosen by the above criteria without regard to race, color, religion, national origin, sex, familial status and disability. Note that in the likely case of

~~applicants receiving identical scores, the application with the earlier submission date will be considered first.~~

The definitions of special needs populations under URP2019 are:

- *Elderly*: An individual age 62 or older.
- *Emergency*: A situation in which a household member has an immediate threat of being evicted or removed from a home due to health or safety issues within a time frame that the program can complete a repair to stop eviction or removal. These applications will be received at any time during the funding cycle and evaluated on the ability of the program to complete the work in a timely manner that meets the goal of assisting homeowners to remain in their home.
- *Disabled*: A person who has a physical, mental or developmental disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment.
- *Large Family*: A large family household is composed of five or more individuals; at least four are immediate family members.
- *Head of Household*: The person or persons who own(s) the house.
- *Household Member*: Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- *Occupant*: An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of occupancy); or non-immediate family member who has resided in the dwelling at least three (3) months prior to the submission of the family's application.
- *Single-Parent Household*: A household in which one and only one adult resides with one or more dependent children.
- *Veteran*: A person who served in the active military, naval or air service, and who was discharged or released therefrom under conditions other than dishonorable.
- *Child with ~~elevated blood lead level~~ lead hazards in the home*: a child ~~younger than~~ below the age of six (6) living in the applicant house which contains lead hazards ~~with an elevated blood lead level between 10µg/dl and 20µg/dl.~~

Client referral and support services: Many homeowners assisted through the Urgent Repair Program may also need other services. When the Urgent Repair Program staff meet the homeowner during the work write-up, they will discuss the resources and programs available in Orange County and provide pamphlets and a list of the agencies with contact information. With the homeowner's permission, a case file will be created and a staff person will follow up with the homeowner concerning the available services in the referral network. ~~any referrals to other agencies will be included in the Housing Case File.~~

What is the form of assistance Under URP2019? The County will provide assistance to homeowners, whose homes are selected for repair/modification in the form of a loan. Homeowners will receive an unsecured deferred, interest-free loan, forgiven at a rate of \$2,000 per year until the principal balance is reduced to zero.

What is the amount of the loan? The amount of the loan will depend on the scope of work necessary to address the identified imminent threats to life and/or safety and that will be determined by the County's rehabilitation specialist. There is no minimum to the amount of the loan; however, the maximum life-time limit according to the guidelines of URP~~2019~~ is \$10,000.

What kinds of work will be done? Only repairs that address imminent threats to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed under the County's URP. Please understand that all deficiencies in a home will likely not be able to be repaired with the available funds.

All work that is completed under URP~~2019~~ must meet or exceed the NC Residential Building Code.

Who will do the work on the homes? The County is obligated under URP~~2019~~ to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet those very difficult requirements, the County will invite bids only from contractors who are part of an "approved contractors' registry". Please request a copy of the County's Procurement and Disbursement Policy for further information.

(Homeowners who know of quality rehabilitation contractors that are not on the County's Contractor Registry are welcome to invite them to apply.)

A minimum of three approved contractors will be invited to bid on each job and the lowest responsive and responsible bidder will be selected for the contract. "Responsive and responsible" is described in the Procurement and Disbursement Policy.

What are the steps in the process, from application to completion? Now that you have the information about how to qualify for the Orange County URP~~2019~~, what work can be done and who will do it, let's go through all the major steps in the process:

1. **Completing an Application Form:** ~~Homeowners who wish to apply for assistance may apply by completing an application form, available at <http://orangecountync.gov/2211/Home-Repair-Programs> or by contacting Erika Brown at (919) 558-2700 or ebrown@tcog.org. Applications will be accepted on a rolling basis beginning October 21, 2020 until all funds are committed. Proof of ownership and income will be required. Applications are available on the Orange County Website or at other locations as described in Section on Outreach Efforts above or by contacting Diane Beecham, Community Development Specialist at 919-245-4358 or dbeechem@orangecountync.gov.~~ Proof of ownership and income will be required. Those who have applied for housing assistance from the County in the past will not automatically be reconsidered. A new application will need to be submitted.
2. **Preliminary Inspection:** The County's Rehabilitation Specialist will visit the homes of potential loan recipients to determine the need and feasibility of repairs/modifications. The Rehabilitation Specialist will also make a second visit to the home in order to do a more thorough inspection. See Item 5 below.

3. Screening of Applicants: Applications will be rated and ranked by the County based on the priority system outlined on page 2. The first round of households to be assisted will be selected by November 30, 2020. Household income will be verified for program purposes only (information will be kept confidential). Ownership of property will be verified along with other rating factors. From this review, the twelve (12) most qualified applicants will be chosen according to the priority system described above. There will also be a list of alternates in the order of qualification. If fewer than twelve (12) applications are received by November 30, or if funds remain to assist more than twelve (12) units, applications will continue to be accepted on a rolling basis until all funds are committed. Applicants not receiving notification by November 30, 2020 that they were chosen may contact Erika Brown at (919) 558-2700 to confirm the disposition of the application.~~Orange County will accept applications throughout the program grant period based on the availability of funds. Eligible households with emergency situations will be given priority over other applicants. After advertising for a 15-day period, the first rating and ranking of applicants will take place on October 14, 2019. The 2nd 15-day advertising period will be scheduled for January 2020. However, if the first advertisement and number of persons coming from the County's Local Urgent Repair Applicant List yields at least twelve (12) eligible applicants and units to be addressed, no further advertisement will occur.~~

4. Applicant interviews: Approved applicants will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with their project at this informational interview.

