



Gaston County

Gaston County
Board of Commissioners
www.gastongov.com

Budget and Purchasing Board Action

File #: 18-255

Commissioner Worley - Budget/Purchasing - To Accept and Appropriate an Award Amount of \$175,000 for the 2018 Essential Family Rehabilitation Funding Agreement and to Approve the Post Award Document Including the Required Assistance and Procurement Policies

STAFF CONTACT

Pat Laws - Grant Administrator - Budget/Purchasing- 704-866-3771

BUDGET IMPACT

Appropriate Additional Funds (\$175,000). No additional County funds.

BUDGET ORDINANCE IMPACT

Increase 2018 ESFRLP1813 revenue by \$175,000.
Increase 2018 ESFRLP1813 expenditure account by \$175,000

BACKGROUND

The mission of the NC Housing Finance Agency (HFA) is to create affordable housing opportunities for North Carolinians whose needs are not being met by the market. As part of its mission, HFA administers the Single Family Housing Rehabilitation Program, whose funds are intended to improve living conditions for low-income elderly and disabled individuals. Single Family Housing Rehabilitation Grants are made available through a competitive application process on a rotating three-year schedule.

POLICY IMPACT

N/A

ATTACHMENTS

Budget Change Request, Funding Agreement, Post-Approval Documentation, Procurement & Disbursement Policy and Assistance Policy

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	Brown	Frale	Grant	Hovis	Kelgher	Philbeck	Worley	Vote
2018-181	07/24/2018	TP	RW	AB	A	A	A	A	A	A	U

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GASTON COUNTY BUDGET CHANGE REQUEST

TO: Earl Mathers COUNTY MANAGER

FROM: 4131 Budget
Dept. # Department Name

Matthew Rhoten 07/03/18
Department Director's Name Date

TYPE OF REQUEST:

- Line Item Transfer Within Department & Fund
 Line Item Transfer Between Funds *
- Project Transfer Within Department & Fund
 Additional Appropriation of Funds *
- Line Item Transfer Between Departments*
 * Requires resolution by the Board of Commissioners

ACCOUNT DESCRIPTION (As it appears in the budget)	ACCOUNT NUMBER <small>Fund - Function - Dept - Division - Object - Project</small> <small>xxx - xx - xxxx - xxxx - xxxxx - xxxxxx</small>	AMOUNT Whole Dollars Only (See Note Below)
Essential SFR Loan Pool	010-01-4131-0000-420000-19537	(\$175,000)
Essential SFR Loan Pool	010-01-4131-0000-560000-19537	\$175,000

JUSTIFICATION FOR REQUEST:

The mission of the NC Housing Finance Agency (HFA) is to create affordable housing opportunities for North Carolinians whose needs are not being met by the market. As part of its mission, HFA administers the Single Family Housing Rehabilitation Program, whose funds are intended to improve living conditions for low-income elderly and disabled individuals. Single Family Housing Rehabilitation Grants are made available through a competitive application process on a rotating three-year schedule.

Note: Decreases in expenditures & increases in revenue accounts require brackets. Increases in expenditures & decreases in revenue do not require brackets. Please note that transfers between funds require interfund transfer accounts.

NORTH CAROLINA HOUSING FINANCE AGENCY

**ESSENTIAL SINGLE-FAMILY
REHABILITATION LOAN POOL
(ESFRLP18)**

FUNDING and WRITTEN AGREEMENT for SUBRECIPIENTS

Member: Gaston County

Funding Agreement Number: ESFRLP1813

Service Area: Gaston County

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**NORTH CAROLINA HOUSING FINANCE AGENCY
2018 ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL
(ESFRLP18)**

FUNDING AGREEMENT

This is a subaward of a federal grant.

This Agreement is entered into this the 12th of February, 2018 by and between the North Carolina Housing Finance Agency (“Agency”) and Gaston County (“Subrecipient” or “Member”) for the performance of the services listed below. The Agency and the Subrecipient are sometimes referred to as the “Parties”.

This Agreement is funded by a federal grant from the HOME Investment Partnerships Program from the U.S. Department of Housing and Urban Development to the North Carolina Housing Finance Agency (“Federal Award”). Funds awarded under this Agreement are federal funds and must be used for the purposes for which they are intended. For the purposes of this Agreement the Agency is considered a “Pass Through Entity” as defined in 2 CFR Part 200. This Agreement is subject to the requirements in 2 CFR Part 200 and Subrecipient is required to comply with those sections specifically related to subawards to subrecipients therein.

Part I. Federal Award Identification:

Federal Award Identification: HOME Investment Partnerships Agreement	Subrecipient Name (which must match registered name in DUNS): Gaston County	Subrecipient’s DUNS number: 71062186
Federal Award Identification Number (FAIN): M16-SG370100	Federal Award Date (Date signed by Federal awarding Agency Official): September 22, 2017	Subaward Period of Performance: Start Date: February 8, 2018 End Date: June 30, 2021
Amount of Federal Funds Obligated by this Action: \$175,000	Total Amount of Federal Funds Obligated to the Subrecipient: \$175,000	Total Amount of Federal Award to Agency: \$175,000
Federal Award Project Description (as required by FFATA): HOME Investment CPD	Name of Federal Awarding Agency: U.S. Department of Housing and Urban Development	Pass Through Entity: North Carolina Housing Finance Agency (referred to as “Agency” or “PTE”)
Contact Information for Awarding Official: Michael Handley Manager of Housing Rehabilitation NCHFA 3508 Bush Street Raleigh, NC 27609 Phone: (919) 877-5627	CFDA Number and Name: 14.239 HOME Investment Partnerships Program	Is Award R&D: No
Subrecipient Indirect Cost Rate (or 10% de minimis): Not Applicable	Audit Verified: Yes	Subrecipient’s Cumulative Federal Awards >\$750,000:

Part II. Agreement Documents.

This Agreement includes the following, all of which are identified by name as follows:

1. This Agreement;
2. Certifications and Assurances (Attachment 1); and,
3. ESFRLP Program Guidelines (Attachment 2).

These attachments are incorporated herein by reference, constitute the entire agreement between the Parties, and supersede all prior oral or written statements or agreements and are hereinafter referred to as the "Agreement Documents".

Part III. Definitions

1. **Agency.** The North Carolina State Housing Finance Agency, an instrumentality and public agency of the State of North Carolina.
2. **Agreement.** Refers to this Subaward Agreement and all attachments.
3. **Application.** The application submitted by the Subrecipient for Program funds.
4. **De-obligate or De-obligation of Funds.** Refers to the Agency's right to rescind its obligation to disburse funds awarded to Subrecipient based on a variety of factors, including but not limited to under performance, non-compliance, end of subaward period, breach of this Agreement, violation of state, federal, and/or local law, fraudulent or willful misconduct, or change in eligibility status.
5. **Federal Award.** Federal Award is the award identified in Section 1 of this Agreement.
6. **Funds.** The funds awarded to the Member under this Agreement
7. **HOME.** The HOME Investment Partnerships Program found at 24 C.F.R. Part 92.
8. **HUD.** The United States Department of Housing and Urban Development.
9. **Member.** The organization identified in Section 1 of this Agreement to which the Agency is making a subaward, and which is accountable to the Agency for the use of the funds provided.
10. **Program.** The Agency's Essential Single-Family Rehabilitation Loan Pool Program.
11. **Recapture.** Recapture means when the Agency takes back money awarded under this Agreement and already disbursed to Subrecipient based on such factors as, but not limited to, underperformance, non-compliance, end of subaward period, and/or fraud.
12. **ESFRLP.** The Agency's Essential Single-Family Rehabilitation Loan Pool Program.

13. **ESFRLP Funds or ESFRLP Pool.** The HOME funds awarded to Subrecipient under this Agreement.
14. **ESFRLP Program Guidelines.** The Agency's program guidelines for administering the Program applicable to the 2018 cycle which Member must adhere to in order to received funds under this Agreement.
15. **Services.** The eligible activities described in this Agreement.
16. **Subaward.** Subaward means the funds awarded to the Subrecipient under this Agreement. The Subaward consists solely of federal funds.
17. **Subrecipient.** Subrecipient the organization identified in Section 1 of this Agreement to which the Agency is making a subaward, and which is accountable to the Agency for the use of the funds provided.
18. **Supercircular.** Supercircular means 24 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Also referred to as Uniform Guidance.

Part IV. Purpose

The Agency has received a grant of federal HOME funds from HUD which the Agency uses, in part, to fund its Single-Family Rehabilitation Loan Pool Program. The ESFRLP provides an interest free, deferred-forgiven loan to Program-eligible homeowners to pay for certain rehabilitation costs of a homeowner's house. The Agency provides subawards to local organizations to utilize them in assisting in the administration of the ESFRLP. The Agency has advertised the availability of funding under the ESFRLP and the application of the Member was received, evaluated, and approved by the Agency. The Agency and the Member now wish to enter into this Agreement to provide a subaward to Member under the ESFRLP.

Part V. SubAward

The Agency hereby awards a Subaward, as described above, to Subrecipient subject to the provisions of this Agreement and any attachments hereto. The Agency shall pay the Subrecipient in the manner and in the amounts specified in the Agreement Documents. The total amount paid by the Agency to the Subrecipient under this Agreement will not exceed \$175,000 and consists entirely of federal funds. Although the Agency has approved a set-aside for a specific amount to the Member, the Member also has the opportunity to access additional funds from the ESFRLP pool (depending upon fund availability) once they have met the threshold requirements outlined in ESFRLP Program Guidelines 3.2.2.

Part VI. Subrecipient Duties (Scope of Work)

The Subrecipient will provide the services as described in this Agreement in accordance with the terms and conditions of the Agreement Documents. The Subrecipient will be responsible for all activities and responsibilities as defined by the ESFRLP Program Guidelines.

Part VII. Time of Performance

- (a) The Member shall begin performance of this Agreement on the 1st day of July, 2018 and shall complete performance no later than June 30, 2021.
- (b) The Agency has approved a set-aside of up to \$175,000 of ESFRLP funds for the Member. The Member may reserve funds from this set-aside on a unit-by-unit basis in accordance with Program Guidelines (PG) 3.2.2 & 3.2.3, until December 31, 2019. Any funds from this set-aside not reserved by that date shall be de-obligated and remain in the ESFRLP pool for reallocation to those Members seeking funding for additional units.
- (c) Funds for additional units may be reserved from the ESFRLP pool, depending on availability, on a unit-by-unit, first come, first served basis in accordance with PG 3.2 up until December 31, 2020. Any funds, not committed under contract (pursuant to Section 3.12 of the Program Guidelines) to a unit as of December 31, 2020, must be withdrawn from deposit and returned to the Agency; or, de-obligated from the Member's IDIS master account. All units must be completed and closed out by June 30, 2021.
- (d) De-obligation of Funds. Upon expiration of the agreement on June 30, 2021, the Member must transfer to the Agency any HOME funds not under contract for a specific unit and any accounts receivable attributable to the use of HOME funds.

