


NCHFA ESFRLP 2021 Implementation Webinar: Administrator's Day



Essential Single-Family Rehabilitation Loan Pool
Members of the Essential Single-Family Rehabilitation Loan Pool can apply for funding to rehabilitate homes with elderly occupants or those with disabilities, as well as homes with lead hazards that have a child six years old and under living in them.

[LEARN MORE](#)



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Welcome!

- Our Team
- If you haven't done so, Send us **your team** by completing your PAD submittal.

NCHFA Groups:

Leadership
Executive

Programs
Community Living Initiatives and Rental Assets
Hardest Hit Fund
Home Ownership Programs
Rental Investment

Support
Finance
Human Resources
Information Technology
Legal
Policy



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Home Ownership Program teams:

Management: Sonia Joyner and Mike Handley

Rehabilitation
 Chuck Dopler, Team Leader
 Donna Coleman
 Dan McFarland

Documentation
 Kim Hargrove, Team Leader
 Mark Lindquist
 Deborah Hamilton
 Laura Altimare


Community Lending Assigned input:
 Liz Hair – Legal
 Annie Baumann-Mitchell– Policy



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Our Mission is..

..to create affordable housing opportunities for North Carolinians whose needs are not met by the market. We are committed to these values:

We Care: We respect all people . We listen to understand. We support employees. We have passion for our work.

We Act: We work with integrity and professionalism. We manage resources wisely. We do what we say we will do. We promote cooperation and teamwork. We forge strong partnerships.

We Lead: We invest to improve lives and communities. We seek long-term solutions. We pursue new capital to solve housing problems. We innovate to respond to needs. We strive for excellence.



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Agenda

• Administrators' Implementation Webinar Agenda

Wednesday, June 23, 2021

- 9:45 a.m. *Webinar login*
- 10:00 a.m. Welcome and Mission and Workshop Flow
- 10:07 a.m. ESFRLP Project Workflow Overview and Due Dates
- 10:15 a.m. Setting Your ESFR Project Up: Minimum Requirements (PG 2)
- 11:00 a.m. *7 Minute Stretch break Break*
- 11:07 a.m. Financial Management Throughout Your ESFR Project (PG 3)
- 11:40 a.m. ESFRLP Loan Document Required Elements
- 11:50 a.m. Individual Case Management & Loan Processing (PG 4)
- 12:15 p.m. Section 3 Reporting and Environmental Review Issues
- 12:30 p.m. *30 Minute Bio-Break: Afternoon attendance required for new ESFR partners*
- 1:00 p.m. ESFRLP income Determination 24 CFR part 5
- 1:10 p.m. Portal Training
- 1:25 p.m. Working with your Rehabilitation Specialist/Consultants
- 1:40 p.m. LBP in ESFR
- 2:00 p.m. Q & A
- 2:30 p.m. Adjournment



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Website

- Navigate to the Program Guidelines: www.nchfa.com
- Bookmark this page
 - <https://www.nchfa.com/homeownership-partners/community-partners/community-programs/single-family-rehabilitation-loan-pool/forms-and-resources>



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ESFRLP Project Workflow Overview and Due Dates



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ESFRLP PROJECT WORKFLOW STAGES

- Stage 1: Application and Award Phase
- Stage 2: Project Outreach and Scoping Phase
- Stage 3: Household Participant Project Initiation Phase
- Stage 4: Bidding Phase
- Stage 5: Construction Phase
- Stage 6: Monitoring and Close-Out Phase



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ESFRLP PROJECT WORKFLOW DATES

Activity	Example Date in 2021
Award – issued by NCHFA, phone call + letter	March 1, 2021
Create Project Folder	Day of Award Letter Receipt
Complete PAD, receive approval, sign Funding Agreement, \$190,000 allocation in place, usable	Start date: 7/1/21; after 7/1/21, FA date begins on date of PAD approval
Begin Marketing and Outreach	7/1/21 or as per FA – no expenses prior
Perform Intakes/Choose among Applicants	7/1/21 or per your FA and/or Assistance Policy
Begin Partner Portal Workflow Process	7/1/21 or Per Assistance Policy decision dates
\$190,000 allocations return to Loan Pool (3.2.2)	December 31, 2022
All units reserved in the Partner Portal (3.2.2)	December 31, 2023
All units complete, CCFC due, no further fund expenditures (3.2.2)	June 30, 2024

ESFRLP PROJECT WORKFLOW STAGES

Setting Your ESFR Project UP: Administrator roughly PG Section 2

- Stage 1: Application and Award Phase
- Stage 2: Project Outreach and Scoping Phase
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Financial Management Throughout: Finance roughly PG Section 3

- Stage 1: Application and Award Phase
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Individual Case Management: Intake & Rehab roughly PG Section 4

- Stage 1: Application and Award Phase
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ESFRLP PROJECT/PORTAL WORKFLOW STAGES

- STAGE 3: Household Participant Project Initiation Phase
 - Unit Level:
 - Initiate use of the Partner Portal and create/submit Reservations
 - **Once you submit a reservation, we can review the unit with you via the Portal!**
 - Collect/research data for Portal, submitting environmental reviews, post rehab evaluations, etc. in the Portal
 - Initiate/upload loans in the Partner Portal
 - Process requisitions for **soft costs** as needed

ESFRLP PROJECT/PORTAL WORKFLOW STAGES

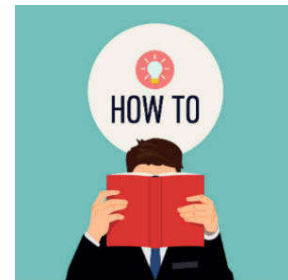
- Stage 4: Bidding Phase mostly Unit level
 - Execute loans not completed in previous phase > upload to the portal
 - Submit Settlement Data Sheet screen in the Partner Portal
 - Process requisitions for **hard and soft** costs as needed
 - **New/Required:** **add Contractor to portal prior to requisitioning hard costs**
- Stage 5: Construction Phase
 - **Project Level-New/Required:** **complete Funding Agreement Modifications (FAM) as they occur when projects exceed \$190,000**
 - Unit Level:
 - Contract Modifications (Change Orders): execute & upload to portal
 - Process requisitions for **hard and soft** costs
 - Submit Unit Completion Screens (UCS) for all projects

ESFRLP PROJECT/PORTAL WORKFLOW STAGES

- Stage 6: Monitoring and Close-Out Phase
 - **Unit Level:**
 - Process any lingering requisitions for unit hard or soft costs
 - Ensure all UCS' are complete in the Portal
 - **Project Level:**
 - Complete Section 3 Summary Report
 - **Complete the final FAM**
 - Complete the Certification of Completion and Final Cost (CCFC)

ESFRLP PARTNER PORTAL WORKFLOW

For more detailed training guides, visit our website:



<https://www.nchfa.com/homeownership-partners/community-partners/community-programs/single-family-rehabilitation-loan-pool/forms-and-resources>

ESFRLP Training

ESFRLP Portal: Reservations (Including Environmental) (updated 7/1/2020)

ESFRLP Portal: Settlement Data Sheet (SDS) (updated 7/1/2020)

ESFRLP Portal: Invoices and Requisitions (updated 7/1/2020)

ESFRLP Portal: Unit Completion (new 7/1/2020)

ESFRLP Portal: Funding Agreement Modifications (effective 8/10/2020)

ESFRLP20 Admin Workshop slides (held on 6/24/2020)

ESFRLP20 Rehab Specialists Workshop slides (held on 6/25/2020)

ESFRLP PARTNER PORTAL WORKFLOW

- 1. Enter reservation in Loan Pool Portal-
Loan Status: **Pending Setup**



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ESFRLP PARTNER UNIT LEVEL PORTAL WORKFLOW

- 2. Submit reservation to NCHFA-
Loan Status: **Submitted**

- 3. NCHFA reviews uploaded documents-
Loan Status: **Reserved**



RESERVED



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ESFRLP PARTNER UNIT LEVEL PORTAL WORKFLOW

4. NCHFA approves fund allocation-

Loan Status: **Approved**

- May submit soft cost requests

5. Submit Settlement Data Sheet

- After contractor is procured and **before any hard costs paid**

6. Conduct closing-

Loan Status **Closed**

- Send executed documents to NCHFA **Do Not Forget!**

ESFRLP PARTNER UNIT LEVEL PORTAL WORKFLOW

7. Submit invoices and requisitions

8. Submit final requisition

- Check **Final** box
- Notify NCHFA if change order requires a loan amount increase (**Loan Modification**)

9. Unit Completion Screen (UCS, formerly called Unit Completion Report)

- NCHFA sends homeowner **Estoppel** if needed

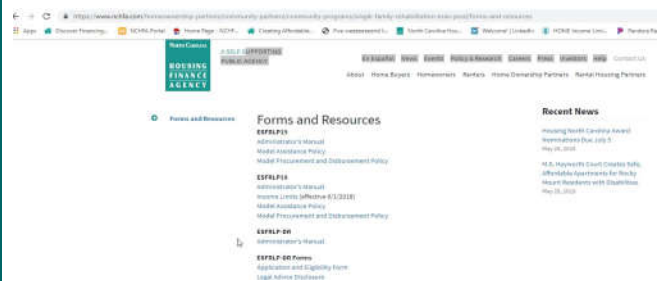
NEW 10. Unit is completed and **will be visible in the portal for five years**

Setting your ESFR Project Up: Minimum Requirements

SECTION 1.3: HOW TO USE THE MANUAL

Read
the
Manual

PS: Use the Index



Printing Instructions for the ESFRLP Administrator's Manual

This manual is formatted to be printed on both sides of 8 1/2" x 11" paper so that tabs may be used in front of or on the first page of any major section. If you print this as a single sided document, be advised that there will be several pages printed that will not contain content.

Errors, omissions or inconsistencies in the document

If you locate what you believe to be an error, omission or inconsistency in the Administrator's Manual, please send the section number and a description of the issue you believe you observe to: djcoleman@nchfa.com.

ESFRLP PROJECT WORKFLOW STAGES

Setting Your ESFR Project UP: Administrator roughly PG Section 2

- Stage 1: Application and Award Phase
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WORKFLOW

Stage 1: Application and Award Phase – Project Level

- Completing your Application, PAD submittal/approval and Funding Agreement (FA) Execution
- Setting Up your Project File
- Reviewing your accounting practices and setting up the proper controls for invoicing, funding requisitions, receipt and disbursement of funds
- Ensuring that any consultants have contracts



WORKFLOW

Stage 2: Project Outreach and Scoping Phase





*Repeat
if needed!*

- **Project Level:**
 - Attending the required workshop to understand the rules
 - Review your Policies, FA, ESFR Application, Program Guidelines (PG) to ensure your project design meets all the relevant requirements
 - Complete your Initial Marketing & Outreach
 - Complete your Pre-Application Phase
- **Unit Level:**
 - Do Income Calculations and Certifications
 - Collecting relevant data from participants
 - Score and choose participating households
 - Send out letters of award and notices of disposition



WORKFLOW

Stage 3: Household Participant Project Initiation Phase – **Unit Level**

- Creating Case Files with Case File Logs
-  • Initiate use of the Partner Portal and create/submit Reservations
-  • Collect/research data for Portal, submitting environmental reviews, post rehab evaluations, etc. in the Portal
- Work with your Rehabilitation Specialist to get Inspections, Workscopes, Cost estimates complete
- **All workscopes need a year-built date** **NEW 2021**
-  • Initiate/upload loans in the Partner Portal
-  • Process requisitions for soft costs as needed



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WORKFLOW

Stage 4: Bidding Phase **Unit Level**

- Advertise and Receive Bids – **may group Units**
- Review and Award contracts
-  • Execute any loans not completed in previous phase and upload to the portal
- Execute construction contracts
-  • Submit Settlement Data Sheet in the Partner Portal
-  • Process requisitions for hard and soft costs as needed



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WORKFLOW

Stage 5: Construction Phase-Unit Level

- Attend Pre-Construction Conferences, **document them**
- Continuously review/interact w/ Case Files to ensure logs are updated, inspections and phone calls are noted, add relevant notes-to-the file, required documents are added etc.
- Change Orders/Contract Modifications: execute & add to portal
- **Input Contractor Information in the Portal before hard cost req.**
- Process requisitions for hard costs and soft
- Provide Homeowners notice of Warranty date in some way
- Attend Post-Construction Conferences, **document them**
- Complete all unit construction contract close-out documents
- Submit Unit Completion Screens for all projects

NEW in development



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WORKFLOW

Stage 6: Monitoring and Close-Out Phase

- **Project Level:**
 - Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
 - Complete Section 3 Summary Report, upload to portal
 - **Complete Funding Agreement Modification (FAM)**
 - Return any unused funds requested by NCHFA (very rare)
 - Complete the Certification of Completion and Final Cost (CCFC)
- **Unit Level:**
 - Process any lingering Loan mods/requisitions for unit hard or soft costs
 - Prepare & execute all Close-Out paperwork for Case Files
 - Ensure all UCS' are complete in the Portal
 - Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.

The Project End

NEW 2020



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CH CH CH CHANGES 1

- ❑ 27 years of SFR (SFR, SFRLP, & now ESFRLP)
- ❑ Over \$172 million committed and approximately 4,602 homes rehabilitated to date

CHANGES in the program guidelines from ESFRLP19 to ESFRLP21:

- 1) Updated several website references (especially in the Rehabilitation Standards) including the income calculator: <https://www.hudexchange.info/incomecalculator/>
- 2) Section 2.2: added language reinforcing the requirement to call your case manager for prior approval when increasing project budget due to unexpected issues.
- 3) Section 2.4.1: clarified date of unit fund commitment
- 4) Section 3.2.2: added requirement to complete FA modification process
- 5) Section 3.12.7: added requirement for one overall unit photo

CH CH CH CHANGES 2

CHANGES in the program guidelines from ESFRLP19 to ESFRLP21:

- 6) Section 3.9.5: added upload of monitoring documents to the Partner Portal
- 7) Section 4.1.2.17: tied Notice of Disposition description to the date of ESFRLP Pre-Application
- 8) Section 4.1.4.5: added additional language concerning mixed use of home
- 9) Section 4.2.2: adds a year built date requirement to the work write-up and clarifies "required" and "preferred" requirements for the work write-up
- 10) Sections 4.2.2, 4.2.2.4 and 4.3.1.17: added radon mitigation to list of work scope breakout requirements and reinforced that radon test is a required submittal
- 11) Section 4.4.4: updated Subordination Request process
- 12) Appendix Section C2: ESFRLP Waiver moved to required documents. This section is now used to provide the function of the Waiver and guidance on completing the Waiver.

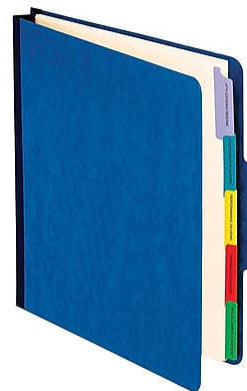
ESFRLP PROJECT WORKFLOW STAGES

Stage 1: Application and Award Phase

- Completing your Application, PAD submittal/approval and Funding Agreement (FA) Execution
- **Setting Up your Project File**
- **Reviewing your accounting practices and setting up the proper controls for invoicing, funding requisitions, receipt and disbursement of funds**
- Ensuring that any consultants have contracts

The Project File

- The guidelines address directly making case files but less directly address making Project Files.



The Project File is likely to contain:

1. Copy of your Application for Funding
2. Funding Agreement
3. Copy of your completed PAD including LAP and approved portal user information
4. Adopted Assistance & P&D Policies and record of adoption.
5. Applicant Ranking Process and Notes
6. Applications denied and approved, disposition letters
7. Advertisements, other program outreach
8. Written Contracts with Consultants
9. Contractor Registry information (or point to it)
10. Project Amendments-REQUIRED FORM, if needed
11. Section 3 Information and reporting-REQUIRED FORM, if needed

Section 2.2: Eligible Use of funds

2.2.4.2 Eligible Soft Cost purpose

- *DIRECTLY ASSOCIATED Soft costs*

Maximum of \$10,000 in soft costs

- Outreach & Advertising
- Environmental Review Preparation
- Asbestos Testing/Clearance
- Radon Testing
- LBP Inspection/Risk Assessment
- LBP Clearance
- Loan Document Execution, recording, legal fees
- Pre-rehab Inspection including Scope of work
- Work Write-Up
- Cost Estimate
- Project and Construction Management
- Flood Insurance (units in Flood Hazard Zones)
- Post-rehab Value Certification

Section 2.2: Eligible Use of funds

• 2.2.4.1 Eligible Hard Costs **purpose**

- 2.2.4.1.iv Eliminate threats to health or safety of occupants and structural integrity of the home

ESFRLP pays for these hard costs (2.2.4)

- Use **most stringent** of EPS or MHC
- Meet HUD/EPS/RRP LBP req.s
- Remediation for Asbestos, Radon, etc.
- “Aging in Place”
- Reasonable resilience measures
- Priority Project repairs
- Reasonable temporary relocation costs



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ESFRLP PROJECT WORKFLOW STAGES

Stage 2: Project Outreach and Scoping Phase

- Attending the required workshop to understand the rules
- Review your Policies, FA, ESFR Application, Program Guidelines (PG) to ensure your project design meets all the relevant requirements
- **Complete your Initial Marketing & Outreach**
- Complete your Pre-Application Phase
- **Do Income Calculations and Certifications**
- **Collecting relevant data from participants**
- **Score and choose participating households**
- **Send out letters of award and notices of disposition**



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Marketing and Outreach... May We Suggest?

Start Now

- **Don't wait for 2 years to get revved up**
- **A lack of planning on your part shouldn't constitute an emergency on the part of NCHFA staff.**



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Section 2.1: Eligible Activities

• Rehabilitation of Single-Family Homes

• Ineligible Activities

- New Construction
- Replacement Housing
- Rental Units (2.5.2)
- Anything not residential

Eligible housing characteristics

- Owner-occupied
- Site-Built or Modular
- 2.1.2: Manufactured housing that is:
 - Real Property
 - "Permanently Affixed" 4.1.4.4
 - Allowed by your Assistance Policy



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Section 4.1.1 and 4.1.2: Screening, Scoring and Choosing Participants

Fair, Systematic, Uniform, Transparent = policies

- Entitlement cities that cannot receive funding for ESFR: Charlotte, Durham, Greensboro, Raleigh, Winston-Salem.
- You shall not discriminate against: race, color, national origin, religion, sex, familial status and disability.
- Why isn't Age on the list? The current thinking is that this program is primarily designed to reach those 62+. This may change if policies or thinking changes.