5. Work write-Up: The County's Rehabilitation Specialists will visit the home again for a more thorough inspection. All parts of the home must be made accessible for this inspection, including the attic and crawlspace, if any. The homeowner should report any known problems such as electrical short circuits, blinking lights, roof leaks, etc. The Rehabilitation Specialist will prepare a complete and detailed set of work specifications ("work write-up"). A final, confidential cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bidding is completed.

~~If the needed repairs require that household furniture and other goods be stored, the Orange County URP19 Program may provide an onsite storage pod. However, the contractor will only be required to move furniture to the storage pod. The moving of any other household goods into the onsite storage will be the responsibility of the homeowner.~~

6. Formal agreement: After approval of the work write-up, the homeowner will sign a formal agreement that will explain and govern the repair/modification process and an explanation of the Promissory Note, which is considered a forgivable loan. This agreement will define the roles of the parties involved throughout the process.

7. Bidding: The work write-up and bid documents will be sent to a minimum of three contractors on the Approved Contractors' Registry who will be given one week in which to inspect the property and prepare bid proposals. The names of the invited contractors will be supplied to the

homeowner. Each will need access to those areas of the house in which work is to be performed in order to prepare a bid. A bid opening will be conducted at the Orange County Housing and Community Development Department at a specified date and time, with all bidders and the homeowner invited to attend.

8. **Contractor Selection:** Within 24 hours of the bid opening and after review of bid breakdowns and timing factors, the winning bidder will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the County's cost estimate, (4) any support or contingency costs that will be included in the loan amount and (5) if other than the lowest bidder is selected, the specific reasons for the selection.
9. **Execution of loan and contract Documents:** The loan will be executed, as well as the repair/modification contract prior to work beginning on the project. This contract will be between the contractor and homeowner, with the County as an interested third party. The cost of the actual work and project-related support costs up to the maximum amount of \$1,000 will be included in the loan document.
10. **Pre-construction conference:** A pre-construction meeting will be held at the home. At this time, the homeowner, contractor and program representatives will be present and discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours, storage of household furniture, if applicable and the disposition of items to be removed from the home (such as old plumbing, etc.). If the contract has been executed, the County will issue a "proceed order" formally instructing the contractor to commence by the agreed upon-date within 24 hours of the pre-construction meeting.
11. **Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. County Code Enforcement Officers, as applicable, will inspect new work for compliance with the State Building Code as required by the guidelines of URP 2019. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.
12. **Change Orders:** All changes to the scope of work must be reduced to writing as a contract amendment ("change order") and approved by all parties to the contract: the owner, the contractor and two representatives of Orange County. If the changes require an increase in the loan amount, a loan modification stating these changes in the contract amount must be completed by the County and executed by the owner. If the changes result in a decrease in the loan amount, an estoppel informing the homeowner of these changes in the contract amount will be completed by the County and conveyed to the Homeowner.

13. Payments to the contractor: The Contractor will be paid following inspection of and satisfactory completion of all items on the work write-up and change orders, if any, as outlined in the County's Procurement and Disbursement Policy.

14. Post-construction meeting: Following construction, the contractor and the Rehabilitation Specialist will sit down with the homeowner one last time. At this meeting, the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work and the loan.

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

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

- ~~First advertisement of Orange County URP19 and applications available to the public starting September 23, 2019.~~
- ~~First deadline for applications to be returned to Orange County is October 9, 2019~~
- ~~First rating and ranking of applications will take place on October 14, 2019.~~
- ~~2nd advertisement period begins January 13, 2020, if needed.~~
- ~~Second deadline for applications to be returned to Orange County is January 31, 2020, if needed.~~
- ~~Second rating and ranking of applications will take place on February 7, 2020, if needed.~~
- ~~All rehabilitation work must be under contract by October 15, 2020.~~
- ~~All rehabilitation work must be completed by December 31, 2020.~~
- Applications available to the public starting October 21, 2020.
- First round of households selected from applications on November 30, 2020.
- All rehabilitation work must be under contract by October 13, 2021.
- All rehabilitation work must be completed by December 31, 2021.

How do I request an application?

- Contact [Erika Brown](#)
:(919) 558-2700
ebrown@tcog.org
- OR download an application online: <http://orangecountync.gov/2211/Home-Repair-Programs>
- OR pick up an application at the Orange County Department of Housing and Community Development office at 300 W. Tryon Street, Hillsborough, NC 27278.

~~Diane Beecham, Community Development Specialist~~

~~Orange County Department of Housing and Community Development~~

~~P.O. Box 8181~~

~~300 W. Tryon Street~~

~~Hillsborough, NC 27278~~

~~(919) 245-4358~~

~~dbeechem@orangecountync.gov~~

~~Interested persons may also pick up an application at the Orange County Department of Social Services, Orange County Health Department, Orange County Department of Aging, Chapel Hill Town Hall, Carrboro Town Hall, Rogers Road Community Center, Cedar Grove Community Center and the Efland Checks Community Center. A copy of the application is also available on the County's Website.~~

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

During the application process:

If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact ~~Erika Brown~~~~the Community Development Specialist~~ within five (5) days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.

A written appeal must be made within ten (10) business days of the initial decision on an application.

Orange County will respond in writing to any complaints or appeals within 10 business days of receiving the written complaint and appeal.

During the repair/modification process:

If the homeowner feels that repairs or modifications are not being completed per the contract, he/she must inform the contractor and the Rehabilitation Specialist.

The Rehabilitation Specialist will inspect the work in question. If it is found that the work is not being completed according to contract, the Rehabilitation Specialist will review the contract and work write-up with the contractor, again and ask the contractor to remedy the problem.

