



Lexington County CDBG-DR Program

# REBOUND

Comprehensive Policies & Procedures

Updated: July 27, 2021

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## Program Background & Objectives

### Background

This document addresses the policies and procedures that will guide the implementation of Lexington County's (County) Community Development Block Grant for Disaster Recovery (CDBG-DR) REBOUND Program.

The flooding event that impacted the State of South Carolina from October 1 through October 5, 2015, was unprecedented in nature, destroying significant infrastructure throughout the state. Lexington County was one of the most heavily affected counties, with many residents' homes flooded and hundreds of roads made impassable. As a result of the storm, many homeowners with low to moderate income experienced significant losses not fully covered by insurance or Federal Emergency Management Agency (FEMA) Individual Assistance.

Lexington County was provided a direct allocation of \$16.3 million in US Department of Housing and Urban Development (HUD) CDBG-DR funds to assist the County with the unmet needs of its citizens impacted by the storm. The funds are to be used to satisfy portions of unmet need that still remain after funding from other federal, state, and local programs; insurance; nonprofit, community, or faith-based organizations; and/or other private or public sources has been allocated.

### Program Objectives

The primary objective of the REBOUND Program is to provide decent, safe, and sanitary housing in the disaster-impacted areas through the provision of activities designed to mitigate damage that occurred as a result of this, as well as any future disaster.

A second objective is to ensure that the housing needs of very low, low and moderate-income households are assisted with housing in no less than the proportion to the relative percentages of the overall populations, which suffered housing damage within the communities being served.

### Governing Regulations and enabling Legislation

The Disaster Relief Appropriations Act of 2016 (Pub. L. 114-113, approved December 18, 2015) was enacted to appropriate federal funds for disaster relief. The law provides that grants shall be awarded directly to a State or Unit of General Local Government (UGLG) at the discretion of the Secretary. To comply with statutory direction that funds be used for disaster-related expenses in the most affected and distressed areas, funds are allocated using the best available data that cover all the eligible affected areas. The Act appropriated \$300 million in CDBG-DR funds to be made available to the several states that received major disaster declarations in 2015 by the President of the United States. Funds are to be used to satisfy portions of unmet need that remain after assistance from other federal, state and local assistance, insurance, non-profit, community or religious based organizations and/or other private or public funding has been allocated.

The Act allocated \$16,322,000 for disaster recovery efforts in Lexington County. Additionally, the State of South Carolina, the City of Columbia, SC and Richland County, SC each received a direct allocation of the funds. The Congressional allocations to South Carolina jurisdictions totaled \$156,664,000. In accordance with the Act, the state or local government must expend the funds within six years of the signed agreement between HUD and the grantee. Only with approval from HUD can these expenditures extend beyond the designated deadline. All funds must be used for eligible disaster-related activities, and as is the case with annual appropriations of CDBG Funds, 70% of all CDBG-DR funding must benefit low-to-moderate income households.

Federal Register Volume 82, No. 150 dated Monday, August 7, 2017 provided notice of Public Law 115-31, which was enacted by Congress on May 5, 2017. The Act allocated an additional \$5,038,000 to Lexington County for disaster recovery efforts related to the October 2015 storm and flooding event.

### Lexington County staffing

Lexington County hired a CDBG-DR Administrator, as a temporary grant funded employee, to serve as the leader of the day-to-day activities of the administrative team. This person serves to coordinate the activities of the contractors hired to manage the activities of the individual programs. Additionally, the County has employed Civitas, a consulting company, whose primary functions will be to provide Technical Assistance to the County and to other contractors and to assist in the Quality Assurance function as it relates to gathering and storing accurate, appropriate documentation of the overall program and the individual programs. The CDBG-DR Administrator will work with the Quality Assurance/Technical Assistance team leader in ensuring that all CDBG-DR rules and regulations, as well as spending and procurement activity, are completed according to appropriate standards.

### Action Plan Amendment Process

Throughout the course of the CDBG-DR program, it may become necessary to amend the County's Action Plan. There are two variations of Action Plan amendments: 1) Minor Amendments and 2) Substantial Amendments. Minor Amendments include making changes to the plan to correct typographical errors or improved and updated information provided to the plan. A Substantial Amendment includes adding additional program options or eligible activities, removal of an existing program or activity, a change in the target areas served by the program or a significant change in the allocation of funds to the various programs previously identified within the plan. A significant change in the allocation of funds is further defined as an increase or decrease of funding allocation to one or more project by 10% or more of the current allocation level(s). Changes to the Action Plan that are considered minor or non-substantial do not require the Citizen Participation process, however, the County will post the amendment to the County's CDBG-DR website and notify HUD of the non-substantial amendment.

If a Substantial Amendment becomes necessary, the County will first publish the Substantial Amendment for a fifteen (15) day public comment period. The County, though not required to do so, will also host at least one public meeting, which may include a presentation to County

Council, in order to publicly present the changes and the rationale for making such changes. Following the Citizen Participation process, the County will submit the amended Action Plan to HUD for approval. Upon HUD approval, the revised Action Plan will be posted to the County's CDBG-DR website.

### Meeting a National Objective

Expenditures of all CDBG and CDBG-DR funds must meet one of three national objectives: 1) benefit to low-to-moderate income households, 2) elimination or prevention of slums and blight, and 3) urgent need. As required by HUD, the Action Plan is submitted to outline our assessment of unmet needs in the areas of housing, infrastructure, and economic development. Additionally, the Plan outlines the County's allocations for effectively addressing outstanding recovery needs, proposed use of funds, eligibility criteria, and other aspects of the County's long-term recovery.

### Low-Moderate Income Set-Aside Requirements

P.L. 114-113, following standard CDBG regulations, requires that no less than 70% of the Disaster Recovery funding go towards serving low-to-moderate income households. Funding is said to meet this requirement by either serving low-to-moderate income households directly, through one of the two housing programs described above, or by providing an area benefit in a HUD defined low-to-moderate income area – an example would be improvements to water and sewer systems in an LMI Area. HUD defines a low-to-moderate income area as a census area where 51%, or more, of the households within the area have incomes at or below 80% of the County's Median Income. The only area in the County, with significant storm impact, that meets the LMI Area definition is the Chaledon neighborhood. The August 7, 2017 Federal Notices provides for the creation of two new National Objectives that are applicable to the County's program.

1) The Low/Mod Buyout (LMB) national objective. This national objective is said to be met "When CDBG-DR funds are used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount is greater than the pre-disaster fair market value of that property".

2) The Low/Mod Housing Incentive (LMHI) national objective is said to be met "When CDBG-DR funds are used for a housing incentive award, tied to the voluntary buyout of housing owned by a qualifying LMI household, for which the housing incentive is for the purpose of moving outside of the affected floodplain or to a lower-risk area.

### Use of the Urgent Need National Objective

The use of all CDBG-DR funds, other than Planning & Administrative funds, must meet a National Objective as described by CDBG regulations and P.L. 114-113. In general, funds must primarily go towards serving low-to-moderate income households either through a direct benefit or an area benefit (described above). In some cases, households receiving CDBG-DR assistance will not be low-to-moderate income nor will they meet the criteria for the area benefit classification. In such cases, the County will utilize funds to serve these households under the Urgent Need

National Objective as defined by CDBG regulations. All activities funded under the Urgent Need national objective must serve households that have direct impact from the October 2015 storms as well as a remaining unmet need. The use of this national objective classification will be limited to the homeowner rehabilitation program and the Buyout program

## Subpart B Exemption

The County's CDBG-DR Voluntary Buyout Program is exempt from the full requirements of the Subpart B basic acquisition policies for agencies with eminent domain authority. The Lexington County Voluntary Buyout Program meets all of the conditions as outlined in 49 CFR 24.101(b)(1-5).

1. The County does not need to acquire specific sites or properties through the CDBG-DR Voluntary Buyout Program. The County processes all applications for the Voluntary Buyout Program in a similar manner.
2. The CDBG-DR Voluntary Buyout Program is not acquiring properties as part of an intended, planned, or designated project area. The Buyout Program is structured as a strictly voluntary program, as identified and outlined in the HUD approved CDBG-DR County of Lexington, SC Action Plan.
3. The County permits any owner to withdraw from the program if the owner does not agree with the terms of the closing for any reason, or decides at any point during the buyout process that they wish to cease negotiations. The owner is notified of their rights to withdraw from the program at any time both at intake and prior to closing. Specifically, the owner is provided with the Voluntary Participation Form during intake and then the Voluntary Transaction Agreement prior to closing. Both documents are signed by the applicant and are contained in the property file.
4. The County informs the owner in writing of what it believes to be the market values of the property. This is accomplished by providing the owner with the fair market value on the Homeowner Offer Letter prior to closing.

## Citizen Participation

Effective communication is paramount to the successful delivery of complex public programs, particularly in the wake of a disaster. The County will engage in a two-tiered applicant communication strategy. Larger program-wide information is made available on the County's Disaster Recovery REBOUND program website. Case management will assist applicants throughout the program process, providing status at each critical point.

The County is confident that an effective and comprehensive communications strategy will better allow community access to create a culture of personal resilience and sustainability. CDBG-DR has been proactive in engaging the community, and keeping them informed of disaster recovery efforts transpiring within their community in an effort to create this culture, using the disaster recovery website as a resource for community stakeholders.



## Website Information

The County of Lexington has created a website to keep the public informed of the 2015 Flood recovery efforts. The website is managed by the County's Information Services Department; and is accessible through the Community Development website. The County will maintain this website throughout the full recovery period, and will serve as the primary source of information for:

- Disaster recovery actions
- Action plans and amendments
- Quarterly performance reports (QPRs)
- Citizen participation plans
- Procurement policies
- Procurement notices/advertisements
- Notices of public meetings
- Executed contracts
- Activity/program information (activities described in the action plan, and other information relevant to the CDBG-DR program funds)

Revisions to the CDBG-DR website will be made in conjunction with any new activity associated with the program action plan.

Constituents are able to lodge complaints via an email link on the website. The County will respond promptly within fifteen (15) days of receipt of each complaint. The CDBG-DR Administrator will monitor the email address, log all complaints and coordinate to provide

the response. All CDBG-DR information will be made available in a language other than English upon request.

## File Management & Records Retention

During the in-take process with the County:

- Paper files are kept of all submitted materials from applicants.
- All materials are organized in a presentation folder with section headers.
- Civitas performs a quality control check of each file and signs an Affidavit of Completeness, included in the file, to certify it is complete.
- Property owners are notified by the Disaster Recovery Administrator their file is considered complete and was transitioned to Tetra Tech for Buyout or SBP for Rehab, respectively.
- All transitioned files, as well as files in various stages of the application process, are locked in filing cabinets in the Lexington County Community Development office.
- Each file will be scanned into the Disaster Recovery SharePoint.
- Once files are scanned into SharePoint they will be accessible remotely by Civitas, SBP, and Tetra Tech.

All files will be maintained in accordance with the requirements established in 24 CFR 570.506.

## Program In-take

### In-take process

Lexington County's CDBG-DR program utilizes a uniform in-take process to ensure eligibility requirements are met. The Disaster Recovery Administrator will meet with applicants to assist in the completion of application documents and gathering supporting documentation. The Disaster Recovery Administrator will schedule an appointment with each applicant to assist each applicant with the Duplication of Benefits and Income Certification processes.

### Required Documentation

#### *Properly executed Intake Application Documents*

- Eligibility Release Form
- Voluntary Participation Agreement
- Applicant's Certification
- Income Documentation
  - Such information may include:
    - W-2 income statement;
    - Signed Verification of Employment (VOE)
    - Most recent 3 months paystubs
    - Disability benefits;
    - Social Security or Pension Benefits;
    - Most recent 2 years IRS 1040 tax statements
    - Notarized Affidavit of Zero Income.

#### *Property documentation*

- Deed
- Rental/Tenant Questionnaire
- Mortgage Statement or Satisfaction Letter
- Proof of paid Property Taxes
- Duplication of Benefits Documents
- Copies of Award or Denial letters from FEMA, SBA, Flood Insurance, etc.
- Copies of all receipts for repairs that were made to the property using the above-named funds (For participants of the Minor Rehab Program)

When the income has been certified and duplication of benefits have been calculated, an appointment will be made with the applicant to verify and sign certifications.

Once an application has been certified as complete; quality control measures will be implemented by Civitas throughout the process, including:

- Applicant file review before passing on to respective Buyout and Rehab program managers.
- Internal Auditor monitoring of CDBG-DR programs.

### Eligibility Determination

All homeowners of property in Lexington County that was damaged by the October 2015 flood are eligible to participate in one of the two programs:

- Minor Rehab Program - all homeowners in the county are eligible for the Minor Rehab program
- Buyout Program – homeowners who live in one of the four specified neighborhoods (Pineglen, Challedon, Whitehall and Coldstream), are eligible for buyout from Lexington County for a purchase price determined by a private appraisal obtained by the homeowner. If the homeowner owned the property during the October 2015 flood, the appraisal is based on up to 6 months prior to the flood event. If the homeowner purchased the home after October 2015, they must obtain an appraisal for current fair market value for the property.

All applications will be considered, regardless of race, religion or sexual orientation. Selection will be determined on the completion of all required documentation. All applications will be processed in the order in which they are received.

### Income Certification

Income level is not an eligibility factor for disaster recovery assistance, all applicants must provide acceptable documentation, as outlined in the Income Certification Procedures section. Income is used to determine Low-to-Moderate Income status.

#### *Step 1: Determination of Household Income*

The Part 5 annual income method determines annual gross income, including the income calculation all adults (18 and older) who will be part of the household during the time CDBG-DR assistance will be received, and also unearned income of minor children (e.g., TANF).

#### The Process of Determining Income

- 1) Assist the client in completing an application form that includes the proper privacy notices and required releases.
- 2) Collect and analyze appropriate income documentation for household members either through third party verification or source documentation. Clients are required to submit copies of pay stubs or other required documents with the completed application form.

3) CDBG-DR grantees should assume that current circumstances will continue for next 12 months unless there is documentation that current circumstances will change within next 12 months - e.g., pay raises, overtime, family size or composition.

4) Calculate applicant's projected household income based upon documentation provided.

The CDBG-DR program uses "household" income rather than "family" income to qualify recipients in housing activities.

Household Income Includes:

- Related and unrelated household members
- Shared custody children should be counted if at least 50% of time is with the household seeking CDBG-DR assistance.
- Temporarily absent household members who will return to the household, for example:
  - Members who are temporarily absent for school or work;
  - Those who are incarcerated for a short time and will return to household;
  - Active military members who will return to household

Household Income may Include:

- Permanently absent members (it is up to the head of household to decide who is permanently absent). For example:\*
- An elderly member who has gone to live in a nursing home.
- Adult student living away from home.

\*Note, if the applicant includes these persons as household members, the income associated with these household members must also be included.

Household Income Excludes:

- Foster children and legal kinship guardians or foster adults, live-in aides and children of live-in aides.

In the CDBG-DR program, the signers will typically be the homeowner, proposed owner(s) of a CDBG-DR-assisted home — such as a head of household and the spouse. All household members should be indicated on the CDBG-DR application, including their dates of birth.

Calculating wage rates:

- If paid for every week of the year: Pay rate times 2,080 hours for full-time (40 hours times 52 weeks).
- If not paid for every week: Pay rate times number of hours per week times number of weeks worked per year, or multiply total quarterly pay times four (4).