Part VIII. Program Funding; Management of Funds

Section 1: Subaward

The Agency has made a Subaward to the Member in the amount identified in Part V of this Agreement.

Section 2: Use of Funds

- (a) ESFRLP funds shall be used to provide assistance to low-income homeowners for: the repair and rehabilitation of their principle residence; the installation of energy-efficiency measures to decrease energy use in the unit; temporary relocation of households to standard housing, at reasonable cost, if in accordance with an Agency-approved written relocation policy; and lead-based paint evaluation and remediation. ESFRLP funds shall pay for eligible hard and soft costs associated with housing rehabilitation of single-family owner-occupied dwelling units; making the units safe, decent and sanitary. ESFRLP assistance shall be in the form of a loan to the homeowner, which covers the eligible hard costs associated with the rehabilitation of the unit. ESFRLP assistance used to pay eligible soft costs associated with the rehabilitation of the unit shall be in the form of a grant to the homeowner. In order to ensure each Member is conveying certain HOME Program requirements to the eligible homeowners, the Member must use the Agency-provided loan documents listed in the ESFRLP Program Guidelines. Failure to do so shall constitute a material breach of this Agreement.
- (b) The Member must identify eligible units in accordance with the ESFRLP Program Guidelines. The budget for each unit assisted can be found on the Settlement Data Sheet which is referenced at PG 2.3.2 and is a part of the unit workbook.
- (c) The Member must repay the Agency for any costs deemed ineligible by the Agency in the Agency's sole discretion. The Member must also repay the Agency for any expended funds for units that do not meet the ownership and property requirements as stated in PG 4.1.3 & 4.1.4 (24CFR92.254(b)), "Qualification as affordable housing: homeownership". Any funds repaid to the Agency shall be subject to imputed interest.

Section 3: Disbursement of Funding

- (a) The Member cannot request disbursement of ESFRLP funds until funds are needed for actual payment of eligible costs as defined in the ESFRLP Program Guidelines (PG 2.2.4). The amount of the request must be limited to the actual amount needed. Any interest earned on ESFRLP funds held by the Member must be spent prior to using any other ESFRLP funds.
- (b) ESFRLP funds will be disbursed to the Member through electronic payments from the Agency and in accordance with PG 3.2.
- (c) The Member is eligible to request Program funds from the Agency only after the Agency has received this executed Agreement and a completed *Signatory Form and Certification* card ("Signatory card").
- (d) The Member must complete all work under this Agreement and disburse all ESFRLP funds in accordance with the Program Guidelines, specifically Sections 3.3 and 3.4.

Section 4: Deposit of Funds

- (a) The Member shall establish a master account in an FDIC-insured banking institution to hold all Program funds. All interest earned on ESFRLP funds shall be utilized in accordance with this Agreement.
- (b) All Program funds must be expended for eligible costs within twelve days of receipt. Any interest earned within the twelve-day period shall be retained as Program funds. Any interest earned on Program funds not expended for eligible costs within twelve days must be returned to the Agency.
- (c) The Agency reserves the right to require that all deposits made in the master account be available for withdrawal by the Member and the Agency. If the Agency chooses to exercise this option, an agreement for custodial accounts will be provided by the Agency.

Section 5: Establishment and Maintenance of Accounting Records

- (a) The Member agrees to establish an account in its own general ledger for funds received under this Agreement, and ESFRLP funds, including interest earned, shall be accounted for separately from all other monies.
- (b) The Member's financial management system shall provide for:
 - (1) Accurate, current and complete disclosure of the financial results of the Program in accordance with the reporting requirements.
 - (2) Records that identify adequately the source and application of funds for activities supported by the Program.
 - (3) Effective control over and accountability for all funds received under this Agreement.
 - (4) Comparison of actual outlays with budgeted amounts for the Program.
 - (5) Accounting records that are supported by source documentation.
 - (6) Systematic methods to assure timely and appropriate resolution of audit findings and recommendations.
- (c) The Member agrees that its records, as they relate to this agreement, shall be accessible to HUD and the Agency and their respective agents or representatives, including the North Carolina State Auditor's Office in accordance with N.C.G.S. §147.64.7(4).

Section 6: Procurement Procedures

The Member will have written procurement procedures that reflect the procurement standards found at 2 C.F.R. §200.318- §200.326. The Member will use written contracts with all firms providing services for rehabilitation work or professional services under the Program.

Section 7: Recapture of Funds.

The Agency reserves the right to recapture the Subaward from the Subrecipient. Events of recapture include, but are not limited to, Subrecipient's failure to comply with the terms and conditions of this Agreement and the Agreement Documents or if the Agency deems, in its sole discretion, that Subaward funds were misused or misapplied by the Subrecipient.

PART IX. Program Management

Section 1: Program Guidelines

The terms of the Agreement are subject, in all respects, to the ESFRLP Program Guidelines, and all defined terms used in this Agreement shall have the same meanings as used in the ESFRLP18 Program Guidelines. The Agency shall have the right from time to time, in its sole discretion, to amend all or any portion of the Program Guidelines for the purpose of providing for any and all modifications, updates, changes, amendments or supplements to applicable laws, regulations or Program changes. The Agency shall give the Member notice of such amendment not less than 30 days before the effective date of such amendment unless the Agency is obligated by law or regulation to implement such amendment in a shorter time period.

In the event the Program Guidelines are revised, the Agency will forward such revisions to the Member and, thereby, make them a part of this Agreement. Failure of the Member to comply with the terms and conditions of the ESFRLP Program Guidelines, as supplemented or amended shall be an event of default by the Member under this Agreement.

Section 2: Program Documents

Members must use loans to finance eligible repairs for participants. Each ESFRLP loan shall be evidenced by a promissory note. In order to secure the note, the Member shall require the execution and recordation of a lien (i.e. Deed of Trust) against a property being improved. The Agency shall provide prepared-standard deeds of trust and promissory notes and other ancillary loan documents to the Member. The Member is required to facilitate the loan closing, record the Deeds of Trust and submit the documents to the Agency in accordance with PG 4.5 & 4.6.

Additionally, Members must use grants to fund the soft costs (work write-ups, cost estimates, lead-based paint inspections, energy audits, pre-rehab unit inspections, etc.) associated with housing rehabilitation. The Member is responsible for facilitating the execution of the Agency-prepared Grant Agreement.

Section 3: Member Responsibility

- (a) Members are responsible for Project Financial Administration as outlined in Section 3 of the ESFRLP Program Guidelines for compliance with the Loan Processing Requirements in Section 4 of the ESFRLP Program Guidelines. The Agency expects the Member to be active in the management and monitoring of the activity funded with the ESFRLP funds including ensuring Program eligibility of homeowners, facilitating loan closings, and inspecting work performed and training and supervising

its staff adequately. The Agency has received and reviewed information that describes the Member's operating plan for staffing and administering its Project. The Agency has relied on the information provided by the Member in the Member's original ESFRLP Application for Funding in making its decision to approve the grant and execute this Agreement. The Member must notify the Agency about any material changes in its operating plan, any events that may have a significant impact on the Project, or any other changes to information provided in the Members original ESFRLP Application for Funding.

- (b) The Member shall execute a Written Agreement (the "Homeowner Written Agreement") with each Homeowner to be assisted, prior to disbursing any funds for the unit. The Written Agreement is provided by the Agency and complies with 24 CFR 92.504(5) (ii). The Agency will enforce the terms of the Written Agreement through a deed of trust recorded against the property using any legal remedy available, including possible foreclosure of the project, and/or any other remedy specified for breach in the loan documents.
- (c) If the Member is monitored by the Agency or an authorized representative and if a lack of proper financial or project controls is observed, the Agency reserves the right to consider this agreement breached and may hold disbursement requests from the Member until such issues are resolved.

Section 4: Right to Inspect

The Agency, HUD and the Comptroller General of the United States, or their authorized representatives or agent, shall have the right to inspect the housing rehabilitation work performed with ESFRLP funds provided under this Agreement for the purpose of determining if work is being carried out in accordance with the ESFRLP Program Guidelines and the HOME regulations. All dwelling units rehabilitated under ESFRLP must meet the Essential Rehabilitation Criteria in accordance with PG 2.6.

Part X. Reporting and Audit Requirements

Section 1: State Requirements.

- (a) If the Member is a non-profit organization or otherwise meets the definition of a "Subgrantee" in N.C.G.S. §143C-6-23(a)(4) then it is subject to the State reporting requirements mandated by N.C.G.S. § 143C-6-23, as may be amended from time to time. Therefore, the Member is required to file annual electronic reports with the Agency. A "Subgrantee" that receives, uses, or expends State funds and in the amount greater than five hundred thousand dollars (\$500,000) within its fiscal year (from any source) must have an audit in accordance with 09 NCAC 03M .0205. The amounts and requirements listed in the statute may change from time to time and it is the Member's responsibility to periodically check the statutes for any amendments or changes thereto.
- (b) If the Member is a unit of local government then it must comply with N.C.G.S. § 159-34, as may be amended from time to time, as referenced in the ESFRLP Program Guidelines, Section 3.8 *Financial Audit Requirements*.

Section 2: Audit

- A. The Subaward is funded with federal funds and as such any requirements applicable to recipients of federal funds will be required of Subrecipient. Note: 2 CFR Part 200.110 states, in part, that 2 CFR Part 200 supersedes the following OMB Guidance documents and regulations under Title 2 of the Code of Federal Regulations: A-87 (Cost Principles for State, Local and Indian Tribal

Governments), A-102 (Grants and Cooperative Agreements with State and Local Governments), A-110 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profits), A-122 (Cost Principals for Non-Profit Organizations), and A-133 (Audits of States, Local Governments and Non-Profit Organizations). The Subrecipient is required to review and comply with 2 CFR Part 200 requirements related to units of local government or non-profit organizations, as may be applicable, that were previously found in the OMB Circulars.

- i. Subrecipient must permit the Agency's auditors to have access to the Subrecipient's records and financial statements as necessary, in the discretion of the Agency, to meet the requirements of 2 CFR §§200.300 Statutory and national policy requirements through 200.309 Period of performance, and 2 CFR 200 Subpart F – Audit Requirements.
- ii. The Subrecipient will comply with 2 CFR Subpart F – Audit Requirements, as may be amended from time to time, which states, in part:
 - a. A Subrecipient that expends \$750,000 or more in federal awards during its fiscal year from any source, including federal funds passed through the State or other grantors, must obtain a single audit or program-specific audit conducted for that year in accordance with 2 CFR 200 Subpart F- Audit Requirements. (§200.501 (a))
 - b. A Subrecipient that expends \$750,000 or more during its fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section. (2 CFR §200.501 (b))
 - c. An auditee that expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with 2 CFR §200.507 Program-specific audits. (2 CFR §200.501(c))
 - d. A Subrecipient that expends less than \$750,000 during its fiscal year in Federal awards is exempt from Federal Audit requirements for that year, except as noted in 2 CFR §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal Agency, Pass Through Entity, and Government Accountability Office. (2 CFR 200.501(d)).
 - e. The Subrecipient is required to submit the audit to the Agency within nine months of the end of its fiscal year.

