



NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY
OFFICE OF RECOVERY AND RESILIENCY

Affordable Housing Development Fund – Haywood

Presented by: Tracey Colores and
Michele Wiggins

AGENDA

- ❖ Introductions
- ❖ NCORR Background/CDBG-DR
- ❖ Haywood County Intro
- ❖ Program Details
- ❖ USDA Resources
- ❖ LOI/Application Process
- ❖ Additional Regulatory Requirements
- ❖ Questions

Introductions

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Additional Program Staff

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Amanda Stapleton – NCORR Compliance Director

Patricia Cantrell – Haywood County Grants Administrator

Hannah White – NC Association of County Commissioners Strategic Project Coordinator

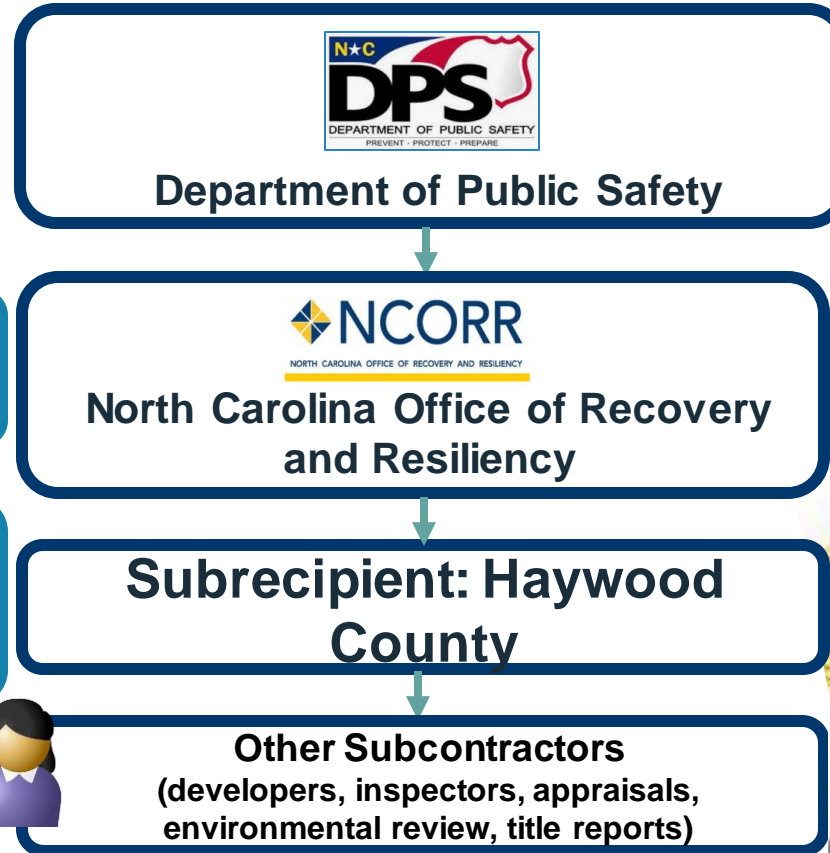
The NC Office of Recovery and Resiliency

- Governor Cooper established NCORR under the Department of Public Safety in the aftermath of Hurricane Florence to streamline disaster recovery programs statewide and help communities rebuild smarter and stronger.
- The office administers programs that support homeowner recovery, affordable housing, mitigation, strategic buyout, local government grants and loans, and pandemic-related rent and utility assistance.
- Learn more about NCORR's programs at <https://www.rebuild.nc.gov/>.

NCORR's Mission

- NCORR programs have one focus: to assist storm and flood survivors in reestablishing a safe, resilient home environment.
- NCORR is comprised of several programs.
The Affordable Housing Development Fund is one of NCORR's programs. Under TS Fred, the program will be administered by Haywood County.
- Our primary funding for storm recovery comes from the following US Department of Housing and Community Development (HUD) program:
Community Development Block Grant –Disaster Recovery (CDBG-DR)
- The Affordable Housing Development Fund – Haywood is funded by CDBG-DR funds.
- NCORR and its subrecipients must comply with many federal and local regulations.