#### Variations in pay:

- If seasonal income, add months of pay + unemployment to project 12 months forward.  
Example: Six (6) months of pay + six (6) months unemployment

#### Other Common Sources of Income

- Unemployment:
  - If a household member is currently receiving unemployment payments, verify amount received.
  - If a client is not currently receiving payments, but has signed up for unemployment payments or expects to soon, use the prior year tax return or last two years to obtain an average payment amount.
- Self Employed: document current information if available. If current information is not available, use prior two (2) year's tax returns to obtain average income.
- Construction and/or seasonal: ensure all employers are included, use verification letters and forms for all if possible.
- Cash: Review for periodic payments in checking and/or savings account statements.
- Zero income for one or more household members.
  - Complete the Notarized Affidavit of Zero Income form

#### *Step 2: Calculation of Income*

After income and asset sources have been collected and verified either through source documentation and/or third party verification, calculate income using the CDBG-DR Income Calculation Worksheet (Attachment 1). The form provides sections for the following information:

- Assets Income (top section of worksheet):
  - Include only assets which provide income for the household (i.e. Rental income)
  - Include the actual income anticipated to be derived from an asset over the next 12-month period.
- Income (bottom section of worksheet):
  - Include all income sources for the household as determined in the Part 5 approach. Add the assets and complete the worksheet, as instructed on the worksheet.

## Duplication of Benefits

Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he/she has already received financial assistance under any other program, private insurance, charitable assistance or any other source. Such duplicative funding is called Duplication of Benefit (DOB). This prohibition laid out in the Robert T. Stafford Act (Stafford Act), as amended, is a significant added layer of regulation not found within the County's entitlement CDBG program. This is a new regulation with which the County will comply for its CDBG-DR grant.

Pursuant to the Stafford Act, the County will establish and follow policies and procedures to uphold the safeguard against DOB within its program guidelines for each eligible activity. Understanding that prevention of DOB is especially critical in the context of housing programs and in anticipation that some form of housing assistance will be identified to fulfill unmet disaster recovery needs at the conclusion of the County's Action Plan development process, the County has established a framework for identifying potentially duplicative sources of funds and reducing documented duplications from potential project awards prior to any award actually being made.

During the application period and eligibility determination, a case manager will document all sources of funds received or approved from private insurance, SBA, FEMA, volunteer organizations and any other public and/or private organizations (including in-kind assistance) used for the same purpose that the CDBG-DR award will be intended. Once all sources have been identified and after determining an applicant's remaining unmet recovery need, any sources of funds previously received for the same recovery need will be deducted except where those funds were spent on activities that are exempt per Stafford Act and HUD guidance, sometimes known or referred to as Allowable Activities. Allowable Activities will not result in a reduction of the final award. Additionally, per the Federal Register Notice and longstanding HUD guidance, forced mortgage payoffs will not be considered a Duplications of Benefits as those funds were never available to the applicant.

We understand that applicant benefits from FEMA, SBA, and insurance can be a moving target with additional funds received much later than initial payouts due to appeals and litigation. Further, all funding sources may not be known at the time of application. Therefore, the County will continuously monitor program applicants and perform its due diligence to verify benefits that may have been secured from FEMA, SBA, private insurers, charitable contributions and any other available financial assistance after the date of application. Late or additional benefits from other sources can also result in a change to the outcome of the award amount for which an applicant is ultimately eligible. Applicant awards may have to be adjusted as new sources are identified to prevent DOB and minimize recapture. The County is in the process of securing FEMA and SBA data that it will use as a part of its DOB analysis and is working to put agreements in place to obtain updated data feeds.

The County has already established relationships with volunteer organizations that have provided assistance to disaster-affected citizens. The County will work to leverage these

relationships and applicant release forms to obtain additional DOB data from philanthropic sources.

As a part of its case management process, the County will require applicants to execute an Application for Assistance, which will include:

- Income Certification
- Insurance Certification
- Release of Information
- Voluntary Participation Agreement

These documents will become part of each applicant's record. Furthermore, these documents will hold each applicant accountable to the accuracy of information provided and also give the County recourse if it is determined at a later time that applicants received other financial assistance that was not identified at the time of application. If a duplication of benefit arises within the term of the applicant benefit delivery and compliance/monitoring period, the County of Lexington will adhere to the guidelines set forth in OMB Circular A-87 and the Stafford Act (chapter 37 of title 31) for the recapture of funds. Beneficiaries of CDBG-DR program funds will be informed of fund recapture in an agreement executed with the County if it is determined that a DOB exists. The County of Lexington Department of Community Development will bear responsibility for ensuring compliance with DOB regulatory requirements at the eligibility stage and for monitoring latent additional funding sources.

Applications submitted should identify funds received from:

- FEMA (documented by letter from FEMA and/or data provided by FEMA)
- Insurance (documented by letter from insurance company and/or data if available)
- SBA (documented by letter from SBA and/or data provided by the SBA)
- Any other sources (such as CDBG/HOME, local/state government funds, private/nonprofit relief assistance, and housing trust funds)

**Policy Change Note:** Due to a HUD monitoring visit on March 2018, Lexington County made a policy change regarding Duplication of Benefits calculations.

- The previous DOB policy required the County to deduct any amount of disaster recovery assistance that was not spent towards its intended outcome, or if there was no documentation proving such, regardless of the type assistance received or its intended purpose.
- Under the new policy, DOB deductions are now only to be calculated for assistance received in the same category. This means the County is no longer considering rehab assistance in its DOB calculations under the Buyout Program.

This change was effective April 1, 2018, and applies to all past, current and future applicants. Applicants who have already closed out of the program—will be retroactively compensated in accordance with the new policy.



## **Calculating DOB – Minor Rehab Program**

### *Step 1 – Determining Amount of Benefits Received (Rehab)*

- Applicant must provide copies of all award or denial letters from any funding source that they applied to for assistance. (Only funds designated for real property or repairs are taken into consideration.)
- Add all benefits designated for repairs or property (A)
  - Applicant must provide copies of all receipts or copies of checks for completed repairs of damages done to their home by the Presidentially Declared Disaster. (Deferred maintenance and cosmetic expenses do not qualify). \*
- Record these amounts and total (B).

### *Step 2 – Determine Potential Duplication of Benefits Amount*

- Subtract the Total of amount spent (B) from total amount received (A).

Any remaining amount would be the amount determined as potential Duplication of Benefits and will be subtracted from the total amount of CDBG-DR funds eligible for rehab of the property.

\*This applies to applicants in the Rehab Program only. Rehab assistance is not counted in DOB considerations for the Buyout Program. See Policy Change Note above for further detail.

See Buyout Program DOB procedures below.

## **Calculating DOB – Buyout Program**

### *Step 1 – Determining Amount of Benefits Received (Buyout)*

- Applicant must provide copies of all award or denial letters from any funding source that they applied to for assistance. (Only funds designated for replacement or purchase of new home are taken into consideration.)
- Add all benefits designated for replacement or purchase of home (A)
- Applicant must provide copies of all receipts or copies of checks for funds expended towards replacement or purchase of new home.
- Record these amounts and total (B).

### *Step 2 – Determine Potential Duplication of Benefits Amount*

- Subtract the Total of amount spent (B) from total amount received (A).

Any remaining amount would be the amount determined as potential Duplication of Benefits and will be subtracted from the amount of Purchase Offer of the property.

\* This applies to applicants in the Buyout Program only. Replacement/home purchase assistance is not counted in DOB considerations for the Rehab Program. See Policy Change Note above for further detail. See Rehab Program DOB procedures above.

*Special Considerations:*

- Funds provided for rental assistance or personal property are not considered
- If a home was determined to be Substantially Damaged (more than 49% of value),
- SBA Loans require that all additional funding received is assigned to SBA to avoid DOB of their award.

1. Identify applicant's total need
2. Identify all potentially duplicative assistance
3. Deduct assistance determined to be duplicative
4. Maximum CDBG-DR award (Item 1 less Item 3)

### Transition of files to Rehab & Buyout Program Managers

Completed files are reviewed by Civitas and approved by the Disaster Recovery Administrator. Files are passed to the respective program manager – Tetra Tech for the Buyout Program and SBP for the Rehab Program.

- Intake documentation is reviewed and certified. The applicant will meet with the Disaster Recovery Administrator to review and sign the Income and Duplication of Benefits certificates (and W-9 Form, if the program selected was Buyout).
- The Environmental Review, and Affidavit of Completeness, will be completed for each file.
- Data for each property is maintained in SharePoint (the progress of each step and the dates, duplication of benefits, and the income status/LMI determination of Urgent Need)
- The Lexington County CAMA Property Card of the applicant's property, the Affidavit of Completeness, and the applicant's contact information is emailed to either Tetra Tech or SBP.
- A transition letter is mailed to the applicant by the Disaster Recovery Administrator. This letter advises them that their project is now being handled by Tetra Tech or SBP, and provides the applicant with that Case Manager's contact name and phone number.

### Timely Information on Application Status

To mitigate the anxiety of applicants and keep them apprised of application progress, the County will institute systems that allow for real-time status updates to applicants upon request. The County will not know the volume of case management needed until the conclusion of the Unmet Needs Assessment and Action Plan development. The County institutes the following status update options:

- Providing direct access to an applicant's designated case manager
- Monitor case manager caseloads and adjust as necessary to keep caseloads at reasonable levels that will ensure frequent applicant contact

- Sending status notifications after critical milestones have been achieved as well as outlining next steps
- Sending printed status updates to applicants
- Face-to-face consultations with case managers
- After-hours voicemail systems monitored daily and instituting a policy of return calls within 24-hours of voicemail receipt
- Case manager email contact information provided to applicants

### Access to Records

During the term of the grant, the County will provide the public with reasonable and timely access to information and records concerning documents related to Disaster Recovery event of 2015, and to the use of the County's CDBG-DR funds. The County will maintain a comprehensive website which will provide updated information about the program, the Action Plan (including amendments) as well as the Quarterly Performance Reports and all other relevant program related reports and announcements. Requests for additional information should be sent to:

REBOUND Program  
Community Development Department  
212 S. Lake Drive, Suite 401  
Lexington SC 29072  
By Phone: (803) 785-8121  
By Email: [REBOUND@lex-co.com](mailto:REBOUND@lex-co.com)

### Complaints

Written complaints from the public related to this Action Plan (or its amendments), QPRs, or the County's activities or programs funded with CDBG-DR, will receive careful consideration and will be answered in writing, or other effective method of communication, within fifteen (15) business days, where practicable. Written complaints should be sent to:

REBOUND Program  
Community Development Department  
212 S. Lake Drive, Suite 401  
Lexington SC 29072  
By Phone: (803) 785-8121  
By Email: [REBOUND@lex-co.com](mailto:REBOUND@lex-co.com)

### Appeals Process

The County will institute both a complaint and an appeals process to address citizen concerns and applicant grievances. Applicants will be notified, in writing, of their opportunity to appeal decisions and the process for appealing at the application stage of the process. They will be

reminded of their right to appeal through details provided on all program status notifications. Information about the appeals process will also be posted to the County's disaster recovery website.

All complaints and/or grievances will be submitted in writing to the CDBG DR Administrator. The administrator will review the complaint and make every effort to solve the issue in such a way as to meet the needs of the citizen as well as the County and the CDBG DR program. If a solution cannot be reached, the administrator will forward the issue to the Community Development Director. The Director, with assistance from the Quality Assurance team, will review the complaint in an effort to mediate the issue to an acceptable resolution. Every effort will be made to reach this point of the process within five (5) business days.

If no resolution is found, the Director will convene the Disaster Recovery Technical Review / Appeals Committee. A member of the Quality Assurance team will present all information regarding the issue and the applicant making the complaint will be given the opportunity to present additional pertinent information and/or documentation to support their position. The committee will take the matter into consideration and applicants will receive a written notification of the committee's findings within five (5) business days. At each stage of this process, every appropriate effort will be made to reach a resolution that meets the needs of the applicant, the County and CDBG Disaster Recovery governing laws. If resolution is not reached, the applicant will be given an option to continue in the program based on the original decision or to opt out of the program. In any case, the decision of the Disaster Recovery Technical Review / Appeals Committee will be final on all program matters, except in matters concerning URA benefits for LMI persons (see URA section).

The County's Technical Review / Appeals Committee will consist of the following Lexington County Staff:

- Deputy Finance Director
- Procurement Manager
- Public Works Director
- Emergency Management Director
- Chief Building Official
- Flood Plain Manager
- County Assessor

The Community Development Director will serve as Chair of this Committee but will be a non-voting member. As chair, the director may contribute general information as to the program policies and procedures and/or the HUD guidelines and regulations. The chair will not provide information specific to the issue before the committee.

The committee meeting will adhere to appropriate county meeting regulations as determined by the County Council and monitored by the Clerk to Council. Minutes for all meetings will be kept and distributed to all members of the committee. Approval of the minutes by the membership

shall occur either at the next meeting of the committee, or when appropriate by documented e-mail vote. The table below provides a sample flow chart for actions/decisions that may be appealed by applicant homeowners.

**Policy correction note:** As a result of a HUD monitoring visit in March 2018, Lexington County made a policy change regarding the complaint appeal process for LMI persons/families that disagree with the County’s decision regarding qualifications as a displaced person or those who wish the appeal the amount of benefits received under the URA.

If an LMI applicant is dissatisfied with the County’s determination on the appeal, they may submit a written request to the HUD field office. Appeals can be mailed to:

U.S. Department of Housing and Urban Development  
 Columbia Field Office  
 Strom Thurmon Federal Building  
 1835 Assembly Street  
 Columbia, SC 29201-2408

Program Phase	Reason for Appeal	First Step	Second Step	Third Step	Final Decision
Application	Eligibility due to unmet needs determination by case manager	In-take Manager review	Lexington CDBG-DR Administrator will review eligibility and unmet needs determination	Lexington County Community Development Director will review eligibility and unmet needs determination	Technical Review & Appeals Committee will review the case and make a determination for next steps
Application	Income Determination (scoring criteria for flood vulnerability index)	Review income calculations and determination	Lexington CDBG-DR Administrator will review income calculations and determination	<b>X</b>	Lexington County Community Development Director will review income calculations and make final determination

<b>Buyout</b>	Substantial Damage Assessment (scoring criteria for flood vulnerability index)	Civitas will confer with County staff to verify SDA	<b>X</b>	<b>X</b>	Lexington County CDBG-DR Administrator will officially confirm final SDA determination
<b>Buyout</b>	Purchase Price Determination	Tetra Tech Program Manager will review the appraisals available	<b>X</b>	<b>X</b>	Lexington County CDBG-DR Administrator officially confirms purchase price
<b>Buyout</b>	Duplication of Benefits Determination – cash to seller amount	Tetra Tech Program Manager will review duplication of benefits determination & calculation	Lexington County CDBG-DR Administrator will review the duplication of benefits determination and calculation	Lexington County Community Development Director will review duplication of benefits determination and calculation	Technical Review & Appeals Committee will review the case and make a determination for next steps
<b>Minor Rehab</b>	Work Write-up and/or % damage estimate	SBP program manager will review the work write-up and damage assessment	Lexington County inspector will conduct separate work write-up and confer with SBP program manager	<b>X</b>	Lexington County CDBG-DR Administrator will officially determine the final percent damage and work write-up
<b>Minor Rehab</b>	Completion of rehab work by contractors and/or SBP	SBP project manager will review the work write-up and work completion	Lexington County inspector will review the work write-up and work completion	Lexington County CDBG-DR Administrator will determine if the work has been completed or not	Technical Review & Appeals Committee will review the case and make a determination for next steps

## Environmental Review

Civitas will be responsible for conducting HUD Environmental Reviews (ERs), and complying with all related regulations, for all of the County's CDBG-DR projects and activities. All ERs will be carried out and documented in full compliance with 24 CFR Part 58.

### HUD Environmental Review Background

There are two major sets of regulatory guidelines when it comes to the HUD Environmental Review process, those under 24 CFR Part 50 and 24 CFR Part 58. Under Part 50, HUD assumes the role of the responsible entity. Under Part 58, units of local government assume the role as the responsible entity. Lexington County is the responsibility entity for the administration of the CDBG-DR funds. All Environmental Assessments (EAs) and Environmental Reviews will be fully compliant with all federal, state, and local regulations, with special attention to 24 CFR Part 58.

