URGENT REPAIR PROGRAM

City of Hickory

Hickory, North Carolina

ASSISTANCE POLICY

2016

URGENT REPAIR PROGRAM ASSISTANCE POLICY

INTRODUCTION

The North Carolina Housing Finance Agency has approved the City of Hickory's grant request for funding to assist qualifying very low and low-income homeowners, residing within the municipal boundaries of the City of Hickory, in need of urgent housing repairs. The amount of $75,000.00 shall be made available from the North Carolina Housing Finance Agency (NCHFA) to the City of Hickory to implement the City's "Urgent Repair Program 2016". The funds provided by NCHFA come from the North Carolina Housing Trust Fund. The City of Hickory shall provide an additional $5,000 to be used in conjunction with these funds. The following assistance policy has been modeled from the guidelines prescribed by the North Carolina Housing Finance Agency for recipients of "Urgent Repair Program" funds:

1.0 GOALS AND OBJECTIVES

1.1 GOALS

The goals of the City of Hickory's "Urgent Repair Program 2016" ("URP '16) are:

1. To alleviate housing conditions which pose an imminent threat to the life or safety of very low and low-income homeowners with special needs;
2. To provide accessibility modifications and other repairs necessary to prevent displacement of very low and low-income homeowners with special needs, such as frail elderly and persons with disabilities;
3. To assist a minimum of Ten (10) eligible homes within the municipal boundaries of the City of Hickory.

1.2 OBJECTIVES

The objectives of the City's "URP '16" are:

1. To serve eligible households located within the municipal boundaries of the City of Hickory with urgent repair needs which cannot be met through other state- or federally-funded housing assistance programs;
2. To enable frail elderly and others with physical disabilities to remain in their homes by providing funding for essential accessibility modifications.

2.0 PROGRAM REQUIREMENTS

2.1 USE OF FUNDS

1. 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 City's URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

2. "URP '16" funds must be used either for hard costs or for "URP '16" support associated with "URP '16" eligible repairs or modifications.

3. Eligible repairs must meet the goals as stated in section 1.1 above and rectify deficiencies including:
   1) combustion appliance and chimney hazards;
   2) electrical system hazards;
   3) plumbing system hazards:
   4) imminent structural system failures (e.g., porches, steps, and roofs);
   5) mitigation of environmental hazards such as lead-based paint, asbestos, or soil gases;
   6) repairs necessary to prevent the imminent displacement of eligible households;
   7) repairs designed to increase the accessibility of the unit to frail or disabled residents, including ramps, hand rails and grab bars, kitchen and bathroom adaptations and door alterations, etc.; or
   8) other repairs approved by the Agency on a case-by case basis.

4. Hard costs are defined, in the case of an independent private contractor performing the repair work, as the contract price; or in the case of City work crews performing the repairs, as the direct costs associated with the repairs including labor, materials, mileage, and tool rental.
5. The maximum 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 city's rehabilitation specialist. There is no minimum to the amount of the loan; however the maximum life-time limit according to the guidelines of URP16 is $8,000.
6. Program funds must not be used:
   1) in conjunction with any source of state or federal housing assistance (CDBG, HOME, HPG, 504 grants, etc.) ;
   2) on any dwelling unit for which other sources of state or federal assistance are available at the time of the repair work; or
   3) on any dwelling unit for which other sources of state or federal assistance are likely to become available within six months following the completion of the repair work under the "URP '16".

2.2 PROHIBITED ACTIVITIES

1. None of the funds provided under the City's "URP '16" shall be used for any partisan political activity or to further the election or defeat of any candidate for public office.
2. There shall be no religious instruction conducted in connection with activities under the City's "URP '16";
3. The City will not discriminate against any person employed in the performance of the "URP '16", or against any applicant for assistance under the "URP '16" because of race, sex, age, creed, color, physical handicap or national origin. The City will ensure that applicants are processed and that employees are treated during employment, without regard to race, sex, age, creed, color, physical handicap, or national origin.

4. No employee, officer or agent of the City shall participate in the selection, or in the award or administration of a contract funded by the City's "URP '16" if a conflict of interest, real or apparent, would be involved.

2.3 FORM OF ASSISTANCE

1. The City of Hickory's "URP '16" funds shall be made available to qualifying owner-occupant beneficiaries in the form of a loan. Homeowners will receive an unsecured deferred, interest-free loan, forgiven at a rate of $1,000 per year, until the principal balance is reduced to zero.
2. The City of Hickory shall use loan documents prescribed and provided by the NCHFA in the administration of URP assistance to qualifying beneficiaries.