Section 2.4.1-2.4.4: Eligible Households

- Members must update income limits to match the new ones annually [2.4.2]
 - <https://www.nchfa.com/homeownership-partners/community-partners/community-programs/single-family-rehabilitation-loan-pool/forms-and-resources>
- Members must calculate income using the part 5 definition in the HUD income calculator [2.4.3]
 - Use “anticipated income” ie. projecting future income based on current circumstances.
- Members must execute the document w/ homeowner, eg. fully sign and date the document. [2.4.4]

Section 2.4.1: Eligible Households

https://www.nchfa.com/sites/default/files/page_attachments/ESFRLP18-HOMEIncomeLimits.pdf

cover Financing... NCHFA Portal Home Page - NCHF... Creating Affordable... Five weeeeeeeeird t... North Carolina Hou... Welcome! | LinkedIn

2018 HOME Income Limits by County & by Household Size

Based on Area Median Income & Effective June 1, 2018

County	AMI %	Income Limit by Household Size (Number of Household Members)							
		One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
Alamance	30%	11600	13250	14900	16550	17900	19200	20550	21850
	50%	19300	22050	24800	27550	29800	32000	34200	36400
	60%	23160	26460	29760	33060	35760	38400	41040	43680
	80%	30900	35300	39700	44100	47650	51200	54700	58250
Alexander	30%	11550	13200	14850	16500	17850	19150	20500	21800
	50%	19250	22000	24750	27500	29700	31900	34100	36300
	60%	23100	26400	29700	33000	35640	38280	40920	43560
	80%	30800	35200	39600	44000	47550	51050	54600	58100
Alleghany	30%	11000	12600	14150	15700	17000	18250	19500	20750
	50%	18350	20950	23550	26150	28250	30350	32450	34550
	60%	22020	25140	28260	31380	33900	36420	38940	41460

Section 2.4.1-2.4.4: Eligible Households

Income HUD Income Calculator link:

<https://www.hudexchange.info/incomecalculator/>

- Upload to the Partner Portal
 - Executed HOME Owner Agreement
 - Executed Income Calculator
 - At least 2 consecutive months of income source documentation

HUD EXCHANGE My HUD Exchange Programs Resources Trainings Program Support Grantees

Home - CPD Income Eligibility Calculator and Income Limits

CPD Income Eligibility Calculator and Income Limits

Welcome to CPD's Income Eligibility Calculator, an interactive tool that makes determining the income eligibility and assistance amounts for beneficiaries of CPD programs as easy as 1-2-3. Simply enter the requested data and this calculator will work behind the scenes to generate a summary of results for each beneficiary. You should then print out the summary and include it as part of the beneficiary's file. The calculator currently performs income eligibility and assistance amount calculations for the following HUD-CPD programs:

Related Materials

- Income Eligibility Calculator User Manual (PDF)
- CPD Income Limits
- ESD Income Limits



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Section 2.4.1: Eligible Households

- **Income Limits**
 - Max is 80% of the Area Median Income (AMI)
 - AMI is as determined by HUD HOME limits, published annually
 - Limits are adjusted for family size
 - Chart shows up to 8 but larger families can be calculated
 - Source Documentation must be dated within 6 months of the **HOME Owner Agreement**

Section 2.4.6: Eligible Households

Eligible households with Special Needs must be described in Assistance Policy

- Elderly
- Disabled
- Veteran
- Child under age 6 threatened by Lead hazards or potential hazards

Funds are officially committed or “RESERVED” on the date of the HOME Owner Agreement or when it is uploaded to the partner portal

Section 2.4.6: Eligible Households

Disabled sidebar

- Physical or mental impairment that substantially limits one or more major life activities
- Drug addiction solely is not considered disabled under ESFR**
- Documentation includes:
 - Social Security Disability
 - Railroad Retirement Disability
 - Supplemental Security Income
 - VA Disability benefits
 - Letter from a licensed physician

Fair, Systematic, Uniform, Transparent = policies



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Section 2.4.4: Eligible Households

Potentially Problem Documents.

Social Security Income annual Letter

Pay Stubs/Wage Statements

Bank Statements – lots of **non-income** information, privacy

Interest Statements

W-2 form – employed at least 2 years, still need a current pay stub

Income taxes – lots of other information, privacy

Unemployment Compensation Documentation

Pension Account Statement



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Section 4.1 Selecting Applicants with emphasis on Fair Housing Practices



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Section 4.1.2: Selecting Applicants

Fair, Systematic, Uniform, Transparent = policies

- Do not discriminate against: race, color, national origin, religion, sex, familial status or disability.
- Prioritize households according to income level, housing need, other non-discriminatory practice (age and disability are not discriminatory in connection with these funds as elderly and disabled citizens are part of the target audience) per 24 CFR 92.351.



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Can you prioritize households based on need?

Can you draw eligible applicants from existing waiting lists or make new waiting lists?

Are you required to publicly advertise ESFRLP?

YES...but you **MUST** have a system of internal controls to ensure fair housing practices.

https://www.customsmobile.com/regulations/expand/title24_part92_subpartH_section92.351#title24_part92_subpartH_section92.351



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Section 2.4.5: Eligible Households

- Member must have a policy about and respond to applicants who have been denied assistance
- It's important to keep these decisions in the PROJECT FILE

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ESFRLP PROJECT WORKFLOW STAGES

Stage 3: Household Participant Project Initiation Phase

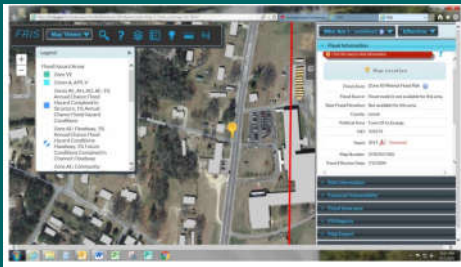
- Creating Case Files with Case File Logs
- Initiate use of the Partner Portal and create/submit Reservations
- **Collect/research data for Portal, submitting environmental reviews, post rehab evaluations, etc. in the Portal**
- **Work with your Rehabilitation Specialist to get Inspections, Work scopes, Cost estimates complete**
- Initiate/upload loans in the Partner Portal
- Process requisitions for soft costs as needed

Section 2.5.1 and 2.5.2: Eligible Units

- **Post-Rehab Value – pick a method and keep**
 - Max is 95% of the area median purchase price (issued by HUD)
- **Acceptable forms of Ownership**
 - Fee Simple
 - Inherited Property with multiple owners
 - Life estate
 - Inter vivos trust (living trust)
 - Beneficiary deed

Section 2.7: environmental standards

- Member must submit an Environmental Screening via the Partner Portal



Flood Map

Environmental Screening

Historic Property: [36 CFR 800]
<http://gis.ncdcr.gov/hpweb/> (print and attach color map)

Year built? 1980
 Is the unit > 45 years old? No
 Is the unit within or adjacent to any listed or eligible historic district? No

Floodplain Management: [24 CFR 55, Executive Order 11988]
<http://fris.nc.gov/fris/index.aspx?ST=NC> (print and attach color map)

FIRM Panel Number? 3557
 FIRM Panel Effective Date? 07/02/2004
 Is the unit located outside of a 100-year floodplain? Yes
 Is the cost of rehab <50% of the market value of the home before rehabilitation? Yes

Wetlands Protection [24 CFR 55, Executive Order 11990]
<http://nepassistool.epa.gov/nepassist/nepamap.aspx> (print and attach color map)

Will there be ground disturbance with the proposed single-family owner occupied housing rehabilitation? No

Coastal Zone Management [Coastal Zone Management Act of 1972 sections 307(c) & (d)]

NA - There is no effect for single-family owner occupied housing rehabilitation. N/A

Sole Source Aquifers [40 CFR 149]



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Section 2.2.3 & 2.5.3: Eligible Use of funds

- 2.2.3 Rehab Criteria
 - Each dwelling Unit must meet all requirements of the **Essential Rehabilitation Criteria**
 - See Appendix A
- 2.5.3 Meet the Essential Rehab Criteria within \$30,000 (some exceptions)

APPENDIX

A. ESSENTIAL REHABILITATION CRITERIA

Section:

- A. Introduction
- B. General Requirements
- C. Essential Property Standards
 - C1. Priority List of Additional Repairs
 - C2. Request for Waiver of ESFRP Property Standard Requirement
- D. Essential Rehabilitation Standards
- E. Environmental Protection
- F. Lead-Based Paint Requirements



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Section 2.6: Essential Rehabilitation Criteria

- Use the **Essential Property Standard** (Property Standard)
- Members may also use the local Minimum Housing Code, as long as it is not less stringent.

APPENDIX

A. ESSENTIAL REHABILITATION CRITERIA

Section:

- A. Introduction
- B. ~~General Requirements~~
- C. **Essential Property Standards**
 - C1. Priority List of Additional Repairs
 - C2. Request for Waiver of ESFRLP Property Standard Requirement
- D. Essential Rehabilitation Standards
- E. Environmental Protection
- F. Lead-Based Paint Requirements

ESFRLP PROJECT WORKFLOW STAGES

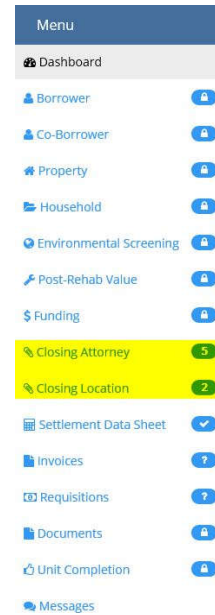
Stage 4: Bidding Phase

- Advertise and Receive Bids
- Review and Award contracts
- **Execute any loans not completed in previous phase and upload to the portal**
- Execute construction contracts
- Submit Settlement Data Sheet in the Partner Portal
- Process requisitions for hard and soft costs as needed

Section 2.3: Forms of Assistance

- **Loan**
 - Hard costs only
 - Interest-free
 - Secured by Deed of Trust
 - Forgiven: \$5000/year

- **Grant**
 - Soft costs only
 - No repayment



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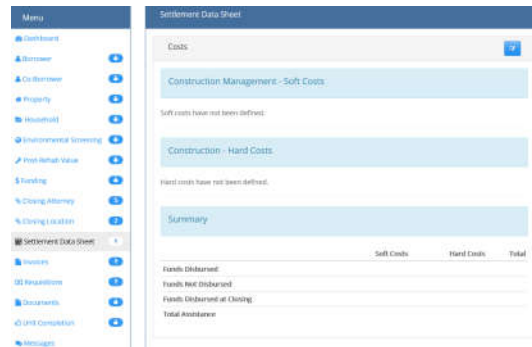


Section 2.3.2: Forms of Assistance – Required Documents

Loan and Grant Documents

- Both prepared by NCHFA

- Submit “Settlement Data Sheet”
 - No loan or grant without this
 - Use the Partner Portal to submit



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ESFRLP PROJECT WORKFLOW STAGES

Stage 5: Construction Phase

- **Attend Pre-Construction Conferences, document them**
- Continuously review/interact w/ Case Files to ensure logs are updated, inspections and phone calls are noted, add relevant notes-to-the file, required documents are added etc.
- Change Orders/Contract Modifications: execute & add to portal
- Process requisitions for hard costs and soft
- Provide Homeowners notice of Warranty date in some way
- Attend Post-Construction Conferences, document them
- Complete all unit construction contract close-out documents
- Submit Unit Completion Reports for all projects

Section 2.8: Household Temporary Relocation

- No permanent household displacement
- Members may allow for temporary relocation when necessary to protect household members [2.8.1]
 - Policy must be Uniformly Applied
 - Can be voluntary or as a condition of program participation @ homeowner's expense
- **If the Assistance Policy doesn't:**
 - include an approved plan for executing
 - and there is no documented need,
 - **Then you cannot relocate anyone using Program Funds** (hard costs) [2.8.2]

2.8.3 Examples of Temporary Relocation Expenses:

- Moving to and from the home
- Rental of temporary housing
- Storage space for household items

ESFRLP PROJECT WORKFLOW STAGES

Stage 6: Monitoring and Close-Out Phase

- Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
- Process any lingering requisitions for unit soft costs
- **Prepare & execute all Close-Out paperwork for Case Files**
- Ensure all UCR's are complete in the Portal
- Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.
- **Complete Section 3 Summary Report and/or Loan Modification**
- Return any unused funds requested by NCHFA (very rare)
- Complete the Certification of Completion and Final Cost (CCFC)

The Project Ends

Sections 3.12.6, 3.12.17, 3.2.2, 3.12.3: Project Close-out

3.12.6

Submit a human interest story.

3.12.7

Members are required to submit 5 before and after photos... **At least one before and after photo should provide an overall picture of the unit's front entry side.**

3.2.2

Added requirement to complete the FA modification process to final funding amount

3.12.3

Members are required to submit the CCFC

CCFC due June 31, 2023

SECTION 3: SUMMARY REPORT >>>>TO NCHFA

Section 4.2.7
Section 3 reporting required- this is a document which covers the entire Project

Section 3 Summary Report ESFRFP
Subrecipient use this form to provide the information necessary to complete the HUD-0-8000 report.

Subrecipient Name: ESFRFP
 Project Number: _____
 County: NC
 Length of Project: _____
 Total Budget Submitted to NCHFA: _____
 Subrecipient Address (City, State, Zip): _____
 Phone: _____
 Email: _____
 Reporting Period: _____
 Program Code Number: _____
 Total Amount of Award: _____
 Calculated Interest over 250000: _____

Part I. Employment and Training (Columns B, C, and F are required; D, E, and H are optional)

A. Job Category	B. Number of New Hires		C. % of Section 3 Hires that are New Hires		E. Total Total Staff/Hires for Program	F. Number of Section 3 Employees
	Number	Percentage	Number	Percentage		
Professional						
Technician						
Office Support						
Other						
Work Experience (at least 100 hours)						
Apprenticeship/Internship						
Service, Volunteer						
Other						
Total						

Part II. Construction Activities

1. Construction Contracts

A. Total dollar amount of all construction contracts awarded on the project: _____
 B. Total dollar amount of construction contracts awarded to Section 3 businesses: _____
 C. Percentage of the total dollar amount that was awarded to Section 3 businesses: _____
 D. Total number of Section 3 businesses receiving construction contracts: _____

2. New Construction Contracts: Professional Services

A. Total dollar amount of all new construction contracts awarded on the project: _____
 B. Total dollar amount of new construction contracts awarded to Section 3 businesses: _____
 C. Percentage of the total dollar amount that was awarded to Section 3 businesses: _____
 D. Total number of Section 3 businesses receiving new construction contracts: _____

3. Other Reporting and Other Information

A. Have you completed the HUD-0-8000 report? _____
 B. If you completed HUD-0-8000 as a state recipient use the attached with your effort, or with the results of those efforts, then include an explanation of everything you did to encourage them to do the same. (Check the Section 3 checkbox on the previous page to be attached upon review that you are not complying with the spirit of Section 3.)

4. Other Reporting and Other Information

A. Have you completed the HUD-0-8000 report? _____
 B. If you completed HUD-0-8000 as a state recipient use the attached with your effort, or with the results of those efforts, then include an explanation of everything you did to encourage them to do the same. (Check the Section 3 checkbox on the previous page to be attached upon review that you are not complying with the spirit of Section 3.)



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Break 7 Minutes



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Financial Management Throughout Your ESFR Project



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ESFRLP PROJECT WORKFLOW STAGES

Stage 1: Application and Award Phase

- Completing your Application, PAD submittal/approval and Funding Agreement (FA) Execution
- Setting Up your Project File
- Reviewing your accounting practices and setting up the proper controls for invoicing, funding requisitions, receipt and disbursement of funds
- Ensuring that any consultants have contracts



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Section 3.7.5, 3.7.7 & 3.7.8: **Transparency & Equal Opportunity**

No discrimination:

- Race
- Color
- National origin
- Religion
- Sex
- Familial status
- Disability

All activities conducted fairly, openly (transparently) and competitively so as to eliminate any conflict of interest and even the appearance thereof

Conduct Contracting Activities in Compliance with:

- Minority Business Enterprises (MBE)
- Women's Business Enterprises (WBE)

The foundation of your policies should focus on uniformity, openness, inclusiveness and fairness. Your practices should be transparent.

Fair, Systematic, Uniform, Transparent = policies



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Sections 3.7.1, 3.7.2: Procurement

No approved PAD without an acceptable Procurement Policy.



No Funding Agreement without an approved PAD.



No incurring project costs without a Funding Agreement.




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Section 2.2: Eligible Use of funds

- 2.2.1 Source of Funds
 - HUD
 - HOME Investment Partnerships Program
 - Hazardous situation variances: **ASK before you spend!** 
- Maximum Funds
 - \$30,000 (2.2.1 hard costs) + \$10,000 (2.2.4.2 soft costs) = \$40,000
 - 2.2.2 Minimum Funds: \$5,000
- 2.2.4.1 Cannot use if \geq \$30,000 of federal funds used for rehab within 10 yrs. **without written consent.**

Section 3.5: Accounting System Requirements

We require:

- **Accounting System** - for separating ESFR funds from other funds [Section 3.3.1]
- **Documentation** – records supported by source documentation
- **Internal Controls**, including more than one signatory for contract amendments, change orders, etc.
- **Accountability** – audits, adequate response to findings/recommendations

Section 3.8: Financial Audit Requirements

- **Audits are required to be submitted annually to NCHFA**
- **Audits are carefully reviewed by the Agency**
- **Share Program Guideline Section 3 with your Fiscal Officer!**

Section 3.7.6: 2CFR 200 Compliance

Use the Agency's Model Procurement Policy



**Modify as needed to meet your
organization**

Comply with 2CFR 200

Section 3.3.3 & 3.7.3: Contractor/Consultant Written Agreements

ALERT concerning soft and hard costs!

- All services utilizing either soft or hard costs require contracts for HOME funds to be used. This means there are Federal requirements attached!
- Must be in place before soft and/or hard cost disbursed, Agency has the right to review
- Work must be unit specific – Invoices including single or multiple units should be clearly marked with costs per unit.
- NCHFA has created model policies, contracts, forms & procedures to assure compliance if you do not already have your own!



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Section 3.7.7 & 3.7.8: Equal Opportunity

No discrimination:

- Race
- Color
- National origin
- Religion
- Sex
- Familial status
- Disability

It bears repeating that all activities in administering these funds must be conducted with no discrimination in regard to distribution of funds for repairs or procurement from professionals or in any other aspect.

