NCORR

NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY

OFFICE OF RECOVERY AND RESILIENCY

Affordable Housing Development Fund – Round 2

Application Workshop

August 30, 2022
3:00 PM

DPS
DEPARTMENT OF PUBLIC SAFETY

Introductions

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Housekeeping

This workshop will be recorded and posted to our website.

Questions may be submitted through the Chat feature.

At the end of the presentation, we will review questions, publish the question for the group to see, and answer the questions.

If the Q&A system doesn't work for you, please email questions to: tammy.wiggins@ncdps.gov and I 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.

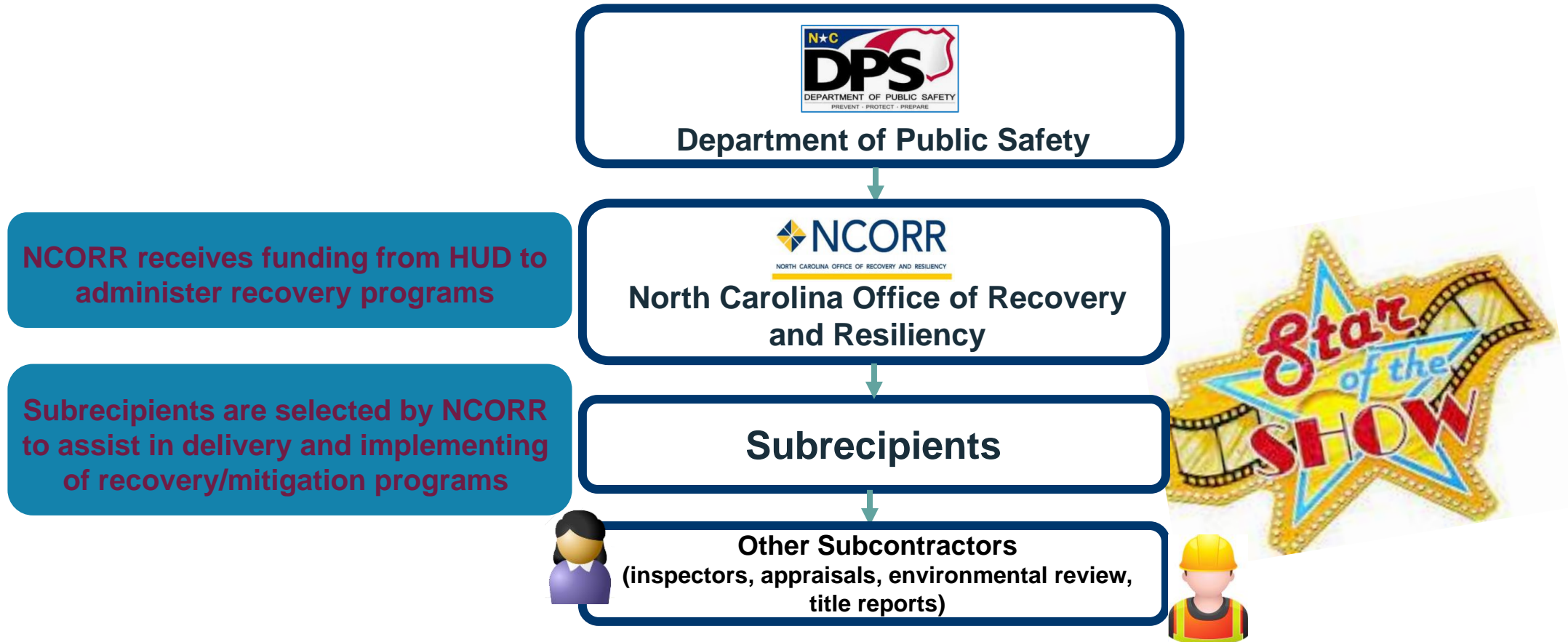After the presentation, you can use the Raise Hand feature to ask a question, or the chat box.

The NC Office of Recovery and Resiliency

- 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 - Round 2 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 2 is funded by CDBG-DR funds.