Who We Are – Program Administration





Haywood County
North Carolina

WHO WE ARE – HAYWOOD COUNTY

Haywood Housing Data Snapshot

Median Sales Prices

August 2022 \$350,000
August 2023 \$399,000
14% increase

NC Median \$366,100
US Median \$407,100

Average Sales Prices

August 2022 \$396,779
August 2023 \$444,127
11.9% increase

Short Term Rentals

October 2018 920
September 2022 1,699
September 2023 1,762
4% increase

Program Details - Meeting National Objectives

Because our program is funded by HUD CDBG-DR funds, all activities in the Affordable Housing Development Fund must meet at least 1 of the 3 National Objectives:



Benefit Low- and Moderate-Income Persons (LMH) (up to 80% of Area Median Income)



Aid in the prevention or elimination of slums or blight



Meet an Urgent Need (UNM) by providing housing assistance to applicants making in excess of 80 percent of the Area Median Income (AMI)



How the Program Helps

The Affordable Housing Development Program:

- ❑ allows locally driven solutions to systemic affordable housing problems,
- ❑ creates long-term affordable homeownership and rental housing units to LMI households in North Carolina's Most Impacted and Distressed (MID) areas, and
- ❑ pursues multifamily or single-family housing rehabilitation and new construction outside of the 100-year floodplain.

Eligibility Basics

ELIGIBLE APPLICANTS

Haywood County will solicit projects from qualified public, private and nonprofit organizations such as property management organizations; developers; Community Housing Development Organizations (CHDOs); Community-Based Development Organizations (CBDOs); and/or any other partnerships comprised of any of the above.

ELIGIBLE ACTIVITIES

Eligible activities of this Program include:

1. acquiring, rehabilitating and reselling single-family housing for long-term homeownership affordability;
2. developing new long-term affordable homeownership housing;
3. acquiring and converting existing multifamily for affordable rental housing;
4. acquiring and rehabilitating existing multifamily for affordable rental housing, or
5. developing new long-term affordable rental housing.



Eligibility Basics (cont.)

Ineligible Costs for this program include the following:

1. Funding for supportive services;
2. Infrastructure that does not result in the production of housing;
3. Mixed Use Projects, where a portion of the new development contains non-housing components;
4. Pre-application costs and application development costs;
5. Advances of any type, including construction;
6. Facility operating or maintenance expenses; and
7. Offsite improvements



Award Details

- Maximum award is \$3.5 million per project and must represent the gap between the total project cost and other applicable funding sources.
- Award amounts may vary based upon the gap identified in the project's Sources and Uses.
- Each project must duplication of benefit analysis and environmental review process before contingencies can be removed from award notices.
- NCORR will use a Subrecipient Agreement (SRA) with Haywood County as the form of agreement. Any development partners will follow their agreements between their agency and Haywood County.

SAMPLE TIMELINE

Date	Action
October 17, 2023	Press Release
Nov-Dec, 2023	Information Sessions
Jan. 15-Mar 1, 2024	Open Letter of Interest Period. Due 5:00PM 03.01.24
Mid-April, 2024	Application TA Session (tentative)
May 1, 2024	Application Submission Deadline
July 15, 204	Award Announcements Anticipated

*Dates above are estimates only.

USDA – Rural Development

Presented by: William Kenney, Director of Housing Programs



Guaranteed Home Loans



- Assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas.
- Eligible applicants may purchase, build, rehabilitate, improve or relocate a dwelling in an eligible rural area with 100% financing.
- The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.





Direct Home Loans

- RD makes direct loan to homebuyers.
- Benefits of program:
 - Fixed low interest rate with subsidy as low as 1%,
 - Extended payback term (33-38 yrs.),
 - No down payment required, and
 - Loans up to 100% of value of home.
- Applicants must meet low or very low-income eligibility.
- Home must meet property requirements; and
- Home must be in eligible rural area.





524 Site Loan

What is the program purpose?