Conduct Contracting Activities in Compliance with:

- Minority Business Enterprises (MBE)
- Women's Business Enterprises (WBE)

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ESFRLP PROJECT WORKFLOW STAGES

Stage 2: Project Outreach and Scoping Phase

- Attending the required workshop to understand the rules
- Review your Policies, FA, ESFR Application, Program Guidelines (PG) to ensure your project design meets all the relevant requirements
- Complete your Initial Marketing & Outreach
- Complete your Pre-Application Phase
- Do Income Calculations and Certifications
- Collecting relevant data from participants
- Score and choose participating households
- Send out letters of award and notices of disposition

Sections 3.1.1-3.1.3: Funding Agreement

Where do you Find the Rules for ESFR?

- Application for Funding [+program amendments]
- Program Guidelines and Appendices
- Assistance and Procurement Policies
- Post Approval Documentation
- Funding Agreement [+modifications]

Sections 3.7 & 4.2.5 Disbursement

- Procurement and Disbursement Requires Written Policies

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Sections 3.2.2 & 3.2.3: Reservations and Disbursements

When can I go swimming in The LOAN POOL?

- \$190,000/5 units – your own wading pool
- After December 30, 2022 –everyone in the deep end
- December 31, 2023- everyone out of the pool
- June 30, 2024- pack it up and go home
- **Reminder:** Must have a funding agreement to enter the pool.



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Sections 3.9.1-2: Project Monitoring by the Member

- **Member is ultimately responsible for training and supervising Project Staff who are operating the project**
 - *including implementing internal controls for checks and balances that all activities meet “the rules”*
 - *Ultimate responsibility falls with the organization that signs the Funding Agreement with NCHFA*
- **Member’s Staffing plan was part of Application**
- **Agency must be notified of any changes (3.1.7)**



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Sections 3.1.7: Project Amendment

North Carolina Housing Finance Agency
Essential Single-Family Rehabilitation Loan Fund
Request for Project Amendment

Member Organization: _____ Date: _____
Amount of ESFRLP Award, per Funding Agreement: _____

1. Dwelling units served (Please check either A or B)
 A. No change in number of dwelling units to be served is requested.
 B. The Member requests that the number of dwelling units to be served be amended in accordance with the following matrix:

Number of Dwelling units	Approved		Proposed	
	Dwelling Units	Amount	Dwelling Units	Amount
Reason for requested change:				

(Attach additional page if needed)

2. Other Funds: (Please check either A or B)
 A. No change in other funds to be leveraged is requested.
 B. The Member requests that the other funds target be amended in accordance with the following:

Source:	Total number of approved dwelling units:			
	Approved	Actual to date	Proposed	Pct. Change
Source 1:				
Source 2:				
Total amount of other funds:				
Other funds per dwelling unit:				

Reason for requested change:

(Attach additional page if needed)

Proposed changes must be submitted via the ESFRLP form "Request for Project Amendment"

Common Changes

- Changes in staffing must be accompanied by resumes of any staff members or consultants.**
- Soft Cost allocation request important if this will be consistently applied throughout the project.**

Other less common changes:

- unit goals (rarely used in ESFR)
- additional funding source change (example: loss of match money for your program)



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Sections 3.9.3-5: Project Monitoring by the Member

- **Member must demonstrate proper control systems throughout the project** (financial and/or project)!
- **Failure may result in loss of funding**
- **Monitor contractors- scope of work compliance, licenses, insurance. Inspections!**
- **Agency technical assistance is always available- JUST ASK!**



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ESFRLP PROJECT WORKFLOW STAGES

Stage 3: Household Participant Project Initiation Phase

- Creating Case Files with Case File Logs
- Initiate use of the Partner Portal and create/submit Reservations
- Collect/research data for Portal, submitting environmental reviews, post rehab evaluations, etc. in the Portal
- Work with your Rehabilitation Specialist to get Inspections, Workscopes, Cost estimates complete
- Initiate/upload loans in the Partner Portal
- **Process requisitions for soft costs as needed**

Sections 3.2.5: Disbursement of Funds

This is a REIMBURSEMENT only program.

Funds cannot be requisitioned prior to expenditures incurred.

- **The Portal –location to submit all requisitions for funds, supported by invoices.**
- **Settlement Data Sheet-must be submitted prior to requisitioning hard costs**
- **Estoppel/Loan Modification at final**

Sections 2.2.4.2 & 3.11.6: Eligible Use of funds & Non-compliance w/ESFR

2.2.4.2 Eligible Soft Costs

- 2.2.4.2 *DIRECTLY ASSOCIATED* Soft costs
- 2.2.4.3 Cannot use for Administrative expenses
- 2.2.4.5 Limited resources for no-fault units

3.11.6 Only COMPLETE units will be reimbursed; improperly expended funds or incomplete units not meeting HUD/NCHFA requirements, for any reason, will likely require reimbursement and potentially interest.

Maximum of \$10,000 in soft costs

- Outreach & Advertising
- Environmental Review Preparation
- Asbestos Testing/Clearance
- Radon Testing
- LBP Inspection/Risk Assessment
- LBP Clearance
- Loan Document Execution, recording, legal fees
- Pre-rehab Inspection including Scope of work
- Work Write-Up
- Cost Estimate
- Project and Construction Management
- Flood Insurance (units in Flood Hazard Zones)
- Post-rehab Value Certification



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ESFRLP PROJECT WORKFLOW STAGES

Stage 4: Bidding Phase

- Advertise and Receive Bids
- Review and Award contracts
- Execute any loans not completed in previous phase and upload to the portal
- Execute construction contracts
- Submit Settlement Data Sheet in the Partner Portal
- Process requisitions for hard and soft costs as needed



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May We Suggest?

Outreach to Contractors Continuously?

- **Don't wait till its time to advertise Bids**
- **This is the idea behind the "Contractor Registry"**



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Sections 4.2.6: Procurement Inclusion Requirements for Outreach

- Requires MWBE inclusion and documentation.
- 51% Ownership, with decision-making control and actively involved in day to day management

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Sections 4.2.3: Procurement Standards

- 4.2.3.1 Competitive bidding requirements: open transparent, fair, competitive, prevent corruption ie. no Conflict of Interest (COI) -in Member Assistance Policy
- 4.2.3.2 Requires line-item breakdown
- 4.2.3.3 Requires Written Procurement Standards
- 4.2.3.4 If work done by member, list specifics of how financial records are kept to meet all accounting requirements.



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BID TAB LOG (MODELS)

BID TABULATION SHEET						
NORTH CAROLINA HOUSING FINANCE AGENCY Funding Source: HUD HOME Investment Partnership Program; Essential Single Family Rehabilitation Loan Pool (ESFRLP)						
Organization Name:						Date of Expected Award:
Organization Address:						Low Bid Minimum Range:
Date Bids Advertised:						High Bid Maximum Range:
Date Bids Received:						
Period (if applicable):						
Project #	Project 1 Bid	Project 2 Bid	Project 3 Bid	Project 4 Bid	Project 5 Bid	Assurance? (Y/N) / OPer-Now?
Contractor Responding to Bid Invitation (Include contact information: Address, phone, email)						
Pre-Bid Cost Estimate	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	
1						
2						
3						
4						
5						
6						
7						
8						
Signature of Person Opening Bid:			Signature of Person Opening Bid Opening			
			Signature of Person Opening Bid Opening			
			Signature of Person Opening Bid Opening			
			Signature of Person Opening Bid Opening			

the horizontal bid tab sheet is available as an excel online and includes a single project as well as the multiple projects shown here. If you are interested in the vertical layout, we can share that Excel with you.

BID TABULATION SHEET				
NORTH CAROLINA HOUSING FINANCE AGENCY Funding Source: HUD HOME Investment Partnership Program; Essential Single Family Rehabilitation Loan Pool (ESFRLP)				
Organization Name:				Date of Expected Award:
Organization Address:				Low Bid Minimum Range:
Date Bids Advertised:				High Bid Maximum Range:
Date Bids Received:				
Period (if applicable):				
Project #	Project 1 Bid	Project 2 Bid	Project 3 Bid	Project 4 Bid
Contractor Responding to Bid Invitation (Include contact information: Address, phone, email)				
Pre-Bid Cost Estimate	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High	Cost Estimate Low Bid/High
1				
2				
3				
4				
5				
6				
7				
8				
Signature of Person Opening Bid:			Signature of Person Opening Bid Opening	
			Signature of Person Opening Bid Opening	
			Signature of Person Opening Bid Opening	
			Signature of Person Opening Bid Opening	



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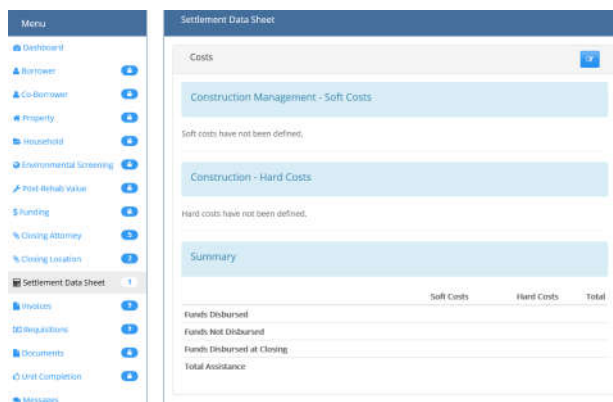


Sections 3.7.9: Debarred/Suspended businesses

No Program-funded rehabilitation work will be contracted with businesses or individuals which are debarred, suspended or otherwise ineligible under the terms of 24 CFR part 24.

www.sam.gov

Settlement Data Sheet & Requisitions



Loan Status-Approved

- After winning contractor is selected, you can submit the Settlement Data Sheet
- Only Increments of \$1
- Members can upload invoices and requisitions for hard and soft costs
- Members Approve Invoices, Case Managers Approve Requisitions

ESFRLP PROJECT WORKFLOW STAGES

Stage 5: Construction Phase

- Attend Pre-Construction Conferences, document them
- Continuously review/interact w/ Case Files to ensure logs are updated, inspections and phone calls are noted, add relevant notes-to-the file, required documents are added etc.
- **Change Orders/Contract Modifications: execute & add to portal**
- **Process requisitions for hard costs and soft**
- Provide Homeowners notice of Warranty date in some way
- Attend Post-Construction Conferences, document them
- Complete all unit construction contract close-out documents
- **Submit Unit Completion Reports for all projects**

Sections 3.7.10: Change Orders

- **ANY change to a scope of work, costs or completion date.**
 - *This includes no-cost change orders ESPECIALLY when one work item is traded for another work item.*
- **Signed by all parties, two signatures from Member organization.**
- **Documentation as appropriate for describing the change.**
- **Change in cost may require an Agency Loan Mod or Estoppel.**

Sections 3.3.1 & 3.3.2: Recipient Accounts

- **Establish a federally-insured master account**
 - While the account is usually established well before now, this is the stage when things can go wrong.

IMPORTANT:

- **12 days to spend ESFRLP Funds**
- **12 days or else!**
- **If not returned within 12 days, Interest earned will be calculated and that will be due as well.**



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Sections 3.3.4: Hard Cost Disbursements

Hard costs for actual rehabilitation can only be paid after:

- **Loan closing is Complete** (Promissory Note, Recorded Deed of Trust)
- **Executed contract for rehab in the portal**
- **Submit Settlement Data Sheet**



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Sections 3.2.6: Unit Completion Screen (formerly Report)

The Unit Completion Screen (UCS):

- **Completed within 60 days of final draw.**
- **Once units are closed out in the portal, they are accessible to your organization for 5 years.**
- **Consider if taking screen shots of the portal for your files is necessary to comply with complete case file information.**
 - *You could add a standard note to the file that will direct them to the portal for the 5 years they are available.*

ESFRLP PROJECT WORKFLOW STAGES

Stage 6: Monitoring and Close-Out Phase

- Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
- Process any lingering requisitions for unit soft costs
- Prepare & execute all Close-Out paperwork for Case Files
- Ensure all UCS' are complete in the Portal
- Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.
- Complete Section 3 Summary Report and/or **Loan Modification**
- Return any unused funds requested by NCHFA (rare/Program Income)
- Complete the Certification of Completion and Final Cost (CCFC)

Sections 3.11.1-2: Agency Monitoring

What criteria we use to monitor for project compliance:

- Application for Funding
- Funding Agreement
- Program Guidelines
- Post Approval Documentation
- Assistance & Procurement Policy

The Agency employs both Desktop and Field Monitoring



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Sections 3.11.3-5: Agency Monitoring

- Critical to all of our success!
- Capacity assessment & # of units – 3.11.3
- Electronic delivery of documents required **via the Partner Portal- 3.11.4**
- Compliance (i.e. EPS + MHC) – Unit visits – 3.11.5
- Feedback and Findings
- Response and responsiveness

NEW in development

Your Case Manager will issue a Monitoring Report after both Desktop and Field Monitoring are complete.



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Sections 3.6.1-3: Recordkeeping

- **5 year record retention from date of closeout letter**
- **Retention is longer if there is litigation, etc.**
- **Your organization may be subject to audit, now or in the future**



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Sections 3.12.1-4 & 3.4: Project Close-out & Program Income

- 3.12.1** You initiate project closeout!
- 3.12.2** No new rehab contracts after 12/31/23
(Date of Completion)
- 3.12.3** Members required to submit CCFC, due 6/30/24
Note this is not submitted through Portal
- 3.12.4** Remit all undisbursed funds with CCFC,
including Program Income
- 3.4** Program Income is money deposited in interest-bearing accounts. Matching Funds are not Program income.

3.2.2

Added requirement to complete the FA modification process to memorialize final funding amount



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CERTIFICATION OF COMPLETION AND FINAL COST (REQUIRED)

NORTH CAROLINA HOUSING FINANCE AGENCY
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM
CERTIFICATION OF COMPLETION AND FINAL COST
(Please Type or Print Legibly in Ink AND Please round to the nearest dollar)

Member Organization: _____ Date of Report: _____
 Funding Agreement #: _____ Program Completion Date: _____
 Report Prepared by: _____ Phone Number: _____

A. ACCOUNT BALANCES

1. Receipts:

a. Amount of total ESFRLP Program funding allocation: _____

b. Sum of HOME-funded ESFRLP Program monies drawn from DIS: _____

c. Sum of other Program income (recapture/loan defaults, etc.): _____ (+)

d. Total receipts (A plus c): _____ (=)

2. Disbursements by Member of HOME-funded ESFRLP Program monies:

a. Rehabilitation hard costs: _____

b. Rehabilitation soft costs: _____ (+)

c. Total of disbursements (a plus b plus c): _____ (=)

3. Balance of ESFRLP funds in local ESFRLP Account (Total minus 2.d.) (Return to NCHFA)

B. CUMULATIVE PRODUCTION

1. Dwelling units rehabilitated:

County Served	Number of Completed Units			Total Funds (ESFRLP + Other Leveraged)		
	ESFRLP Funds Disbursed	Other Leveraged Funds Disbursed	Total	ESFRLP	Other Leveraged	Total
	Hard	Soft	Total	Hard	Soft	Total
Total						
Average						

2. Total other funds leveraged for Hard Costs (only Hard Costs), by source:

Other Leveraged Funds Disbursed for Hard Costs						
CDBG	USDA HPG	USDA 504	W.A.P	HOME	Other Cost	Local govt.
WARNING - Total Other Leveraged Hard Costs in Table B.1. and B.2. are not equal						

For NC Housing Finance Agency Use Only

Assigned Case Manager	Date Received?	CCFC signed?	Remain Interest Story Rec'd?	Monitoring Status?	Okay to Closeout	Date checked by Case Manager

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ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM
CERTIFICATION OF COMPLETION AND FINAL COST
(Please Type or Print Legibly in Ink)

Date of Report: _____ Member: _____

C. CERTIFICATIONS (Please check the box beside each applicable statement.)

1. All dwelling units rehabilitated under the direction of the Member with ESFRLP assistance now meet HUD's Housing Quality Standards and the Agency ESFRLP Rehabilitation Criteria and contain no imminent threats to the occupants of the unit or the structural integrity of the unit.

2. All Program-funded rehabilitation work was inspected, as required, by State building code enforcement officers.

3. All required security documents have been properly executed, recorded and submitted to the Agency pursuant to the Program regulations.

4. All Agency concerns stemming from its monitoring of the Member's ESFRLP Project (as stated in a letter from the Agency) have been resolved.

5. Unit Completion Reports have been submitted for all activity accounts that were set-up in the HUD Integrated Disbursement & Information System (DIS), leaving a DIS balance of zero (0).

6. (Please check a. or b.)

a. All audit reports or financial statements (as per P.G. 3.8.) have been submitted to the Agency covering each fiscal year in which Program funds were on hand or,

b. All required audit reports or financial statements have been submitted except that covering the current fiscal year. Said current-year document will be submitted as soon as it is made available to the Member. (Estimated date: _____)

7. If the figure entered at line A.3 of this Certification of Completion and Final Cost is greater than zero (0), a check in the amount there shown, made out to the North Carolina Housing Finance Agency, accompanies this document.

8. All dwelling units rehabilitated with program funds have a post-rehabilitation value of less than 95 percent of the median purchase price for the type of single-family housing for the jurisdiction as determined by HUD.

As chief operating officer of the Member I certify that the information contained in this report is complete and accurate.

Authorized signature: _____ Date: _____



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ESFRLP Loan Document Required Elements



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Title Review Process

- Once the Reservation has been accepted the file falls into the title review work list as well as the Environmental Review work list for processing.
- If a Power of Attorney was used to sign the Income Eligibility Calculator or the HOME Owner Written Agreement a copy of the Power of Attorney should be submitted with the reservation.
- Our goal is to have the title review complete within 5 Agency business days of the reservation being accepted; however issues discovered during title review can cause delays. Additionally, if we have to send the title review out to our 3rd party vendor it can take up to 2 weeks.
- The title review and the Environmental Review, including the receipt of the SHPO response letter, need to be completed before a file can be approved.



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Title Review Process

During title review we look at the following:

- Property Taxes
- Deeds/Ownership
- Estates, if applicable
- Deed of Trusts/Mortgages
- Judgments
- Bankruptcy



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Title Review Process

On average close to 60% of the files we receive have some sort of title issue. How can you help?

Challenge	How you can help
Foreclosure	We will find in title review. We may ask for additional information and/or documentation.
Ownership of Multiple Properties	We will find in title review. We may ask for additional information and/or documentation, including an updated HUD income calculation.
Bankruptcy	We will (usually) find in title review. We may ask for additional information and/or documentation, including permission of the Bankruptcy Judge for us to close our loan. If an applicant is in an active bankruptcy, we can not proceed without Court permission.



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Title Review Process

Challenge	How you can help
Unpaid Property Taxes	When the borrower comes in, ask them if his/her property taxes are current. If not, have the borrower pay the taxes in full or start working with the county tax office now to set up a repayment plan.
Death of Spouse or Co-Owner/Estate/Heirs	Get a copy of the Death Certificate of the deceased spouse or co-owner. ***We may be contacting you to assist us in obtaining copies of estate documents, and additional people may need to sign the deed of trust.***
Divorce and/or Separated	Verify the borrower's marital status. Please provide us a copy of the divorce or separation agreement.

