

**PLEASE KEEP THIS DOCUMENT FOR YOUR RECORDS.**

**FORSYTH COUNTY COMMUNITY & ECONOMIC DEVELOPMENT**

**HOUSING REHABILITATION PROGRAM**

**2024-2025 ASSISTANCE POLICY**



**PURPOSE**

**Housing Rehabilitation Program**

For Fiscal Years 2024-25, Forsyth County has been awarded grants from both the North Carolina Housing Finance Agency (NCHFA) and the federal government’s Housing and Urban Development (HUD) department to be used for the rehabilitation of low-income, owner-occupied households with qualifying needs. Although our program is designed to assist residents living in Forsyth County, some funding sources apply restrictions to those residing within the city-limits of Winston-Salem.

The Forsyth County Housing Rehabilitation Program provides funds in the form of grants, loans, deferred loans, and deferred-forgiveness loans.

The Housing Rehabilitation Program is designed to assist eligible homeowners 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.

**Outreach Efforts of the Housing Rehabilitation Program**

Forsyth County makes citizens aware of the Housing Rehabilitation Program and other Community & Economic Development opportunities through various service providers and specific outreach opportunities. Through the coordination of the County’s Communications Department, the County will advertise via the following media/venues: social media, local radio, targeted mailings, advertising in the local newspaper (The Winston-Salem Journal), and on the County’s website. Additionally, brochures, presentations or other forms of outreach will be provided at senior centers and the Department of Social Services within the County.

**Assistance Policy**

This assistance policy describes Forsyth County’s housing rehabilitation funding sources, including details of: who is eligible to apply for assistance, how applications for assistance will be prioritized, what forms of assistance can be provided, and how the entire rehabilitation process will be managed. The County has designed this program to be fair, open, transparent, and consistent with the County’s grant applications for funding from both our federal and state sources.

## FAIR HOUSING

It is illegal to discriminate in the rental or sale of housing, including against individuals seeking mortgage or housing assistance, or in other housing-related activities. The Fair Housing Act prohibits this discrimination because of race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. A variety of other federal civil rights laws, including Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act, prohibit discrimination in housing and community development programs and activities, particularly those that are assisted with HUD funding. For more information on Fair Housing law and how it applies, please visit <http://www.fairhousingnc.org/>.

### **Language Access Policy**

The purpose of the Language Access Policy and Plan is to ensure compliance with Title VI of the Civil Rights Act of 1964, as well as other applicable federal and state laws and their implementing regulations with respect to persons with limited English proficiency (LEP). Title VI of the Civil Rights Act of 1964 **prohibits** discrimination based on the grounds of race, color, or national origin by any entity receiving federal financial assistance. Administrative methods or procedures, which have the effect of subjecting individuals to discrimination or defeating the objectives of these regulations, are prohibited.

To avoid discrimination on the grounds of national origin, all programs or activities administered by the Forsyth County Department of Community & Economic Development must take adequate steps to ensure that their policies and procedures do not deny, or have the effect of denying, LEP individuals with equal access to benefits and services for which such persons qualify. This Policy defines the responsibilities the agency must ensure LEP individuals can communicate effectively. This policy and plan are effective January 1, 2024. For a copy or for more information regarding the Language Access Policy please contact our office at 336-703-2680.

## APPLICANT SELECTION PROCESS

### **How to Apply**

To apply, please call the Community & Economic Development Administrative Assistant, at 336-703-2684 to complete an initial eligibility phone interview and request an application. Applications can be:

- Mailed to the applicant (pre-paid return postage available upon request);
- Emailed to the applicant or their designated representative;
- Completed in our office (Forsyth County Government Center, Department of Community & Economic Development, 5<sup>th</sup> Floor, 201 N. Chestnut Street, Winston Salem, NC, 27101-4120);
- Or, at the applicant's request, may be completed at the applicant's home if they are disabled and/or do not have the means to commute to our location.

### **Required Application Documents**

Applications will not be processed, nor applicants qualified, until **ALL** materials are received. After receiving all required application materials, the Project Manager (see contact information at the end of this Policy) will verify the household meets minimum funding requirements. Please reference the contact list on the last page of this Assistance Policy. The following items are required to complete an application with the Housing Rehabilitation Program\*:

- Forsyth County Housing Rehabilitation Program Application
- Valid Government-issued photo ID for all household members over the age of 18
- Social security card for all household members over the age of 3
- Signed Consent for Release of Information forms by all household members over the age of 18
- Third-party verifications of income, including, but not limited to: social security award letter, pension award letter, child support court order, etc.. If an applicant is employed, either recent paystubs or an employment verification form, filled out by the applicant's employer, is required.
- Latest mortgage statement demonstrating mortgage payments are current
- Proof of homeowners' insurance policy

Applications for the Housing Rehabilitation Program are accepted continuously on a first come, first to qualify, first served basis until funds are no longer available.