- NCORR and its subrecipients must comply with many federal and local regulations.

Who We Are – Program Administration

Department of Public Safety

NCORR receives funding from HUD to administer recovery programs

North Carolina Office of Recovery and Resiliency

Subrecipients are selected by NCORR to assist in delivery and implementing of recovery/mitigation programs

Subrecipients

Other Subcontractors
(inspectors, appraisals, environmental review, title reports)

Hurricane Florence 2018

- Landfall: September 14, 2018
- Hovered for 6 days, inflicting higher levels of rainfall, storm surge, and flooding than Hurricane Matthew
- 44 counties declared federal disaster areas
- Total Damage: $12.7 billion

We Must Meet National Objectives

Because our program is funded by HUD CDBG-DR funds, all activities in the Affordable Housing Development Fund - Round 2 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 Fund - Round 2 provides $19.4 million to:

❑ Build new affordable multifamily rental housing units or acquire and rehabilitate/reconstruct existing multifamily rental housing units

- ✓ Funds may be used to fill the gap in NCHFA-approved 4% LIHTC awards.
- ✓ Projects must contain 8 or more units.

Eligibility Basics

ELIGIBLE APPLICANTS

Units of General Local Government (UGLGs) in partnership with tax credit developers who have previously submitted and have received acknowledgement/preliminary award of 4% LIHTC credits (verified by 42M letter documentation even if not fully executed). This partnership must be enumerated in an executed agreement including the description of responsibilities of both parties including the UGLG's commitment to act as Lender/Financial Intermediary of CDBG-DR funds to be provided by NCORR

ELIGIBLE ACTIVITIES

Eligible activities of this Program include new construction and acquisition/rehab/reconstruction of affordable multifamily housing.

Most Impacted and Distressed (MID) Hurricanes Matthew and Florence
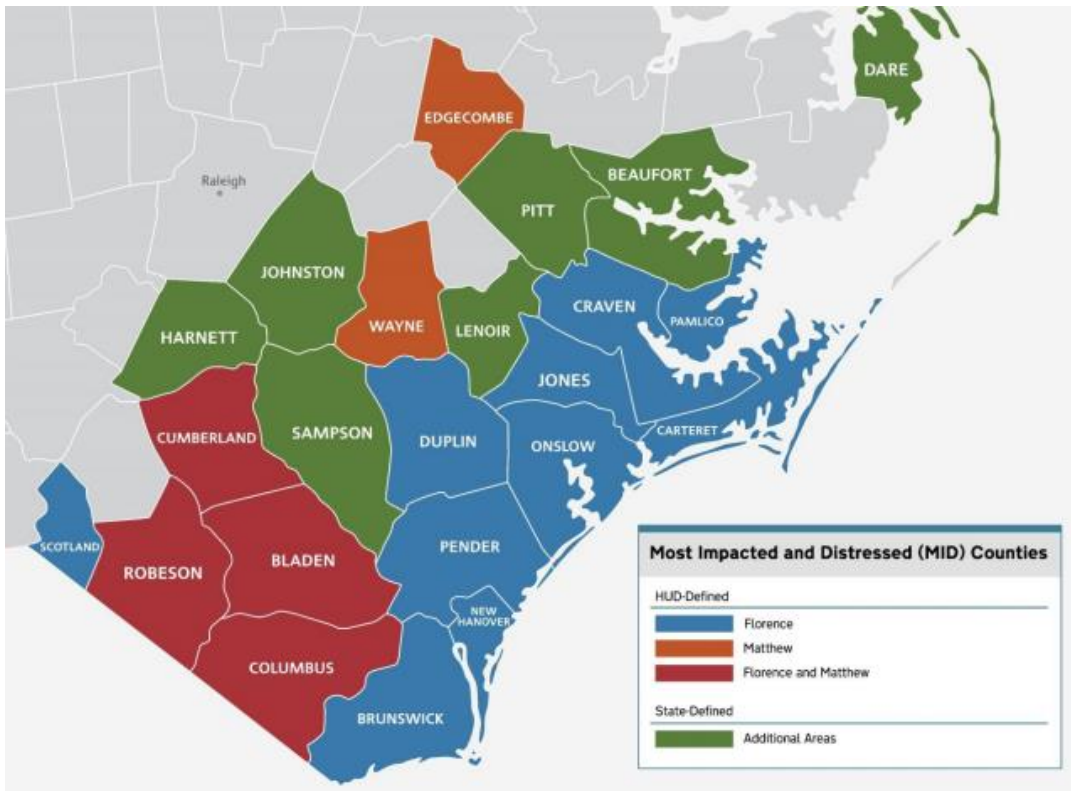
- Matthew and/or Florence MIDs are eligible.

