

NCHFA ESFRLP 2023 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, ESFR Coordinator
 Dan McFarland, DPP Coordinator
 Sarah Zinn, URP Coordinator

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

Rehabilitation Team Assigned Staff input:
 Liz Hair – Legal
 Keshonda Ruffin – Legal
 Brian O’Donnell– Policy



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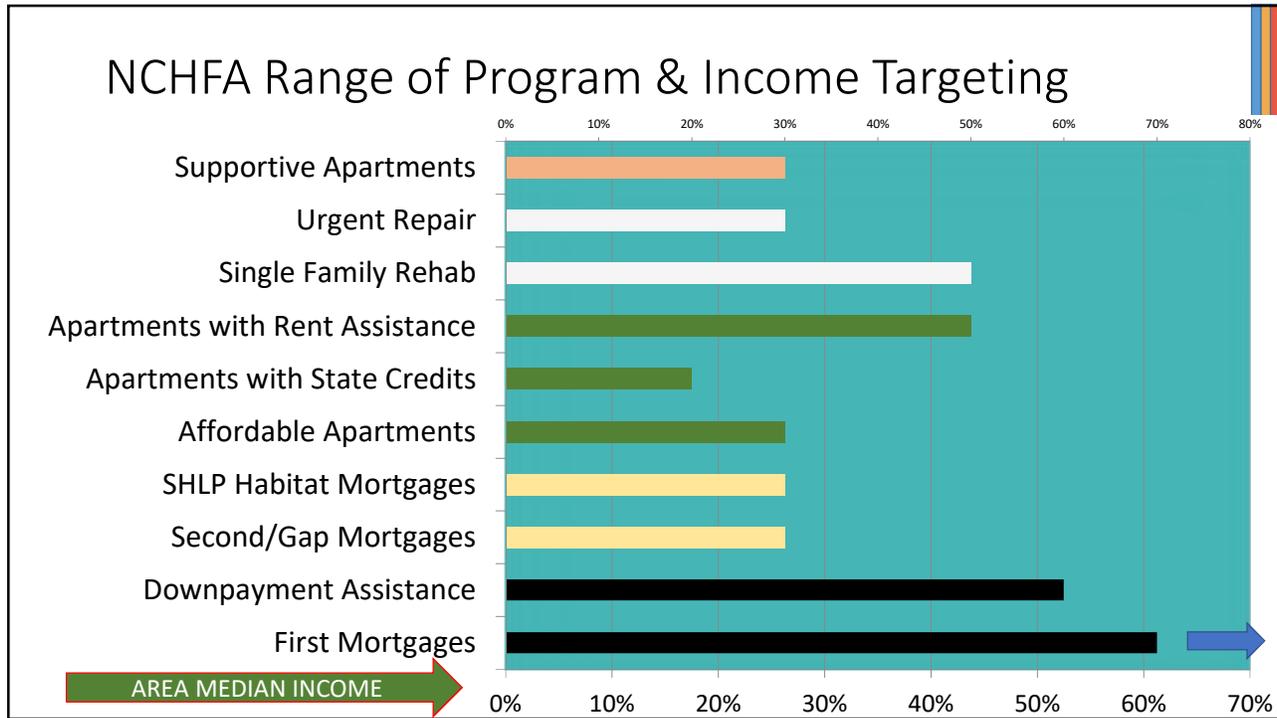

Our Mission

**We provide safe,
affordable housing
opportunities to enhance
the quality of life of
North Carolinians.**



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Agenda – ESFR23 Webinar

- **Administrators’ Implementation Webinar**

Wednesday, June 7, 2023

- 9:45 a.m. Webinar login
- 10:00 a.m. Welcome and Mission and Workshop Flow
- 10:10 a.m. Set Up Your ESFR Project: Minimum Requirements (Program Guidelines [PG] Section 2)
- 11:00 a.m. 10 Minute Stretch break Break
- 11:10 a.m. Financial Management Throughout Your ESFR Project (PG Section 3)
- 11:50 a.m. ESFRLP Loan Document Required Elements
- 12 Noon 10 Minute Stretch break Break
- 12:10 a.m. Individual Case Management & Loan Processing (PG Section 4)
- 12:50 a.m. Portal Training and Due dates
- 1:00 p.m. 30 Minute Bio-Break: Afternoon attendance required for new ESFR partners
- 1:30 p.m. ESFRLP income Determination 24 CFR part 5
- 1:50 p.m. ESFR and the LBP Process
- 2:05 p.m. Working with your Rehabilitation Specialist/Consultants
- 2:20 p.m. Section 3 Reporting and Environmental Review Issues
- 2:30 p.m. Q & A
- 3 p.m. Adjournment

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Set Up Your ESFR Project: Minimum Requirements

aka Due Dates, Basic Program Workflow and
Minimum Administrative Requirements



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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 DATES

Activity	Example Date in 2023
Award – issued by NCHFA, phone call + letter	April 6, 2023
Create Project Folder	Day of Award Letter Receipt (dated April 6, 2023)
Complete PAD, receive approval, sign Funding Agreement, \$162,000 allocation in place, usable	Earliest Start date: 7/1/23; after 7/1/23, FA is dated 7/1/23 but project begins on date of PAD approval
Begin Marketing and Outreach	Date of FA but no earlier than 7/1/23 – no expenses prior
Perform Intakes/Choose among Applicants	Not before 7/1/23 or per your Assistance Policy
Begin Partner Portal Workflow Process	7/1/23 or Per Assistance Policy decision dates
Unused portion of \$162,000 allocations return to Loan Pool (3.2.2)	July 1, 2024* *new beginning with ESFR22
All units reserved in the Partner Portal (3.2.2)	December 31, 2025
All units complete, CCFC due, no further fund expenditures (3.2.2)	June 30, 2026



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CHANGES ESFR19 TO ESFR21

- 28 years of SFR (SFR, SFRLP, & now ESFRLP-year 7)
- Over \$180 million committed and approximately 4,714 homes rehabilitated to date

CHANGES in the program guidelines from ESFRLP19 to ESFRLP20:

- 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 4.1.4.5: added additional language concerning mixed use of home
- 7) 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
- 8) Section 4.4.4: updated Subordination Request process

CHANGES in the program guidelines from ESFRLP21:

- 1) Section 3.9.5: added upload of monitoring documents to the Partner Portal
- 2) Section 4.1.2.17: tied Notice of Disposition description to the date of ESFRLP Pre-Application
- 3) 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
- 4) 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.



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CHANGES ESFR22 & ESFR23

CHANGES in the Program Guidelines for ESFR22 and ESFR23:

- 1) Section 1.1: Allowing more than one eligible applicant to serve a given county
- 2) Section 2.2.1: Increasing the maximum amount of program assistance for hard costs to \$40,000
- 3) Section 2.2.4 and 2.2.4.3: added Administrative funds to the program, up to 10% or \$4,000 of the hard and soft costs, which ever is less, per unit.
- 4) Section 2.3.1: Increasing the annual forgiveness rate from \$5,000 to \$8,000.
- 5) Section 2.8: clarified that temporary relocations may not exceed 1 year.
- 6) Section 3.2.2: reduced the set-aside amount from \$190,000 to \$162,000, reduced the set-aside units from 5 to 3, reduced the set-aside period from 18 to 12 months.
- 7) Section 4.1.4.4: Removed the requirement for a full masonry foundation for manufactured homes; all other requirements remain and an enclosed foundation wall is required to meet the ESFR Property Standard.
- 8) Updated federal mileage rate in Section 4.2.3.4 for those approved to perform rehabilitation work; must always use the current federal mileage rate at time of use. The federal rate may also be used for Administrative fund reimbursement.
- 9) Made minor grammatical corrections/corrected dates/updated links throughout.