Only fully complete applications will be processed. In the case of an incomplete application, the Intake staff will attempt to contact the applicant via phone and email (if applicable). Persons who have made inquiries and submitted incomplete applications are responsible for maintaining contact with the Intake Staff. If no contact from the homeowner is made in response to the County's request within 30 days, the incomplete applications will be made inactive, and the file will be closed. All inquiries and incomplete applications will be recorded and kept on file in the County's data management platform, Neighborly Software.

If an application is not approved for any reason, a letter will be sent documenting the reason of ineligibility or inactivity within 90 days of the date of the application. If an applicant is found eligible for the Housing Rehabilitation Program, they will be notified and added to the Wait List (see *Page 7 – Wait List* for definition).

*\*Additional forms and verifications may be requested depending on the funding source awarded.*

### **Minimum Qualifications**

To meet baseline qualifications for the program, all the following conditions must be met\*:

- Homes must be owner-occupied and located within Forsyth County
  - The homeowner must live in the home for at least 6 months prior to the date of application
  - Household must be below 80% AMI
    - Homeowners must be below 30% Area Median Income (AMI) or 50% AMI to qualify for Urgent Repair funding. County residents are prioritized for Urgent Repair funding; however, if funding is available the County will serve residents living within the city-limits of Winston-Salem with a priority on 30% AMI households.
- Homeowners must be current on property taxes or on a payment plan with the Tax Department
  - If on a payment plan, the plan terms must be current and will require official, written verification (on department letterhead) from the Tax Department
- Applicants must be current on their mortgage payments, if applicable

- Homes may not have a pending foreclosure or open judgments
- Homeowners with a current bankruptcy filing may still qualify for some programs if they can provide a letter from their attorney stating that their home is not at immediate risk of foreclosure
- The assessed tax value (after repairs) of the home must not exceed \$230,000\*\*
  - The total after-rehabilitation value of the intended property must be less than 95% of the area median purchase price to qualify as affordable housing, as established by the maximum Property Value Limit under the Federal Housing Administration 203(b) schedule and in accordance with 24 CFR 92.254(b).
- Applicants must have homeowner’s insurance. A copy of the policy is required as part of the application packet
  - Applicants may be required to list Forsyth County as a Loss Payee on their insurance policy depending on the funding source utilized in the rehabilitation of their home
- Households must meet the low-income eligibility requirements issued annually by the U.S. Department of Housing and Urban Development (HUD). See the chart below.

**Forsyth County Income Limits  
by Household Size Median Family income (2024)\*\*\***

Household Size	Maximum Income Limits		
	30%	50%	80%
<b>1 Person</b>	\$17,200	\$28,700	\$45,850
<b>2 Person</b>	\$19,650	\$32,800	\$52,400
<b>3 Person</b>	\$22,100	\$36,900	\$58,950
<b>4 Person</b>	\$24,550	\$40,950	\$65,500
<b>5 Person</b>	\$26,650	\$44,250	\$70,750
<b>6 Person</b>	\$28,500	\$47,550	\$76,000
<b>7 Person</b>	\$30,450	\$50,800	\$81,250
<b>8 Person</b>	\$32,450	\$54,100	\$86,500

*\*Other requirements may be applicable based upon the specific funding source and will be outlined further under their respective sections within this manual*

*\*\*Area median purchase price is subject to change based on annually published HUD assessments.*

*\*\*\* Income limits are subject to change based on annually published HUD HOME limits ([www.hud.gov](http://www.hud.gov)) and will be updated each year. This update will not require a re-approval of the governing authority. Low-income households are defined as households with incomes less than 80% of the Area Median Income.*

### **Other Eligibility Considerations:**

- Previously assisted homes under our “First Time Homebuyer” program may be eligible for rehabilitation assistance. A new application for rehab assistance must be submitted; old applications will not be reused.
- Households receiving rehabilitation assistance may not be eligible for additional services while a loan remains active or unforgiven on their home, as the County prioritizes previously un-served applicants\*. Additionally, households who have been approved for assistance in the past and later withdrew their application prior to the start of construction will not automatically be reconsidered should that household have additional repair needs in the future. A new application will need to be submitted and may be denied, at the discretion of the Community & Economic Development staff, if funding is limited.
- Properties cannot be located in the right-of-way of any impending planned public improvements. The Rehabilitation Specialist will review each situation and will make recommendations, as justified.
- The property may not be located in a flood hazard area.
- Manufactured homes will be considered for this program but must be real property (permanently affixed to the land), and the owner must own the land on which the manufactured home is located.
- If Forsyth County Community & Economic Development staff suspects that a home is being used for criminal activity or the homeowners are engaging in criminal activity, the household will not be served. Properties that have been approved for assistance will be removed from the program if criminal activity is suspected. Homeowners that disagree with this decision must employ the complaint process outlined in the Assistance Policy.

