



# **South Carolina Disaster Recovery Office Housing Assistance Programs Supplemental Policies**

**Revised July 2, 2019**

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

**or**

**Columbia, SC Fair Housing and Equal Opportunity (FHEO)**

**Field Office 1835 Assembly Street**

**Columbia, SC 29201**

**Phone: (803) 765-5938**

**Fax: (803) 253-3281**

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## **SCDRO-0001 Chain of Leadership and Human Resources (12/30/2016)(5/06/2019)**

***Effective Date: 12/30/2016***

### **1.1 Chain of Leadership and Human Resources Policy**

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The HUD-Approved South Carolina Action Plan for Disaster Recovery (Action Plan) affirms that a capacity assessment was conducted to determine the optimal organizational structure and key positions necessary to support critical management, oversight and implementation of the Action Plan by the South Carolina Disaster Recovery Office (SCDRO). In order to provide for those capacity needs, the following Chain of Leadership is created and listed in order of hierarchy:

- A. The Governor of the State of South Carolina appoints the Disaster Recovery Oversight and Advisory Board;
- B. The Disaster Recovery Oversight and Advisory Board provides governance and direction to SCDRO;
- C. The SCDRO State Program Coordinator (SPC) is the Division Director of the South Carolina Department of Administration (SCDOA), which administers the State's annual Community Development Block Grant allocations. The SPC supervises:
  1. The SCDRO Program Management Director, who acts as SCDRO Chief Executive Officer and manages the:
    - a. Director of Operations, who directs the Operations Functional Area and acts as SCDRO Chief Operations Officer,
    - b. Director of Support Services, who directs the Support Services Functional Area and acts as SCDRO Chief Administrative Officer;
    - c. Public Information Director, who is responsible for Strategic Communications, supervises the Public Information Specialist and is attached to the Operations Functional Area,
    - d. Attorney, who is responsible for providing Legal Counsel and is attached to the Support Services Functional Area; and
    - e. Administrative Assistant, who provides administrative support to the Program Management Director and SCDRO as a whole.
  2. SCDRO Financial Management, Financial Monitoring & Compliance, Procurement, Grant Accounting, and Internal Audit Functions, are directed by the SCDOA Chief Financial Officer (CFO) and executed by various positions shown on the SCDRO Organizational Chart under CFO direction.

All other positions listed in the Action Plan with position descriptions are assigned to and report directly to either the Operations Functional Area or the Support Services Functional Area Directors. The SCDRO organizational chart shows each position by title as detailed in the Action Plan. A human resources file is maintained by the Director of Support Services on each position. In the process of establishing these positions within SCDOA and through the South Carolina State Employee System, and in procuring business cards, immaterial changes in position titles and/or descriptions are acceptable as long as the intended purpose and duties of such positions remain largely equivalent. Examples of such changes could include substituting "Program" for "Project" or "Manager" for "Director" in a position title or adding "Inspector" to a position title to

accentuate a position's monitoring duties. These examples and similar types of changes are deemed immaterial.

This policy is applicable to all ongoing activities of the SCDRO.

### ***1.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

SCDRO uses a mission functionality approach to human resources. Individuals selected for open positions at SCDRO are chosen because they have been deemed to possess the necessary combination of education, skill sets, work ethic, and character to perform their duties at a very high level and represent the State of South Carolina with the highest level of integrity and commitment to its citizens. When performing their job duties, all SCDRO personnel are expected to:

- A. Follow all State of South Carolina human resource standards and procedures in all employment and benefit areas;
- B. Contact their direct supervisor, the Director of Support Services, or the SCDOA Human Resources Department, if they have a question concerning State standards or procedures;
- C. Communicate with their direct supervisor if they have a request, concern or need to schedule a meeting and attempt to find a solution for their issue;
- D. Inform their direct supervisor if they are not satisfied with the outcome of this meeting and ask for a meeting with the Program Management Director; and
- E. Ask for clarification if they have uncertainty concerning a work assignment, timeline or work schedule.

Regardless of requests, concerns, needs or other issues, interactions between all personnel should always be courteous and professional. All SCDRO personnel are expected to:

- A. Perform their duties with maximum efficiency,
- B. Work together as a team, and
- C. Both respect and work within the SCDRO chain of leadership.
- D. The State of South Carolina's HUD-approved Action Plan is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.
- D. As stated in the Action Plan, SCDRO's Organizational Chart and the corresponding positions outlined in Action Plan and the policies and procedures resulting from that Action Plan, may be modified as needed throughout the implementation process as warranted by the needs of the Programs.

### ***1.3 Revision History***

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5/06/2019 Revision: Updated policy to reflect change in leadership, SCDRO is now under Dept. of Administration.

## **SCDRO-0002 Administrative Office Functions (12/30/2016)**

***Effective Date: 12/30/2016***

### ***2.1 Administrative Office Functions Policy***

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The South Carolina Disaster Recovery Office (SCDRO) divides its administrative office functions into two levels made up of managerial-level functions, and day-to-day/staff support need functions. For managerial-level administrative office functions, which involve such areas as the office budget, personnel, professional development, facilities, equipment, and vehicles, SCDRO will utilize the Director of Support Services as its Chief Administrative Officer. For day-to-day office and administrative staff support need administrative office functions such as meetings, schedules, the battle rhythm, time sheets, equipment maintenance, office travel, supplies, and commonly used forms, SCDRO will designate the Administrative Assistant position as the office point of contact.

This policy is applicable to all ongoing activities of the SCDRO.

### ***2.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. SCDRO staff members who need assistance with administrative activities of managerial-level should follow the steps below:
  1. Speak with the Director of Support Services or that Director's assignee concerning their need, and/or
  2. Make an appointment with the Director of Support Services or that Director's assignee to discuss their need and possible solutions, as necessary.
  3. Once notified of a request, the Director of Support Services or that Director's assignee will inform the requesting staff member of an estimated timeline for dealing with their issue.
  4. The requesting staff member is responsible for following up on the issue based upon the timeline provided.
  5. The Director of Support Services will inform all staff members of all assignees, if any, being utilized and their areas of responsibility.
- B. SCDRO staff members who need assistance with a day-to-day office function and/or an administrative staff support need should follow the steps below:
  1. Contact the Administrative Assistant directly concerning the need, and/or
  2. Make an appointment with the Administrative Assistant to discuss their need and possible solutions.
  3. Once notified of a request, the Administrative Assistance will inform the requesting staff person of the steps and estimated timeline involved in solving their issue, and follow up with that staff member as needed until the issue has been resolved.
- C. Regardless of their areas of responsibility, during the required interactions for requesting assistance and following up on those requests, all SCDRO personnel are expected to:
  1. Perform their duties with maximum efficiency,
  2. Work together as a team, and

3. Both respect and work within the SCDRO chain of leadership.
- D. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.

### **2.3 *Revision History***

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N/A

## **SCDRO-0003 Operations Functional Area (12/30/2016)**

***Effective Date: 12/30/2016***

### ***3.1 Operations Functional Area Policy***

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The South Carolina Disaster Recovery Office (SCDRO) is divided into Operations and Support Services functional areas. The Operations area is further subdivided into three areas of direct responsibility and one attached semi-autonomous area to include:

- A. Strategic Operations, which is accountable for planning and execution of the South Carolina Action Plan for Disaster Recovery (Action Plan),
- B. Program Operations, which is accountable for oversight and execution of ongoing day-to-day state recovery activities including the implementation contractor (IC) and IC sub-contractors,
- C. DRGR System Operations, which is accountable for operational data, research, and the DRGR system, and
- D. Strategic Communications, a semi-autonomous area organizationally attached to the Operations area but directly accountable to the Director of Program Management for planning and execution of all SCDRO communication activities.

This policy is applicable to all ongoing activities of the SCDRO, its IC, and IC sub-contractors.

### ***3.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The Operations functional area is led and managed by the Director of Operations, who also has primary responsibility for Strategic Operations.
- B. All individuals and entities who have general needs and requests concerning operations should contact and/or schedule an appointment with the Director of Operations.
- C. After reviewing requests, the Director of Operations will then delegate assignments as needed and appropriate, and provide follow up to ensure accountability.
- D. Individuals and entities with specific needs and requests regarding operations should direct their inquiries to operations personnel based on areas of responsibility, which include the following:
  1. The Operations Specialist, Contracts Manager, and Operations Assistant who have primary responsibilities for Program Operations,
  2. A Statistical & Research Analyst, who has primary responsibility for DRGR System Operations, and
  3. The Public Information Director and Public Information Specialist, who have primary responsibilities for Strategic Communications.
- E. Regardless of their areas of responsibility, during the day-to-day function of and required interactions within the Operations area, all Operations functional area personnel are required to:
  1. Perform their duties with maximum efficiency,
  2. Work together as a team, and



3. Both respect and work within the SCDRO chain of leadership.
- F. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.

### **3.3 *Revision History***

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N/A

## **SCDRO-0004 Support Services Functional Area (12/30/2016)**

***Effective Date: 12/30/2016***

### ***4.1 Support Services Functional Area Policy***

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The South Carolina Disaster Recovery Office (SCDRO) is divided into Operations and Support Services functional areas. The Support Services area provides the administrative and program support activities necessary for SCDRO to function as an organization and conduct operations. It is further subdivided into five areas of direct responsibility and one area attached semi-autonomous area to include:

- A. Administrative Support Services, which is accountable for managerial-level administrative functions such as the budget, personnel, professional development, facilities, equipment, and vehicles,
- B. Policy and Procedures Support Services, which is accountable for developing of all necessary organizational, operational, and program policy and procedures, and related educational resources,
- C. External Support Services, which is accountable for acting as a liaison and providing support to external recovery entities such as LTRGs, VOADs, and similar community agencies,
- D. Constituent Support Services, which is accountable for acting as a liaison and providing support to, and facilitating an appeal process for citizens who have concerns, requests, and/or suggestions regarding SCDRO, its programs, recovery activities, and housing assistance projects, and
- E. Legal Support Services, a semi-autonomous area organizationally attached to the Support Services area but directly accountable to the Director of Program Management for providing legal counsel to ensure SCDRO is fully compliant with all applicable laws, regulation, and local codes and ordinances.

This policy is applicable to all ongoing activities of the SCDRO, its implementation contractor (IC), and IC sub-contractors.

### ***4.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The Support Services functional area is led and managed by the Director of Support Services, who acts as Chief Administrative Officer and has primary responsibility for managerial-level administrative functions such as the budget, personnel, professional development, facilities, equipment, and vehicles.
- B. All individuals and entities who have general needs and requests concerning support services should contact and/or schedule an appointment with the Director of Support Services.

- C. After reviewing requests, the Director of Support Services will then delegate assignments as needed and appropriate, and provide follow up to ensure accountability.
- D. Individuals and entities with specific needs and requests regarding support services should direct their inquiries to support services personnel based on areas of responsibility, which include the following:
  - 1. A Policy and Procedures Project Coordinator who has primary responsibilities for Policy and Procedures Support Services,
  - 2. An External Coordinator who has primary responsibility for External Support Services,
  - 3. The Constituent Services Manager and Constituent Services Assistant who have primary responsibilities for Citizen Support Services, and
  - 4. An Attorney who has primary responsibility for Legal Support Services.
- E. Regardless of their areas of responsibility, during the day-to-day function of and required interactions within the Support Services area, all Support Services functional area personnel are required to:
  - 1. Perform their duties with maximum efficiency,
  - 2. Work together as a team, and
  - 3. Both respect and work within the SCDRO chain of leadership.
- F. The State of South Carolina's HUD-approved Action Plan is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.

### **4.3 Revision History**

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N/A

## **SCDRO-0005 Office and Operational Security (12/30/2016)**

***Effective Date: 12/30/2016***

### ***5.2 Office and Operational Security Policy***

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The South Carolina Disaster Recovery Office (SCDRO) will maintain office and operational security at all times during its day-to-day operations and interactions with the public. This policy includes physical, information and cyber security. All SCDRO, implementation contractor (IC), and IC sub-contractor personnel (whether paid or volunteer) will adhere to all elements of this policy, and take other steps as necessary to protect persons, property, and information. Violations of this policy may result in administrative and/or disciplinary action up to and including immediate termination.

This policy is applicable to all ongoing activities of the SCDRO, its IC, and IC sub-contractors.

### ***5.1 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy as follows:

- A. All suspicious activities in or around any SCDRO, IC, and/or IC sub-contract facility or housing assistance project site must be reported to the appropriate staff member in the chain of leadership as soon as possible,
- B. Official identification badges must be in the custody of all SCDRO, IC, and IC sub-contractor personnel at all times, while they are conducting work activities,
- C. SCDRO, IC, and IC sub-contractor personnel must never allow anyone access to a SCDRO, IC, and/or IC sub-contractor facility or housing assistance project site without an official identification badge.
- D. All personal identification information (PII) must, at all times, be stored on a secure computer or phone, or in a secure physical location, which is out of view of the public.
- E. All computers, phones, and other equipment containing or having access to PII must be logged off or turned off as needed to ensure that unauthorized personnel do not access PII.
- F. Under no condition are unauthorized SCDRO, IC, and/or IC sub-contractor personnel to be allowed access to PII.
- G. Under no condition is PII to be sold, shared, discussed, or transferred to any person or entity outside the control of SCDRO, its IC, and/or IC sub-contractors.
- H. SCDRO, IC, and IC sub-contractor personnel must not perform any action, which results in a data connection between a work device and a personal device.
- I. All violations of office security procedures contained within this policy must be immediately reported to the appropriate staff member in the chain of leadership.
- J. Additional details on the processes applicable to Office and Operational Security can be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates

will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.

- K. The State of South Carolina's HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **5.3 *Revision History***

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N/A

## **SCDRO-0006 Decision Making (12/30/2016)**

***Effective Date: 12/30/2016***

### ***6.1 Decision Making Policy***

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The South Carolina Disaster Recovery Office (SCDRO) will utilize a modified Design-Thinking model for decision making . This modified approach will make use of ad-hoc teams to “war game” (brainstorm/think) the issue requiring a decision. Such teams can range in size from two (2) up to all SCDRO personnel depending on the complexity of the decision and expertise needed. These teams may be pulled together informally during a meeting or given more structure as needed, and directed by the Program Management Director or the Director’s assignees. When considering decision options, teams will strive to produce decisions, which meet the following SCDRO guiding principles:

- A. Pursue the maximum return on investment for citizen tax dollars,
- B. Seek to provide assistance to the greatest number of our most vulnerable citizens, and
- C. Achieve those results in a manner fully compatible with all applicable laws, regulation, and local codes and ordinances.

This policy is applicable to all ongoing activities of the SCDRO.

### ***6.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. Ad-hoc decision teams will be pulled together or assigned with the structure and composition as needed based upon the decision being deliberated.
- B. Teams will brainstorm questions in order to identify, define, and fully understand the issue underlying the needed decision. Such questions may include:
  - 1. What is the issue requiring this decision?
  - 2. Is it our issue or does it belong to someone else?
  - 3. Is this really the issue or is it a symptom of a deeper hidden issue?
  - 4. Has this issue occurred before, and if so, what was the decision then?
- C. Teams will gather all available intelligence concerning their decision including any lessons learned from other states, localities, and entities who have dealt with the same decision issue in the past.
- D. Teams will conduct an analysis of all gathered intelligence and lessons learned, and formulate all viable decision options with their rationale, advantages and disadvantages. This analysis may include deliberating such questions as:
  - 1. How much involvement by others will be needed for each decision option?
  - 2. What is the cost in \$s, resources and time for each decision option?
  - 3. Which decision options require immediate action and which can wait?
  - 4. Could the need for a decision go away on its own, if we wait?
  - 5. Is there risk to our mission if we delay our decision until a later date?
  - 6. Are there ethical/political landmines attached to any decision options?
  - 7. Do any decision options impact actions, which must remain unaltered?

- E. Teams will achieve consensus on which decision option is best and formulate a recommendation.
- F. Teams will use a decision memorandum or comparable document to summarize their work and capture all decisions.
- G. Such decisions can range from very simplistic to very complicated. They may be written in detail, summary format, or be in the form of a visual flow chart.
- H. Teams will send completed decision memorandums/comparables to the Policy and Procedures Project Coordinator, who will maintain a Book for Decision Memorandums for accountability, future reference and public record.
- I. The State of South Carolina's HUD-approved Action Plan is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.

### **6.3 Revision History**

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N/A

**SCDRO-0007 Single Family Housing Program (4/28/2017) (12/15/2018) (4/29/2019)  
(7/2/2019)**

***Effective Date: 12/30/2016***

***7.1 Single Family Housing Program Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The Single Family Housing Program will provide assistance for housing needs identified in the unmet needs assessment to include:

- A. Repair/Rehabilitation of existing housing units;
- B. Replacement of damaged homes and manufactured housing units (MHUs) deemed unrepairable through a Rehabilitation Viability Analysis (RVA);
- C. Consideration of limited relocation assistance on a case-by-case basis; and
- D. Inclusion, during the execution of these activities, as needed and appropriate, identification of opportunities for mitigation enhancement measures, improvement of resilience, ancillary improvements such as elevation and access ramps, and assistance to applicants in completing applications.
- E. The housing assistance limits for this Program are:
  - 1. Up to \$40,000 for “stick built” home rehabilitations;
  - 2. Up to \$15,000 for MHU rehabilitations;
  - 3. Up to \$61,000 for MHU replacement of existing “stick built” homes or MHUs (RVA basis);
  - 4. Up to \$120,000 for Modular reconstruction of existing “stick built” homes or MHUs (RVA and case-by-case basis); and
  - 5. Up to \$5,000 for limited relocation assistance (case-by-case basis).

Any construction costs in excess of the housing assistance limits must be approved by the Special Case Review Panel prior to construction commencement.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

***7.2 Standard Operating Procedure (SOP) for the Single Family Housing Policy***

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The SOP for this policy is as follows:



- A. The SCDRO IC will receive applications through its intake centers and referrals from the State’s disaster case management contractor, LTRGs, VOADs, and county Emergency Management offices;
- B. Applications will be reviewed and additional documentation requested as needed for the IC to determine eligibility, acceptance of conditions and priority as follows:
  - 1. Each applicant must first be able to affirmatively answer 5 preliminary threshold eligibility questions to include:
    - a. Was your property damaged by the applicable presidentially declared disaster?
    - b. Is the damaged property located in one of the eligible counties?
    - c. Did you have an ownership interest in that property then and now?
    - d. Was the damaged property your primary residence then and now?
    - e. Are you a U.S. Citizenship or Legal Resident?
  - 2. If an applicant meets the preliminary threshold eligibility, the IC will then obtain documentation necessary to validate the applicant’s answers to the threshold questions, and calculate the applicant’s total household income.
  - 3. The applicant’s total household income will be calculated using the Adjusted Gross Income (AGI) method (See Key Definitions) to classify whether the applicant household has Extremely Low Income (0% to 30% of County Area Median Income or AMI), Very Low Income (31% to 50% of County AMI) or Low Income (51% to 80% County AMI). The IC will then use the household’s income classification, and household member’s age and disability status to prioritize the household using matrix shown below:

Household Special Needs, If Any	HOUSEHOLD INCOME CATEGORY		
	Extremely Low	Very Low	Low
Has Age-Dependent (65 & Over or 5 & Under) & Disabled Members	1st Priority	3rd Priority	5th Priority
Has Age-Dependent or Disabled Members	2nd Priority	4th Priority	6th Priority
Has No Age-Dependent or Disabled Members	5th Priority	7th Priority	8th Priority

4. As a condition of receiving housing assistance provided through this Program, applicants must agree to remain in their property for a period of 3 years after the assistance. They must execute a 3-year interest-free forgivable promissory note, which will place a 3-year lien on the property for the full amount of the assistance. If the applicant complies with the 3-year residency, the note will be deemed paid in full at the end of the 3-year lien period.
  5. Once an applicant has been deemed eligible, been given a priority and is agreeable to the conditions, a property environment assessment, duplication of benefits calculation, and damage assessment will be completed, and construction management activities will begin. Such activities are inclusive of rehabilitation, replacement and reconstruction activities.
- C. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- D. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **7.3 Revision History**

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For more information, refer to 24 CFR 91.11(h) 24 and CFR 570.486(a) (7) and 81 FR 39702 (2016).