CHANGES ESFR23

CHANGES in the Program Guidelines for ESFR23:

- 1) Essential Property Standard, Section 5.B, Insulation, add the following sentence: "Rooms where documentation is provided that the ceiling structure is connected to the roof structure forming a panel with no additional space to provide insulation except between each joist are not required to meet this standard."
- 2) Essential Rehabilitation Standard, Section 11 - HVAC: Air Conditioning, Replacement standard: "New HVAC systems will have a rough-in installed for air conditioning (≥ 14.3 SEER2)".
- 3) Essential Rehabilitation Standard, Section 11 - HVAC: Heating System, Replacement Standard: "Heat pumps will be rated at > 14.3 SEER2 for 3.5 ton or smaller units and > 13.8 SEER2 for larger units. Heating for split system units will be rated at > 7.5 HSPF2. Heating and cooling for package units shall be rated at > 6.7 HPSF2/13.4 SEER2."

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



It's a lot of
WORK!



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ESFR PROJECT WORKFLOW TEAM MEMBERS

Setting Your ESFR Project UP: Administrator roughly PG Section 2

Stage 1: Application and Award Phase

Stage 2: Project Outreach and Scoping Phase

Stage 3: Household Participant Project Initiation Phase

Stage 4: Bidding Phase

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Financial Management Throughout: Finance roughly PG Section 3

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NON-PORTAL 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 all consultants have contracts



NON-PORTAL WORKFLOW

Stage 2: Project Outreach and Scoping Phase

- **Project Level:**
 - Attending the required workshop to understand the rules
 - Review your Policies, Funding Agreement (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
 - **Keep records of Administrative Costs for future requisitions***
- **Unit Level:**
 - Complete Income Calculations and Certifications
 - Collect relevant data from participants
 - Score and choose participating households
 - Send out letters of award and notices of disposition



NEW 2022

Repeat if needed!

NON-PORTAL WORKFLOW

Stage 3: Household Participant Project Initiation Phase – Unit Level

- Creating Case Files with Case File Logs
- Collect/research data for Portal: environmental data, post rehab evaluations, State Historic Preservation Office (SHPO) reviews, etc.
- Review hard and soft costs for each unit in preparation for uploading Settlement Data Sheets
- **NEW 2022** Keep records of Administrative Costs not covered by soft costs for future requisitions*
- Work with your Rehabilitation Specialist to get Inspections, Workscopes, Cost estimates completed
 - All workscopes need a year-built date



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PORTAL WORKFLOW



- The answer to: When will I begin work in the Partner Portal?
- 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!
 - Submit environmental reviews, post rehab evaluations, SHPO review, flood maps, etc. in the Portal
 - Upload Home Owner Agreement in the Portal
 - Complete testing activities
 - Process requisitions for soft costs as needed
 - If you have completed a unit, you may bill for Admin costs associated with the current unit*



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NON-PORTAL WORKFLOW

Stage 4: Bidding Phase Unit Level

- Advertise and Receive Bids – may group Units
- Review and Award contracts
- Close/execute any loans not completed in previous phase
- Execute construction contracts



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PORTAL WORKFLOW



- Stage 4: Bidding Phase some work may be project level
- Unit Level:
 - Upload executed/closed loans to the portal if not yet complete
 - Submit Settlement Data Sheet screen in the Partner Portal
 - **If you have completed a unit, you may bill for Admin costs associated with the current unit***
 - Process requisitions for **soft** and **maybe hard** costs as needed
 - **Required:** *add the General (or responsible) Contractor to the portal prior to the final requisition and preferably prior to each initial hard cost requisition. Not adding this information to the portal may delay approval of your final requisition.*



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NON-PORTAL 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, wet signatures
- Provide Homeowners notice of Warranty date in some way
- Attend Post-Construction Conferences, **document them**
- Complete all of the unit's Construction Contract close-out documents



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PORTAL WORKFLOW



- Stage 5: Construction Phase
 - **Project Level-Required:**
 - complete Funding Agreement Modifications (FAM) as they occur when projects exceed \$162,000
 - **Process requisitions for administrative costs* - only if at least one unit is completed**
 - **Unit Level:**
 - Contract Modifications (Change Orders): execute & upload to portal
 - Process requisitions for **hard and soft** costs
 - Submit the Unit Completion Report (UCR) for each project as it is completed-must submit for all.
 - **Administrative Funds are not awarded until each unit is completed!***



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NON-PORTAL WORKFLOW

Stage 6: Monitoring and Close-Out Phase

The Project End

- **Project Level:**
 - Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
 - Complete Section 3 Summary Report [anything over \\$199,999](#)
 - Return any unused funds requested by NCHFA (rare)
 - Complete the Certification of Completion and Final Cost (CCFC) and send to Mark Lindquist
- **Unit Level:**
 - Process any lingering Loan mods/requisitions for unit hard or soft costs
 - Prepare & execute all Close-Out paperwork for Case Files
 - Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.



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PORTAL WORKFLOW



- Stage 6: Monitoring and Close-Out Phase
 - **Unit Level:**
 - Complete any loan modifications
 - Process any lingering requisitions for unit hard or soft costs – don't forget to add the General Contactor on your final pay requisitions
 - Ensure all UCRs are complete in the Portal
 - **Project Level:**
 - **Complete any Administrative Invoices/Requisitions***
 - Upload Section 3 Summary Report - [anything over \\$199,999](#)
 - Complete the final Funding Agreement Modification (FAM) – [when applicable](#)
 - Upload all requested Monitoring documents

The Project Ends



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ESFR Program Guidelines for Minimum Administrative Requirements

(aka PG Section 2)



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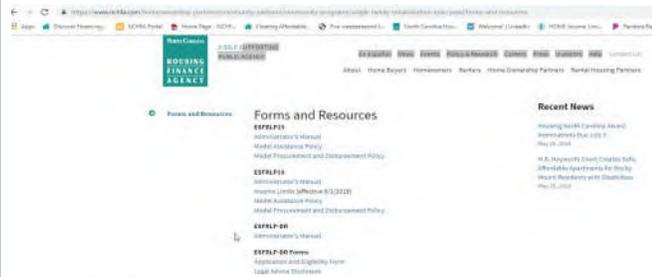
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SECTION 1.3: HOW TO USE THE MANUAL

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.



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Set Up Your ESFR Project: Administrator roughly PG Section 2

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The Project File

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



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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



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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***
 - Removed full masonry foundation requirement-this is retroactive**
 - Allowed by your Assistance Policy



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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
- Construction Management
- Flood Insurance (units in Flood Hazard Zones)
- Post-rehab Value Certification



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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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Section 2.2: Eligible Use of funds

• 2.2.4.3 Eligible Admin

- Administrative costs must be necessary and documented
- Maximum of \$4,000 per unit
- Maximum of 10% of total hard and soft costs across the project
- Not available for billing until the first unit is completely closed out.