### **REHAB PROCESS**

The Forsyth County Department of Community & Economic Development attempts to serve households based on a first-come, first-to-qualify, first-served protocol based on the priority ranking system chart below. Special consideration may be made for those falling into certain categories of immediate, urgent need. Additionally, the priority ranking system is contingent upon available resources and staffing. Therefore, priority order may be made for households who have not received prior assistance from Forsyth County.

## Priority Ranking System for Forsyth County’s Housing Rehabilitation Program

<b><u>Special Needs</u></b> (for definition, see below)	<b><u>Points</u></b>
Elderly Head of Household (62 years or older)	10
Disabled Head of Household	10
Veteran Head of Household	10
Household with a child under 6 years exposed to lead hazards in the home	10
<i>Emergency Need of Repairs*</i>	5
Elderly, Disabled or Veteran Non-Head of Household	5
<b><u>Income</u></b> (for definition, see below)	<b><u>Points</u></b>
Less than 30% of County Median Income	30
30% to 50% of County Median Income	20
50% to 80% of County Median Income	10
<i>County Resident (resides outside of city limits of Winston-Salem)</i>	<i>10</i>
<i>Recent Un-served Applicant (Waiting 12 months or more)*</i>	<i>10</i>
<i>Previously Served Applicant**</i>	<i>0</i>
<i>Previously Withdrawn Applicant***</i>	<i>0</i>

**Definitions:**

- *Elderly:* An individual aged 62 or older
- *Disabled:* 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 person who own(s) the house
- *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 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 Need:* A situation in which a household member has an immediate threat of being displaced or removed from a home due to health or safety issues within a time frame that the program can complete a repair to stop displacement or removal. This may be documented with a doctor’s letter

or eviction-type/condemnation notice. Examples include: an active roof leak, lack of central heating/air, inaccessible points of entry and exit, and need for handicap accessible modifications (wheelchair ramp, low threshold shower, grab bars, etc.)

*\*Recent Un-served Applicants will be awarded 10 points for each year they have remained on the waiting list.*

*\*\*Previously Served Applicants are those who have received County administered Rehabilitation Program Assistance in the past for the dwelling in which they currently occupy.*

*\*\*\*Previously Withdrawn Applicants are those who had been approved for services in the past and later declined participation after contractor bid was awarded.*

### **The Wait List:**

Once all required documentation is submitted, and the household is determined to meet basic program eligibility, the household is placed onto a Wait List in the order of the above-referenced priority ranking system. It is at the discretion of the Community & Economic Development staff, based upon available resources and staffing, to serve households in an order outside of the Priority Ranking System.

Note: Being placed on the Wait List does **NOT** guarantee the County will be able to assist a household. (Example Scenarios - Funding Limitations; Title Search Issues; Previous assistance provided)

### **Preliminary Inspection:**

The County's Housing Rehabilitation Specialist will visit the homes of potential recipients to determine the need and feasibility of rehabilitating the property. The owner should report any known pest infestations prior to this visit. All areas of the property must be made accessible for inspection, including the attic and crawlspace. The owner should report any known problems or concerns during this time. If necessary, follow-up inspections may be scheduled. During the inspection, the property will also be screened for health and safety risks. The Community & Economic Development staff has the right to deny an application based on health and safety concerns that may put their staff and/or contractors at risk. Should it be determined that the cost of the repairs needed to meet program compliance exceed the scope of the County's funding available, appropriate referrals and resources will be issued to the applicant for other potential assistance options.

### **Client Referral and Support Services:**

Many homeowners assisted through Forsyth County's Housing Rehabilitation Program may also need other services. When County staff meets the homeowner during the work write-up process, they will discuss the resources and programs available in the County and provide a list of the agencies with contact information.

### **Work Write-Up and Scope of Repairs:**

The Rehabilitation Specialist will prepare complete and detailed work specifications of the property, known as the "Work Write-Up." Depending on the funding source utilized, the Work Write-Up will consist of either the most urgent need inflicting the house and/or the items needed to bring the house to minimum housing code standards, as determined by Forsyth Community & Economic Development staff. The final cost estimate will be prepared and held in confidence until bidding procedures (detailed below) are completed.

### **Loan Review:**

All applications will be reviewed to ensure that they meet all eligibility guidelines and that the proposed Work

Write-Up meets the underwriting criteria for the County and grant funding agencies. After the loan review, the applicant will be notified whether or not their application is accepted for funding.

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.

**Bidding:**

Upon loan review approval, the Work Write-Up is sent to at least 3 contractors from Forsyth County's Approved Contractors List. The contractors are invited to attend the "Pre-Bid Walk-thru" held at the homeowner's residence. The Walk-thru is scheduled for a specified date and times where the contractors can inspect the items listed on the Work Write-Up and prepare bid proposals. The sealed bid proposals are returned to the Community & Economic Development Department by a pre-determined bid closing date and time (typically 1 week after the Walk-thru). Under special circumstances, an additional bid walk-thru may need to be scheduled; the homeowner will be included in all scheduling efforts.

