



NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

**NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY**  
OFFICE OF RECOVERY AND RESILIENCY

# Affordable Housing Development Fund – Round 3

**Information Session**

**May 24, 2023  
11:00AM**

# Introductions

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# Introductions

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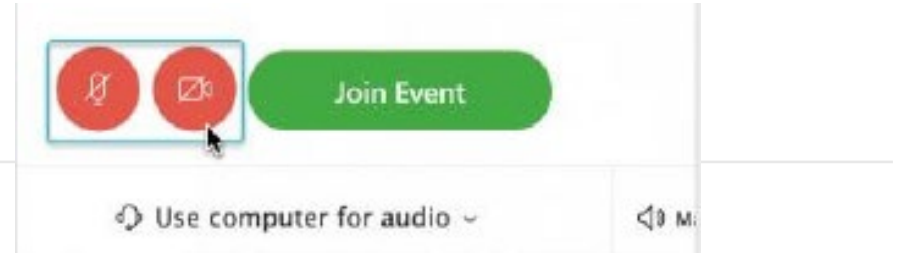
[Jamie.pennington@ncdps.gov](mailto:Jamie.pennington@ncdps.gov)

# Housekeeping

This workshop will be recorded and posted to our website.

Questions may be submitted through the Chat feature and will be answered at the end of the presentation.

If the chat function doesn't work for you, please email questions to: [tammy.wiggins@ncdps.gov](mailto:tammy.wiggins@ncdps.gov) and we will respond after the event.



Use the Camera and microphone icons to control your personal settings.

Please turn off your microphone until after the presentation. There will be time for questions and discussion at the end.

After the presentation, you can use the Raise Hand feature to ask a question, or the chat box.



# The NC Office of Recovery and Resiliency

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- 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

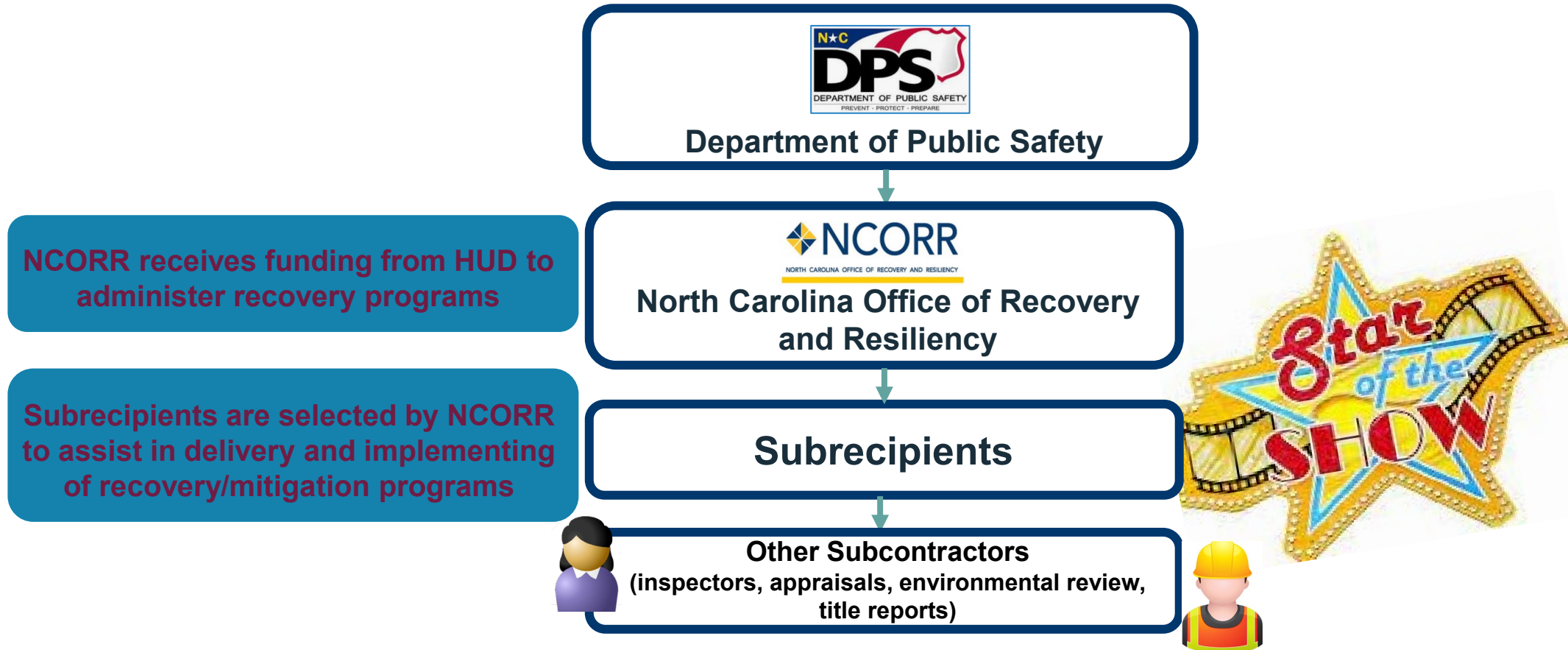
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- NCORR programs have one focus: to assist storm and flood survivors in reestablishing a safe, resilient home environment.
- The Affordable Housing Development Fund - Round 3 is one of NCORR's programs.
- Our primary funding for storm recovery comes 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 - Round 3 is funded by CDBG-DR funds.
- NCORR and its subrecipients must comply with many federal and local regulations.