To assist public or private nonprofit organizations interested in providing sites for housing, to acquire and develop land in rural areas

Land is subdivided into adequate building sites and sold on a nonprofit basis to families who are very-low to moderate income

524 Site Loan

- No RHS loan will be made to any applicant which will result in the applicant's owing an unpaid principal balance of more than \$100,000 on such loan unless prior authorization for a larger loan is obtained from the National Office
- Fixed Interest Rate
- Loan Term
- Very-Low to Moderate-Income Households
- Sold on a Non-Profit Basis
- \$5 million annual allocation



Technical Support

- The Affordable Housing Development Fund - Haywood webpage will contain program information as well as links to Haywood County website:
<https://www.rebuild.nc.gov/news/events/affordable-housing-development-fund-haywood-county-information-session>
- Link to the **Affordable Housing Development Fund – Haywood Program Manual** are available at: [Haywood County Affordable Housing Programs | ReBuild NC](#)
- NCORR also provided a template UGLG/Developer Agreement sample to ensure that all Agreements contain required HUD compliance elements.
- Applications will be made available online after the Letters of Interest have been submitted. Further instructions will follow after the LOI period.

Resources

English	Español
Program Manual	Manual del programa
Evaluation Criteria	Criterios de evaluación
Subrecipient Billing Guide	Guía de facturación del subreceptor



How to Apply

Applicants will need to participate in a two-part application process:

- Interested parties **MUST** first submit a Letter of Interest (LOI).
- Agencies that submitted an LOI on time will be permitted to submit a full application. It is the responsibility of the agency to confirm basic eligibility for the program.



Sample Letter of Interest Process

1. Include the following information in your letter of interest:
 - Name of entity applying
 - UEI/TIN number of applicant entity
 - Type of housing project (ex: single family homeownership development; multifamily rehab; multifamily new construction, etc.)
 - Anticipated project location
 - Estimated total budget amount
 - Estimated CDBG-DR budget amount to be requested from NCORR
 - Brief narrative description of project
2. Ensure the letter is written on agency letterhead and signed by authorized signor of the agency.
3. Send an email to Patricia Cantwell with Subject Line “AHDF Haywood LOI - <Name of Entity Applying>”

Information Needed for Application

- Any agreements between partners (MOUs, Development Agreements, etc.)
- Proof of any procurement actions
- SAM.gov registration for all involved entities
- Letters of Support
- Capacity Documentation (financial and grant management oversight)
- Drawings, site plans, renderings
- Project budget
- Proforma and Unit Mix/Rents (Rental)
- Neighborhood layout/Market Analysis (Homeownership)
- NOTE: HOME and Housing Trust Fund Homeownership Sales Price Limits (Homeownership) or HIGH HOME rents (Rental) should be referenced.

HUD Regulatory Requirements

Davis-Bacon and All Labor Standards,
Section 3,
M/WBE,
Environmental,
Lead-Based Paint,
Civil Rights,
Section 504,
Uniform Relocation Act,
Fair Housing Act,
ADA,
Age Discrimination Act,
Procurement, and
Records Management

As expected, NCORR will require that all projects selected for award of funds will comply with HUD regulatory compliance requirements and that awarded projects maintain the internal capacity to manage their project. While Haywood County will have these requirements to NCORR, any developer partners should assist Haywood County with data and compliance.

Grant Requirements

If awarded, NCORR and HUD require that:

- Awarded Project will comply with all federal and local requirements;
- Records are retained for at least five years from project completion;
- Subrecipient maintain a strong fiscal management system to track the project;
- Subrecipient and any partners agree to be monitored by NCORR and/or HUD at any time;
- Subrecipient and any partners submit all required reporting in a timely manner.

Affordability Requirements

Rental

Rehab or acquisition of existing housing per unit amount of CDBG-DR funds: Under \$15,000	5 years
Rehabilitation or acquisition of existing housing per unit amount of CDBG-DR funds: \$15,000 to \$40,000	10 years
Over \$40,000 or rehabilitation involving refinancing	15 years
New construction or acquisition of newly constructed housing	20 years

Homeownership

Homeownership assistance per unit: Under \$15,000	5 years
Homeownership assistance per unit: \$15,000 to \$40,000	10 years
Homeownership assistance per unit: Over \$40,000	15 years

Green Building Standards

All awarded projects must comply with a recognized Green and Resilient Building Standard such as:

- Enterprise Green Communities;
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
- ICC–700 National Green Building Standard Green+Resilience;
- Living Building Challenge; or
- Any other equivalent comprehensive green building program acceptable to HUD

Relocation

- If acquiring an existing dwelling unit that is occupied, must include a relocation plan that adheres to the Uniform Relocation Assistance and Real Property Acquisition Act and cost for relocation in the application budget.
- NCORR has adopted the Uniform Relocation Act (URA) Policy Manual. This document provides program staff and contractors with Standard Operating Procedures to meet URA requirements for the temporary and permanent displacement of tenants. The NCORR Uniform Relocation Act (URA) Policy Manual can be accessed at: <https://www.rebuild.nc.gov/about-us/plans-policies-reports/policies-and-procedures>
- Each subrecipient must have a RARAP - Residential Anti-displacement and Relocation Assistance Plan.