If problems persist, a mediation conference between the homeowner and the contractor may be convened by the Rehabilitation Specialist and facilitated by the County's Housing and Community Development Director.

Should the mediation conference fail to resolve the dispute, the Director will render a written final decision.

If the Rehabilitation Specialist finds that the work is being completed according to the contract and work write-up, the complaint will be noted and the Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Rehabilitation Specialist's decision.

Will the personal information provided remain confidential? Yes. All information in applicant files will remain confidential. Access to the information will be provided only to County employees who are directly involved in the program, the North Carolina Housing Finance Agency and auditors.

What about conflicts of interest? No officer, employee or other public official of the County, or member of the Board of County Commissioners, or entity contracting with the County that exercises any functions or responsibilities with respect to URP~~2019~~ shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with program funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of County employees, Board of County Commissioners and others closely identified with the County may be approved for rehabilitation assistance only upon public disclosure before the County Commissioners and written permission from NCHFA.

What about Ffavoritism? All activities under URP~~2019~~, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability.

Who can I Ccontact about URP~~2019~~? Any questions regarding any part of this application or program should be addressed to:

~~Diane Beecham, Community Development Specialist
Orange County Department of Housing and Community Development
P.O. Box 8181/300 W. Tryon Street
Hillsborough, NC 27278
919-245-4358/dbeecham@orangecountync.gov~~

Erika Brown	David Saconn
(919) 558-2700	(919) 612-1527
ebrown@tjcog.org	dsaconn@orangecountync.gov

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

This Assistance Policy is adopted this _____ day of _____ 20__.

Board Chair

Witness



Orange County Assistance Policy Essential Single-Family Rehabilitation Loan Pool ~~2017~~2020

What is the Essential Single-Family Rehabilitation Loan Pool?

Orange County has been awarded Membership by the North Carolina Housing Finance Agency (“NCHFA”) under the ~~2017~~2020 cycle of the Essential Single-Family Rehabilitation Loan Pool (“ESFRLP~~1720~~”). This program provides Members with funds via a “loan pool” to assist with the rehabilitation of moderately deteriorated homes that are owned and occupied by lower-income, special need households. ESRLP20 assists eligible households by facilitating aging in place, meeting minimum housing code requirements, promoting long-term affordability, lowering operating costs, and stabilizing pre-1978 homes that include children aged six or under whose health is threatened by the presence of lead hazards.

Orange County has been allocated an initial set-aside of ~~\$175,000~~\$190,000 to be used for rehabilitation of five (5) homes in Orange County. After demonstrating successful use of this allocation, the County may access additional funds, when available, on a unit-by-unit basis from the ESFRLP loan pool to assist additional homes.

This Assistance Policy describes who is eligible for assistance under ESFRLP~~1720~~, how applications for assistance will be ranked, what the terms of assistance are, and how the rehabilitation process will be managed. Orange County has designed the ESFRLP~~1720~~ project to be fair, open and consistent with its approved application for funding and with ESFRLP~~1720~~ Program Guidelines.

The funds provided by NCHFA come from the U.S. Department of Housing and Urban Development (“HUD”) HOME Investment Partnerships Program (“HOME”) for construction-related costs (hard costs) and will be provided as no interest, no payment loans, forgiven at the rate of ~~\$3,000~~\$5,000 per year. Non-construction-related costs (soft costs including lead/asbestos inspections/clearances, radon testing and environmental reviews) will be provided in the form of a grant.

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

Who is eligible to apply?

To be eligible for ESFRLP~~1720~~ assistance, applicants must:

- Reside within the county limits of Orange County and own and occupy the home in need of rehabilitation
- Have a household income which does not exceed 80% of the County median income for the household size (see income limits below)
- Have a special need (i.e., be > 62 years old, handicapped or disabled, a single parent with a



dependent living at home, a Veteran, a large family with >5 household members or a household with a child below the age of six with lead hazards in the home)

- Have home rehabilitation needs do not exceed the ESFRLP Program limit of ~~\$25,000~~\$30,000 and must include all Essential Rehabilitation Criteria as described in the ESFRLP ~~1720~~ Administrator's Manual (available online at www.nchfa.com).

Unfortunately, not all homes can be rehabilitated to meet the Essential Rehabilitation Criteria with the limited funding available. Some otherwise-eligible households may be deemed ineligible for assistance because their homes fail this test.

ESFRLP ~~1720~~ Income Limits* for Orange County

Number in Household	80% of Median
1	\$39,600 -\$50,900
2	\$45,250 -\$58,200
3	\$50,900 -\$65,450
4	\$56,550 -\$72,700
5	\$61,100 -\$78,550
6	\$65,600 -\$84,350
7	\$70,150 -\$90,150
8	\$74,650 -\$96,000

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

What Types Of Houses Are Eligible?

Properties are eligible only if they meet all of the following requirements:

- The property must require at least \$5,000 of improvements to meet ESFRLP Property Standards or the local minimum housing code.
- Site-built and off frame modular units are eligible for assistance. Manufactured housing is eligible for assistance if the foundation and utility hookups are permanently affixed including removal of all transporting equipment (e.g., wheels, axles, tongue) and installation of a full masonry foundation and tie-downs.
- No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g., day care, hair salon, room rental, etc.). Program funds may only be used to improve the residential exterior, interior, and systems portion of mixed-use buildings.
- The property must be free of environmental hazards and other nuisances as defined by all



applicable codes or regulations, or any such hazards or nuisances must be corrected as part of the rehabilitation of the home. Orange County's Rehabilitation Specialist will determine the presence of any known environmental hazards/nuisances on the site and if they can be removed through rehabilitation.