### Level of Review

The first step in the ER process is the level of review determination. The proper due diligence at this phase ensures a successful project and that the County's EAs and other ERs will be in full compliance with federal, state, and local regulations. Every activity for which HUD funds are spent requires an Environmental Review Record (ERR). Attached to the ERR will be supporting documentation which serves as evidence as to the determination and assessment. The nature, type, and magnitude of the project determines the level of review that has to be completed for each project.

### Types of Review

The five (5) levels of review, that HUD-funded projects are potentially subject to, are as follows:

1. Exempt
2. Categorically Excluded Not Subject To (CENST)
3. Categorically Excluded Subject To (CEST)
4. Environmental Assessment (EA)
5. Environmental Impact Statement (EIA)

Lexington County's CDBG-DR programs may trigger the first four levels of review, but the fifth level is not expected as EIAs are reserved for much larger projects (i.e. 2,500 units).

### Tiered Reviews

ERs carried out using CDBG-DR funding will be sites participating in the County's Buyout and Minor Rehab programs. Tiered Environmental Reviews have been initiated to ensure that each individual property that participates in the County's programs receives a HUD ER fully compliant with 24 CFR Part 58.

### *Tier I Broad Level Review*

A Broad Level Tier I Environmental Reviews will be completed for both the Buyout Program and Minor Rehab Program. The benefit of utilizing the Tier Review process is that the County has the opportunity for clearing certain items of the ER before individual site addresses are known. The Request for the Release of Funds process is only completed one time at the Tier I level, not for each individual site.

The County will submit RROF's for both programs and as of June 2017 the County has received authorizations to use grant funds from HUD for the two Buyout EAs as well as the Minor Rehab ER.

The County has authorization to use grant funds for minor rehab properties countywide, and for buyout properties located in one of two target areas covered by the tiered EAs (see below for Target Area definitions).

### *Tier II Site Specific Review*

Before funds can expended on individual sites, the property must have a *Tier II Site Specific Checklist* completed in compliance with the County's site specific strategy. Upon the identification of a site that is to participate in the Buyout Program or Minor Rehab Program, Civitas will be responsible for completing the Tier II Site Specific Review. All Minor Rehab sites will receive Categorical Excluded Subject To (CEST) Tier II reviews, and all Buyout sites will receive Environmental Assessment (EA) Tier II reviews. Civitas will be responsible for completing each Tier II checklist, preparing the ERR, and compiling all supporting documentation. Once completed, a copy of the Tier II Review must be placed in the project file for the specific address.

#### Buyout Program Tiered EA geographical coverage

- Kinley Creek Target Area – eligible properties located in the Challedon, Whitehall, and Coldstream neighborhoods.
- Pineglen Target Area – eligible properties located in the Pineglen neighborhood.

#### Minor Rehab Program Tiered ER geographical coverage

Countywide – eligible properties located in Lexington County.



## Procurement

Procurement is the acquisition of goods and services to be used by the subrecipient, SBP, and contractor, Tetra Tech, to carry out the Disaster Recovery Programs. The procurement process includes the decision to purchase as well as the process to complete the purchase. The County will adhere to the rules of the County Procurement and 24 CFR Part 84 and 85 for CDBG-DR funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price.

All procurements must comply with the applicable Federal requirements found in 24 CFR §200.317 – 200.326

The contractors, Tetra Tech and Civitas, and the subrecipient, SBP, are required to assume responsibility for the complete effort and enforcement of laws and regulations under their contracts with the County. The County has ultimate responsibility for the CDBG-DR program. The County will manage contracts, and oversee quality control through regular project monitoring. SBP and Tetra Tech will utilize Lexington County procured subcontractors for work in the Disaster Recovery Programs.

## Contract Management & Oversight

Contract management and oversight is the responsibility of the DR Administrator. The DR Administrator will ensure that SBP, Tetra Tech, as well as the County procured demolition and rehab contractors are held to the roles and responsibilities for which they are receiving payment.

The County's Procurement office ensures that all contracts are written based on a lump sum or unit price. Invoices received from contractors and subcontractors are reviewed for accuracy by the DR Administrator for any hidden or unexpected costs or additional fees not authorized by the approved contract and payment schedule. Such fees will be denied for payment.

## Cost Reasonableness

The County will utilize the cost principles described in 2 CFR Part 225 (OMB Circular A-87) to determine necessity and reasonableness. According to 2 CFR part 225, "A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made."

## Housing Buyout Program

### Introduction

This document addresses the policies and procedures that will guide the implementation of Lexington County's (County) Community Development Block Grant Disaster Recovery (CDBG-DR) Housing Buyout Program.

The flooding event that impacted the State of South Carolina from October 1 through October 5, 2015, was unprecedented in nature, destroying significant infrastructure and caused extensive damage to property throughout the state. Lexington County was one of the most heavily affected counties, with many residents' homes flooded and hundreds of roads made impassable. As a result of the storm, many property owners with low to moderate income experienced significant losses not fully covered by insurance or Federal Emergency Management Agency (FEMA) Individual Assistance.

As a result of the disaster, Lexington County was provided a direct allocation of \$21.3 million in US Department of Housing and Urban Development (HUD) CDBG-DR funds to assist the County with the unmet needs of its citizens impacted by the storm. The funds are to be used to satisfy portions of unmet need that remain after funding from other federal, state, and local programs, insurance, nonprofit, community, faith-based organizations, and/or other private or public sources has been allocated. It is anticipated that the CDBG-DR funds will be expended over a period of approximately 40 months, including pre-implementation planning, project delivery, and post-implementation closeout paperwork (Period of Performance is estimated through December 31<sup>st</sup>, 2019). The County currently anticipates allocating this funding for a 65-property buyout and demolition program.

### Purpose

The purpose of the Lexington County (County) CDBG-DR Housing Buyout Program will be to purchase homes in flood-prone areas to eliminate future flooding and to lessen the flood impacts on the citizens of the County. Once the properties are clear of structures, the County will either convert the property to green space or utilize the property in a future flood-mitigation infrastructure capacity.

The County will utilize the services of Tetra Tech (HUD Subrecipient) to administer the implementation of the CDBG-DR Housing Buyout Program and to ensure that the County has the resources and capability to meet the eligibility requirements of the program, as well as meet all HUD-imposed deadlines.

### National Objectives

The CDBG-DR Housing Buyout Program does meet at least one of the following National Objectives:

- **Urgent Need (Direct Benefit):** The activity addresses a serious threat to community welfare following the disaster, and the household assisted is above 80% Area Median Income.
- **Low- and Moderate-Income (LMI) Housing (Direct Benefit):** The household property owner to be assisted qualifies as having low or moderate income.

### Direct Benefit

As part of the application process, the property owner (hereby referred to as the Applicant) provides documentation of household income by submitting personal documents to the County for review. County staff verifies income from this documentation and determines whether the Applicant meets LMI

Housing or Urgent Need criteria. The Applicant's national objective is the same for all activities associated with the Applicant's parcel (acquisition, clearance and demolition, purchase assistance, or URA assistance, if applicable).

If the Applicant receives the purchase assistance housing award, all Applicant buyout files will contain specific documentation that the assisted LMI or Urgent Need household is occupying replacement housing in Lexington County.

## Eligibility Requirements of Proposed Buyout Property

To be considered eligible, the property must meet the following criteria:

- Residential
- Located in Lexington County
- Located in an identified *Disaster Risk Reduction Area*
- Sustained structural damage caused by the October 2015 storm event
- Exhibit remaining unmet needs

## AWARD DETERMINATION

This program must purchase properties dependent on their ownership at the time of the October 2015 flooding event. If the Applicant owned the structure during the disaster, the property will be purchased at the pre-disaster fair market value of the land and structure. This is determined by either the County's pre-storm tax value assessment or a pre-storm appraisal ordered by the Applicant, at the discretion of the Applicant. If the Applicant purchased the property after the October 2015 flooding event, the Applicant will be offered current market value, as determined by a current appraisal ordered by the Applicant.

All awards are subject to the Robert T. Stafford Act, requiring that all funds used for disaster-related purposes must be deducted as a duplication of benefit. Federal law prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss as to which he/she has already received financial assistance under any other program, private insurance, charitable assistance, or any other source. Pursuant to the Stafford Act, the County will establish safeguards in order to prevent duplication of benefits from occurring within the Buyout Program.

### **Buyout Applicants Who Owned the Property Before the Disaster**

Applicants receive an offer to purchase the property based on the pre-disaster fair market value of the property minus any duplication of benefits documented.

### **Buyout Applicants Who Purchased the Property After the Disaster**

Applicants receive an offer to purchase the property based on current fair market value as the basis of their buyout with the following limitations and duplication of benefits review:

- Individuals and entities who purchased a flood-impacted home after the date of the disaster located in the designated area will be limited to the purchase price of the property not to exceed the current fair market value. If repairs had been made to the property, eligible repair receipts are added to the post-disaster price of the acquisition.
- Banks that have been deeded the property on a post-disaster basis will be limited to the amount of the mortgage balance (amount to pay off the mortgage). This is the amount that the bank would have received had the Applicant participated in the buyout.

- Properties that are in foreclosure where the pre-disaster Applicant receives any remaining proceeds of the sale of the property after sale expenses, taxes, and liens receive an award based on the pre-disaster fair market value of the property.
- Contract sellers are limited to the amount of the contract balance. This is the amount that the contract seller would have received had the contract buyer participated in the buyout, provided the contract balance is less than the pre-disaster fair market value. If the contract balance is more than the pre-disaster fair market value, the contract seller will be limited to the pre-disaster fair market value.
- Trusts, probates, and living wills receive an offer based on the pre-disaster fair market value as if the pre-disaster Applicant is participating and subject to a duplication of benefits review. This is the same amount that the trust/probate would have received had the creation of the trust/probate been after the Applicant themselves signed all the documents necessary to participate in the buyout.
- If a nonprofit organization has received the property by donation on a post-flood basis, they are limited to the appraised value of the property at the time of donation.
- If the property has been acquired by a bankruptcy trustee, the bankruptcy trustee provides the valuation documentation that was used to value the property at the time of the bankruptcy. The award amount is limited to the maximum of the pre-disaster fair market value. Alternatively, if the property is being held in trust with the Applicant remaining the current deed holder, documentation must be provided to demonstrate that the property is still deeded to the Applicant but held in trust. If documentation is provided, the file receives an award based on the pre-disaster fair market value of the property.

### **Replacement Housing Award Determination**

The County will ensure that the assistance and protections afforded to persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and Section 104(d) of the Housing and Community Development Act of 1970 are available when applicable. Because of the voluntary nature of acquisition, Applicants are not eligible for assistance under the URA. However, displaced tenants (occupants present at the date of the disaster and/or “initiation of negotiations” or displaced by the storm) are entitled to assistance under the URA. Qualified URA displaced persons are eligible to advisory services, offer of a comparable replacement unit, replacement housing payments, and moving expenses. The County will ensure that all proper steps are followed to comply with all URA regulations.

### Program incentives and Purchase Assistance

All Applicants are eligible for \$15,000.00 in program incentives for participation in the Buyout Program. Applicants who purchase another home and based on their income certifications will qualify for an additional purchase incentive. The County and Tetra Tech will follow the guideline in the enclosed table (Table 1.1) to determine the eligibility of applicants for the incentives.

Table 1.1 Incentive Eligibility Table

<b>Table 1.1 REBOUND Program Incentive</b>				
	<b>Owner Occupied (at time of storm event)</b>	<b>Homes Purchased Post-Storm</b>	<b>Owners of Renter Occupied Homes</b>	<b>Eligibility</b>
<b>Purchase Price</b>	Pre-Storm Fair Market Value	Current Fair Market Value	Pre-Storm or Current Fair Market Value based on date of Ownership	
<b>Participation Incentive</b>	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
<b>Purchase Incentive</b>	\$10,000.00 for UN Applicant or \$20,000.00 for LMI Applicant for a home purchased in Lexington County within 6 months of closing. Primary Residence Only.	\$10,000.00 for UN Applicant or \$20,000.00 for LMI Applicant for a home purchased in Lexington County within 6 months of closing. Primary Residence Only.	\$10,000.00 for UN Applicant or \$20,000.00 for LMI Applicant for a home purchased in Lexington County within 6 months of closing. Primary Residence Only.	
<b>Total incentive amount due to Applicant at date of offer (calculated per property)</b>				

## Buyout and Pre-Demolition Process

**Offer Preparation:** In preparation for a real property transaction, such as a CDBG-DR Buyout, Tetra Tech will prepare the following documents. Tetra Tech will work with the Applicant to execute the legal offer documents listed below in order to complete the voluntary transaction.

- A. Applicant Offer Letter
- B. Assignment of Coverage D
- C. Property Inventory
- D. Property Owner Change of Address Form
- E. Program Incentive Determination Worksheet
- F. Determination of Incentive Payments
- G. Instructions for Applicant for Housing Purchase Incentive
- H. Statement of Determination of Compensation
- I. Appraisal Approach
- J. Voluntary Transaction Agreement
- K. Voluntary Transaction Agreement - Exhibit B
- L. Contract of Sale


Tetra Tech will provide to the Applicant a copy of all Offer Documents via email for review, and then will hold a physical meeting with the Applicant to provide copies of original documents. Once original documents are signed, Tetra Tech will provide original copies to the County. The County will have the CDBG Administrator execute all Offer documents and send to the County Attorney to prepare all closing documentation. Tetra Tech will work with the County and the County Attorney to schedule the closing with the Applicant.

If, for whatever reason, the Applicant cannot complete the Offer Documents, the Contract of Sale will expire after 90 days. If the Applicant has remained active during the 90 days, the Contract of Sale can be extended. If in the 90 days, the Applicant has not responded to various methods of communication (phone calls, emails, standard mails), all which will be documented on SharePoint, then the Contract of Sale will expire, and the Applicant can reopen their case if they become active in the process again.


A Vacancy Inspection by Tetra Tech will also take place at least 24 hours prior to closing to ensure that the property to be purchased is vacant and ready for possession, as well as to identify any safety concerns prior to any further personnel entering the premises. Tetra Tech will provide the signed documentation, Certificate of Removal of Personal Property and Certificate of Inspection and Possession, from the Vacancy Inspector to the County Attorney before closing. The Tetra Tech Inspector will obtain keys to the property from the Applicant at the Vacancy Inspection.

The Vacancy Inspection will document the following items:


### **A. Securing of the Building**

	<p><b>Confirm that the building is secured at time of the Vacancy Inspection. The building needs to be void of any openings that might allow persons to enter the building without a key (e.g. broken or missing windows, doors that do not lock). Any area that is not secured will be brought to the attention of the Applicant who is required to secure the building. Once the Applicant notifies that the building has been secured, they can call Tetra Tech to reschedule Vacancy Inspection and closing date.</b></p>
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## B. Safety Inspection

	If structural integrity is compromised, the structure will be considered a regulated asbestos containing material (RACM) and demolished accordingly. Any additional hazards should be identified and documented in SharePoint, along with notifying the County. This includes any fire hazards or public health concerns.
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## C. Household Hazardous Waste Identification (HHW)

	If any HHW are present at the property, these items should be documented by Tetra Tech's inspector and included in the bid package to demolition contractors.
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## D. Verification of Personal Property Removal

	If personal property has not been removed, Tetra Tech will discuss with the property owner their options; the property owner can either postpone closing until their personal property has been removed or all items will be demolished with the existing structure or salvaged after closing.
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## E. Verification of Vacated Premises

	If someone is still living at the premises, then Tetra Tech will contact the County to advise the County to delay the closing until the property is vacated.
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**Closing:** After the Vacancy Inspection is completed, the County Attorney will conduct the property closing, whereby the title will transfer to the County from the Applicant. At the closing, both parties will sign the required documents, and the funds from the County will be provided to the Applicant. Applicants can withdraw from the program up until closing.