These are example of what we commonly see; however, our requirements for each file will depend on the details for that file and what is found during a title search.



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Title Review Process

Tax Payment Plans must contain the following:

- Letterhead or form issued by the Tax Department
- Signed by the someone in the Tax Department
- Described the terms of the payment plan (example: \$100, a month starting 7/1/2020 until paid)
- States which years are covered if borrower is past due for more than one year.
- States that as long as borrower is still in good standing on the payment plan that the Tax Department won't proceed with further collections.



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Loan Closing Process

- After you have received loan approval and your winning bid/contract you can submit the Data Settlement Sheet for closing. **Data Settlement Sheets should not be submitted if you have not received your winning bid/contact.**
- The Agency requires **7 Agency business day's** notice before closing. Closing date should be confirmed with the borrower before scheduling in the portal and the closing may not take place before the closing date given to the Agency.
- Only the documents provided by the Agency should be used for closing.
- 3 day right to rescind **does not** apply to the ESFR loans and should not be provided to the borrower.



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Loan Closing Process

We will send the closing package via secure email with the following documents:

- Promissory Note
- Deed of Trust (to be recorded and must be signed by all owners and spouses)
- Legal Advice Disclosure (must be signed by all owners and spouses)
- Grant Agreement
- Name Affidavit
- W-9 for all borrowers
- Request for Notice(s), if applicable (to be recorded)
- Privacy Notice (to be given to borrower, does not need to be signed)
- Closing Instructions Letter



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Loan Closing Process Quick Reminders

- All loan documents must fully completed and all be dated the same date.
- No changes to the loan documents are permitted without written approval from the Agency.
- If a borrower wishes to close with a Power of Attorney the partner must submit the Power of Attorney to the Agency at least 3 business days before closing for review.
- Everyone listed on the loans documents should sign. If someone is unable or unwilling to sign, stop the closing and call the assigned Paralegal.



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Loan Closing Process

Quick Reminders

- If the marital status of the borrower has changed since the reservation you must notify the Agency before signing any loan documents.
- All original loan documents should be returned to the Agency **within 5 business days of closing** with the exception of the Deed of Trust and Request for Notice (if any).
- Hard costs requisitions cannot be paid until all loans documents have been received and approved.
- Notify the Paralegal if there are any changes to the closing date.



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Title Review and Loan Closing Process



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Individual Case Management & Loan Processing



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ESFRLP PROJECT WORKFLOW STAGES

Stage 1: Application and Award Phase

- **Completing your Application, PAD submittal/approval and Funding Agreement (FA) Execution**
- Setting Up your Project File
- Reviewing your accounting practices and setting up the proper controls for invoicing, funding requisitions, receipt and disbursement of funds
- Ensuring that any consultants have contracts



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Sections 4.1.2: Selecting Applicants: Assistance Policy

Intake is the implementation of Policy

- You must have an Assistance Policy that clearly describes a list of 18 items.
- The 18 items: Goals; Eligibility; Ranking priorities; forms of assistance; service area; Essential Rehab Criteria; the Rehab process step by step; limitations on housing characteristics; project funding source; total funding available; max and min of assistance amount; project schedule; non-discrimination clause; LBP requirements; fair housing marketing plan; application status notification details; complaint procedure.
- The Assistance Policy must be officially adopted, readily available to the general public and applied uniformly.
- Notice of Disposition tied to date of ESFRLP Pre-Application

Have Homeowners
individually sign off on receipt
of the policies!

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ESFRLP PROJECT WORKFLOW STAGES

Stage 2: Project Outreach and Intake Phase

- Attending the required workshop to understand the rules
- Review your Policies, FA, ESFR Application, Program Guidelines (PG) to ensure your project design meets all the relevant requirements – Your Process!
- Complete your Initial Marketing & Outreach
- Complete your Pre-Application Phase
- Do Income Calculations and Certifications
- Collecting relevant data from participants
- Score and choose participating households
- Send out letters of award and notices of disposition



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Sections 4.1.3: Selecting Applicants: Ownership Requirements

4.1.3.1 must own the home and have authority to create a lien on the property

4.1.3.2 must meet income requirements and a fulltime household member must have at least one special need: 1. elderly; 2. disabled; 3. veteran; 4. child under the age of 6 threatened by lead (includes owners who regularly expose children under 6 to lead hazards).



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Sections 4.1.: Selecting Applicants: Property requirements

1. In NC county you are serving
2. Remain affordable
3. Owner Occupied, Permanent foundation, Real Property
4. Minimum 50% of building is residential

4.1.4.1 located in NC service area of the member

4.1.4.2 remain affordable after rehab (post rehab value certification)-must use same method for all properties as first chosen in the Partner portal.

4.1.4.3 must be owner occupied, permanent foundation on property owned by the homeowner

4.1.4.4 permanently affixed if previously mobile: 1. transporting equipment removed (wheels, axles, tongue); 2. home is on masonry supports with full masonry foundation with tie downs;

4.1.4.5 no more than 50% of the home used for office or business and only the residential part can use ESFRLP funds.



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Sections 4.1.5: Selecting Applicants: Evaluate Households

Members must use a consistent pre-application form.
Basically:

1. Gather Data (pre-application)
2. Enter Data (ESFRLP portal);
3. Print HOME Owner Agreement;
4. Applicant signs Agreement;
5. Submit the Agreement to the Portal



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PRE-APPLICATION (MODEL)

AGENCY MODIFY
Essential Single-Family Rehabilitation Loan Pool
Pre-Application & Eligibility Certification (page 1 of 2)

Applicant Data
Name of Homeowner(s) (First, MI, Last): _____
Street Address: _____
City: _____ County: _____ Zip Code: _____
Home Phone: _____ Work Phone: _____
If the Applicant was referred by someone other than self, complete the following:
Contract Name: _____ Phone: _____
Relationship to Owner: _____
Notes: _____

Household Membership

Name (First, MI, Last)	Sex	Birth Date	SSN (if digits required)	Race Code*	Hispanic**	Relation to Homeowner
1.						
2.						
3.						
4.						
5.						

Gross Income Work Table

Source	Dollar / Household Member / MONTH							Total
	a	b	c	d	e	f	g	
1) Wages								
2) Retirement/Pension								
3) Social Security								
4) Employment Security Income								
5) Public Assistance								
6) Child Support								
7) Interest								
8)								
9)								
10)								

Monthly Sub-Total (sum rows 1-10)
Annual Sub-Total (12 x row above)
Annual Gross Household Income (sum Annual Sub-Total for columns a-g)

Applicant Certifications
I hereby certify that:
1) I own and occupy the home described above as my primary residence.
2) The information and income information listed above is complete and true to the best of my knowledge.
3) This information is provided to qualify me for the Essential Single-Family Rehabilitation Loan Pool (ESFRLP). The Program is intended to assist low- and very low-income homeowners with special needs in correcting substandard housing conditions which pose a threat to life, health or safety or in performing accessibility modifications or other repairs necessary to meet the Essential Rehabilitation Criteria of ESFRLP.
4) I give permission for _____ and NC Housing Finance Agency to access information to verify the content of this pre-application and to facilitate the rehabilitation of my home to meet Essential Property Standards or the Minimum Housing Code.
5) I understand that the secured, 0% interest, forgiveness in the case of \$1000/year loan provided via the ESFRLP is secured with a Deed of Trust.
6) I have been advised that my gender, race and ethnicity will be determined based upon observation and/or surname if I do not self-disclose the information.

Applicant Signature _____ Date _____ Co-Applicant Signature _____ Date _____



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ELIGIBILITY CERTIFICATION (MODEL)

AGENCY MODIFY
ESFRLP PROGRAM
Pre-Application & Eligibility Certification (page 2 of 2)

Applicant Data
Name of Homeowner(s) (First, MI, Last): _____
Street Address: _____

Qualifying Income Table (for reference) Maximum Gross Household Income

Household Size	Income							
	1	2	3	4	5	6	7	8
a) County: _____	30%							
b) County: _____	50%							
c) County: _____	80%							

Qualifying Questions
Does the applicant own this home? YES NO
Does the applicant's household qualify based on the income criteria? YES NO
Mark all Special Needs(s) by which the Applicant qualifies:
 Income <= Member Disabled Veterans** ERLI threat to child under 6

Eligibility Certifications
I hereby certify that:
1) All of the above information has been reviewed or documented in accordance with the ESFRLP Program Guidelines and the ESFRLP Assistance Policy.
2) The Applicant is eligible for assistance under the ESFRLP Program.
3) There is no other state or federal source of funds available now, or likely to be available within the next six months, which could pay for the proposed repairs.

Authorized Officer _____ Organization _____ Date _____

Eligible ESFRLP Rehabilitation Needs:

Case Notes (for office use only) Name of interviewer:

Non-housing problems:

Action taken for referrals? YES NO If yes, specify:

Other:

*Race Code: White (1); Black/African American (2); Asian (3); American Indian/Alaska Native (4); Native Hawaiian/Other Pacific Islander (5); American Indian/Alaskan Native & White (6); Asian & White (7); Black/African American & White (8); American Indian/Alaska Native & Black/African American (9); Other Multi-Racial (10); and, Asian/Pacific Islander (11).
**Hispanic: Yes or No.
***Veteran: A person who served in the active military as evidenced by a DD-214 form.

Sections 4.1.6 & 4.1.7: Selecting Applicants: Property requirements

Section 4.1.6/7 Income

- Obtain and retain source documentation of income
- Gross annual income
- CANNOT be bank statements
- HUD Calculator

Section 4.1.8 Files

Maintain **case files**, *even for those not offered assistance*. This is best done as part of a **Project File** that also includes assistance policies, policies, funding agreements, consultant agreements, notices of loan (application) disposition, etc.



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ESFRLP PROJECT WORKFLOW STAGES

Stage 3: Household Participant Project Initiation Phase

- **Creating Case Files with Case File Logs**
- **Initiate use of the Partner Portal and create/submit Reservations**
- **Collect/research data for Portal, submitting environmental reviews, post rehab evaluations, etc. in the Portal**
- Work with your Rehabilitation Specialist to get Inspections, Work scopes, Cost estimates complete - **AFTER THE UNIT IS APPROVED**
- **Initiate/upload loans in the Partner Portal**
- **Process requisitions for soft costs as needed**



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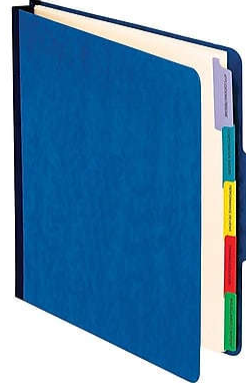
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The Case File – Section 4.3

- The guidelines address directly making case files in Section 4.3.
- 26 document types



Sections 4.3.1: Program Documents: Case File Requirements

- 26 different types of program documents, most are required in every file.
- Some are required in an NCHFA document form (9)
- Some are required in a Partner Portal screen (2)
- Others can be in the format chosen by the Member but many models are provided.

Sections 4.3.2-3 and 4.3.5-6: Program Documents: Case File Requirements

Section 4.3.2 & 4.3.3

Fully complete, date and sign all documents. Don't use correction fluid/white out or make extraneous marks w/o initials.

Section 4.3.5

Organize your case files; consider a case file log (model available online). Ideally, align files with Desktop Monitoring Checklist.

Section 4.3.6

Not all files are required in the same case file location but notes must be added to the file to explain where they are located and must be provide on request (i.e. financial records).

Sections 3.2.1.: Reservations and Disbursements

- **Need to complete before the loan & rehab process!**
- **Need to complete:**
 - Environmental Screening
 - Historical Eval + SHPO
 - Post-Rehab valuation
 - HOME Owner Agreement
- **Agency conducts title search & environmental review**

Portal Entry

Sections 4.2.1: Rehabilitation Procedures

- Inspect the property for violations to meet the most stringent of the local minimum housing code or Essential Property Standard
- Put a checklist (of the member's choice) in the case file. The document required to memorialize this inspection is the "ESFRLP Essential Property Standard Certification of Compliance".

Rehab Specialist is in the house!



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Sections 4.2.2: Rehabilitation Procedures

- Create a scope of work and cost estimate. **Must include a home year built date.**
- Date it, list the preparer, preferably sign it.
- Itemize categories: materials, labor, profit, overhead;
- Include lead or asbestos information as well as funding source (if there is more than one funding source).
- Organize logically, by trade or location in the home.

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Sections 4.2.2: Rehabilitation Procedures: Work Write-Ups

4.2.2.2 Provide enough information to ensure consistent bidding.

1. scope
2. construction method
3. quantity
4. quality standard
5. location in the home
6. reference materials such as performance or general specification information

4.2.2.3 Show matching funds on an item by item basis and identify the source.

4.2.2.4 Show lead, radon and asbestos hazards on an item by item basis



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Sections 4.4.1-4: General Loan and Grant Procedures

Section 4.4.1 Assistance is in the form of:

1. Grant for Soft Costs not to exceed \$10k;
2. 0%-interest free, deferred forgivable (\$5k/year) loan not to exceed \$30k (SECURED by DEED of Trust)

Section 4.4.2 & 4.4.3 Assumption possible. Default is:

1. Sale or transfer of the property;
2. failure to use the home as a principal residence.

Section 4.4.4 Details how Assumption are handled: subordinations@nchfa.com

Basic Loan parameters



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ESFRLP PROJECT WORKFLOW STAGES

Stage 4: Bidding/Closing Phase

- Advertise and Receive Bids
- Review and Award contracts
- **Execute/Close any documents not completed in previous phase and upload to the portal**
- **Submit Settlement Data Sheet in the Partner Portal**
- **Execute construction contracts**
- Process requisitions for soft costs as needed



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Sections 4.5: Preparing Loan Documents

- Member must facilitate the loan closing
- Must present or cause an attorney to present the Agency prepared loan documents to the Homeowner to complete the loan closing and document recording
- Must deliver to NCHFA



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Sections 4.5: Preparing Loan Documents

Documents that encompass a complete loan closing:

1. Pre-Application + Application in the Portal;
2. Work Write-Up and Cost Estimate;
3. Contract for Rehabilitation;
4. HOME Owner Agreement;
5. Promissory Note;
6. Deed of Trust (recorded);
7. Grant Agreement;
8. Request for Notice of Sale (recorded);
9. Unrepresented Borrower Affidavit.

Member responsibility: All recording must occur **PRIOR to construction startup!**



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Sections 4.6: Loan Closing Procedures

Section 4.6.1 Members are responsible for all signatures, dates and required documents for loan closing.

Section 4.6.2 Includes all titleholders on the Deed of Trust.

Section 4.6.3 Best Practice: Record on the date of closing.

Section 4.6.4 Homeowner must keep the property and rehab improvements insured for 100% of the loan amount.



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Sections 4.8: Loan Close-out Procedures

Section 4.8.2 Remit to the Agency: Promissory Note, Recorded Deed of Trust, Request for Notice of Sale (if needed)

Section 4.8.3 You are responsible for proper completion of ALL documents

Section 4.8.4 Details Complaint Policy requirements. Note: Certificate of Satisfaction signed after the date of a complaint can resolve it.



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ESFRLP PROJECT WORKFLOW STAGES

Stage 5: Construction Phase

- Attend Pre-Construction Conferences, document them
- Continuously review/interact w/ Case Files to ensure logs are updated, inspections and phone calls are noted, add relevant notes-to-the file, required documents are added etc.
- Change Orders/Contract Modifications: execute & add to portal
- Process requisitions for hard costs and soft
- Provide Homeowners notice of Warranty date in some way
- Attend Post-Construction Conferences, document them
- Complete all unit construction contract close-out documents
- Submit Unit Completion Reports for all projects



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Sections 4.2.4: Pre-Construction & Post-Construction Conferences

- **Pre-construction Conference**, walk-thru, rehab expectations, signed record
- **Post-construction Conference**, manuals, demonstrate systems and their maintenance, product warranties, one-year workmanship and materials warranty.

Must add the Conference Records to the Case File!



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PRE CONSTRUCTION (MODEL)

NORTH CAROLINA HOUSING FINANCE AGENCY
Essential Single-Family Rehabilitation Loan Pool

Preconstruction Conference Record

Recipient Organization/Coordinating Agency: _____
 Date: _____ Time: _____ Place: _____
 Homeowner: _____
 Street Address: _____
 City: _____ Zip code: _____

Representatives present for (list all persons attending and have each sign and date):

Recipient Organization: _____
 Attendee signature: _____ Date: _____

Contractor(s): _____
 Attendee signature: _____ Date: _____
 Attendee signature: _____ Date: _____

Homeowner: _____
 Attendee signature: _____ Date: _____
 Attendee signature: _____ Date: _____

Comments: (Note any special conditions, times, agreements) _____

Recorded by: _____

Homeowner Acknowledgement

I have received a written copy of the ESFRLP "Assistance Policy", and a _____ representative has described the terms, conditions, limitations, and provisions of the ESFRLP. In addition, a _____ representative has described the repair process and reviewed with me the repair Contract, the work write-up, and related documents. Therefore, with full understanding of the assistance being offered, I acknowledge execution of the ESFRLP Homeowner Written Agreement and Construction Contract, and agree that the work will begin on or about _____, 20____.

Homeowner's Signature: _____ Date: _____



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NORTH CAROLINA HOUSING FINANCE AGENCY
Essential Single-Family Rehabilitation Loan Pool

Post-Construction Conference Record

Recipient Organization/Coordinating Agency: _____
 Date: _____ Time: _____ Place: _____
 Homeowner: _____
 Street Address: _____
 City: _____ Zip code: _____

Representatives present for (list all persons attending and have each sign and date):

Recipient Organization: _____
 Attendee signature: _____ Date: _____

Contractor(s): _____
 Attendee signature: _____ Date: _____
 Attendee signature: _____ Date: _____

Homeowner: _____
 Attendee signature: _____ Date: _____
 Attendee signature: _____ Date: _____

Comments: (Note any topics discussed) _____

Recorded by: _____

Homeowner Acknowledgement

I have received all warranty manuals, maintenance schedules and instructions for the scope of work completed on my home. Specifically, I have received the following documents or instructions (circle all that apply):
 Instructions for use and care of the following: gutters and downspouts; vinyl siding; thermostat for heating and cooling; return air vent and filter; kitchen exhaust fan; bathroom exhaust fan; gfi outlets in kitchen; gfi outlets in bathroom; CO detectors; and Smoke detectors. Other: _____

Warranties for: roofing-type: _____; siding-type: _____; insulation-attic; insulation-crawl; insulation-wall; pest treatment application-company: _____; Electrical panel; sump pump-crawl; water heater-type: _____; HVAC system-type: _____; exhaust fan-kitchen; exhaust fan-bathroom; refrigerator; stove; kitchen faucet; and bathroom faucet. Other: _____

I acknowledge receipt of these instructions and warranties on _____, 20____.