2.4 ELIGIBLE HOUSEHOLDS

1. Only qualified low and very low-income owner occupants with special needs can be assisted under the City's "URP '16". A minimum of 50% of the City's "URP '16" funds shall benefit very low-income households with the remainder going to benefit low-income households.
2. City of Hickory low-income households are those with gross annual incomes not exceeding 50% of the Median Family Income for North Carolina as defined in the NCHFA "Urgent Repair Program" manual by number of persons in the household (see Income Limits schedule below).
3. City of Hickory very low-income households are those households with gross annual incomes not exceeding 30% of the Median Family Income for North Carolina as defined in the NCHFA "Urgent Repair Program" manual by number of persons in the household (see Income Limits schedule below).
4. Eligible households with special needs include households with:
   1) Elderly household member who is at least sixty-two (62) years old;
   2) Handicapped or disabled members, defined as follows:
      a) A person shall be considered handicapped if he or she has a physical or mental impairment that 1) is expected to be of long-continued and indefinite duration; 2) substantially impedes the person's ability to live independently; or 3) is such that the person's ability to live independently could be improved by more suitable housing conditions. A person with a developmental disability as defined by the Developmental Disabilities Assistance and Bill of Rights Act (42 USC 6001(7)) shall be considered handicapped. An adult who has a chronic mental illness shall be considered handicapped if he or she has a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently and whose impairment could be improved by more suitable housing conditions.
      b) A person shall be considered disabled if they are receiving Social Security Disability, Railroad Retirement Disability, or Supplemental Security Income as disabled, one hundred percent Veteran's Administration Disability benefits or is determined to be disabled by a licensed practicing physician.

c) c) A person whose sole impairment is alcoholism or drug addiction shall not be considered handicapped or disabled under the Urgent Repair Program.

3) A single-parent with at least one dependent child in residence.

4) Five or more persons.

5) Children below the age of six (6) whose elevated blood lead levels are between 10 μγ/dl and 20 μγ/dl.

5. The following guidelines shall be used for income determination:

a) Household income is defined as the projected gross annual income of all household members based on the twelve month period preceding the date of application. The income of household members, other than the applicant, who are under 18 years of age or who are full time students, is excluded.

b) Household income includes wages, salary, overtime pay, commission, fees, tips, bonuses, interest, dividends, social security, annuities, pensions, retirement funds, insurance policy dividends, disability benefits, alimony, child support, regular contributions from persons not occupying the unit, and public assistance allowances.

c) Household income excludes casual or sporadic gifts, monies received as reimbursement for medical expenses, lump-sum payments such as inheritances, insurance settlements, capital gains, settlements for personal or property losses, educational scholarships, government benefits to a veteran for education, foster child care payments, food stamps, and government relocation payments.

d) Household income for self-employed persons will be determined by averaging the reported net income on federal income tax returns for the previous two years. If the head of household is self-employed for less than two years, the applicant must submit the most recent year's personal income tax return.

URGENT REPAIR PROGRAM 2016
INCOME LIMITS FOR
CITY OF HICKORY BENEFICIARIES

Number in Household	Very Low Income (30% of Median)	Low Income (50% of Median)
1	$ 12,100	$ 20,150
2	13,800	23,050
3	15,550	25,900
4	17,300	28,800
5	18,650	31,100
6	20,050	33,400
7	21,450	35,700
8	22,800	38,000

Income limits presented in this schedule are for State wide non-metropolitan, Median Family Income $57,600.

2.5 REPAIR STANDARDS

Program funds may be used to affect urgently needed repairs or modifications without regard to whether the dwelling unit shall meet any local, state or federal housing quality standards. However, all work done using "URP '16" funds must meet North Carolina State Residential building code standards and be done in compliance with all state or local permitting, inspections, licensing, and insurance requirements.

3.0 CITY OF HICKORY'S "URP '16" PROGRAM REQUIREMENTS

3.1 "URP '16" PROGRAM SCHEDULE

The City's "Urgent Repair Program for 2016" shall begin in September of 2016 or sooner, based on approval by NC Housing Finance Agency, at which time the City of Hickory's Community Development Department shall seek applicants by making known to the public the availability of funding through published announcements in local newspapers, through the distribution of "URP '16" brochures, press releases, and announcements posted in public places such as the Municipal Building and Recreation Centers in eligible neighborhoods. The City's "URP '16" program shall be completed by December 31, 2017, no exceptions.

3.2 GEOGRAPHICAL DISTRIBUTION OF "URP '16" FUNDS

Applications shall be accepted from all qualifying residents who live within the municipal boundaries of the City of Hickory.

3.3 BENEFICIARY SELECTION PROCESS

Approximately ten (10) units will be assisted through the 2016 Urgent Repair Program. Applications for assistance will be accepted on a first come first-served basis.

All applications, along with financial documentation, shall be delivered to the City of Hickory's Citizens' Advisory Committee regularly scheduled meeting on the 1st Thursday of each month. A minimum of 50% of the units assisted under the 2016 Urgent Repair Program must have income limits less than 30% of the area median. No units with stated income above 30% of the area median will be repaired until the 50% threshold has been met.