	If an Applicant does not wish to sell the property, then the Applicant will sign a Statement of Withdrawal from the Buyout Program.
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## 1.1 Pre-Demolition

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**Property Keys:** After closing, Tetra Tech places the property keys in a lockbox and secures the lockbox to the property.

**Notice of Demolition:** The County will publish an internal Notice to Proceed (internal NTP) after the closing has been completed and the County has ownership of the property. A copy of the internal NTP will be placed in the property-specific SharePoint file.

**Assignment of Asbestos Testing:** Tetra Tech will assign the property to the County's procured environmental testing company once the County has issued the internal NTP. Once the completed asbestos reports are received, Tetra Tech will compile a scope of work to create a demolition bid package for the County.

**Assignment of Demolition:** Tetra Tech works with the County to create and email the demolition bid packages to the County's procured demolition contractors. Once the bid package responses are received from the demolition contractor(s), the County will then make an assignment of demolition to the Demolition Contractor. The County will then work with the Demolition Contractor to execute a demolition Notice to Proceed.

## 1.2 Demolition

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**Demolition Contractor Verifications:** Once the Demolition Contractor receives the executed Notice to Proceed, they can legally enter the site. The Demolition Contractor will begin by verifying that the structure is unoccupied by performing a physical inspection.

At this time, the Demolition Contractor will re-verify property description and ownership and proceed with asbestos abatement, if necessary.

**Selective Salvage:** Once the internal Notice to Proceed is received from the County, Tetra Tech will contact local nonprofit organizations for the salvage of materials from the home. Tetra Tech will identify one day that salvageable materials can be removed from the structure and open the property for salvaging. Items removed from the property for salvaging will be documented by the Tetra Tech inspector in the Salvage Day Inventory Form.

**Utility Site Walk-Through:** Prior to demolition work commencing at the property, the Demolition Contractor will be required to coordinate with the County (property owner) to identify and make-safe utilities to the property. This includes (1) marking easements and underground utilities; (2) removing utility meters; and (3) capping wells, water, sewer, and septic lines to the mains, and (4) disconnecting electrical and gas service and propane tanks. Tetra Tech will do a site walk during the Pre-Demolition Inspection to verify all utilities have been turned off and removed.

**Demolition:** Once utilities are secured and the salvage has expired, the Demolition Contractor will be provided 180 days to complete the demolition and restore the site to a near natural state. The Demolition Contractor will mobilize the appropriate assets to the site for demolition activities and be responsible for providing hauling equipment to transfer the materials to a landfill.

- **Hazardous Materials Processing:** In instances where hazardous materials are present, Tetra Tech and the Demolition Contractor will lead a supplemental process for the identification, removal, and disposal of asbestos, lead-based paints, and other hazardous materials per State of South Carolina and U.S. Environmental Protection Agency (EPA) environmental requirements.

1. Assessment testing is completed and samples sent to the lab (completed by County procured subcontractor, coordinated by Tetra Tech)
2. Remediation based on the environmental assessment and lab reports, including visual assessments (Demolition Contractor will complete)
3. Documentation of items transferred to the landfill (Demolition Contractor will complete)

- **Household Hazardous Waste (HHW) Processing:** In instances where HHW are present, the Demolition Contractor will identify, remove, and dispose of HHW per State environmental agency/EPA requirements.

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

Once demolition is complete, the Demolition Contractor will schedule the Post-Demolition Inspection with Tetra Tech to determine that the backfill area is clear of all debris prior to backfilling with clean dirt.

**Demolition Documentation:** The CDBG-DR Program requires that all demolition related-files be



captured and retained. Tetra Tech maintains all program files which will contain the required documentation. This file will contain photo-documentation of the process before, during, and post-demolition. This file will also include load tickets/landfill manifests to account for debris removed from the property.

**Completion:** Once lot filling and restoration is complete, Tetra Tech will complete the Post-Lot Clearing and Restoration Inspection to verify quality and confirm process has been completed. The Tetra Tech inspector will take post-demolition photos and save in the SharePoint property file. Tetra Tech will complete the 60-day Post-Lot Clearing and Restoration Inspection approximately 2 months after the Post-Lot Clearing and Restoration Inspection to ensure that the soils have not sunken.

**Project Invoicing:** The Demolition Contractor (contingent on the County's contracts with the Demolition Contractors) can submit an invoice directly to the County once asbestos abatement, if applicable, and demolition of the structure is complete and after the Tetra Tech inspector verifies the demolition is complete at the Post-Demolition Inspection. The Demolition Contractor can submit their final invoice after lot clearing and restoration is complete and has been confirmed by the Tetra Tech field inspector at the 60-Day Post-Lot Clearing and Restoration Inspection. Tetra Tech will invoice the County monthly for fixed fee and unit rate milestone payments incurred in the prior calendar month. Invoice payment terms are net 30 days.



**If the lot appears to have settled/sunk, then the Demolition Contractor shall return to stabilize the soils.**

## Appendix A: Summary of CDBG-DR Buyout Documents And Responsible Party for Preparation and Completion

	Name of Document	Tetra Tech	County Attorney	County Staff	Demolition Contractor
<b>Pre-Closing Documents</b>					
C1	Applicant Approval Notification			X	
C2	County or Applicant Appraisal Value	X		X	
C3	Applicant Occupancy Form	X			
C4	Attorney Information Forms	X			
C5	Property Survey and Title Search		X		
C6	All Offer and Incentive Recommendation Documents	X			
C7	Certificate of Removal of Personal Property and Debris	X			
C8	Certificate of Inspection and Possession	X			
C9	Settlement Statement (HUD-1)		X		
C10	Deed with Restrictions		X		
<b>Post-Closing Documents</b>					
D1	Internal NTP			X	
D2	Salvage Day Inventory Form, if applicable	X			
D3	Demolition Contractor Bid Package	X		X	
D4	Demolition NTP			X	
D5	Pre-Asbestos Abatement Inspection, if applicable	X			
D6	Pre-Demolition Inspection with Photos	X			
D7	Property Unoccupied Verification Form	X			
D8	Post-Demolition Inspection with Photos	X			
D9	Post-Lot Clearing and Restoration Inspection with Photos	X			
D10	60 Day Post-Lot Clearing and Restoration Inspection with Photos	X			
D11	Demolition Contractor Invoice(s)				X
D12	Demolition Contractor Payment Recommendation	X			

## Appendix B: Buyout and Pre-Closing Procedure

This section establishes a set procedure for the buyout and pre-closing process. The following procedure will be followed:

1. The County confirms prior to submitting Applicant information to Tetra Tech that all necessary Historic Preservation and Environmental review documents have been completed.
2. Tetra Tech receives Applicant information in order to initiate buyout process by receiving the approved Applicant information from the County.
3. Tetra Tech will establish a property management file for each parcel of property in SharePoint.
4. Tetra Tech completes pre-offer documents with Applicants and sends to County Attorney's office and County.
5. Tetra Tech compiles offer letter and incentive documents and schedules offer letter signing with Applicant (minimum of three weeks before closing with County Attorney). Tetra Tech sends to County Attorney's office and County.
6. County sends County Attorney's office the County signed and executed offer letter and incentive package.
  - a. Tetra Tech works with County attorney's office and County to schedule date of closing and vacancy inspection.
  - b. Tetra Tech will resend the pre-offer information packages to County Attorney's office with signed offer letter package, appraisal, and paid tax receipt for current tax year.
7. County Attorney's Office notifies lien holder(s) of intent to purchase and will order payoffs.
8. Tetra Tech completes Vacancy Inspection (minimum of 24 hours before closing)
  - a. Place copy of signed Certificate of Removal of Personal Property, Debris, Fixtures and Voluntary Abandonment of Real Estate and Vacancy Inspection forms in SharePoint property file and send to County Attorney's office and County.
  - b. Photograph site before demolition. Place copies of pre-demolition photos in SharePoint property file.
  - c. Document any HHW items.
  - d. Confirm and document building is structurally sound, vacated, and secured, per Tetra Tech inspector.
  - e. Collect keys from Applicant, place keys on property in lockbox after closing.
9. County Attorney's Office schedules and closes on the property.

## Appendix C: PRE-DEMOLITION AND Demolition procedure

This establishes a set procedure for pre-demolition and demolition. The following procedure will be followed:

1. Once County owns property, the County issues an Internal Notice to Proceed to Tetra Tech to begin pre-demolition process. Change status in SharePoint from Closed to Demolition.
2. Tetra Tech schedules asbestos testing with County's procured ER company. The asbestos report will be used to finalize a demolition scope.
3. Tetra Tech creates demolition/restoration scope for demolition contractors, send to County Procurement to bid.
  - a. Include any asbestos findings from asbestos report.
  - b. Include any HHW items from Vacancy Inspection.
4. Tetra Tech opens property to allow for demolition contractor inspection before submitting bid.
5. Demolition Contractors place bid on the property.
6. County reviews bids and assigns approved Contractor to the property.
7. County authorizes Demolition Notice to Proceed. Place in file a copy of the approved notice in the appropriate property file in SharePoint.
8. Tetra Tech contacts nonprofit organization for salvage of materials from the home once the Internal Notice to Proceed is received.
9. Demolition Contractor verifies structure is unoccupied. Prior to demolition, Tetra Tech completes the Property Unoccupied Verification form.
10. Demolition Contractor marks easements and underground utilities.
11. Demolition Contractor removes utility meters.
12. Demolition Contractor caps well, water, sewer, and septic lines to the mains.
  - a. Disconnect electrical and gas service and propane tanks.
13. Tetra Tech performs Pre-Demolition Inspection to confirm that all utilities have been marked and disconnected.
14. Demolition Contractor re-verifies property description and ownership and notifies Tetra Tech of demolition timeline.
15. Once utilities are secured and the salvage has expired, the Demolition Contractor will be provided 180 days to complete the demolition and restore the site to a near natural state.
  - a. The Demolition Contractor will be responsible for providing hauling equipment to transfer the materials to a landfill.
  - b. Tetra Tech will confirm that the Demolition Contractor pulled proper permits for work.
16. Demolition Contractor will remove/dispose of asbestos and other hazardous materials per State of South Carolina environmental and EPA requirements.
  - a. Remediation will be based on the environmental assessment and lab reports, including visual assessments.
  - b. Demolition Contractor will document items transferred to the landfill.
17. Demolition Contractor removes and disposes of all Household Hazardous Waste (HHW) per State environmental agency/EPA requirements.
  - a. HHW is considered leftover household products that can catch fire, react, or explode under certain circumstances, or that are corrosive or toxic as household hazardous waste. Products, such as paints, cleaners, oils, batteries, and pesticides can contain hazardous ingredients and require special care when disposed of (EPA definition).
  - b. Visual assessment performed and documented.
  - c. Remove all identified HHW based on the environmental review.
  - d. Document all HHW waste transfer to the appropriate HHW disposal facility.
18. Once demolition is complete, Tetra Tech will complete Post-Demolition Inspection.
19. Once backfilling and final grade is complete, Tetra Tech will complete Post-Lot Clearing and Restoration Inspection.
  - a. Backfill area is clear of all debris prior to backfilling with clean dirt.
20. Tetra Tech visually re-inspects site within 60 days of completion of backfill for 60 Day Post-Lot Clearing and Restoration Inspection.

- a. Ensure that the soils have not sunken and if required, the Demolition Contractor shall return to stabilize.
21. The CDBG-DR Program requires that all demolition related-files be captured and retained. Tetra Tech maintains all program files which will contain the required documentation. This file will contain photo-documentation of the process before, during, and post-demolition. This file will also include load tickets/landfill manifests to account for debris removed from the property.
- a. Tetra Tech photographs site after demolition and places photos in SharePoint property file.
  - b. Tetra Tech documents actual demolition and removal of debris. Ensure all debris from the demolition is removed and tracked to the landfill or other disposal sites.

## Uniform Relocation Act

For buyout properties with renters or tenants eligible for relocation assistance, Lexington County will provide assistance to the renter(s) occupying the property or who were displaced by the 2015 storm event. If a rental home is purchased through the Buyout Program and is rented to tenants who will be required to relocate, or if that property had tenants that were displaced by the 2015 storm event, those tenants are considered displaced tenants who may be eligible for relocation benefits under URA.

As a displaced tenant under URA, a tenant is eligible to receive two types of assistance: Moving Assistance and a Replacement Housing Assistance. The Moving Assistance can be an actual reasonable moving and related expenses reimbursement or a fixed payment for moving expenses determined by a schedule published by the Federal Highway Administration. The Replacement Housing Assistance can take two forms, Rental Assistance or Down Payment Assistance. If the displaced tenant chooses to continue to rent a dwelling, the award amount they are eligible for is 42 months times the difference in rent/utilities of their current rent and their replacement dwelling (including lot rent, if a mobile home unit). Rental Assistance is capped at \$7,200.00 for 90-day occupants, except in situations where housing of last resort applies. Another option is for the displaced tenant to purchase a new home and receive a lump sum Down Payment Assistance. If the displaced tenant elects to receive lump sum Down Payment Assistance, their award cannot exceed what they would have been eligible for had they continued to rent a unit.

### Purpose

Lexington County is undertaking a program funded through the U.S. Department of Housing and Urban Development (HUD) which may result in the relocation of persons from their current residences as well as persons who were displaced by the 2015 storm event. The County is providing CDBG-DR funds for Voluntary Residential Buyouts. This program may result in tenants of residential rental properties being displaced as properties are acquired by the County for demolition, clearance and conversion to open space. The properties are being voluntarily sold to the County by the property owners, however, some properties contain residential rental units making the tenants eligible for assistance under the Uniform Relocation Act of 1970.

Moreover, the CDBG-DR allocation funding the Lexington County CDBG-DR Buyout Program is subject to 414 of the Stafford Act and 49 CFR 24.403(d). Compliance under these requires the County to undertake efforts to locate and qualify former tenants who were displaced by the October 2015 storm.

Lexington County understands that it must provide the options for assistance to those who may be involuntarily displaced from their current residence due to programs or projects funded by HUD, in addition to tenants who were displaced by the 2015 October storm event. The CDBG- DR Buyout Program is subject to the Anti-Displacement Plan as developed and included in Lexington County's 2012-2016 5-Year Consolidated Plan and CDBG-DR Action Plan.

The process for relocation assistance for persons displaced by the CDBG-DR Buyout Program will include the following:

- Identification of Tenants to be Displaced AND Tenants who were Displaced by the 2015 October Storm Event
- Notification to Tenants of Impending Displacement AND Tenants who were Displaced by the 2015 Storm Event
- Notification of Availability of Assistance
- Application Review
- Work with Tenants to be Displaced AND Tenants who were Displaced by the 2015 October Storm Event
- Temporary Relocation
- Permanent Relocation
- Record Keeping

### Duplication of Payment

No person will receive any payment for Relocation benefits under these regulations if that person receives a payment under Federal, state, or local law which is determined to have the same purpose and effect as such payment under these regulations. The County is not required to conduct an exhaustive search for such other payments, only to avoid creating a duplication based on the County's knowledge at the time the payment is computed.