**Contractor selection:**

Within one business day of the bid return date, all received bids will be opened and reviewed. Typically, the lowest bidder will be selected; an explanation will be provided in writing for any accepted bid that is not from the lowest bidder. All bidders and the homeowner will be notified of the bid results, including the contractor name, the amount of the winning bid, the amount of the County's cost estimate, and noting of any support or contingency costs that have been included in the loan amount. Contractors must submit proof of insurance and any required building permits prior to the start of construction.

**Pre-Construction Conference/Contract Execution:**

Once a contractor is selected, the loan contracts, funding documents, and any other rehabilitation contracts are drafted to be reviewed during the pre-construction conference. The conference is typically held either at the Community & Economic Development Department or at a local attorney's office. However, at the request of the homeowner for mobility concerns, the conference may be held at the homeowner's house. At this time, the homeowner, contractor, and program representatives (typically the project manager and rehab specialist) will discuss the details of the Work Write-Up and overview the construction process. Topics include the Work Write-Up, starting and ending dates, expectations, and any special arrangements. Further, any questions or hesitations of the homeowner or contractor will be addressed.

The rehabilitation contract is a legally binding agreement between the contractor, the homeowner, and the County\*. The homeowner will review and sign applicable rehabilitation contracts, including, but not limited to: deeds of trust, promissory notes, and deferred loan agreements. Additional documents may be executed depending on the funding source. These documents will define the roles of the parties and their responsibilities throughout the rehabilitation process. Forsyth County will facilitate the loan closing and recordation of these documents and forward the recorded documents to the appropriate funding agency. By law, homeowners receiving ESFR assistance have the right to hire legal representation of their choosing at the loan closing. If a homeowner does not have "representation" at an ESFR closing, the borrower must sign a NCHFA "Legal Advice Disclosure". Within one business day of receiving fully-executed contracts\*\*, the County will issue a Notice to Proceed to the contractor, formally instructing them to commence work by the agreed-upon date, and a Receipt of Contracts to the homeowner, including a copy of the fully executed contract.



*\*There is a three day right of rescission for HOME contracts. During this period, the homeowner will have the opportunity to terminate the contract without any penalty. The rescission must be in writing and submitted by 5pm on the 3<sup>rd</sup> business day (not including weekends and holidays).*

*\*\*Per Forsyth County policy, contracts must be submitted through a portal for various Forsyth County representatives' approval, including budget, finance, County Attorney, and County Manager. This process typically takes approximately two weeks, but can potentially span from one week to one month.*

### **Construction:**

If applicable, the contractor is responsible for obtaining a building permit for the project before beginning work. The permit must be posted at the house during the entire period of construction. The rehab specialist will closely monitor the contractor during the construction period to ensure that the work follows the Work Write-up and is being completed in a timely manner. The homeowner is responsible for protecting personal property by clearing work areas as much as practical before construction begins. Similarly, the contractor is responsible for cleaning up their building materials and waste. Interim inspections and a final inspection will be completed by the Forsyth County Rehab Specialist. The work on a unit is considered complete when: the final inspection is complete, the homeowner signs an acceptance of the work, the contractor submits lien waivers and final invoices, and final payment is made.

**Lead Based Paint:** On December 15, 1999, HUD issued a new Federal, lead-based paint regulation implementing Title X (24CFR35) of the Housing and Community Development Act of 1992. These new lead standards and regulations became effective September 15, 2000. The County will abide by these new regulations and will contract with a certified lead paint inspector to perform an assessment of every housing unit constructed prior to 1978 that is being considered for acceptance into the County's Housing Rehabilitation Programs. Additional lead regulations and licensing, known as Renovate, Repair and Paint (RRP), as mandated by the North Carolina Department of Public Health and Human Services, Health Hazards Control Unit, will also be required for Contractors working on households with lead hazards. If lead is found at unacceptable levels, the County will determine the appropriate treatment to be taken as required by federal regulations. The County, due to budgetary restraints, may not be in a position to treat every home that contains lead hazards. Therefore, the County reserves the right to decline assistance to households residing in homes that contain unhealthy levels of lead-based paint that cannot be treated in an economically feasible manner. Selections will be made based upon information and recommendations provided by the Community & Economic Development Department staff.

If lead paint found in a house is above the allowable levels, and the County provides rehabilitation assistance, it may be necessary for the household to be temporarily relocated during the construction period for protection against lead poisoning. Families that must be relocated will first be asked to find alternative temporary housing on their own and at their own cost. However, if a family cannot find or afford temporary housing, the County can, but is not obligated to, use federal, state, or local funds to pay for the costs of the family's temporary relocation. Other funds may be available for temporary relocation, if needed. No project activities shall result in permanent displacement of households.