NEW as of ESFR22

More on this in later presentations 😊

ESFRLP **NOW** pays for these
admin costs (2.2.4.3)*

- General management, oversight, coordination
- Travel and mileage expenses
- Project monitoring
- Indirect and overhead costs related to administration of ESFR activities
- Project related outreach and intake, advertising and public information

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.**

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]



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Section 2.4.1: Eligible Households

Effective June 15, 2022

County	Median Income	Percent Median Income	Household Size (Number of Household Members)				
			One Person	Two Person	Three Person	Four Person	Five Person
Alamance	\$78,200	30%	\$15,850	\$18,100	\$20,350	\$22,600	\$24,450
		50%	\$26,400	\$30,200	\$33,950	\$37,700	\$40,750
		60%	\$31,680	\$36,240	\$40,740	\$45,240	\$48,900
		80%	\$42,250	\$48,250	\$54,300	\$60,300	\$65,150
Alexander	\$69,600	30%	\$14,150	\$16,200	\$18,200	\$20,200	\$21,850
		50%	\$23,600	\$27,000	\$30,350	\$33,700	\$36,400
		60%	\$28,320	\$32,400	\$36,420	\$40,440	\$43,680
		80%	\$37,750	\$43,150	\$48,550	\$53,900	\$58,250
Alleghany	\$48,800	30%	\$13,750	\$15,700	\$17,650	\$19,600	\$21,200
		50%	\$22,900	\$26,200	\$29,450	\$32,700	\$35,350
		60%	\$27,480	\$31,440	\$35,340	\$39,240	\$42,420
		80%	\$36,650	\$41,850	\$47,100	\$52,300	\$56,500
Anson	\$56,900	30%	\$13,750	\$15,700	\$17,650	\$19,600	\$21,200
		50%	\$22,900	\$26,200	\$29,450	\$32,700	\$35,350
		60%	\$27,480	\$31,440	\$35,340	\$39,240	\$42,420
		80%	\$36,650	\$41,850	\$47,100	\$52,300	\$56,500



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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

The screenshot shows the HUD Exchange website interface. At the top, there is a navigation bar with the HUD Exchange logo and various menu items like 'My HUD Exchange', 'Programs', 'Resources', 'Trainings', 'Program Support', and 'Grantees'. Below the navigation bar, the main heading reads 'CPD Income Eligibility Calculator and Income Limits'. There is a brief description of the calculator's purpose and a 'Related Materials' section with links to 'Income Eligibility Calculator User Manual (PDF)', 'CPD Income Limits', and '800 Income Limits'. An image of hands using a calculator is also visible.

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



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Section 2.4.6: Eligible Households

Disabled sidebar

- Physical or mental impairment that substantially limits one or more major life activities
- 2.4.6.2.3 Drug addiction as sole impairment > must have SSD benefits
- Documentation includes:
 - Social Security Disability (SSD)
 - 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 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

Fair, Systematic, Uniform, Transparent = policies



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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 (including gender identity and orientation), familial status, disability or limited English proficiency.
- 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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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 (including gender identity and orientation), familial status, disability and limited English proficiency.
- 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.



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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 practice.

These policies show up where????

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



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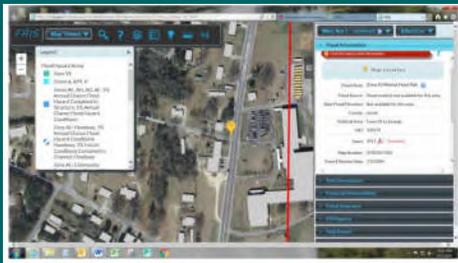


Section 2.5.1 and 2.5.2: Eligible Units

- 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]	

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 \$40,000** (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 ESFRLP Property Standard Requirement
- D. Essential Rehabilitation Standards
- E. Environmental Protection
- F. Lead-Based Paint Requirements

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

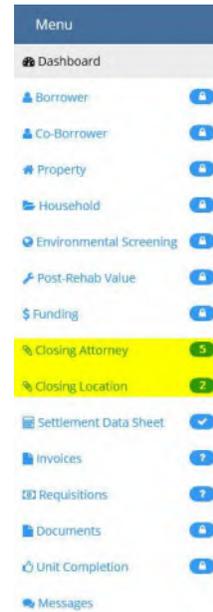
Section:

- 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

Section 2.3: Forms of Assistance

- **Loan**
 - Hard costs only
 - Interest-free
 - Secured by Deed of Trust
 - Forgiven: **\$8,000/year***

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



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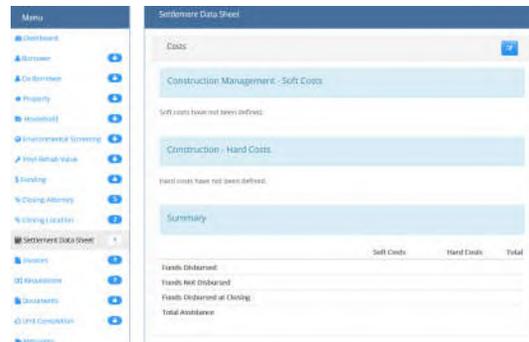


Section 2.3.2: Forms of Assistance – Required Documents

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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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

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

-CCFC due June 30, 2026*

-Requires completing the FA modification process to memorialize the final funding amount

3.12.3

Members are required to submit the CCFC

SECTION 3: SUMMARY REPORT >>>>TO NCHFA

Section 4.2.7

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

ESFRLP Required Forms

- ESFRLP Lead-Based Paint Requirement Worksheet
- ESFRLP Essential Property Standard Certification of Compliance (2019+)
- ESFR Certification Checklist (2016-2018)
- Certification of Completion and Final Cost (updated 3/4/2020)
- ESFRLP Section 3 Summary Report and Guidance (updated 7/15/2021)
- ESFRLP Section 3 Summary Report (Excel)
- Request for Project Amendment - ESFRLP (updated 10/29/2019)
- ESFR Waiver Form (updated 5/22/2018)

Section 3 Summary Report ESFRLP

Subproject Name: [] Project Number: []

Part I. Employment and Training

A. Total Labor Hours	B. Total Labor Hours Worked on Project	C. Total Labor Hours Worked by Targeted Section 3 Workers	D. % of Total Labor Hours Worked by Targeted Section 3 Workers
[]	[]	[]	[]

Part II. Summary of Efforts

In the space below, please provide a detailed narrative describing the specific actions that were taken to comply with the requirements of Section 3 and meet the required benchmarks for employing Section 3 workers and targeted workers. You may list any other qualitative efforts you undertook to facilitate employment for Section 3 workers or targeted workers and opportunities.



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Break
10 Minutes



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Financial Management Throughout Your ESFR Project



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Sections 3.1.1-3.1.3: Funding Agreement

Where do you Find the Rules for ESFR?

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

Sections 3.7 & 4.2.5 Disbursement

- Procurement and Disbursement Requires Written Policies

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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
- Limited English Proficiency

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.

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.

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
 - **\$40,000* (2.2.1 hard costs)** + \$10,000 (2.2.4.2 soft costs) = \$50,000
 - 2.2.2 Minimum Funds: \$5,000
- 2.2.4.1 Cannot use if ≥\$30,000 of federal funds used for rehab within 10 yrs. **without written consent.**

Section 2.2: Eligible Use of funds

- 2.2.4.3 Eligible Admin
 - Administrative costs must be necessary and documented
 - Maximum of \$4,000 per unit
 - Maximum of 10% of total hard and soft costs across the project
 - **Not available for billing until the first unit is completely closed out.**
 - **Automatically calculated in the Partner Portal once a unit is complete**
 - **Member must upload invoices and requisition any admin funds using the Partner Portal prior to submission of the CCFC**
 - **Any funds left in the administrative budget will not be billable after the project is closed out.**

ESFRP **NOW** pays for these
admin costs (2.2.4.3)*

NEW as of 2022

- General management, oversight, coordination
- Travel and mileage expenses
- Project monitoring
- Indirect and overhead costs related to administration of ESFR activities
- Project related outreach and intake, advertising and public information

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
- Construction Management
- Flood Insurance (units in Flood Hazard Zones)
- Post-rehab Value Certification



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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 3.7.6: 2CFR 200 Compliance

Use the Agency's Model Procurement Policy



Modify as needed to meet your organization

Comply with 2CFR 200

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!**



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Sections 3.2.2 & 3.2.3: Reservations and Disbursements

When can I go swimming in The LOAN POOL?