### Identification of Persons to be Persons to be Displaced

Lexington County will keep records of all residential structures which contained rental units containing tenants who may require relocation assistance under the CDBG-DR Buyout Program. Name and contact information for current tenants and tenants displaced by the 2015 October storm event will be collected during the application phase. Tetra Tech Staff will then work with property owners to identify those properties containing tenants who will be displaced, as well as properties which had tenants displaced by the 2015 October storm event. Records documenting the properties and persons requiring assistance must include the following:

- Property address
- Unit identification if applicable
- Number of rooms in unit
- Name of property owner (applicant)
- Number of male and female adults in family; number of children by age and sex
- Property type (single detached, multi-family, etc.)
- Monthly rent
- Names of all persons residing in the unit at the time of displacement
- Names of all persons seeking relocation assistance
- Certification of legal residency for all persons seeking assistance

## Notification to Tenants

Property owners participating in the buyout program must submit an Occupancy Form during the application phase identifying tenants (if any) that occupied the property during the time of the storm as well as any current tenants. If a property owner cannot locate tenant information Tetra Tech will attempt tracking of the tenant information using various methods such as site visits, reviewing public records of the property or tenant, social media searches, and posting an advertisement in the notices section of the newspaper. In the instance of a tenant needing tracking, all tracking processes and outcomes will be documented in a memo and placed in the property file. Tenant tracking will occur if a tenant cannot be located once the Occupancy Form has been submitted by the property owner. As soon as feasible, Tetra Tech staff will then ensure that tenants are informed of the potential acquisition by receiving a General Information Notice (GIN) and URA HUD handbook once identified, utilizing certified mail or hand delivery and obtaining a signed receipt for the GIN and Handbook. Once Initiation of Negotiations (ION) has occurred between the County and the property owner (signing of pre-offer letter documents) tenants can then be provided with a Notice of Eligibility. The Notice of Eligibility should not be utilized unless the ION for the parcel has occurred between the County and the property owner. At the time of the offer letter signing with the property owner, every effort should be made to commence relocation with the tenant as soon as practical to prevent possible subsequent occupancy and/or minimize rental problems for the owner.

## Notification of Availability of Assistance

Tetra Tech Staff will notify all tenants who may be displaced, or who were displaced by the 2015 October storm event, by providing them with materials informing them of the benefits and services available to them. Tenants residing in the structure at the time that negotiations are initiated between the homeowner and the County, and those that resided there during the time of the storm event, can be notified of the relocation program. Tenants who resided in the structure at the time of a written agreement between [the](#) County and the owner to purchase the real property, and those who were displaced by the storm event, are fully eligible for assistance (see § 24.2(a)(15)(i) and (ii) and [§ 24.2\(a\)\(15\)\(iv\)](#)). Tetra Tech Staff will be in contact with all the tenants affected by the program to discuss their needs. For any tenant who cannot be located, Tetra Tech Staff will commence with tracking methods to attempt to identify the tenant contact information. The documents provided to the tenants will, at the least, provide a general description of the relocation program including the following:

1. Informs the person that he or she may be displaced for the project and generally describes the relocation payment(s) for which the person may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s).
2. Indicates that any person displaced will be given reasonable relocation advisory services including housing referrals, help in filing payment claim(s), and other necessary assistance to help the person successfully relocate.



3. Informs any person to be displaced from a dwelling that he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available to the displaced person. No person will be required to move without at least 90 days advance written notice.
4. Describes the person's right to appeal the County's determination as to eligibility for or the amount of any relocation payment for which the person is eligible. It also describes the person's right to disagree with the County's determination to whether the person qualifies as a "displaced person."

Tenants will also be provided with an application for assistance for relocation costs. This application will act as the official request for relocation assistance. Tenants who choose not to complete the application will not be eligible for relocation assistance.

### Application Review

Applications will be reviewed by Tetra Tech Staff and information provided the tenants for their case files will be evaluated to determine the tenant households housing needs. Tetra Tech Staff providing relocation services will personally interview each household to be displaced. Tetra Tech Staff will then determine the household's relocation needs and preference and explain the relocation payments and other assistance for which the household may be eligible, the related eligibility requirements, and the procedure for obtaining such assistance. Replacement housing payments determinations for tenants present at the time of the storm event and/or tenants to be displaced by the program occur during once tenants submit a completed application.

Tetra Tech Staff conducting the interviews and processing applications will need to gather data to help provide information on the estimated number of households to be displaced, including the family characteristics (e.g., minority, ethnic, handicapped, elderly, large family, income level). Information should be gathered to allow for the comparison of available decent, safe, and sanitary housing in the area with the housing needs of the tenants being displaced. The comparison should include (1) price ranges, (2) sizes (number of bedrooms), and (3) type of housing single-family, multi-family, mobile home etc. Any information on special relocation considerations should also be gathered and evaluated such as the presence of elderly or disabled or children attending school. Tetra Tech Staff will make every effort not to relocate households in areas resulting in children being forced to change schools unless otherwise requested by the displaced household. If the information reveals that the existing housing inventory in a specific area being impacted by displacement is insufficient, does not meet relocation standards, or is not within the financial capability of the tenants, then measures such as Housing of Last Resort must be taken to address this issue.

### Work with Tenants to be Displaced

Tetra Tech Staff will work with tenants to identify comparable replacement dwellings within a 50-mile area of their current dwelling. A comparable replacement dwelling includes the following:

1. Decent, safe and sanitary (DSS) which means a dwelling which meets applicable housing and occupancy codes. However, if any of the following standards are not met by an application code, such following standards shall apply, unless waived for good cause by the FHWA. The dwelling shall:
    - a. Be structurally sound, weather-tight, and in good repair.
    - b. Contain a safe electrical wiring system adequate for lighting and other electrical devices.
    - c. Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system.
    - d. Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced household. There shall be a separate, well-lighted and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.
    - e. Contains unobstructed egress to safe, open space at ground level. If the replacement dwelling unit is on the second story or above, with access directly from or through a common corridor, the common corridor must have at least two means of egress.
    - f. Displaced tenants who are handicapped must have access to a unit which is free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person.
  2. Functionally equivalent to the displacement dwelling. The term “functionally equivalent” means that it performs the same function and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used. However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, reasonable trade-offs for specific features may be considered when the replacement unit is “equal to or better than” the displacement dwelling (see Relocation Manager for guidance).
    - a. Adequate in size to accommodate the occupants.
    - b. In a location generally not less desirable than the location of the displaced person’s dwelling with respect to public utilities and commercial and public facilities and is reasonably accessible to the person’s place of employment.
    - c. On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, and greenhouses.
    - d. Currently available to the displaced person on the private market. However, a comparable replacement dwelling for a person receiving government housing assistance before displacement may reflect similar government housing assistance.
    - e. Within the financial means of the displaced person.
-

3. A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving rental assistance under this rule, the person's monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person's base monthly rental for the displacement dwelling.
4. For a displaced household who is not eligible to receive a replacement housing payment because of the person's failure to meet length-of-occupancy requirements, comparable replacement rental housing is considered to be within the person's financial means if the Uniform Relocation pays that portion of the monthly housing costs of a replacement dwelling which exceeds thirty percent (30%) of such person's gross monthly household income or, if receiving a welfare assistance payment from a program that designates amounts for shelter and utilities, the total of the amounts designated for shelter and utilities. Such rental assistance must be paid under Section XVIII, Housing of Last Resort.
5. All displaced persons, especially the elderly and handicapped, shall be offered transportation to inspect housing to which they are referred by Tetra Tech Staff. In addition, Tetra Tech Staff will assist with the following items:
  - a. Provide current and continuing information on the availability, purchase prices, and rental costs of comparable and suitable commercial and farm properties and locations. They will assist any person displaced from a business or farm operation to obtain and become established in a suitable replacement relocation.
  - b. Minimize hardships to persons in adjusting to relocation by providing counseling, advice as to other sources of assistance that may be available, and such other help as may be appropriate.
  - c. Supply persons to be displaced with appropriate information concerning Federal and State housing programs, disaster loan and other programs administered by the Small Business Administration, and other Federal and State programs offering assistance to persons to be displaced.
  - d. Provide referrals to appropriate agencies for displaced persons requiring social services, food stamps etc.
  - e. Provide each expected displaced person with a Relocation Assistance Brochure.
6. Moving costs associated with moving personal property from the existing dwelling unit to the new dwelling unit are eligible for relocation compensation.
7. If a displaced tenant otherwise qualifies for the replacement housing payments except that they have not yet purchased or occupied a suitable replacement dwelling, Tetra Tech Staff will inspect the proposed dwelling. If the proposed dwelling is found to meet the standards set forth for decent, safe and sanitary dwellings, the displaced tenant can submit a request for payment of the specific sum provided they purchase or occupy the inspected dwelling within the time limits specified.

## Temporary Relocation

In cases where suitable long-term housing can't be immediately identified and secured, temporary housing arrangements may need to be secured. The housing arrangements and facility must meet all the housing criteria required under Uniform Relocation except that it is functioning as a temporary housing solution until a more permanent solution can be identified. This may include, but not be limited to, the utilization of hotels for temporary housing. In such

cases the facility must be agreeable to the household residing on-site for an extended period of time.

### Permanent Relocation

Any comparable dwelling which allows for the displaced tenant and their household to reside in the facility for one year or more is considered to be a permanent relocation site. Displaced tenants and their households are eligible for two types of assistance under URA: Moving Assistance and Replacement Housing Assistance (Rental Assistance or Down payment Assistance).

Moving Assistance will be calculated using the fixed moving expenses method and are eligible for a moving claim reimbursement. Once a tenant has relocated to the replacement dwelling, Tetra Tech will assist the tenant in submitting form HUD 40054 to the County for the reimbursement. The County may advance a portion of the relocation claim to cover necessary expenses such as application fees, security deposits or first month's rent.

In standard protocol, one payment will typically be processed for Moving Assistance. However, there may be specific cases when a displaced tenant requires two payments for Moving Assistance: 1) advance payment for necessary up-front costs and 2) the remaining amount of their moving costs.

In determining Rental Assistance per URA HUD regulations, if the total gross monthly household income qualifies as low income according to the [URA Low Income Limits](#), the County must compute 30% of the monthly household income and use it as one of the factors for comparison in the base monthly rental determination. The base monthly rental represents the amount the County will use as the rental amount for the displacement unit. The County will look at the lesser of three items:

The total amount for current monthly rent plus average monthly utilities;

If the displaced person meets the low-income criteria, the agency will compute 30% of the person's average monthly gross household income;

If the displaced person's rent is paid through a State welfare program that designates an amount for shelter and utilities, then that amount is considered; eg: shelter, utilities designation, etc.

If the tenant is low income, the lesser of the three will be used to compare against present rent (and utilities) of market rent. If the tenant is not low income, the URA eligibility amount is the difference between the present rent (plus average utilities) and the replacement dwelling rent (plus average utilities) across 42 months.

Per HUD regulations, Rental Assistance is to be dispersed to the displaced tenants in three installments, rather than one lump sum. However, if a tenant will be using URA Rental Assistance to purchase a home, the Down payment Assistance is allowed to be dispersed in one lump sum to reduce or eliminate hardship. Rental Assistance for traditional displaced tenants (assistance

with a new rental property) is to be dispersed in three installments. A payment will be dispersed to from the County to the displaced tenant every 14 months; 3 installments over 42 months. The first installment can be processed once the tenant has signed a year lease with the replacement dwelling landlord/property management company, moving has commenced and HUD Form 40058 is submitted.

To prompt the payments per tenant, Tetra Tech will submit a payment plan (Payment Authorization Form) to the County to help schedule the payments to the displaced tenants. Tetra Tech will also receive and submit the displaced tenant's W9 to the County. Once the household has signed a legally binding rental agreement such as a lease or obtained ownership of the property such as through a mortgage on the property the household is considered successfully relocated and further relocation services, outside of follow-up support services, will no longer be available to the tenant.

### Record Keeping

Tetra Tech Staff will be responsible for maintaining all files and documentation for tenants who were displaced by the CDBG-DR Buyout Program. This includes, at a minimum, identification of tenants who were not assisted with relocation services. Tenants who were successfully assisted or began the assistance services but terminated activities on their own accord must have files which include the information identified in Section I of this document as well as their completed application. All data identifying comparable dwelling units must also be maintained in addition to any payment requests, evidence of payments made on behalf of the tenants, identification documentation and HUD forms. All files must be secured so as to protect the privacy of those persons and their households.

### Appeal Process URA

Any person(s) has a right to submit an appeal to the County if they disagree with the Moving Assistance eligibility amount, the Rental Assistance eligibility amount or the determination from the County of whether a person(s) is qualified as displaced.

If a person(s) wishes to appeal their Rental Assistance eligibility amount they can notify the County of their wish to appeal the amount of the assistance. In such case, the County will re-review the assistance calculations for any potential errors and respond within 15 days of receipt. If no errors are found, they will re-present the amount of rental assistance to the tenant. If a tenant continues to not agree, the County will allow the tenant to submit up to three comparable dwellings they find more compatible with their needs, under URA regulations, and submit to the County for determination to recalculate eligibility determination. If the person(s) is considered low income, and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office.

If a tenant finds their Moving Assistance insufficient, a tenant can ask for and receive local bids from moving companies to submit to the County, seeking additional assistance. The County decision will be determined within 15 days of receipt. If the person(s) is considered low income,

and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office.

If a person(s) disagrees with the County's determination of whether they have been properly qualified as a "displaced" person(s) or household, the person(s) can submit an official claim to the County seeking an appeal of the determination, submitting any supporting documentation they see fit. The County decision will be determined within 15 days of receipt. If the person(s) is considered low income, and continues to disagree with the County's final decision, they may submit an official appeal to the HUD Field Office.

## Minor Residential Rehab

Through an executed agreement with SBP, Lexington County will begin and complete minor rehabilitation up to 70 homes affected by the flood, over the course of 24-36 months. Selected homes for the minor rehabilitation program will not exceed \$75,000 maximum (in or out of the flood plain) but not to exceed or 49% of the pre-storm value in the flood plain. The initial scope of work inside the flood plain will not exceed 49%. Disaster Recovery Administrator will be responsible for the application intake and client assessment. SBP will be responsible for Project Management, performing the scope of work and estimate, selecting the General Contractor that will perform the construction, along with all other duties as outlined in the subrecipient agreement between SBP and Lexington County Government.

### Initial Application Assessment

Lexington County Disaster Recovery Administrator is responsible for completing the intake application and determining client eligibility. The Disaster Recovery Administrator will also submit monthly a list of completed applications where Environmental Review has been completed by Civitas. SBP will conduct initial contact and assessment of each month's approved applications within in 10 days of receiving the list and prior to moving on to the next month's approved applications. Priority, as defined in Lexington County's CDBG-DR Action Plan, may be given to eligible homeowners who are vulnerable and may be exposed to significant health risks or complications at the property. Indications of a significant health risk or complications at the property will be determined by Lexington County during intake.

Once SBP receives the list of applications processed from the Lexington County Disaster Recovery Administrator with those tagged as priority as defined in Lexington County's CDBG-DR Action Plan, SBP's Program Administrator will contact the applicants by phone within 10 business days to schedule a site assessment with an SBP Director of Construction (Project Manager or Director of Construction).

SBP's Program Administrator calls each approved individual. Every call will be logged in SharePoint. If homeowner does not answer, the Program Administrator will leave a message when possible. Missed calls will be logged in SharePoint.

SBP will attempt three (3) phone calls and one (1) attempt via mail within 30 days. If the homeowner is not responsive to SBP within 30 days, SBP will notify the Disaster Recovery Administrator that the project has been denied due to non-responsiveness on the part of the client. SBP will notify Lexington County of the project's denial through SharePoint. If at any time during the approval process the homeowner becomes unresponsive for a 30 day period, and upon agreement between Lexington County administration and SBP, the project may be denied and documented on SharePoint. Any funds spent on the project will be billed to Lexington County once project is denied due to unresponsiveness.

Once the SBP Program Administrator reaches the homeowner, an appointment will be set for

SBP's construction team to visit the property. If the homeowner fails to be present at the agreed



upon meeting, SBP will document in SharePoint and attempt to reschedule with the homeowner. If the homeowner fails to be present at two agreed upon meetings, the homeowner will be denied from the Minor Rehabilitation Program. This denial will be documented in SharePoint.

### Project Assessment

SBP Director of Construction will assess the property for project feasibility pertaining to storm damage and Lexington County's determination of pre-storm value. The assessment will be documented on an assessment report and uploaded to SharePoint. While at the home, the Director of Construction will take pictures of all the damages and every room in the house and upload to SharePoint.

Feasibility for the Minor Rehabilitation Program is based on the presence of storm damage and Lexington County's Tax Assessor pre-storm property value. If the SBP Director of Construction determines during the property assessment the property is feasible, the project will be put into an internal queue for scope development.