- State-identified MIDs in green are also eligible.

- Counties not highlighted are not eligible due to the necessity of work concentration in MID counties for HUD compliance.

Award Details

- Maximum award is $10 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.

- The tentative award announcement date is September 30, 2022.

- Any agency offered an award must 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. The Developers will follow their agreements with the UGLGs.

AHRF-R2 Application Timeline

Date	Action
August 22, 2022	Application Period Open
August 30, 2022	Technical Assistance Webinar
September 16, 2022	Application Submission Deadline
September 19-23, 2022*	NCORR Review Panel Application Evaluations
September 30, 2022*	NCORR Announcement of Agency/Project Awards

*Dates listed are estimates and are subject to change at NCORR's discretion.

Application Details

Application Deadline
September 16, 2022
5:00 P.M.

AHDF-R2 Webpage

- The Affordable Housing Development Fund - Round 2 webpage contains the complete list of **HUD Most Impacted and Distressed (MID) Counties and State-Designated MID Counties** to allow applicants to confirm initial eligibility to apply for funds.

- Link to the **Affordable Housing Development Fund - Round 2 Program Manual** (strongly encourage review by all potential applicants) as well as the **Budget & Unit Mix Workbook** to be attached within the application (required).

- NCORR also provided a template UGLG/Developer Agreement to ensure that all Agreements contain required HUD compliance elements.

- Link to the **Application:**
  https://rebuildnc.tfaforms.net/4815507

Resources

English

Program Manual

Application: Budget & Unit Mix Workbook

Application: Developer Agreement Template

How to Apply

- Go to the ReBuild NC Affordable Housing Development Fund - Round 2 webpage: https://www.rebuild.nc.gov/local-and-tribal-governments/community-development/AHDF

- Click on the link embedded in the description of the AHDF Round 2 notice of funding to enter the Online Application portal or click the link at the top of the page under the green header: "Apply Now for Round 2 Funding".

An application for Round 2 funding is currently available online ☐. Please see the *Resources* section below for additional items to be included in the application packet. A virtual technical assistance webinar for Round 2 grant applicants is planned for 3 p.m. Tuesday, Aug. 30, 2022. More information about the webinar will be announced on this webpage soon. Round 2 grant applications will be accepted until 5 p.m. Sept. 16, 2022.

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, 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 UGLGs will have these requirements to NCORR, the Developers must assist the UGLGs 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;

- UGLG maintain a strong fiscal management system to track the project;

- UGLG and Developer partner agree to be monitored by NCORR and/or HUD at any time;

- UGLG/Developer submit all required reporting in a timely manner.

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

Davis-Bacon and Related Acts

Davis Bacon Act:

- 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.

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.

- 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

Application Details

- Please complete all sections of the application as completely as possible. The online application maintains ***required elements*** (marked with an asterisk) that must be filled in before you can proceed within the application (*i.e.,* eligibility based upon location within a MID County; SAMS registration; etc.).

- The full 4% Application submitted to NCHFA should be attached. This request includes attachments originally submitted to NCHFA.

- Don't forget to attach the UGLG/Developer Agreement and the Updated Development Budget/Unit Mix worksheet (both found on the NCORR website).