- After July 1 2023, **\$162,000/3 units*** – your own wading pool
- After **June 30, 2024*** – everyone in the deep end of the pool
 - **Note that this is six months earlier than cycles prior to ESFR22**
- December 31, 2025 – everyone out of the pool
- June 30, 2026 – pack it up and go home
- **Reminder:** Must have a funding agreement to enter any 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**
 - *Includes 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 Pool
Request for Project Amendment

Member Organization: _____		Date: _____	
Amount of ESFRLP Award, per Funding Agreement: _____			
1. Dwelling units served: <i>(Please check either A or B.)</i>			
<input type="checkbox"/> A. No change in number of dwelling units to be served is requested.			
<input type="checkbox"/> 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:		Dwelling Units:
Reason for requested change:			
<small><i>(Attach additional page if needed)</i></small>			
2. Other Funds: <i>(Please check either A or B.)</i>			
<input type="checkbox"/> A. No change in other funds to be leveraged is requested.			
<input type="checkbox"/> B. The Member requests that the other funds target be amended in accordance with the following:			
Total number of approved dwelling units:			
	Approved	Actual to date	Proposed
Source 1:			Pct. Change
Source 2:			
Total amount of other funds:			
Other funds per dwelling unit:			
Reason for requested change:			
<small><i>(Attach additional page if needed)</i></small>			

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

Common Changes

1. **Changes in staffing must be accompanied by resumes of any staff members or consultants.**
2. **Soft Cost allocation page 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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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**
- **2.2.4.3 Admin funds only available after first unit is complete in portal***

Incur other ESFR soft costs before “Title Review” is complete at your own risk!



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May We Suggest?

Outreach to Contractors Continuously

- Don't wait until its time to advertise Bids
- This is the idea behind the "Contractor Registry"
- **2.2.4.3 Admin costs for outreach to contractors anyone?**



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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 eg. 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)

NORTH CAROLINA HOUSING FINANCE AGENCY Funding Source: HUD HOME Investment Partnership Program; Essential Single Family Rehabilitation Loan-Pool (ESFRLP)						
Organization Name:		Organization Address:		Date of Expected Award:		
Date DSJ Advertised:		Date DSJ Received:		Low Bid Maximum Range:		High Bid Maximum Range:
Contractor Responding to Bid Invitations (Include contact information: Address, phone, email)		Project 1 Bid	Project 2 Bid	Project 3 Bid	Project 4 Bid	Project 5 Bid
Pre-Bid Cost Estimate	Cost Estimate Low Bid/High Bid	Assurance (Y/N) / Open/No?				
1						
2						
3						
4						
5						
6						
7						
8						

NORTH CAROLINA HOUSING FINANCE AGENCY Funding Source: HUD HOME Investment Partnership Program; Essential Single Family Rehabilitation Loan-Pool (ESFRLP)				
Organization Name:	Address:	Date of Expected Award:	Low Bid Maximum Range:	High Bid Maximum Range:
Project 1 Bid	Contractors Responding to Bid Invitations (Include contact information: Address, phone, email)	Bid Amount	Pre Bid Cost Estimate	Expected Assurance
1				
2				
3				
4				
5				
6				
7				
8				

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.



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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



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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



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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.**



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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**
- **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 Report (UCR):

- **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.*



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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

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 12/31/24
(Date of Completion)
- 3.12.3** Members required to submit CCFC, due 6/30/25
Note this is not currently 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

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 (E minus 2.C.) (Return to NCHFA): _____

B. CUMULATIVE PRODUCTION

1. Dwelling units rehabilitated:

County Served	Total Funds (ESFRLP + Other Leveraged)		
Number of Completed Units	Avg. Funds (ESFRLP + Other Leveraged)		
ESFRLP Funds Disbursed	Other Leveraged Funds Disbursed		
	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 Cost Manager	Date Received?	OCFC signed?	Review Incentive Story Rec'd?	Meeting Done?	Clap to Closest	Date checked by Case Manager

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)

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.B.) 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

Incur other ESFR soft costs before "Title Review" is complete at your own risk!



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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 must be submitted with the reservation.
- Our goal is to have the title review complete within 10 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 longer.
- 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

Incur other ESFR soft costs before “Title Review” is complete at your own risk!



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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. **Screenshots of the tax department collection system are not sufficient.**
- 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 be fully completed and all be dated the same date.
- Documents must be printed single sided. Most Register of Deeds will not accept double sided documents for recording.
- Absolutely 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 must sign for themselves. If someone is unable or unwilling to sign, stop the closing and call the assigned NCHFA 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. This includes death of the co-borrower or spouse who is signing.
- 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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Break

10 Minutes

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**Individual Case Management
& Loan Processing**

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Sections 4.1.2: Selecting Applicants: Assistance Policy

Outreach and Intake is the implementation of Policy

- You must have an Assistance Policy that clearly identifies and describes the 18 items listed in this Section.
- The Assistance Policy (AP) must be officially adopted, readily available to the general public and applied uniformly.
- Notice of Disposition
- Complaint and Appeals Process

Best practice: Homeowners individually sign off on receipt of the AP



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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:

- Elderly
- Disabled
- Veteran
- Child under the age of 6 threatened by lead exposure



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Sections 4.1.4: 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



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Sections 4.1.5: Selecting Applicants: Evaluate Households

Members must use a standard pre-application form.

Basic Steps:

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

The official ESFR **Application** is submitting all of the required documentation in the Partner Portal



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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 (6)
- Some are required in a Partner Portal screen (11)
- 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 records 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 provided upon request (i.e. financial records).



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Sections 3.2.1.: Reservations and Disbursements

- **To get to “Approved” status which you need to complete before the actual loan & rehab process begins!**
 - Partner submits a Reservation
 - Agency conducts title search
- **Partner needs to complete:**
 - Environmental Screening
 - Historical Evaluation + SHPO
 - Post-Rehab valuation
 - HOME Owner Agreement
- **Agency conducts title search & environmental review**



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Incur other ESFR soft costs before “Title Review” is complete at your own risk!

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 work write up detailing needed improvements and associated cost estimate. Must include a home year built date.
- Document the date of inspections, on-site staff, notes and calculations, date and preparer of WWU.
- Itemize costs: i.e. materials, labor, profit, overhead;
- Organize logically, by trade or location in the home.
- Picture is worth a 1000 words



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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 (\$8k/year) loan not to exceed \$40k (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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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
- Note: you will need a Notary present at closing



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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/Dispute Policy requirements.
Note: Certificate of Satisfaction signed after the date of a complaint can resolve it.



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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!

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 work signs and date):
 Recipient Organization: _____
 Attendee signature: _____ Date: _____

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

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

Comments (list any special actions, open questions, etc.):

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 detector; 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)

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 (list 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 detector; 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: _____

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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- Begin with the end in mind
- Critical Milestone and a required document.
- Additional documentation may be required and/or requested by your NCHFA case manager.

ESFRP 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 [ESFRP 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: ESFRP Certification Checklist, ESFRP Field Log, local minimum housing code with additional required ESFRP 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, 2023



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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.**
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 reduce loan by an executed & recorded 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

**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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Sections 3.10: Project Reporting– Individual Units

1. Complete all Unit Completion Reports (UCR) in portal
 1. Within 60 days of final pay requisition – **case file log!**
 2. **This includes inputting the General Contractor if you did not add with the Settlement Data Sheet.**

3.10.3 Important Dates worth repeating!

For ESFRLP22:

- The project completion date is **December 31, 2025 (Funds obligated)**
- The project closeout date is **June 30, 2026.**



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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.



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Portal Training



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What's new in the Portal?

- Upgraded Project Landing page
 - FAM tab
 - Admin Budget tab
 - Admin Requisition tab
- Input of Admin Invoicing and Requisitions

The creation of the **Project Landing** page is hoped to be the beginning of creating a *Project File* location in the Partner Portal.