- Properties cannot be located in the right-of-way of any impending or planned public improvements. Orange County staff will assist in making this determination.
- The property cannot be located on a site that is endangered by mudslides, landslides or other natural or environmental hazards. If needed, the Rehabilitation Specialist will work with the homeowner to make this determination.
- The property may be located in the 100-year flood plain if the lowest finished floor level (verified by an elevation certificate provided by the homeowner) is above the base flood elevation and the property will be covered by flood insurance. The property must be in compliance with Orange County's flood plain ordinance. All things considered equal, properties located outside the 100- year flood plain will be given priority over properties located in the 100-year flood plain. Orange County will verify whether the home is in the flood plain.
- The property cannot have been repaired or rehabilitated with public funding of \$30,000 or more within the past ten (10) years without NCHFA approval.

How are applications ranked?

There are many more ESFRLP-eligible households (with eligible houses) than can be assisted with the available funds. Therefore, Orange County has devised the following priority system to rank eligible applicants, determine which of them will be selected for assistance and in what order. Under this system, applicants will receive points for falling into certain categories. Applications will be ranked according to which receive the most points. If there are more eligible applicants with eligible houses than can be treated with existing funding, Orange County may be able to treat additional houses with unrestricted pool funds. Pool applicants will come from the original applicant list and be considered according to which received the most points. If alternate pool applicants are not identified on the original applicant list and must be solicited, the solicited, eligible, pool applicants will be selected on a first come, first to qualify basis.

Priority Ranking System for ESFRLP ~~1720~~

Emergency Need	Points
Threat of imminent eviction/removal; must meet Special Need(s) and income requirements; applications received at any time	8
Special needs (for definitions, see below)	Points
Household with a child under age 6 with lead hazards in the home	54
Household member who is elderly (62 or older)	4
Household member with a disability	24



Household member who is a Veteran	4
Multiple household members who are elderly, Veterans, or have a disability	4
Income (see income table above)	Points
Less than 30% of County Median Income	34
30% to 50% of County Median Income	4
50% to 80% of County Median Income	34

Definitions under ESFRLP are:

- *Elderly*: An individual aged 62 or older.
- *Person with a disability*: A person who has a physical, mental, or developmental disability that greatly limits one or more major life activities, has a document of such impairment, or is regarded as having such impairment.
- *Head of household*: The person or persons who own(s) the house.
- *Household member*. Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- *Occupant*: An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of household) who has resided in the dwelling unit for at least three (3) months prior to the submission of the family's application.
- *Veteran*: A person who is a military veteran, is defined as one who served in the active military, naval, or air service (i.e., Army, Navy, Air Force, Marine Corps, and Coast Guard; as a commissioned officer of the Public Health Service; or as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessors), and who was discharged or released there from under conditions other than dishonorable. Provide DD-214 form to demonstrate.
- *Emergency*: A situation in which a household member has an immediate threat of being evicted or removed from a home due to health or safety issues within a timeframe that the program can complete a repair to stop eviction or removal. These applications will be received at any time during the funding cycle and elevated based on the ability of the program to complete the work in a timely manner that meets the goal of assisting homeowners to remain in their home. This may be documented with a doctor's letter or eviction notice.

Recipients of assistance under ESFRLP will be chosen by the above criteria without regard to race, color,



religion, national origin, sex, familial status, and disability.

What are the terms of assistance under ESFRLP?

The form of ESFRLP assistance is a 0% interest, forgivable loan covering the hard costs associated with the rehabilitation of the home and a grant for the soft costs. These will be two separate documents or sets of documents.

The loan: NCHFA will create loan documents for the homeowner(s) including a Promissory Note and Deed of Trust covering hard costs for the rehabilitation in an amount not to exceed ~~\$25,000~~**\$30,000**. This loan covering the hard costs remains 0% interest and-forgivable at ~~\$3,000~~**\$5,000** per year for as long as the owner resides in the home or until the balance is reduced to \$0. The term of the loan is dependent upon the loan amount and the number of years it takes to bring the balance of the loan to \$0 when forgiven at ~~\$3,000~~**\$5,000** per year. For example, if the amount of the loan is \$21,452, then the term is ~~eight (8)~~ **five (5)** years: ~~\$21,000~~**\$20,000** forgiven over the first ~~seven (7)~~ **four (4)** years and \$452 forgiven at the end of the ~~8th~~**5th** year. The maximum term of the loan will be ~~nine (9)~~**six (6)** years.

As long as the borrower lives in the home, no payments on the loan will be required. If the recipient prefers, the loan can be paid off at any time to NCHFA, either in installments or as a lump sum payment. Furthermore, under certain circumstances NCHFA may allow assumption or refinancing of the loan. Should an heir inherit the property and choose to live in the house as their permanent residence, they may assume the loan without being income eligible. However, the lien remains on the property. A buyer who may wish to buy the property to live in may assume the loan so long as they can document that they are income-eligible (80% AMI). Default can occur if the property is sold or transferred to another person and/or if the borrower fails to use the home as a principal residence, without prior written approval of NCHFA.

The grant: To pay for soft costs including application outreach/intake/management, environmental reviews/inspections/testing and project assessment/documentation/ estimating/bidding, NCHFA will create a Grant Agreement not to exceed \$10,000. The grant has no repayment or recovery terms.

What kinds of work will be done?

