



# Union County CDBG Septic Repair Program Guidelines

## Overview

Union County as an entitlement community receives annual allocation of Community Development Block Grant (CDBG) funds through the U.S. Department of Housing and Urban Development (HUD).

The CDBG program, authorized by Title I of the Housing and Community Development Act of 1974, provides annual grants to cities, counties, and states to develop strong communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low- and moderate-income persons.

For the FY2022-2023 CDBG Program Year, Union County allocated funds to establish a pilot program to evaluate best practices and approaches to assist low- and moderate-income homeowners with the repair or replacement of their defective septic system. Union County intends to evaluate the ability to continue the program beyond the pilot project. Grant awards are available for up to \$30,000 in the form of a deferred forgivable loan.

## Eligibility Requirements

- In order to be eligible for the Union County Septic System Repair Program, the total household income must not exceed the total annual household income shown below:

### FY 2022 CDBG INCOME LIMITS SUMMARY

FY22 Income Limit Area	FY 2022 Income Limit Category	# of Persons in Family							
		1	2	3	4	5	6	7	8
Charlotte- Concord- Gastonia, NC-SC HUD Metro FMR Area	Extremely Low ( <b>up to 30%</b> ) Income Limits	\$19,800	\$22,600	\$25,450	\$28,250	\$30,550	\$32,800	\$35,050	\$37,300
	Low ( <b>between 30% and 50%</b> ) Income Limits	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650	\$58,450	\$62,200
	Moderate Income ( <b>between 50% and 80%</b> ) Income Limits	\$52,750	\$60,300	\$67,850	\$75,350	\$81,400	\$87,450	\$93,450	\$99,500

- Household income must be equal to or less than the applicable HUD income eligibility limits. Documentation of such must be provided.
- The home must be a single-family, owner-occupied unit, and the applicant's primary residence.
- The homeowner is required to own and occupy the property for at least one year prior to applying for the Septic System Repair Program.
- The current owner(s) must be a legal resident of the United States.
- Property must be located in Union County.
- Mortgage payments must be current, and property taxes cannot be delinquent.
- The homeowner(s) must agree to a 5-year Affordability Period where the home is required to continue to be occupied by the homeowner and the homeowner agrees to not transfer, sell, or rent the property where the repair/replacement work has been conducted.
- In the event the property is transferred or sold within the 5 year affordability period, the remaining balance of the loan will be due to Union County.

## Affordability Period

There is a 5-year affordability period attached to the CDBG Septic System Repair loan, which is forgiven incrementally with no forgiveness in the first year, and 25% forgiveness after each consecutive year. Once the affordability period has been satisfied, the loan shall be forgiven and a release of lien processed, provided the homeowner(s) fulfilled the following:

- The assisted home shall be occupied by the homeowner(s) as the primary residence;
- The Homeowner(s) shall not sell the property;
- There shall not be a transfer of title;
- The property shall not be rented;
- In the event of the homeowner(s) demise, other household members may continue to reside in the property as their primary residence.

## Program Phases

Below are the specific phases of the program that the homeowner will proceed through after initial intake occurs.

### Applying for the Program

- The homeowner will complete the application packet for assistance and provide additional income verification and homeownership related documents.
- Using the information provided by the homeowner, a review will be completed to determine:
  - Income Eligibility
  - Property Eligibility
  - Project Feasibility
  - Environmental Review

### Inspection & Scope Documentation

- Union County Environmental Health will complete a site inspection and prepare a scope of work for the repairs.
- Using the scope of work, a Request For Qualifications will be prepared to bid out the repair project.

### Bid Process

- The County will send out a bid request to at least three certified septic tank installers.

- The County will also follow a sealed bid process to receive bids.

### Contract Signatures

- Union County and Centralina staff will meet with the homeowner and the installer to review the contract and obtain signatures from all parties.
- CDBG document regarding the lien will be signed between the County and the homeowner.

### Permitting & Construction

- Appropriate permits will be obtained before the installer commences work.
- Permit costs will be waived for the pilot program.
- A pre-construction conference will be held between the installer, the homeowner, and the County to confirm that work can proceed.

### Project Completion & Final Inspection

- After all the work is completed, Union County Environmental Health will conduct a final inspection.
- If the homeowner at any time is not satisfied with the work being performed, homeowner should notify the installer and assigned County staff immediately.
- Completion of work is defined as the date in which the work has received a final inspection, it has been determined to be satisfactorily completed and signed off by the homeowner as to their satisfaction of the quality of work performed.
- Homeowner signs the Satisfaction and Acknowledgment form.

### Required Documents

- Government-issued photo ID
- Bank Statements for the most recent two (2) months
- Copy of Deed
- Homeowners Insurance Declaration Page, and if applicable include proof of flood insurance
- Current Mortgage Statement
- Current Property Paid Tax Receipt
- Proof of All Income Received
- Current Utility Bill

\*\*Additional documentation may be requested on a case by case basis

#### **For more information, please contact:**

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