04/28/2017 Revision: Added MHU rehabilitation cap information.

12/15/2018 Revision: Modified price caps to reflect action plan changes in stickbuilt rehabilitations.

4/29/2019 Revision: Modified price caps to reflect action plan changes on stick built reconstructions projects.

7/2/2019: Modified price cap to reflect action plan changes to MHU replacement projects

## **SCDRO-0008 Affordable Rental Repair Program (12/30/2016)**

***Effective Date: 12/30/2016***

### ***8.1 Affordable Rental Repair Program Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The Affordable Rental Repair Program will provide up to funds to repair, restore and create affordable rental housing stock. The Program will repair up to two "stick-built" rental housing units per rental property owner, with a \$25,000 cap for each. Rental mobile home units (MHUs) are not eligible for this Program. SCDRO may consider repairs beyond the \$25,000 cap on a case-by-case basis. In order to receive assistance, rental property owners must accept all conditions outlined in the SOP.

This policy is applicable to all ongoing SCDRO Affordable Rental Repair Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***8.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The SCDRO IC will receive applications through its intake centers and referrals from the State's disaster case management contractor, LTRGs, VOADs, and county Emergency Management offices;
- B. Applications will be reviewed and additional documentation requested as needed to determine eligibility and acceptance of conditions as follows:
  1. The IC will verify the rental property owner:
    - a. Is a U.S. citizen or lawful permanent resident;
    - b. Had an ownership interest in up to two rental properties located within the SGAOR at the time of the Presidentially declared disaster and now; and
    - c. Had damage from the disaster to one or more of these two rental properties, which still needs repair.
  2. The IC will review the deed or title for the rental properties and/or lot to ensure there are no issues to prevent a mortgage and lien from being successfully recorded on the properties;
  3. The IC will then conduct an environmental assessment, historic assessment, Scope of Work assessment, and a Duplication of Benefit (DOB) assessment. If a DOB exists, the rental property owner will have to escrow available DOB funds for use in repairs or the Scope of Work must be adapted, if possible, to account for any unavailable DOB funds;
  4. Once the rental properties have cleared all assessments, either without issues or with issues, which were solved, the IC will:

5. Schedule and conduct a rental property assistance signing event with the rental property owner to review the scope and cost estimate, and place the rental properties on its work schedule.
- C. In order for rental property owners to receive assistance, they must agree to a 5-year affordability requirement, which requires them to:
    1. Lease their assisted housing units to households whose total income is classified as Extremely Low, Very Low or Low Income, which means it is 80% or less of their County Area Median Income (AMI); and
    2. Lease their assisted housing units at affordable rents, which comply with the maximum U.S. Department of Housing and Urban Development (HUD) HOME Program rent limits. Maximum HUD HOME rents are the lesser of:
      3. The fair market rent for existing housing for comparable Housing units in the area as established by HUD under 24 CFR 888.111; or
      4. A rent that does not exceed 30 percent of the Adjusted Income of a family whose annual income equals 65% of their County AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. HOME Program rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.
  - D. Additional details on the processes applicable to the Affordable Rental Repair Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
  - E. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **8.3 Revision History**

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N/A

## **SCDRO-0009 Hazard Mitigation Grant Program Match (12/30/2016)**

***Effective Date: 12/30/2016***

### ***9.1 Hazard Mitigation Grant Program (HMGP) Match Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The HMGP Match Program will provide up to \$2.1 million dollars in matching funding for hazard mitigation activities within the 22 SGAOR counties. Structural elevation changes, localized flood risk reduction projects, infrastructure retrofits, buyouts, and post-disaster code enforcement are some of the allowable hazard mitigation activities local counties may consider. In order for counties to qualify for these funds, the households who will benefit from the hazard mitigation activities must meet both South Carolina Emergency Management Division (SCEMD) HMGP and SCDRO CDBG-DR household eligibility criteria.

This policy is applicable to all ongoing SCDRO HMGP Match Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***9.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. Any County located within the SGAOR may submit an HMGP activities grant to the South Carolina Emergency Management Division (SCEMD);
- B. At the same time or shortly thereafter each County submitting an HMGP activities grant to SCEMD must submit CDBG-DR household eligibility documentation for all households contained within their HMGP grant to SCDRO. This information will be sent to SCDRO's HMGP Panel for CDBG-DR eligibility determinations. For each household included in each County grant, documentation reviewed must verify:
  1. It has a least one household member who can demonstrate U.S. citizenship or lawful permanent residency;
  2. It had an ownership interest at the time of the disaster and now in a property located in the SGAOR;
  3. That property was damaged as a result of the Presidentially-declared disaster;
  4. The property was the household's primary residence at the time of the Presidentially-declared disaster and now, and
  5. Total household income using the Adjusted Gross Income or AGI method (is 80% or less of the household's County Area Median Income or AMI.
- C. Once SCDRO makes a CDBG-DR eligibility determination on each household contained within a specific County grant submittal, it will create a list of the

- households, their CDBG-DR eligibility finding and the amount of match funds required for their grant activity;
- D. For each County HMGP grant submittal, SCEMD will send SCDRO a list of households it deems to be HMGP eligible and the amount of matching funds required for their part of the grant;
  - E. SCDRO will reconcile the two lists for each County HMGP grant. Only households deemed both HMGP eligible by SCEMD and CDBG-DR eligible by SCDRO can be funded; and
  - F. Once reconciliation of a County grant is completed, SCDRO will:
    - 1. Send notification of the results to the County,
    - 2. Copy SCEMD on that notification,
    - 3. Process the matching funds payment to the County, and
    - 4. Copy SCEMD on the payment.
  - G. Additional details on the processes applicable to the HMGP Match Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
  - H. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **9.3 Revision History**

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N/A

**SCDRO-0010 Citizen Concerns, Suggestions, Requests, and Appeals (6/22/2017)  
(5/06/2019) (5/23/2019)**

***Effective Date: 12/30/2016***

***10.1 Citizen Concerns, Suggestions, Requests, and Appeals Policy***

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During the activities of the Housing Recovery Programs, many decisions will be made involving each application. These decisions will be made based on the State of South Carolina's interpretation of:

- A. Applicable federal and state statutes,
- B. The Code of Federal Regulations,
- C. State and local codes and ordinances,
- D. Local guidelines,
- E. The South Carolina Action Plan for Disaster Recovery (Action Plan),
- F. The South Carolina Disaster Recovery Office (SCDRO) Housing Recovery Programs Policy and Procedures Manual (Manual), and
- G. The SCDRO Policies and Standard Operating Procedures (SOPs).

During the course of these Program activities and decisions, it is possible that citizens may wish to present a concern, suggestion or request related to the Program and/or one or more of its decisions. In addition, once they receive a response to their issue, they may believe they have a legitimate reason to appeal that response. In order to allow for such circumstances, the South Carolina Disaster Recovery Office (SCDRO) will allow citizens to submit their issues for consideration through a Special Case Panel (SCP). The aim of the State will be to always attempt to resolve such issues in a manner that is both sensitive to the citizen's needs, and achieves a result fully compatible with all applicable laws, regulations, and local codes and ordinances. The goal of the SCDRO and SCP are to provide:

- A. An opportunity for citizens to receive a response to and/or resolve their issues in a timely manner, usually within fifteen (15) business days, as expected by HUD, if feasible, and
- B. The right for citizens who participate in this process to appeal adverse program decisions, which involve:
  - 1. An eligibility and/or priority determination or
  - 2. Special circumstances where citizens have a demonstrable hardship.

Citizens may submit a written concern, suggestion or request by email at [ContactSCDR@scdr.sc.gov](mailto:ContactSCDR@scdr.sc.gov) or by postal mail to: Attention: Citizen Services Team, SCDRO, 632 Rosewood Drive, Columbia, SC 29201. A citizen's right and process for appealing a response will be provided in a written response to each citizen who submits a concern, suggestion or request.

This policy is applicable to all ongoing activities of SCDRO Housing Recovery Programs as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.



## **10.2 Standard Operating Procedure (SOP) for this Policy**

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The SOP for this policy is as follows:

- A. Notice of citizen's right to convey a concern, suggestion, or request; the right to appeal a decision response; and the process for conveying a concern, suggestion or request, or starting an appeal, will be made available to all citizen applicants of Housing Recovery Programs, and posted on the website. In addition, contact information for a Constituent Services Member (CSM) will be made available at all intake locations, and will always be available at the SCDRO.
- B. The SCP will consist of the Deputy Program Management Director (Chair), Director of Support Services, Constituent Services Member (CSM), Palmetto Disaster Recovery (PDR) Representative, an Internal Audit Representative, an Operations Representative, and SCDRO's Legal Counsel;
- C. Citizens may choose to convey their concerns, suggestions, and requests:
  1. Informally through a verbal conversation with the CSM, or
  2. Formerly using a written or electronic document, which is emailed or postal mailed to SCDRO.
- D. The CSM will review all concerns, suggestions, requests, and appeals and decide if the issue can be resolved without further scrutiny or if it should be escalated to the SCP.
- E. The SCP will receive and review all citizen concerns, suggestions, and requests forwarded by the CSM at one of its two weekly meetings at the SCDRO;
- F. The SCP will attempt to resolve each citizen's issue and/or provide them with a decision response in a timely manner, usually within fifteen (15) business days, as expected by HUD, if feasible;
- G. When considering citizen concerns, suggestions and requests, the SCP will utilize the following process:
  - a. All SCP members will review information provided by each citizen to ensure they fully understand all aspects of the citizen's issue and viewpoints;
  - b. All SCP members will review all policies, if any, relevant to the citizen's issue and viewpoints and any other related information provided by the CSM;
  - c. The SCP will meet to weigh each citizen's issue, viewpoints, policy implications, the PPM's and Legal Counsel's analysis, if any, and make a decision by majority vote;
  - d. The CSM or assignee will document each SCP meeting, decision and rationale in a Decision Memorandum and send it to the Program Management Director for his review and approval; and
  - e. Once the SCP decision has been approved, The CSM will communicate the decision in a response to each citizen, inform them of their right to appeal, and fully explain the appeal process.
- H. Citizens will be informed that they have the right to appeal the decision of the SCP if they have reason to believe their case was not handled according to applicable law, regulations, Program policy or if they have new information, which has an impact on the case. This appeal should be sent to the CSM via email or postal mail using the same communication information provide above within 10 business days. The CSM will forward all appeals and the associated case folders to the SCDRO Program Coordinator at the South Carolina Department of Administration (SCDOA). The goal of the SCDRO Program Coordinator will be to make a decision



on the appeal and respond to the citizen in a timely manner, usually within fifteen (15) business days, as expected by HUD, if feasible.

- I. Citizens who receive an adverse decision from the SCDOA and still are unsatisfied with the result may appeal that decision to HUD.
- J. The CSM and/or assignee will maintain case files on all citizen concerns, suggestions, and requests to include the date input was received/case opened, citizen name, input summary, follow up activities, a reference to the Decision Memorandum for the case and the date the case was closed.
- K. Additional details on the processes applicable to citizen concerns, suggestions, requests and appeals in Housing Recovery Programs may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- L. The State of South Carolina's HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### ***10.3 Revision History***

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6/22/2017 Revision: The title Special Case Review Panel (SCRP) changed to Special Case Panel (SCP). Additionally, changes were made to reflect new procedures in the SCP process.

5/06/2019 Revision: Updated policy to reflect change in leadership, SCDRO is now under Dept. of Administration.

5/23/2019 Revision: Changes to the member of the Special Case Panel.

***Effective Date: 12/30/2016***

***11.1 SCDRO Review Panels Policy***

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The South Carolina Disaster Recovery Office (SCDRO) will consider and respond to citizen concerns, suggestions, requests and other issues pertaining to its Housing Recovery Programs by utilizing a Special Case Panel (SCP). SCDRO will consider and respond to county HMGP match requests by utilizing an HGMP Match Review Panel (HMRP).

The SCP must review the following:

- Any proposed construction in excess of established program pricing guidelines;
- For reconstruction or replacement projects, any items that the General Contractor believes are truly excessive and outside the scope of the standard fixed price;
- All requests for SCDRO-funded flood insurance;
- If the proposed assistance type changes from repair to replacement or from replacement to repair;
- Any requests for portable storage containers in excess of one (1) per active construction site; and
- Priority or eligibility appeals as requested by the Constituent Services Manager.

For fixed price reconstruction or replacement projects, SCDRO has defined excessive demolition as demolition of structures in excess of 3,500 square feet. For excessive demolition SCDRO will pay for the square footage over 2,000 at the lowest possible demolition rate available in the fixed pricelist.

The SCP Chair may authorize one or more panel members to preliminarily-approve emergency change orders for work in excess of program pricing guidelines. Emergency change orders that receive preliminary approval must be presented to the SCP at the next scheduled meeting for final approval.

The Implementation Vendor (IV) has the authority to approve change order requests that do not exceed established program pricing guidelines. The IV must forward all approved change orders that do not exceed the established program pricing limits but have a total change order price greater than \$5,000 to Internal Auditing for review.

Internal Auditing will review the change order and research any findings of inappropriate scope items. Internal Auditing will forward any findings to the Program Management Director. The Program Management Director will make a final determination as to whether the State will pay for any scope items designated as inappropriate by Internal Auditing. Internal Auditing must submit documentation of the review into the System of Record.

This policy is applicable to all ongoing activities of SCDRO Housing Recovery Programs as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

## ***11.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The SCP will consist of the Deputy Program Management Director (Chair), Director of Support Services, a Constituent Services Representative, an Internal Audit Representative, a Palmetto Disaster Recovery (PDR) Representative, an Operations Representative, and SCDRO's Legal Counsel. It will follow the process detailed in SCDRO-0010 Citizen Concerns, Requests, Suggestions, and Appeals Policy; and elucidated within the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual) and South Carolina Action Plan for Disaster Recovery (Action Plan). As stated in SCDRO-0010, a decision memorandum or equivalent will set forth the Panel's findings on each matter it considers.
- B. The HMRP will consist of the Director of Operations (Chair), Contracts Manager, Policy and Procedures Manager (PPM), and SCDRO's Legal Counsel. It will follow the process detailed in SCDRO-0009 Housing Mitigation Grant Program (HMGP) Match Program Policy; and elucidated within the Manual and Action Plan. As stated in SCDRO-0009, a decision memorandum or equivalent will set forth the Panel's findings on each matter it considers.
- C. Other types of Review Panels may be appointed by the Program Management Director, as determined to be necessary.
- D. Additional details on the processes applicable to SCDRO Review Panels may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- E. The State of South Carolina's HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

## ***11.3 Revision History***

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6/22/2017 Revision: Changes the Chair of the Special Case Panel to the Deputy Program Management Director.

8/22/2018 Revision: Substantial revision to include information on what SCP must review, emergency change orders, and audit review of all change orders.

1/20/2018 Revision: Change includes information on demolition fixed costs and that any item the GC determines to be truly excessive and outside the scope of a standard fixed cost may come to SCP.

5/23/2019 Revision: Changes to the member of the Special Case Panel.

## **SCDRO-0012 MHU Replacement and Modular Reconstruction (4/28/2017)**

**Effective Date: 12/30/2016**

### **12.1 MHU Replacement and Modular Reconstruction Policy**

The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The courses of action for meeting unmet housing needs in the Single Family Housing Program include:

- A. Repair/rehabilitation of existing single-wide Mobile Home Units (MHUs), double-wide MHUs, modular homes and "stick-built" homes,
- B. Replacement of existing MHUs or homes with new single-wide or double-wide MHUs, or
- C. Replacement of existing MHUs or homes with modular reconstruction.

Program decisions as to when to rehabilitate, replace or reconstruct an existing MHU or home, what replacement or reconstruction option to use, and which alternative among the limited floorplan possibilities to offer are based upon a number of factors which include:

- A. The results of a Rehabilitation Viability Analysis (RVA) conducted on the existing MHU, modular or "stick-built" home,
- B. The unique characteristics/needs of the applicant household being assisted and HUD standards applicable to those characteristics/needs, and
- C. Decisions made by an applicant household concerning the post-reconstruction impact, if any, each option and/or floorplan possibility brings with it.

MHU repair costs that are estimated to exceed \$15,000 must be approved by the Special Case Review Panel prior to the commencement of construction.

This policy is applicable to all ongoing activities of SCDRO Housing Recovery Programs as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **12.2 Standard Operating Procedure (SOP) for this Policy**

If an eligible existing home is a single-wide MHU, the SOP will be as follows:

- A. The Damage Assessor (DA) will conduct an RVA to determine if the single-wide MHU meets the threshold for MHU replacement. If the single-wide MHU:
  1. Has a total rehabilitation cost of \$15,000 or more, or
  2. Fails the RVA for another reason allowed by HUD, the single-wide MHU may be classified: "not suitable for rehabilitation",
  3. The Construction Manager (CM) will have the RVA uploaded into the System of Record and then choose one of two solutions:
    - a. The CM can replace the existing single-wide MHU with a new single-wide MHU within Program guidelines, and HUD standards for the size, gender and age profile of the household, or



and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.

E. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### ***12.3 Revision History***

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4/28/2017 Revision: Updated MHU rehabilitation price cap.

## **SCDRO-0013 Property Demolition and Assisted Properties Lien (12/30/2016)**

**Effective Date: 12/30/2016**

### ***13.1 Property Demolition and Assisted Properties Lien Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The courses of action for meeting unmet housing needs in the Single Family Housing Program includes rehabilitation, or replacement of existing mobile home units (MHUs) and "stick-built" homes with reconstruction using new MHUs or modular homes.

- A. For rehabilitation of MHUs and "stick-built" homes, the Program requires a future residency obligation and execution of a mortgage/lien to enforce that residency obligation.
- B. For replacement or reconstruction of MHUs and "stick-built" homes, the Program requires the same future residency obligation, enforcement mortgage/lien, and must follow specific processes concerning the demolition of existing structures.