Each house selected for assistance must be rehabilitated to meet ESFRLP Rehabilitation Criteria. That means every house must, upon completion of the rehabilitation:

- Meet the more stringent requirements of either NCHFA's Essential Property Standard or Orange County's Minimum Housing Code. These are so-called "habitability standards" that set minimum standards for decent, safe and sanitary living conditions. Additionally, the home must meet applicable Lead Based Paint regulations 24 CFR Part 35.
- Retain no "imminent threats" to the health and safety of the home's occupants or to the home's "structural integrity". An example of an imminent threat to occupants as well as to the home's structural integrity is an infestation of insects or a crawlspace that is too damp.

These requirements are spelled out in full in the ESFRLP Administrator's Manual which you may view, at reasonable times, upon request, at the Housing and Community Development office of Orange County or anytime online at www.nchfa.com



In addition to the above items that must be done to satisfy NCHFA requirements, the scope of work may include approved items meant to reduce future maintenance and operational costs or to further protect homes from natural disasters and/or home modifications designed to enable greater accessibility for household members to function more independently as they age.

Once the rehabilitation is complete, major systems in the home that, with reasonable maintenance and normal use, should be capable of lasting another five (5) years include: structural support, roofing, cladding and weatherproofing, plumbing, electrical and heating/cooling systems.

Of course, contractors performing work funded under ESFRLP are responsible for meeting all local requirements for permits and inspections. All work done under the program must be performed to meet NC State Residential Building Code standards. This does not mean, however, that the whole house must be brought up to current Building Code Standards. Upon the date of approval by Orange County of the contractor's request for final payment, a one-year warranty on all products and workmanship will begin.

What about Lead Based Paint?

Until it was discovered to be a health hazard, lead was used for centuries to make house paints. Now we know that lead exposure is a serious problem for everyone and especially small children. Selling lead paint was outlawed in 1978, but many older buildings still contain lead paint and children are still being poisoned.

Under ESFRLP, a lead hazard evaluation must be performed on every home selected for rehabilitation that was built before 1978. The specific type of evaluation and the appropriate lead hazard reduction work performed will depend on the total amount of Federal funds used to rehabilitate the home, as per 24 CFR Part 35. If required, lead-based paint hazard reduction and/or abatement will be performed by contractors who are trained and certified to perform such work.

It may be necessary for the household to relocate during the construction process for protection against lead poisoning. If relocation is required, it shall be the responsibility of the homeowner to pay for the relocation.

Who will do the work on the homes?

Orange County is obligated under ESFRLP to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process.

To meet these requirements, Orange County will invite bids only from licensed general contractors who are part of an "Approved Contractors Registry". For additional information about procurement and disbursement procedures, please refer to the Orange County ESFRLP20 Procurement and Disbursement Policy.

- All qualified members of the Contractors Registry will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract.
- All contractors working on pre-1978 units must be Renovate, Repair and Paint Rule (RR&P) Certified Renovators working for Certified Renovation firms.
- Homeowners who know of quality rehabilitation contractors that are not on the approved



contractors' registry are welcome to invite them to apply.

What are the steps in the process, from application to completion?

You now have information about how to apply for the Essential Single-Family Rehabilitation Loan Pool (ESFRLP) and what type of work can be done through the Program Let's go through the steps for getting the work done:

1. **Completing a pre-application form:** Homeowners who wish to apply for assistance must do so by ~~October 31, 2017~~ **December 31, 2020**. Apply ~~by contacting Renee D-Holmes, Housing Program Coordinator at (919) 245-2495~~, using the contact information at the end of this page or online at <http://orangecountync.gov/2211/Home-Repair-Programs>. Proof of ownership and income will be required. Those who have applied for housing assistance from Orange County in the past will not automatically be reconsidered and must complete a new pre-application form.
2. **Client referral and support services:** Many homeowners seeking assistance through the Essential Single-Family Rehabilitation Loan Pool may also need other services. If the ESFRLP staff meets the homeowner during the application process, they will provide pamphlets and a list of the agencies with contact information for the resources and programs available in the County. For households that meet the requirements of the pre-application step and qualify to receive assistance through the ESFRLP program, additional verbal discussion will be offered during the screening of applicants and/or pre-rehab inspection steps of the program. With the homeowner's permission, a case file will be created and a staff person will follow up with the homeowner concerning the available services in the referral network.
3. **Preliminary inspection:** Orange County's Rehabilitation Specialist will visit the homes of eligible households to determine the need and feasibility of the home for rehabilitation. Homeowners must inform staff of any known pest infestations prior to the visit.
4. **Screening of applicants:** Applications will be ranked by Orange County based on the priority system outlined on page 3 and the feasibility of rehabilitating the house. Households to be offered assistance will be selected by ~~November 30, 2017~~ **January 31, 2021**. Household income will be verified for program purposes only (information will be kept confidential). NCHFA will verify ownership of the property by conducting a title search. From this review, the five (5) most qualified applicants will be chosen according to the priority system described above; the remaining applicants will be placed on a list of alternates in the order that they qualified. Orange County will then submit to NCHFA an ESFRLP Loan Application and Reservation Request for each potential borrower for approval. Applicants not selected for ESFRLP assistance will be notified in writing.
5. **Written agreement:** A HOME Owner Written Agreement, between the homeowner and Orange County, will be executed as part of the Loan Application and Reservation Request procedure (that formally commits funds to a dwelling unit). This agreement will certify that the property is the principal residence of the owner, that the post-rehab value of the property will not exceed 95% of the 203(b) limits established by HUD and defines the ESFRLP maximum amount and form of assistance being provided to the homeowner, the scope of work to be performed, the date of completion and the rehabilitation criteria and standards to be met.