### **Change Orders:**

Any and all changes to the original Work Write-Up must be approved by the homeowner, the contractor, the Rehabilitation Specialist, the Business Manager, and the Forsyth County CED Director. The change must be reduced to writing as a contract amendment ("change order"). If the changes require an adjustment in loan

amount, the change must be specified in the change order. Also, if required by the funding source, a modification agreement will be executed stating the changes from the original contract amount.

**Progress payments:**

For some projects, the contractor is entitled to partial payments during the construction phase of the project. When a payment is requested by the contractor, the Rehab Specialist will inspect the work within three business days, and upon satisfactory inspection, pass the request to the Business Manager for final approval and payment. The Rehab Specialist will inform the contractor of any deficiencies as soon as practical, and payment will not be released until the deficiencies are corrected.

**Closeout:**

When the contractor declares the work completed, program staff will thoroughly inspect the work. If deficiencies are observed, the contractor will be required to correct them. When the Rehabilitation Specialist and the homeowner are satisfied that the contract has been fulfilled, each will sign off on the work. After receipt of the contractor’s final invoice, the final payment will be ordered. The contractor will submit all lien releases prior to release of the final payment. Each contract includes 12-month materials and workmanship guarantee as well as any relevant manufacturer’s warranties. The one-year warranty date begins on the date that the Project Manager approves final payment to the contractor.

**Post-construction conference:**

Following construction, the contractor and the Rehabilitation Specialist will meet with the homeowner one last time\*. At this conference, the contractor will submit all owner’s manuals and warranties on equipment and materials (that extend past the materials and workmanship guarantee). The contractor and Rehabilitation Specialist will review operating and maintenance requirements for the new equipment and appliances, as well as discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work. Upon completion, the homeowner will be required to sign an owner satisfaction form.

*\* Depending on scheduling restraints, the post-construction conference may be held without the contractor.*

**The Warranty Period:**

If any problems or deficiencies occur after the construction work is completed, it is extremely important for the homeowner to report them in writing to the Rehabilitation Specialist as soon as possible. All bona fide defects in materials and workmanship reported in writing within one year of completion of construction will be corrected, at no cost to the homeowners.

**CONTRACTORS**

The County is obligated under State and Federal procurement guidelines to ensure that quality work is completed at reasonable prices and that all work is contracted through a fair, open, and competitive process. To meet those requirements, the County invites bids only from contractors who are part of Forsyth County’s Approved Contractors List.

Please request a copy of Forsyth County’s Procurement and Disbursement Policy for further information.

Homeowners, contractors, or other members of the public who know of quality rehabilitation contractors, not currently on the County’s certified list, are welcome to invite them to apply by contacting the Business Manager.

### Funding Sources Fiscal Year 2025\*

Source	Project Funds	Administrative Funds	Total Funds
<b>ESSENTIAL SINGLE FAMILY REHAB LOAN POOL (ESFRLP)</b> NORTH CAROLINA HOUSING FINANCE AGENCY	\$150,000	12,000	\$162,000
<b>URGENT REPAIR PROGRAM (URP) NORTH CAROLINA HOUSING FINANCE AGENCY</b>	120,000	12,000	\$132,000
<b>HOME INVESTMENTS PARTNERSHIP CONSORTIUM (HOME)</b> FORSYTH COUNTY MUNICIPALITIES	\$195,300	\$21,700	\$217,00
<b>COUNTY EMERGENCY FUNDS</b> FORSYTH COUNTY	\$15,000	\$0	\$15,000
<b>COUNTY URGENT REPAIR PROGRAM (URP) FUNDS</b> FORSYTH COUNTY	\$190,000	\$0	\$190,000
<b>TOTAL</b>	<b>\$670,300</b>	<b>\$21,724</b>	<b>\$692,024</b>

*\*The above chart represents grant funds awarded for Fiscal Year 2025 and does not necessarily represent the total funds available, including carry-over from prior years*

## **ESSENTIAL SINGLE FAMILY REHAB LOAN POOL (ESFRLP)**

This program provides the County 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. ESFRLP 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 inhabited by children aged 6 or under whose health is threatened by the presence of lead hazards.

For ESFR22, Forsyth County has been allocated an initial set-aside of \$162,000 which it plans to apply toward the rehabilitation of three houses in Forsyth County, outside of the municipal city limits of Winston-Salem. 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. The funds provided by NCHFA come from the US Department of Housing and Urban Development’s (HUD) Federal HOME Investment Partnerships Program. Assistance for construction-related costs (hard costs) will be provided as no interest, no payment loans which are forgiven at the rate of \$8,000 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 (no repayment or recovery terms).

To provide assistance to households qualified and selected for the project, Forsyth County will first request that the homeowner sign a HOME Owner Agreement certifying the following: the home is the owner’s principal residence, the post rehab value does not exceed 95% of the 203(b) limits established by HUD, defines the loan amount, scope of work and the rehabilitation standards to be met. Forsyth County will make the official loan application and reservation request in the NCHFA loan portal system; NCHFA’s completion of this step will determine whether or not a household qualifies for an ESFRLP loan.