This policy is applicable to all ongoing activities of SCDRO Housing Recovery Programs as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***13.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. Once a decision has been made to rehabilitate, replace or reconstruct an existing MHU or "stick-built" home, a number of conditions for receiving assistance from the Program must be satisfied to include:
  1. Owners of MHUs or "stick-built" homes to be rehabilitated, replaced or reconstructed who have no outstanding mortgages/liens on their properties:
    - a. Must agree to remain in their rehabilitated, replacement or reconstructed MHU/"stick-built" home for a period of three (3) years from the time they are issued a Certificate of Occupancy or its equivalent; and
    - b. Sign an interest-free forgivable promissory note for the full amount of their assistance placing a 1<sup>st</sup> mortgage/lien on their rehabilitated, replacement or reconstructed MHU/"stick-built" home for the required three (3) year residency period.
  2. For owners of MHUs or "stick-built" homes to be rehabilitated, replaced or reconstructed who have outstanding mortgages/liens on their properties:
    - a. Lienholders of existing mortgages/liens on MHUs/"stick-built" homes to be rehabilitated must allow SCDRO to record new 1<sup>st</sup> mortgages/liens on the rehabilitated properties and move the existing mortgages/liens to positions behind the new SCDRO 1<sup>st</sup> mortgages/liens as detailed above; and



- b. Lienholders of existing mortgages/liens on MHUs/"stick-built" homes to be replaced or reconstructed must transfer their existing mortgages/liens to the replacement or reconstructed MHUs/"stick-built" homes in a position behind the new SCDRO 1<sup>st</sup> mortgages/liens as detailed above.
3. These options will be implemented using the following process:
  1. The IC will check with the County Magistrate of Deeds and/or the South Carolina Department of Motor Vehicles (SCDMV) to determine if an MHU/"stick-built" home has any existing mortgages/liens;
  2. If the property has no outstanding mortgages/liens, the IC will proceed with rehabilitation, or demolition and replacement or reconstruction using the appropriate mortgage/lien procedure shown above and demolition procedure shown below;
  3. If the property has outstanding mortgages/liens, the IC will notify existing lienholders of the situation and request they agree to move their existing mortgages/liens on the rehabilitated property to a position behind a new SCDRO 1<sup>st</sup> mortgage/lien or transfer their existing mortgages/liens to the replacement or reconstructed home in a position behind a new SCDRO 1<sup>st</sup> mortgage/lien;
  4. If all existing lienholders agree, rehabilitation, or demolition and replacement or reconstruction can proceed using the appropriate demolition procedure below once all paperwork for moving or transferring existing mortgages/liens have been executed.
  5. Exceptional circumstances regarding lien priority/position may be considered if requested on a case-by-case basis by the Special Case Review Panel.
4. For replacement and reconstruction projects, the IC must determine the appropriate demolition procedure for existing MHUs/"stick-built" homes. For demolition of existing MHUs the IC will:
  - a. Check the County Magistrate of Deeds to determine if the MHU has been converted to "real property";
  - b. If the answer is yes, the IC will follow County requirements, if any, for demolition of real property structures;
  - c. Regardless of whether the answer is yes or no, the IC will check to see if the MHU has a registered VIN# with the County and/or SCDMV;
  - d. If the answer is yes, the IC will notify the County and Sarah Kinard at SCDMV the MHU is being demolished allowing the County and SCDMV to record this and retire the VIN#;
  - e. If the MHU has not been converted to "real property" and also does not have a registered VIN#, the IC will follow County requirements, if any, for demolition of MHUs.
5. For demolition of existing "stick-built" homes to be replaced or reconstructed, the IC will:
  - a. Follow County requirements, if any, for demolition of real property structures.
6. When titling replacement MHUs, the first preference will:

- a. Always be to incorporate the MHU into land and record the MHU as “Real Property” with SCDRO’s 1<sup>st</sup> mortgage/lien at the same time;
  - b. If this is not possible, the IC will record MHUs and SCDRO’s 1st lien at the SCDMV, which has agreed to put the Program’s replacement MHU titles in a “suspense” status until the liens have expired.
- F. Additional details on the processes applicable to MHU replacement and modular reconstruction may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- G. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### ***13.3 Revision History***

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N/A

## **SCDRO-0014 Strategic Communications (12/30/2016)**

***Effective Date: 12/30/2016***

### ***14.1 Strategic Communications Policy***

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The South Carolina Disaster Recovery Office (SCDRO) will utilize its Public Information Director, who creates and updates SCDRO's Strategic Communications Plan, chairs a weekly Strategic Communications Meeting, and oversees SCDRO's website, to implement all strategic communication. According to SC Code of Law Title 30 Chapter 4, SCDRO is a public body subject to the Freedom of Information Act (FOIA). SCDRO will fully comply with all FOIA obligations.

This policy is applicable to all ongoing activities of the SCDRO, its implementation contractor (IC) and IC subcontractors.

### ***14.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. All communications with and inquiries from the public will be referred by other SCDRO staff to the Public Information Director who will coordinate SCDRO communication strategy and responses to public inquiries with the Program Management Director;
- B. The IC and IC sub-contractors will not make public statements concerning SCDRO or its Housing Recovery Programs without first coordinating and clearing such communication with the SCDRO Public Information Director and Program Management Director;
- C. Implementation of SCDRO's Strategic Communication Plan will be reported on weekly by the Public Information Director at the Strategic Communication Meeting, and updates and adjustments to the plan will be made based upon discussion and decisions made during that weekly meeting.
- D. All FOIA requests made concerning SCDRO and/or its Housing Recovery Programs will be managed by the Public Information Director in coordination with the Program Management Director in accordance with FOIA requirements to include:
  1. Upon receipt of a written FOIA request for records/documents, SCDRO will respond within fifteen (15) days excluding Saturdays, Sundays and legal holidays with its determination concerning the public availability of the requested public records/documents and provide the rationale for its determination;
  2. SCDRO's determination shall constitute the final opinion of the public body as to the public availability of the requested public records/documents and, if the request is granted, the records/documents will be furnished, or made available for inspection or copying; and
  3. If written notification of SCDRO's determination is neither mailed nor personally delivered to the person requesting the records/documents within the fifteen (15) days excluding Saturdays, Sundays and legal holidays, as prescribed in the FOIA, the request will be considered approved.
  4. In accordance with FOIA requirements, the following records/documents will be made available for public inspection and copying during the regular hours of

- operations when the requestor appears in person without the need for the requestor to submit a written request document:
- a. Meeting minutes for the preceding six months;
  - b. All reports identified in Section 30-4-50(A)(8) for at least the fourteen (14) day period before the current day; and
  - c. Documents identifying persons confined in any jail, detention center, or prison for the preceding three months.
5. SCDRO will exempt from public disclosure, within the limits and definitions contained within the FOIA, the following:
- a. Trade secrets;
  - b. Information of a personal nature where public disclosure thereof would constitute unreasonable invasion of personal privacy;
  - c. Records of law enforcement and public safety agencies not otherwise available by state and federal law compiled in the process of detecting and investigating crime;
  - d. Matters specifically exempted from disclosure by statute or law;
  - e. Certain unexecuted documents of and documents incidental to proposed contractual arrangements;
  - f. Certain documents of and documents incidental to proposed sales or purchases of property where the execution of the deed occurred within twelve months from the date of sale or purchase;
  - g. Confidential proprietary information provided for economic development or contract negotiations purposes;
  - h. Paid compensation except for those persons receiving fifty thousand dollars or more annually, part-time employees, persons who are paid honoraria or other special compensation for special appearances, employees at the level of agency or department head, and other types of employees defined with the FOIA;
  - i. Correspondence or work products of SCDRO's legal counsel and any other material that would violate attorney-client relationships; and
  - j. All other types of information as defined within the FOIA, and allowed or required to be exempted within the limitations delineated by the FOIA.
- E. Additional information on SCDRO Policies and Procedures, with their applicable processes may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- F. The State of South Carolina's HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement

the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **14.3 Revision History**

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N/A

## **SCDRO-0015 Fair Housing (12/30/2016)**

***Effective Date: 12/30/2016***

### ***15.1 Housing Recovery Programs Fair Housing Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. SCDRO will not discriminate against any person because of race, color, religion, sex, disability, familial status, or national origin. During the operations of its Housing Recovery Programs, SCDRO will utilize fair housing principals and take action necessary to affirmatively further fair housing to include:

- A. Seeking participation from organizations whose target populations include individuals and families in the low to moderate income category;
- B. Creating and implementing a Fair Housing Outreach Plan which incorporates knowledge obtained from:
  - 1. The State's Analysis of Impediments to Fair Housing (AI),
  - 2. Fair Housing activities conducted by fair housing stakeholders, and
  - 3. Organizations which advocate on behalf of disadvantaged population groups.

This policy is applicable to all ongoing SCDRO Housing Recovery Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***15.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. During planning, public comment, implementation and ongoing operations of its Housing Recovery Programs, SCDRO will invite participation from neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the low- and moderate-income community assistance category.
- B. SCDRO will utilize a wide range of knowledge gained from various fair housing sources to develop a Fair Housing Outreach Plan. These sources include:
  - 1. The State's Analysis of Impediments to Fair Housing (AI),
  - 2. Fair housing surveys, public awareness activities, fair housing fairs and roundtables detailed in the State's Consolidated Annual Performance and Evaluation Report to HUD and conducted by select fair housing stakeholders such as:
    - i. The SC Human Affairs Commission (HAC),
    - ii. SC Department of Consumer Affairs (DCA), and

- iii. The SC State Housing Finance Development Authority (SHFDA).
  - 3. The SoVI® index of vulnerability factors developed by the University of South Carolina, and
  - 4. The National Association for the Advancement of Colored People’s (NAACP) adaptation planning structure described in the organization’s paper on “Equity in Building Resilience in Adaptation Planning.”
- C. SCDRO will implement the Fair Housing Outreach Plan, monitor plan implementation for success and make adjustments to the plan as needed.
  - D. Additional details on the processes applicable to the Housing Recovery Programs may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
  - E. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### ***15.3 Revision History***

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N/A

## **SCDRO-0016 DRGR System Numbering (5/17/2017)**

***Effective Date: 12/30/2016***

### ***16.1 Disaster Recovery Grant Reporting (DRGR) Policy***

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As required by HUD, the South Carolina Disaster Recovery Office (SCDRO) will utilize the Disaster Recovery Grant Reporting System (DRGR) to submit its Action Plan detailing its projected use of CDBG-DR grant funds and report quarterly on its accomplishments pertaining to the same. In addition, DRGR will be used to draw down CDBG-DR grant funding from HUD.

SCDRO staff will ensure that accurate information is collected and reported to HUD in DRGR and that relevant systems and procedures comply with Federal policies and requirements governing reporting.

This policy is applicable to all ongoing tasks of the South Carolina Disaster Recovery Office related to the DRGR System.

### ***16.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

1. DRGR breaks down a grant into categories known as projects. It further breaks down each grant project into subcategories called activities. Each grant project requires a project number and each grant activity requires an activity number.
2. SCDRO's numbering system is made up of four (4) key components (See Appendix A) to include:
  1. A Round Number,
  2. A Reporting Category,
  3. A Unique Project Identifier, and
  4. A Unique Activity Identifier.
3. The Round Number is used to group CDBG-DR grant funding based on the State's HUD-approved Action Plan for Disaster Recovery linked to specific disaster events. For example: The current grant for the October 2015 disaster is the State's first CDBG-DR grant and is designated by HUD as Round 1 or 'R1'. If the State were to be allocated a second grant for the same disaster, it would be designated Round 2 or 'R2'. These designations would continue chronologically as future CDBG-DR grants are awarded for the aforementioned disaster.
4. The Reporting Category (RC) is a short character code, which identifies the spending area of the Action Plan used to fund each specific DRGR project/activity. For example, if a specific DRGR project/activity was being used to refer to Planning, it would be assigned the RC 'Plan' in order to identify it with and link it to the area of the Action Plan where funding is budgeted for Planning. The current list of RCs is found in Appendix B. Additional RCs will be created and added as necessary.
5. The Unique Project Identifier (UPI) assigns each specific DRGR project to a unique system number, which identifies its unique area in the grant. For example, the Planning project noted above might be assigned the UPI '02'. Each new DRGR project must have a new UPI. However, if new DRGR activities



are created for the existing Planning project, the Planning projects UPI does not change. The current list of UPIs for each specific DRGR project includes:

1. Administration – 01,
  2. Planning – 02,
  3. Most Impacted and Distressed (MID) Counties Housing – 03,
  4. Not Most Impacted and Distressed (NMID) Counties Housing – 04,
  5. Hazard Mitigation Grant Program (HMGP) – 05, and
  6. Affordable Rental Program – 06
6. A Unique Activity Identifier (UAI) allows each specific DRGR activity to be identified by a distinct number. UAIs for each specific DRGR Project are consecutive as each new activity is created and added. For example, if 3 DRGR activities were created under Planning (UPI '02'), the third activity created would be given a UAI of '03'.
7. The State of South Carolina's HUD-approved Action Plan for Disaster Recovery is the predominant source document for this Policy and SOP, which is written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Policy and SOP should provide the contextual understanding necessary to accurately interpret and apply the information contained in this document.

### ***16.3 Revision History***

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5/17/2017 Revision: SCDRO staff will ensure accurate information is collected and reported to HUD as a part of DRGR.

## **SCDRO-0017 Well Water Testing (12/30/2016)**

***Effective Date: 12/30/2016***

### ***17.1 Well Water Testing Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State's most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. The SGAOR does not include the City of Columbia, or Lexington and Richland Counties as they received direct CDBG-DR funding. Programs contained within the Action Plan include Single Family Housing, Affordable Rental Repair and Hazard Mitigation Grant Program (HMGP) Match. The activities contained in each of these Programs meet HUD national objectives by benefiting low to moderate income persons. During the execution of these programs, the IC may encounter homeowners whose source of drinking water is a private well. When this occurs, there may be times when it will be necessary to test wells to ensure their safety. The decision as to when and where to conduct a test will be made by evaluating the following:

- A. The site location,
- B. Unsolicited remarks concerning water quality and/or unexplained sickness given by a Homeowner,
- C. The physical condition of the well, and
- D. A sensory inspection of the water.

This policy is applicable to all ongoing SCDRO Housing Recovery Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***17.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. SCDRO will utilize a Well Test Evaluation (WTE) on properties with wells to determine if a well needs to be tested. This evaluation will answer the following questions:
  - i. Is the property location consistent with areas of the State where flood water levels are known to have been high enough to top local wells;
  - ii. Did the homeowner, either during the intake process or at the one knock visit make unsolicited comments concerning their water quality or an unknown household illness;
  - iii. Is the well in poor physical condition to include a broken cap seal; and
  - iv. Does a sensory inspection of the water reveal any warning signs such as those noted by US Geological Services, which include:
    - a. Unusual colors (black, blue-green, brown, cloudy, foamy, milky, reddish or yellow),
    - b. Strange smells (bleach, chlorine, grass, chlorophyll, musty, oily, rubber, sweet, pungent or rotten eggs), and/or
- B. SCDRO will only test wells on properties that meet the following WTE criteria:

1. The WTE answered “Yes” for both questions 1 and 2 above, or
  2. The WTE answered “Yes” for both questions 1 and 3 above, and also answered “Yes” to either question 4a or 4b above.
- C. Test results, which require additional action, will be sent to the Special Case Panel for a decision on what, if any, further action will be taken.
- D. If the Special Case Panel determines the IC must drill a new well, then the IC will comply with the requirements of SC DHEC Reg. 61-71 for private residential well water standards. The IC will have a certified well driller, as required, drill the new well. The new well will be sanitized per the requirements of SC DHEC Reg. 61-71 and a bacteriological test will be performed.
- E. Additional details on the processes applicable to the Housing Recovery Programs may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- F. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **17.3 Revision History**

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N/A

***Effective Date: 2/22/2017***

***18.1 VOAD Rehabilitation Construction Activities Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State’s most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. This program pertains only to Single Family Housing and Affordable Rental Repair. In an effort to maximize the benefit of the recovery dollars, the SCDRO, through the IC, will partner with faith-based, charitable, and non-profit organizations, and Long Term Recovery Groups to complete construction rehabilitation activities that meet eligibility requirements under the Single Family Housing Program. These groups will be collectively referred to as Volunteer Organizations Active in the Disaster (VOAD). Eligible construction activities for VOAD rehabilitation projects include:

- A. Repair/Rehabilitation of existing “stick built” housing units with a rehabilitation cost not to exceed \$40,000; and
- B. Repair of manufactured housing units (MHUs) deemed repairable through a Rehabilitation Viability Analysis (RVA) with a rehabilitation cost not to exceed \$15,000, unless prior approval is obtained from the Special Case Panel.

VOAD construction activities will be coordinated through the IC and the St. Bernard Project SC Disaster Recovery Program Manager (SBP Rep). The SBP Rep shall be responsible for qualifying eligible VOADs for program participation. Eligible VOADs must be federally-recognized charitable organizations. Eligible VOADs will be given right of first refusal for projects in their service areas. There is no penalty for declining projects. The scope of work shall include all necessary items that must be repaired or replaced at each property, and the VOAD will be paid the full value of the SCDRO approved Estimated Cost of Repair (ECR). For the first five projects each VOAD undertakes, the VOAD will be eligible to receive the lesser amount of \$10,000 or 50% of the SCDRO-approved ECR, with the remainder of the ECR paid upon official completion of each project. SCDRO contractors and staff will certify construction completion for all projects prior to release of ECR balance.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

***18.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The SCDRO IC will receive applications through its intake centers and referrals from the State’s disaster case management contractor, LTRGs, VOADs, and county Emergency Management offices;
- B. The IC will establish applicant eligibility and priority;
- C. The IC will complete all necessary environment reviews, damage and construction estimates;
- D. The IC will forward eligible candidates to the SBP Rep for assignment to VOADs;

- E. The SBP Rep will coordinate with eligible VOADs to assign projects and establish VOAD construction schedules;
- F. SCDRO issues preliminary funding of the lesser of \$10,000 or 50% ECR; and
- G. After final approval of project completion, SC DRO will issue remaining balance of ECR.
- H. VOAD construction projects must be completed under a South Carolina general contractor license or non-profit builders permit in a safe manner while adhering to all federal, state, and local building codes and regulations.
- I. VOADs must meet program insurance requirements with the following general liability coverage requirements:
  - a. \$1,000,000 per occurrence; and
  - b. \$2,000,000 aggregate coverage
- J. VOADs are required to maintain confidentiality about any potential or active projects they have knowledge of based on their participation in this program.
- K. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- L. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **18.3 Revision History**

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4/29/2019 Revision: Modified price cap to reflect action plan changes in stick built and MHU rehabilitation projects.

## **SCDRO-0019 Disability (7/01/2017)**

**Effective Date: 7/01/2017**

### **19.1 Multiple Disability Households Policy**

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State's most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing, Affordable Rental Repair and Hazard Mitigation Grant Program (HMGP) Match.

Individuals seeking assistance to address unmet housing needs resulting from the October 2015 Presidentially-declared disaster are prioritized using three criteria:

- A. Income as a percentage of Area Median Income (AMI),
- B. Age-dependent household members (aged 65 or older, or 5 or below), and
- C. Persons with documented disabilities residing in the household.

Households earning 30% or less of AMI containing more than one disabled individual shall be placed into the first priority category without regard to the presence of an age-dependent individual.

The SCDRO policy is to resolve disability questions in favor of the applicant where a scintilla of evidence exists in support of disability. The program policy is to be inclusive when considering disability as a priority basis to support the repair of storm damaged homes of those in need.

This policy is applicable to all ongoing activities of SCDRO Housing Recovery Programs as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **19.2 Standard Operating Procedure (SOP) for this Policy**

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The SOP for this policy is as follows:

- A. The SCDRO IC will receive applications through its intake centers and referrals from the State's disaster case management contractor, LTRGs, VOADs, and county emergency management offices.
- B. If an Applicant indicates a disability at time of application by selecting the "Disabled" option from the application menu for the corresponding household member, the IC will validate the claimed disability for each household member by one of three methods:
  - a. Written documentation indicating federal or state disability benefits at the time of initial intake;
  - b. In-person visual confirmation by the IC of an obvious disability such as blindness or permanent necessity of wheelchair use caused by obvious missing limbs or physical disfigurement; or
  - c. Medical Professional Certification of Disability. All information provided by a medical professional will be used solely to establish disability status.
- C. When the IC uses the visual confirmation method for validation, the IC shall make a note in the comments and priority screens to state exactly what was noticed and in the case of multiple household members – which individual it was noticed with. The IC will not inquire as to the nature of the disability.

- D. The use of a wheelchair or walker alone may be sufficient to validate disability when considering the totality of the applicant’s circumstances. In instances where the applicant is using a wheelchair or walker or other mobility assistance device but the use of the assistive device appears questionable the IC may request written documentation of federal disability benefits or a medical professional’s statement of disability.
- E. The intent to apply for disability benefits but not having been declared disabled is not sufficient evidence to establish disability without gathering additional medical documentation.
- F. When an applicant had not originally indicated a disability in the household in their application, but updates the application to indicate disability, the IC should evaluate the reasons for the disability basis being later added to the application. If the IC has concerns regarding the validity of the disability basis, then the IC should refer the concern to the SCDRO Audit Department for further review.
- G. Any questionable cases shall be forwarded to the SCDRO Audit Department, or to the Special Cases Panel if necessary.
- H. The IC shall award first priority status if the applicant meets the income requirements and has multiple eligible disabled individuals living in the household at the time of application.
- I. If an applicant is declined based on insufficient documentation for the purpose of establishing disability priority, they may appeal the decision by sending a message to [ContactSCDR@scdr.sc.gov](mailto:ContactSCDR@scdr.sc.gov) or by postal mail at:  
Attention: Constituent Services  
South Carolina Disaster Recovery Office  
632 Rosewood Drive, Columbia, SC 29201
- J. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- K. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **19.3 Revision History**

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N/A



## **SCDRO-0020 No Service Prioritization (6/22/2017) (11/29/2017)**

***Effective Date: 3/29/2017***

### ***20.1 End of Intake Prioritization Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery and South Carolina Hurricane Matthew Action Plan (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens who have unmet housing needs resulting from the October 2015 and 2016 presidentially declared disasters. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair. The intake period for the Single Family Housing and Affordable Rental Repair programs for the 2015 disaster will end on April 30, 2017. The intake period for the Single Family Housing and Affordable Rental Repair programs for the 2016 disaster ended on November 10, 2017.