Homeowner's Signature: _____ Date: _____

POST CONSTRUCTION (MODEL)

Sections 3.12.7: Project Close-Out: Photo Documentation

- All units must have at least 5 before and 5 after pictures submitted to NCHFA.
- One picture must show the overall home including the front entry, preferably before and after.
- Submit with Unit Completion Screen (UCS) portal entry.



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ESFRLP Essential Property Standard Certification of Compliance*

This certifies that _____ [project address] in _____ [city] was inspected on the dates named below and found to be in compliance with at least one of the following during the Post-Rehabilitation Inspection:

Local Minimum Housing Code for _____ [local jurisdiction]

Essential Property Standard [ESFRLP Program Guidelines Appendix A, Section C.]

Pre-Rehabilitation Inspection by [print name of inspector]: _____
 Inspected by _____ [Signature of Rehabilitation specialist]
 on _____ [month/day/year] to create a scope of work to meet the selected standard.

Post-Rehabilitation Inspection by [print name of inspector]: _____
 Inspected by _____ [Signature of Rehabilitation specialist]
 on _____ [month/day/year] to confirm completion of a scope of work to meet the selected standard. On this date, all work is complete and there are no 'punch-list' items.

A one-year warranty begins on the Post-Rehabilitation Inspection date above; the homeowner must notify in writing the contractor and/or partner of any defects within one-year of this date. All corrective work performed extends the warranty on the corrected work to one-year from the date corrected.

Contractor: _____ [name of organization and contact with address]

Partner: _____ [name of organization and contact with address]

The following corrective work was performed (include item and date of the correction):

Homeowner Receipt of completed document:
 Homeowner signature: _____
 Homeowner Printed Name: _____ Date: _____

* The project case file should continue to include a consistent pre-rehab inspection list. Examples include: ESFRLP Certification Checklist, ESFRLP Field List, local minimum housing code with additional required ESFRLP Essential Property Standards added or other pre-rehab list that suits the needs of the Member's organization and location to meet the Essential Rehabilitation Criteria.

April 22, 2018



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Sections 4.7.1 & 4.7.2: Loan Disbursement Procedures

1. Inspect work – **add inspection notes to file including date of**
2. Pay only for satisfactory work – **add approved requisition to case file**
3. Make max. of 5 payments – **case file log will help track**
4. Ensure adequate funds on hand – **communicate with finance**
5. All changes to the work are written including time and traded work scope changes: homeowner, contractor, 2 members sign – **in case file, modify loan as needed if above contingency of 20%**
6. Lien Waivers are required – **add to case file**

Critical to coordinate with Rehab Specialist!



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Sections 4.8.1: Loan Close-Out Procedures

1. Make final inspection and have a LBP clearance if needed;
2. All work including code compliance is complete;
3. Release of Liens is in place;
4. Use all the funds available (change order if needed) or create an Estoppel to reflect the final loan;
5. Owner's Satisfaction complete.

Add to the file!



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NORTH CAROLINA HOUSING FINANCE AGENCY
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM

Certificate of Final Inspection

Owner: _____
Address: _____
Prime/General Contractor: _____
Date of Contract: _____

CERTIFICATIONS:
On behalf of the Recipient Organization/Coordinating Agency, I have inspected the work performed on the above-listed property through financial assistance from the North Carolina Housing Finance Agency's Essential Single-Family Rehabilitation Loan Pool. The construction work has been satisfactorily completed in accordance with the contract, including any required Lead Clearance Testing. The contractor named above is eligible for payment of any balance due under the contract.

Lead Hazard Clearance Testing Required: Yes _____ No _____
If Yes above, date of Lead Clearance Report: _____

Signature _____ Date of Inspection _____
Title _____

Recipient Organization/Coordinating Agency _____

CERTIFICATE OF FINAL INSPECTION (MODEL)



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NORTH CAROLINA HOUSING FINANCE AGENCY
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL PROGRAM

Owner Certificate of Satisfaction

Owner(s): _____
Address: _____
Prime/General Contractor: _____
Date of Contract: _____

CERTIFICATIONS:
I hereby certify that I have inspected the repairs or modifications made to my home and that the construction work has been satisfactorily completed in accordance with the construction contract.

I understand that the assistance that I have received under the Essential Single-Family Rehabilitation Loan Pool was intended only to achieve the following goals:
1) to alleviate housing conditions which pose an imminent threat to the life or safety of qualifying homeowners; and/or
2) to provide accessibility modifications and other repairs necessary to prevent displacement of qualifying homeowners with special housing needs, such as frail elderly and persons with disabilities.
3) to rehab the home to meet one or both of the following standards (circle/fill-in blank as appropriate) not including any waivers granted and approved by all parties:
a. The ESFRLP Essential Property Standard
b. the local Minimum Housing Code in _____ (local jurisdiction).

CERTIFICATE OF SATISFACTION (MODEL)

Owner's Signature _____ Date _____
Co-owner's Signature _____ Date _____



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NORTH CAROLINA HOUSING FINANCE AGENCY
Single-Family Rehabilitation Program Loan Pool

Contractor's Release of Liens

A. Sub-contractor's and Supplier's Certification

WHEREAS we, the undersigned sub-contractor(s) and/or supplier(s), have furnished the materials and work for the repair of the dwelling unit described below:

HOME OWNER: _____
ADDRESS: _____

PRIME-GENERAL CONTRACTOR: _____
CONTRACT DATE: _____

WHEREAS we, the undersigned sub-contractors and suppliers, have agreed to release all liens which we, or any of us, have, or might have on the said buildings for work or materials contracted for or furnished in, for, or about the repairing or modification of the said building.

WITNESSETH that we, the undersigned sub-contractors and suppliers, do hereby certify that all work required to be done by us in association with the above-referenced contract has been done in good and workmanlike manner in accordance with the terms thereof, and that we have been paid or definite arrangements have been made for us to be paid by the prime/general contractor.

WITNESSETH that we, the undersigned sub-contractors and suppliers, do hereby release any and all claims for damages, loss or amounts owed or claimed to be owed by either the Contractor or Homeowner as a result of the above contract and work done thereunder.

IN WITNESS WHEREOF, we hereunto set our hands and seals, on the date written opposite our respective signatures:

(1) _____
Date _____ Sub-contractor/Supplier
Witness _____ By: _____
Authorized Signature

(2) _____
Date _____ Sub-contractor/Supplier
Witness _____ By: _____
Authorized Signature

(3) _____
Date _____ Sub-contractor/Supplier
Witness _____ By: _____
Authorized Signature

(4) _____
Date _____ Sub-contractor/Supplier
Witness _____ By: _____
Authorized Signature

(5) _____
Date _____ Sub-contractor/Supplier
Witness _____ By: _____
Authorized Signature

B. Prime/General Contractor's Certification and Request for Payment:

I do hereby certify to the Owner of the above property that the signatures signed to this Release of Liens comprise a true and complete list of all corporations and persons who have contracted for or furnished any and all repairs or improvements of the said building(s) or premises, or who are, or have been, sub-contractors upon said building(s) or any part thereof or for any furnishing and any and all fixtures or improvements to said real estate under any contract or agreement with the undersigned.

Upon receipt of payment of the balance due under the contract this document shall become effective to release all liens which I, the undersigned, have or might have on the said buildings for work or materials contracted for or furnished in, for, or about the repairing or modification of the said building. Payment shall be considered received when the related payment check has been properly endorsed and has been paid by the bank upon which it is drawn.

I hereby request payment of the balance due under the contract.

Contractor _____ Date _____

Authorized Signature _____

Title _____

Witness _____

RELEASE OF LIENS (MODEL)



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ESFRLP PROJECT WORKFLOW STAGES

Stage 6: Monitoring and Close-Out Phase

- Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
- Process any lingering requisitions for unit soft costs
- Prepare & execute all Close-Out paperwork for Case Files
- **Ensure all UCS' are complete in the Portal**
- **Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.**
- Complete Section 3 Summary Report and/or **Loan Modification**
- Return any unused funds requested by NCHFA (very rare)
- Complete the Certification of Completion and Final Cost (CCFC)



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Sections 3.10: Project Reporting– Individual Units

1. Complete all Unit Completion Screens (**previously called UCR**) in portal
 1. Within 60 days of final pay requisition – **case file log!**

3.10.3 Important Dates worth repeating!

For ESFRLP21:

- The project completion date is December 31, **2023**
- The project closeout date is June 30, **2024**.



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Sections 3.11: Project Monitoring by Agency – Desktop & Site Visit Audits

The Agency uses the following criteria to review the Member's performance:

1. Conformance with the Member's Application for Funding;
2. Compliance with the requirements of the Program as stated in the Funding Agreement and ESFRLP Program Guidelines;
3. Adherence to the member's policies for Assistance and Procurement/Disbursement.

-Members will be contacted by their case manager w/ which units will be monitored.

-NCHFA will open slots for the electronic upload of monitored case files

-Members will upload requested case files needed to be reviewed; all documents required for each unit unless noted otherwise.

-Member will contact the individual homeowners to schedule a time to visit and review the rehab work that was completed.

NEW in development



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ESFR and the LBP Process



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Important things to know

- Are ESFR homes ever exempt from the Lead Safe Housing Rule?
 - Only when the home was **built in 1978 or after**.
- All homes in this program built before 1978 are subject to the Lead Safe Housing Rule (LSHR). Why?
 - Because ESFR homes are owned by private citizens and are not government owned housing restricted to occupation by the elderly.
 - If children under the age of 6 can live in the homes now or in the future, LSHR applies.
 - What does this mean? **Your Rehab Specialist can never decide that the home is exempt because only elderly people live in the home.**

Federal Lead Regulations

HUD/EPA's Lead Disclosure Rule	HUD's Lead Safe Housing Rule (LSHR)	EPA's Renovation, Repair, and Painting (RRP) Rule
<ul style="list-style-type: none"> • Applies to most housing, public and private, built before 1978. Effective March 1996 (except exemptions mentioned earlier) 	<ul style="list-style-type: none"> • Applies to most Federally-assisted and Federally-owned housing built before 1978. Effective September 2000 • <i>Amendments (EBLL) effective 2/13/17</i> 	<ul style="list-style-type: none"> • Applies to almost all target housing, public and private, built before 1978, including child-occupied facilities such as schools and day-care facilities. Effective April 2010

All regulations are relevant to ESFR

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LBP and ESFR Workflow

- How do you manage Lead through each phase of the project?

Stage 1: Application and Award Phase

Stage 2: Project Outreach and Scoping Phase

Stage 3: Household Participant Project Initiation Phase

Stage 4: Bidding Phase

Stage 5: Construction Phase

Stage 6: Monitoring and Close-Out Phase



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Stage 1: Application and Award Phase

- Identify how you want to handle lead: 1. testing or 2. presumption
- Testing:
 - Review HUD & EPA requirements on what type of testing you need so you can write a scope of work to bid
 - **Inspection, Risk Assessment and Clearance**
 - Insure that consultant is in the EPA database certified for the tasks they are doing
 - De minimis requirements for HUD are less than for EPA, make sure consultant knows this
 - New lead dust testing levels, ensure the consultant knows this
 - Choose Identify a testing consultant and write a contract
 - Use the numbers in your Settlement Data sheet
- Presumption
 - Decide how you will replace components in each house.



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Federal Lead Regulations

HUD – 24 CFR Part 35

- Subpart A: Lead Disclosure Rule ←
- Subpart B: General LSHR Requirements & Definitions
- Subpart (J, K, L, M): LSHR Program Requirements
- Subpart R: LSHR Methods and Standards ←

EPA – 40 CFR Part 745

- Subpart F: Lead Disclosure Rule ←
- Subparts D, L, Q: Lead-Based Paint Activities Rule ←
- Subparts E and Q: Renovation, Repair, and Painting (RRP) Rule

Note: Recent changes in the EPA rule went into January 6, 2020 and additional proposed rule changes released on 6/17/2020

Limited Exemption from Lead Safe Work Practices and Clearance

- Rehab that **does not disturb** painted surfaces:
- Lead safe work practices are not required when minor maintenance or activities disturb painted surfaces that are less than de minimis* levels:
 - 2 sq. ft. per interior space
 - 10% of small component type
 - 20 sq. ft. for exterior work


* Note: HUD de minimis levels are more protective than the EPA RRP guidelines

ESFR relies on 24 CFR Part 35, Subparts A, B and J, R as well as RRP, whichever is more stringent or “protective”.

RRP (in NC) relies on EPA 40 CFR Part 745 as per the regulations of NC-DHHS Health Hazard Control Unit.

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Stage 2: Project Outreach and Scoping Phase

Partner Activities for LBP during outreach and scoping

- Ensure that your Assistance, Procurement & Disbursement Policies and any other program policies include LBP information and requirements
- In the initial data collection for a unit, collect the year built
 - Best practice: send notification to the homeowner that LBP is an issue for all pre-1978 units.
- Identify and pre-schedule expected, required LBP inspections

Stage 3: Household Participant Project Initiation Phase

Partner Activities for LBP during project initiation

- Execute **Lead Inspection/Risk Assessment** and provide pamphlet to homeowner, *Renovate Right*, required for all pre-1978 units
- Fill out **Lead Requirements Worksheet**, required for all units
- **Add Year Built** to the project description, required for all units
- Incorporated any needed remediation/abatement into the work scope based on the **Lead Risk Assessment**
- Place all completed, required documents into the Case File
- Process LBP inspection/assessment soft costs

NEW
2021



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Appendix C: Required Forms

• **Lead-Based Paint (LBP) Requirement Worksheet**

• **When is this required?**

ALWAYS

Part 4: Level of Rehabilitation Assistance [35.915]

A. Amount of federal funding for home	\$ _____
B. Amount of rehabilitation Hard Costs (not including any soft costs or costs of lead hazard evaluation, reduction, clearance and training)	\$ _____
C. Level of Assistance (lower of A or B)	\$ _____

Approach Required (Based on answer to C, above)

_____ \$5,000 - \$25,000	Risk Assessment and Interim Control of Lead Hazards Note - If abatement work was subtracted from the hard cost to get the unit below \$25,000. The subtracted abatement items must be performed by a NC licensed abatement contractor and crew.
_____ \$25,001 and above	Risk Assessment and Abate Lead Hazards



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Stage 4: Bidding Phase

Partner Activities for LBP during bidding

- Confirm bidders have current **Lead Renovation Firm Certification**
- Confirm awardees have personnel on the job with **Lead Renovator Certification**; check to confirm date is not expired for project timeframe
 - Best Practice: Provide Contractors with **Renovate Right** brochure
- Collect Firm and Renovator letters/certificates and place in file(s)
- Process LBP inspection/assessment soft costs

<https://epi.dph.ncdhhs.gov/lead/rrp.html>

Renovation, Repair and Painting

In order to obtain certification from the Health Hazards Control Unit (HCCU), discipline-specific training must be obtained from an [accredited training provider](#).

- [Application for Lead Renovation Firm Certification](#) (9/16; PDF, 159KB) | [Solicitud de Certificación de Empresas de Carolina del Norte](#) (9/16; PDF, 218KB)
- [Application for Lead Renovator Certification](#) (9/16; PDF, 202KB) | [Solicitud de Certificación de Renovador de Plomo](#) (9/16; PDF, 109KB)
- [Application for Lead Dust Sampling Technician Certification](#) (8/10; PDF, 32KB)
- NC RRP Recordkeeping Guidance Document – non mandatory RRP compliance assistance tool.



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Stage 5: Construction Phase

Partner Activities for LBP during construction

- Discuss LBP at pre-construction including contractor strategies and specific items on the workscope, occupant protection plan, etc.
- Schedule and execute **Lead Clearance Test**
- Process LBP inspection/assessment soft costs and LBP hard costs
- Discuss at post-construction conference, including homeowner maintenance



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Stage 6: Monitoring and Close-Out Phase

Partner Activities for LBP during monitoring and Close-Out

- Confirm all necessary documentation is in the file
- For monitored Units, upload LBP documents to the portal including:
 - Lead Requirements Worksheet
 - Lead Inspection/Risk Assessment
 - Lead Renovation Firm Certification
 - Lead Renovator Certification
 - Lead Clearance Test
 - Any other documents about **Lead** in the case file

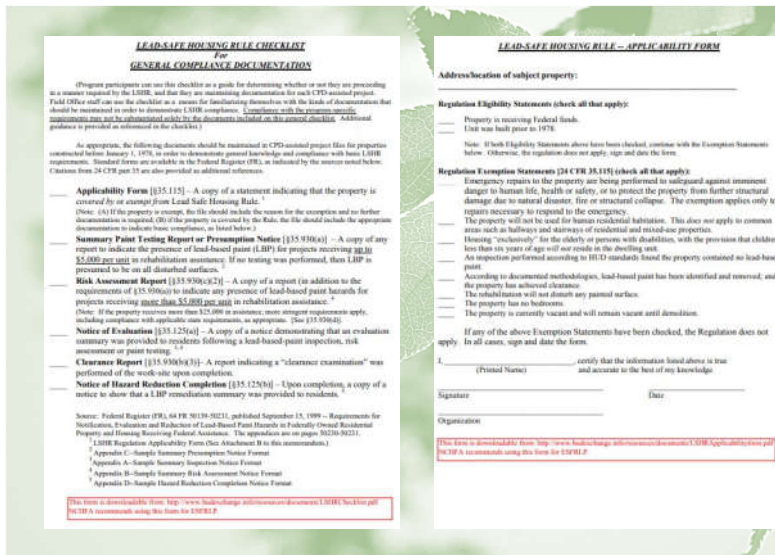


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Appendix C: Required Form Model from HUD

- Lead-Based Paint (LBP) Exhibits
 - When is this required?
 - The contents is required but the checklist is only for helping you assess if you have included these items in the file.



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Break

30 Minutes

Back at 1:10

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ESFRLP Income Determination

24 CFR part 5

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Income Types

Household income is defined as the gross annual income of all household members that is anticipated to be received during the upcoming twelve-month period based on the twelve-month period preceding the date of application. Annual Income is the anticipated gross annual income from all sources received by the family. "Anticipated" means projecting future income based on current circumstances, which may include recent overtime, recent promotion etc.

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

Household income for self-employed persons will be determined by averaging the reported net income on federal tax returns for the previous two years.