If SBP Director of Construction determines during the property assessment that the project is feasible for the Minor Rehabilitation Program based on the presence of storm damage and Lexington County's Tax Assessor pre-storm property value, the project will be put into an internal queue for scope development.

If SBP Director of Construction determines during property assessment that the project is not feasible for the Minor Rehabilitation Program based on the nature, extent, or lack of storm related damage, or if the cost of repair will exceed 49% of the pre-storm value as determined by Lexington County, then SBP will notify the CDBG Disaster Recovery Administrator the recommendation of a project denial. The denial recommendation to Lexington County will indicate the reason for denial, and will include photographs and narrative to support the denial decision. Reasons for project denial include:

1. Damage is deferred maintenance and not storm related
2. Cannot address storm related damage without addressing deferred maintenance issues
3. The storm damage is excessive and the repairs will cost more than 49% of the pre-storm value of the home.

SBP will notify the homeowner of the property denial via phone, followed by a certified letter. If homeowner chooses to appeal denial, the CDBG Disaster Recovery Administrator will be notified and the project can be brought to the Appeals Panel as defined in the Lexington County's Policies and Procedure manual.

Projects deemed feasible per property assessment will be placed in the queue for Scope Development. Projects will be pulled from the queue per construction capacity. When a property is selected from the queue for scope development, SBP will contact the homeowner to schedule a time for the construction team to perform a scope development walk.

If the homeowner fails to be present at the agreed upon meeting, SBP will document in SharePoint and attempt to reschedule with the homeowner. If the homeowner fails to be present at two agreed upon meetings, the homeowner will be denied from the Minor Rehabilitation Program. This denial will be documented in SharePoint and SBP will also notify Lexington County of the denial via email.

If the homeowner wishes to reopen their application for the Minor Rehabilitation Program, the homeowner will need to contact Lexington County CDBG-DR Program Administrator to reopen or update their file which will be processed as a new application. The applicant will be placed on a waiting list to be removed from the list based upon their vulnerability score.

[Porch railings, aesthetic review, etc.](#)

If during the assessment of a potential rehab project the SBP Director of Construction discovers any aesthetic work that needs to be completed, SBP will present the issue to Lexington County, at which time SBP and County staff will review and approve the work specifications on a case-by-case basis.

[Scope of Work and Cost Estimate Determination](#)

If SBP is able to schedule a property walk with the homeowner, the SBP Construction Team will prepare scope of work, utilizing the guidelines for rehabilitation specified in the HUD CPD Green Building Retrofit Checklist for each project. See Attached "Exhibit A" To ensure that all approved construction scopes have incorporated these necessary items, each project scope will be completed with an attached HUD CPD Green Building Retrofit Checklist showing which items will be applicable and feasible to be addressed in the household to conform to the regulations outlined on applicable items on the checklist.

If necessary, SBP will contact Lexington County's procured Lead Base Paint Inspector to inspect and test the property for lead base paint. If it is determined during SBP's rehabilitation inspection that the repairs to the home will disturb areas with asbestos, then SBP will contact Lexington County's procured Asbestos Inspector to access and abate the area suggested in the scope of work. These costs will be considered eligible activity delivery costs and shall be reimbursable through the CDBG-DR program. Once the results are obtained, SBP Construction Team will finalize scope of work and estimate. SBP will utilize only Lexington County procured subcontractors for work in the Minor Home Rehabilitation Program.

If scope of work and estimate are under \$75,000 or less than 49% of pre-storm property value then SBP may recommend project approval and submit project scope and estimate to the CDBG Disaster Recovery Administrator via SharePoint.

If the scope of work and estimate are over \$75,000 or more than 49% of the pre-storm property value, then SBP will recommend project denial to the CDBG Disaster Recovery Administrator via SharePoint.

If homeowner chooses to appeal a denial, the CDBG Disaster Recovery Administrator will be notified and the project can be brought to the Appeals Panel held by the County. The Appeal process will be handled as defined in the Lexington County Policy and Procedures.

If during walk-thru to develop scope of work and estimate, the SBP construction team determines that since the property assessment, originally assessed storm damage has been repaired, SBP will recommend project denial to the CDBG Disaster Recovery Administrator via SharePoint.

If homeowner chooses to appeal denial, the CDBG Disaster Recovery Administrator will be notified and the project can be brought to the Appeals Panel held by the County. The appeal process will be handled as defined in Lexington County's Policies and Procedures.

SBP will submit project approval recommendation to the CDBG Disaster Recovery Administrator through SharePoint and email. The project approval recommendation will include the scope or work, estimate, and interior and exterior photos of the damages. The CDBG Disaster Recovery Administrator will review the proposed scope of work and estimate and provide a response to SBP within 15 days.

Lexington County shall review and approve the proposed scope of work and estimate, the SBP Director of Construction will receive the activity NTP from Lexington County via email and SharePoint. SBP will acknowledge acceptance of NTP via email and SharePoint.

Once Lexington County reviews and denies the proposed scope of work and estimate, Lexington County will send a Notice of Denial to SPB via email and SharePoint. SBP will mail a letter of denial to the applicant explaining the reason for the denial.

If Lexington County reviews the scope of work and respond with a "request for information" or a "request for changes", the Lexington County CDBG-DR Program Administrator will notify SBP staff via email and SharePoint. SBP will respond to the "request for information" and will review the request for changes.

If SBP reviews the request for changes and determines the request is feasible within the program parameters, as defined below. SBP will revise the scope of work and estimate, with changes, and resubmit the application via SharePoint for approval.

If SBP reviews the request for changes and determines the request is not feasible within the program parameter, SBP will respond with explanation for the lack of feasibility. If applicable, SBP will submit an alternative scope edit.

The program will provide rehabilitation assistance up to 49% of the value of the home not to exceed \$75,000 in total costs associated with the rehabilitation. No estimate will exceed \$75,000 per project, including hard costs, soft costs, and developer's fee.

*\*An amount exceeding \$75,000 may be approved at the discretion of the Lexington County Director of Community Development, with a justification of all costs. Any amount exceeding*

*\$75,000, may not take the total expenditures above 49% of the value of the home.*

Repair expenses may include, but are not limited to:

- Structure repairs (i.e. roof, foundation, electrical, plumbing, and windows)
- Limited debris removal
- Mold, lead, and asbestos remediation and/or abatement
- Labor, material, and equipment rental to permanently or temporarily repair the damaged residence (includes carpeting, cabinetry, appliances, flooring, fixtures, doors, walls, and ceilings)
- Installation septic tanks, electricity, HVAC and plumbing
- Grading or leveling of property
- Tree/shrub removal if the tree/shrub blocked access to the home or presented a safety hazard to the home.

### Contractor Selection

SBP will send a bid solicitation via email to all contractors on the Approved Contractors List. This list of contractors have been vetted and approved by the Lexington County Procurement Department, and well versed of the programs guidelines and expectations.

All contractors on the list will receive a project bid solicitation. The bid solicitation will include the project address, date and time along with the scope of work for the project that will be walked. In the solicitation, there will also be a request for the subcontractors to participate in the walk but it is not mandatory for subcontractors to attend the bid walk.

Reasons a contractor **will not** be allowed to bid on a project include:

- If a contractor does not attend the Mandatory Walk
- If a contractor arrives to the Walk five (5) minutes after the stated time in the solicitation

Both will be considered a **“No Bid.”**

A member of the SBP program staff will be on site to guide the general contractor, and subcontractors, through the scope of work (SOW).

If there are conditions that are discovered during this time that are not included in the original scope, but deemed a necessary repair by the Construction Manager, the SOW will be amended on site. The SBP staff will also email and share with all participating contractors on site.

If a cost estimate is completed by the Construction Manager, all contractors that attended the walk will receive the new SOW. The cost estimate will be considered an amendment to the original SOW.

After the mandatory bid walk the contractors will have 14 business days to submit a bid via email to the SBP staff, if there are any Amendments to the original SOW, they will be emailed to all participating contractors within 48 hours of the mandatory walk.

A Project Summary Recommendation Packet will be submitted to the Lexington County CDBG-DR Program for review prior to SBP receiving an NTP. The packet will include: the scope of work, 3 bids, SBP estimate and ER results, if property was tested.

### Notice to Proceed

Once Disaster Recovery Administrator approve the activity scope of work, estimate, and contractor selected, they will release an internal Notice to Proceed (NTP) to SBP through email and SharePoint. SBP will confirm that the homeowner has set up temporary housing arrangements, if necessary.

If the homeowner has set up temporary housing and is able to move out during the proper timeline, SBP will move forward with the CDBG-DR Rehabilitation documents. The homeowner must sign an agreement approving the scope of repairs, homeowner agreement and willing partner agreement (see attachments). If signed and approved by the homeowner, SBP will proceed with scheduling and performing construction work.

If the homeowner cannot secure temporary housing and the construction repairs are deemed extensive and could pose a health or safety risk to the homeowner, SBP may not be able to perform work with individuals still living in the home. SBP will notify the Lexington County Disaster Recovery Administrator to inform them of the situation.

### Active Projects

Once a project is active, County inspections will occur periodically throughout the construction process based on the permits that are pulled and the scope of work. All items must pass a final inspection by the Lexington County Building Department. SBP will contact the Lexington County DR Program Administrator to inform them of the inspections that are needed. The DR Administrator will in turn contact the Lexington Building Department to schedule the inspections (rough-ins and finals).

To obtain 100% project completion for the Minor Home Rehabilitation Program, the activity must receive satisfied final inspection by Lexington County Building Inspector. Before the Minor Rehabilitation Program project can be closed out, a sign off agreement must be signed by the homeowner (see sign off paperwork attached). With this agreement, the homeowner must confirm that all items on the scope of work were completed with the proposed standards. This agreement between the homeowner and County will signal a closed project.

This paperwork will be shared with Lexington County via SharePoint originals will be sent to Lexington County to be placed in the homeowner's file.

If a property fails a final inspection by the County Inspector, the SPB Director of Construction will notify the contractor of the failed inspection, and discuss a plan of correction action and the timeline for the action.

If the contractor deems that all items were completed to the proposed standards, the case will be discussed in an Appeals Panel as stated in Lexington County's Policies and Procedures and held by Lexington County who will ensure that all items were completed per the scope of repairs, if not already done so.

If the Appeals Panel decides the contractor has satisfied the original contract and all program guidelines regarding the HUD CPD green building retrofit checklist, then the homeowner refusal will be overturned and the project will be deemed completed.

If the Appeals Panel agrees the contractor has not satisfied the original contract and all program guidelines regarding the HUD CPD green building retrofit checklist, the contractor will be informed of the decision and will rectify the items listed by the Lexington County Appeals Panel at no extra charge to CDBG-DR. Once all items have been completed, the project will be signed off and closed out.

### Quality Control Visits

As part of the county's monitoring efforts Civitas and/or county staff will make periodic visits to the rehab site to ensure SBP is managing the rehab program in compliance with this Policies and Procedures document, following HUD regulations, and being an effective conduit from between the homeowners and contractors. The purpose of these quality control visits is not for Civitas or county staff to evaluate or approve/disapprove work completed, but to ensure proper procedure and protocol is being followed. Civitas and county staff should always bring a printed copy of the project's scope of work to quality control visits.

Lexington County and Civitas will make visits during two phases of the rehab process, one while the work is being conducted and one during the final walkthrough/closeout. SBP will notify Civitas and county staff about the times and dates of these meetings so proper scheduling can be arranged. It is not required that quality control visits are completed for every rehab project, but given the expected low number of projects, Civitas and county staff may choose to quality control each project depending on staffing and scheduling availability.

### Billing and Project Completion

SBP will invoice Lexington County on a monthly basis, 50% activity complete and 100% activity complete. To receive the final, 100% payment, SBP will submit the final inspection report from the County's Building Inspections office, as well as the homeowner sign-off agreement approving of the completed work unless approved by the county to overrule a homeowner's refusal to sign-off. These items will be submitted through SharePoint. Invoices will be submitted to the CDBG Disaster Recovery Administrator and paid within 30 days of invoice submission.

Upon project completion, SBP will initiate a one (1) year warranty on all work completed with the scope of repairs.

If the homeowner submits a claim to the Lexington County Minor Home Rehabilitation Program within one (1) year of the date of the sign off agreement, regarding any work completed within the scope of repairs has failed to function properly, SBP will repair the item(s) to bring the home back into compliance.

If the homeowner submits a claim to the Lexington County Minor Home Rehabilitation Program within one (1) year of the date of the sign off agreement, regarding any work *not* completed within the scope of repairs, the homeowner will be notified by Lexington County that this claim is not covered by the warranty. Homeowner will be reminded that it was inspected by Lexington County Building Inspection per 2015 International Residential Code Standards (IRC) and approved.

If the homeowner submits a claim to the Lexington County Minor Home Rehabilitation Program outside of the one (1) year of the date of the sign off agreement, the homeowner will be notified by Lexington County that this claim is not covered by the warranty.

SBP will complete up to 70 homes within the timeframe of the project, dependent on the availability of approved and completed homeowner applications, scope of repairs and estimates. No activity will exceed the CDBG-DR Rehabilitation program maximum \$75,000, with an average cost per activity at or below \$30,806 over 70 homes.



## Financial Management

### Invoice Payments

All invoices / payment requests are received and/or routed to the DR Administrator to be logged in an invoice / payment request log. This log is an excel sheet divided by tabs named after the two programs “Buyout” or “Rehab”.

1. Upon receipt of invoice, the invoice is stamped and marked by the DR Administrator with the date it was received, the Purchase Order number, and the account number of the vendor or individual property.
2. Any needed corrections from the vendor will be communicated electronically by the DR Administrator to the vendor.
3. If no revisions are needed the invoice is recorded in the information in the respective program spreadsheet.
4. The invoices then are signed verifying review and approval. It is then put in the “for your signature” file on the Administrative Assistant’s desk by the Grant Administrator for the Community Development Director’s final review and signature.
5. Upon review and final signature from the Community Development Director, the invoice / payment request is returned to the DR Administrator via the Administrative Assistant for final further processing (Banner and DRGR)
6. The DR Administrator will make a copy of the invoice / payment request and retain it in the file “Pending Payment in Banner” and the original is delivered (via hand) to Procurement.
7. The DR administrator will highlight and make notes by line item to indicate which DRGR activity the expenditure meets.
8. Invoices / payment requests are checked for payment in Banner each Friday by the DR Administrator.
9. If PAID in Banner, the invoice / payment request copy is marked as such and dated. It is moved to the file “PAID, Pending DRGR Drawdown” along with a screen print of Banner with the payment highlighted (to include the check number).
10. All paid invoices / payment requests are drawn in DRGR by the DR Administrator on or about the 20<sup>th</sup> of each month unless circumstances warrant otherwise.
11. A screen shot of the creation of new Vouchers in DRGR will be created and a copy printed and signed to put with the “Vouchers” file.

12. All documents: invoice copy, supporting documentation, and DRGR screenshot showing creation of voucher, are submitted to Finance for approval of draw.
13. A copy of the approval and the DRGR screen shot with the signature of Finance Representative is returned to the DR Administrator and maintained with other voucher documents.
14. Vouchers are then filed sequentially.