For the 2015 disaster, applicants who have applied prior to the April 30, 2017 close of intake will be permitted to submit required documentation until June 15, 2017. Failure to submit required documentation by the June 15, 2017 deadline may result in exclusion from the SCDRO housing programs. For the 2016 disaster, applicants who have applied prior to the November 10, 2017 close of intake will be permitted to submit required documentation until December 29, 2017. Failure to submit required documentation by the December 29, 2017 deadline may result in exclusion from the SCDRO housing programs.

The SCDRO prioritizes applicants based on income, age dependency, and the presence of disabled individuals in the household. There are 8 priority categories with 1 being the highest, and 8 being the lowest. SCDRO will not have the funds to serve all preliminarily eligible applicants. Service will be provided in the following order for the 2015 disaster:

1. All priority one applicants will be served first;
2. Priority two applicants will be served in order of lowest income first;
3. If an applicant reported no taxable income, non-taxable income will be used to determine the lowest income;
4. If two applicants have equal income, priority will go to the applicant with an age dependent household member;
5. If two applicants have both an equal income and an age dependent household member, then the applicant who completed their program paperwork first will receive priority.
6. SCDRO will follow these prioritization steps until program funds are exhausted.

Applicants who were determined to be preliminarily eligible for service in response to the 2015 disaster that fall within the priority three through eight will not be served by the SCDRO housing programs. If an applicant believes their priority level is inaccurate, either through error or a change in circumstances, they may appeal the "no service" determination by submitting the appeal to a Constituent Services Member (CSM) of the SCDRO by July 28, 2017.



There are a variety of other reasons why an applicant may not receive service. These include incomplete documentation, unpaid taxes, title issues, or an inability to overcome a Duplication of Benefits calculation (DOB). Applicants that fail to correct the following issues within the timeframe allowed will have their case moved to an inactive status. For the 2015 disaster, inactive cases will be closed on September 1, 2018. For the 2016 disaster, inactive cases will be closed on January 2, 2019.

Issue	Moved to an inactive status after:
Failure to submit required eligibility documents	45 days
Unpaid taxes	10 days
Title issues that prevent construction permitting	15 days
Duplication of Benefits requiring applicant funds	30 days

Program participants must be up-to-date on all utility bills at the address receiving service. If an applicant has an unpaid utility bill that prevents the closing of the construction permit, the Program Management Director may administratively close the file without a utility reconnection.

Any applicant that receives a notification that their case has been moved to an inactive status may appeal that determination by following the procedures outlined in SCDRO-0010.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

**20.2 Standard Operating Procedure (SOP) for this Policy**

The SOP for this policy is as follows:

The SOP for this policy is as follows:

- A. The SCDRO IC will receive applications for the 2015 disaster recovery through its intake centers and referrals from the State’s disaster case management contractor, LTRGs, VOADs, and county Emergency Management offices until the close of business offices on April 30, 2017;
- B. The IC will establish applicant eligibility and priority;
- C. Once all priority one applicants have been serviced, priority two applicants will be serviced using the prioritization techniques outlined in this policy.
- D. Applicants that will not be served by the program for the 2015 disaster will receive a “no service” letter indicating that funds will not be available to address their unmet housing needs.
- E. Applicants can appeal “no service” priority decisions by submitting an appeal to the CSM in writing or by email at: 632 Rosewood Drive, Columbia, SC 29201 or ContactSCDR@scdr.sc.gov
- F. The CSM will review the appeal for merit.
- G. If the appeal has merit, or is open to interpretation, the CSM will forward the appeal to the Special Case Panel (SCP).

- H. The SCP will review the facts and make a recommendation to the external Program Coordinator.
- I. The Program Coordinator will make the final determination of the applicant's priority based on the facts of the case.
- J. Applicants may appeal the Program Coordinator's decision by contacting HUD.
- K. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- L. The State of South Carolina's HUD-approved Action Plans are the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### ***20.3 Revision History***

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6/22/2017 Revision: Change includes when and how priority two applicants will be served. Additionally, the SCP will review appeals, and the Program Coordinator will make the final determination on the applicant's priority status.

11/29/2017 Revision: Change includes reasons other than priority status that an applicant may not receive service, as well as when their case will be moved to an inactive status.

**Effective Date: 7/1/2017**

**21.1 Housing Program Monitoring Policy**

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State’s most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair, collectively referred to as the Housing Programs.

The SCDRO utilizes risk-based programmatic monitoring of the activities conducted by the IC throughout the process of implementing the State’s Housing Programs. Monitoring activities involve a direct review of the actions of the IC pertaining to the following activities:

1. Intake
  - a. Eligibility Verification
  - b. Duplication of Benefits Analysis
2. Construction
  - a. Environmental Reviews
  - b. Labor Standards Compliance
  - c. Lead-based Paint Reviews
  - d. Construction Standards
  - e. Cost Reasonableness of Labor and Materials
3. Programmatic
  - a. Citizen Participation Compliance
  - b. Fair Housing Compliance
  - c. Relocation Activities

SCDRO will monitor a minimum 25% of construction activities conducted, 25% of intake files, and 2% of all programmatic activities. Monitoring activities will be conducted at both scheduled and random intervals.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

**21.2 Standard Operating Procedure (SOP) for this Policy**

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- A. Intake Monitoring
  - a. Monitors will examine one out of every four files that have been designated “eligible” by the IC beginning with file 0001 and continuing until complete.
  - b. Monitors will examine 25% of the files designated “not eligible” to validate that program rules have been properly applied and ensure compliance with Fair Housing standards.
- B. Construction Monitoring
  - a. Informal monitoring will occur frequently during the key turnover phase of construction.
  - b. Formal monitoring will occur during actual construction and final inspection activities.

- c. Selection of cases will be based upon the open projects currently under construction with priority determined by:
  - i. Second visits to previously on-site monitored failures
  - ii. Directed on-site monitoring based on citizen concerns
  - iii. Newly mobilized construction sites
- C. Directed Monitoring
  - a. Constituent Services, Finance, or the Auditing staff may request a directed monitor activity about any aspect of the program.
  - b. Constituent Services will forward all comments implying or indicating fraud, waste, or abuse to auditing for further investigation.
  - c. Constituent Services will request directed monitoring activities:
    - i. For every ten complaints pertaining to construction quality
    - ii. Whenever customer service scores fall below 90% in any area
    - iii. Whenever there are two concerns about a particular location or IC staff member
    - iv. For any report of actions or behaviors that could generate a substantially negative public perception of the program
- D. Once a monitoring activity is complete, the Director of Support will conduct a final review and record the findings via email. The email will be forwarded to the Program Management Director for review and to the Policy and Procedure Manager for inclusion in the Book of Recorded Decisions.
- E. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- F. The State of South Carolina's HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **21.3 Revision History**

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N/A

## **SCDRO-0022 Section 3 Compliance (7/01/2017)**

***Effective Date: 7/01/2017***

### **22.1 Section 3 Policy**

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State's most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair.

Program activities implemented by the IC on behalf of the SCDRO must be in compliance with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u). Section 3 requires, to the greatest extent feasible, that employment and other economic and business opportunities generated by the HUD financial assistance are directed to public housing residents and other low-income persons.

SCDRO and the IC will ensure that Section 3 language is incorporated in all applicable contracting documents generated in conjunction with the use of HUD funding.

The SCDRO Section 3 Coordinator serves as a resource to assist the IC and subcontractors with Section 3 compliance. The Section 3 Coordinator may request additional documentation from the IC or subcontractors to ensure compliance.

The IC must, to the greatest extent feasible, employ Section 3 residents as 30% of all direct new hires. The IC must, to the greatest extent feasible, award at least 10% of the total dollar amount of all subsequent contracting and subcontracting opportunities to Section 3 businesses for construction projects and 3% for non-construction projects. The IC must report its efforts to meet Section 3 requirements to the SCDRO Section 3 Coordinator on a quarterly basis by completing HUD form 60002. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goal was not feasible.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **22.2 Key Definitions**

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- A. 24 CFR 91.11(h) 24 and CFR 570.486(a) (7) – The specific Code of Federal Regulations for Community Planning and Development Programs, and Community Development Block Grants, which is applicable to this policy.
- B. 81 FR 39702 (2016) – The specific federal register regulatory notice governing Community Development Block Grant Disaster Recovery funding for South Carolina, and entitled Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant (CDBG) Disaster Recovery Grantees under Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016.

- C. Section 3 Business Concern – A business in the local area that is able to demonstrate one of the following:
  - a. 51% (or more) of the business is owned by one or more Section 3 residents, and whose management and daily business operations are controlled by one or more such individuals;
  - b. At least 30% of the business workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of the date of first employment with the business;
  - c. Provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to businesses that meet one of the above definitions.
- D. Section 3 Resident – An individual residing in the Section 3 local area that can document that he/she is one or more of the following:
  - a. A public housing resident;
  - b. A participant in a DOL /YouthBuild program;
  - c. A member of a family that receives federal housing assistance;
  - d. An individual who meets the HUD income limits for determining the eligibility of low- and very low-income persons for HUD assisted housing programs within the metropolitan area or non-metropolitan county;
  - e. Under the HUD-established income limit for a one-person family for the jurisdiction.

### **22.3 Standard Operating Procedure (SOP) for this Policy**

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The SOP for this policy is as follows:

- A. The IC shall document the Section 3 resident employment figures for all new hires to include hires by subcontractors.
- B. The IC shall document the dollar amount as a percentage of all contracts that were awarded to Section 3 businesses.
- C. The IC will report its Section 3 compliance progress to the Section 3 Coordinator by filing a HUD 60002 form on a quarterly basis.
- D. HUD 60002 forms are due to the Section 3 Coordinator by the following dates:
  - a. January 1 to March 31 reporting period: Due April 5
  - b. April 1 to June 30 reporting period: Due July 5
  - c. July 1 to September 30 reporting period: Due October 5
  - d. October 1 to December 31 reporting period: Due January 5
  - e. Annual Report covering previous calendar year: Due January 5
- E. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- F. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully

implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

#### **22.4** *Revision History*

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N/A

## **SCDRO-0023 Violation of Requirements, Limitations, or Liens Recapture (7/1/2017)**

***Effective Date: 7/01/2017***

### ***23.1 Violation of Requirements, Limitations or Liens Recapture Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State's most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair.

SCDRO has in place a Forgivable Promissory Note and Lien ("Note") (SCDRO Policy # 0013) for owner occupied properties and a Rent Control Agreement ("Agreement") (SCDRO Policy # 0008) for affordable rental housing assistance. The Note and Agreement are attached to the referenced policies. The Note and Agreement have provisions by which non-compliance by the homeowner or landlord may result in the amount of assistance provided by SCDRO being due and payable back to SCDRO. A person receiving SCDRO assistance could also violate program requirements outside of the Note or Agreement. If the assisted person violates the terms of the program, they may owe back to SCDRO the amount of assistance provided to them.

SCDRO recognizes there may be a multitude of reasons for non-compliance including but not limited to, death, incarceration, military deployment, incapacitating disability, or another disaster. Homeowners or landlords may petition the Special Case Panel to review any extenuating circumstances that they believe should grant them relief from the requirements of the Note or Agreement. The Special Case Panel will evaluate the concerns and make a determination on whether the recapture of funds is necessary.

If SCDRO recaptures, by whatever means, any funds from a non-compliant homeowner or landlord, then those funds will be returned to the current grant and utilized for any eligible grant activity. If the active construction phase of the grant is completed, then the recaptured funds will be subject to the requirements of the Federal Register Notice for the current grant and will be used in accordance with SCDRO's current Action Plan. If funds are recaptured after close out of the grant that generated the recapture, then SCDRO will confer with HUD regarding transferring the recaptured funds to South Carolina's annual CDBG grant award.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***23.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. If a homeowner or landlord is non-compliant, SCDRO will first follow the terms of the applicable Note or Agreement in securing a resolution for the non-compliance.
- B. If the awardee violates a specific term within the Note or Agreement or if there is a non-compliant act outside of the Note or Agreement and the SCDRO determines that recapture of funds is appropriate, SCDRO will:



- a. Confer with the homeowner or landlord to determine if they can voluntarily cure the non-compliance; or
  - b. Provide written notice to the homeowner or landlord of the reason for the non-compliance and demand either an immediate cure of the non-compliance or the voluntary repayment of the amount of program assistance provided; or
  - c. Seek legal recourse in the judicial system for the state of South Carolina.
- C. Additional details on the processes applicable to the Single Family Housing Program may be found in the SCDRO Housing Recovery Programs Policy and Procedures Manual (Manual). When referring to the Manual, care should be taken to ensure it is the most recently updated version. The first approved version is dated October 15, 2016. However, updates will be made to the Manual as corrections and clarifications are needed. All updated versions will be disseminated by the Policy and Procedures Manager to the IC and SCDRO staff electronically. The IC is responsible for disseminating all updated versions of the Manual to its sub-contractors. A printed copy of each dissemination email and the updated version of the Manual it references will be kept on-file in the SCDRO Record of Approved Program Policy and Procedures.
- D. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

### **23.3 Revision History**

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N/A

**SCDRO-0024 Rehabilitation Price Methodology (9/11/2017) (10/25/2017) (8/28/2018)  
(2/15/2019)**

***Effective Date: 7/01/2017***

***24.1 Rehabilitation Price Methodology Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The Single Family Housing program includes rehabilitation, replacement, and reconstruction of homes.

Rehabilitation projects undertaken through the SCDRO Housing Programs will be priced using Xactimate’s Pricing Data Service and Xactimate Cost Estimating Software. All rehabilitation work orders must follow the fixed pricelist established by the program. The fixed pricelist that forms the basis of all rehabilitation work orders is the “Florence February 2017” pricelist.

Rehabilitation projects may include a 10% surcharge for overhead and a 10% surcharge for profit. However, no overhead or profit may be calculated on taxes or fees. This O & P prohibition includes the general conditions line item “Taxes, insurance, permits, & fees.”

Based on a cost benefit analysis, the SCDRO determined that a fixed pricelist approach would guarantee the consistency to achieve the program’s goals in a manner that is necessary, reasonable, allowable, and allocable.

All materials purchased for use in the SCDRO Single Family Housing Program must meet or exceed minimum quality specifications as outlined in Xactimate or the SCDRO Construction Standards & Materials Specification Requirements in effect when construction commences. The Special Case Panel is responsible for approving the Construction Standards & Materials Specification Requirements based on the recommendation of the Implementation Vendor.

SCDRO will review the underlying assumptions outlined in the South Carolina Disaster Recovery Housing Assistance Program Pricing Methodology Memo for Construction Activities on a semiannual basis to ensure that the “Florence February 2017” pricelist remains appropriate.

Any program-wide modifications to the rehabilitation pricing will be documented in writing from the SCDRO Program Management Director to the Implementation Contractor.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

***24.2 Cost Reasonableness Standard Operating Procedure (SOP)***

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**Cost Reasonableness SOP**

- A. To ensure that the “Florence February 2017” pricelist continues to be the most reasonable and appropriate pricing solution to achieve the program goals for rehabilitation projects, SCDRO staff will review the pricing of each Xactimate region semiannually to ensure that all assumptions remain valid.

- B. Reviews outside the semiannual process will be conducted if unanticipated construction material shortages necessitate a reevaluation of conditions.
- C. The Program Management Director in writing to the IC will document all modifications to the Xactimate pricing that apply program wide.

### **24.3 Revision History**

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9/11/2017 Revision: Added information about Construction Standards and Material Specification Requirements

10/25/2017 Revision: Added information about post construction change orders.

08/28/2018 Revision: Clarified post construction change order information, and added Post Construction Change Order Standard Operating Procedure.

02/15/2019 Revision: Removed Post Construction Change Order information that is now in SCDRO – 0039 (Work After Construction Complete Policy), clarified pricing modification requirements.

**Effective Date: 7/01/2017**

**25.1 The Uniform Relocation Act & the Purpose of the Policies & Procedures**

In part, the Uniform Relocation Act (URA) was passed by Congress in 1970, as amended, to ensure homeowners whose real property was acquired for Federal and federally-assisted projects were treated fairly and consistently, and to ensure persons displaced as a result of such projects do not suffer disproportionate injuries. As such, relocation assistance is provided to displaced persons, including tenants who were living in a Property at the time of the Disaster, to lessen the financial impact of displacement and to ensure individuals/families are living in decent, safe and sanitary housing.

As required by Federal Register, 81 FR 39702 (2016), South Carolina must describe how it shall minimize the displacement of tenants, and assist any tenants that may or have been displaced. Thus, the purpose of this policy is to establish policies and procedures to identify tenants whose primary residence, prior or post the Disaster, was or is in a Property that is to receive benefit from the program, to document those tenants and to ensure outreach has been made to tenants to safeguard the ideals and requirements of URA.

This policy is applicable to all ongoing activities of the SCDRO.

**25.2 Key Definitions**

- A. Comparable Replacement Dwelling – a functionally equivalent dwelling that performs the same function and utility and has the principal features of the previous dwelling. However, it does not have to possess every feature of the displacement dwelling.<sup>1</sup>
- B. Disaster – the historic flash flooding that took place in South Carolina in 2015.
- C. Displaced Person<sup>2</sup> - any person who moves from real property or moves his or her personal property from real property as a direct result of rehabilitation or demolition for a project.
  - a. A person is not displaced if:
    - i. A person moves before the start of rehabilitation, unless the State determines that the person was displaced as a direct result of the program or project;
    - ii. A person who initially begins to occupy the Property after the date of its rehabilitation for the project;
    - iii. A person who has occupied the property to obtain assistance under URA;
    - iv. A person who is not required to relocate permanently as a direct result of a project;
    - v. A person who, after receiving a notice of relocation eligibility, is notified in writing that he or she will not be displaced for a project;
    - vi. A person who retains the right of use and occupancy of the real property for life following its rehabilitation by the State;
    - vii. A person who is determined to be in unlawful occupancy prior to or after the start of rehabilitation, or a person who has been evicted for cause, under applicable law;
    - viii. A person who is not lawfully present in the United States; or
    - ix. Tenants required to move as a result of the sale of their Property to a person using down payment assistance provided under the American

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<sup>1</sup> 49 CFR 24.2(a)(6)

<sup>2</sup> 49 CFR 24.2(a)(9)

Dream Down Payment Initiative.

- D. Property – includes a residential dwelling that includes a single-family home, condominium, duplex, mobile home, or any place where a person dwells that is connected to utilities.<sup>3</sup>
- E. Tenant – a renter who pays fair market rent and obtained the rental/lease as a result of an arm's length transaction,<sup>4</sup> therefore both parties entered the agreement willingly and without force or pressure from either party.

### **25.3 Applicable Laws & Regulations**

- A. 24 CFR 570.606 and 49 CFR part 24 - The specific Codes of Federal Regulations for Community Planning and Development Programs, and Community Development Block Grants, which are applicable to this policy.
- B. 81 FR 39702 (2016) – The specific federal register regulatory notice governing Community Development Block Grant Disaster Recovery funding for South Carolina, and entitled Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant (CDBG) Disaster Recovery Grantees under Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2016.

### **25.4 Procedures to Identify & Document Tenants in Single Family Households**

Applicability of URA will be confirmed at the time the applicant completes his or her in-person, grant award meeting, which informs the applicant of their benefits to be received under the program. In order to determine whether URA is applicable, the applicant must complete a survey at the grant award meeting.