Recipients must re-verify the applicant's income eligibility if the time between the Application and Eligibility Certification (4.3.1.1) and the signing of the Promissory Note (4.3.1.9) exceeds six (6) months.



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Household Membership						
Name (First, MI, Last)	Sex	Birth Date	SSN* (9 digits required)	Race Code*	Hispanic**	Relation to Homeowner
1.						
2.						
3.						
4.						
5.						
6.						

Gross Income Work Table	Dollars / Household Member / MONTH						Total
	a	b	c	d	e	f	
1) Wages							
2) Retirement/Pension							
3) Social Security							
4) Supplemental Security Income							
5) Public Assistance							
6) Child Support							

ZERO INCOME AFFIDAVIT

(To be completed by all homeowners in appropriate household)

Homeowner: _____
Homeowner address: _____

- I hereby certify that I do not individually receive income from any of the following sources:
 - Wages from employment (including commissions, tips, bonuses, fees, etc.);
 - Income from operation of a business;
 - Rental income from real or personal property;
 - Interest or dividends from assets;
 - Social Security payments, annuities, insurance policies, retirement funds, pension, or death benefits;
 - Unemployment or disability payments;
 - Public assistance payments;
 - Periodic allowances such as alimony, child support, or gifts received from persons living in my household;
 - Sales from self-employed resources (Avon, Mary Kay, etc.);
 - Any other source not named above.
- I currently have an income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. I further understand that providing false representations here-in constitutes an act of fraud, which may result in the repayment of the loan or promissory note.

PRINTED NAME OF APPLICANT _____ DATE _____

SIGNATURE OF APPLICANT _____ DATE _____

ZERO INCOME AFFIDAVIT

<https://www.nchfa.com/homeownership-partners/community-partners/community-programs/urgent-repair-program/forms-and-resources>



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You can use a bank statement to understand what Sources of income you should be looking for but **the bank statement itself is not considered income source documentation**. Never leave the statement in the case file unless all of these conditions apply:

- ALL of the non-pertinent information is redacted
- you made a **BIG MISTAKE** and served someone without getting all of your source documentation up front and this the only way to document an income source

There are rare occasions when a bank statement shows a source account for income. On these occasions, you must **redact all non-pertinent information**.

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Wage document

SSI document

The HUD Income Calculator is required for ESFRLP program.

- <https://www.hudexchange.info/incomecalculator/dashboard/>

Compliance Income Calculations

Income limits for participants (which are included in your Assistance Policy) are based on the greater of either the estimated statewide non-metropolitan median household incomes published by the U.S. Department of Housing and Urban Development (HUD) or the county median income for the county in which the household resides adjusted for family size.



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Resources and assistance to support HUD's community partners

NEED HOUSING ASSISTANCE? [Email Updates](#)

HUD EXCHANGE [My HUD Exchange](#) [Programs](#) [Resources](#) [Trainings](#) [Program Support](#) [Grantees](#)

Income determining the income eligibility and assistance amounts for beneficiaries of CPD programs as easy as 1-2-3. Simply enter the requested data and this calculator will work behind the scenes to generate a summary of results for each beneficiary. You should then print out the summary and include it as part of the beneficiary's file.

The calculator currently performs income eligibility and assistance amount calculations for the following HUD CPD programs:

- Brownfield Economic Development Initiative (BEDI)
- Community Development Block Grant Program (CDBG)
- CDBG Disaster Recovery Assistance
- Emergency Solutions Grants (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons With AIDS (HOPWA)
- Housing Trust Fund (HTF)
- Neighborhood Stabilization Program (NSP)
- Section 108 Loan Guarantee Program
- Self-Help Homeownership Opportunity (SHOP)

Start Calculating Income [Go To My Dashboard](#)

Start a new calculation or complete a previous calculation

Related Materials

- COVID-19 HOME Sample Self-Certification Form
- [Income Eligibility Calculator User Manual \(PDF\)](#)
- [CDBG Income Limits](#)
- [ESG Income Limits](#)
- [HOME Income Limits](#)
- [HTF Income Limits](#)
- [HOPWA Income Limits](#)
- [NSP Income Limits](#)
- [Using the Income Calculator to Determine Annual Income Webinar Materials](#)
- [Using the Income Calculator for Rental and TBRA Programs Webinar Materials](#)

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The screenshot shows the HUD Exchange website's CPD Income Eligibility Calculator Dashboard. The browser address bar shows the URL: hudexchange.info/incomecalculator/dashboard/. The page header includes the HUD Exchange logo and navigation links for 'User Manual' and 'Help'. A prominent 'Important Note' explains that the calculator is a tool for calculating income and does not replace documentation. Below the note, a text block details the FY 2021 income limits and the definition of Extremely Low-Income Family (ELI). A dropdown menu is open, showing a list of programs to select for a new calculation. The 'HOME Investment Partnerships Program (HOME)' is highlighted in blue. Other programs listed include BEDI, CDBG, ESG, HOPWA, HTF, NSP, and SHOP. A 'Start' button is visible to the right of the dropdown. In the bottom left corner, there is a logo for the North Carolina Housing Finance Agency.

This screenshot displays the 'HOME Annual Income Calculation' page on the HUD Exchange website. The top navigation bar includes 'Resources and assistance to support HUD's community partners', the HUD Exchange logo, and a 'NEED HOUSING ASSISTANCE?' button. The main content area features a sidebar with a navigation menu containing 'Dashboard', 'ANNUAL INCOME', 'Type of Assistance', 'Beneficiary ID', 'Beneficiary Location', 'Income Determination Method', 'Beneficiary Income', 'Summary', 'ADJUSTED INCOME', and 'Dependents'. The 'Type of Assistance' section is active, showing radio button options for 'Homeowner Rehabilitation' (selected), 'Homebuyer', 'Rental*', and 'Tenant-based Rental Assistance*'. An 'IMPORTANT REMINDER' section provides critical information about recertification for families in HOME-assisted rental housing, specifically regarding disabled family members. A list of exclusion criteria includes employment of a family member with disabilities, increased earnings during economic self-sufficiency training, and new employment or increased earnings for a family member with disabilities. The footer includes the Housing Finance Agency logo and the text 'A self-supporting public agency. HousingBuildsNC.com'.

Resources and assistance to support HUD's community partners

NEED HOUSING ASSISTANCE? Email Updates

HUD EXCHANGE My HUD Exchange Programs Resources Trainings Program Support Grantees

CPD Income Eligibility Calculator

HOME Annual Income Calculation

[User Manual](#) [Help](#)

- Dashboard
- ANNUAL INCOME
 - Type of Assistance
 - Beneficiary ID**
 - Beneficiary Location
 - Income Determination Method
 - Beneficiary Income
 - Summary
- ADJUSTED INCOME
 - Dependents
 - Childcare Expenses
- TBRA
 - Approved Rent/ Utility
 - Rental Model
 - Rent Standard
 - Welfare Rent
 - Summary

[Skip to side navigation](#)

The CPD Income Eligibility Calculator asks for a "Beneficiary ID" instead of a "Last Name" to help protect the privacy of applicants to CPD programs. The Beneficiary ID you enter should be unique, will be included on the Calculator screens and printouts, and will be the key data element necessary to later find, complete, and/or edit the income determination performed for that beneficiary within the Calculator. **DO NOT use any personal information to create a Beneficiary ID, including but not limited to names, social security numbers, or addresses.**

Each user is responsible for designing their own method for creating Beneficiary IDs, as well maintaining and adequately protecting their own auditable records which associate each Beneficiary ID with the individual, family, or household whose income was determined (as appropriate and/or required under the rules of each CPD program.) Printouts from the Calculator for all programs except HOPWA will include both the Beneficiary ID and a blank space in which the Last Name of the associated individual, family, or household can be written or otherwise inserted.

* Required

Enter a Beneficiary ID for this household. *

How many members are in this household?
Select One...

Previous
Continue

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- Dashboard
- ANNUAL INCOME
 - Type of Assistance
 - Beneficiary ID
 - Beneficiary Location
 - Income Determination Method
 - Beneficiary Income
 - Summary
- ADJUSTED INCOME
 - Dependents
 - Childcare Expenses
 - Disability Expenses
 - Medical Expenses
 - Financial Summary
- TBRA
 - Approved Rent/ Utility
 - Rental Model
 - Rent Standard
 - Welfare Rent
 - Summary

[Skip to side navigation](#)

Beneficiary ID: 0527

24 CFR Part 5 Annual Income Summary

Please print or save this Annual Income Summary by clicking on the download PDF file button. Users must maintain all necessary documentation, which, when using the calculator, will include saving and retaining the summary documents generated by the calculator. The Dashboard feature is designed to allow you to more easily update a beneficiary's income in the future - however it is not a repository for all previous years' income calculations completed in the past. Users must be sure to save and retain summary documents at the time of creation. Record retention requirements depend upon the CPD program; users should be aware of the length of time records must be kept as well as their own state or local laws related to record retention and privacy.

[Export to PDF](#)

Beneficiary ID: 0527

Area, State: Raleigh, NC MSA

Number of Members: 4

Income Limit: \$76,550.00

Member ID	Asset Type(s)	Current Cash Value	Actual Income from Assets
0527	Cash	\$200.00	\$0.00
0528		\$0.00	\$0.00
0529		\$0.00	\$0.00
0530		\$0.00	\$0.00
NET CASH VALUE OF ASSETS		\$200.00	

TOTAL ACTUAL INCOME FROM ASSETS

\$0.00

IMPUTED INCOME FROM ASSETS \$0.00
(Only if the Net Cash Value of Assets is greater than \$5,000)

Anticipated Annual Income

Member ID	Wages/Salaries	Benefits/Pensions	Public Assistance	Other Income	Asset Income
0527	\$33,650.00	\$6,000.00	\$0.00	\$0.00	\$0.00
0528	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0529	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0530	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$33,650.00	\$6,000.00	\$0.00	\$0.00	\$0.00

TOTAL ANNUAL INCOME

\$39,650.00

Income Eligibility Result
Based upon the information submitted, the Annual Income of 0527 has been determined to be \$39,650.00, which is below the 2021 80% income limit of \$76,550.00 for a 4-member household in Raleigh, NC MSA (CBSA: METRO39580M39580). (Completed on June 15, 2021.)

Previous
Save & Return to Dashboard
Continue to Adjusted Income >

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U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator
24 CFR PART 5 ANNUAL INCOME CALCULATION
Completed on 07/22/2019

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator
24 CFR PART 5 ANNUAL INCOME CALCULATION
Completed on 07/22/2019

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator
24 CFR PART 5 ANNUAL INCOME CALCULATION
Completed on 07/22/2019

1. Last Name: [Redacted] 2. Beneficiary ID: Alameda072219A
3. Number of Members: 2 4. Area/State: METRO15 NC 1584 5. 2019 Income Limit: \$38,800.00

ASSETS

First Names	Member IDs	Asset Description	Current Cash Value of Assets	Actual Income from Assets
[Redacted]	A		\$0.00	\$0.00
[Redacted]	B		\$0.00	\$0.00

6. Net Cash Value of Assets: \$0.00
7. Total Actual Income from Assets: \$0.00
8. Imputed Income from Assets: \$0.00

Page 1 of 3

ANTICIPATED ANNUAL INCOME

First Name	Member ID	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income	e. Asset Income
[Redacted]	A	\$0.00	\$14,202.00	\$0.00	\$0.00	\$0.00
[Redacted]	B	\$6,177.60	\$0.00	\$0.00	\$0.00	\$0.00

9. Totals: a. \$6,177.60 b. \$14,202.00 c. \$0.00 d. \$0.00 e. \$0.00
10. Enter total of items from 5a through 5e. This is Annual Income: \$20,379.60

Based upon the information submitted, the Annual Income of [Redacted] has been determined to be \$20,379.60 which is below the 2019 80% income limit of \$38,800.00 for a 2-member household in METRO15 NC 1584. (Completed on July 22, 2019)

COMPLETE SIGNATURES ON NEXT PAGE

Page 2 of 3

HEAD OF HOUSEHOLD
Signature: [Redacted] Printed Name: [Redacted] Date: 7/25/2019

OTHER BENEFICIARY ADULTS*
Signature: [Redacted] Printed Name: [Redacted] Date: 7/25/2019

PREPARER
Signature: [Redacted] Printed Name: [Redacted] Date: 07/22/2019

Page 3 of 3

match application
match application
Original signatures and dates
Certifying signature and date

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Portal Training

Entering a Reservation in the Portal

Status-Pending Setup

- Enter Homeowner and Property Information
- Environmental Review
 - Maps, Maps, Maps
- Household Information
- Loan Amount



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Entering a Reservation in the Portal

Status-Submitted

- After all the required documents are uploaded
- Click Submit



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Entering a Reservation in the Portal



Status-Submitted

- NCHFA will review submitted environmental documentation
- Our paralegal will conduct a full title search
- We may ask for additional information

Entering a Reservation in the Portal



Status-Approved

- After environmental and title are approved
- You may now request soft cost
- Start work write-up, cost estimates, testing
- Procure for hard cost contractor services
- Select winning bid

Settlement Data Sheet

Status-Approved

- After winning contractor is selected, you can submit the Settlement Data Sheet



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Settlement Data Sheet

Edit Settlement Data Sheet Costs

Construction Management - Soft Costs

Category	Amount	Budgeted	Funds Disbursed
Outreach & Advertising	100	100	No
Environmental Review Preparation	400	400	No
Asbestos Testing/ Clearance	250	250	No
Radon Testing	50	50	No
LBP Inspection/ Risk Assessment	800	800	No
LBP Clearance	350	350	No
Loan document execution, recording & legal fees	600	600	No
Pre-rehab inspection including scope of work	800	800	No
Work write-ups	1,000	1,000	No
Cost estimate	400	400	No
Project & construction management	4,375	4,375	No
Flood insurance (units in Flood Hazard Zones)	100	100	No
Post-rehab value certification	500	500	No

Status-Approved

- Your case manager will review submitted soft costs



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Settlement Data Sheet

Construction - Hard Costs

Category	Amount	Funds Disbursed
Construction contract	20,000	No
Temporary relocation	0	No
Construction Contingency Funds	4,000	


Summary

	Soft Costs	Hard Costs	Total
Funds Disbursed			
Funds Not Disbursed	\$9,725	\$24,000	\$33,725
Funds Disbursed at Closing			
Total Assistance	\$9,725	\$24,000	\$33,725

Save
Cancel

Status-Approved


- Your case manager will review submitted hard cost
- Contingency costs will automatically add 20% up to the maximum hard cost amount



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Menu

- Dashboard
- Borrower
- Co-Borrower
- Property
- Household
- Environmental Screening
- Post-Rehab Value
- Funding
- Closing Attorney 5
- Closing Location 2
- Settlement Data Sheet
- Invoices
- Requisitions
- Documents
- Unit Completion
- Messages

Settlement Data Sheet

Closing Attorney / Closing Location


The Closing Attorney and Closing Location information is submitted at the same time as the SDS.

You do not need to use an attorney for the closing; however, you do need at least to specify a contact person to whom the closing documents will be emailed.

Select the available closing date from the calendar.

Allow 7 Agency business days to schedule closing.


Be forewarned: NCHFA manages the closing dates that are available including holidays, end of year and fiscal year closings.



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Settlement Data Sheet

Closing Date Scheduled

Your closing date has been scheduled for 2/26/2019.

Your Case Manager will review the SDS and advise of any concerns. Once the SDS is approved:

- You will receive an approval message through the portal
- A Good Faith Estimate will be mailed to the homeowner with a copy emailed to you
- Closing documents with instructions will be generated by Liz Hair and e-mailed to you



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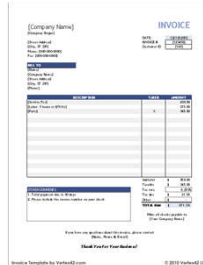
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Conduct the closing and send the executed documents to the Agency.

After the documents are reviewed and approved the status is **CLOSED**.

You can now upload invoices and submit requisitions for hard cost and soft cost.



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Create Requisition Request

Select the requisition items to include in your request.

	Vendor	Ref #	Cost	Type	SFRLP	Other
<input type="checkbox"/>	Bob's Lead Services	B20183285	LBP Inspection/ Risk Assessment — Lead Inspection	Soft	100	--
<input type="checkbox"/>	Bob's Lead Services	B20183285	LBP Clearance	Soft	200	--

Summary

Cost Type	Budget	Previously Requested	This Request	Total to Date	Remaining
Soft	9,725	0	0	0	9,725
Hard	0	0	0	0	0
	9,725	0	0	0	9,725

No items have been selected

Hard costs cannot be requisitioned until the loan has closed

Final Requisition Request

Final Requisition Request



Send to Review



Click if this is the final requisition for this unit

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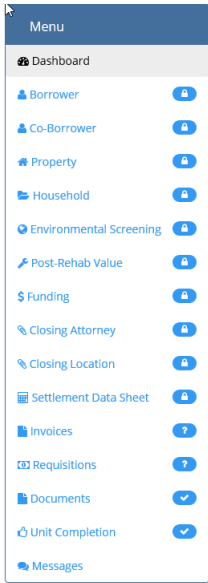
  If you have a change order that requires a loan increase, notify your Case Manager. A Loan Modification will be sent to you to be executed and recorded before any funds can be disbursed.

  If after the final requisition is submitted and the loan is not entirely disbursed, an Estoppel will be generated by NCHFA and mailed to the homeowner with a copy emailed to you.

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Unit Completion

After all funds have been disbursed, you will receive a message:

Unit Completion Report has been started


Author	
Mark Lindquist Apr 16, 2019 10:54 AM	Please submit the Unit Completion Report to NCHFA.

You need to enter the General Contractor information under Unit Completion and upload at least 4 before and 4 after photos under Documents.

Before and After Rehab

(Optional)
Pictures of the unit


After the unit is complete, it appears under "Active Units" for 5 years.



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NEW 2020 SDS



For additional training

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ESFRLP Training

- [ESFRLP Portal: Reservations \(Including Environmental\)](#) (updated 7/1/2020)
- [ESFRLP Portal: Settlement Data Sheet \(SDS\)](#) (updated 7/1/2020)
- [ESFRLP Portal: Invoices and Requisitions](#) (updated 7/1/2020)
- [ESFRLP Portal: Unit Completion](#) (new 7/1/2020)
- [ESFRLP Portal: Funding Agreement Modifications](#) (effective 8/10/2020)
- [ESFRLP20 Admin Workshop slides](#) (held on 6/24/2020)
- [ESFRLP20 Rehab Specialists Workshop slides](#) (held on 6/25/2020)

Contact


Mark Lindquist, 919-501-4263, mwlindquist@nchfa.com

Or your case manager



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Working with your Rehabilitation Specialist/Consultant



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Section 2: Supporting Documents

- Appendix A, Section A & B: *Introduction and General Requirements*
- Appendix A, Section C: *Essential Property Standards*
 - Priority Projects
 - Waiver Process
- Appendix A, Section E: *Environmental Protection* – pages 93-95
- Appendix A, Section F: *Lead Based Paint Requirements* – pages 97-100
- Appendix C: *Lead-Based Paint Requirement Worksheet (Required)*
- Appendix C: *ESFRLP Essential Property Standard Certification of Compliance (Required)*

"As long as one keeps searching, the answers come."