Section 3: Reports

- (a) The Member shall submit to the Agency Unit Completion Reports in accordance with PG 3.10.2
- (b) The Member shall submit a Certification of Completion and Final Cost form to the Agency not later than June 30, 2021.
- (c) The final certification shall contain a summary of the use of funds provided under this Agreement.
- (d) The Member shall submit to the Agency such revisions and updates of reports as may be necessary as a result of project audits or reporting errors.

- (e) All reports and audit confirmations shall be sent to:
North Carolina Housing Finance Agency
Attention: Mark Lindquist, Senior Program Compliance Coordinator
PO Box 28066
Raleigh, NC 27611-8066
or
Email Address: mwlindquist@nchfa.com

Section 4: Close Out:

- (a) The Member must initiate close-out procedures when the Date of Completion identified in the Funding Agreement is reached.
- (b) No new rehabilitation contracts obligating any ESFRLP funds may be executed after the Date of Completion. Contracts executed prior to the Date of Completion may be amended after that date by no more than ten percent (10%) of the original contract amount in order to accommodate necessary changes to the scope of work.
- (c) Members will be required to submit the Certification of Completion and Final Cost form (CCFC) to the Agency no later than 6 months following the Date of Completion. The Member will also be required to submit revisions and updates of the Certification that may be necessary as a result of audits or reporting errors.
- (d) All ESFRLP funds not disbursed for eligible costs associated with rehabilitation contracts executed prior to the Date of Completion, including all net Program income/interest earned, must be remitted to the Agency with the CCFC.
- (e) Members are required to submit a minimum of one (1) human interest story, with photographic documentation of before and after rehabilitation, focusing on one of the households assisted under ESFRLP.

PART XI: Representations, Warranties and Covenants

The Member hereby warrants, represents and covenants that:

- (a) It is a unit of local government that reports to the Local Government Commission or it is a non-profit entity duly organized and in good standing in the State of North Carolina.
- (b) All Subaward funds must be used for purposes and activities described in this Agreement.
- (c) Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 – 4856), and the implementing regulations at 24CFR35, subparts A,B,J,K,M and R.
- (d) If the Member is a governmental body, it will comply with OMB Circular A-87 as amended or superseded by 2 C.F.R. 200, related to certain principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts and other agreements with State and local governments.
- (e) It will comply with the sections regarding financial management and procurement standards for the HOME program found at 24 C.F.R. §§ 85.6, 85.12, 85.20, 85.22, 85.26, 85.32-85.34, 85.36, 85.44, 85.51 and 85.52, as may be amended from time to time. If the Member is a not-for-profit organization it will comply with OMB Circular A-122, as amended or superseded by 2 C.F.R. 200, which established principles for determining costs of grants, contracts and other agreements with non-profit

organizations as well as the following sections regarding standards for financial management and procurement standards: 24 C.F.R. §§84: 84.2, 84.5, 84.13 - 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72 and 84.73.

- (f) The Member must comply with 24 C.F.R. §92.351 with regards to actions taken to assure MBE/WBE are utilized when possible in the procurement of goods and services.
- (g) The Member must maintain sufficient records of affirmative marketing and MBE/WBE activity in accordance with 24 C.F.R.9§2.508 (7) (ii).
- (h) Debarred, suspended or ineligible contractors and/or participants cannot be involved in the activities of the Member for which funds are provided under this agreement.
- (i) The Member will make a good-faith effort to, on a continuing basis, maintain a drug-free workplace per the requirements of 24 C.F.R. §21 (B).
- (j) The Member and its activities must comply with all of the following Federal laws, executive orders and regulations pertaining to fair housing and equal opportunity. They are: Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.), found in 24CFR Part 1; The Fair Housing Act (42 U.S.C. 3601-3620), found in 24CFR Part 100-115; Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259), found in 24CFR Part 107; Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101), found in 24CFR Part 146. The Member must describe the actions it will take in the areas of enforcement, education, and removal of barriers and impediments to affirmatively further fair housing according to applicable state and federal law. The Member certifies that it will affirmatively further fair housing, including the following: conducting an analysis to identify the effects of any impediments identified through that analysis and maintaining records reflecting the analysis and actions in this regard.
- (k) In order to assure that each Member is conveying certain HOME Program requirements to the eligible homeowners, the Member must comply with the following Program Guidelines: PG 4.1.4.2 (Homeownership Affordability). PG 2.6.1 Property Standards; and Section 15(a) of this Agreement.
- (l) It will provide a written statement completed by the Member's board of directors or other governing body stating that the Subrecipient does not have any overdue tax debts, as defined by N.C.G.S. §105-243.1, at the federal, State or local level. The written statement shall be made under oath and returned to the Agency in order for program disbursements to be made (Certification example included in Attachment 1, unless already submitted and approved).
- (m) It will sign and provide the Certification and Assurances document attached here to as Attachment 2.
- (n) It will comply with N.C. E-Verify which means the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. If Subrecipient employs 25 or more employees in the State of North Carolina, then Subrecipient must comply with the provisions of N.C. Gen. Stat. §64-26 including verifying the work authorization of its employees through E-Verify and retaining the records of verification for a period of at least one year. All subcontractors engaged by or to be engaged by Subrecipient have or will have likewise complied with the provisions of N.C. Gen. Stat. §64-26.
- (o) None of the funds provided under this Agreement shall be used in the performance of this Agreement for any partisan political activity (24 C.F.R. §91.225), or to further the election or defeat of any candidate for public office per the requirement of 24 C.F.R. §87.
- (p) There will be no religious activities conducted in connection with the performance of this Agreement or the use of ESFRLP funds.
- (q) The Member will not discriminate against any person employed in the performance of this

Agreement, or against any applicant for assistance under this Agreement because of race, sex, age, creed, color, physical handicap or national origin. The Member will ensure that applicants for ESFRLP assistance are processed, and that employees are treated during employment, without regard to race, sex, age, creed, color, physical handicap or national origin.

- (r) No employee, officer or agent of the Member shall participate in the selection, or in the award or administration of a contract funded by this Agreement if a conflict of interest, real or apparent, would be involved.
- (s) Before ESFRLP funds may be disbursed, any Member that is a non-profit organization must be in compliance with General Statute 143C-6-23(b). This statute requires that the Member submit to the Agency a notarized copy of the Member's policy addressing conflicts of interest that may arise involving any Member's management staff, board of directors or other governing body. The policy shall address situations where any of these individuals may directly or indirectly benefit, except in their official capacity, from the disbursement of State funds, and shall include actions to be taken to avoid conflicts of interest or the appearance of impropriety.
- (t) Before ESFRLP funds are disbursed, any entity of local government will adopt, by resolution of its board of directors, or other governing body, a notarized copy of the Member's Conflict of Interest Policy. The policy must address situations that may arise involving any Member's employees, management staff, board of directors, or other government body, where any of these individuals may directly or indirectly benefit, except in their official capacity, from the disbursement of Subaward funds, and shall include actions to be taken to avoid conflicts of interest or the appearance of impropriety.
- (u) No person providing consulting services in an employer-employee type relationship shall receive more than reasonable compensation for personal services paid with ESFRLP funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards and compensation.
- (v) ESFRLP funds may not be used to pay for administrative expenses (PG 2.2.4.3). The Member is prohibited from charging servicing, origination, processing, inspection, or other fees for administering the ESFRLP, HOME-funded program, except as permitted by §92.214(b)(1).

Part XII. Termination

Should Member breach or fail to comply with any or part of the provisions or terms of this Agreement, continue as a going concern, become insolvent, defunct, or commence bankruptcy proceedings, or should any employee, agent, director officer or senior manager of Subrecipient engage in fraud, misconduct or negligence or misappropriate any Funds, the Agency may terminate this Agreement, and all of its obligations hereunder, immediately upon written notice, and the remaining Program Funds shall revert immediately to the Agency. This applies to all terms and conditions of the Agreement at the time the

Agreement is signed and at any subsequent point if the status of the Subrecipient changes, including but not limited to, the provisions that Subrecipients receiving these Funds shall not have been indicted or employ those that have been indicted for a violation under Federal Law relating to an election for Federal office.

- A. The Subrecipient hereby agrees to remain fully informed of all laws and regulations that apply to the Subrecipient, and will give the Agency prompt notice of any action or event that may be cause

for suspension or termination of this Agreement and recapture Funds and/or rescind its obligation to awarded Funds to Subrecipient in the event of Subrecipient's non-compliance with the terms and conditions of the grant, as outlined in the Agreement and the Agreement Documents.

- B. The Agency may terminate, in its sole discretion, this Agreement and all of its obligations hereunder immediately upon written notice to Subrecipient, and recapture Program Funds from Subrecipient and/or rescind its obligation to disburse Funds to Subrecipient in the event Subrecipient is not in compliance with the terms and conditions of this Agreement.
- C. Either the Member or the Agency may terminate this Agreement at any time for any reason by providing 30 days prior written notice to the other party. In the event of said termination by the Member, the Agency will require the return of any disbursed, but unused funds and may require completion of any current units being rehabilitated at the time of the notice.
- D. Upon termination of this Agreement all of the Subrecipients work product, including files pertaining to this Agreement, shall become the property of the Agency if requested.
- E. In the event of termination, the Member shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of the Agreement by the Member. The Agency may withhold any reimbursement to the Member for the purpose of a set-off until such time as the exact amount of damages due the Agency from the Member is determined.
- F. In the event of a termination of this Agreement, Subrecipient must continue to comply with record retention requirements and provisions regarding confidentiality and indemnification.

Part XIII. Default, Remedy, Suspension and Termination of Subaward

- A. Each of the following may be deemed an Event of Default under this Agreement:
 - 1. Any material failure by Subrecipient to comply with the terms and conditions of this Agreement whether stated in this Agreement, a federal statute or regulation, North Carolina statute or regulation, the Agreement Documents or any warranty or assurance by Subrecipient.
 - 2. Subrecipient fails to expend Funds in accordance with Program requirements.
 - 3. Subrecipient fails to return Funds, subject to recapture, to the Agency within the requested time frame.
 - 4. Subrecipient becomes the subject of a federal, state, or local investigation related to the use of federal or state funds.
 - 5. Subrecipient fails to continue as a going concern; becomes insolvent, defunct, or commences bankruptcy proceedings; or should any director, officer, or senior manager of Subrecipient engage in fraud, willful misconduct, and gross negligence or misappropriate any Funds.
 - 6. Subrecipient's acts or omissions, in the sole determination of the Agency, may cause significant reputational harm to the Agency or the Program.

7. Any Subrecipient misrepresentation in its application or supporting material which, if known by the Agency, would have resulted in the Subaward not being made.

B. Discovery of Events

The Agency may become aware of Events of Default in any number of ways, including but not limited to:

1. Third party compliance reviews;
2. Random file reviews;
3. Reports of noncompliance by third parties such as media, government agencies, Subrecipient's clients, and/or whistle blowers; or
4. Reviews of audited financial statements and other Uniform Guidance audits.