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PARTNER UNIT LEVEL PORTAL WORKFLOW

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



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PARTNER UNIT LEVEL PORTAL WORKFLOW

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

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



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PARTNER UNIT LEVEL PORTAL WORKFLOW

4. NCHFA approves fund allocation-

Loan Status: **Approved**

- May submit soft cost requests

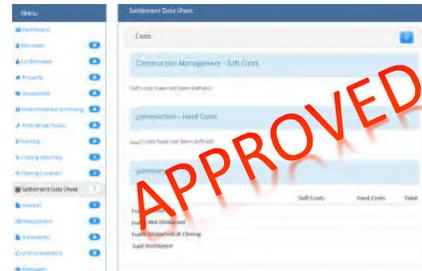
5. Submit Settlement Data Sheet

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

6. Conduct closing-

Loan Status **Closed**

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



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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

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

NOTE: Administrative Funds are awarded by NCHFA once a unit is completed. Your only work will be to upload invoices and create billings for appropriate administrative requisitions, not to exceed the amount awarded.*



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Entering a Reservation in the Portal

New Reservation

Program *

Program Cycle *

Project *

Borrower First Name *

Borrower Middle Name

Borrower Last Name *

Borrower Name Suffix

Property Address *

Property Address 2

Property City *

Property State *

Property Zip *

Property County *

Status-Pending Setup

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

Entering a Reservation in the Portal

Menu

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

Actions

- Submit Reservation
- Cancel Reservation Setup

Review and Submit

This Reservation has passed all checks and is ready for submission.

- Borrower
- Property
- Household
- Environmental Screening
- Post-Rehabilitation Property Value Certification
- Funding
- Documents

Status-Submitted

- After all the required documents are uploaded
- Click Submit

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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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.

Menu

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



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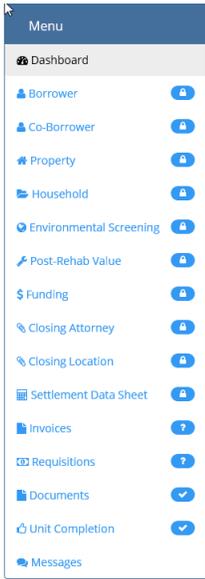
  If you have a change order that requires a loan increase, notify your Case Manager. A Loan Modification will be sent to you to be executed and recorded before any funds can be disbursed.

  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 5 before and 5 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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Loan Pool Portal
Units
Projects

Mike Barnette
 Albemarle Commission

Organization: Albemarle Commission

Project Manager: Dan McFarland

Awarded Amount: \$0

Admin Funds Awarded: \$0

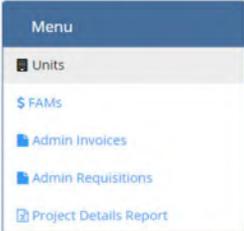
Project Status: Active

Project Number: SFRLP2104

Project Name: Albemarle Commission-Hyde-2021

Disbursed Amount: \$0

Admin Funds Disbursed: \$0



SNEAK PEAK:
Administration Fund
Management



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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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Break

30 Minutes

Back at 1:30



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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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**Social Security Administration
Supplemental Security Income
Important Information**

SOCIAL SECURITY
2505 S VINNELL WAY
SUITE 101
BOISE, ID 83709
Date: November 11, 2019
Claim Number: 261004057 D4

CHRISTOPHER ALAN WALTERS
C/O US AMERICANA BLVD
BOISE ID 83702

Type of Payment:
Individual-Disabled

We are writing to tell you about changes in your Supplemental Security Income (SSI) record. The rest of this letter will tell you more about this change.

Your Payments Will Be As Follows:

From	Through	Amount Due Each Month
December 1, 2019	Continuing	\$67.00

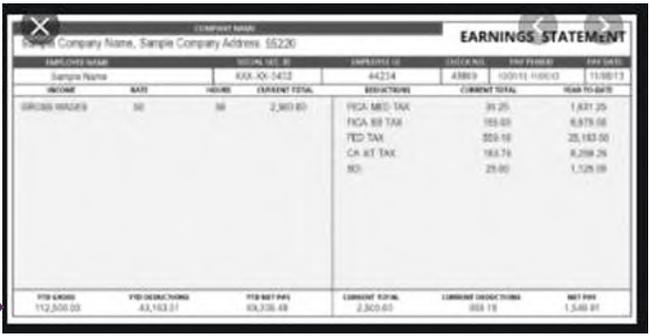
Information About Your SSI Payments

This action does not change your current payment amount.

Your Payment Is Based On These Facts

- The amount of SSI you pay depends on your living arrangements. Your living arrangements are where you live, with whom you live, and how your food and shelter expenses are paid. Based on the information we have, your Federal living arrangement is:
 - Category A for November 2019 on.
- You are living in the State of Idaho for November 2019 on.

See Next Page



EARNINGS STATEMENT

Company Name: Sample Company Address: 55220

EMPLOYEE NAME	EMPLOYEE ID	CHECK NO.	PAY PERIOD	PAY DATE
Sample Name	44214	4889	10/01/19-10/31/19	11/08/19

INCOME	RATE	HOURS	CURRENT TOTAL	DEDUCTIONS	CURRENT TOTAL	YEAR TO DATE
GROSS WAGES	50	56	2,500.00			
				FICA MED TAX	31.25	1,821.25
				FICA SS TAX	153.00	6,878.00
				FED TAX	\$20.10	20,183.00
				CA RT TAX	183.75	8,209.25
				803	25.00	1,528.00

PAY GRADE	PAY DEDUCTIONS	PAY NET PAY	CURRENT TOTAL	CURRENT DEDUCTIONS	NET PAY
112,300.00	43,163.01	69,136.99	2,300.00	308.10	1,991.90

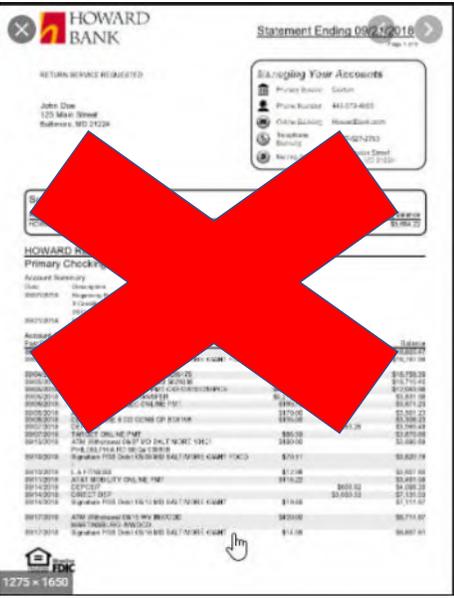
Wage document

SSI document

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HOWARD BANK

Statement Ending 09/30/2018

RETURN SERVICE REQUESTED

John Doe
123 Main Street
Baltimore, MD 21228

Managing Your Accounts

- Privacy Notice: Custom
- Phone Number: 443-579-4600
- Online Banking: HowardBank.com
- Neighborhood: Howard
- Routing: 267-2753
- Next Business Day: 10:00 AM

Primary Checking

Date	Description	Amount	Balance
09/30/2018	ATM Withdrawal	\$1,200.00	\$1,200.00
09/28/2018	Direct Deposit	\$1,500.00	\$2,700.00
09/25/2018	ATM Withdrawal	\$500.00	\$2,200.00
09/20/2018	Direct Deposit	\$1,500.00	\$3,700.00
09/15/2018	ATM Withdrawal	\$500.00	\$3,200.00
09/10/2018	Direct Deposit	\$1,500.00	\$4,700.00
09/05/2018	ATM Withdrawal	\$500.00	\$4,200.00
08/31/2018	Direct Deposit	\$1,500.00	\$5,700.00

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 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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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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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
 - Children Expenses

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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List each person in the household individually.

Use the information circled in blue (page 2 of the model application) to fill in the first section

Fill in the State (NC), County designated in your assistance policy and 80% for your limit.