- Joan Baez



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Appendix A: Section A. Introduction

• ESFRLP Goal:

- *Make a positive impact on the state's stock of standard affordable housing by encouraging essential rehab of existing, single-family owner-occupied homes occupied by those with an AMI of 80% or less.*

General Principles

- Do not throw good money after bad.
- Do not leave bad apples.
- Will an energy improvement pay for itself over its lifetime? Yes=Go, No=Stop.
- Home energy conservation includes winter heat gain, summer heat-loss, ventilation, shading, storm drainage, etc.
- When local utilities offer discount rates, make an effort to meet the energy standards, when possible.

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Appendix A: Section B. General Requirements

• Final HOME Rule:

- *Issued July 29, 2013*
- *Requires units to meet an (as yet) unpublished version of UPCS that replaces HQS*
- *Once published, this version may supersede the Essential Property Standard (EPS)*
- *NCHFA will issue a memo once we receive guidance*

- All work must meet or exceed the NC Building code and local permitting/inspection requirements
- Use MHC requirements when they exceed the EPS
- No units will retain threats to health or safety
- Meet or exceed the EPS
- Review all units for environmental effects
- Pay attention to manufacturer's installation instructions and workmanship
- Member's are responsible to advise clients of proper care and maintenance
- Use universal design principles when you can
- As much as practical, remove moisture from crawlspaces and basements
- Comply with the Essential Rehabilitation Standards

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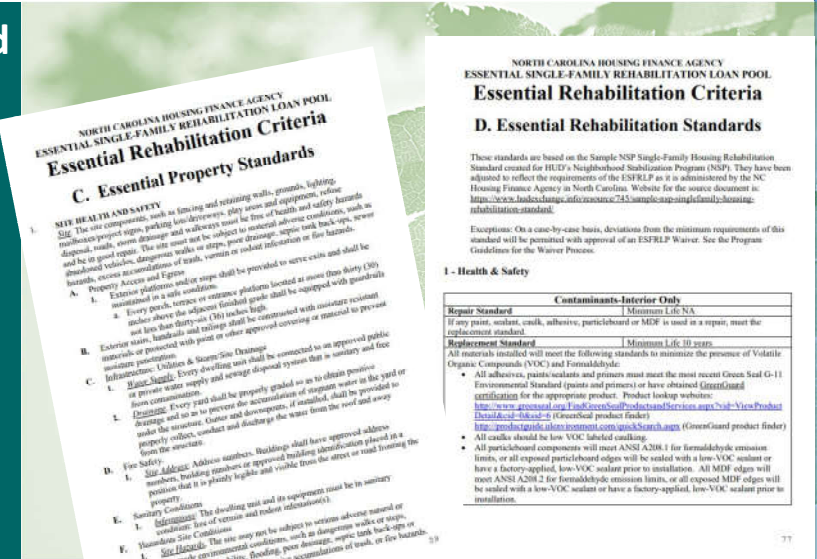
Appendix A: Section C & D. What We are Not Covering today

• C. Property Standard ~ 5 Big Sections

- Site Health and Safety
- Building Health and Safety
- Building Space and Structure Standards
- Building System Standards
- Energy Efficiency Standards

• We will cover the following tomorrow in the Rehab Specialists Workshop:

- Section C: Essential Property Standards
- Section D: Essential Rehabilitation Standards



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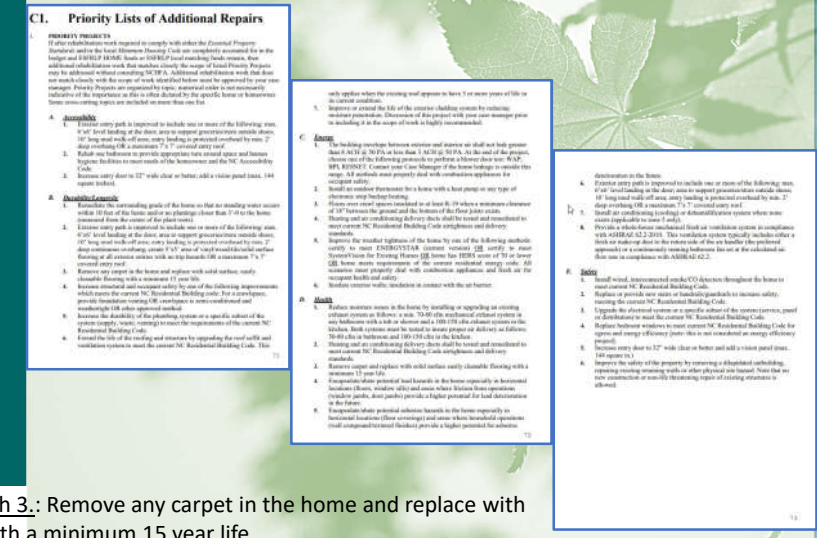
Appendix A: Section C1. Priority List of Additional Repairs

• Also in Section C:

- C1. Priority Projects
- C2. Waiver Process

• C1. Priority Projects ~ 5 Short Sections

- A. Accessibility
- B. Durability/Longevity
- C. Energy
- D. Health
- E. Safety



Example: Durability/Longevity 3. & Health 3.: Remove any carpet in the home and replace with solid surface, easily cleanable flooring with a minimum 15 year life.

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Appendix A: Section C1. Priority List of Additional Repairs

- **Priority List potential**
 - Support community goals
 - Reduce future community exposure to toxins
 - Reduce potential future community costs
 - Guide a community to make fair, equitable, consistent decisions
 - Use close to \$30,000 for a unit on a consistent basis.

Pinestraw County Priority List

- D.1: Install new exhaust fans in kitchen and bath and test.
- D. 4: Encapsulate/Abate Lead hazards
- D. 5: Encapsulate/Abate Asbestos hazards
- A.1-3: provide for accessibility needs
- B.1: no standing water around home

- E. 1-6: upgrade any safety issues
- D.2, 3, 6-8: upgrade any health issues
- B. 2-7: upgrade any durability issues
- C. 1-6: upgrade any energy issues



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Appendix A: Section C2. Request for waiver of ESFRLP Property Standard requirement

- **C2. Waiver Process**
 - Waiver is similar to a Change Order and must be approved/signed by:
 - homeowner
 - Member – 2 persons
 - (Maybe) contractor
 - NCHFA
 - Removes an Essential Property Standard requirement
 - This is a required form that must be signed and dated
 - Acts like a feedback loop to suggest potential revisions

C2. Request for Waiver of ESFRLP Property Standard Requirement

Date: _____

Agency: _____
 Contact: _____
 Phone: _____
 Owner: _____
 Phone: _____
 Project Address: _____
 City/State/Zip: _____
 County: _____

I, _____, Homeowner's Name: _____ (print full name and sign)
 _____, Rehabilitation Specialist's Name: _____ (print full name and sign)
 Funded Member/Contractor/Partner Contact: _____ (print full name and sign)

By signing this document, the undersigned acknowledges NCHFA's Minimum Requirements for the Essential Single-Family Rehabilitation Loan Program and agrees to accept the terms and conditions of the following Minimum Requirements for this project. I do hereby request a waiver of the following Minimum Requirements for this project:
 [Enter ESFRLP Minimum Property Standard Section Reference Number(s)] _____

Please state how this waiver will meet or exceed the above ESFRLP Minimum Property Standard requirement for this project:

I hereby acknowledge that, in requesting this waiver, I will hold harmless any party providing funding, administration, or construction, due to omission of this provision of the North Carolina Housing Finance Agency's ESFRLP Property Standard and that implementation of this request will comply with any state or local codes or ordinances.

NCHFA Case Manager Comments: _____
 Case Manager: _____ Date reviewed: _____
 NCHFA Manager of Housing Rehab Comments: _____
 NCHFA Manager of Housing Rehab: _____ Review Date: _____
 Date of: Approval _____ Denial _____

Form moved to new location in Program Guidelines, available online



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Appendix C: Required Forms and Model Forms

Required Forms:

- Partner Portal including HOME Owner Agreement (Stacy)
- LBP Requirement Worksheet and Exhibits
- ESFRLP EPS Certification of Compliance
- Certification of Completion and Final Cost (CCFC) (Dan)
- Request for Project Amendment (Dan)
- Section 3 Guidance For ESFRLP with Summary Report (Mike)

Model Forms:

- Case File Log
- Pre-Application and Eligibility Form (Chuck)
- Written Agreement (Member/Contractor) (Dan)
- Bid Opening Tabulation Record (Chuck)
- Contract for Rehabilitation (Dan)
- EPS Checklist (req. 2016-18)
- Pre-Construction Conference (Chuck)
- Post-Construction Conference (Chuck)
- Certificate of Final Inspection (Chuck)
- Owner Certificate of Satisfaction (Chuck)
- Release of Liens (Chuck)

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REQUEST FOR PROJECT AMENDMENT (REQUIRED)

North Carolina Housing Finance Agency
Essential Single-Family Rehabilitation Loan Pool
Request for Project Amendment

Member Organization: _____ Title: _____

Amount of ESFRLP Paid, per Funding Agreement: _____

1 Dwelling units covered: (Please check either A or B.)
 A. No change in number of dwelling units to be served is requested.
 B. The Member requests that the number of dwelling units to be served be amended in accordance with the following table:

Number of Dwelling Units	Approved	Proposed

Reason for requested change: _____

2 Other Family: (Please check either A or B.)
 A. No change in other family to be leveraged is requested.
 B. The Member requests that the other family to be leveraged be amended in accordance with the following table:

Source	Approved	Actual to date	Proposed	Net Change

Total amount of other family: _____
 Other loans per dwelling unit: _____

Reason for requested change: _____

North Carolina Housing Finance Agency
Essential Single-Family Rehabilitation Loan Pool
Request for Project Amendment

Project Rate: (Please check either A or B.)
 A. The proposed amendment is requested.
 B. The Member requests approval of change in the proposed rate in dollars. A correct currency is entered in the official table rate entry of the application.

Project Rate	As Approved	Proposed Change
1. Project Administration	Name: _____ Title: _____	Name: _____ Title: _____
2. Financial management	Name: _____ Title: _____	Name: _____ Title: _____
3. Loan administration	Name: _____ Title: _____	Name: _____ Title: _____
4. Member file administration, records, etc.	Name: _____ Title: _____	Name: _____ Title: _____
5. Rehabilitation management	Name: _____ Title: _____	Name: _____ Title: _____
6. Work order staff	Name: _____ Title: _____	Name: _____ Title: _____
7. Case manager	Name: _____ Title: _____	Name: _____ Title: _____
8. Intake/stop orders of work	Name: _____ Title: _____	Name: _____ Title: _____
9. Field inspection of work	Name: _____ Title: _____	Name: _____ Title: _____
10. Applicant contact	Name: _____ Title: _____	Name: _____ Title: _____
11. Escrow	Name: _____ Title: _____	Name: _____ Title: _____
12. Other: (Specify below)	Name: _____ Title: _____	Name: _____ Title: _____

1 Budget for Soft Costs:
 A. No change is requested.
 B. The Member requests approval of change in the Budget for Soft Costs.

ESFRLP Soft Costs	As Approved	Proposed Change
1. Outreach & Education		
2. Environmental Remediation		
3. Fieldwork/field inspection		
4. Fieldwork/field inspection		
5. LBP assistance		
6. Loan document creation, recording & final copy		
7. Project file creation & maintenance		
8. Work order staff		
9. Case manager		
10. Project file creation & maintenance		
11. Fieldwork/field inspection (See Item 3 above)		
12. Fieldwork/field inspection		
Total ESFRLP Soft Costs		

1 Member Certification:
 The Member certifies that the information furnished on this Request for Project Amendment is true and correct to the best of the Member's knowledge and belief. I understand that the Member's signature on this Request for Project Amendment is a binding contract.

Member Signature: _____ Date: _____

1 NCHFA Approval:
 The North Carolina Housing Finance Agency hereby approves the above Funding Agreement change.
 as requested, or
 as requested with conditions (See blue ink). Staff changes are hereby made a part of the Funding Agreement record.

NCHFA Signature: _____ Date: _____



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Appendix C:

Required Forms

• **ESFRLP Essential Property Standard Certification of Compliance**

- *What does this replace?*

The EPS Checklist

ESFRLP Essential Property Standard Certification of Compliance*

This certifies that _____ (project address)
in _____ (city) was inspected on the dates named below and found to be in compliance with at least one of the following during the **Post-Rehabilitation Inspection**:

- Local Minimum Housing Code for _____ (local jurisdiction)
 Essential Property Standard [ESFRLP Program Guidelines Appendix A, Section C.]

Pre-Rehabilitation Inspection by [print name of inspector]: _____
Inspected by _____ [Signature of Rehabilitation specialist]
on _____ (month/day/year) to create a scope of work to meet the selected standard.

Post-Rehabilitation Inspection by [print name of inspector]: _____
Inspected by _____ [Signature of Rehabilitation specialist]
on _____ (month/day/year) to confirm completion of a scope of work to meet the selected standard. On this date, all work is complete and there are no 'punch-list' items.

A one-year warranty begins on the Post-Rehabilitation inspection date above; the homeowner must notify in writing the contractor and/or partner of any defects within one-year of this date. All corrective work performed extends the warranty on the corrected work to one-year from the date corrected.

Contractor: _____
[name of organization and contact with address]

Partner: _____
[name of organization and contact with address]

The following corrective work was performed (include item and date of the correction):

Homeowner Receipt of completed document:
Homeowner signature: _____
Homeowner Printed Name: _____ Date: _____

* The project case file should continue to include a consistent pre-rehab inspection list. Examples include: ESFRLP Certification Checklist, ESFRLP Field List, local minimum housing code with additional required ESFRLP Essential Property Standards added or other pre-rehab list that suits the needs of the Member's organization and location to meet the Essential Rehabilitation Criteria.

Last Updated: April 22, 2019



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Section 3 Reporting and Environmental Review Issues



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SECTION 3: EXPLANATION & BUSINESS PRACTICE

Section 3 Information and Terminology

Section 3 of the Housing and Urban Development Act of 1986, as amended (12 U.S.C. 1701c)

Section 3 and regulations at 24 CFR part 135, ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very-low income individuals, especially recipients of government assistance for housing, and to business concerns they own or that employ them.

Who Must Comply with Section 3 Requirements?

For NCHFA ESFRLP awards, it has been determined by HUD Guidelines that Section 3 will apply just to the subrecipient once the funding agreement has been amended and exceeds \$200,000.

Section 3 applies to employment opportunities for the Essential Single-Family Rehabilitation Loan Pool Members that are generated (job created) as a result of projects receiving federal HUD HOME Investment Partnership Program (HOME) funding through NCHFA.

Section 3 Service Area

The Section 3 service area is the metropolitan area (MSA) or non-metropolitan county where a HUD-assisted project for housing is located.

Section 3 Resident (this would apply to new hires of the subrecipient)

Section 3 residents are new hires that are:

- Residents of public housing
- Persons who live in the MSA or non-metropolitan county where a HUD-assisted project is located and have a gross household income less than 80% of the area median. Use the current county income table located at www.nchfa.com

Section 3 Business Concern (this would apply to professional services hired by the subrecipient)

A business can be classified as a Section 3 business if:

- At least 51% or more of the business is owned by Section 3 residents.
- The business' permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- The business provides evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to a Section 3 business concern as defined in the four two bullet.

Section 3 Numerical Goals and Compliance

The measurement of compliance with Section 3 regulations is the percentage of contracts awarded to Section 3 businesses, and the employment of Section 3 residents. The Section 3 goals apply to contract

awards and hiring in excess of \$200,000 in connection with Section 3 HOME funded Essential Single-Family Rehabilitation Loan Pool funding agreements.

If it is not feasible to meet the minimum goals, the Covered Parties must be prepared to provide an explanation and documentation as to why the goals were not met.

Goals:

- At least 3% of the total dollar amount of all other Section 3 covered non-construction contracts (i.e. professional services) to Section 3 businesses; and
- At least 20% of the aggregate number of new hires and provide training to those new hires. Employment goals are based on "new hires" which is defined as full-time employees for permanent, temporary, or seasonal employment opportunities.

What is a Good Faith Effort?

Good faith effort means that a subrecipient must take concrete steps to expand training and employment opportunities when a vacancy exists.

With respect to business participation, a good faith effort means identifying businesses located within the boundaries of the Section 3 covered project area, making them aware of contracting opportunities, encouraging the participation of affected businesses in the procurement process, and awarding contracts to these Section 3 business concerns if qualified.

Section 3 Implementation

Section 3 must be implemented in a manner consistent with existing Federal, State, and local laws. Section 3 does not supersede these laws, nor do these laws cancel or override the Section 3 obligation.

- Employment - Section 3 is race neutral, directed at low income and very-low income persons.

Forms and Reporting Requirements

- Prior to the end of the grant period or closing, the subrecipient is required to submit to NCHFA the Section 3 Summary Report for ESFRLP. This is an Excel form and must be submitted with the Certification for Completion and Final Cost (CCFC) form.

2 pages

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SECTION 3: FORMS FOR YOUR ORGANIZATION

Section 3 Local Jobs Initiative Resident Certification

To be signed by the Section 3 Resident and retained in the project files. Do not return to NCHFA.

All employees working on Section 3 covered projects must be reported in aggregate on the Section 3 Summary Report with their Section 3 resident status. For all employees reported as being Section 3 residents, documentation of their status must be retained in the project files. NCHFA considers this form adequate documentation of Section 3 status.

"Low income" resident means they earn below 80% of the median income for a household of their size in their area. To identify the income limit for your area, use the county income limit table located at www.nchfa.com

Instructions to employer (subrecipient): Complete this form for every employee that is a Section 3 resident, with resident signature. Retain this form in project files.

Employee Name: _____

Employee Address: _____

Employee Telephone Number: _____

- Is the Employee a public housing resident? Y () N () If yes, name of development _____

(public housing is owned by a Public Housing Authority - PHA)

- Is the employee a Section 3 resident because they are a low-income individual in the county/MSA of the project? Y () N ()

Annual family income last year: _____

Number of people in household: _____

County Median Income: _____ (locate the county and use the 80% chart for the household size. Use your current county income table located at www.nchfa.com

To be signed by the Section 3 Resident

I certify that the above statements are true, complete, and correct to the best of my knowledge and belief.