C. Notice of Events of Default. If the Agency becomes aware of an Event or Events of Default, the Agency will give Subrecipient written notice of the occurrence and a reasonable opportunity to respond to notification or take corrective action as appropriate, if, in the discretion of the Agency the default is capable of being cured. The Agency reserves the right to send notification to Subrecipient's Board of Directors, the State of North Carolina and HUD.

D. Failure to Remedy an Event of Default. In the event of default or non-compliance with this Agreement, the Agency may exercise the remedies for noncompliance in accordance with 2 CFR 200.338 (a-f). If Subrecipient is unable to cure the Event of Default to the satisfaction of the Agency, then the Agency may

1. Recover misspent or unspent Funds;
2. De-obligate awarded but undisbursed Funds;
3. Terminate the Agreement for cause. Upon termination of the Agreement, all unspent Funds (as determined by the Agency) shall revert immediately to the Agency, in either the form of recapture or de-obligation;
4. Use information learned in the process of consideration of future funding actions;
5. Recapture Funds; or
6. Take other legally available remedies.

Part XIV. General Terms and Conditions

Section 1: Publicity

The Member may publicize its participation in the Program and the conduct of activities under this Agreement without prior review by the Agency, provided that all communications contain the following language: "*This program was sponsored by Gaston County, with funds provided by the N.C. Housing Finance Agency.*" Copies of publications or news releases shall be furnished to the Agency.

Section 2: Records Retention Policies

1. The Subrecipient shall establish and comply with a records retention policy. This policy shall be made available to the Agency at its request.

2. Financial records, supporting documentation, statistical records, and all records pertinent to the subaward shall be retained for a period of five (5) years from the date of the project close out letter (PG 3.6.1). The only exceptions are as follows:
 - a. If any litigation, claim or audit is started before expiration of the five (5) year period, the records shall be retained until the litigation, claims or audit findings involving the records have been resolved and final action taken.
 - b. Records for real property and equipment acquired with grant Funds shall be retained for three (3) years after final disposition.
 - c. When the Subrecipient is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or the Agency to extend the retention period.
 - d. If Subrecipient must report program income after the period of performance then it must comply with 2 C.F.R. §200.333(e).
 - e. Subrecipient will comply with 2 C.F.R. §200.333 (f) as it relates to retention of records for indirect cost rate proposals and cost allocations plans. Under this section the following types of documents and their supporting records shall be retained: indirect cost rate computations or proposals, cost allocations plans, and any similarly accounting computations of the rate at which a particular group of costs is chargeable: 1) if submitted for negotiation see 2 CFR §200.333(f)(1); if not submitted for negotiation see 2 CFR §200.333(f)(2).
3. Notwithstanding the foregoing retention policy, or any other provision of this Agreement, the Agency, the Federal Awarding Agency, and their authorized representatives, agents' and third-party contractors' will have access and a right to inspect Subrecipient's site, documents, records and personnel access for evaluation purposes for as long as records are retained.

Section 3: Confidentiality

The Member must maintain the confidentiality and security of records in compliance with the North Carolina Identity Theft Protection Act, the Gramm-Leach-Bliley Act and other federal and state privacy laws ("Applicable Laws"). The Applicable Laws pertain to the security and privacy of personal and financial information along with identifying information such as social security numbers. The Member is responsible for compliance with the Applicable Laws. In the course of providing services hereunder, the Member may have access to an individual's confidential information. Confidential Information includes, but is not limited to, names, personal addresses, credit reports, social security numbers and other personal identifying information. Confidential Information shall be used by the Member only in conjunction with the provision of services hereunder and shall not be disclosed to any third party. The Member agrees to hold harmless and indemnify the Agency for any cost, legal actions, or disputes of any nature whatsoever incurred if the Member violates this provision or any Applicable Law. The Member shall keep all Confidential Information secure, including without limitation, implementing physical security measures and operating procedures.

Section 4: Mandatory Disclosures

The Member must disclose to the Agency, in a timely manner, in writing, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Subaward of the Federal Award. Failure to make required disclosures can result in any of the remedies for noncompliance listed in 2 C.F.R. §200.338 including suspension or debarment (See also 2 C.F.R. part 180).

Section 5: Laws and Regulations

The Member agrees to remain fully informed of all laws and regulations that apply to the Subrecipient, and will give Agency prompt notice of any action or event that may be cause for suspension or termination of this Agreement. Failure to provide such notice will constitute a breach of this Agreement. Any and all information regarding this Subaward should be forwarded to your auditors when organizing your annual audit.

Section 6: Notices

All legal notices, reports, requests, demands and other communications under this Agreement shall be in writing and referred to each party's point of contact as listed below. All such notices under this Agreement sent to the other party shall be considered received: (a) when personally delivered; (b) when delivered by commercial overnight courier with verification receipt; or (c) three (3) days after having been sent, postage prepaid, via certified mail, return receipt requested.

To the Agency: North Carolina Housing Finance Agency
 Attn: Michael Handley, Manager of Housing Rehabilitation
 PO Box 28066
 Raleigh, NC 27611-8066

To the Subrecipient: Gaston County
 Attn: Earl Mathers, County Manager
 PO Box 1578
 Gastonia, NC 28053

Section 7: Agreement Changes

Any proposed changes in this Agreement shall be in writing, submitted to and approved and executed by the Agency before the performance of any work involved in the proposed change.

Section 8: Assignment

This Agreement cannot be assigned.

Section 9: Indemnification

The Member agrees to hold harmless and indemnify the Agency from any and all claims, loss, cost or expense, including reasonable attorney's fees, for any injury or damage, whatsoever, which may arise in connection with work performed under this Agreement or pursuant to the Member's activity, errors or omissions in connection with this Agreement.

Section 10: Inconsistencies; No Waiver

In case any provision of this Agreement is held to be invalid, then such provision shall be amended by the parties only to the extent necessary to be enforceable consistent with the parties' intent, and the remainder of the provisions shall remain in full force and effect. No waiver by either party of any breach or failure of compliance with respect to any provision of this Agreement shall be deemed a continuing waiver, nor shall any delay or omission by either party to exercise any right hereunder impair in any manner the exercise of any such right.

Section 11: Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the substantive laws of the State of North Carolina. Each party expressly consents to the jurisdiction of the State of North Carolina.

Section 12: Entire Agreement

This Agreement and all Attachments and/or Exhibits, specifically including the ESFRLP Program Guidelines, constitutes the entire Agreement between the Agency and the Member.

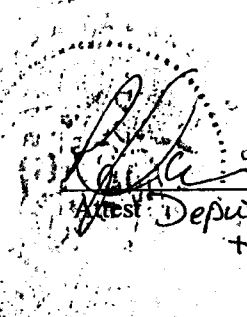

III. Authorization of Signature

By signing this Agreement, the Member certifies that all representations made in its ESFRLP application are true, and in the event of any misrepresentations, the Agency has the option to rescind any obligations to Member regarding the Funds or recapture any Funds awarded or intended to be awarded to the Subrecipient. The person signing this Agreement hereby certifies that he/she is authorized to execute this agreement on behalf of the Subrecipient.

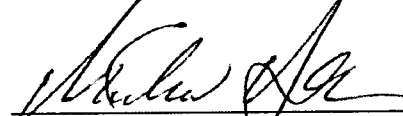
Gaston County

By: 
Its: County Manager

Date: 2/20/18



Attest: Deputy Clerk
to the Board

North Carolina Housing Finance Agency

By: 
Its: Manager of Housing Rehabilitation

Date: 2/12/18


Attest

Attachment 1

CERTIFICATIONS AND ASSURANCES

By signing below, the authorized official of Member certifies, to the best of his/her knowledge and belief, that:

Certification Regarding Lobbying

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Member, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, or an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Member will complete and submit a Standard Form –LLL, “Disclosure Form to Report Lobbying”, to the Agency.
- 3) The Member will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, or cooperative agreements) and that all subgrantees will certify and disclose accordingly.
- 4) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Debarment, Suspension, and Other Responsibility Matters

The Member certifies by signing below that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

Audit and Access to Records

The Member certifies by signing below that it complies with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R 200), will provide notice of the completion of required audits and any adverse findings which impact this subaward as required by parts 200.501-200.521, and will provide access to records as required by parts 200.336, 200.337, and 200.201 as applicable.

English Language 2 CFR §200.111

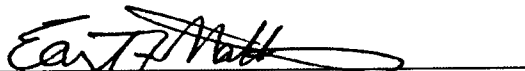
The Member certifies by signing below that it will comply with 2 CFR §200.111 which states, in part, that all Federal financial assistance announcements and Federal award information must be in the English language and must be in the terms of U.S. Dollars. The Subrecipient may translate the Federal award and other documents into another language. In the event of inconsistency between any terms and conditions of the Federal award and any translation into another language, the English language meaning will control. Where a significant portion of the Subrecipient's employees who are working on the Federal award/Subaward are not fluent in English, the Subrecipient must provide the Federal award/Subaward in English and the languages with which the employees are more familiar.

Conflict of Interest 2 CFR §200.112

The Member certifies by signing below that it will disclose in writing to the Agency any potential conflicts of interest in accordance with applicable Federal Awarding Agency policy or Agency policy.

Mandatory Disclosures 2 CFR §200.113

The Member certifies by signing below that it agrees to comply with 2 CFR §200.113 which states that the Subrecipient must disclose, in a timely manner, in writing to the Agency all violations of Federal criminal law involving fraud, bribery, or gratuity violations, potentially affecting the Federal Award. Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.338 Remedies for noncompliance, including suspension or debarment.



Authorized Member Signature

Print Name: EARL MATHERS

Title: COUNTY MANAGER

Date: 2/20/18

**North Carolina Housing Finance Agency
Four Factor Analysis
Gaston County, North Carolina**

In order to avoid discrimination on the grounds of national origin, all programs or activities administered by Gaston County will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in benefits and services for which such persons qualify.

The 2011-2015 American Community Survey (ACS) 5-Year Estimates are the most recent estimates available for Gaston County, North Carolina. ACS estimates Gaston County's population to be 196,813; five percent of the county's total population is 9,840.65. None of Gaston County's LEP populations are greater than 5%. Figure 1 details the proportions of LEP persons eligible to be served in Gaston County based on 2011-2015 ACS estimates. This chart does not include LEP populations with 0% population estimates. The top five largest LEP populations are Spanish (2.5%), Vietnamese (.127%), Chinese (.084%), Japanese (.061%), and Tagalog (.06%).

During the 2015 Single Family Rehabilitation (SFR) program, zero LEP individuals came into contact with the program. However, Gaston County has a variety of resources available to program applicants and recipients at no cost. Gaston County's Department of Health and Human Services provides qualified interpreter services and Gaston County's Human Resources Department has a Spanish bilingual contact who is available to interpret or obtain an outside interpreter. Gaston County will regularly assess changes in demographics, types of services, and other needs that may require reevaluation of policies and procedures. Effective communication is crucial to the SFR program; these resources ensure that persons with LEP have meaningful access and an equal opportunity to participate in the program.