For qualifying households, NCHFA will create loan documents including a Promissory Note and Deed of Trust covering hard costs for the rehabilitation in an amount not to exceed \$40,000. This loan covering the hard costs remains 0% interest and forgivable at a rate of \$8,000 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. For example, if the amount of the loan is \$36,452, then the term is 5 years (\$32,000 forgiven over the first 4 years and \$4,452 forgiven at the end of the 5<sup>th</sup> year). The maximum term of the typical loan will be five years. By law, homeowners have the right to hire legal representation of their choosing at the 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 Forsyth County signing on as an interested third party prior to the commencement of any construction. Forsyth County will facilitate the loan closing and recordation of these documents and forward the recorded documents to NCHFA.

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 a loan increase as necessary at the time of closeout of the unit. 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 homeowner to record an estoppel if they wish this to be reflected in the Deed of Trust.

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 assumptions or refinancing of the loan. Should a family 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 ( $\leq 80\%$  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 the North Carolina Housing Finance Agency.

All rehabilitation work in the ESR22 cycle must be complete by May 31, 2025.

### **ESFRLP Program Requirements**

Below are the major requirements to be eligible for ESFRLP assistance:

- The housing unit to be rehabilitated must be located in Forsyth County, with the exclusion of the town limits of Walkertown and city limits of Winston Salem.
- The home must be owner-occupied. Note that NCHFA will verify ownership of the property by conducting a title search which may show any liens, additional owners, additional property owned, overdue taxes, bankruptcies, etc. so it is best to provide all information you are aware of.
- At least one household member provides proof of one of the following special needs:
  - Elderly - An individual aged 62 or older
  - Disabled - A person who as a physical, mental, or developmental disability that greatly limits one or more major life activities, has record of such impairment, or is regarded as having such impairment (awarded SSID or has a doctor's letter or other written determination).
  - A veteran - A person who served in the active military, naval, or air service and who was discharged or released there from under conditions other than dishonorable (provide DD214 form).
  - A child aged 6 or under if there are lead hazards in the home
- The gross annual household income must not exceed 80% of the Area Median Income for the County (see income limit table). Household assets are considered into the calculation.
- The cost of rehabilitation cannot exceed the Program limit of \$40,000 and the requested repairs must include all Essential Rehabilitation Criteria as described in the ESFRLP Administrator's Manual (available online at [www.NCHFA.com](http://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 home fails this test. Community & Economic Development staff may consider pairing ESFRLP funds with HOME Consortium funds, if available, to aid in the cost of rehabilitation.

### **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 the more stringent of either the ESFRLP Property Standards or the local minimum housing code.

- The property must not currently meet the County’s Minimum Housing Code.
  - An exception to this rule will be made when an accessibility modification is requested, or if there is an imminent threat to health or safety of the occupants.
- Site-built and off-frame modular units listed as real property 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 masonry foundation and tie-downs.
- No more than fifty percent (50%) of the unit’s total area 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.
  - The Rehabilitation Specialist will determine the presence of any environmental hazards/nuisances on the site, if they can be removed through rehabilitation, and whether it is economically feasible to remove said hazards or nuisances.
  - The County Housing staff can require the owner/occupants of the property to clean up and remove excess hazards, nuisances, and debris from the property to demonstrate the willingness of the owner to maintain the property after the rehabilitation services are performed.
- Properties cannot be located in the right-of-way of any impending or planned public improvements. Forsyth 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 must be economically feasible to rehabilitate. This means that it must be possible to bring the unit into compliance with all rehabilitation standards at a cost not exceeding the program limits. The Rehabilitation Specialist will make recommendations to the Community & Economic Development staff regarding the cost determinations.
- Properties that have a known infestation of bed bugs, fleas, mites or any ectoparasites will not be evaluated until the infestation has been eliminated.
- If any ESFRLP Program representative for the County suspects that the home is being used for criminal activity or the homeowners are engaging in criminal activity, the household will not be served. Properties that have been approved will be removed from the program if criminal activity is suspected. Homeowners that disagree with this decision must employ the complaint process outlined in the Assistance Policy.
- The property cannot have been repaired or rehabilitated with public funding of \$30,000 or more within the past 10 years without NCHFA approval.

### **What Kinds of Work Will Be Done?**

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

- Meet the requirements of either NCHFA’s Essential Property Standard or Forsyth County’s Minimum Housing Code, whichever is more stringent. These are “habitability standards” which set minimum standards for decent, safe, and sanitary living conditions.

- Forsyth County will arrange for a certified firm to inspect all homes for potential asbestos hazards as deemed necessary by the Rehabilitation Specialist. All homes will be tested for radon. 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 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. All contractors working on pre-1978 units must be Renovation, Repair and Painting Rule (RR&P) Certified Renovators working for Certified Renovation firms. The owner will receive information covering the results of all tests completed on the home and any corrective actions that will be needed as part of the rehabilitation.