- A. The survey will include the following:
  - a. The definition of a tenant;
  - b. Boxes for the applicant to indicate whether they had a tenant as defined in their Property, at the time of the Disaster or post-Disaster;
  - c. If the applicant answers yes, that he or she had a tenant as defined in their Property, then the applicant will be required to provide the name and contact information of the tenant(s).
  - d. If the applicant answers, no, that he or she did not have a tenant as defined, then the applicant will move directly to the certification section of the survey.
  - e. At the end of each survey, each applicant must certify the information provided is true and accurate, prior to electronically signing the survey.
- B. Upon completion, the survey will automatically be uploaded and maintained in the applicant's current file via HGMS.
- C. If the applicant did have a tenant in the Property, within three (3) days of completion of the survey, a case worker will directly contact the tenant(s) and take the appropriate actions described in the following sections.
  - a. All tenants contacted will have a subfolder created in their name under the original homeowner's application. This folder will contain their contact and identifying information, a record of all communications with the tenant, and any documentation presented to receive assistance.

Without regard to race, color, religion, sex, age, handicap, familial status or national origin, and in accordance to 49 CFR 24, the State must offer the following services and/or provide applicable reimbursements, where the tenant has already obtained one or more of the following:

- A. General Information Notice. As soon as feasible, the tenant must receive a written

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<sup>3</sup> See 49 CFR 24.503 for additional information regarding mobile homes.

<sup>4</sup> As defined in the Recovery Act Changes under the Community Development Program.

[https://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp\\_faq\\_recovery\\_act\\_changes.pdf](https://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp_faq_recovery_act_changes.pdf)

description of the relocation program and his or her rights. The notice must inform the tenant of the following:

- a. He or she may be displaced for the project and generally describe the relocation payment(s) for which the tenant may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
  - b. He or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the tenant successfully relocate;
  - c. He or she will not be required to move without at least 90 days advance written notice;
  - d. Any tenant cannot be required to move permanently unless at least one comparable replacement dwelling has been made available;
  - e. Any tenant who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child; and
  - f. Describes the tenant's right to appeal the State's determination as to a tenant's application for assistance for which a tenant may be eligible under this part.
- B. Eligibility & 90-day Notice. Eligibility for relocation assistance shall begin on the date of actual rehabilitation, as defined under the benefits agreement. After the caseworker has contacted the identified tenant and confirmed tenant's occupancy of part of the Property, the State shall then promptly notify the Tenant in writing of their eligibility for applicable relocation assistance.
- a. No lawful occupant shall be required to move unless he or she has received at least 90 days advance written notice of the earliest date by which he or she may be required to move.
  - b. The 90-day notice shall either state a specific date as the earliest date by which the occupant may be required to move, or state that the occupant will receive a further notice indicating, at least 30 days in advance, the specific date by which he or she must move. If the 90-day notice is issued before a comparable replacement dwelling is made available, the notice must state clearly that the occupant will not have to move earlier than 90 days after such a dwelling is made available.
    - i. In unusual circumstances, an occupant may be required to vacate the property on less than 90 days advance written notice if the State determines that a 90-day notice is impracticable, such as when the person's continued occupancy of the property would constitute a substantial danger to health or safety.
- C. Advisory services. A tenant must be advised of his or her rights under URA and the Federal Fair Housing Act, the general scope of the recovery project and provided with *comparable replacement dwelling*, in addition to financial forms of assistance listed below, where applicable.
- a. No tenant to be displaced shall be required to move from his or her dwelling unless at least one comparable replacement dwelling has been made available to the person. When possible, the State will provide the tenant with at least three comparable options.
    - i. The comparable replacement dwelling is considered made available when:
      1. The tenant is informed of its location;
      2. The tenant has sufficient time to negotiate and enter into a purchase agreement or lease for the property; and
      3. Subject to reasonable safeguards, the tenant is assured of receiving

the relocation assistance to which the tenant is entitled, in sufficient time to complete the purchase or lease of the property.

- b. If the comparable replacement dwelling to be provided to a minority tenant is located in an area of minority concentration, the minority tenant must also be given, if possible, referrals to comparable and suitable decent, safe, and sanitary replacement dwellings not located in such areas.
- D. Forms of Assistance – All claims for relocation payment must be filed with the State no later than 18 months after the date of displacement.<sup>5</sup>

All requests for reimbursements or relocation payments shall be supported by reasonable documentation to support expenses, such as bills, certified prices, appraisals or other evidence of expenses. Each request will be reviewed expeditiously and the State will promptly inform the tenant of any additional documentation that is required.

All records will be kept confidential and reports will be submitted related to its displacement activities as requested by the State and/or HUD.

- a. Moving expenses. The State shall provide payment for moving expenses as described in 81 FR 39702, which established a waiver from the standards described in 49 CFR part 24.
  - i. As per the waiver, the State shall create a moving expense allowance under a schedule of allowances that is reasonable for South Carolina and considers the number of rooms in the displacement dwelling, whether the tenant owns and must move furniture and etc.
- b. Security deposits and credit checks. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit.
- c. Interim living costs. The State shall reimburse a tenant for actual reasonable out-of-pocket costs incurred in connection with a displacement, including moving expenses and increased housing costs, if:
  - i. The tenant must relocate temporarily because continued occupancy of the Property constitutes a substantial danger to the health or safety of the person or the public; or
  - ii. The tenant is displaced from a “lower-income dwelling unit,” none of the comparable replacement dwelling units to which the person has been referred qualifies as a lower-income dwelling unit, and a suitable lower-income dwelling unit is scheduled to become available.
- d. Replacement housing assistance. A tenant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance or down payment assistance, if the tenant:
  - i. Actually, and lawfully occupied the displacement dwelling for at the time of the Disaster or at least 90 days immediately prior to the start of rehabilitation; and
  - ii. Rented and occupied a decent, safe, and sanitary replacement dwelling within 1 year after the date he or she moves from the displaced Property.
  - iii. Rental Assistance: An eligible applicant who rents a replacement Property is entitled to a payment not to exceed \$5,250. The payment shall be 42 times

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<sup>5</sup> 49 CFR 24.207(d)

the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:

1. The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
  2. The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the tenant.
  3. The base monthly rental is the lesser of the average monthly cost for rent and utilities at the new Property or 30% of the tenant's average monthly gross household income if you are low-income based on the HUD income limits.
    - a. 81 FR 39702 established a waiver to use higher than 30 percent if the tenant was paying the rent without demonstrable hardship.
    - b. That total monthly need, if any, is multiplied by 42, to determine the total amount the tenant will receive. This amount will be paid directly to the tenant in monthly installments or periodic payments.
  4. All or a portion of this assistance may be offered through a certificate or voucher for rental assistance (if available) provided under Section 8. If a Section 8 certificate or voucher is provided to a tenant, the State must provide referrals to comparable replacement dwelling units where the owner is willing to participate in the Section 8 Tenant-Based Assistance Existing Housing Program. When provided, cash assistance will generally be in installments, in accordance with 42 U.S.C. 3537c; or
    - a. 81 FR 39702 established a waiver that will allow an owner who is willing to participate in the tenant-based rental assistance (TBRA) housing program subsidy (Section 8 rental voucher or certificate), to allow a displaced tenant who only meets a portion or all of the traditional requirements to participate in the TBRA program.
- iv. Down payment Assistance. If the tenant decides to purchase a replacement Property, the tenant is able to receive assistance to make a down payment equal to the amount he or she would receive if they rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home), which can be no greater than \$5,250. Down payment assistance payment will be paid in a lump sum.

### **25.5 Additional References**

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For more information, refer to [24 CFR 24](#), [24 CFR 42.305](#) and [24 CFR 42.325](#) and Real Estate Acquisition and Relocation in HUD Programs at [hud.gov](http://hud.gov).

### **25.6 Revision History**

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N/A



## SCDRO-0026 Housing Quality Standards (7/06/2017) (7/01/2019)

**Effective Date: 7/06/2017**

### **26.1 Housing Quality Standards Policy**

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The goal of the SCDRO Housing Program (Program) is to provide safe, sanitary, and secure housing to eligible program participants. In order to serve as many people as possible, the Program follows a set of regulations for basic Housing Quality Standards (HQS). These standards are the minimum criteria necessary for the health and safety of the occupants. All projects undertaken by the SCDRO must meet, but in general will not exceed, HQS.

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

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

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **26.2 Housing Quality Standards Performance Requirements**

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#### **Sanitary Facilities**

##### *Acceptability Criteria*

- The bathroom must be located in a separate room and have a flush toilet
- The home must have a sink, and a shower or tub with hot and cold water, all in proper operating condition.
- All newly-installed appliances and fixtures must be ENERGY STAR labeled.

#### **Food Preparation and Refuse Disposal**

##### *Acceptability Criteria*

- The home must have an oven and a stove or range, or a microwave oven.
- The home must have a refrigerator and kitchen sink with hot and cold running water.
- The home must have space for storage, preparation, serving of food, and disposal of waste
- All required equipment must be in proper operating condition.

#### **Space and Security**

##### *Acceptability Criteria*

- At a minimum, the home must have a living room, a kitchen and a bathroom.
- The home must have a least one bedroom, defined as a sleeping room with a window and closet, for every two persons (max. 3 bedrooms). Children of opposite sex may not be required to occupy the same bedroom.
- Windows and exterior doors must be lockable.
- When replacing windows, geographically appropriate ENERGY STAR rated windows will be used.

## **Thermal Environment**

### *Acceptability Criteria*

- There must be a safe system for heating the home
- The air conditioning system or evaporative cooler, must safely provide adequate cooling to each room.
- The home must not contain unvented room heaters that burn gas, oil, or kerosene.
- When replacing, size heating and cooling equipment in accordance with the equipment specifications required by the HUD Green Building Retrofit Checklist.

## **Illumination and Electricity**

### *Acceptability Criteria*

- There must be at least one window in both the living room and each bedroom.
- The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture.
- The kitchen must have at least one electrical outlet.
- The living room and each sleeping space must have at least two electrical outlets. Permanent overhead light fixtures may count as one of the outlets.

## **Structure and Materials**

### *Acceptability Criteria*

- Ceilings, walls, and floors must not have any serious defects such as severe bulging, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- The roof must be structurally sound and weather-proof.
- The foundation and exterior wall structure and surface must not have any serious defects or vermin infestation.
- Interior and exterior stairs, halls, porches, and walkways must not present the danger of tripping and falling. All stairs must have a support railing.

## **Interior Air Quality**

### *Acceptability Criteria*

- There must be adequate air circulation in the home.
- Bathroom areas must have one openable window or other adequate ventilation.
- Any bedroom must have at least one working window.
- Newly installed in-unit ventilation systems must be capable of providing adequate fresh air.
- All Composite wood products, adhesives, caulks, and sealants must comply with the HUD Green Building Retrofit Checklist.
- Clothes dryers must vent directly to the outdoors using rigid-type duct work.

## **Water Supply**

### *Acceptability Criteria*

- The home must be served by a working public or private water supply.
- All new fixtures installed must meet conservation guidelines outlined in the HUD Green Building Retrofit Checklist.

## **Lead-Based Paint**

### *Acceptability Criteria*

- During initial inspections of pre-1978 units the inspector must conduct a technical assessment for all paint surfaces and, if lead-based paint is found, deteriorated surfaces must be stabilized by the contractor.

- Any additional painting that is needed will be completed.

### **Access**

#### *Acceptability Criteria*

- The unit must have private access.
- In case of fire, the building must contain an alternate means of exit such as windows.

### **Site and Neighborhood**

#### *Acceptability Criteria*

- The site may not be subject to serious adverse natural or manmade environmental conditions.

### **Sanitary Condition**

#### *Acceptability Criteria*

- The home and its equipment must be in sanitary condition.

### **Smoke Detectors**

#### *Acceptability Criteria*

- On each level of the home at least one smoke detector and carbon monoxide detector must be present.
- If a hearing-impaired person is occupying the home, the detectors must have an alarm system designed for hearing-impaired persons.
- All detectors must be in operating condition.

A completed HQS checklist must be included as a part of the final inspection, effective 7/1/2019. The HQS checklist is attached to the referenced policies.

### **26.3 Revision History**

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7/01/2019: HQS checklist must now be included as a part of final inspection.

**27.1 Internal Audit Policy**

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State’s most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair, collectively referred to as the Housing Programs.

Internal Audit is independent of the SC Disaster Recovery Office and reports directly to the SC Disaster Recovery Board. The Internal Audit Department reports administratively to the Program Coordinator for the SC Department of Commerce, the direct recipient from HUD of the CDBG-DR funds.

Internal Audit utilizes risk-based programmatic auditing of the activities conducted by the IC throughout the process of implementing the State’s Housing Programs. Auditing activities involve a direct review of the actions of the IC pertaining to the following activities:

1. Intake
  - a. Eligibility Verification
  - b. Duplication of Benefits Analysis
2. Construction
  - a. Environmental Reviews
  - b. Lead-based Paint Reviews
  - c. Construction Standards
  - d. Cost Reasonableness of Labor and Materials
3. Programmatic
  - a. Citizen Participation Compliance
  - b. Fair Housing Compliance
  - c. Relocation Activities

Other activities conducted by Internal Audit include:

1. Review of performance metric payments submitted by the IC
2. Review of Individual Department Audits such as Finance, DRGR, and Monitoring
3. Review of specific program pricing policies to ensure that the decisions that are made are in the best interest of the Program, Applicant, and Tax Payer
4. Review of Customer Service Complaints at both intake, and throughout the process
5. Review of any items received through the Fraud Hotline (844-506-5436)

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

## **27.2 Standard Operating Procedure (SOP) for this Policy**

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- A. Intake Monitoring
  - a. Review files for eligibility prior to the “One Knock” site inspection to verify applicant program eligibility.
  - b. Review files of applicants classified as unlikely to be served to ensure eligibility validity.
  - c. Internal Audit will review a minimum of 25% of applicant files.
- B. Construction Monitoring
  - a. Review construction files to ensure consistent and appropriate documentation, including evidence of permits.
  - b. Validate that initial Work Orders and Change Orders comply with the applicable Price List and are approved by the Special Case Panel when necessary.
  - c. Internal Audit will review a minimum of 25% of completed construction projects.
- C. Special Case Monitoring
  - a. 100% of the files will be reviewed that are submitted to Special Case Panel. These reviews will focus on Eligibility, Cost Containment, and appropriate and timely scope of work items.
- D. On a weekly basis, Internal Audit reports the number of cases reviewed to the Program as a metric of Internal Audit progress. Internal Audit reports any issues identified through daily monitoring activity to the contractor to facilitate expeditious corrections.
- E. On an as needed basis, other audits or reviews will be completed using an approved audit program. The results will be reported through a formal report along with any findings.
- F. Quarterly Reports are provided to the SC Disaster Recovery Board to ensure they are aware of Internal Audit’s progress.
- G. The State of South Carolina’s HUD-approved Action Plan is the predominant source document for the Manual, Policies and SOPs, which are written with the intent to add clarity where needed and stipulate the processes necessary to successfully implement the Action Plan. Concurrent reference to the Action Plan, Manual, Policies and SOPs should provide the contextual understanding necessary to accurately interpret and apply the information contained in these documents.

## **27.3 Revision History**

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N/A

## **SCDRO-0028 South Carolina Housing Trust Fund Match (7/25/2017)**

***Effective Date: 7/25/2017***

### ***28.1 South Carolina Housing Trust Fund Match Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plan). Action Plan Programs will assist the State's most vulnerable citizens living in the 22-County Community Development Block Grant – Disaster Recovery (CDBG-DR) State Government Area of Responsibility (SGAOR) who have unmet housing needs resulting from the October 2015 Presidentially-declared disaster. Programs contained within the Action Plan include Single Family Housing and Affordable Rental Repair.

SCDRO received \$1 million from the SC Housing Trust Fund originally designated for the Housing Trust Fund Flood Initiative Program.

SCDRO will utilize these funds as a match for the SCDRO Single Family Housing Program. The funds are solely for Single Family Housing rehabilitation projects identified as eligible for the SCDRO CDBG-DR allocation outlined in 81 FR 39702. All eligible applicants in the program have household incomes 80% or below the area median income for their respective county.

SCDRO will use up to \$10,000 of the Housing Trust Fund allocation to offset the total project cost of each individual repair project until the funds are expended.

All activities funded by the Housing Trust Fund allocation are required to abide by all applicable SCDRO policies and procedures, and the Memorandum of Agreement (MOA) between the SCDRO and the SC Housing Authority.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***28.2 Revision History***

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N/A

## **SCDRO-0029 Substantial Damage Determinations for Homes in the Flood Plain (10/16/2017)**

***Effective Date: 10/16/2017***

### ***29.1 Substantial Damage Determinations for Homes in the Flood Plain Policy***

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The National Flood Insurance Program (NFIP) requires that work on homes in the flood plain that exceeds 50% of the fair market value (FMV) of the structure must be elevated to meet the proposed Flood Insurance Rate Map requirements. SCDRO Housing Programs will not elevate existing structures. Therefore, it is critical that homes in the flood plain receive additional scrutiny during the development of the Estimated Cost of Repair (ECR) to ensure that the construction repair work does not exceed 50% of the fair market value. All home estimates in the flood plain in excess of 50% FMV will require that the structure be replaced with a properly elevated new construction.

The Implementation Contractor (IC) must determine that a home is in the flood plain prior to the execution of the One Knock visit. All One Knock visits on homes in the flood plain must be coordinated with SCDRO staff to ensure that SCDRO personnel are present. One Knock visits for flood plain homes must be of a high fidelity nature to ensure that no change orders will be required that may cause the total construction costs to exceed 50% FMV. The High Fidelity ECR (HiFiECR) must account for all possible unforeseen elements that may drive the cost over the threshold for elevation.

The IC must determine the FMV of the structure prior to the completion of the HiFiECR. The IC shall use reasonably available and reasonably reliable data to determine the FMV and document the source in the System of Record.

SCDRO will track the progress of all flood plain homes using the HiFiECR Tracker. The IC must report to the designated SCDRO contact the following elements for every home in the flood plain:

1. Property Address
2. Fair Market Value of the Property
3. Date of One Knock Visit (Prior to execution)
4. HiFiECR total estimated cost

Since homes in the flood plain that receive federal assistance are required to maintain flood insurance, the IC must communicate to the applicant the anticipated cost of flood insurance for non-elevated structures. This communication must occur prior to the scheduling of the contract-signing event. The communication of the flood insurance requirements must be documented in the System of Record.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans for the 2015 Severe Storm and Hurricane Matthew Recovery, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy. This includes activities of the IC and IC sub-contractors, where pertinent.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans for the 2015 Severe Storm and Hurricane Matthew Recovery, SCDRO's Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***29.2 Revision History***

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N/A

## **SCDRO-0030 Temporary Housing (11/6/2017) (5/06/2019)**

***Effective Date: 11/06/2017***

### ***30.1 Temporary Housing Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. As a stipulation of accepting the State's housing solution, applicants may be required to vacate the property during the construction process. On an extremely limited basis and only as a last resort, the State may provide temporary housing to applicants that meet the requirements set forth in this policy until construction activities are complete at their home.

In order to be eligible for consideration for State-funded temporary housing during construction, the applicant must:

1. Be determined to be eligible to receive CDBG-DR assistance as stipulated by the SCDRO; and
2. Have an income less than 50% of the area median income for the applicant's county of residence and have received an award letter indicating program acceptance; and
3. Accept the State's proposed housing solution for their situation; and
4. Have no Duplication of Benefits issues that would prevent program service; and
5. Have no unpaid utility bills or property taxes that would prevent construction; and
6. Have exhausted all possible options to relocate temporarily with family, friends, self-funded housing or any other options available to a typical applicant; and
7. Have no other available temporary housing solutions through non-state-funded options identified by either an advocating disaster case manager or the long-term recovery group operating in the applicant's area.

Applicants requesting limited state-funded temporary housing must request assistance through the SCDRO Constituent Services Department.

Applicants that require state-funded temporary housing may have construction activities delayed until appropriate housing can be secured.