LEP Population	Percentage of total population
Spanish or Spanish Creole	2.5%
French	.014%
Italian	.002%
Portuguese	.005%
German	.037%
Other West Germanic languages	.005%
Russian	.008%
Persian	.01%
Gujarati	.01%
Hindi	.018%
Urdu	.006%
Other Indic languages	.009%
Chinese	.084%
Japanese	.061%

Korean	.024%
Mon-Khmer, Cambodian	.007%
Hmong	.025%
Laotian	.023%
Vietnamese	.127%
Other Asian languages	.026%
Tagalog	.06%
Arabic	.011%
African languages	.034%

Figure 1. LEP populations and percentages of total population in Gaston County, North Carolina

**North Carolina Housing Finance Agency
2018 Essential Single-Family Rehabilitation Loan Pool (ESFRLP)
Post-Approval Documentation**

ESFRLP1813	Gaston County
-------------------	----------------------

A. Instructions

Your Application for Funding under the 2018 cycle of the Single-Family Rehabilitation Loan Pool (ESFRLP18) was approved for \$175,000 and assigned Funding Agreement number ESFRLP1813. As a Member of the ESFRLP18 "Pool", \$175,000 has been set aside in the pool for your project and may be reserved (set up) on a unit-by-unit basis once units have been selected and required documents have been received by the North Carolina Housing Finance Agency (the Agency). In accordance with ESFRLP18 Program Guideline (PG) 3.2.2 you may reserve funds for up to 5 units under your original \$175,000 set-aside. Funds for additional units may be reserved from the pool, depending on availability, on a unit-by-unit, first come, first served basis in accordance with PG 3.2 up until December 31, 2020.

Please provide the information and documentation requested in this packet and forward it to Mark Lindquist mwlindquist@nchfa.com. The Case Manager assigned to your ESFRLP project is Donna Coleman and can be reached at 919-981-5006 or via email at djcoleman@nchfa.com.

B. Status of Other Funds - *Not Applicable*

If the Application for Funding stated that other funds would be available to assist with the rehabilitation of the proposed housing units, the Member must provide documentation for each source of funds identified, with the exception of Rural Development 504 funds. The table immediately below summarizes the proposed amount of matching funds according to your application.

Source of Funds	Amount
Volunteer labor	\$0
Donated material	\$0
Matching local funds	\$0
Other	\$0
Total of matching funds committed to the ESFRLP18 project	\$0

C. Assistance Policy - *Attach*

Because ESFRLP18 beneficiaries are not necessarily pre-selected and approved through a public hearing process, it is especially important that ESFRLP18 Members *adopt* an Assistance Policy that thoroughly and clearly identifies the eligibility criteria for assistance, and for prioritizing applicants once they have been determined eligible. This policy should be fair, open and non-discriminatory. In addition, other facts, policies and procedures affecting potential applicants and/or recipients of assistance should be clearly communicated in your Assistance Policy. Be sure to include your policy on temporary relocation, if applicable. Please submit your proposed Assistance Policy as part of the completed Post Approval Documentation to the Agency. A sample Assistance Policy is located on the NCHFA at website, www.nchfa.com. You may choose to use it as a template to develop your own policy.

D. Procurement and Disbursement Policies - *Attach*

ESFRLP18 Members must submit a copy of their Procurement Policy that is specific to ESFRLP18 and is written in accordance with 2 CFR 200, and 24 CFR 92.350 (equal opportunity standards), and a copy of their Disbursement Policy, to the Agency, for review and approval. Please submit a copy of your proposed Procurement Policy and a copy of your proposed Disbursement Policy for ESFRLP18, to the Agency, as part of your PAD.

E. Service Area Requirements

Your Application for Funding was approved for the following service area and amount:

Service Area	Approved Program Funds
Gaston County	\$175,000

F. Fiscal Year and Audits. (Complete this section)

Members will be required to submit reports as required under NC State General Statute 143C-6-23 (Non-Government Organizations) or NC State General Statute 159-34 (Units of Local Government). Fiscal year begins July 1st and ends June 30th.

G. Acknowledgement of Audit Compliance Reporting Responsibilities - Attach

Please have the financial person from your organization, responsible for coordinating the annual audit, complete and sign the enclosed "Audit Compliance Responsibilities" form and the FFATA questionnaire acknowledging their receipt. Then, return both documents with the completed PAD.

H. Organizational Documents. (Non-Government Organizations Only) - Not Applicable

1. Please provide a copy of your Conflict of Interest Policy in accordance with GS 143C-6-23.
2. Please provide a written statement, made under oath and completed by your board of directors or appropriate governing body stating that your organization does not have any overdue taxes, as defined by GS 105-243.1 at the federal, state and local level.
3. Please provide copies of organizational documents, including articles of incorporation, by-laws, and a listing of all directors, officers and staff.

I. Intergovernmental Agreement - Not Applicable

Please provide a copy of an intergovernmental agreement between your governmental entity and the governmental entity in which you will be providing services under ESFRLP18, as required by GS 160-456.

J. Minimum Housing Codes - Attach

In those jurisdictions with an adopted minimum housing code, all units rehabilitated with ESFRLP funds must meet or exceed all local codes, rehabilitation standards, ordinances and zoning ordinances upon the completion of rehabilitation. Please attach any adopted minimum housing codes in your county service area. Contact your Case Manager if you have questions.

K. Requisition Approval Authorization Form, W9 and Direct Deposit - Attach

1. Enclosed in the PAD packet is a Requisition Approval Authorization form. Please have this signed by each individual authorized by your organization's governing board who will be requisitioning ESFRLP18 funds. Return the signed form to the Agency as part of the

completed PAD. Be sure to provide a copy of the resolution passed by the governing board authorizing the requisitioning of funds by those persons whose signatures appear on the enclosed certification.

2. Enclosed is the Form W-9 Request for Taxpayer Identification Number and Certification. Please complete this form with the requested information and return the completed form with the PAD.
3. Also, enclosed is the form for electronic payments, which will allow for direct deposit of Program funds into your designated checking account. Please complete this form with the requested information and return the completed form with the PAD.

L. Language Access Plan - Attach

As recipients of federal funds, ESFRLP Members are required to comply with Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 requiring them to take responsible steps to ensure meaningful access by persons with limited English proficiency. ESFRLP Members are now required to provide the Agency with their four-factor analysis used to establish the need for a Language Access Plan (LAP) and the LAP if required by the analysis. See the attached "NCHFA Guidance for Developing a Language Access Plan" and the Agency's LAP at www.nchfa.com as an example if you need to perform a four factor analysis or create a plan.

M. ESFRLP Budget for Soft Costs

Your Application for Funding was approved based partly on your itemized ESFRLP18 Budget for Soft Costs in your application. The Agency recommended ESFRLP18 budget for soft costs provided in the following table may reflect the budget for soft costs submitted in your ESFRLP18 Application for Funding with an additional increase or decrease in line items.

ESFRLP Soft Costs/unit		ESFRLP1813
1.	Outreach & Advertising	\$100
2.	Environmental Review preparation	\$500
3.	Asbestos testing/clearance	\$300
4.	Radon testing	\$100
5.	LBP inspection/risk assessment	\$350
6.	LBP clearance	\$300
7.	Loan document execution, recording & legal fees	\$450
8.	Pre-rehab Inspection including scope of work	\$500
9.	Work write-ups	\$2000
10.	Cost estimate	\$900
11.	Project & construction management	\$4000
12.	Flood Insurance (units in Flood Hazard Zones)	\$0
13.	Post-rehab value certification	\$500
Total ESFRLP Soft Costs/unit		\$10000

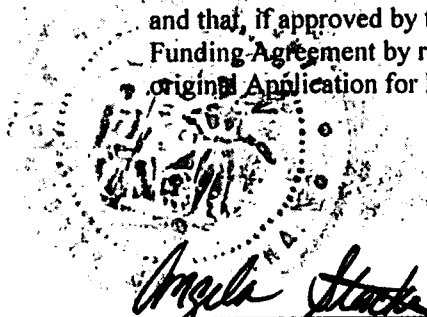
Please check the appropriate response.

- a. Member accepts Agency-recommended budget (per table above); or
 b. Member proposes to adjust the budget as follows (complete the following table)

ESFRLP Soft Costs/unit		
1.	Outreach & Advertising	
2.	Environmental Review preparation	
3.	Asbestos testing/clearance	
4.	Radon testing	
5.	LBP inspection/risk assessment	
6.	LBP clearance	
7.	Loan document execution, recording & legal fees	
8.	Pre-rehab Inspection including scope of work	
9.	Work write-ups	
10.	Cost estimate	
11.	Project & construction management	
12.	Flood Insurance (units in Flood Hazard Zones)	
13.	Post-rehab value certification	
Total ESFRLP Soft Costs/unit		

N. Certification

The Member certifies that the information provided herein and herewith is complete and accurate and that, if approved by the North Carolina Housing Finance Agency, it will be made part of the Funding Agreement by reference, superseding any conflicting information contained in the original Application for Funding without otherwise affecting said Application.



Angela Stacks, Deputy

 Attest

Earl Mathers

 Authorized Signature

Angela Stacks 3/1/18

Earl Mathers 3/1/18

Title Clerk to the Date
 Board of Commissioners

Title County Manager Date

Acknowledgement of Audit Compliance Reporting Responsibilities

Please applicable section(s) and return this form with your PAD

We are a non-profit organization and will comply with North Carolina General Statute 143C-6-23 which requires us to submit reports. These reports will be submitted directly to NCHFA @ subreport.rehabteam@nchfa.com. Our organization will submit these reports by the required deadline and will notify our NCHFA contact when reports are submitted.

If your organization received less than \$750,000 as a subrecipient of state and/or federal funds in the reporting fiscal year, your reports are due six (6) months after your fiscal year-end date.

If your organization received \$750,000 or more as a subrecipient of state and/or federal funds in the reporting fiscal year, your reports are due nine (9) months after your fiscal year-end date.

We are a local governmental organization and will comply with North Carolina General Statute 159-34, "Audit Requirement of the Loan Budget and Fiscal Control Act".

We will submit our annual Financial Statements electronically via a .pdf file within thirty (30) days of publication. Submit to caxtell@nchfa.com

I acknowledge receipt of the information regarding compliance reporting. I am the person responsible for coordinating the submission of reports that comply with state and federal regulations pertaining to this funding. Our reports will be submitted prior to all compliance deadlines.

Signed: Earl Mathers Date: 3/1/18

Name Earl Mathers

Title County Manager

Organization Gaston County

Federal Tax ID Number _____

Address 128 W. Main Avenue, P.O. Box 1578

Address Gastonia, NC 28053-1578

Email Earl.Mathers@gastongov.com

Phone 704-866-3102 Fax 704-866-3139

Fiscal Year-End Date June 30th Award: ESFRLP 1813

Federal Funding Accountability and Transparency Act (FFATA) Questionnaire

Please have your chief financial officer answer the following.