6. **Pre-rehab inspection and unit evaluation:** Orange County's Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks, etc. Each unit will be evaluated for energy saving opportunities such as air sealing and duct sealing as well as for environmental concerns, such as lead based paint hazards, radon and asbestos.
7. **Work write-up:** The Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up"). A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bids are received from contractors.
8. **Lead and other testing:** Orange County will arrange for a certified firm to inspect all the pre-1978 constructed homes for potential lead (required) and asbestos hazards (as deemed necessary by the Rehabilitation Specialist in all homes built during, before, and after 1978). All homes will be tested for radon. The owner will receive information covering the results of the tests and any corrective actions that will be needed as part of the rehabilitation.
9. **Bidding:** The work write-up and bid documents will be conveyed to all contractors from the Contractors Registry. Contractors will be given no less than seven (7) days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted at the Orange County Housing and Community Development Department office at a specified date and time, with all bidders invited to attend.
10. **Contractor selection:** Within 72 hours of the bid opening the winning bidders will be selected. All bidders and the homeowner will be notified in writing of 1) the selection of the winning bid, 2) the amount of the winning bid, 3) the amount of the County's cost estimate, and 4) the specific reasons for the selection, if other than the lowest bidder was selected.
11. **Loan closing and contract execution:** Loan documents (Promissory Note and Deed of Trust) will be prepared by NCHFA as the lender and executed by the homeowner. By law, homeowner's have the right to hire legal representation of their choosing at loan closing. If a homeowner does not have representation at the closing, the borrower must sign a NCHFA "Legal Advice Disclosure". Rehabilitation contract documents will be executed by the homeowner and contractor with Orange County signing on as an interested third party prior to the commencement of any construction. Orange County will facilitate with the loan closing and recordation of these documents and forward the recorded documents to NCHFA.
12. **Pre-construction conference:** A pre-construction conference will be held at the selected applicant's home. At this time, the homeowner, contractor and ESFRLP Orange County program representatives will discuss the details of the work to be completed Starting and ending dates will be finalized, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home. Orange County will issue a "proceed order" formally instructing the contractor to commence work by the agreed-upon date.
13. **Construction:** The contractor is responsible for obtaining and posting all permits for the project before beginning work. Orange County ESFRLP Program staff will closely monitor the contractor



during the construction period and local Code Enforcement Officials will inspect the work. To protect personal property the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as needed as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.

14. **Change Orders:** All changes to the scope of work must be approved by the owner, the contractor, the Orange County Rehabilitation Specialist, and reduced in writing as a contract amendment (“change order”). The owner, contractor and two Orange County personnel must execute any change order agreements to the construction contract.
15. **Progress payments:** The contractor is entitled to request up to three (3) partial payments and a final payment. When a payment is requested, the Rehabilitation Specialist will inspect the work within three (3) days.
16. **Closeout:** When the Rehabilitation Specialist and the homeowner are satisfied that the contract has been fulfilled, the homeowner, Project Administrator and Rehabilitation Specialist will sign off on the work. All material and workmanship will be guaranteed by the contractor for a period of one (1) year from the date of completion of the work as established by Orange County's approval date of the final pay requisition. Orange County will notify the homeowner in writing of this date.
17. **Post-construction conference:** Following construction, the contractor and the Rehabilitation Specialist will sit down with the homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for the new equipment, materials and appliances and discuss general maintenance of the home with the Homeowner. The homeowner will have the opportunity to ask any final questions about the work.
18. **Final loan amount determination:** If, upon completion of all rehabilitation work, the contract price has changed due to the effect of change orders and there is a need to modify the loan, NCHFA will prepare an estoppel for a loan reduction or modification agreement for loan increases as necessary at the time of closeout of the unit to modify the loan amount when there is a need for a change order involving a change in the original loan amount). The loan will remain the property of NCHFA, with original documents remaining there for storage and servicing. Please note that it is the responsibility of the owner to record an estoppel if they wish this to be reflected in the Deed of Trust.
19. **The warranty period:** It is extremely important that any problems with the work that was performed be reported by the homeowner to the Orange County Rehabilitation Specialist or other representative, as soon as possible in writing. All bona fide defects in materials and workmanship reported within one (1) year of completion of construction will be corrected free of charge by the contractor.

What are the key dates?

If, after reading this document, you feel that you qualify for this program and wish to apply, please keep



the following dates in mind:

- Applications available to the public starting ~~October 2, 2017~~ **October 30, 2020**.
- Applications must be turned in at the Orange County Housing and Community Development Office by 5:00 PM on ~~October 31, 2017~~ **December 31, 2020**.
- Selection of units will be made on ~~November 30, 2017~~ **January 31, 2021**.
- All rehabilitation work must be under contract by December 31, ~~2019-2022~~.
- All rehabilitation work must be completed by June ~~30, 2020-15~~, **2023**.

How do I request an application?

Contact:

~~_____ Renee D. Holmes, Housing Program Coordinator
 _____ Orange County
 _____ P.O. Box 8181
 _____ Hillsborough, NC 27278
 _____ Phone: (919) 245-2495~~

- Contact Erika Brown
(919) 558-2700
ebrown@tcog.org
- OR download an application online: <http://orangecountync.gov/2211/Home-Repair-Programs>
- OR pick up an application at the Orange County Department of Housing and Community Development office at 300 W. Tryon Street, Hillsborough, NC 27278.

Is there a procedure for dealing with complaints, disputes and appeals?

Although the application process and rehabilitation guidelines are meant to be as fair as possible, Orange County realizes that there is still a chance that some applicants or participants may dispute decisions, work completed, or other issues. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact ~~Bonnie Hammersley, County Manager (919) 245-2300~~ **Erika Brown** within five (5) days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing. A written appeal must be made within ten (10) business days of the initial decision on an application.