Application Overview

Application Overview

REMINDER:

Resources

English

Program Manual

Application: Budget & Unit Mix Workbook

Application: Developer Agreement Template

Before You Begin

This application is for NCORR's Affordable Housing Development Fund only. This program does not provide assistance for individuals or families. Please review the Affordable Housing Development Fund Program Manual in full at: https://www.rebuild.nc.gov/local-and-tribal-governments/community-development/AHDF

(1) Online application guidance: An email address will be required in order to submit a complete application. As you are completing this application, please do not hit the back or refresh button on your internet browser, as information may be lost.

(2) Completing the application: You will receive an email verifying submission once your application is completed and submitted. If you do not receive this email confirmation, your application was not completed. Incomplete applications will not be accepted by the system. Please check the status of your application and try your submission again. Note if you have the application open in more than one window, this could prevent submission. It is the applicant's responsibility to ensure completeness and receipt of application. At the end of the submission period, applications will be reviewed and evaluated. You will be notified regarding award status directly.

(3) Need help completing the online application: Please visit https://www.rebuild.nc.gov/local-and-tribal-governments/community-development for information about technical assistance sessions. At least one session will be held on August 30, 2022 at 3:00pm for interested applicants. Questions may also be sent via email to tammy.wiggins@ncdps.gov.

(4) Saving the application: You may choose to save the application to complete and submit later. When you click the Save button, you will be prompted to enter an email address and password. You will receive an email confirmation that the response was saved including a link for returning to your online application. Emails from the online application platform may fall into your spam folder so please be sure to monitor all folders in your email.

(5) Resume saved application: You may resume a saved application at any time prior to completing and submitting the application. You will need the email address and password that you provided when you saved the application.

AUTHORIZATION: By continuing, you authorize the NC Office of Recovery and Resiliency (NCORR), the Department of Housing and Urban Development, the State of North Carolina, and its agents or partners to use, store, exchange and share information and applicable documentation provided by you, your staff, or other agency personnel so that your information may be evaluated. Verifications and duplication of benefits may be performed. You may revoke this authorization at any time by notifying NCORR at tammy.wiggins@ncdps.gov and allowing NCORR a minimum of 10 days to process your request. Revocation will not apply to records or information already furnished in reliance upon this authorization.

Application Overview

5. CONSISTENCY WITH COMMUNITY RECOVERY PRIORITIES: Describe how this project supports disaster recovery in your community. This may include describing this project's consistency with efforts you have made either within your unit of general local government or as part of a regional effort to develop community priorities for disaster recovery.

6. CONSIDERATIONS FOR CLIMATE RESILIENCY: Describe how this project supports climate resilience in your community. This may include describing the project's consistency with community planning priorities for climate resiliency; how the project incorporates resilient construction methods such as avoiding construction within a floodplain, construction techniques to avoid wind damage such as roof hardening, steps taken to reduce stormwater runoff, nature-based solutions for stormwater, and methods for reducing impacts from high heat conditions including tree planting; access to public transportation; and other project components that support climate resilience.

7. Type of Housing:
*

○ New Construction
○ Acquisition/Rehabilitation

8. **Green Build" materials and designs to be used.** New housing construction and replacement of substantially damaged buildings must include compliance with ONE of the following green standards:
*

☐ ENERGY STAR (Certified Homes or Multifamily High-Rise)

☐ LEED (a program that sets standards used internationally for design, construction and maintenance of environmentally sustainable buildings and infrastructure)

☐ Enterprise Green Communities (Certification Program offered by Enterprise Community Partners, Inc., a national affordable housing non-profit)

☐ ICC-700 National Green Building Standard (a rating and certification program authored by the National Association of Home Builders of the United States that encourages increased environmental and health performance in residences)

☐ Other equivalent comprehensive green building program acceptable to HUD (please describe in the text box below):

Application Overview

You can add up to 4 attachments here. If you have more than that, please combine files into pdfs as necessary.

Application Overview

PROJECT PROFORMA and UNIT MIX/RENTS

ATTACHMENT: Complete and send an updated Development Budget and Unit Mix/Rents Spreadsheet - (See required on NCORR website: https://www.rebuild.nc.gov/documents/ahdf-development-budget-and-unit-mix).

[Browse...]