Inability to secure temporary housing for the duration of construction may result in an applicant not receiving service from the program.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***30.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. The IC must ask the applicant at the signing event where they plan to stay during the course of construction. The IC must record an alternate phone number to reach the applicant while they are out of the home.



- B. The portable storage container for the applicant's personal belongings and furniture must be delivered at least 15 days prior to the homeowner move out date.
- C. Applicants shall make every effort possible to identify temporary housing for the duration of construction immediately after signing the agreement to be served by the program.
- D. As a last resort, the applicant shall contact the Constituent Services Department to arrange temporary housing.
- E. If the applicant is requesting temporary lodging prior to the contract signing event due to a deplorable condition, the Constituent Services Department will forward the applicant's information to the IC for confirmation that the applicant meets all of the requirements for program participation and temporary lodging eligibility.

### **30.3 Revision History**

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5/06/2019 Revision: Change reflects a programmatic increase in the number of days the portable storage container must be delivered prior to the homeowner move out date.

## **SCDRO-0031 Construction Communication (11/27/2017)**

***Effective Date: 11/27/2017***

### ***31.1 Construction Communication Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Frequent communication with the citizens served by the SCDRO Housing Programs is a critical component of program success.

Once a "one knock" inspection has been completed on a homeowner's property, the IC must contact the homeowner via telephone every 30 days to provide a status update until the homeowner's case enters the construction phase.

Once a homeowner has moved out of their home at the request of the IC to begin the construction phase, the homeowner must be contacted on a weekly basis for a progress update. The IC must make a minimum of two attempts to contact the homeowner via telephone each week. The IC must document all contact attempts in the Home Grant Management System (HGMS).

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

1. The IC must provide a magnet with contact information and date of warranty expiration at the time the homeowner moves back into their home. The warranty packet must be mailed to the homeowner within 15 days of moving back into the home.
2. 15 days after the homeowner moves back into the home, the IC shall mail a letter to the homeowner reiterating that the homeowner is required to maintain insurance on their property. This letter shall include the flood insurance requirement for homes in the floodplain.
3. 45 days after the homeowner moves back into the home the IC shall mail a letter to tax assessor in the homeowner's county detailing the requirement that the homeowner's home value cannot be reassessed based on the work completed by SCDRO contractors. The homeowner shall receive a copy of this letter to the assessor.
4. 30 days prior to the expiration of the warranty for work completed by SCDRO contractors, the IC must notify the homeowner via letter of the warranty expiration date.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***31.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. At the contract signing event, the IC must ask the homeowner for a valid phone number that can be used to reach the homeowner while they are moved out of their home.
- B. The IC must call the homeowner at the valid phone number on a weekly basis to update the homeowner on the construction of their home.

- C. The IC must document the communication and any unsuccessful attempts in HGMS.
- D. At the key turnover event signifying construction completion, the IC will provide warranty information to the homeowner.
- E. 15 days after construction complete, the IC will mail the letter outlining insurance requirements.
- F. 45 days after construction complete, the IC will mail the letter to the assessor.
- G. 30 days prior to the end of the warranty period, the IC will mail the letter noting the end of the warranty.
- H. All letters sent will be documented in HGMS.

### **31.3** *Revision History*

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N/A

## **SCDRO-0032 Single Family Housing Scope of Service (11/27/2017)**

***Effective Date: 11/27/2017***

### ***32.1 Single Family Housing Scope of Service Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. SCDRO Housing Programs include the Single Family Housing program (SFH) and Affordable Rental Repair program.

SCDRO SFH program activities consist of "stick-built" house and manufactured housing unit (MHU) rehabilitation, "stick-built" house reconstruction, and MHU replacement. Properties assisted through the SFH program must be owner-occupied single-family standalone structures. The SFH program will not assist any structures containing two or more dwelling units to include duplexes, condominiums, or town houses.

SCDRO will consider placing a newly installed MHU in a different location than the applicant's address at the time of the disaster if all of the following conditions are met:

1. The MHU owner does not own the land where the disaster-damaged MHU is located; and
2. The disaster damaged MHU is determined to be not suitable for rehabilitation by the IC; and
3. the MHU owner, through no fault of their own, is unable to utilize the existing MHU location; and
4. The proposed location is in the same county as the applicant's disaster damaged MHU; and
5. The proposed location has existing utility infrastructure in place; and
6. Either through ownership or a lease, the applicant can secure the proposed location for the duration of the promissory note; and
7. The disaster damaged MHU is demolished prior to the installation of the new MHU.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***32.2 Revision History***

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N/A

**SCDRO-0033 DOB Scope Reduction (2/28/2018) (7/02/2019)**

**Effective Date: 2/28/2018**

**33.1 DOB Scope Reduction Policy**

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters.

Applicants that received funding to address unmet housing needs as a result of a disaster may have a potential duplication of benefits if all the funds received for housing repairs were not expended on repairs to the home. The difference between the benefit received and the amount of funds expended by the applicant for repairs is known as a Duplication of Benefits (DOB) gap. SCDRO may attempt to overcome a DOB gap by reducing the scope of work that a typical applicant would receive. No scope of work reduction may compromise the SCDRO Housing Quality Standards of providing a safe, sanitary, and secure home for the applicant.

For rehabilitation projects, the DOB scope reduction must be determined on a case by case basis by identifying the repairs that would be provided for a typical applicant and identifying items that can be safely reduced or removed. Typical reductions include leaving program-repaired walls or ceilings unpainted. All DOB scope reductions for rehabilitation projects must be properly documented by indicating the work reduced and the dollar value of the reduction by line item using program-approved Xactimate pricing.

For MHU replacement and stick-built reconstruction projects, SCDRO has developed a tiered approach to overcoming DOB gaps based on housing type.

	<b>MHU Replacement</b>		<b>Stick-built Reconstruction</b>	
	Item(s)	Value of Reduction	Item(s)	Value of Reduction
Tier 1	450 sq. ft. of sod	\$495	Dishwasher removed	\$600
Tier 2	900 sq. ft. of sod	\$990	Dishwasher removed Carpet grade reduced	\$1,500
Tier 3	1,800 sq. ft. of sod	\$1,980	Bathroom removed	\$3,000
Tier 4	N/A	N/A	1800 sq. ft. of sod	\$1,980

For MHU replacement or stick-built reconstruction DOB scope reductions, the reduction must be documented on the work order. For stick-built reconstruction projects, an applicant may only combine the removal of sod (tier 4) with another tier. No other tiers may be combined. The maximum DOB scope reduction for an MHU replacement project is \$1,980. The maximum DOB scope reduction for a stick-built reconstruction project is \$4,980.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO’s Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **33.2**    *Revision History*

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7/02/2019: Updated to include removing 1,800 sq. ft. of sod as a DOB reduction.

***Effective Date: 4/24/2019***

***34.1 Construction Timeliness Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Minimizing the time that a homeowner is out of their home for construction is of paramount importance to the program.

SCDRO housing program activities consist of “stick-built” house and manufactured housing unit (MHU) rehabilitation, “stick-built” house reconstruction, and MHU replacement. The SCDRO notifies a homeowner of their participation in the housing program through the issuance of an award letter. The award letter creates an expectation of timely service for the homeowner.

The SCDRO has established limits for the amount of time that a homeowner should be out of the home. This period starts when the homeowner moves out of the home or seven days after the delivery of the first portable storage container, whichever date is later. If the homeowner does not move out of the home, the period starts when the notice to proceed is issued to the building contractor. The standard time frames are:

1. 45 days for an MHU replacement
2. 75 days for a rehabilitation project
3. 120 days for a “stick-built” or modular reconstruction project

For projects executed under the 2016 Hurricane Matthew Housing Program or the 2015 Severe Storm Housing Program, penalties will be imposed for projects that exceed the established standards. For every day beyond 45 days for MHU replacements, 75 days for “stick-built” rehabilitations or MHU rehabilitations, and 120 days for “stick-built” or modular home reconstructions, the IC must deduct \$100 from the project amount invoiced to the SCDRO for that project. The contractor may petition the Special Case Panel for relief from the penalty for situations reasonably outside the control of the contractor.

If a project type changes from a rehabilitation to a reconstruction or replacement, the following standards apply. The IC must schedule the presentation of the project type change to the Special Case Panel no later than 10 days after the subcontractor indicates that the home is not suitable for rehabilitation. Once the change in project type has been approved by the Special Case Panel, the IC will have 10 days to complete the homeowner signing. The clock will reset for the “stick-built” or modular home reconstruction or MHU replacement after the completion of the homeowner signing.

If a project is transferred from one general contractor to another general contractor, where the first general contractor executed the homeowner signing prior to the institution of the timeliness standard penalties and the second general contractor executed the homeowner signing after the institution of the timeliness standard penalties, the Special Case Panel must review the case prior to invoicing to determine the appropriate start date for the timeliness standards and any associated penalty days.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### **34.2 Standard Operating Procedure (SOP) for this Policy**

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The SOP for this policy is as follows:

- The IC will report all over standard projects to the designated SCDRO personnel on a daily basis.
- At invoicing, the IC will deduct the total penalties for each case prior to submission to SCDRO for payment.
- For change in project types, the building contractor must indicate in HGMS that the project type should change from rehabilitation to replacement or reconstruction.
- The construction manager will examine the property and make the recommendation to the Special Case Panel within 10 days of the building contractor requesting the change in project type.
- Prior to submission to the Special Case Panel, the IC will contact the homeowner to confirm that they will accept a replacement or reconstruction.
- The Special Case Panel will review the change in type request at the next regular panel meeting.
- After the Special Case Panel approval, the Environmental Review Record (ERR) is revised to reflect the change in project type.
- The IC completes the homeowner signing.
- The timeline for reconstruction or replacement will reset once the signing is complete.

### **34.3 Revision History**

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08/30/2018 Revision: Added provision addressing cases transferred from one general contractor to another where the first contractor was not subject to the timeliness standard and the second contractor is subject to the timeliness standard.

4/24/2019 Revision: Revised to include an increase in standard construction time for all project types.



## **SCDRO-0035 Floodplain MHU Replacement (7/09/2018)**

***Effective Date: 7/09/2018***

### ***35.1 Floodplain MHU Replacement Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. SCDRO Housing Programs repair or replace disaster-damaged Manufactured Housing Units (MHU) for eligible applicants, including applicants that reside in FEMA-designated floodplains.

SCDRO Action Plans require that the top of the bottom floor of newly installed MHUs in the floodplain be at least two feet above the Base Flood Elevation (BFE) identified on a site-specific elevation certificate completed by a licensed surveyor. Due to the complexity and increased cost of elevating newly installed MHUs higher than five feet, seven inches above the Lowest Adjacent Grade (LAG), the SCDRO will not elevate replacement MHUs more than five feet, seven inches above the LAG.

If the elevation certificate indicates that the structure must be elevated more than five feet, seven inches above the LAG, the applicant must lease or purchase an alternative plot of land outside the floodplain in order to be served by the SCDRO Housing Program. The alternative plot must be located in one of the disaster-damaged counties served by the SCDRO for the applicant's appropriate Housing Program. If the applicant is able to secure the alternative land, the applicant's disaster-damaged MHU will be demolished, and the new MHU will be placed on the land outside the floodplain. The Special Case Panel will review any additional site-specific costs associated with the alternative land prior to the start of construction. These site-specific costs include, but are not limited to, utility installation, lot clearance, and lot access.

For replacement MHUs in the floodplain that do not need to be elevated higher than five feet, seven inches, the SCDRO will pay all associated elevation costs as established by the SCDRO Program Management Director and maintained by the construction manager. All replacement MHUs in the floodplain must be approved by the Special Case Panel prior to the start of construction.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***35.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- The replacement floodplain MHU project is assigned to a general contractor.
- The general contractor obtains an elevation certificate that includes the Base Flood Elevation (BFE) of the existing unit.
- If the difference between the LAG and the BFE plus 2 feet is five feet, seven inches or less, the replacement MHU project can continue along the typical construction process flow.

- If the difference between the LAG and the BFE plus 2 feet is more than five feet, seven inches, the general contractor must notify the Implementation Contractor (IC) that the MHU replacement is not feasible at the existing site.
- The IC will then notify the applicant in writing of the requirement to obtain alternative land outside of the floodplain, and document the notification in the Horne Grant Management System.
- Prior to the applicant leasing or purchasing an alternative plot of land, the IC must confirm that the potential land is not located in the floodplain.
- If the applicant is unable to locate a suitable site within 30 days of documented notification, the IC shall refer the case to Palmetto Disaster Recovery (PDR). PDR will attempt to connect the applicant with every available resource, which can assist the applicant with their search for suitable land. However, it is always the responsibility of the applicant to find a suitable site.
- If the applicant is unable to identify suitable land with the additional support of PDR, the applicant's case will be placed into an inactive status. This will occur 60 days after the initial documented notice to the applicant of the requirements to obtain alternative land.
- If the applicant can identify suitable land after the case has been placed into an inactive status, the Special Case Panel will make a determination on the status of the applicant's case relative to available funding.

### **35.3**     *Revision History*

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N/A

***Effective Date: 8/13/18***

***36.1 Audit Hold Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Citizens participating in SCDRO Housing Programs are required to submit documents to meet program eligibility requirements. These documents are subject to examination by the SCDRO Audit Department.

In the event that the Audit Department does not agree on the eligibility of an applicant's documentation, the Audit Department may place a file on Audit Hold, pending an investigation and/or the submission of additional documentation. Within two business days of placing the file on an audit hold, the Audit Department must notify the IC and the Compliance Department of the reason for placing the file on an audit hold. The IC must respond to the audit hold within two business days of notification. The Compliance Department must review the specifics of the audit hold and then approve or disapprove the audit hold. The Compliance Department will be responsible for drafting a memo indicating the approval or disapproval of the audit hold. This memo will be placed into the file in the grant management system.

If the Compliance Department disapproves the audit hold, the audit hold must be removed from the file within 24 hours of a written decision from the Support Director or his designee. The case will be returned to an active status and follow the normal process flow for cases.

If the Support Director approves of the audit hold, he will draft a memo outlining the facts of the case and forward it to the Legal Department for review. The Legal Department will examine the facts of the case to determine if fraud has occurred. The measure of fraudulent activity must be clear, convincing evidence of a willful intent to defraud the program. The Audit Department may directly refer a case to the Legal Department where clear, convincing evidence of willful intent to defraud the program is present. After reviewing the case, the Legal Department will forward the case facts and legal recommendation to the directors for review and adjudication. The Program Management Director will have the final authority on the decision to pursue criminal charges for fraudulent activity.

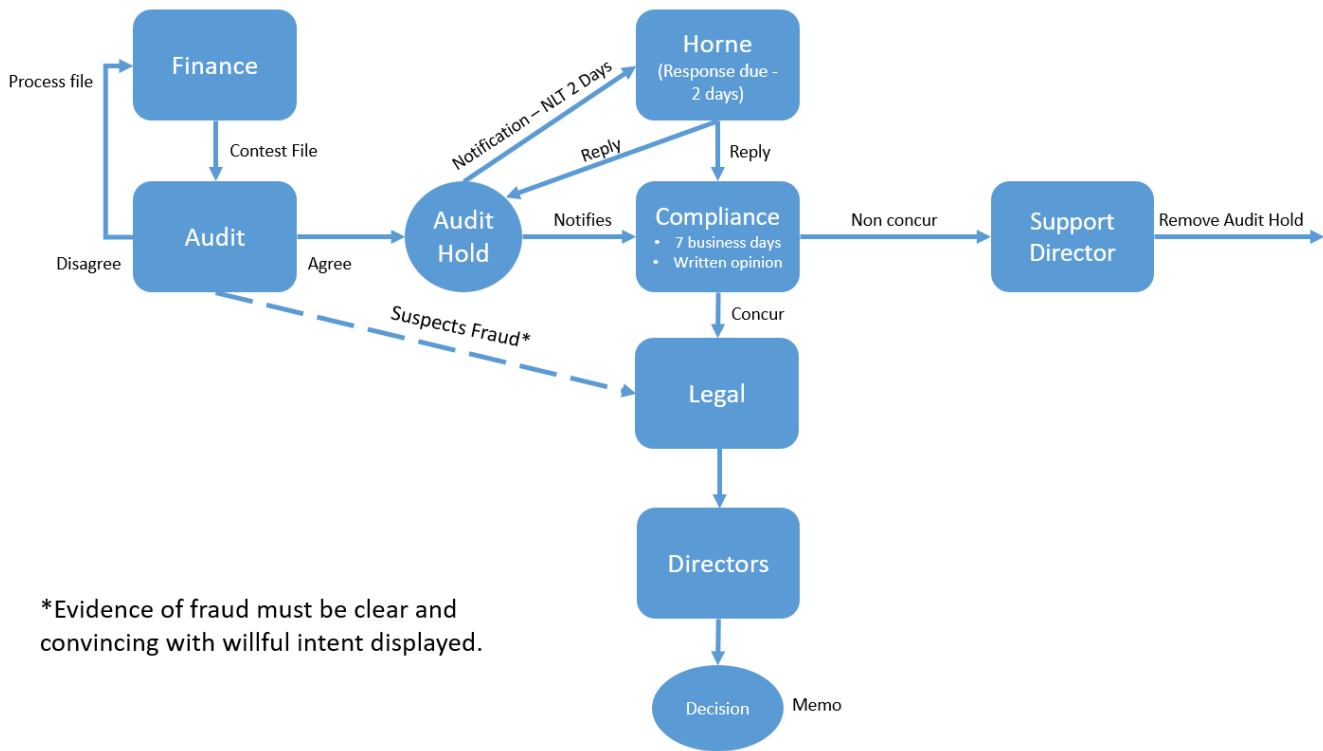
If a case is placed on audit hold after construction is complete, but prior to the payment of the final invoice for the case file, then the Audit Department will be responsible for drafting a memo outlining the facts of the case to be placed in the case file. The Finance Department will not withhold a payment to the IC for completion of the construction activities unless ordered to do so by the Program Management Director.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

***36.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP shall follow the process flow illustrated below:



### 36.3 Revision History

N/A

**Effective Date: 2/15/18**

**1. *Work After Construction Complete Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The Single Family Housing program includes rehabilitation, replacement, and reconstruction of homes.

Construction contractors are responsible for any costs incurred for warranty issue corrections except as outlined herein. For work identified by the Director of Support (DOS) as work that should have been included in the original scope of work (missed HQS items) but was not included in the scope of work prior to the completion of the final inspection, the State will pay for incurred charges at the established rates for authorized post construction change orders.

All post construction work completed must be inspected by the IC and SCDRO Compliance staff. All post construction work must be warrantied for the latter of 90 days, or until the completion of the warranty period for the initial scope of work, whichever is greater.

**2. *Policy Scope***

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This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plan, SCDRO’s Housing Recovery Programs Policy and Procedures Manual (Manual), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

**3. *Standard Operating Procedure (SOP) for this Policy***

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**Post Construction Change Order SOP**

1. General Contractor (GC) or State Compliance Inspectors (OGP) determines that the issue identified on a warranty call does not qualify as a warranty issue but is a Housing Quality Standard (HQS) issue, or an issue otherwise determined by the program as one that must be remedied.
2. Report is forwarded to the Director of Support (DOS) for review and a determination on whether the issue should result in the initiation of the post construction change order process, otherwise known as Work After Construction Complete (WACC).
3. DOS reviews:
  - a. Original work order
  - b. OGP reports
  - c. Change orders
  - d. Communication log
  - e. Any additional facts bearing on the issue in question
4. DOS determines if initiating the WACC process is authorized after reviewing the relevant facts.
5. DOS notifies IC and Palmetto Disaster Recovery to re-open any applicable case management.
6. IC assigns GC and coordinates:
  - a. The IC, SCDRO Compliance Staff, and GC representative will conduct a joint inspection to define the scope of work for the construction change order. The Change Order (CO) will have WACC

issue(s) only. No additional work is authorized. A joint inspection is always required, unless the requirement is waived by the DOS as described below:

- i. In cases that involve an active leak, internal sewage backup, or a loss of seasonal environment control (air in summer, heat in winter), the DOS may: Authorize the GC to conduct an independent inspection in lieu of the joint inspection, and/or, authorize the GC to begin work immediately. The DOS will notify the IC in writing (typically by email) when either of these options are exercised.
  - ii. When the DOS authorizes an independent inspection, the GC will conduct the inspection and upload the inspection report to the Grant Management System (HGMS).
  - iii. When the DOS authorizes the GC to begin work immediately, the GC will conduct an independent inspection prior to beginning work. This inspection report must be uploaded to HGMS.
- b. For routine cases, the GC will upload the joint inspection report into HGMS and notify the DOS. The DOS will then confirm if the WACC is eligible.
  - c. All WACC cases must go to Special Case Panel (SCP) for final approval, even when the DOS authorized the GC to begin work immediately. The GC will follow normal CO process flow including referral to audit as needed. A copy of the DOS' authorization for WACC will accompany the justification for the CO.
  - d. At the conclusion of WACC, the IC, SCDRO Compliance Staff, and a GC representative will conduct a joint final inspection to ensure all work was completed to standard. At the discretion of the DOS, the requirement for a joint final inspection may be waived.
7. GC will warranty the work completed until the latter of 90 days or the expiration of the warranty for the initial scope of work.