Question #1 – In the preceding fiscal year, were your organization's total annual expenditures less than \$300,000?

yes no

Question #2 - In the preceding fiscal year, was 80 percent or more of your organization's annual gross revenue from Federal procurement contracts (and subcontracts) and Federal financial assistance?

yes no

If yes to above question #2:

Question #3 - In the preceding fiscal year, did your organization have \$25,000,000 or more in annual gross revenue from Federal procurement contracts (and subcontract) and Federal financial assistance?

yes no

Signed: Earl Mathers 3/1/18
Date

Printed Name: Earl Mathers

Organization: Gaston County

Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. GASTON COUNTY		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (0=C corporation, 3=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ LOCAL GOVERNMENT		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>Applies to accounts maintained outside the U.S.</small>
	5 Address (number, street, and apt. or suite no.) PO BOX 1578		Requester's name and address (optional)
	6 City, state, and ZIP code GASTONIA, NC 28053		
	7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number	Employer identification number																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> <td style="width: 5%;"> </td> </tr> </table>													<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> <td style="width: 15%;"> </td> </tr> </table>								
OR																					
Employer identification number																					

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ *[Handwritten Signature]* Date ▶ *2/15/17*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
 Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/w9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**Essential Single-Family Rehabilitation Loan Pool Portal
Requisition Approval and Project Access Authorization**

Program: NCHFA 2018 Essential Single-Family Rehabilitation Loan Pool
 Project: Gaston County ESERLP1813
 Member: Gaston County
 Contact Name: Pat Laws

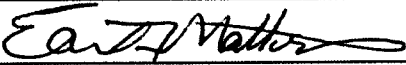
Level of Access

Printed Name	Title	E-mail	Phone	1	2
Pat Laws	Grants Adm.	Pat.Laws@gastongov.com	704-866-3771		X
Marc Bolick	Housing Rehab. Mgr.	Marc.Bolick@gastongov.com	704-866-3559	X	

Select the level of access

1. Access to enter units, but not approve requisitions/invoices
2. Full access to enter units and approve requisitions/invoices

The above individuals are authorized to approve requisitions for funds or granted access for the project.

Certifying Official	Earl Mathers	
Title	County Manager	
Date	3/1/18	

Gaston County
Procurement and Disbursement Policy
2018 ESSENTIAL SINGLE FAMILY REHABILITATION LOAN POOL

PROCUREMENT POLICY

1. To the maximum extent practical, the County of Gaston (the County) promotes a fair, open and competitive procurement process as required under the North Carolina Housing Finance Agency's (NCHFA) Essential Single Family Rehabilitation Loan Pool (ESFRLP). Bids are invited from Contractors who are part of the County's approved contractor registry. Any current contractor listed with and approved by the County and in good standing (ie. no unresolved past performance issues and not listed on the federal or state debarred list) will receive automatic approval status on the contractor registry.
2. To be listed in the Approved Contractor Registry, a contractor must complete an application, have their recent work reviewed and approved by the County's Housing Rehab Manager or Rehabilitation Specialist and submit proof of insurance. All contractors working on pre-1978 units must be Renovate, Repair and Paint Rule (RR&P) Certified Renovators working for Certified Renovation firms; only those contractors with this certificate on file will be invited to bid on pre-1978 homes.
3. At least three eligible contractors on the County's approved contractor registry shall be invited to bid on each job and the lowest responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means (a) the contractor is deemed able to complete the work in a timely fashion, (b) the bid is within 20%, in either direction, of the County's cost estimate, (c) the contractor has not been suspended or debarred and (d) there is no conflict of interest (real or apparent).
4. Although bid packages may be bundled for multiple job sites, the bids for multiple job sites shall be considered separate and apart when awarded and shall be awarded to the lowest responsive and responsible bidder(s) for each job site.
5. Bid packages shall consist of an invitation to bid, work write up(s) and bid sheet(s) for each job, including instructions for distribution and receipt of bids. Contractors will be given no less than five days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted in the County Manager's Conference room located at 128 W. Main Ave. Gastonia, NC 28053 at a specified date and time, with all bidders invited to attend.
6. Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Discrepancies must be reconciled prior to a contract being awarded.
7. The County reserves the right to reject any or all bids at any time during the procurement process.

8. In the event of a true emergency situation, the County reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking telephone quotes, electronic bids and the like. Should such methods ever become necessary, the transaction will be fully documented. In the event phone bids are used, the County of Gaston will call the first three responsive contractors on the approved contractor list. The County will track who has been called and responsive, and will rotate through the full list before beginning the rotation again.
9. All sealed bids will be opened publicly at a time and place to be announced in the bid invitation. All bidders are welcome to attend. Within 120 hours of the bid opening, after review of bid breakdowns and construction schedules, the winning bidders will be selected.– Gaston County will issue the intent to award to the bidding contractor and homeowner, pending final award after all internal County approvals are made. All bidders will be notified in writing of 1) the selection of the winning bid, 2) the amount of the winning bid, 3) the amount of the County's cost estimate, and 4) the specific reasons for the selection, if other than the lowest bidder was selected.
10. The contractor is responsible for obtaining a building permit for the project before beginning work. The permit must be posted at the house during the entire period of construction. If applicable, the contractor will obtain a permit for lead hazard related activities. Gaston County ESFRLP staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Local Code Enforcement Officials will inspect the work for compliance with the NC State Building Code and the local minimum housing code, when applicable. To protect personal property the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as needed as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.
11. Any change to the original scope of work must be reduced to writing in the form of a change order to be agreed upon and signed by all parties to the original contract including at minimum, the homeowner, the contractor and two representatives of the County. The change order must also detail any changes to the original contract price.
12. No work may begin prior to a contract being awarded and executed and a written order to proceed provided to the contractor. In addition, a pre-construction conference and "walk thru" shall be held at the work site prior to commencement of repair work or at the specified location by determined by Gaston County staff. At this time, the homeowner, contractor and ESFRLP Gaston County program representative(s) will discuss the details of the work to be completed. Starting and ending dates will be finalized, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home. Within 48 hours of the pre-construction conference, Gaston County will issue a "proceed order" formally instructing the contractor to commence work by the agreed-upon date.
13. The County of Gaston is an equal opportunity employer, implements non-discriminatory practices in its procurement/disbursement and will make special outreach efforts to include M/WBE (Minority/Women Business Enterprise) businesses within its contractor and subcontractor pool. Contractors will be chosen by the above criteria without regard to race, color, religion, national origin, sex, familial status and/or disability.

DISBURSEMENT POLICY

1. All repair work must be inspected by (a) the County's Housing Rehab Manager or Rehabilitation Specialist, (b) the local building or minimum housing code inspector when applicable and (c) the homeowner prior to any final payments to contractors. If all work is deemed satisfactory and all other factors and written agreements are in order, payment shall be issued upon presentation of an original invoice from the contractor. Contractor should allow 21 business days for processing of the invoice for payment.
2. The contractor is entitled to request two partial payments and a final payment, but only at the discretion of the Housing Rehab Manager or Rehabilitation Specialist. When a payment is requested, the Housing Rehab Manager or Rehabilitation Specialist will inspect the work within three days, determine percentage of job completion and calculate a payment. Project progress payments shall be based upon 90% of the contract price (from the contractors cost breakdown as approved by the County) of the work completed on each line item which is 100% complete.
3. Following construction, the contractor and Housing Rehab Manager or Rehabilitation Specialist will meet with the Homeowner in a post-construction conference. At this conference the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner and be available to answer homeowner questions.
4. Project Closeout: When the contractor declares the work complete, the Housing Rehab Manager and/or Rehabilitation Specialist will thoroughly inspect the work. If any of the work is deemed unsatisfactory, it must be corrected prior to authorization of final payment. If the contractor fails to correct the work to the satisfaction of the County's Housing Rehab Manager and/or Rehabilitation Specialist, payment may be withheld until the work is deemed satisfactory. (Contractors may follow the County's Essential Single Family Rehabilitation Loan Pool Program Assistance Policy if a dispute occurs; however, contractors shall abide by the final decision as stated in the policy). Following construction, Gaston County's House Rehab Manager and/or Rehabilitation Specialist will sign off on the work and meet with the Homeowner to review all completed work and obtain final documents to be signed by the homeowner. After receipt of the contractor's final invoice, inspections, certificate of completion and lien releases signed by all contractors, sub-contractors and suppliers, the final payment will be ordered. All material and workmanship will be guaranteed by the contractor for a period of one-year from the date of completion of the work.
5. The County assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.
6. All contractors, sub-contractors and suppliers must sign a lien waiver prior to disbursement of funds.

The Procurement and Disbursement Policies are adopted this the 24th day of July 2018.

County of Gaston

BY:


Chad Brown, Chairman

ATTEST:


Donna S. Buff, Clerk to the Board

CONTRACTOR'S STATEMENT:

I have read and understand the attached Procurement and Disbursement Policy.

BY: _____

COMPANY NAME: _____

WITNESS: _____

Gaston County
Assistance Policy
For the 2018 Cycle of the
Essential Single-Family Rehabilitation Loan Pool

What is the Essential Single-Family Rehabilitation Loan Pool?

Gaston County has been awarded Membership by the North Carolina Housing Finance Agency ("NCHFA") under the 2018 cycle of the Essential Single-Family Rehabilitation Loan Pool ("ESFRLP18"). This program provides Members with funds via a "loan pool" to assist with the rehabilitation of moderately deteriorated homes that are owned and occupied by lower-income, special need households. ESFRLP18 assists eligible households by facilitating aging in place, meeting minimum housing code requirements, promoting long-term affordability, lowering operating costs, and stabilizing pre-1978 homes that include children aged 6 or under whose health is threatened by the presence of lead hazards.

Gaston County has been allocated an initial set-aside of \$175,000 which it plans to apply toward the rehabilitation of five houses in Gaston County. After demonstrating successful use of the initial set-aside, the County may access additional funds, when available, on a unit-by-unit basis from the ESFRLP18 loan pool.

This Assistance Policy describes who is eligible for assistance under ESFRLP18, how applications for assistance will be ranked, what the terms of assistance are, and how the rehabilitation process will be managed. Gaston County has designed the ESFRLP18 project to be fair, open and consistent with its approved application for funding and with ESFRLP18 Program Guidelines.

The funds provided by NCHFA come from the US Department of Housing and Urban Development's (HUD) Federal HOME Investment Partnerships Program. Assistance for construction-related costs (hard costs) will be provided as no interest, no payment loans which are forgiven at the rate of \$3,000 per year. Non-construction-related costs (soft costs including lead/asbestos inspections/clearances, radon testing and environmental reviews) will be provided in the form of a grant.

Who is Eligible to Apply?

There are three major requirements to be eligible for ESFRLP18 assistance:

- 1) The housing unit to be rehabilitated with ESFRLP funds must be located in Gaston County, and must be owner-occupied. The household occupying the unit must have an elderly, disabled and/or veteran (see definitions) fulltime household member or a child aged 6 or under if there are lead hazards in the home;
- 2) The gross annual household income must not exceed 80% of the Area Median Income for the County (see income limit table on the following page) and;
- 3) The cost of rehabilitation cannot exceed the ESFRLP18 Program limit of \$25,000 and must include all Essential Rehabilitation Criteria as described in the ESFRLP18 Administrator's Manual (available online at www.NCHFA.com).