REGULATORY INFORMATION:
All awarded projects will be required to comply with all requirements of 24 CFR Part 58.

RELOCATION: Will the proposed project activity directly cause any demolition or conversion of any existing residential or commercial units resulting in permanent, temporary or economic displacement of existing tenants?
*
○ Yes ○ No

ENVIRONMENTAL REVIEW: Have you started or completed the Environmental Review Record process?
*
○ Yes ○ No

Unit Mix

# BRs	Type	# Baths	Trend?	# of Units	Accessible Units	Net Sq Feet	Monthly Rent	Utility Allowance	Total Housing Cost	% of Median	Yearly Income Non-HOME	HOM

Project Development Costs

	Description	Total Budget
1	Land	$ -
2	Existing Structure	$ -
3	Onsite Improvements	$ -
4	Rehabilitation	$ -
5	Construction of New Building(s)	$ -
6	Accessory Building(s)	$ -
7	General Requirements (max 6% lines 2-6)	$ -
8	Contractor Overhead (max 2% lines 2-7)	$ -
9	Contractor Profit (max 8% lines 2-7, 6% if Identity of Interest)	$ -
10	Construction Contingency (max 5% lines 2-9, Rehabs 10%)	$ -
11	Architect Design/Supervision	$ -
12	Architect Inspection	$ -
13	Engineering Costs	$ -
	Subtotal (lines 1 through 13)	$ -
14	Construction Insurance (prorate)	$ -
15	Construction Loan Origination Fee (prorate)	$ -
16	Construction Loan Interest (prorate)	$ -
17	Construction Loan Credit Enhancement (prorate)	$ -
18	Construction Period Taxes (prorate)	$ -
19	Water, Sewer and Impact Fees	$ -
20	Survey	$ -
21	Property Appraisal	$ -
22	Environmental Report	$ -
23	Market Study	$ -
24	Bond Costs	$ -
25	Bond Issuance Costs	$ -
26	Placement Fee	$ -
27	Permanent Loan Origination Fee	$ -
28	Permanent Loan Credit Enhancement	$ -
29	Title and Recording	$ -
	Subtotal (lines 14 through 29)	$ -
30	Real Estate Attorney	$ -
31	Other Attorney's Fees	$ -

Application Overview

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*
○ Yes ○ No

ENVIRONMENTAL REVIEW: Have you started or completed the Environmental Review Record process?
*
○ Yes ○ No

FLOOD HAZARD

Is any part of the project site located within the 100-year floodplain? *
○ Yes ○ No

ATTACHMENT: Please attach a FEMA flood map.

[   ] Browse...

ADA Accessibility

Does the project have more than 5 units?
*
○ Yes ○ No

If yes, for construction or substantial rehabilitation, at least 5% of units (or 1 unit, whichever is greater) must be accessible to persons with mobility impairments and 2% of units (or 1 unit, whichever is greater) must be accessible to persons with sensory impairments. The remaining units must meet the accessibility requirements of the Federal and State Fair Housing Act, which require that all units in elevator buildings and ground units in other buildings be ADA accessible.

AUTHORIZED SIGNATURES

I certify to the best of my knowledge and belief, statements and data in this application, attached tables and other documentation, are true and correct.

The below electronic signature shall constitute the applicant's actual signature and that the person signing has the authority to sign on behalf of the agency.

[   ]

Signature *

[   ]

Title *

[   ] You may only select today's date.

Date (MM/DD/YYYY) *

The above must be signed by the Chief Elected Official of the UGLG or other appropriate and authorized signatory designee for the applicant.

ATTACHMENT: Documentation proving signer is authorized must be provided.

[   ] Browse...

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 2 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.

- NCORR will, on a case-by-case basis, evaluate the impact of the repayment and/or collection of any and all program income received by a partner under this Program and will appropriately address the treatment of program income within the individual funding award agreements.

- Examples of program income can be found at 24 CFR 570.489.

Duplication of Benefits

- Congress mandates that CDBG-DR funds can not 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.

Thank you for joining!

Questions to
tammy.wiggins@ncdps.gov.