#### **4. *Revision History***

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6/28/2019 Revision: Revised to include that the joint inspection may be omitted under the discretion of the Director of Support. As well as, all WACC change orders must be brought to SCP.

***Effective Date: 4/29/19***

***38.1 Marion and Horry County Service Efficiency Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plan for Disaster Recovery (Action Plans). Action Plan Programs will assist the State’s most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. In an effort to serve citizens as efficiently as possible, the SCDRO will shift a portion of applicants in Horry and Marion County from the Severe Storm 2015 single family housing program to the Hurricane Matthew single family housing program.

Due to the close proximity of location and time between Severe Storm 2015 and 2016 Hurricane Matthew, homes in Marion and Horry County were severely impacted twice. In order to serve the most citizens, a number of participating applicants in Marion and Horry County from the Severe Storm 2015 single family housing program will be processed through the Hurricane Matthew single family housing program.

In order for a case to be shifted from the Severe Storm 2015 single family housing program to the Hurricane Matthew single family housing program, the applicant must have applied for FEMA assistance regarding Hurricane Matthew or have documented damage to their home from Hurricane Matthew on the initial site assessment.

The case may not be shifted if the case has been completely invoiced.

***38.2 Revision History***

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N/A

***Effective Date: 5/06/2019***

### ***39.1 Portable Storage Container Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. Housing programs contained within the Action Plans include Single Family Housing and Affordable Rental Repair. The SCDRO provides a portable storage container to housing program applicants for the storage of household items during the construction process.

The fixed cost associated with the rental of portable storage containers (Container), paid to the General Contractor (GC), through the SCDRO housing program are as follows: The fixed cost of a Container for a rehabilitation project type, either a stick built or manufactured housing unit (MHU), is \$1,000. The fixed cost of a Container for an MHU replacement project type is \$800. The fixed cost of a Container for a stick built reconstruction project type is \$1,200. This increase in fixed costs will be applicable for all projects that have passed final inspection on or after April 1, 2019.

The GC is responsible for coordinating the delivery and pickup of Containers through independent storage companies. When the Container is delivered to the applicant's home, or a maximum of 7 days prior to delivery, the GC must deliver a letter that states what date the applicant must have their household effects moved into the container. This letter may be mailed, or hand delivered. The GC must allow a minimum of 15 days from the date the Container is delivered to the start of construction, in order to provide the applicant ample time to store items. If the applicant does not comply and causes a delay in construction, the GC must inform the SCDRO. The SCDRO will decide what repercussions will apply to the applicant.

If a project is transferred from one GC to another after the delivery of a Container, or the project type changes from a rehabilitation to a replacement or reconstruction, the SCDRO will pay \$600 to cover the cost of the Container during the transition.

After the project has passed the program final inspection and the applicant has moved back into the home, the applicant must empty the Container within 14 days. The GC must schedule the Container pickup as soon as practical after the 15<sup>th</sup> day from the applicant moving into the home. The GC must note in HGMS when the Container pickup has been requested by the GC.

If the Container pickup fails because the applicant did not remove their belongings from the Container, the GC must notify the SCDRO within 5 days of the failed pickup and note the issue in the Grant Management System (HGMS).

If the GC fails to follow this protocol, the SCDRO will not pay for any additional Container costs whether the fault of the applicant or GC. The Special Case Panel is responsible for approving or denying any additional costs involving portable storage containers outside the scope of this policy.



This policy is applicable to all housing programs executed by the SCDRO.

**39.1** *Revision History*

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N/A

## **SCDRO-0040 Case Closeout Policy (5/28/2019)**

***Effective Date: 5/28/2019***

### ***40.1 Case Closeout Policy***

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The South Carolina Disaster Recovery Office (SCDRO), through its implementation contractor (IC), will implement the HUD-approved South Carolina Action Plans for Disaster Recovery (Action Plans). Action Plan Programs will assist the State's most vulnerable citizens whom have unmet housing needs resulting from the October 2015 and October 2016 presidentially declared disasters. The Single Family Housing Program comprises the bulk of the recovery programs in response to the 2015 and 2016 disasters. All cases for the Single Family Housing Program must be properly closed after the completion of the mandatory one-year warranty period.

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

- A. Met a HUD national objective
- B. Was an eligible activity
- C. Had no outstanding issues

In order for a case to be officially closed, the review must be completed, the lien must be filed with the appropriate county, and a Certification of Case Closure Form(Memo) must be generated. The Memo will be uploaded into the Grant Management System (HGMS). The case file will be locked into a "read-only" status.

This policy is applicable to all ongoing SCDRO Single Family Housing Program activities as detailed in the Action Plans, SCDRO's Housing Recovery Programs Policy and Procedures Manuals (Manuals), and this Policy and SOP. This includes activities of the IC and IC sub-contractors, where pertinent.

### ***40.2 Standard Operating Procedure (SOP) for this Policy***

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The SOP for this policy is as follows:

- A. After a home has passed the final inspection and the mandatory one-year warranty period has expired, the IC will review the case to ensure compliance with the Activity File Documentation Checklist.
- B. The IC will notify the SCDRO Closeout Specialist (COS). The COS will then review the case to ensure compliance with the SCDRO Case Closure Checklist, shown below.

Areas of Interest	Yes	No	Responsible Review Party
HGMS Invoicing Review Complete			COS
Open warranty issues			COS
Open DOB issues			COS
End of warranty notification in file			COS
Open monitoring issues			COS
Open constituent services issues			Constituent Services
Open environmental and legal issues			Legal
Invoice paid			Finance
Open Audit issues			Audit

- C. The COS will send a list of reviewed case files to the following departments for review:
- a. Finance
  - b. Environmental
  - c. Audit
  - d. Constituent Services
- D. Each department will review the list of cases to ensure there are no outstanding issues. Each department will then return the list with comments to the COS.
- E. If the case file has no outstanding issues and the lien has been filed with the applicable county, then it will be closed. If there are outstanding issues, the COS will work with the appropriate department and IC to resolve the issue(s).
- F. Once all issues have been resolved, the COS generates a Memo, certifying that the case is closed. Each Memo is signed by the Environmental Certifying Officer and the Program Management Director.
- G. After the Memo has been signed, it is uploaded onto HGMS.
- H. The file is then locked by COS and put into a “read-only” status in HGMS. If the lien has not been filed, the case file will not be locked until the lien is uploaded.

### **40.3 Revision History**

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N/A

## Appendix: SCDRO Construction Standards & Material Specifications

**Effective Date: Construction Started on or after October 23, 2017**

**Revised: November 17, 2017; May 15, 2018; May 1, 2019; July 2, 2019**

### **HVAC**

Window A/C units do not meet the State's standard for HQS-thermal environment. Homes having existing ductwork for central HVAC will have that system returned to working condition via repair or replacement, whichever is most cost effective. Homes without existing ductwork will be fitted either with ductwork and a central HVAC unit or with split units, whichever is most cost effective. All HVAC units over 10 years in age will be replaced. If possible, the existing HVAC parts will be equally exchanged. All MHU HVAC replacements must follow the HVAC Estar and HUD sizing guidelines (<https://www.energystar.gov/sites/default/files/asset/document/SizingGuidelines.pdf>).

### **Interior**

**ADA Bathroom:** For new construction stick-built or modular homes that are ADA compliant, the ADA bathroom must be the master bathroom.

**Cove molding:** Cove molding is required for transitions between walls and ceilings, and where two disparate surfaces join such as paneling and drywall. Cove molding must be ¾" paint grade, finger-jointed pine or equivalent.

**Closets:** Bedroom closets on new construction homes must have either wood shelving or vinyl-coated wire mesh shelving units. All bedroom closets in new construction homes must have a closet rod. All walk-in bedroom closets must have a source of illumination within the closet.

**Toilets:** All toilets used must have a vitreous china coating and be white in color.

**Water Heaters:** All water heaters over 7 years in age must be replaced. New expansion tanks will be installed as well.

**Walls:** If an existing wall material cannot be matched when making a repair, all wall material in the room will be replaced with the same type of existing material to ensure consistency of appearance.

**Insulation:** For all stick built rehabilitation homes, the default option for ceiling insulation is R-38. For all MHU rehabilitation homes, the type of ceiling insulation that will be installed is based upon the joist size. For homes with 2x4 ceiling joists, R-13 insulation will be installed. For homes with 2x6 ceiling joists, R-19 insulation will be installed. For homes with 2x10 ceiling joists, R-30 insulation will be installed. For homes with 2x12 ceiling joists, R-38 insulation will be installed.

### **Flooring**

The default option for all flooring replacements is vinyl plank flooring which meets the minimum specifications outlined below. For bathroom applications, vinyl sheet goods (vinyl floor coverings) may be substituted for vinyl plank flooring. In kitchens, vinyl sheet goods will be used unless both length and width dimensions of the kitchen are greater than 12'. For stick built rehabilitation homes, the default option for flooring insulation is R-19. Vapor barrier must be emplaced as part of all rehabs.

**Carpet:** Carpet must meet or exceed the minimum weight and density requirements specified in the chart below for the texture used.

Texture	BCF Nylon		BCF Polypropylene		Staple Polyester	
	Weight	Density	Weight	Density	Weight	Density
Level/Texture Loop	20	3300	20	3600	N/A	N/A
Cut-pile Heat Set Plied	24	1250	32	4000	32	1550

**Vinyl Floor Coverings:** Vinyl floor coverings must meet the standards specified in ASTM F 1303 with a 34% minimum binder content and an overall thickness that is no less than 0.040 inches.

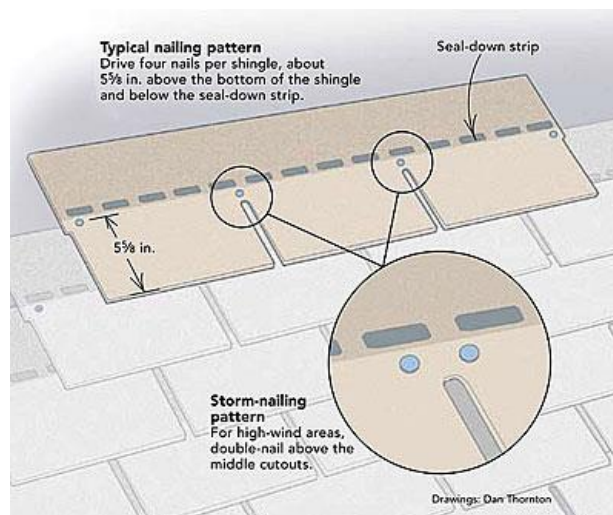
**Vinyl Plank Flooring:** Vinyl plank flooring must be a minimum of 4 mm thick with interlocking edges, and a simulated wood design. Vinyl plank flooring must be wet-applied on site and properly sealed.

**Exterior**

**Landings:** All new construction landings must have a minimum unobstructed surface area that measures 5’ by 5’.

**Shingles:** Shingles must meet ASTM D3161 Class F and/or ASTM D7158 Class H standards for high wind usage for roof replacements in Wind Zone 2 or higher areas. Contractors must nail shingles using a storm-nailing pattern as illustrated for applications requiring wind speed tolerances in excess of 110 mph.

Max Wind Speed	ASTM D3161	ASTM D7158
60 mph	Class A	--
90 mph	Class D	Class D
110 mph	Class F	Class H
120 mph	Class F	Class H
150 mph	Class F	Class H



**STATE OF SOUTH CAROLINA PROMISSORY NOTE AND LIEN**

**South Carolina Disaster Recovery Office – a division of the South Carolina Department of Administration**

**U.S. Department of Housing and Urban Development Community Development Block Grant – Disaster Recovery Forgivable Promissory Note and Notice of Lien for Rehabilitated Property**

**Date:** <date signed>

**Borrower, Co-Borrower:** <name of homeowner, co-homeowner>

**Borrower’s Mailing Address:** <mailing address>

**Property:** **The real property and any improvements thereon, more fully described as:**  
<legal description/metes and bounds of property>

**With a property address of:**  
<damaged property address>

**Principal Amount:** <amount of CDBG-DR funds for the repair or replacement>

**Annual Interest Rate:** **Zero percent (0%)**

**Expiration/Anniversary Date:** **Three years from the date of the final construction inspection**

**Whereas,** the State of South Carolina has established the South Carolina Disaster Recovery Program by way of a U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant for Disaster Recovery (“CDBG-DR”), administered by the South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration, to assist with housing repair and replacement activities for owner occupied low to moderate income housing units that were damaged by a qualifying Presidentially-declared disaster; and

**Whereas,** the housing repair and replacement activities through the South Carolina Disaster Recovery Office’s meet HUD national objectives as set forth under the state’s HUD-approved Action Plan by benefiting low to moderate income persons as well as eliminating slum and blight. The intent of the policies and procedures supporting these activities is to achieve the national objectives by providing non-discriminatory race neutral relief while causing no disparate impact to the beneficiaries of the program as the intent and impact will be to revitalize the low to moderate income housing stock in impacted and distressed areas; and

**Whereas**, the undersigned, <insert Homeowner, Co-Homeowner> (herein referred to as the Homeowner) qualifies under the South Carolina Disaster Recovery Program for housing assistance for the property commonly known as <property address> legally described as:

<legal description/metes and bounds of property> ; and

**Whereas**, the total construction repair or replacement contract amount for the property listed above is <amount of construction contract/total repair or replacement amount> and the Homeowner has placed into escrow <amount of escrow if other funds such as insurance are involved (Use \$0.00 if no funds in escrow)> to be used toward the Construction contract amount, leaving <amount to be covered by CDBG-DR funds> in the form of a Forgivable Promissory Note; and

**Now Be It Known**, each term and provision of the Forgivable Promissory Note is expressly subject to the terms and conditions of the South Carolina Disaster Recovery Program administered by the South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration (“Lender”), and the terms and conditions of the Construction Repair/Replacement Contract executed between Lender and the Homeowner, which provides assistance to Homeowner under the State of South Carolina Disaster Recovery Program for disaster relief, long-term recovery, and restoration of housing in areas declared federal disaster areas as a result of a qualifying Presidentially-declared disaster,

**Whereas**, a requirement of the South Carolina Disaster Recovery Program is for the repayment of the Forgivable Promissory Note to be in the total amount listed above whenever the property is sold, transferred, vacated, or abandoned within three (3) years of the date of the final construction inspection for the repaired property,

**Therefore**, in consideration of the awarding of the Forgivable Promissory Note the mutual covenants and promises of the parties and other good and valuable consideration, the Lender and Homeowner agree as follows:

The term of the Forgivable Promissory Note and mortgage lien is three years, remaining at one hundred percent of the Note amount for all three years. The anniversary date of the Forgivable Promissory Note and mortgage lien is three years from the date of the final construction inspection of the repaired property. Upon the third anniversary date, and if all conditions of the Home Rehabilitation/Reconstruction Homeowner/Contractor Agreement and program rules and regulations have been satisfactorily followed as determined by the Lender, the entire amount of the Forgivable Promissory Note will be forgiven.

The Forgivable Promissory Note is in the amount of \$<total CDBG-DR funds amount>.

In the event that a Change Order executed during the construction phase of this agreement changes the Forgivable Promissory Note amount, the Change Order and the amended amount will become part of this agreement and will be included as an attachment(s) to this agreement.

In the event that Homeowner fails to meet the terms of the Forgivable Promissory Note, repayment shall be made to the South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration, 632 Rosewood Dr., Columbia, SC 29201.

The following are the terms of this Forgivable Promissory Note:

1. This property described above was assisted with disaster relief funds from the United States Department of Housing and Urban Development to facilitate the necessary repairs to or replacement of the residential structure. If, after completion of the repairs or replacement, this property or any part of the property is sold, transferred, foreclosed, or leased, during the course of this note, then the full amount becomes due and payable to the Lender, except that this clause will not apply to the following situations:

(i) The Homeowner applicant is in the military and his or her family is being reassigned to a military base more than 50 miles from current home.

(ii) The Homeowner applicant becomes disabled to the extent they can no longer live alone in the home and there are no other household members who will be residing in the home.

2. This Promissory Note gives the signee no greater or lesser property right than the rights that existed in the damaged property at the time of the qualifying Presidentially-declared disaster. The Promissory Note conveys no right, title or property interest.

3. If the Homeowner applicant passes away after contract signing but before the start of construction, then the contract is void and the construction project for the Homeowner applicant will not go forward. If the Homeowner applicant passes away after the start of the construction period or during the three (3) year compliance period the amount will not be immediately due and payable; however, the terms remain in effect as to the Homeowner applicant's Estate and heirs.

4. Hazard insurance coverage for the replacement value of your home must be secured at the Homeowner's own expense (your expense) for as long as you own the property. Hazard insurance coverage must also cover the replacement cost of the property during the period the Lien is valid. The replacement value of your home could be more or less than the Lien amount, therefore replacement value will be accepted at the value set by your insurance carrier to replace your home.

If Flood Insurance is required, then the homeowner must pay for Flood Insurance coverage. If the Homeowner cannot afford the first year of Flood Insurance, then the Lender (the South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration) may purchase only the first year of insurance, but the Homeowner will be responsible for Flood Insurance for every year thereafter. Flood Insurance, if it is required, must be purchased for the property every year, unless and until FEMA Flood Insurance Rate Maps change so as to no longer include the property in a zone which requires Flood Insurance.

If you do not purchase the required insurance and your home is damaged in a subsequent federally declared disaster, then you will not be eligible for federal disaster recovery repair or replacement assistance in the subsequent disaster. Stated another way, federal disaster housing recovery dollars are not going to repair or replace a house a second time if the homeowner did not buy insurance after the first disaster in which they received assistance.

5. Homeowner must not have outstanding property tax or utility debts at the start of construction and must remain current on tax and utility obligations during the term of the lien.



## **IMPORTANT NOTICE FOR FEDERAL DISASTER RELIEF**

**DUTY TO NOTIFY.** In the event of the transfer of the Property described above by Homeowner or Homeowner's successors and assigns ("Transferor"), the Transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

(i) Obtain flood insurance in accordance with applicable federal law and obtain hazard insurance, with respect to said property, if the above described property is not so insured as of the date on which the above described property is transferred; and

(ii) Maintain flood insurance in accordance with applicable federal law and maintain hazard insurance, with respect to said property.

Such written notification shall be contained in documents evidencing the transfer of ownership of the above described property.

**FAILURE TO NOTIFY.** If Transferor fails to provide notice as described above and subsequent to the transfer of the above described property:

(i) The transferee fails to obtain or maintain flood and hazard insurance, in accordance with applicable federal law with respect to the above described property;

(ii) The above described property is damaged by a disaster; and

(iii) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the Transferor MAY be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the above described property."