#1

Beneficiary Member ID Testcase

This member is the head of household

This member is the co-head of household

This member is a child UNDER age 18

This member is a fulltime student age 18 years and OVER

This member is 62 years of age or older

This member is a person (of any age) with disabilities

Previous Continue

Please select the location and income limit information applicable to this household.
If you are unsure of which income limit to use, the following website provides information on geographic areas:
<https://www.hudexchange.info/programs/home/home-income-limits/>

State North Carolina

Area Raleigh, NC MSA

Applicable 2021 Income Limit for household size in area 80%

Income Limit Result
The 2021 80% Income Limit for a 1-member household in Raleigh, NC MSA (CBSA: METRO39580M39580) is \$53,600.
(Completed on June 9, 2022.)

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Indicate if person has been previously determined or not.

Select Part 5 Annual Income (Section 2.4.3)

Passbook rate is currently 0.06%.

Choose between Short Form Method (right) and Guided Method (see next slide)

Has this household previously been determined income eligible?
 Yes No

You may choose one of the following definitions of income to use when calculating "annual income" for the TESTcase1 household:
 24 CFR Part 5 Annual Income
 IRS Form 1040 Adjusted Gross Income

Applicable Passbook Rate
 3.06 %
 Choose one of the following methods to calculate "annual income" for the TESTcase1 household using the 24 CFR Part 5 definition of income:
 Short Form Method Guided (Step-by-Step) Method

Assets

Asset Type	Asset Description	Current Cash Value	Actual Income from Assets
+ Add			

Anticipated Annual Income

Type	Description	Annual Amount
+ Add		

Anticipated Annual Income for for Beneficiary Member ID: Testcase

Type	Description	Annual Amount
Wages/Salaries		\$
Select One		
Wages/Salaries		
Benefita/Pensions		
Public Assistance		
Other Income		

[Save](#)



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Guided Method (Step by Step)

- Overtime/bonus pay is calculated for the pay period covered on the pay stub (May = Month 5)

Calculate wages, overtime, bonuses, and benefits for Beneficiary Member ID: Testcase

Add a job for this member?
 Yes No

Description

Wages/Salaries
 Hourly Annual
 Hourly Wage: \$
 Hours per week:
 Weeks per year:

Overtime/Bonuses

Total Overtime/Bonus Pay, Month 1	Total Overtime/Bonus Pay, Month 7
\$ <input type="text"/>	\$ <input type="text"/>
Total Overtime/Bonus Pay, Month 2	Total Overtime/Bonus Pay, Month 8
\$ <input type="text"/>	\$ <input type="text"/>
Total Overtime/Bonus Pay, Month 3	Total Overtime/Bonus Pay, Month 9
\$ <input type="text"/>	\$ <input type="text"/>
Total Overtime/Bonus Pay, Month 4	Total Overtime/Bonus Pay, Month 10
\$ <input type="text"/>	\$ <input type="text"/>
Total Overtime/Bonus Pay, Month 5	Total Overtime/Bonus Pay, Month 11
\$ <input type="text"/>	\$ <input type="text"/>
Total Overtime/Bonus Pay, Month 6	Total Overtime/Bonus Pay, Month 12
\$ <input type="text"/>	\$ <input type="text"/>

Raises
 All forms of income earned by program applicants must be accounted for. In addition to base salary, this will include raises and annual cost of living adjustments (COLAs). Use the data entry fields below to enter information about any anticipated increase in annual income the applicant will experience over the next 12 months due to a raise in his or her hourly wage or annual salary and/or an annual COLA.

Check if member anticipates a raise or COLA increase.

[Previous](#) [Save](#) [Continue](#)



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ESFR and the LBP Process

PG Appendix F



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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.**



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Federal Lead Regulations

HUD/EPA's Lead Disclosure Rule

- Applies to most housing, public and private, built before 1978. Effective March 1996 (except exemptions mentioned earlier)

HUD's Lead Safe Housing Rule (LSHR)

- Applies to most Federally-assisted and Federally-owned housing built before 1978. Effective September 2000
- *Amendments (EBLL) effective 2/13/17*

EPA's Renovation, Repair, and Painting (RRP) Rule

- 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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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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LBP and ESFR *efforts require follow through*

- Consider how you manage LBP 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

- Fill out the required paperwork
 - Identify how you want to handle lead: 1. Testing or 2. Presumption
- 1. Testing Preparation Phase:**
 - 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
 - 2. Presumption**
 - Decide how you will replace components in each house.



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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



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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
 - Use the numbers in your Settlement Data Sheet
 - **Don't forget to add all Federal funding if you are using more than one source such as ESFR + CDBG**
- Add **Year Built** to the project description on the Work Write Up, required for all units- **PG 4.2.2**
- Incorporate 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



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Appendix C: Required Forms

Lead Requirements Worksheet
 North Carolina Housing Finance Agency
 Essential Single-Family Rehabilitation Program (ESFR)

DIRECTIONS: This worksheet must be completed and placed in all unit files assisted with ESFR funds.

Street Address: _____ DU# _____
 City: _____ State: NC Zip: _____

Part 1: Regulation Eligibility Statements

Check all that apply:

Property is receiving Federal funds.
 Unit was built prior to 1978.

Note: Continue with the Exemption Statements below. If the home was built after January 1, 1978, check the first exemption and file form in the case file.

Part 2: Full Exemptions from All Requirements of 24 CFR Part 35 (The Lead Regulation)

If any of the exemptions are applicable, the property is exempt from the requirements of 24 CFR Part 35 per the regulatory citation. Note: ONLY eligible exemptions for ESFR are listed.

Check all that apply:

The property was constructed after January 1, 1978. [35.115(a)(1)]
 A paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint. [35.115(a)(4)]
 The date of the original paint inspection was _____ An optional paint inspection conducted on _____ confirmed this prior finding.
 ALL lead-based paint in the property has been identified and removed, and has clearance been achieved. [35.115(a)(5)]
 ALL rehab **excludes** disturbing painted surfaces. [35.115(a)(8)]
 Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency. [35.115(a)(9)]

Page 1 of the worksheet

- Lead-Based Paint (LBP) Requirement Worksheet
- When is this required?

ALWAYS

Lead Requirements Worksheet
 North Carolina Housing Finance Agency
 Essential Single-Family Rehabilitation Program (ESFR)

DIRECTIONS: This worksheet must be completed and placed in all unit files assisted with ESFR funds.

Street Address: _____ DU# _____
 City: _____ State: NC Zip: _____

Part 1: Regulation Eligibility Statements

Check all that apply:

Property is receiving Federal funds.
 Unit was built prior to 1978.

Note: Continue with the Exemption Statements below. If the home was built after January 1, 1978, check the first exemption and file form in the case file.



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Appendix C: Required Forms

Part 2: Full Exemptions from All Requirements of 24 CFR Part 35 (The Lead Regulation)

If any of the exemptions are applicable, the property is exempt from the requirements of 24 CFR Part 35 per the regulatory citation. Note: ONLY eligible exemptions for ESFR are listed.