Orange County will respond in writing to any complaints or appeals within ten (10) business days of receiving written comments.

During the rehabilitation process:



If the homeowner feels that construction is not being completed according to the contract, he/she must inform the contractor and the Rehabilitation Specialist.

The Rehabilitation Specialist will inspect the work in question. If he finds that the work is not being completed according to the contract, the Rehabilitation Specialist will review the contract with the contractor and ask the contractor to correct the problem.

If the Rehabilitation Specialist finds that the work being completed according to contract, the complaint will be added to the applicant's file. The Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Rehabilitation Specialist's decision.

If problems persist, the homeowner must put the concern in writing and a mediation conference between the homeowner and the contractor may be convened by the Rehabilitation Specialist and facilitated by the Orange County Housing and Community Development Director.

Should the mediation conference fail to resolve the dispute, the Director will render a written final decision.

Final Appeal:

After following the above procedures, any applicant or homeowner who remains dissatisfied with Orange County's final decision may appeal to Michael Handley, NCHFA, PO Box 28066, Raleigh, NC 27611-8066, (919) 877-5627.

Will the personal information provided remain confidential?

Yes. All information in applicant files will remain confidential. Access to the information will be provided only to Orange County employees who are directly involved in the program, the North Carolina Housing Finance Agency, the US Department of Housing and Urban Development (HUD) and auditors.

What about conflicts of interest?

No employee or board member of Orange County, or entity contracting with Orange County, who exercises any functions or responsibilities with respect to the ESFRLP~~1720~~ project shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with project funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of Orange County employees or of Orange County board members and others closely identified with, may be approved for rehabilitation assistance only upon public disclosure before the Orange County Board of Commissioners and written permission from NCHFA.

What about favoritism?

All activities under ESFRLP~~1720~~, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability.

Outreach Efforts of the ESFRLP Program

The County makes citizens aware of the ESFRLP program and other housing rehabilitation opportunities through various service providers and specific outreach efforts. At minimum, the County will advertise the Essential Single-Family Rehabilitation Loan Pool Program via the following media/venues: the local English-speaking and Spanish-speaking newspapers serving the County (such as *The Daily Tarheel*, *The*



News of Orange and *La Noticia*), senior centers and community centers throughout the County, Orange County Home Preservation Coalition, Orange County Affordable Housing Coalition, Carrboro Town Hall, Chapel Hill Town Hall, Orange County DSS Office, and on the County's website.

Who can I contact about the ESFRLP program?

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

~~Renee D. Holmes, Housing Program Coordinator~~

~~Orange County~~

~~P.O. Box 8181~~

~~Hillsborough, NC 27278~~

~~Phone: (919) 245-2495~~

~~James Hutcherson~~

~~Orange County~~

~~P.O. Box 8181~~

~~Hillsborough, NC 27278~~

~~Phone: (919) 245-2485~~

~~David Saconn~~

~~Orange County~~

~~P.O. Box 8181~~

~~Hillsborough, NC 27278~~

~~Phone: (919) 245-2494~~

Erika Brown

(919) 558-2700

ebrown@tcog.org

David Saconn

(919) 612-1527

dsaconn@orangecountync.gov

This Assistance Policy is adopted this ____ day of _____ 20__.

County Manager

Notary Public



Orange County Procurement and Disbursement Policy Urgent Repair and Housing Rehabilitation Programs

Procurement Policy

To the maximum extent practical, Orange County (the "County") promotes a fair, open and competitive procurement process as required under the North Carolina Housing Finance Agency ("NCHFA") Urgent Repair Program ("URP"), **NCHFA Essential Single-Family Rehabilitation Loan Pool ("ESFRLP")** and the County's local **urgent repair and** housing rehabilitation programs. Bids are invited from contractors on the County's ~~Approved~~ Contractor Registry. Any current contractor listed with and approved by the County and in good standing (i.e., no unresolved past performance issues and not listed on the federal or state debarred list) will receive automatic approval status on the ~~Approved~~ Contractor Registry.

To be listed on the ~~Approved~~ Contractor Registry, a contractor must complete an application, submit proof of insurance and have their recent work inspected and approved by the Rehabilitation Specialist. All contractors' insurance renewals must be submitted to the County on an annual basis. In order to bid on a pre-1978 property, the contractor's firm must be Renovate, Repair and Paint ("RR&P") certified and have their RR&P certificate on file with the County.

To the maximum extent practical, a minimum of three (3) eligible contractors on the Contractor Registry should be invited to bid on each job and the lowest, most responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means the following: the contractor is deemed able to complete the work in a timely fashion; the bid is within 15% in either direction of the County's cost estimate; the contractor has not been suspended or debarred; and there is no real or perceived conflict of interest. Because of the increasing difficulty of soliciting eligible bids for URP projects, the County can solicit a bid from an eligible contractor on the Contractor Registry based on their rotating placement on the Registry. If the selected contractor submits a responsive and responsible bid then it will be accepted and after successful completion of the project that contractor's name will rotate to the end of the Registry. If the contractor does not submit a responsive and responsible bid or chooses not to submit a bid, then the next contractor on the Registry will be eligible to submit a bid on the project. In addition, in emergency situations, telephone or email bids or quotes will be accepted and documentation of such bids or quotes will be maintained in the applicable file.

Although bid packages may be bundled for multiple job sites, these bids shall be considered separate and apart when awarded and shall be awarded to the lowest responsive and responsible bidder(s) for each job site. No contractor shall have more than three (3) open jobs at any one time. A job shall be considered "open" once a contract is signed.