# Who We Are – Program Administration



# We Must Meet National Objectives

All activities in the Affordable Housing Development Fund - Round 3 must meet at least one of three HUD CDBG-DR 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 Fund - Round 3 provides \$47 million to:

- allow locally driven solutions to systemic affordable housing problems,
- create long-term affordable homeownership and rental housing units to LMI households in North Carolina's MID areas, and
- pursue multifamily or single-family housing rehabilitation and new construction outside of the 100-year floodplain.

# Eligibility Basics

## ELIGIBLE APPLICANTS

UGLGs that may choose to partner with qualified property management organizations; for-profit developers; non-profit organizations/developers; Community Housing Development Organizations (CHDOs); Community-Based Development Organizations (CBDOs); and/or other partnerships comprised of any of the above.

**Note:** For the purposes of *this* program Public Housing Authorities (PHAs) are not considered eligible as UGLGs. NCORR has a separate funding program for PHAs.

## ELIGIBLE ACTIVITIES

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



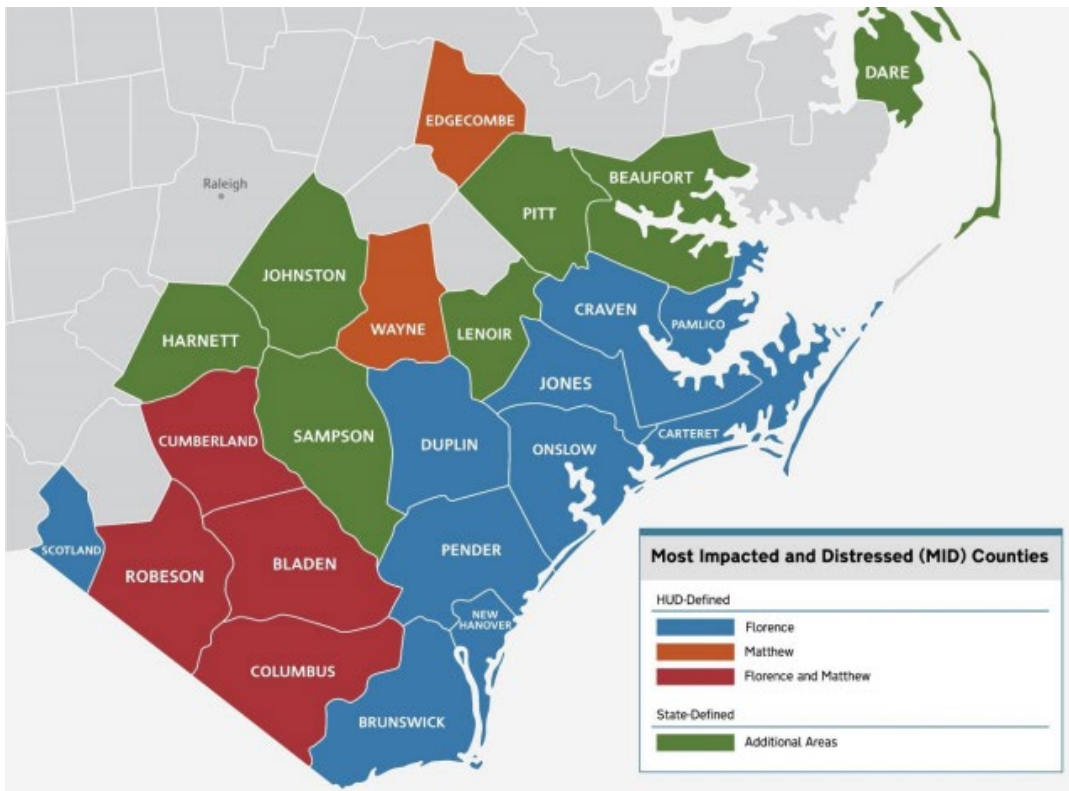
# Eligibility Basics (cont.)