3.4 APPLICATION PROCESS

1. Media and personal contact shall be used throughout the City to encourage prospective beneficiaries to make application for "URP '16" assistance. The City of Hickory Community Development Department shall provide technical assistance to potential beneficiaries in completing applications for "URP '16" funds. All applications, along with financial documentation, shall be delivered to the City of Hickory's Citizens' Advisory Committee. At regularly scheduled meetings, the Citizens' Advisory Committee shall review all eligible applications submitted, and shall prioritize applications to ensure that beneficiary distribution is consistent with the City of Hickory's "URP '16" application with NCHFA and the guidelines prescribed by NCHFA for grant recipients.

   Applications shall consist of three parts:

   1) Application for determination of eligibility;
   2) Housing inspection report;

3) Work write-up and cost estimate.

2. Complaints concerning the City's "URP '16" program shall be in writing and addressed to the City of Hickory Community Development Department. A representative of the City of Hickory Community Development Department shall contact the person making the complaint and attempt to resolve the problem. A written response will be made within 15 working days of contact. If the complaining party is not satisfied with the response, he or she may file a complaint with the Citizens' Advisory Committee who will schedule a meeting with the complaining party. The decision of the Committee shall be final and will be made in writing within 5 days.

3.5 CONTRACT AND REPAIR PROCESS

1. The City's Rehabilitation Specialist will visit the homes of potential grant recipients to determine the need and feasibility of repairs/modifications. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up". A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bidding is completed.

   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 City's URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

2. After approval of the work write-up, the homeowner will sign a formal agreement that will explain and govern the repair/modification process. This agreement will define the roles of the parties involved throughout the process.

3. The City is obligated under "URP '16" 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 City will invite bids only from contractors who are part of an "approved contractor registry".

4. The City will maintain a list of contractors eligible to bid on work financed by "URP '16" funds (approved contractors registry). Such contractors must present evidence of their rehabilitation experience, ability to complete work items in a workmanlike manner, possession of liability and workman's compensation insurance, ability to work with the homeowner and City staff, and to complete work on schedule. Contractors not on this list must supply evidence of their qualifications to the City and shall be reviewed for approval by the City. All contractors performing work under this program shall obtain city privilege licenses and must possess other contracting licenses as required by the adopted building codes.

5. The City's bid package consisting of a detailed work write-up, contract document, cost proposal form, and instructions to the bidder will be mailed to a minimum of three contractors on the approved contractors registry who will be given a specific period of time 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 Community Development office at a specified date and time, with all bidders and the homeowner invited to attend.

   After review of bid breakdowns and timing factors, the winning bidder will be selected. Typically, the contract or contracts will be awarded to the low bidder(s). In addition, the selected contractor's bid must be within 10 percent (10%) of the City's cost estimate.

   All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the City's cost estimate, and (4) if other than the lowest bidder is selected, of the specific reasons for the selection.

6. The loan will be executed as well as the repair/modification contract. The contract for repairs will be let by the homeowner and will be between the homeowner and contractor.

7. A pre-construction conference will be held at the home or City of Hickory offices. At this time, the homeowner, contractor and program representatives will discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.). Within 24 hours of the pre-construction conference, the City will issue a "proceed order" formally instructing the contractor to commence by the agreed-upon date.

8. The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Code Enforcement Officers will inspect new work for compliance with the State Building Code as required by the guidelines of URP16. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable

9. Contractors shall be permitted one partial payment during construction. This payment shall be eighty percent (80%) of the value of work completed when fifty percent (50%) or more of the work is completed. Work will be inspected by Community Development Staff and City of Hickory code enforcement officers.

10. Contractors must supply lien waivers, signed by all any sub-contractors employed on the job and by all material suppliers from whom materials for the job were purchased, and warranties to the homeowner upon completion of work.

11. All Change Orders to the bid specifications must be approved by the homeowner, contractor and two representatives of the City. The change order must be reduced to writing as a contract amendment ("change order"). Loan funds shall not be advanced beyond the permitted maximum to cover Change Orders.

12. Following construction the contractor and a City Community Development Staff member will sit down with the homeowner one last time. At this conference the contractor will provide any owner's manuals and warranties on equipment. The contractor and the City Community Development Staff member also 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.

13. Once all work has been completed in accordance to the Contract and the homeowner has signed a Certificate of Satisfaction, the job will be closed out.

14. In the event of any dispute between the homeowner and the contractor concerning the rehabilitation work, City Community Development Department staff will work with both parties to negotiate a satisfactory solution. If a mutually satisfactory solution cannot be found, the Citizens' Advisory Committee will have final authority on when the job has been satisfactorily completed.

3.6 CLIENT REFERRALS

The City of Hickory's Community Development Department has a Community Service Directory available to all applicants who are interested or in need of other assistance. Please contact the Community Development Department for your free copy.

2016 Urgent Repair Program Assistance Policy, approved and adopted by the City of Hickory, this 22nd day of August, 2016.

By: _____
Rudy Wright, Mayor

Date: 8-22-16