### DRGR Voucher process

For all steps below, it is presumed that the Financial Coordinator will be carrying out these activities

1. Gather all PAID invoices for reimbursement to the County. These should already be set aside in the “Paid – Pending DRGR Drawdown” folder.
2. Obligate funds to an activity
3. Financial Coordinator creates a voucher to drawdown funds for one or more activities.
4. The drawdown request is generated, DRGR will perform a preliminary validation to ensure that sufficient funds are available. If yes, DRGR will generate a Voucher Number.
5. A representative from Finance in the “Drawdown Approver” role then reviews and approves each voucher line item (or the entire voucher). If the voucher has multiple line items, the Drawdown Approver can approve some line items and reject the others or leave the rest for a later date.
6. DRGR sends the approved line items to Line of Credit Control System (LOCCS) by the end of business (or on a future date that the Drawdown Approver specified). However, if a voucher exceeds a drawdown threshold, it is forwarded to HUD for approval before being submitted to LOCCS. The Financial Coordinator will send their CPD Representative additional supporting documentation to substantiate the over-threshold draw.
7. LOCCS processes the vouchers overnight from a daily batch file submitted by DRGR. LOCCS approves or rejects all line items that were sent on one batch (this may not be all line items if the approver did not approve all line items on the voucher the same day). If approved by LOCCS, LOCCS sends the line items to the U.S. Treasury for payment. LOCCS also sends the status of the request back to DRGR. The drawdown results are reflected in DRGR the next day.

## Program Income Reporting & Tracking

P.L. 114-113 defines Program Income as “gross income generated from the use of CDBG-DR funds and received by the Unit of General Local Government (UGLG).” Examples of program income include, but certainly are not limited to, the following: a) proceeds from the disposition by sale or lease of real property purchased or improved with CDBG-DR funds, b) proceeds from the disposition of equipment purchased with CDBG-DR funds, c) net income from the use of rental property owned by the UGLG. Based on the definitions provided in P.L. 114-113 and the County’s current Action Plan, the County does not anticipate generating significant program income. However, should program income be generated, the County will track the receipts within the County’s financial records and report the receipts to HUD via the DRGR database as required in the regulations. All program income received prior to grant closeout shall be utilized for additional eligible CDBG-DR activities. Any program income remaining after the CDBG-DR program closeout will be transferred into the County’s regular CDBG program.

## Timely Expenditure of Funds

Per Federal Register Notice 5938-N-01, CDBG-DR funds must be expended within a six (6) year time frame beginning on the date the grant agreement is signed by HUD. However, we understand that HUD will periodically review the County’s progress in drawing down funding from its Line of Credit (LOC). The County of Lexington will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner. Project funds and schedules will be monitored by The County of Lexington’s Finance Department, the Department of Community Development and the County’s planning and management consultant(s), and ultimately audited through the County’s independent audit function.

As the County of Lexington is an entitlement community, County staff members already have experience with monitoring the expenditure rate of its annual CDBG allocation. (The County’s CDBG Policies & Procedures are provided as an appendix to this document.) With the County’s current allocation of CDBG funds, the County of Lexington’s Department of Community Development maintains detailed spreadsheets monitoring the expenditure of funds and project schedules. Considering that the CDBG-DR grant to the County is more significant than the usual annual allocation, the County will adapt and enhance its current processes by establishing standard tracking mechanisms, processes and templates to ensure consistency and continuity among program activities. The County of Lexington will also maximize its use of technology to support and augment any standard processes instituted to ensure timely expenditure of funds.

The County of Lexington will hold all contractors accountable through the establishment of benchmarks and other critical milestones. Contractors will be required to provide detailed reports concerning expenditure of funds and project progress to the County upon request. Frequency of reporting will be established on a per project basis given the potential varied nature of eligible activities that the County may choose. It is expected that the County will require

contractors to provide monthly reports; however, due to the varying nature of each project, specific projects may be asked to provide those project updates more frequently.

The County expects, at this time, that it will directly administer all CDBG-DR programs and will use contractor augmentation to execute implementation. When contracting with vendors, the County will establish certain benchmarks that must be achieved prior to the release of funding. As a part of their contractual obligations to the County, contractors will be required to present the County with a plan on how they will implement procedures to reach the determined benchmarks. Each contract with contractors will require that penalties be implemented for failure to reach benchmarks. In addition to ensuring that contractors are meeting project timelines, these benchmarks will allow the County to project expenditures for each individual project. The following chart provides an estimated time frame of expenditures for each of the identified programs.

Summary of Expenditure Milestones					
Activity	Total Allocation	Program Time Frame	25% Expenditure Benchmark	50% Expenditure Benchmark	100% Expenditure Benchmark
Disaster Recovery Program Planning	\$1,461,200	June 2016 – June 2019	January 1, 2018	January 1, 2019	June, 2019
			\$365,300	\$730,600	\$1,461,200
Disaster Recovery Program Administration	\$911,900	June 2016 – June 2021	June 1, 2018	December 1, 2019	June 30, 2021
			\$227,975	\$455,950	\$911,900
Public Infrastructure Improvements	\$3,544,900	January 2019 – December 2020	July 1, 2019	January 1, 2020	December 31, 2020
			\$886,225	\$1,772,450	\$3,544,900
Housing Buyouts	\$12,000,000	September 2017 – December 2018	January 1, 2018	July 1, 2018	December 31, 2018
			\$3,000,000	\$6,000,000	\$12,000,000
Minor Housing Rehabilitation	\$3,202,000	September 2017 – December 2018	March 1, 2018	September 1, 2018	December 31, 2018
			\$800,500	\$1,601,000	\$3,202,000
Public Facilities Improvements	\$250,000	October 2017 – December 2019	July 1, 2018	December 31, 2018	December 31, 2019
			\$62,500	\$125,000	\$250,000
<b>Total Funding Available</b>	<b>\$21,370,000</b>	<b>June 2016 – June 2020</b>	<b>July 1, 2018</b>	<b>July 1, 2019</b>	<b>June 30, 2021</b>
			<b>\$5,342,500</b>	<b>\$10,685,000</b>	<b>\$21,370,000</b>

## Compliance Monitoring & HUD Reporting

At the County of Lexington, we have a monitoring process which includes several layers of approvals before funds are expended. Allowing us to “monitor” the use of funds on an individual basis. This process includes multi-level review of the use of funds. These reviews occur throughout the organization, from the front-line contractor(s) up through the Community Development Director (CDD), the procurement office and ultimately the County’s Chief Financial Officer (CFO). The CDD and the CFO each answer directly to the County Administrator. At every level of the process, there is an evaluation made to determine that the use of funds is legitimate and in keeping with the requirements of the governing policies, procedures, rules, regulations, ordinances and laws. If any other determination is reached, the use of funds is delayed until further information is obtained. If the additional information does not result in a positive determination, the use of funds for that purpose will not be allowed. Because the County will be directly overseeing the delivery of all CDBG-DR activities, monitoring will be an on-going effort. The newly-hired CDBG-DR Administrator will personally monitor all contractors including direct review and approval of all contractor invoices. The CDBG-DR Administrator will conduct periodic on-site monitoring and a County Building Inspector will conduct inspections for each property involved in the CDBG-DR housing programs. In addition, the CDBG-DR Administrator will directly oversee quality control related to client application, file management, contractor relations with homeowners as well as the public reporting requirements described below.

### DRGR Management

For disaster recovery programs, HUD utilizes a specific online database system, Disaster Recovery Grants Reporting Database, more commonly referred to as DRGR. Use of this system is required by all CDBG-DR grantees. The County will ensure staff has adequate training for the effective management of the DRGR Database.

### QPRs

Within DRGR, all grantees are required to produce Quarterly Performance Reports or QPRs. QPRs are due 30 days after the end of each calendar year quarter. Once approved by HUD, the County will publish all QPRs on its CDBG-DR website.

A quarterly performance report (QPR) will be submitted to HUD no later than 30 days following the end of each quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. No less than three (3) days prior to submitting to HUD, the County will post the QPR to the website for public comment. In addition to these required reports, the County will also post its procurement policies, executed CDBG-DR contracts as well as the status of services or goods currently being procured by the County.

## Planning & Coordination

Effective communication between and within departments is a major focus of the County of Lexington on all projects, operations and efforts. In addition to normal telephone and e-mail correspondence, the County Administrator holds a weekly Department Head/Senior Staff meeting during which he discusses important activities of the County, and attendees are required to provide updates to major activities occurring in their department(s).

Furthermore, specific to CDBG-DR, the proposed Organization Structure for the County of Lexington CDBG-DR team includes a “Program Review Committee”. This committee is appointed by and answers to the County Administrator and will be chaired by the Director of Community Development. The membership of the committee will consist of Department Heads and/or Senior Staff and/or team leaders from the following groups:

- Finance Department
- Procurement Department
- Public Safety (Emergency Management)
- County Sheriff’s Department
- Human Resources
- Planning & GIS/Mapping
- Community Development (Zoning Management, Landscape & Open Space Management, Building Inspections & Safety)

This Program Review committee will meet on a regular basis and as-needed for specific issues. The committee will also serve as an outlet for citizens to appeal decisions of the program staff when needed. The County Administrator may request additional departments to assist in monitoring/reviewing the progress of the CDBG-DR program (s).

Although the needs for each of the many jurisdictions impacted by the 2015 storm event are different and the make-up of the CDBG-DR program(s) for each jurisdiction will be varied, it is important that we be a part of a regional response to issues when possible. To this end, we continue to meet with representatives of the other local jurisdictions and the state to discuss specific issues – especially issues that are common among the group. Additionally, an e-mail list has been created of interested persons and organizations that we use to share information and to receive comments and other information. Information regarding scheduled events such as community meetings will be shared with other local governments, state agencies, school districts, non-profits and any other groups requesting to be provided this information.

An example of such organizations is the Midlands Flood Recovery Group (MFRG) which is organized and facilitated by United Way of the Midlands. The MFRG assists people who are low income and often vulnerable for other reasons including age, disability or household composition. The MFRG also collaborates with agencies and other HUD and FEMA funded program administrations to address the needs of people affected by disaster.

## Internal Auditor

In conjunction with the administration and oversight of the CDBG-DR programs, the County will contract with an independent internal auditor who will report directly to the County Administrator. The role of the internal auditor will be to conduct internal monitoring/audits of county administered CDBG-DR programs and activities as required by HUD guidelines and P.L. 114-113. The internal auditor will also be responsible for the coordination of and response to external audits or monitoring by county, state and federal agencies. In addition, the internal auditor will be responsible for the detection and prevention of fraud, waste, and abuse in county- and contractor-administered programs as well as the coordination of investigations of alleged fraud with county, state and federal law enforcement agencies. This responsibility includes the presentation of cases to the Office of Inspector General for the H.S. Department of Housing and Urban Development and/or the U.S. Attorney's office for prosecution if necessary.

## Lawsuits and Program Participation Policy

This section outlines the County's policy for situations where an applicant of a Lexington County Disaster Recovery program is involved in a lawsuit against Lexington County. In this section, the applicant and the seller shall both be defined as the property owner who applies for inclusion into the program and/or who sells the property to the County,

1. Persons involved in a lawsuit or other legal proceeding against or with Lexington County are not prohibited from applying and participating in the County's Disaster Recovery programs.
2. Persons involved in a lawsuit or other legal proceeding against or with Lexington County are subject to the same rules, regulations, and eligibility requirements as those not involved in such proceedings.
3. There shall be no special treatment, be it preferential or punitive in nature, for applications in which the applicant is involved in a lawsuit against the County.
4. To the extent that County staff and its contractors are prohibited from communicating directly with, or have their communication capabilities limited towards, applicants who are also participating in a lawsuit or legal proceeding against the County, Lexington County Disaster Recovery program communication shall flow through legal representation acting as attorney for the County and the applicant.
5. Lexington County's Attorney shall be the conduit of program communication coming from the County to the applicant. The applicant's attorney shall be the conduit of program communication coming from the applicant/applicant's attorney to the County. This includes application



documentation and instructions, income certification, duplication of benefits, and all other forms of application processing.

6. Under normal circumstances, without the presence of an active lawsuit, the County’s attorney provides limited representation to the seller (applicant) at closing by preparing and filing the deed on her/his behalf. In situations where the applicant is involved in a lawsuit against Lexington County, the County’s attorney cannot provide representation to the seller. The applicant must utilize his/her attorney for the seller’s closing attorney and **be responsible for that attorney’s portion of the closing costs.**

7. As in all other program situations, the applicant will be required to sign a subrogation agreement indicating:

- 1) an understanding that any eligible funds received after the sale of the property to the county shall be subject to repayment of an equal amount of funds to the county and,
- 2) an assurance that such eligible, or potentially eligible funds shall be reported and, when appropriate, repaid to the county by the seller.

*In the case of an applicant involved in a lawsuit related to the disaster event, whether or not the suit names the County of Lexington as a defendant, this subrogation agreement shall include eligible funds from any court awarded or mutually agreed upon amount. Eligibility of funds as part of this subrogation agreement shall be determined using applicable rules and regulations of the US Department of Housing and Urban Development’s governance of this Community Development Block Grant Disaster Recovery program.*

## **County of Lexington Community Development Block Grant**

### *Disaster Recovery Program- Subrogation Agreement*

*212 South Lake Drive, Ste. 401, Lexington SC 29072 Phone: (803)785-8121 Fax: (803)785-8188*

This Subrogation and Assignment Agreement (“Agreement”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Owner(s)”) the Owner(s) of the following property located \_\_\_\_\_ in \_\_\_\_\_ at \_\_\_\_\_ and the County of Lexington (“County”). In consideration of Owner(s) receipt of funds or the commitment by County to evaluate Owners’ application for the receipt of funds (collectively, the “Grant Proceeds”) under the Community Development Block Grant Disaster Recovery Program Grant from the US



Carolina (the "Disaster Relief Program") administered by County, Owner(s) hereby assign(s) to County all of Owners' future rights to reimbursement and all payments received from any grant, subsidized loan, lawsuit or insurance policies of any type or coverage or under any reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("FEMA") or the Small Business Administration ("SBA") that was the basis of the calculation of the Grant Proceeds paid or to be paid to Owner(s) under the Disaster Relief Program and that are determined in the sole discretion of County or its designee to be a duplication of benefits ("DOB") as provided in this Agreement.

The proceeds or payments referred to in the preceding paragraph, whether they are from a lawsuit, insurance, FEMA or the SBA or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds," and any Proceeds that are a DOB shall be referred to herein as "DOB Proceeds." Upon receiving any Proceeds not listed on the Statement of Determination of Compensation Owner(s) agree(s) to immediately notify the County or its Program Representative of such additional amounts, and County or its designee will determine in its sole discretion if such additional amounts constitute a DOB. If some or all of the Proceeds are determined to be a DOB, the portion that is a DOB shall be paid to the County, to be retained and/or disbursed as provided in this Agreement. The amount of DOB determined to be paid to the County shall not exceed the amount received from the Disaster Relief Program.

Owner(s) agree(s) to assist and cooperate with the County to pursue any of the claims Owner(s) has/have against the insurers for reimbursement of DOB Proceeds under any such policies. Owners' assistance and cooperation shall include but shall not be limited to allowing suit to be brought in Owners' name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing record and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by County. Owner(s) further agree(s) to assist and cooperate in the attainment and collection of any DOB Proceeds that the Owner(s) would be entitled to under any applicable Disaster Program.

If requested by County, Owner(s) agree(s) to execute such further and additional documents and instruments as may be requested to further and better assign to County, to the extent of the Grant/Loan Proceeds paid to Owner(s) under the Disaster Relief Program, the Policies, any amounts received under the Disaster Programs that are DOB Proceeds and/or any rights.