## LIEN ON REAL ESTATE

The South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration, requires that a lien be filed against the property for the duration of the three (3) year compliance term of this Forgivable Promissory Note. Per State of South Carolina law, for certain properties, a real property lien may be filed in the county in which the property is located or a lien for a manufactured housing unit may be filed with the SC DMV and noted on the title or the Form UCC-1 from the South Carolina Secretary of State must be completed and the original document must be submitted to the <County in which property is located> Register of Deeds' Office for filing. The lien will be released upon the third anniversary date of the Forgivable Promissory Note which is three years from the date of the final construction inspection. If Homeowner desires and actual lien release then Homeowner must request the Release of Lien from the South Carolina Disaster Recovery Office.

The South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration, has the right to waive any or all of the terms of the note due to extenuating circumstances that would warrant or justify decision to do so, regardless of the age of the Forgivable Promissory Note.

\_\_\_\_\_  
Signature of Homeowner

Date:

\_\_\_\_\_  
Signature of Co-Homeowner

Date:

\_\_\_\_\_  
Signature of S.C. Disaster Recovery  
Office or its Designee

Date:

## Duplication of Benefits Analysis

The South Carolina Disaster Recovery Office, a division of the South Carolina Department of Administration, in accordance with the *Stafford Act*, for Community Development Block Grant Disaster Recovery Grantees, calculates any potential Duplication of Benefits received by program applicants. The Duplication of Benefits (DOB) is calculated by determining applicant's post disaster unmet recovery need, and reducing the need by the amount of funding previously received for the same purposes. The remaining amount and any associated program caps is what the program is able to award. The DOB (if any) is calculated and documented below:

*Applicant Case ID*

*Applicant Name & Address*

South Carolina Disaster Recovery Office *Contract #*

### Assistance Type and Amount Verified/Documented:

*FEMA/NFIP:\$*

*SBA:\$*

*Private Insurance:\$*

*Other (with description as needed):\$*

### Expenditures from Previously Received Assistance:

*(insert dollar amount/findings from receipts/inspection)*

**Total DOB Gap: \$\$**

### Options and Alternatives

Original Project Cost: \$\$

DOB Calculated: \$\$

Total Reductions to Bid Amount: \$\$

Provide Other Funding: \$\$

**Remaining Gap: \$\$**

**ACKNOWLEDGEMENT**

State of South Carolina

County of \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally

appeared \_\_\_\_\_, who provided satisfactory evidence of his/her  
(Print Name of Document Signee)

identification to be the person whose name is subscribed to this instrument and acknowledged  
he/she executed the South Carolina Disaster Recovery Office, a division of the South Carolina  
Department of Administration, U.S. Department of Housing and Urban Development Community  
Development Block Grant for Disaster Recovery Forgivable Promissory Note and Notice of Lien for  
Rehabilitated Property by his/her signature here - \_\_\_\_\_.  
(Document Signee’s Signature)

Sworn to (or affirmed) and subscribed before me this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Notary

(Official Seal)

\_\_\_\_\_  
Notary’s printed or typed name  
My commission expires: \_\_\_\_\_

**FIVE YEAR RENT CONTROL COVENANT AND AGREEMENT**

**South Carolina Disaster Recovery Office – a division of the South Carolina Department of Administration**

**U.S. Department of Housing and Urban Development Community Development Block Grant –  
Disaster Recovery Rent Control Covenant for Rehabilitated Property**

**Date:** <date signed>

**Landlord:** <name of homeowner, co-homeowner>

**Landlord’s Mailing Address:** <mailing address>

**Property:** **The real property and any improvements thereon, more fully described as:**  
<legal description/metes and bounds of property>

**With a property address of:**  
<damaged property address>

**Expiration/Anniversary Date:** **Five years from the date of the final construction inspection**

**Whereas,** the State of South Carolina has established the South Carolina Disaster Recovery Program by way of a U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant – Disaster Recovery (“CDBG-DR”), administered by the South Carolina Disaster Recovery Office (SCDRO), a division of the South Carolina Department of Administration, to assist with housing repair and replacement activities for owner occupied low to moderate income housing units that were damaged by a qualifying Presidentially-declared disaster; and

**Whereas,** the housing repair and replacement activities through the South Carolina Disaster Recovery Office’s meet HUD national objectives as set forth under the state’s HUD-approved Action Plan by benefiting low to moderate income persons as well as eliminating slum and blight. The intent of the policies and procedures supporting these activities is to achieve the national objectives by providing non-discriminatory race neutral relief while causing no disparate impact to the beneficiaries of the program as the intent and impact will be to revitalize the low to moderate income housing stock in impacted and distressed areas; and

**Whereas**, the undersigned, <insert Landlord> (herein referred to as “Landlord”) qualifies under the South Carolina Disaster Recovery Program for housing assistance for the rental property commonly known as <property address> legally described as:

<legal description/metes and bounds of property> ; and

**Whereas**, the total construction repair or replacement contract amount for the property listed above is <amount of construction contract/total repair or replacement amount> and the Landlord has at this same time executed the Three Year Forgivable Promissory Note and Lien; and

**Whereas**, the Landlord utilizes the property as a rental property; and

**Whereas**, SCDRO will meet HUD’s national objectives and SCDRO’s Action Plan objectives by requiring an assisted rental property and its Landlord to control rent according to HUD guidelines for five (5) years after the final construction inspection; and

**Now Be It Known**, each term and provision of this Five Year Rent Control Covenant and Agreement is expressly subject to the terms and conditions of the South Carolina Disaster Recovery Program administered by the South Carolina Disaster Recovery Office (SCDRO), a division of the South Carolina Department of Administration (“Lender”); the Forgivable Promissory Note and Three (3) Year Lien executed herewith; and, the terms and conditions of the Construction Repair/Replacement Contract executed between Lender and the Homeowner, which provides assistance to Homeowner under the State of South Carolina Disaster Recovery Program for disaster relief, long-term recovery, and restoration of housing in areas declared federal disaster areas as a result of a qualifying Presidentially-declared disaster,

**Therefore**, in consideration of the awarding of the Forgivable Promissory Note the mutual covenants and promises of the parties and other good and valuable consideration, the Lender and Homeowner agree as follows:

1. Term. The term of this Agreement is Five Years.
2. Rent Control. The Landlord will control rent and provide for affordable rent in accordance with HUD guidelines, including but not limited to:

The affordability requirement requires the property owner to lease the units to Low to Moderate Income (“LMI”) households earning 80% or less of the Average Median Income (“AMI”) and to lease the units at affordable rents. Rents must comply with the maximum HUD HOME rent limits. The maximum HUD HOME rents are the lesser of:

- The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65% of the AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

3. Insurance. If flood insurance is required for the Property by any governmental authority having jurisdiction over the Property, any insurable structure on any part of the Property shall, at all times, be insured under a policy of flood insurance in the amount of the lesser of (i) the full insurable value of the structure as determined by the applicable property insurer, or (ii) the maximum amount available for the structure under the National Flood Insurance Program, or a successor program. Such structure also shall, at all times, be insured under a policy of property insurance covering physical damage to the structure from fire, windstorm and similar causes in an amount not less than the full insurable value of the structure as determined by the property insurer.
4. Lease Term. The rental units under the Program on the Property shall be made available for lease to qualified third parties as specified in the Program Requirements, and shall not be occupied by Landlord. No rental units shall be leased for single room occupancy. The initial term of all tenant leases applicable to any part of the Property shall be not less than six months. All leases shall be on the standard lease form published by Landlord, and the terms of all leases must comply with this Agreement and all other Program Requirements. Each unit must be rented within 90 days after the later of a certificate of occupancy (or local equivalent) is issued or the date of this agreement. Units that become vacant must be rented within 90 days after becoming vacant. Landlord agrees to give written notice to SCDRO if unit is vacant unit for more than 30 days. Said notice shall identify the unit and state the date that the unit became vacant.
5. Utilities and Appliances. All rental units on the Property shall, at all times, have access to potable water, electricity, natural gas, sewer/septic service, and garbage collection as required by applicable building codes and other requirements of governmental authorities. All units must contain an operating hot water heater, refrigerator, oven, stove or range, heating system, cooling system and bathroom vent if an operable window is not present.
6. Square Footage. All rental units shall be single family homes, and at all times, meet the minimum square footage requirements of the HUD Program.
7. Standards; Rates. The Property shall, at all times, comply with HUD Minimum Property Standards (Section 8 quality standards). Rents shall not exceed limits set in Section 2 above regarding Rent Control.
8. Certification. Landlord shall provide SCDRO with annual certifications that Landlord is in compliance with all Obligations. Landlord shall provide all requested information to SCDRO or HUD and their representatives and permit them to inspect and audit the Property and all books and records relating to the Property and any tenant in order to verify such compliance. Inspections or audits may be conducted by SCDRO or HUD at any time.
9. Fair Housing Act. Landlord shall, at all times, comply with the requirements of the Fair Housing Act which prohibits discrimination on the basis of race, color, religion, sex, national origin, familial status and/or disability.
10. Release. On the request of the Landlord of the Property, this Agreement may be released, in whole or in part, by and in the sole discretion of SCDRO, its successors, or such other authority designated by the Governor of the State of South Carolina, if, in the judgment of such party, the Agreement to be released no longer serves its intended purpose or if it is otherwise in the best interests of the public to do so.

11. Compliance with Program. Landlord shall, at all times, comply with all Program Requirements. Landlord acknowledges that Landlord has reviewed and understands the terms and provisions of this Agreement, the Promissory Note and Lien executed herewith, the Program's minimum square footage requirements for rental units, tenant household income limits, rental rate limits, and applicable Program requirements.
12. Taxes. Landlord shall pay when due all taxes and assessments, general or special, and other obligations which may be levied or assessed upon, or which may be asserted as a lien on, the Property or which, if not paid, may be asserted as a lien on the Property.
13. Change in Corporate Ownership. If Landlord is a corporate entity, Landlord shall not, without the prior written consent of SCDRO, voluntarily or involuntarily: (a) dissolve, liquidate or terminate; (b) permit any change to occur in the legal or beneficial ownership of Landlord; or (c) merge or consolidate with any other entity.
14. Enforcement of Covenants. This Agreement may be enforceable, at law or in equity, by the county or municipality where the Property is located, the State of South Carolina or the United States of America, and Landlord hereby agrees that injunctive relief shall be available to enforce this Agreement.
15. Severability. The unenforceability or invalidity of any provision(s) of this Agreement shall not render any other provision(s) hereof unenforceable or invalid.
16. Non-waiver. A failure on the part of SCDRO to exercise any remedy or option contained in this Agreement in the event of default shall not constitute a waiver of SCDRO's right to exercise said remedy or option in the event of any subsequent default.
17. Governing Law. This Agreement shall be governed by the laws of South Carolina and the applicable laws of the United States of America.



**IMPORTANT NOTICE FOR FEDERAL DISASTER RELIEF**

**DUTY TO NOTIFY.** In the event of the transfer of the Property described above by Homeowner or Homeowner’s successors and assigns ("Transferor"), the Transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

(i) Obtain flood insurance in accordance with applicable federal law and obtain hazard insurance, with respect to said property, if the above described property is not so insured as of the date on which the above described property is transferred; and

(ii) Maintain flood insurance in accordance with applicable federal law and maintain hazard insurance, with respect to said property.

Such written notification shall be contained in documents evidencing the transfer of ownership of the above described property.

**FAILURE TO NOTIFY.** If Transferor fails to provide notice as described above and subsequent to the transfer of the above described property:

(i) The transferee fails to obtain or maintain flood and hazard insurance, in accordance with applicable federal law with respect to the above described property;

(ii) The above described property is damaged by a disaster; and

(iii) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the Transferor MAY be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the above described property."

**In Witness Whereof**, the Parties, intending to be bound, hereby execute this agreement as of the date set forth above.

\_\_\_\_\_  
Signature of Landlord

Date:

\_\_\_\_\_  
Signature of S.C Disaster Recovery Office  
or its Designee

Date:

## ACKNOWLEDGEMENT

State of South Carolina

County of \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally

appeared \_\_\_\_\_, who provided satisfactory evidence of his/her

(Print Name of Document Signee)

identification to be the person whose name is subscribed to this instrument and acknowledged

he/she executed the South Carolina Disaster Recovery Office, a division of the South Carolina

Department of Administration, U.S. Department of Housing and Urban Development Community

Development Block Grant – Disaster Recovery Five Year Rent Control Covenant and Agreement by

his/her signature here - \_\_\_\_\_.

(Document Signee's Signature)

Sworn to (or affirmed) and subscribed before me this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

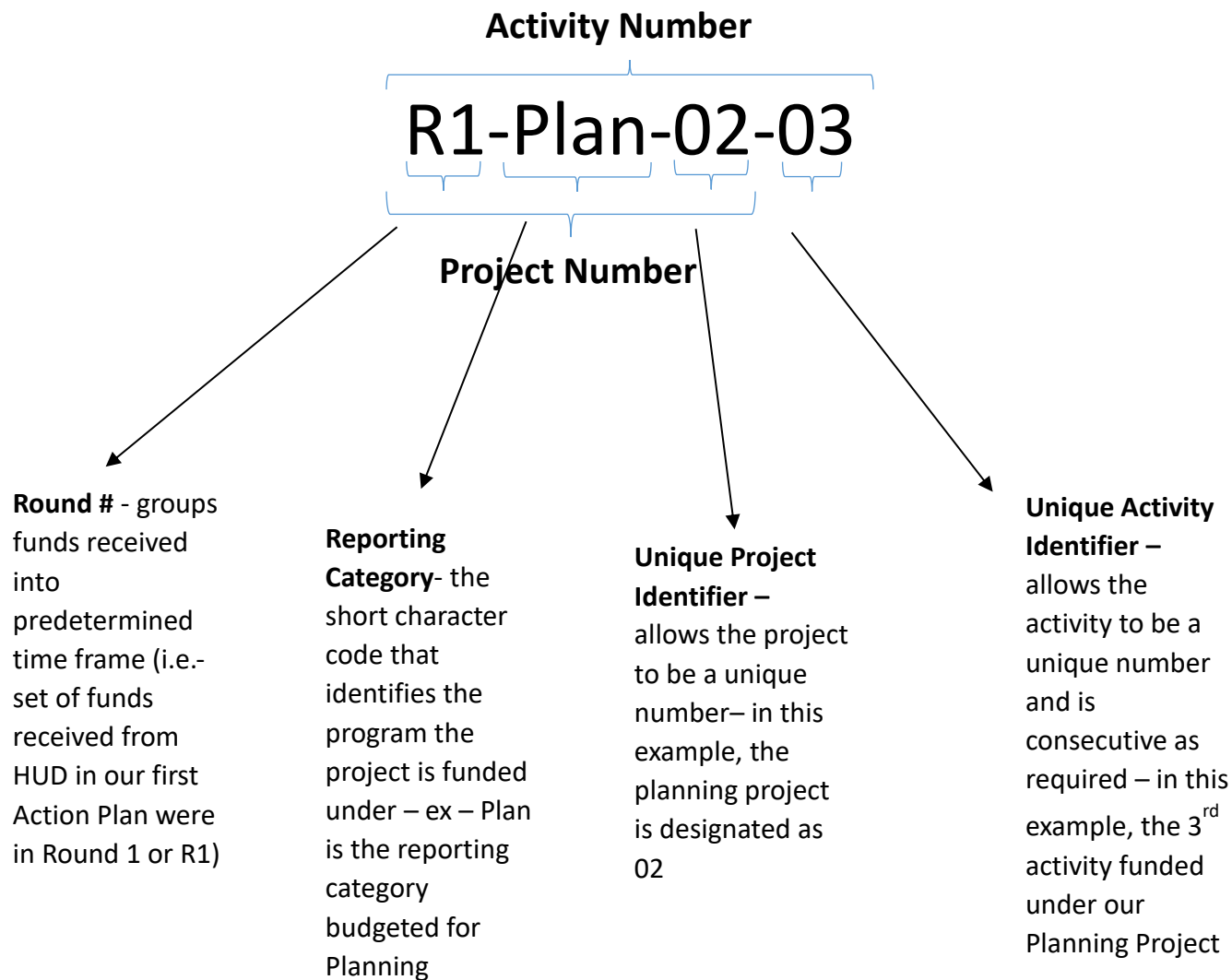
\_\_\_\_\_  
Signature of Notary

(Official Seal)

\_\_\_\_\_  
Notary's printed or typed name

My commission expires: \_\_\_\_\_

## Appendix: DRGR Numbering System



### Reporting Categories for Projects

- Program Administration- Admin
- Planning- Plan
- Single Family Housing Program - MID Housing
- Single Family Housing Program- NMID Housing
- Hazard Mitigation Grant Program- HMGP
- Affordable Rental Program- Rental

### Reporting Categories for Activities:

- Single Family Housing Program- SFR MID
- Single Family Housing Program- SFR NMID
- Hazard Mitigation Grant Program- MID HMGP
- Hazard Mitigation Grant Program- NMID HMGP
- Affordable Rental Program- MID Rental
- Affordable Rental Program- NMID Rental

Note: Certain Reporting Categories for Projects  
will also be used for Activities.

## Appendix: HQS Checklist

### HQS Checklist:

#### General:

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- Home has a functional living room, kitchen, and minimum of one bathroom and one bedroom
- Home equipped with a fully operating HVAC system less than 10 years old  
Manufactured Date \_\_\_\_\_
- Ductwork that supplies central air is free of defects and has been sealed (Photo evidence)
- Home is equipped with a fully operational water heater less than 7 years old  
Manufactured date \_\_\_\_\_ (New unit has securing strap)
- Home is free from any unventilated space heaters that burn gas, oil, or kerosene
- Home has attic insulation is in good condition meeting R-38 standard
- Home has underfloor insulation meeting R-19 standard
- Home has a full encompassing vapor barrier of at minimum 6 mil thickness
- Home is supplied with one carbon monoxide detector and one smoke detector per level

#### Exterior:

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- Exterior is free from any rotted materials
- Exterior is free from any unfinished materials
- All openings in the exterior envelope are sealed, including siding and curtain
- Foundation is free of any visible serious defects
- All stairs over 30" high have proper guard railing with at least one unobstructed grab rail
- All exterior doors are lockable with functional deadbolt

#### Living Room:

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- Living Room is equipped with one permanent light fixture
- Living room is equipped with minimum of one properly functioning lockable window
- Living Room is free of any trip hazards
- Living Room is free of any holes larger than 3", loose materials, or serious damage

#### Kitchen:

---

- Kitchen has operating stove and oven or microwave oven with operable range hood
- Kitchen has working refrigerator

\_\_\_ Kitchen is supplied with sufficient cabinet and counter space for storage, food preparation, and disposal of waste

\_\_\_ Kitchen has fully operational sink with hot and cold water, and is free of leaks

\_\_\_ Kitchen is supplied with minimum of one outlet and one permanent light fixture

\_\_\_ Any outlets within 3 foot of water source is GFCI protected

**Laundry Room:**

---

\_\_\_ Clothes Dryer is vented to the exterior using rigid duct

\_\_\_ Laundry Room is free of any trip hazards

\_\_\_ Laundry Room is free of any holes larger than 3", loose materials, or serious damage

**Bedroom(s):**

---

1. Bedroom has at minimum one permanent light fixture and two outlets
2. Bedroom is free of any trip hazards
3. Bedroom is free of any large holes, loose materials, or serious damage
4. Bedroom has minimum one lockable, operable window

Bedroom 1	Bedroom 2	Bedroom 3	Bedroom 4
1.			
2.			
3.			
4.			

**Bathroom(s):**

---

1. Bathroom is equipped with a fully functional toilet free of leaks
2. Bathroom (1) is equipped with a functional bathtub or shower free of leaks, that supplies both hot and cold water
3. Bathroom is equipped with a functional sink free of leaks, that supplies hot and cold water
4. Bathroom is equipped with a lockable operable window or operation ventilation fan
5. Bathroom is supplied with a permanent ceiling or wall mounted light
6. Any outlets within 3 feet of water source are GFCI protected

Bathroom 1	Bathroom 2	Bathroom 3
1.		
2.		
3.		
4.		
5.		
6.		