Unfortunately, not all homes can be rehabilitated to meet the Essential Rehabilitation Criteria with the limited funding available. Some otherwise-eligible households may be deemed ineligible for assistance because their homes fail this test.

What Types Of Houses Are Eligible?

Properties are eligible only if they meet all of the following requirements:

- The property must require at least \$5,000 of improvements to meet ESFRLP Property Standards.
- Site-built and off frame modular units are eligible for assistance. Manufactured housing is eligible for assistance if the foundation and utility hookups are permanently affixed including removal of all transportation equipment (e.g. wheels, axles, tongue) and installation of a full masonry foundation and tie-downs.
- No more than fifty percent (50%) of the total area of the unit may be used for an office or business (e.g. day care). Program funds may only be used to improve single family residential buildings that are home owner occupied; owners of mixed use buildings are not eligible for this program..
- The property must be free of environmental hazards and other nuisances as defined by all applicable codes or regulations, or any such hazards or nuisances must be corrected as part of the rehabilitation of the home. Gaston County’s Rehabilitation Specialist will determine the presence of any known environmental hazards/nuisances on the site and if they can be removed through rehabilitation.
- Properties cannot be located in the right-of-way of any impending or planned public improvements. Gaston County staff will assist in making this determination.
- The property cannot be located on a site that is endangered by mudslides, landslides or other natural or environmental hazards. If needed, the Rehabilitation Specialist will work with the homeowner to make this determination.
- The property cannot be located in the 100 year flood plain. (*Gaston County will verify if the home is in the 100 year flood plain.*)
- The property cannot have been repaired or rehabilitated with public funding of \$25,000 or more within the past 10 years without NCHFA approval.
- The property must be current on all property taxes with no outstanding past taxes owed.

**2018 Income Limits for Gaston County’s
Essential Single-Family Rehabilitation Loan Pool**

Number in Household	30% of Median (“Extremely Low” Income)	50% of Median (“Very Low Income”)	80% of Median (“Low Income”)
1	15,600	25,950	41,550
2	17,800	29,650	47,450
3	20,050	33,350	53,400
4	22,250	37,050	59,300
5	24,050	40,050	64,050
6	25,850	43,000	68,800
7	27,600	45,950	73,550
8	29,400	48,950	78,300

*Income limits are subject to change based on annually published HUD HOME Limits.

How are applications ranked?

There are many more ESFRLP-eligible households (with eligible houses) than can be assisted with the available funds. Therefore, Gaston County has devised the following priority system to rank eligible applicants, determine which of them will be selected for assistance and in what order. Under this system applicants will receive points for falling into certain categories. Applications will be ranked according to which receive the most points. If there are more eligible applicants with eligible houses than can be treated with existing funding, Gaston County may be able to treat additional houses with unrestricted pool funds. Pool applicants will come from the original applicant list and be considered according to which received the most points and meets income eligibility criteria. If alternate pool applicants are not identified on the original applicant list and must be solicited, the solicited, eligible, pool applicants will be selected on a first come first served basis.

Priority Ranking System for Gaston County's 2018 Essential Single-Family Rehabilitation Loan Pool

<i>Special Needs (for definitions, see below)</i>	<i>Points</i>
Never been served by Gaston County	10
Disabled Household Member	8
Large Family (5 or more permanent residents)	6
Elderly Household Member (62 or older)	6
Military Veteran Household Member	5
Household with a child age 6 or under with a lead reference level of 5 micrograms per deciliter or higher	5
<i>Income (See Income Table above)</i>	<i>Points</i>
Less than 30% of County Median Income	5
30% to 50% of County Median Income	4
50% to 80% of County Median Income	3

****NOTE**** *If the household has more than one special need as outlined above then that applicant will receive the allotted points for all applicable categories (e.g. If a household has an elderly household member who is also disabled and has more than 5 permanent residents, that applicant would receive 20 priority points.*

In the case of equivalent rankings based on the above criteria, the applicant with the lowest percentage of median income will rank highest.

Applicants that are not selected for rehabilitation with the initial set-aside pool of funds will be evaluated on a first come first to qualify basis to receive assistance if funds from the remaining 2018 loan pool are available.

Definitions under ESFRLP18 are:

- *Elderly:* An individual aged 62 or older.
- *Disabled:* A person who has a physical, mental or developmental disability

that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment.

- *Large Family:* A large family household is composed of five or more individuals living in the home.
- *Household Member:* Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members-18 years old or older- are subject to income verification).
- *Occupant:* An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of household who has resided in the dwelling unit for at least 3 months prior to the submission of the family's application; or non-immediate family member who has resided in the dwelling at least 3 months prior to the submission of the family's application.
- *Military Veteran:* A person who is a military veteran, is defined as one who served in the active military, naval, or air service (e.g. Army, Navy, Air Force, Marine Corps, and Coast Guard; as a commissioned officer of the Public Health Service; or as a commissioned officer of the National Oceanic and Atmospheric Administration or its predecessors), and who was discharged or released there from under conditions other than dishonorable.

The reason for rating applications is to ensure that all recipients of assistance are selected by a fair and open process. Recipients of assistance under ESFRLP will be chosen by the above criteria without regard to race, color, religion, national origin, sex, familial status and disability.

What Are The Terms of Assistance Under ESFRLP18

The form of ESFRLP assistance is a 0% interest, forgivable loan covering the hard costs associated with the rehabilitation of the home and a grant for the soft costs. These will be two separate documents or sets of documents.

The Loan: To provide assistance to households selected for the project, NCHFA will create loan documents including a Promissory Note and Deed of Trust covering hard costs for the rehabilitation in an amount not to exceed \$25,000. This loan covering the hard costs remains 0% interest and forgivable at \$3,000 per year for as long as the owner resides in the home or until the balance is reduced to \$0. The term of the loan is dependent upon the loan amount and the number of years it takes to bring the balance of the loan to \$0 when forgiven at \$3,000 per year. For example, if the amount of the loan is \$21,452, then the term is 8 years (\$21,000 forgiven over the first 7 years and \$452 forgiven at the end of the 8th year). The maximum term of the loan will be nine years.

As long as the borrower lives in the home, no payments on the loan will be required. If the recipient prefers, the loan can be paid off at any time to NCHFA, either in installments or as a lump sum payment. Furthermore, under certain circumstances NCHFA may allow assumption or refinancing of the loan. Should an heir inherit the

property and choose to live in the house as their permanent residence, they may assume the loan without being income eligible. However, the lien remains on the property. A buyer who may wish to buy the property to live in may assume the loan so long as they can document that they are income-eligible ($\leq 80\%$ AMI). Default can occur if the property is sold or transferred to another person and/or if the borrower fails to use the home as a principal residence, without prior written approval of the North Carolina Housing Finance Agency.

The Grant: To pay for soft costs including application outreach/intake/management, environmental reviews/inspections/testing and project assessment/documentation/estimating/bidding, NCHFA will create a Grant Agreement not to exceed \$10,000. The grant has no repayment or recovery terms.

What Kinds Of Work Will Be Done?

Each house selected for assistance must be rehabilitated to meet ESFRLP18 Rehabilitation Criteria. That means every house must, upon completion of the rehabilitation:

- Meet the requirements of NCHFA's Essential Property Standard and any local minimum code that exceeds that standard (These are "habitability standards" which set minimum standards for decent, safe and sanitary living conditions.) Additionally, the home must meet applicable Lead-Based Paint regulations 24 CFR part 35.
- Retain no "imminent threats" to the health and safety of the home's occupants or to the home's "structural integrity". (An example of an imminent threat to occupants as well as to the home's structural integrity is an infestation of insects or a crawlspace that is too damp).
- Make other eligible improvements to dwelling units such as accessibility and universal design modifications.

These requirements are spelled out in full in the ESFRLP18 Administrator's Manual which you may view, at reasonable times, upon request, at the Building Inspections office of Gaston County or anytime online at www.NCHFA.com.

In addition to the above items that must be done to satisfy NCHFA requirements, the scope of work may include approved items meant to reduce future maintenance and operational costs or to further protect homes from natural disasters and/or home modifications designed to enable greater accessibility for household members to function more independently as they age.

Once the rehabilitation is complete, major systems in the home that, with reasonable maintenance and normal use, should be capable of lasting another 5 years include: structural support, roofing, cladding and weatherproofing, plumbing, electrical and heating/cooling systems.

Of course, contractors performing work funded under ESFRLP18 are responsible for meeting all local requirements for permits and inspections. All work done under the program must be performed to meet NC State Residential Building Code standards.

(This does not mean, however, that the whole house must be brought up to current Building Code Standards.)

What About Lead-based Paint?

Until it was discovered to be a health hazard, lead was used for centuries to make house paints. Now we know that lead exposure is a serious problem for everyone and especially small children. Selling lead paint was outlawed in 1978, but many older buildings still contain lead paint and children are still being poisoned.

Under ESFRLP18, a lead hazard evaluation must be performed on every home selected for rehabilitation that was built before 1978. The specific type of evaluation and the appropriate lead hazard reduction work performed will depend on the total amount of Federal funds used to rehabilitate the home, as per 24 CFR part 35. If required, lead-based paint hazard reduction and/or abatement will be performed by contractors who are trained and certified to perform such work.

It may be necessary for the household to relocate during the construction process. If relocation is required, it shall be the responsibility of the homeowner to pay for the relocation.

Who Will Do The Work On The Homes?

Gaston County is obligated under ESFRLP18 to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet these requirements, Gaston County will invite bids from qualified vendors who are part of an "Approved Contractors Registry". For additional information about procurement and disbursement procedures, please refer to the ESFRLP18 Procurement and Disbursement Policy for Gaston County.

- All qualified members of the Approved contractors Registry will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract.
- All contractors working on pre-1978 units must be Renovate, Repair and Paint Rule (RR&P) Certified Renovators working for Certified Renovation firms.
- Homeowners who know of quality rehabilitation contractors that are not on the approved contractor's registry are welcome to invite them to apply.

What Are The Steps In The Process, From Application To Completion?

You now have information about how to apply for the Essential Single-Family Rehabilitation Loan Pool and what type of work can be done through the Program. Let's go through the steps for getting the work done:

1. **Completing a pre-application form:** Homeowners who wish to apply for assistance must do so between September 3rd and September 28th of 2018. All inquiries taken after September 28th will be placed on a waiting list and contacted to complete information for a first come first to qualify basis if remaining funds exist. Apply by contacting Marc Bolick, Housing Rehab Manager at -704-866-

3559 or Cynthia Buchanan, DHHS Economic Support Services at 704-862-7963. Proof of ownership and income will be required. Those who have applied for housing assistance from Gaston County in the past will not automatically be reconsidered and must complete a new pre-application form.