Name (signature) _____

Name (printed) _____

Employer (printed) _____

Project Name: _____

Section 3 Business Certification

To be completed by the business claiming Section 3 business status. Do not return to NCHFA.

For all businesses reported as being Section 3 businesses, documentation of their status must be retained in the project files. NCHFA considers this form adequate documentation of Section 3 status. Subrecipients funded with HUD (HOME) funding, with awards greater than \$200,000, are required to report on hiring and professional services contracts they make both with Section 3 business concerns and with businesses that are not Section 3 business concerns.

This form is a tool to determine and document the Section 3 business status (professional services). Documentation of the status of Section 3 Businesses should be retained in the project files.

Business being certified

Company: _____

Address: _____

Project information

Project Name: _____

Section 3 determination

- Is your business owned (51% or more) by individuals whose household incomes are 80% GREATER THAN 80% of Area Median Income (AMI)? Use your current county income table located at www.nchfa.com
() Yes () No

- Do 30% (or more) of your full time, permanent employees have household incomes that are 80% GREATER THAN 80% of Area Median Income (AMI), or within three years of the date of first employment with the business concern were Section 3 residents? Use your current county income table located at www.nchfa.com
() Yes () No

- Will you subcontract more than 25% of this contract with a qualified business that is either 51% owned by Section 3 residents or 30% or more of its employees are Section 3 residents?
() Yes () No

If any of the questions above are marked "yes", the business qualifies as a Section 3 business.

I certify that the above statements are true, complete, and correct to the best of my knowledge and belief.

Signature: _____

Print Name: _____ Date: _____

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SECTION 3: INSTRUCTIONS

Section 3 Reporting Instructions for the Summary Report Essential Single-Family Rehabilitation Loan Pool (ESFRLP)

This reporting requirement applies only to ESFRLP subrecipients that receive HOME funds in excess of \$200,000 and is only applicable to the subrecipient. The subrecipient must submit to NCHFA one HUD-60002 report that contains their own activities.

General Instructions

Form HUD-60002 has three parts. Part I relates to **Employment and Training**. The subrecipient must complete Part I for the number of new hires for each job category (B, C, and F). Part II of the form relates to **Contracting**, which is only applicable for ESFRLP in relation to non-construction contracts over \$100,000 (maintenance contracts, professional service contracts associated with construction - e.g. architectural, engineering, legal services, accounting, marketing), and Part III summarizes recipients' efforts to comply with Section 3.

For NCHFA ESFRLP projects, the Summary Report must be submitted prior to award close-out.

The terms "low-income persons" and "very low-income persons" have the same meaning given the terms in section 5052(c) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 % of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low- income families. Very low-income persons mean low-income families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Fill out all fields in blue

For the heading of Section 3 Summary Report:

Fill out:

- Subrecipient Name and Address: This should contain the complete name of the subrecipient of the NCHFA award, not the name of the homeowners. The address field should be the address of the subrecipient organization.
- Contact person: The person at the recipient organization whom NCHFA staff should contact with questions about this form.
- Date Submitted to NCHFA: Enter date
- Phone Fax/Email: For the contact person
- Total Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received from NCHFA. The next field will self-calculate and is the amount that exceeds \$200,000.

For Part I: Employment and Training

Section 3 residents listed will be reported on Form HUD-60002.

Column A:

Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers). The category of "other" includes occupations such as service workers.

Column B:

Enter the number of new hires for each category of workers identified in Column A in connection with this award. New Hire refers to a person who was not on the subrecipient's payroll for employment prior to the subrecipient ESFRLP contract amendment notification.

Column C:

Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who was not on the subrecipient's payroll for employment prior to the subrecipient ESFRLP contract amendment notification.

Column F:

Enter the number of Section 3 trainees in connection with this award post contract amendment notification.

For Part II: Contracts Awarded

1. "Construction Contracts" is not applicable due to the Section 3 covered assistance applying to the subrecipient organization after the contract amendment notification date.

2. "Non-Construction Contracts" - only report contracts in excess of \$100,000 post contract amendment notification date.

Item A: Enter the total dollar amount of all non-construction contracts awarded.

Item B: Enter the total dollar amount of non-construction contracts awarded in relation to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts.

For Part III: Summary of Efforts

Enter **Yes** or **No** to the first four statements. Use the first narrative space to detail any actions that were undertaken by the subrecipient to comply with Section 3 (where you posted job listings etc. if there was hiring). In the second narrative space detail why you were unable to attract Section 3 applicants or why you did not hire or contract.

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SECTION 3: SUMMARY REPORT >>>>TO NCHFA

Section 3 Summary Report ESFRLP

Subrecipients use this form to provide NCHFA the information necessary to complete the HUD-60002 report.

Subrecipient Name: _____
 Project Number: ESFRLP
 Contact Person: _____
 Length of Term: NA
 Date Report Submitted to NCHFA: _____
 Subrecipient Address (city, state, zip): _____
 Phone: _____
 Fax: _____
 Email: _____
 Reporting Period: NA
 Program Code/Name: HOME-State Advancement
 Total Amount of Award: _____
 Calculated amount over \$200,000: _____

Part I: Employment and Training (Columns B, C, and F are mandatory fields) Hiring by Subrecipient

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Sec. 3 Residents	D. % of Section 3 New Hires	E. % of Total Staff Hires for Section 3	F. Number of Section 3 Trainees
Professionals	NA	NA	NA	NA	NA
Supervisors	NA	NA	NA	NA	NA
Office/ Clerical	NA	NA	NA	NA	NA
Office Managers	NA	NA	NA	NA	NA
Sales	NA	NA	NA	NA	NA
Construction Trades (all)	NA	NA	NA	NA	NA
Operative (craft/industry)	NA	NA	NA	NA	NA
Laborers (hand/field)	NA	NA	NA	NA	NA
Service Workers	NA	NA	NA	NA	NA
Other	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA

If there anything you want to write an explanation for your responses in Part I, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage them to be new positions filled by Section 3 residents, so that your organization can be defended against a claim that you are not complying with the spirit of Section 3.

Empty text box for supplemental information.

2. Non-Construction Contracts: Professional Services

- A. Total dollar amount of all non-construction contracts awarded on the project
- B. Total dollar amount of non-construction contracts awarded to Section 3 businesses
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses
- D. Total number of Section 3 businesses receiving non-construction contracts

If there anything you want to write an explanation for your responses in Part II, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage them to be new positions filled by Section 3 residents, so that your organization can be defended against a claim that you are not complying with the spirit of Section 3.

Empty text box for supplemental information.

Part III: Summary of Efforts

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Enter YES for all that apply. Enter NO, if it does not apply.)

Recruited low-income candidates through local advertising media signs prominently displayed at the project site, contracts with community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3-covered program or project is located, or similar methods.

Participated in a HUD program or other program which provides the training or employment of Section 3 residents

Participated in a HUD program or other program which provides the award of contracts to business concerns which meet the definition of Section 3 business concerns.

Coordinated with Year-round Program and administered in the metropolitan area in which the Section 3 covered project is located.

If there anything you want to write an explanation for your responses in Part III, or any supplemental information you'd like to provide? If you anticipate HUD or a state reviewer may be dissatisfied with your efforts, or with the results of those efforts, then include an explanation of everything you did to encourage them to be new positions filled by Section 3 residents, so that your organization can be defended against a claim that you are not complying with the spirit of Section 3.

Empty text box for supplemental information.

In the space below, please provide a detailed narrative describing the specific actions that were taken by you to comply with the requirements of Section 3 and meet the minimum numerical goals for employment and contracting opportunities. You may submit additional information outside this form, if useful.

Empty text box for detailed narrative.

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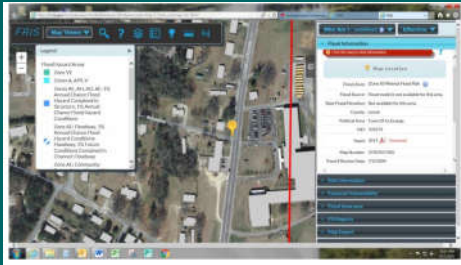
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Section 2.7: environmental standards

- Member must submit an Environmental Screening via the Partner Portal



Flood Map



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Environmental Screening	
Historic Property: [36 CFR 800] http://gis.ncdcr.gov/hpweb/ (print and attach color map)	
Year built?	1980
Is the unit > 45 years old?	No
Is the unit within or adjacent to any listed or eligible historic district?	No
Floodplain Management: [24 CFR 55, Executive Order 11988] http://fris.nc.gov/fris/index.aspx?ST=NC (print and attach color map)	
FIRM Panel Number?	3557
FIRM Panel Effective Date?	07/02/2004
Is the unit located outside of a 100-year floodplain?	Yes
Is the cost of rehab <50% of the market value of the home before rehabilitation?	Yes
Wetlands Protection [24 CFR 55, Executive Order 11990] http://nepassistool.epa.gov/nepassist/nepamap.aspx (print and attach color map)	
Will there be ground disturbance with the proposed single-family owner occupied housing rehabilitation?	No
Coastal Zone Management [Coastal Zone Management Act of 1972 sections 307(c) & (d)]	
NA - There is no effect for single-family owner occupied housing rehabilitation.	N/A
Sole Source Aquifers [40 CFR 149]	

Environmental Screening

- Please submit all required documents
- Follow links to create the required maps
- Label maps and include map component tables with all maps
- Do not Submit Noise Calculations. Noise Calculations are no longer required.



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Post-Rehab Value

Pick a Method and keep it!

There are three methods to determine a Post-Rehab Value:

1. Estimate of Value (Comparable Sales);
2. Tax Assessments of a comparable property; or,
3. an Appraisal.

If you select to use Estimate of Value or Tax Assessments of a comparable property, please enter the comparable property figure and upload the documentation of the target and the comparable property.

If you select the Appraisal method, please enter the Appraisal figure and upload the documentation that includes the work to be performed.



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Appendix A: Section E. Environmental Protection

- **E. Environmental Protection**
 - Threats from the Environment, Examples of these are:
 - Radon: tests required
 - Friable asbestos
 - Over-hanging trees
 - Poor Drainage
 - LBP: tests required before 1978
 - VOC
 - Flooding
 - Natural Disasters

NORTH CAROLINA HOUSING FINANCE AGENCY
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL
Essential Rehabilitation Criteria

E. Environmental Protection

1. **Threats from the environment** Section B.4 in General Requirements requires that units rehabilitated with ESFRLP assistance retain no threats to the health or safety of the household or to the structural integrity of the dwelling itself. Examples of such threats from environmental sources include, but are not limited to:
 - 1.1 Radon gas. Reducing infiltration through rehabilitation can exacerbate existing radon threats. All assisted units must be tested for radon levels. In the event that measured levels of radon exceed 20 picocuries per liter of air (pCi/l), remediation measures must be taken to reduce the level to 4 pCi/l or below. Where tested levels are between 4 and 20, homeowners must be informed of the level and provided with EPA's "Home Buyer's and Seller's Guide to radon" or an Agency-approved alternative.
 - 1.2 Friable asbestos. A dangerous mineral, especially when its microscopic fibers are inhaled, asbestos is found in several building products common in North Carolina. Among them are ceiling tiles, pipe or duct wrap resembling coarse, thick paper or paper mache. Asbestos-cement shingle siding is not considered friable and is not a hazard unless removed, sawn, broken or otherwise disturbed, at which point it must be treated as a hazard. There are over 3,000 different building products, which contain asbestos. Some are considered "friable and regulated", some are not and some depend on the method of removal to trigger regulation. Rehabilitation specialists must learn to recognize the most commonly encountered of these products and how to stabilize, encapsulate or have them removed safely and legally to protect the health of workers, the household and the environment. Certain threshold limits regarding the quantity and type of asbestos to be removed may require certified contractors. Applicable federal regulations are found at [40 CFR, Part 41, Subpart M](#). The rehabilitation specialist should contact the [Asbestos Hazard Management Branch of the Division of Epidemiology](#) to discuss the treatment of any suspected asbestos hazard.
 - 1.3 Over-hanging trees. Members should consider whether limbs or trees that overhang an assisted unit pose a threat to the unit and/or its occupants. If so, appropriate pruning should be included in the scope of work.
 - 1.4 Poor drainage. Excessive moisture in crawlspaces and basements may be the most common and odious environmental threat encountered in ESFRLP-funded
- 1.5 Lead-based paint. All units rehabilitated with ESFRLP assistance are deemed "HUD-associated housing" for the purpose of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §2451) and are, therefore, subject to 24 CFR part 35 (as published in the *Federal Register* on September 15, 1991) regarding testing, abatement and/or lead hazard reduction activities under certain circumstances (See Section F, below). Members are responsible for ensuring that rehabilitation specialists, contractors and workers are trained and/or certified in accordance with 24 CFR part 35. It is also the responsibility of the Member to provide the pamphlet, "Renovate Right", to households occupying pre-1978 dwelling units.
- 1.6 Volatile Organic Compounds (VOCs). Rehabilitation specialists should avoid specifying, especially for indoor use, building products high in VOCs which may threaten the comfort and/or well-being of the household. Particular sensitivities or allergies should be ascertained in initial interviews with applicants for assistance.
- 1.7 Flooding. If the Member's Assistance Policy allows for assistance to units within the floodplain, owners of any such units selected for assistance must be required to carry flood insurance in a minimum amount equal to 100% of Program loan's principal balance for the term of the loan.
- 1.8 Natural Disasters. Reasonable measures should be taken to strengthen homes against natural disasters such as wild fire, flooding, and in coastal areas, hurricane force winds.



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Appendix A: Section E. Environmental Protection

- E. Environmental Protection
 - Threats to the Environment
 - Historic Properties: SHPO
 - Floodplain Management
 - Toxic Chemicals
 - Wells and Septic Systems

Threats to the environment. Although single-family rehabilitation activities are "categorically excluded" under the [National Environmental Policy Act of 1969 \(NEPA\)](#), such activities are not excluded from individual compliance requirements of other environmental statutes, including the [North Carolina Environmental Policy Act \(SHEPA\)](#). To ensure that all ESFRLP-funded activities are in compliance, the Member must complete a brief review ("Environmental Screening Checklist") using the ESFRLP Partner Portal screen and instructions for each unit targeted for rehabilitation assistance. An Environmental Screening Checklist must be submitted to the Agency prior to committing funds to a unit. Although numerous areas of concern are covered in the required review, only a few of them are often relevant to ESFRLP work. Those are:

2.1 Historic Properties. If a property deemed to have bonafide historical significance is targeted for ESFRLP-funded rehabilitation, the scope of work must meet or exceed the Secretary of the Interiors Standards for Rehabilitation and Guidelines for Historic Buildings. To ensure compliance with applicable regulations and guidelines, Members must complete an additional form ("Historical Evaluation Request Form") for any unit targeted for Program-funded rehabilitation which is 45

years old or older or is deemed by the Member to have potentially significant architectural or historical importance. Historical Evaluation Request Form must be forwarded, with photographs of the unit and a location map attached, to the [State Historic Preservation Office \(SHPO\)](#) for review, and a copy, with SHPO's response, must be submitted to the Agency with the Environmental Screening Checklist through the ESFRLP Partner Portal. (Note: meeting the required standards for historic properties can be expensive. Members may deem it necessary to exclude historic properties from eligibility in their Assistance Policies or require matching funds from other sources in order to meet their average-cost targets.)

2.2 Floodplain Management. Although traditionally listed with threats to the environment for the purposes of environmental reviews, the primary concern here is with protection of the property from the environment (as discussed in section 2.6.2, above). The owner of any dwelling unit located within the 100-year floodplain, which is rehabilitated with Program funds is required to carry flood insurance on the unit continuously throughout the term of the ESFRLP loan in an amount not less than 100% of the principal balance of the ESFRLP loan. NCHFA, as mortgagee for the ESFRLP loan, shall be named as an insured lender on the policy. The first year's premium is an eligible Program soft cost. Property location must be documented by providing the map and parcel numbers in supporting documentation to the Environmental Screening Checklist through the ESFRLP Partner Portal. (See "Instructions to Environmental Review" and "Environmental Review Checklist")

2.3 Toxic chemicals. Defunct buried oil or gas tanks, stored chemicals, old car batteries and the like are sometimes found in or near units targeted for rehabilitation. The Member's rehabilitation specialist should ask the homeowner and inspect the house and grounds to determine if any such hazard exists and, if so, consult their case manager at the Agency regarding appropriate mitigation measures. Though lead-based paint, another toxic chemical, can be a threat to the environment, it is discussed above (Section E.2) as a threat from the environment.

2.4 Wells and septic systems. The installation of a new well or septic system could conceivably have a deleterious effect on wetlands and/or water quality. To ensure that this is not the case, any such installations must be done under the supervision of local health department officials.

Fair, Systematic, Uniform, Transparent = policies



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"Never doubt that a small group of thoughtful, committed citizens can change the world: indeed, it's the only thing that ever has."

Margaret Mead



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Question and Answer Session

CHANGES REVISITED

27 years of SFR (SFR, SFRLP, & now ESFRLP); Over \$172 million committed and approximately 4,602 homes rehabilitated to date

CHANGES in the program guidelines from ESFRLP19 to ESFRLP21:

- 1) Updated several website references (especially in the Rehabilitation Standards) including the income calculator: <https://www.hudexchange.info/incomecalculator/>
- 2) Section 2.2: added language reinforcing the requirement to call your case manager for prior approval when increasing project budget due to unexpected issues.
- 3) Section 2.4.1: clarified date of unit fund commitment
- 4) Section 3.2.2: added requirement to complete FA modification process
- 5) Section 3.12.7: added requirement for one overall unit photo
- 6) Section 3.9.5: added upload of monitoring documents to the Partner Portal
- 7) Section 4.1.4.5: added additional language concerning mixed use of home
- 8) Section 4.1.2.17: tied Notice of Disposition description to the date of ESFRLP Pre-Application
- 9) Section 4.2.2: adds a year built date requirement to the work write-up and clarifies "required" and "preferred" for the work write-up
- 10) Sections 4.2.2, 4.2.2.4 and 4.3.1.17: added radon mitigation to list of work scope break out requirements and reinforced that radon test is a required submittal
- 11) Section 4.4.4: updated Subordination Request process
- 12) Appendix Section C2: ESFRLP Waiver moved to required documents. This section is now used to provide the function of the Waiver and guidance on completing the Waiver.

Adios
Au revoir
Ciao
Sayonara

Goodbye Folks!



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