Check all that apply:

The property was constructed after January 1, 1978. [35.115(a)(1)]
 A paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint. [35.115(a)(4)]
 The date of the original paint inspection was _____ An optional paint inspection conducted on _____ confirmed this prior finding.
 ALL lead-based paint in the property has been identified and removed, and has clearance been achieved. [35.115(a)(5)]
 ALL rehab **excludes** disturbing painted surfaces. [35.115(a)(8)]
 Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency. [35.115(a)(9)]

- Typical ESFR exemptions
- 1978 or after

Page 1 of the worksheet



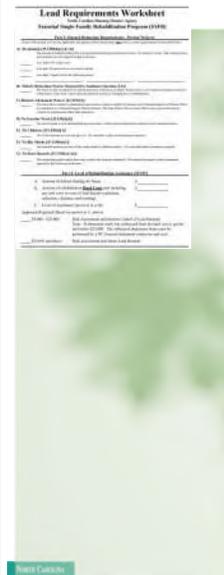
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Appendix C: Required Forms



Lead Requirements Worksheet

North Carolina Housing Finance Agency
Essential Single-Family Rehabilitation Program (ESFR)

Part 3: Hazard Reduction Requirements - Partial Waivers

- If any of the partial waivers are applicable, the grantee and/or homeowner may waive certain requirements as described below.
- A) De minimis [35.1350(d)(1) & (2)]**
The amount of painted surface that is being disturbed during construction is below "de minimis" levels. Safe work practices and clearance are not required in that work area.
 _____ Less than 9 SF of bare soil?
 _____ Less than 20 square feet on an exterior surface
 _____ Less than 2 square feet in the following rooms: _____
 - B) Elderly Relocation Waiver [Interpretive Guidance Question J-24]**
The home is only occupied by an elderly person(s). Relocation of elderly homeowners is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to rehabilitation.
 - C) Historic Abatement Waiver [35.115(13)]**
The home that is subject to abatement requirements is listed or eligible for listing on the National Register of Historic Places or contributes to a National Register Historic District. The State Historic Preservation Office may request that interim controls be implemented rather than abatement.
 - D) No Exterior Work [35.930(d)(3)]**
No exterior paint is to be disturbed during renovation. (Only exterior stabilization required even in abatement jobs.)
 - E) No Children [35.1330(d)(1)]**
All of the residents are over the age of 6. (No chewable or play area treatments required.)
 - F) No Bite Marks [35.1330(d)(1)]**
All chewable surfaces are free of bite marks made by children under 6. (No chewable surface treatment required)
 - G) No Dust Hazards [35.1330(e)(1)(i)]**
The closest horizontal surface dust wipe is below the clearance threshold. (No friction and impact surface treatments required in the following work areas: _____)

- Lead-Based Paint (LBP) Requirement Worksheet
 - When is this required?
ALWAYS

Page 2 of the worksheet

Appendix C: Required Forms



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

- Federal Funding
 - All federal sources
- Don't use the term abatement for any activity when hard costs are at or below \$25,000

Page 2 of the worksheet

Stage 4: Bidding Phase

Partner Activities for LBP during bidding

- Confirm bidders have current **Lead Renovation Firm Certification**- you can look this information up online
- Confirm awardees have personnel on the job with **Lead Renovator Certification**; check to confirm date is not expired for project timeframe
 - This is provided by the OHHCU in the form of a letter, not a certificate- you cannot look these employees up online but you can call OHHCU
 - 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.ncdohhs.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 see Appendix F

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
- Provide the homeowner with LBP documents as required in Appendix A, Section F so that if homeowner sells home they can disclose LBP.



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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** (from Appendix C)
 - **Lead Inspection/Risk Assessment** (from testing vendor)
 - **Lead Renovation Firm Certification** (from contractor)
 - **Lead Renovator Certification** (from contractor/subcontractor)
 - **Lead Clearance Test** (from testing vendor)
 - Any other documents about **LBP** in the case file

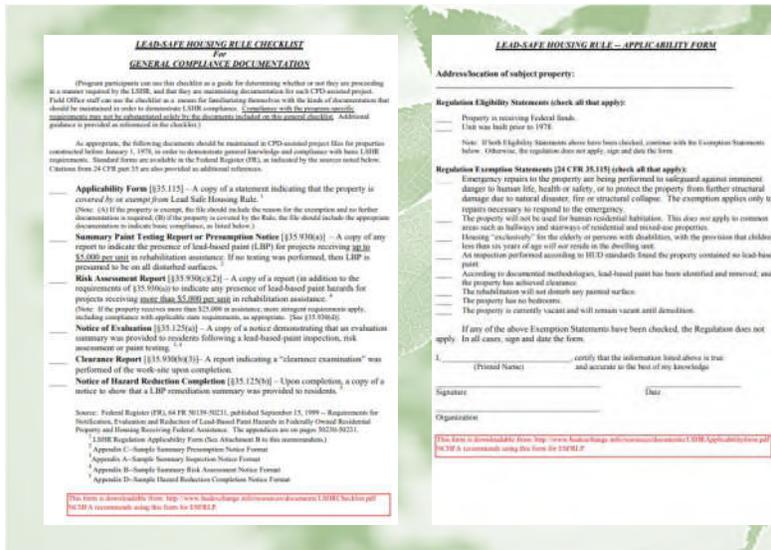


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Appendix C: Model from HUD

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



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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
- Members 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 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: _____

Homeowner's Name: _____ (print full name and sign)
 Homeowner's Signature: _____ (print full name and sign)
 NCHFA Case Manager's Name: _____ (print full name and sign)
 NCHFA Case Manager's Signature: _____ (print full name and sign)
 Funded Member's Name: _____ (print full name and sign)
 Funded Member's Signature: _____ (print full name and sign)
 Partner Contact: _____ (print full name and sign)

I, _____, the authorized representative of the funded member for this project and 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: _____

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
- LBP Requirement Worksheet and Exhibits(Mike)
- ESFRLP Essential Property Standard (EPS) Certification of Compliance
- Certification of Completion and Final Cost (CCFC) (Dan)
- Request for Project Amendment (Chuck)
- 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 Fund, per Funding Agreement: _____

I 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 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 served is requested.
 B. The Member requests that the other family to be served be amended in accordance with the following table:

Source	Actual to date	Proposed	Per. Change
Source 1			
Source 2			
Total amount of other family			
Other notes on dwelling unit			

Reason for requested change: _____

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

Project Note: (Please check either A or B)
 A. The Member requests approval of a change in the personnel or in the budget. If correct, please indicate in which column the proposed change will be approved.
 B. The Member requests approval of a change in the personnel or in the budget. If correct, please indicate in which column the proposed change will be approved.

Project Note	Approved	Proposed Change
1. Project administration		
2. Financial assessment		
3. Loan administration		
4. Member compliance, records, etc.		
5. Rehabilitation management		
6. Work order mgmt		
7. Case worker		
8. Income tax/other of work		
9. Other (Specify below)		
10. Financial review of work		
11. Budget control		
12. Other		
13. Compliance		
14. Other (Specify below)		

Request for Staff Change:
 A. No change is requested.
 B. The Member requests approval of changes to the Budget for Staff Change.

ESFRLP Staff Change	Approved	Proposed Change
1. Supervision		
2. Environmental Remediation		
3. Rehabilitation of structures		
4. Rehabilitation		
5. LBP compliance		
6. Other (Specify below)		
7. Work order mgmt		
8. Case worker		
9. Project administration		
10. Financial review of work		
11. Budget control		
12. Other (Specify below)		

1 Member Certification:
 The Member certifies that the information provided in this Request for Project Amendment is true and correct. I understand that the Member is responsible for providing accurate information and that the Member is responsible for providing accurate information to the Agency.

Signature: _____
 Title: _____

1 NCHFA Approval:
 The North Carolina Housing Finance Agency hereby approves the above Request for Project Amendment change.

Signature: _____
 Title: _____



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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

HUD Housing Finance Agency

Section 3 Information and Terminology

Section 3 of the Housing and Urban Development Act of 1968

Section I: Introduction

Section 3 and regulations at 24 CFR Part 75 and 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 and to business concerns they own or that employ them.

Who Must Comply with Section 3 Requirements?

Section 3 may apply to employment opportunities for the Essential Single-Family Rehabilitation Loan Pool ("ESFRLP") Members that are generated as a result of projects receiving federal HUD HOME Investment Partnership Program (HOME) funding. For NCHFA ESFRLP awards, it has been determined by HUD (Greenbook that Section 3 is applicable to any subrecipient who receives more than \$200,000 in ESFRLP funding.