## INELIGIBLE COSTS FOR THIS PROGRAM INCLUDE:

- Funding for supportive services;
- Infrastructure that does not result in the production of housing;
- Mixed use projects, where a portion of the new development contains non-housing components;
- Pre-application costs and application development costs;
- Advances of any type, including construction;
- Facility operating or maintenance expenses; and
- Offsite improvements



# Most Impacted and Distressed (MID) Counties - Hurricanes Matthew and Florence



- Matthew and/or Florence MIDs are eligible.
- State-identified MIDs in green are **not** eligible.
- Non-highlighted counties are ineligible due to HUD requirements.
- Bladen, Duplin, Jones, Pamlico, Pender and Scotland county projects are strongly encouraged to apply for this third round of AHDF funding.

# Award Details

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- Maximum award is \$10 million per project (though smaller awards are anticipated) 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.
- Preferences for unfunded MID counties and non-tax credit projects are included in this round.
- The tentative award announcement date is October 2023.
- Any agency offered an award must cooperate with NCORR to complete a finalized duplication of benefit analysis and environmental review process before contingencies can be removed from award notices.
- NCORR will use Subrecipient Agreements (SRAs) as the form of agreement with participating UGLGs. Any development partners will follow their agreements with the UGLGs.

# AHRF-R3 Application Timeline

Date	Action
May 15 – June 27, 2023	Letters of Interest accepted from local governments
May 24, 2023	Information Session
June 28, 2023	Program Application Period Begins
July 15, 2023	Application TA Session (tentative)
August 25, 2023	Application Submission Deadline
October 2023	NCORR Announcement of Project Awards

\*Dates are estimates and are subject to change at NCORR’s discretion.

# Application Details

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**Application Deadline**  
**August 25, 2023**  
**5:00 P.M.**

# AHDF-R3 Webpage

- The Affordable Housing Development Fund - Round 3 webpage contains the complete list of **HUD Most Impacted and Distressed (MID) Counties** for confirming initial eligibility.
- Link to the **Affordable Housing Development Fund - Round 3 Program Manual** (review strongly encouraged) as well as other resources.
- Sample UGLG/Developer Agreement to indicate required HUD compliance elements.
- Applications will be made available on June 28.

## Resources



English	Español
<a href="#">Program Manual</a>	Manual del programa
<a href="#">Evaluation Criteria</a>	Criterios de evaluación
<a href="#">Subrecipient Billing Guide</a>	Guía de facturación del subreceptor



# How to Apply

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Two-part application process:

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

NCORR will be accepting Letters of Interest (LOIs) from units of local government to apply for the AHDF – Round 3 from May 15 to June 27, 2023, at 5 p.m.

All information is on the ReBuild NC Affordable Housing Development Fund - Round 3 webpage:  
<https://www.rebuild.nc.gov/local-and-tribal-governments/community-development/AHDF>

# 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 funding request
  - Brief narrative description of project
2. Ensure the letter is written on agency letterhead and signed by authorized signor of the agency.
3. Attach and email to [Emily.Hagstrom@ncdps.gov](mailto:Emily.Hagstrom@ncdps.gov) with Subject Line “AHDF Round 3 LOI - <Name of Entity Applying>”

# Information Needed for Application

- 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



All projects selected for award must comply with HUD regulatory compliance requirements and awarded UGLGs must maintain capacity to manage their project. While UGLGs will have these requirements to NCORR, any development partners should assist the UGLGs with data and compliance.

# Grant Requirements

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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;
- UGLG maintain a strong fiscal management system to track the project;
- UGLG and any partners agree to be monitored by NCORR and/or HUD at any time;
- UGLG and any partners submit all required reporting in a timely manner.

# Affordability Periods

Rental Project	Minimum Affordability Period	Homeownership Project	Minimum Affordability Period
Rehab or acquisition of existing housing, under \$15,000 per unit of CDBG-DR funds	5 years	Homeownership assistance per unit: Under \$15,000	5 years
Rehabilitation or acquisition of existing housing, \$15,000 to \$40,000 per unit of CDBG-DR funds	10 years	Homeownership assistance per unit: \$15,000 to \$40,000	10 years
Over \$40,000 or rehabilitation involving refinancing	15 years	Homeownership assistance per unit: Over \$40,000	15 years
New construction or acquisition of newly constructed housing	20 years		

Note: Homeownership assistance includes all CDBG-DR funding per unit

# Green Building Standards

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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

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- 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

- Applies to 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 NC 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

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- 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

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- 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.

# Question and Answer Session

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- Use chat feature to type questions.
- You may unmute and ask your question live if you prefer.
- Some questions may be noted and answered after the session as necessary.



# Thank you for joining!

Questions to  
[tammy.wiggins@ncdps.gov](mailto:tammy.wiggins@ncdps.gov)