*\*Note: 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 arrange and pay for the relocation.*

- Retain no “imminent threats” to the health and safety of the home’s occupants or to the home’s “structural integrity.” For example, 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.

In addition to the above items that must be done to satisfy NCHFA requirements, the scope of work may include approved items to:

- Reduce future maintenance and operational costs, including energy-saving opportunities
- Protect homes from natural disasters
- Enable greater accessibility for household members to function more independently as they age.

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.

Once the rehabilitation is complete, major systems in the home that undergo reasonable maintenance and normal use should be capable of lasting another 5 years. These systems include structural support, roofing, cladding and weather-proofing, plumbing, and electrical and heating/cooling systems.

More details are listed in the ESFRLP Administrator’s Manual found at the Department of Community & Economic Development or anytime online at [www.NCHFA.com](http://www.NCHFA.com).

## **URGENT REPAIR PROGRAM (URP)**

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, funds can be used to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low- income homeowners with special needs.

Urgent need is defined as an immediate threat of being displaced or removed from a home due to health or safety issues. The need must be able to be amended within a reasonable timeframe to prevent said displacement or removal.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund and Agency funds. These funds are given in the form of an unsecured, deferred, interest-free loan that is forgiven at a rate of three thousand (\$3,000) per year until the principal is reduced to zero. There is no minimum to the amount of the loan; however, the maximum lifetime limit, according to the current guidelines of URP, is \$12,000. The rehab contract will be between the homeowner and the contractor, with Forsyth County signing as an interested 3<sup>rd</sup> party.

### **URP Program Requirements\*\*\***

The major requirements to be eligible for URP assistance:

- The housing unit to be rehabilitated must be located in Forsyth County, with the exclusion of the town limits of Walkertown.
- The home must be owner-occupied.
- The household must have at least one full-time household member who is one of the following:
  - Elderly - An individual aged 62 or older
  - Disabled - A person who has a physical, mental, or developmental disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment.
  - A veteran - A person who served in the active military, naval, or air service and who was discharged or released there from under conditions other than dishonorable.
  - A child aged 6 or under if there are lead hazards in the home
  - A single parent household in which one (and only one) adult resides with one or more dependent children.
  - A large family - A household with five or more members, where at least four are immediate family members.
  - The gross annual household income must not exceed 50%\*\*\* of the Area Median Income for the County (see income limit table)
  - The cost of rehabilitation cannot exceed the Program limit of \$12,000 and the repairs must meet all Urgent Repair Criteria focused on addressing imminent life/safety issues or those necessary to prevent displacement, as fully described in the URP Administrator's Manual (available online at [www.NCHFA.com](http://www.NCHFA.com)). The cost of the actual work and project-related support costs (up to the \$1,000 maximum) will be included in the loan document.



- All work that is completed under URP must meet or exceed the NC Residential Building Code.
- The home must have urgent repair needs which cannot be met through other state or federally-funded housing assistance programs.

*\*Post-rehabilitation value is not a condition of eligibility.*

*\*\*Right of way, flood hazard, & home insurance requirements do not apply unless the impending right of way effort will occur in the next five years.*

*\*\*\*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 their household size. Households at 50% AMI may not be served if and until the quota of 30% AMI households are served.*

### **What Kinds of Work Will Be Done?**

Only repairs that address imminent threats to the life and/or safety of household members or provide accessibility modifications will be performed under URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

## COUNTY URGENT REPAIR PROGRAM (COUNTY-URP)

Similarly to the NCHFA Urgent Repair Program, 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, funds can be used to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low-income homeowners with special needs.

Urgent need is defined as an immediate threat of being displaced or removed from a home due to health or safety issues. The need must be able to be amended within a reasonable timeframe to prevent said displacement or removal.

The funds appropriated by the Forsyth County Board of Commissioners come from the American Rescue Plan Act federal funds. These funds are given in the form of an unsecured, deferred, grant. There is no minimum to the amount of the grant; however, the maximum lifetime limit, according to the current guidelines of the program, is \$15,000. The rehab contract will be between the homeowner and the contractor, with Forsyth County signing as an interested 3<sup>rd</sup> party.