Section II: Definitions

Section 3 Service Area/Neighborhood of the Project

Due to the scattered site nature of the projects, the service area will be the county service area as defined in the NCHFA ESFRLP program guidelines.

Section 3 Worker

Section 3 workers are individuals who currently meet at least one of the following eligibility criteria, or met the criteria when hired within the last 5 years:

- The worker's income meets the Low-Income or Very Low-income definition as established by the Department of Housing and Urban Development.
- The worker is employed by a Section 3 Business Concern, as defined below.
- The worker is a Youthbuild participant.

Targeted Section 3 Worker

Targeted Section 3 workers are individuals who must one of the following criteria:

- The worker is employed by a Section 3 business concern, as defined below.
- The worker currently meets at least one of the following eligibility criteria, or met the criteria when hired within the last five years:
 - The worker meets the low-income or very low-income definitions as established by Department of Housing and Urban Development and lives within the neighborhood or service area of the project.
 - The worker is a Youthbuild participant.

The following locations have Youthbuild Programs which qualify:

Grantee	Program City	Grantee Year
Greene Mill Services Inc	Charlotte	2020
No Dimensions	Hickory	2019
Central Carolina Community College	Raleigh	2018
Triangle Literacy Council	Asheville	2018
River City Community Development Corporation	Elizabeth City	2017
Capital Area Workforce Development Board	Sanford	2017
Green Opportunities	Durham	2017

Section 3 Guidance for ESFRLP



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 Section 3 Summary Report for ESFRLP report that contains their own activities.

General Instructions

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 meanings given the terms in section 3(b)(2) 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 blue cells only

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 HOME Funds Awarded by NCHFA: 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

Labor hours worked by Section 3 workers and targeted Section 3 workers will be reported to HUD.

Column A: Enter the total labor hours worked on the Section 3 project by all employees.

Column B: Enter the labor hours worked on the project by Section 3 workers.

Column C: Enter the number of hours worked by targeted Section 3 workers on the project.

For Part II: Summary of Efforts

Enter Yes or No to the first six 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 employ Section 3 workers or targeted workers, if applicable.



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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 report on Section 3 Benchmark Updated May 2021				
6	Subrecipient Name:		Project Number:	
7	Contact Person:			
8	Date Report Submitted to NCHFA:			
9	Subrecipient Address (city, state, zip):			
10	Phone:			
11	Fax:			
12	Email:			
13	Total HOME Funds Awarded by NCHFA:			
14	Calculated difference from \$200,000:		-\$200,000.00	
Section 3 is an initiative to employ local low- and very low-income workers and create opportunities for businesses owned by low-income persons.				
Part I. Employment and Training (Columns A, B, and C are mandatory fields.)				
A. Total Labor Hours Worked on Project	B. Total Labor Hours Worked on Project by Section 3 Workers	C. Hours Worked on Project by Targeted Section 3 Workers	D. % of Total Labor Hours worked by Section 3 Workers*	E. % of Total Labor Hours Worked by Targeted Section 3 Workers
			0%	0%
*Includes hours worked by Section 3 worker and targeted Section 3 worker				
Part II. 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.)				



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SECTION 3: SUMMARY REPORT >>>>TO NCHFA

24		
25		Recruited low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
26		Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
27		Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
28		Coordinated with Youthbuild Programs and administered in the metropolitan area in which the Section 3 covered
29		Provided or connected Section 3 workers with employment search assistance such as, resume writing, interview preparations, or connecting with placement services.
30		Providing training or apprenticeship opportunities for Section 3 workers or targeted workers.
31		
32		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 benchmarks for employing Section 3 workers and targeted workers. You may list any other qualitative efforts you undertook to facilitate employment for Section 3 workers or targeted workers and opportunities
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		Is there or any supplemental information you'd like to provide? If you anticipate that HUD or a state reviewer may be dissatisfied with your efforts at directing economic opportunity (employment hours) to low-income individuals and businesses, or with the results of those efforts, please use the space below, so your organization can be defended against claims that you are not
44		
45		
46		
47		
48		
49		



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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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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. 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

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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 ESFRPL 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 61, 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 ESFRPL-funded

rehabilitation work, serving as a catalyst to decay, mildew, mold, radon intrusion, corrosion, and other problems. Correcting drainage problems should be a priority in ESFRPL-funded rehabilitation work.

- 1.5 Lead-based paint. All units rehabilitated with ESFRPL assistance are deemed "HUD-associated housing" for the purpose of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801) and are, therefore, subject to 24 CFR part 35 (as published in the *Federal Register* on September 15, 1999) 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, "Remove Lead," to households occupying pre-1978 dwelling units.
- 1.6 Volatile Organic Compounds (VOC). 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 actual 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 barriers 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 \(SEPA\)](#). To ensure that all ESFRPL-funded activities are in compliance, the Member must complete a brief review ("Environmental Screening Checklist") using the ESFRPL 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 ESFRPL work. Those are:

- 2.1 Historic Properties. If a property deemed to have notable historical significance is targeted for ESFRPL-funded rehabilitation, the scope of work must meet or exceed the Secretary of the Interior 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 ESFRPL 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 at 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 ESFRPL loan in an amount not less than 100% of the principal balance of the ESFRPL loan. NCHFA, as mortgagee for the ESFRPL 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 as supporting documentation to the Environmental Screening Checklist through the ESFRPL 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 in 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



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CHANGES ESFR23

CHANGES in the Program Guidelines for ESFR23:

- 1) Essential Property Standard, Section 5.B, Insulation, add the following sentence: "Rooms where documentation is provided that the ceiling structure is connected to the roof structure forming a panel with no additional space to provide insulation except between each joist are not required to meet this standard."
- 2) Essential Rehabilitation Standard, Section 11 - HVAC: Air Conditioning, Replacement standard: "New HVAC systems will have a rough-in installed for air conditioning (≥ 14.3 SEER2)".
- 3) Essential Rehabilitation Standard, Section 11 - HVAC: Heating System, Replacement Standard: "Heat pumps will be rated at > 14.3 SEER2 for 3.5 ton or smaller units and > 13.8 SEER2 for larger units. Heating for split system units will be rated at > 7.5 HSPF2. Heating and cooling for package units shall be rated at > 6.7 HPSF2/13.4 SEER2."

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CHANGES ESFR22 & ESFR23

CHANGES in the Program Guidelines for ESFRP22 and ESFR23:

- 1) Section 1.1: Allowing more than one eligible applicant to serve a given county
- 2) Section 2.2.1: Increasing the maximum amount of program assistance for hard costs to \$40,000
- 3) Section 2.2.4 and 2.2.4.3: added Administrative funds to the program, up to 10% or \$4,000 of the hard and soft costs, whichever is less, per unit.
- 4) Section 2.3.1: Increasing the annual forgiveness rate from \$5,000 to \$8,000.
- 5) Section 2.8: clarified that temporary relocations may not exceed 1 year.
- 6) Section 3.2.2: reduced the set-aside amount from \$190,000 to \$162,000, reduced the set-aside units from 5 to 3, reduced the set-aside period from 18 to 12 months.
- 7) Section 4.1.4.4: Removed the requirement for a full masonry foundation for manufactured homes; all other requirements remain and an enclosed foundation wall is required to meet the ESFR Property Standard.
- 8) Updated federal mileage rate in Section 4.2.3.4 for those approved to perform rehabilitation work; must always use the current federal mileage rate at time of use. The federal rate may also be used for Administrative fund reimbursement.
- 9) Made minor grammatical corrections/corrected dates/updated links throughout.

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Adios
Au revoir
Ciao
Sayonara
Goodbye

That's all Folks!



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