Bid packages shall consist of an invitation to bid, work write-up(s) and bid sheet(s) for each job, including instructions for distribution and receipt of bids. For urgent repair activities, contractors will be given no less than seven (7) days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. For minor and comprehensive housing rehabilitation activities, contractors will be given no less than ten (10) days in which to inspect the property and prepare bid proposals.



Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Any discrepancies must be reconciled prior to a contract being awarded.

The County reserves the right to reject any or all bids at any time during the procurement process.

In the event of an emergency situation, the County reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking quotes and bids by telephone, email, fax and the like. Should such methods ever become necessary the transaction, including the nature of the emergency, will be fully documented and placed in the project file. In the event telephone bids are used, the County will call the next eligible contractor on the Approved Contractor Registry who has indicated a desire to be on the Emergency Call List. The County will track who has been called and been responsive and will rotate through the Emergency Call List before beginning the rotation again.

All sealed bids will be opened publicly at a date, time, and venue specified in the bid invitation. All bidders are invited and welcome to attend. Within 72 hours of the bid opening, after the review of bid breakdowns and construction schedules, the winning bidder(s) will be selected. All bidders and the homeowner will be notified in writing of the selection of the winning bid, the amount of the winning bid, and the specific reasons for the selection if the lowest bidder was not selected.

The contractor is responsible for obtaining a building permit for the project before beginning work. The permit must be posted at the project site during the entire period of construction. If applicable, the contractor will obtain a permit for lead and/or asbestos hazard-related activities. The Rehabilitation Specialist will closely monitor the construction to make sure that the work is being done according to the work write-up (which is made part of the contract by reference) and in a timely fashion. Local code enforcement officials will, if required, inspect the work for compliance with the NC State Building Code and the local minimum housing code, when applicable. The homeowner will be responsible for working with the contractor to clear their personal property from the work areas as needed, as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction.

Any change to the original scope of work must be in writing in the form of a change order to be agreed upon and signed by all parties to the original contract and two representatives of the County. The change order must detail any changes to the original contract price.

No work may begin prior to a contract being awarded and executed and a written order to proceed provided to the contractor. A pre-construction conference and a walk through of the project site must also be held prior to the commencement of the project. At this time, the homeowner, contractor, and Rehabilitation Specialist will discuss the details of the work to be completed. Project start and end dates will be finalized, along with any special arrangements such as weekend or evening work hours and the disposition of items to be removed from the home. Within 24 hours of the pre-construction conference, the County will issue a "proceed order" formally instructing the contractor to commence work by the agreed upon date.

Orange County is an equal opportunity employer, implements non-discriminatory practices in its procurement and disbursement and will make special outreach efforts to include Minority/Women Business Enterprise (M/WBE) businesses within its contractor and subcontractor pool. Contractors will be chosen by the above criteria without regard to race, color, national origin, disability, religion, age, sex/gender, sexual orientation, gender identity and expression, marital status or veteran status.



Disbursement Policy

All repair work must be inspected by the Rehabilitation Specialist, the local Building or Minimum Housing Code Inspector, when applicable, and the homeowner prior to any payments to contractors. If all construction work is deemed satisfactory and all other factors and written agreements are in order, payment shall be issued upon presentation of an original cost-per-item invoice from the contractor. The contractor should allow up to fourteen (14) business days for processing of the invoice for payment.

The contractor is entitled to request two partial payments and a final payment. ~~The first partial payment may be requested when the work is 50% complete. The second partial payment may be requested when the work is 90% complete. For moderate and comprehensive rehabilitation projects only, there will also be a 10% retaining fee based on the value of the contract to be held for the 60-day retention inspection. No partial payments will be made for contracts less than \$10,000. For contracts greater than \$10,000, a maximum of 3 partial payments can be requested by the contractor, each no less than 33% of the value of the contract (less the 10% retaining fee).~~ When a payment is requested, the Rehabilitation Specialist will inspect the work within three (3) days, determine the percentage of job completion and calculate a payment based on 90% of the total work completed. ~~For projects that have a contract amount of less than \$5,000, the second payment will be the final payment for 100% of the total work completed.~~

Following the completion of the construction, the contractor and the Rehabilitation Specialist will meet with the homeowner in a post-construction conference. At this time, the contractor will provide to the homeowner the owner's manuals and warranties on equipment and materials and be available to answer any questions.

When the contractor declares the work complete, the Rehabilitation Specialist will thoroughly inspect the work as part of the project closeout. If any of the work is deemed unsatisfactory, it must be corrected prior to the authorization of final payment. If the contractor fails to correct the work to the satisfaction of the Rehabilitation Specialist, payment may be withheld until such time as the work is deemed satisfactory. If a dispute occurs, contractors may follow the procedure dealing with complaints, disputes, and appeals in the applicable program's Assistance Policy. Contractors must abide by the final decision as stated in the policy. The homeowner, Rehabilitation Specialist, and Housing and Community Development Manager must sign off on the work. After the receipt of the contractor's final invoice, inspections, certificate of completion and lien releases, the final payment will be processed. All material and workmanship will be guaranteed by the contractor for a period of one (1) year from the date of completion of the work.

Orange County assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.

All contractors, subcontractors and suppliers must sign a lien waiver prior to the disbursement of funds.

This Procurement and Disbursement Policy is adopted this ____ day of _____ 20__.

County Manager



Notary Public

Contractor's Statement:

I have read and understand the attached Procurement and Disbursement Policy.

SIGNED: _____

COMPANY NAME: _____

WITNESS: _____