## CDBG-DR Applicant Checklist

Applicant(s) Name(s) \_\_\_\_\_ Phone # \_\_\_\_\_

Property Address: \_\_\_\_\_ Neighborhood \_\_\_\_\_

Select One:

**BUYOUT**

**REHAB**

### **In-take**

- Completed Housing Intake Application;
- Consent to Release Form;
- Voluntary Participation Agreement
- Copy of the applicant's driver's license (or a state issued photo ID);
- Deed in applicant's name;
- Rental/Tenant information form; (for both tenants in the home at time of the flood and current tenants)
- Notarized Applicant's Certifications Page

### **Duplication of Benefits (as necessary and applicable)**

- FEMA or NFIP Award Letter;
- Small Business Administration (SBA) Award Letter;
- Private Insurance Letter;
- Copy of receipts for the home repairs that have been made to the damaged property sustained during the qualifying event;
- Completed and signed Duplication of Benefits Certification

**Income Certification** (as necessary and applicable) – *Provide any and all relevant proof of income for individuals that live at the property and that are over the age of 18*

- Verification of Employment, signed by employer

**OR**  If VOE is unattainable, Last 3 consecutive months of pay check stubs;

**OR**  If self-employed, copy of Federal Tax returns for the past 2 years, If you do not file a tax return, complete Tax Form 4506-T

**AND/OR** If any of the following are applicable,

- Current copy of social security statement/award letter;
- Current copy of retirement/pension statements
- Current copy of unemployment statement

**OR**  If you do not earn any income, complete and submit the Notarized Affidavit of Zero Income Form.

### **Additional Information**

- Current Property Taxes Paid
- Affidavit of Completeness signed by Civitas
- Copy of Transition Letter notifying applicant their file has been transitioned to SBP or Tetra Tech

Rehab Program Case Management Checklist

Lexington County CDBG-DR Minor Rehabilitation File Checklist	
	Minor Rehab Site Assessment Form (SBPSC1)
	Flood Insurance Requirement Form <i>*Required if home is located in a Floodplain*</i>
	Completed Scope of Work & Cost Estimates
	Completed Rental Questionnaire (to include renters at the time of the event as well as current)
	Environmental Testing (Circle: Lead Testing, Asbestos Testing) <i>*If applicable*</i>
	Results of Environmental Testing - Date of Review
	Bid Invite Date
	Bid Deadline/ Date & Time
	SBP Contractor Selection
	SBP Submittal of Project Summary & Recommendation Packet
	NTP
	Start File Meeting Date
	Homeowner Signed Contract
	Hold Harmless Agreement
	One Year Homeowner Warranty Information
	Contractor Signed Invoice & Copy of Signed Photocopy of Check
	Contractor Invoices/Billing Documentation
	Property Resale Disclosure
	Close Out Meeting-Release of Contractor Lien, Signoff Homeowner Agreement
	Copy of Change Orders <i>*If Applicable*</i>
	Lexington County Subrogation Form
	Complete Copy of Client File

## Buyout Program Case Management Checklist

<b>Documents Included within File</b>	<b>Document Title</b>
	Complete Applicant DOB and Income Certificate File Documentation  (Documents compiled and organized into PDF Document, leading with DOB Certification and ending with applicable Appraisal Forms) - <b>Document remains in File</b>
	File Completeness Affidavit- <b>Document remains in File</b>
	Lexington County CDBG REBOUND Program Occupancy Form, asks for current tenant information and any tenants that were displaced by the October 2015 – <b>Document remains in File</b>
	Property Appraisal (If applicable) – <b>Document remains in File</b>
	Property Appraisal Review Letter (If applicable) – <b>Homeowner Offer Document</b>
	Duplication of Benefits, Incentives and Offer Calculation Form/Mini Spreadsheet – <b>Information incorporated in Recommendation of Offer Letter</b>
	Offer and Incentives Recommendation Letter - <b>Homeowner Offer Document</b>
	Assignment of Coverage D Form— <b>Homeowner Offer Document</b>
	Statement of Determination of Compensation Form ( <b>File goes to Attorney with signed documents from homeowner</b> )
	Seller Information Sheet-- <b>Homeowner Offer Document</b>
	Request for Loan Payoff and Credit Line Termination Authorization - <b>Homeowner Offer Document</b>
	Property Owner Change of Address Form – <b>Homeowner Offer Document</b>
	Property Inventory Form – Notification of Inspection and Possession – <b>Homeowner Offer Document</b>
	Seller 2017 Tax Receipt (5 Business Days before Closing) – <b>Homeowner to provide 5 days prior to Closing</b>
	Certificate of Removal of Personal Property, Debris, Fixtures and Voluntary Abandonment of Real Estate (24 hours before Closing)- <b>File goes to Attorney; signed by homeowner</b>
	Certificate of Inspection and Possession (Form to be filled out and Returned 24 hours prior to closing- <b>File goes to Attorney; signed by inspector</b>
	Voluntary Transaction Agreement- Homeowner – <b>Homeowner Offer Document</b>
	Voluntary Transaction Agreement – Exhibit B – <b>Homeowner Offer Document</b>
	EHP Property Clearance Letter/ Notification – <b>Must be obtained prior to Closing</b> – Civitas
	HUD Voluntary Transaction Agreement – <b>Property Closing Document</b> – <b>County Attorney</b>

	Exhibit A – Legal Description of Property – <b>Property Closing Document – County Attorney</b>
	Contract of Sale Document – <b>Property Closing Document – County Attorney</b>
	Program Incentive Determination Worksheet – <b>To be sent to Attorney</b>
	Model Deed Restrictions- <b>Closing Document</b>
	URA Tenant Packet, if applicable (GIN, URA Handbook, Notice of Eligibility, Tenant Relocation Assistance Application Record, Affidavit of Present Rent, 2018 Max Income and Gross Rent Limits Chart, URA fixed moving cost schedule, Tenant RHP Computation Form, Comparable Replacement Dwelling Form, Allowances for Tenant-Furnished Utilities Form, DSS Inspection Form, Residential Relocation Worksheet, HUD form 40054, HUD form 40058)

## **APPENDIX D: Cross Cutting Requirements**

### **1.0 Cross Cutting Requirements**

#### **1.1 Affirmative Furthering Fair Housing (AFFH) 24 CFR 570.601 Executive Order 11063**

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Lexington County enforces the Fair Housing Act by ensuring that all grantees, subrecipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements . Lexington County and its Subrecipients maintain and report data on activity beneficiaries and applicant demographics for Fair Housing purposes, including race, the ethnicity and head of household gender for direct-benefit activities applicants and beneficiaries.

Section 109 of the Act 24 CFR 570.602 requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation n, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs.

#### **1.2 Environmental Review 24 CFR 570.200, 24 CFR 58**

Environmental reviews must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both Territorial and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders.

Lexington County Staff and their consultants will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors.



### **1.3 Davis Bacon**

#### **Labor Standards 24 CFR 570.603; Contract Work Hours and Safety Standard ACT 40 U.S.C. 327; Kickbacks from Public Works Employees 18 U.S.C. 874 and US Dept of Labor 29 CFR, Part 5**

The Davis-Bacon and Related Acts (DBRA) applies to all federally-funded or assisted construction contracts in excess of \$2,000 except residential properties with less than 8 units, to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits. Exceptions to CBRA include construction contracts of \$2000 or less, real property acquisition, architectural and engineering fees, other services (legal, accounting construction management), non-construction items, rehabilitation of residential property designed for fewer than 8 families, and demolition and/or clearance activities. .

Subrecipients must work with Lexington County to obtain both federal and South Carolina State prevailing wage decisions for each project. After the bids are received, Lexington County will verify the eligibility of the contractor to participate in the program. Lexington County must follow the reporting requirements per HUD and the Department of Labor (DOL) regulations. This requirement also extends to Lexington County subrecipients and contractors.

### **1.4 Limited English Proficiency**

#### **Nondiscrimination 24 CFR 570.602; Title VI of the Civil Rights Act; Executive order 13166**

Federal Executive Order 131661 requires Lexington County and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing.

Compliance with this requirement is detailed in Lexington County's Limited English Proficiency (LEP) Plan.

## **1.5 Minority and/or Women-Owned Business Enterprises**

### **Contracting with small and minority business 2 CFR 200.321; Records to be maintained 24 CFR 570.506; Reporting 24 CFR 570.507; Executive Order 12432**

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/WBEs). Following procurement guidelines under 2 CFR 200.321, Lexington County must make efforts to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance encourage participation in contracts and other economic opportunities by small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible.

## **1.6 Section 3 Economic Opportunities**

### **Laws and related program requirements 24 CFR 570.487; Records 24 CFR 570.506; Employment and contracting opportunities 24 CFR 570.607; Economic opportunities for low and very low-income persons 24 CFR 135; 12 U.S.C. 1701u**

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities.

Section 3 of the Housing and Urban Development Act of 1968 is to “ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals.”

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very- low-income residents in connection with construction projects in their neighborhoods.

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. Lexington County and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

## **1.7 Uniform Relocation and Real Property Acquisition Act**

### **Section 414 of Stafford Act; Displacement, relocation, acquisition, and replacement of housing, 24 CFR 570.606, Displacement relocation assistance and real property acquisition for HUD and HUD assisted programs 24 CFR 42; 42 U.S.C. 4601-4655; 49 CFR 24**

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974, as amended, 42 U.S.C. §5181 (“Stafford Act”) provides that:

“Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [Uniform Act] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such [Uniform Act].”<sup>9</sup>

Section 104(d) requires relocation assistance for lower-income individuals displaced as a result of the demolition or conversion of a lower-income dwelling and requires one-for-one replacement of lower-income units demolished or converted to other uses. The March 5, 2013 Federal Register Notice (FR-5696-N-01) waived the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 CFR 42.375.

## **2.0 Record Keeping, Retention, Administrative and File Management**

### **24 CFR 570.502; 24 CFR 570.490; 24 CFR 570.506; 2 CFR 200**

### **2.1 Financial Management**

Pursuant to Public Law 113-2, Lexington County maintains and has in place proficient financial controls. The Lexington County Auditor, Finance Department and Consultants exists to examine and evaluate the adequacy and effectiveness of the organization’s governance and risk management. Lexington County considers controls necessary to mitigate risks associated with program and administrative Operations, internal and external Reporting, and Regulatory Compliance. Risks of Fraud, Waste, and Abuse are additionally considered throughout assignments.

Lexington County’s Consultant and Finance Department ensure that as the grantee, as well as those administering CDBG-DR funds continuously demonstrate conformity to financial management requirements as required by FR-5696-N-01. These requirements include, but are not limited to, areas covering: Financial Management; Advances; Internal Controls; Accuracy of Report Information; Program Income; Salaries and Wages; Indirect Costs; Lump Sum Drawdowns; and OMB Circular A-133. Lexington County’s financial management system will be consistent with and in compliance with 24 CFR 570 (as applicable, and as amended by 2 CFR 200), which ensures that Lexington County’s funds are managed with high levels of accountability and transparency.

Lexington County’s Financial Management practices adhere to the following:

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

## **2.2.1 Record Keeping, Retention, and File Management**

In accordance with HUD regulations, Lexington County's as a grantee and recipient of CDBG-DR funds follow the records retention as cited in 24 CFR 570 (as amended by 2 CFR 200), which includes financial records, supporting documents, statistical records, and all other pertinent records. Lexington County must maintain records for a period of five years from the time of closeout of HUD's grant. Further, Lexington County established record keeping and retention requirements in its subrecipients and contractor agreements in accordance with the guidelines established in 24 CFR 570. For all subrecipient and contractors, their retention of records shall be kept in accordance with 24 CFR 570.

Lexington County maintains records in accordance with recordkeeping requirements cited in 24 CFR 570 (as amended by 2 CFR 200), in order to facilitate a review or audit by HUD. Additionally, every subrecipient and contractor is required to establish and maintain at least three major categories of records: Administrative, Financial, and Project Case files.

Lexington County will follow all recordkeeping requirements as stated in 24 CFR 570.490 (as amended by 2 CFR 200.336) and will allow access to CDBG-DR records to Representatives of HUD, the Inspector General, and the General Accounting Office. They shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits. The County shall also provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records."

## **2.2.2 Audit Trail 24 CFR 570.502; 2 CFR 200; 24 CFR 85**

Lexington County will comply with the requirements and standards of OMB Circular No. A-87, "Cost principles for State, Local, and Indian Tribal Governments:", OMB Circular A-126, "Audits of State and Local Governments" (Implemented at 24 CFR 44); and with 24 CCFR 85.20, "Standards for financial management Systems" except paragraph (a).

All applicant data is secured in Lexington County's sharepoint files and management system for a specified period of time in accordance with the current Record Retention and Disposition Schedule. Security measures are in place to protect non-public personal information.

Recordkeeping, including scanning, uploading to Lexington County's management information system, and filing of pertinent Program documentation retention policies are to provide a physical and/or an electronic record of activities so that documentation is accessible for audit purposes.

## **2.2.3 Conflict of Interest 24 CFR 570.611, 24 CFR 570.502, 24 CFR 200.112**

Conflicts of interest between applicants, partners, program administrator, contractors, program staff and other parties are strictly prohibited by federal law.

A “covered person” is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or any designated public agencies, or partners that are receiving CDBG-DR funds. Generally, no person who is a covered person, and who exercises or has exercised any functions or responsibilities with respect to CDBG-DR activities and who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The Program requires all Program staff to disclose any relationship with an applicant or contractor. State program staff, sub-grantees, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude in order to financially or otherwise benefit themselves, the Applicant, or the contractor. In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 84.42, respectively, shall apply.

#### **2.2.4 Confidentiality/Privacy 24 CFR 570.508; 2 CFR 200,**

Lexington County’s Disaster Recovery Program is committed to protecting the privacy of all of our individual stakeholders, including the public and those individuals working on the Program. The Program’s policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

#### **2.2.5 Citizen Participation Plan 24 CFR 91.105**

Lexington County has a Citizen Participation plan that sets for the policies and procedures for citizen participation. This plan encourages citizens to participate in the development of the consolidated plan, any amendments. The Citizen Participation plan is designed to encourage participation by low-and moderate-income persons.

#### **2.2.6 Prevention of Fraud, Waste and Abuse 2 CFR 200.26; 2 CFR 200.513**

Lexington County will adhere to 2 CFR 200.26 Corrective Actions and 2 CFR 200.513 responsibilities to ensure the prevention of fraud, waste and abuse of federal funds.

#### **2.2.7 Property Management and Disposition 24 CFR 570.502, 505; 2 CFR 200.310, 343, 344**

The federal requirements relating to property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and proper sales procedures. Funds used to acquire real property, ensures that the property will be used for its intended (and approved) purpose, proper records are maintained.

#### **2.2.8 Debarment and Suspension 24 CFR 570.489; 2 CFR 200 Appendix**

Lexington County will adhere to 2 CFR 2424 in the debarment and suspension process. CDBG-DR funds will not be provided to excluded or disqualified person.

### **2.2.9 Detecting and Preventing Duplication of Benefits Stafford Act 42 CFR 312**

Generally, financial assistance received from another source that is provided for the same purpose as the CDBG-DR funds is considered Duplication of Benefit (DOB). To prevent the payment of DOB to Lexington County will follow the guidelines established in our Comprehensive Policies and Procedures.

### **2.2.10 Lead Base Paint 24 CFR 35; 24 CFR 570.202; 24 CFR 570.461, 24 CFR 570.487, 24 CFR 570.608; 42 U.S.C. 4851-4856**

Lexington County has procured a Lead Base Paint Consultant. Any home that should receive housing rehabilitation that was built prior to 1977 will be inspected by our LBP inspector. For demolition purposes, any home being demolished due to the 2015 flood will be demolished by a contractor using lead base paint safe practices.

### **2.2.11 Drug Free Workplace 24 CFR Part 24; Drug Free workplace Act 41 CFR 710**

Lexington County abides by the Drug-Free Workplace Act Policy to establish and maintain a drug free workplace, and to prohibit the unauthorized or unlawful manufacture, distribution, dispensation, possession, and use of controlled substances on or off the job.

Appendix E: Revision History

<b>REVISION HISTORY</b>			
<b>Issue No.</b>	<b>Changed By</b>	<b>Approved By</b>	<b>Date + Description of Change</b>
<01.00.00			<Example: 5 May 2019: Initial Disaster Recovery Policy & Procedure Document
01.01.00	Michael Calvert	Cindi Hennigan	3 May 2019: Changed – Show a description of what has changed.
01.02.00	Sandy fox	Sandy Fox	July 27, 2021: Changed Revision History to Appendix E, added Cross Cutting Requirements as Appendix D
<b>Special Comments:</b>			