Davis-Bacon and Related Acts

- Construction projects >\$2,000 funded in whole or in part with federal funds
- All laborers and mechanics employed by contractors or subcontractors are to be paid federal prevailing wages
- Requires weekly payment of wages
- Each contractor must:
 - ✓ Submit weekly certified payrolls reflecting all hours worked
 - ✓ Consent to allow confidential, job-site interviews of employees
 - ✓ Cooperate with requests for additional information or corrections to payrolls
 - ✓ Comply with applicable stated wage rates based on locale and project type

Section 3 (24 CFR Part 75)

- Generally, Section 3 is required for CDBG-DR when the following occur:
 - The project involves new construction, rehab or demolition of housing, infrastructure or public facilities AND
 - The project costs exceed \$200K in Community Planning and Development (CPD) funds or \$100K in Lead and Healthy Homes funds and result in employment, training, or contracting opportunities during the course of the project.
- NCORR and Subrecipients must ensure that contractors, subcontractors, and developers comply with Section 3 on applicable projects.
- NCORR Monitoring will include Section 3 tracking, compliance, and reporting.
- Additional Section 3 requirement information will be provided to all awarded projects.

Minority-owned and Women-owned Business Enterprises (MBE/WBE)

MBE/WBE:

- Requires reasonable efforts to be made to solicit bids from and procure goods and services from minority and woman-owned business enterprises.
- Will require documentation that you actively solicited bids from MBE/WBE firms.
- Encourages utilization of HUB (Historically Underutilized Businesses) through the Department of Administration

Environmental Review (24 CFR Part 58)

NEPA Environmental Review:

- NCORR's Subrecipient Agreement for all awarded Projects will be a conditional award of funding until an Environmental Review has been completed.
- NO WORK can start until an Environmental Review is completed.
- BEWARE of choice limiting actions that can jeopardize your funding eligibility.
- After your application has been submitted, DO NOT:
 - Acquire, rehabilitate, convert, repair, begin or continue any construction or demolition
 - Solicit bids for the project (but you can get estimates)
 - Enter into a purchase and sale agreement
 - Finalize a closing of sale

Program Income

- Program Income is defined as “income, in excess of \$35,000 in a calendar year, generated from the use of CDBG–DR funds and received by a State or a subrecipient of a State”.
- HUD requires NCORR to specify whether Program Income may be retained by a subrecipient to be used for CDBG-DR-eligible purposes or whether it must be remitted back to NCORR for reprogramming.
- All Agencies awarded funding through the Affordable Housing Development Fund - Round 3 will receive a Subrecipient Agreement that outlines the treatment of Program Income received by the Agency.
- Whether retained or remitted back to NCORR, **ALL** Program Income must be reported to NCORR.

Program Income

- Projects that may generate program income must include documentation and a plan for treatment of program income for review.
- Any program income derived by the subrecipient, including interest income from collateral accounts, will be retained by the subrecipient for use in accordance with NCORR's program income policies.
- Examples of program income can be found at [24 CFR 570.489](#).

Duplication of Benefits

- Congress mandates that CDBG-DR funds cannot be used to duplicate any other assistance provided for the same purpose and use.
- No Duplication of Benefits (DOB) will be allowed for any NCORR programs.
- Subrecipient, in coordination with NCORR, will complete all necessary DOB documentation in accordance with the NCORR DOB Policy Requirements and HUD regulations.

ITEMS TO REMEMBER



\$3.5 million max
award



Developer fees are
capped at 15%



General contractor
fees capped at 20%



Construction must meet
Green & Resilient
Building Standard

QUESTIONS? Contact:

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