### **COUNTY-URP Program Requirements**\*\*\*

The major requirements to be eligible for COUNTY-URP assistance:

- The housing unit to be rehabilitated must be located in Forsyth County, with the exclusion of the town limits of Walkertown.
- The homeowner must be a Duke Energy customer and referral from the Duke Energy's High Energy Usage Pilot Program (HEUP)
- Household's annual electricity usage exceeds 17,800 kilowatt-hours (kWh)
- The home must be owner-occupied
- The gross annual household income must not exceed 80%\*\*\* of the Area Median Income for the County nor the 200% Federal Poverty Level Guidelines (see income limit table)
- The cost of rehabilitation cannot exceed the Program limit of \$15,000 and the repairs must meet all of the recommended Health & Safety Measures identified in Duke Energy's HEUP Referral form
- All work that is completed under County-URP must meet or exceed the NC Residential Building Code
- The home must have measures which cannot be met through the High Energy Usage Pilot (HEUP) Program

*\*Post-rehabilitation value is not a condition of eligibility.*

*\*\*Right of way, flood hazard, & home insurance requirements do not apply unless the impending right of way effort will occur in the next five years.*

**What Kinds of Work Will Be Done?**

Only repairs that address imminent threats to the life and/or safety of household members, provide accessibility modifications, or are recommend health and safety measures identified by Duke Energy's HEUP Program will be performed under County-URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

## **HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)**

The HOME program provides funds to the Winston-Salem/Forsyth Housing Consortium which includes Forsyth County, the City of Winston Salem, and other municipalities in Forsyth County. Forsyth County is a sub-recipient of the City of Winston Salem and is responsible for administering the HOME program for the County and all County Municipalities, with the exclusion of the Town of Walkertown.

The HOME program was created by the National Affordable Housing Act of 1990. Its intent is to provide decent, affordable housing to lower-income households and strengthen the ability of state and local governments to provide said housing. The Consortium is awarded HOME funds from the U.S. Department of Housing and Urban Development (HUD) annually.

Assistance under the HOME program can be offered as amortized loans, deferred loans, and grants. The form chosen takes into consideration the amount of funds spent on a project, the length of the term, and the homeowner's financial circumstances.

### **Home Consortium Requirements:**

Below are the major requirements to be eligible for assistance with HOME funds:

- The house to be rehabilitated must be located in Forsyth County, but outside of Winston Salem city limits. An exception may be made to those living within city limits that were in the County's First Time Homebuyer Program.
- The home must be owner-occupied and be the owner's principal residence
- The gross annual household income must not exceed 80% of the Area Median Income for the County (see income limit table)
- The minimum cost of rehabilitation must be at least \$1,000

### **What Kinds of Work Will Be Done?**

All work completed on a home must meet the rehabilitation standards of both the HOME project and the minimum housing/building code. Eligible rehabilitation costs include essential improvements, energy-related improvements, lead-based paint hazard reduction, accessibility for disabled persons, repair/replacement of major housing systems, incipient repairs and general property improvements of a non-luxury nature, site improvements, and utility connections. Any work completed must bring the house to minimum housing/building code.

## GRIEVANCE POLICY

Although the application process and rehabilitation guidelines are designed to be as fair as possible, Forsyth County realizes there is a possibility that some applicants or participants may feel that they are not treated fairly. The following procedures are for the resolution of complaints and appeals.

### **During the application process:**

- If an applicant feels that his/her application was not fairly reviewed or rated, they may appeal the County's decision by contacting the County CED Director within five days of the initial decision to 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 10 business days of the initial decision on an application.
- Forsyth County will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

### **During the rehabilitation process:**

- If the homeowner believes the construction is not being completed according to the contract, he/she must inform the Rehabilitation Specialist, preferably in writing.
- The Rehabilitation Specialist will inspect the work in question. If they find 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 remedy the problem.
- If the Rehabilitation Specialist finds that the work **IS** being completed according to the contract, the complaint will be noted. The Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Rehabilitation Specialist's decision.
  - 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 CED Director.
  - Should the mediation conference fail to resolve the dispute, the CED Director will render a written final decision.
- **Final Appeal:** After following the above procedures, any applicant or homeowner who remains dissatisfied with Forsyth County's final decision may appeal, in writing,
  - For ESFRLP projects, please contact Michael Handley, NCHFA, PO Box 28066, Raleigh, NC 27611-8066, (919) 877-55627.
  - For all other rehabilitation projects, please contact Shontell Robinson, Forsyth County, 201 N. Chestnut Street, Winston-Salem, NC 27101-4120, (336) 703-2013

## ADDITIONAL INFORMATION

### **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, local town administrators (if requested), Piedmont Triad Regional Council's Weatherization Program staff (for referrals), Duke High Energy Usage Program staff (for referrals), the City of Winston-Salem, the North Carolina Housing Finance Agency, the US Department of Housing and Urban Development (HUD), and auditors.

**What about conflicts of interest?**

No officer, employee, public official, County Commissioner, or contractor who exercises any functions or responsibilities with Forsyth County’s Housing Rehabilitation Program shall have any interest, direct or indirect, in any (sub) contract for work to be performed with program funding, either for themselves or for those with whom they have family or business ties, during their tenure, and for one year thereafter. Relatives 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 the proper state or federal agency. For the ESFR and URP programs, the proper state agency is NCHFA.

**CONTACT INFORMATION**

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	<small>2452387498F5447...</small> Name	Title	Date