- 2. Client Referral and Support Services** Many homeowners seeking assistance through the Essential Single-Family Rehabilitation Loan Pool may also need other services. If the ESFRLP staff meet the homeowner during the application process, they will provide pamphlets and a list of the agencies with contact information for the resources and programs available in the County. For households that meet the requirements of the pre-application step and qualify to receive assistance through the ESFRLP program, additional verbal discussion will be offered during the Screening of applicants and/or Pre-rehab inspection steps of the program.
- 3. Preliminary inspection:** Gaston County's Rehabilitation Specialist will visit the homes of top ranking households to determine the need and feasibility of the home for rehabilitation.
- 4. Notice of Disposition:** After Gaston County receives applications and visited the homes of the top ranking households, a letter will be sent to the applicants advising them of their status. The applicants who are either low ranking or whose homes are not appropriate for the program will be notified they will not be served under the program. Applicants whose homes appear to be appropriate for the program and who have the highest ranking will be notified that they have been selected to be served pending income verification, home ownership and other qualification checks as required by the program. Those applicants who were not selected to be served at first but who rank highly and have homes appropriate to be served under the program will be notified of their status as alternates.
- 5. Screening of applicants:** Applications will be rated and ranked by Gaston County based on the priority system outlined on page 4 and the feasibility of rehabilitating the house. Households to be offered assistance in the first round of homes served will be selected no later than December 20th, 2018. Household income will be verified for program purposes only (information will be kept confidential). If additional income verification is not received from all applicants and households members over 18 years old by November 20th, 2018, that household will be ineligible for assistance. NCHFA will verify ownership of the property by conducting a title search. From this review, the five most qualified applicants will be chosen according to the priority system described above; there will be a list of two (2) alternates. Gaston County will then submit to NCHFA an ESFRLP18 Loan Application and Reservation Request for each potential borrower for approval. Applicants not selected for ESFRLP assistance will be notified in writing.

6. **Written agreement:** A Homeowner Written Agreement, between the homeowner and Gaston County, will be executed as part of the Loan Application and Reservation Request procedure (that formally commits funds to a dwelling unit). This agreement will certify that the property is the principal residence of the owner, that the post-rehab value of the property will not exceed 95% of the 203(b) limits established by HUD and defines the ESFRLP maximum amount and form of assistance being provided to the homeowner, the scope of work to be performed, the date of completion and the rehabilitation criteria and standards to be met.
7. **Pre-rehab inspection & unit evaluation:** Gaston County's Rehabilitation Specialist will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks, etc. Each unit will be evaluated for energy-saving opportunities such as air-sealing and duct-sealing as well as for environmental concerns, such as lead based paint hazards, radon and asbestos.
8. **Work write-up:** The Rehabilitation Specialist will prepare complete and detailed work specifications (known as the "work write-up"). A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bids are received from contractors.
9. **Lead and Other Testing:** Gaston County will arrange for a certified firm to inspect all pre-1978 constructed homes for potential lead and asbestos hazards. All homes will be tested for radon. The owner will receive information covering the results of the tests and any corrective actions that will be needed as part of the rehabilitation.
10. **Bidding:** The work write-up and bid documents will be conveyed to all contractors from the Approved Contractor Registry who will be given no less than seven days in which to inspect the property and prepare bid proposals. Each contractor will need access to all parts of the house in order to prepare a bid. A bid opening will be conducted at the Gaston County Administration building County Managers conference room located at 128 W. Main Ave. Gastonia, NC 28053 in Gaston County, NC. All bidders are invited to attend, but attendance is not required.
11. **Contractor selection:** After review of bid breakdown and timing factors, Housing Rehab staff will select the winning bidders. Within 6 weeks the homeowner will be notified in writing of 1) the selection of the winning bid, 2) the amount of the winning bid, 3) the amount of the County's cost estimate, and 4) the specific reasons for the selection, if other than the lowest bidder was selected.
12. **Loan closing and contract execution:** Loan documents (Promissory Note and Deed of Trust) will be prepared by NCHFA as the lender and executed by the homeowner. *By law, homeowner's have the right to hire legal representation of*

their choosing at loan closing. If a homeowner does not have “representation” at the closing, the borrower must sign a NCHFA “Unrepresented Borrower Affidavit”. Rehabilitation contract documents will be executed by Gaston County and contractor with the homeowner signing on as an interested third party prior to the commencement of any construction. Gaston County will facilitate with the loan closing and recordation of these documents and forward the recorded documents to NCHFA.

- 13. Pre-construction conference:** A pre-construction conference will be held at the selected applicant’s home. At this time, the homeowner, contractor and ESFRLP Gaston County program representatives will discuss the details of the work to be completed. Starting and ending dates will be finalized, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home. Gaston County will issue a "proceed order" formally instructing the contractor to commence work by the agreed-upon date.
- 14. Construction:** The contractor is responsible for obtaining and posting all permits for the project before beginning work. Gaston County ESFRLP Program staff will closely monitor the contractor during the construction period and local Code Enforcement Officials will inspect the work. To protect personal property the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as needed as much as practicable. The contractor will be responsible for all clearing and cleaning activities necessary due to construction activities.
- 15. Change Orders:** All changes to the scope of work must be approved by the owner, the contractor, Gaston County’s Rehabilitation Specialist or Gaston County Housing Rehab Manager, and one other Gaston County representative and reduced in writing as a contract amendment ("change order"). The owner, contractor and two Gaston County personnel must execute any change order agreements to the construction contract.
- 16. Progress payments:** The contractor is entitled to request a maximum of two partial payments up to 75% of the total contract amount and a final payment. When a payment is requested, the Rehabilitation Specialist or Housing Rehab Manager will inspect the work within three days, determine percentage of job completion and calculate a payment based on 90% of the contract price (from the contractors cost breakdown as approved by the County) of the work completed on each line item which is 100% complete.
- 17. Closeout:** When the contractor declares the work complete, program staff (as necessary) will thoroughly inspect the work. If any of the work is deemed unsatisfactory or does not meet building code, it must be corrected prior to authorization of final payment. If the contractor fails to correct the work to the satisfaction of Gaston County’s Rehabilitation Specialist and/or Housing Rehab Manager, and the building inspector, payment may be withheld until such time the work is satisfactory. When Gaston County staff and the homeowner are satisfied that the contract has been fulfilled, each will sign off. After receipt of the

contractor's invoice, inspections, certificate of completion, and lien release signed by all contractors, sub-contractors and suppliers, the final payment will be ordered. All material and workmanship will be guaranteed by the contractor for a period of one-year from the date of completion of the work as established by the date on the final pay requisition.

18. Post-construction conference: Following construction, the contractor, the Rehabilitation Specialist and/or Housing Rehab Manager will sit down with the Homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner. The contractor, Rehabilitation Specialist and/or Housing Rehab Manager will go over operating and maintenance requirements for the new equipment, materials and appliances and discuss general maintenance of the home with the Homeowner. The Homeowner will have the opportunity to ask any final questions about the work.

19. Final loan amount determination: If, upon completion of all rehabilitation work, the contract price has changed due to the effect of change orders, NCHFA will prepare an estoppel for a loan reduction or modification agreement for loan increases as necessary at the time of closeout of the unit to modify the loan amount when there is a need for a change order involving a change in the original loan amount). The loan will remain the property of NCHFA, with original documents remaining there for storage and "servicing. Please note that it is the responsibility of the owner to record an estoppel if they wish this to be reflected in the Deed of Trust.

20. The warranty period: It is extremely important that any problems with the work that was performed be reported by the homeowner to the Gaston County Rehabilitation Specialist, Housing Rehab Manager, or Project Administrator, as soon as possible in writing. All bona fide defects in materials and workmanship reported within one year of completion of construction will be corrected free of charge by the Contractor.

What are the key dates?

If, after reading this document, you feel that you qualify for this program and wish to apply, please keep the following dates in mind:

- Applications available to the public starting September 3rd, 2018.
- Applications must be turned in at the Gaston County DHHS Office by 5:00 PM on September 28th, 2018.
- Additional requested Income documents due by November 20th, 2018.
- Households informed of selection status no later than December, 20th, 2018
- All rehab work must be under contract by December 31st, 2020.
- All rehabilitation work must be completed by June 26, 2021.
- Inquiries taken after September 28th, 2018 will be placed on a first come/first to qualify/first serve waiting list if remaining funds exist.

How do I request an application?

Contact:

Marc Bolick, Housing Rehab Manager
Gaston County
P.O. Box 1578
Gastonia, NC 28053
Phone: (704) 866-3559

Or pick up an application at the Gaston County DHHS office:

Contact:

Cynthia Buchanan
DHHS Economic Support Services Department
330 N. Marietta Street
Gastonia, NC 28052
Phone: 704-862-7963

Is there a procedure for dealing with complaints, disputes and appeals?

Although the application process and rehabilitation guidelines are meant to be as fair as possible, Gaston County realizes that there is still a chance that some applicants or participants may feel that they are not treated fairly. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact Pat Laws, Grants Administrator, within five days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. A written appeal must be made within 10 business days of the initial decision on an application.
3. Gaston County will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the rehabilitation process:

1. If the homeowner feels that construction is not being completed according to the contract, he/she must inform the contractor and the Housing Rehab Manager or Rehabilitation Specialist.
2. The Housing Rehab Manager or Rehabilitation Specialist will inspect the work in question. If he finds that the work is not being completed according to the contract, the Housing Rehab Manager or Rehabilitation Specialist will review the contract with the contractor and ask the contractor to correct the problem.

3. If the Housing Rehab Manager or Rehabilitation Specialist finds that the work is being completed according to contract, the complaint will be noted and the Housing Rehab Manager or Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the decision.
4. Should the mediation conference fail to resolve the dispute, the Grants Administrator will render a written final decision.
5. If problems persist, the homeowner must put the concern in writing and a mediation conference between the homeowner and the contractor may be convened by the Housing Rehab Manager or Rehabilitation Specialist and facilitated by Gaston County's Grants Administrator.

Final Appeal:

After following the above procedures, any applicant or homeowner who remains dissatisfied with Gaston County's final decision may appeal to Michael Handley, NCHFA, PO Box 28066, Raleigh, NC 27611-8066, (919) 877-5627.

Will the personal information provided remain confidential? Yes. All information in applicant files will remain confidential. Access to the information will be provided only to Gaston County employees who are directly involved in the program, the North Carolina Housing Finance Agency, the US Department of Housing and Urban Development (HUD) and auditors.

What about conflicts of interest? No employee or board member of Gaston County, or entity contracting with Gaston County, who exercises any functions or responsibilities with respect to the ESFRLP18 project shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with project funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Employees or relatives of Gaston County employees or of Gaston County board members and others closely identified with, may be approved for rehabilitation assistance only upon public disclosure before the Gaston County Board of Commissioners and written permission from NCHFA.

What about favoritism? All activities under ESFRLP18, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, color, religion, national origin, sex, familial status and disability.

Outreach Efforts of the ESFRLP18 Program

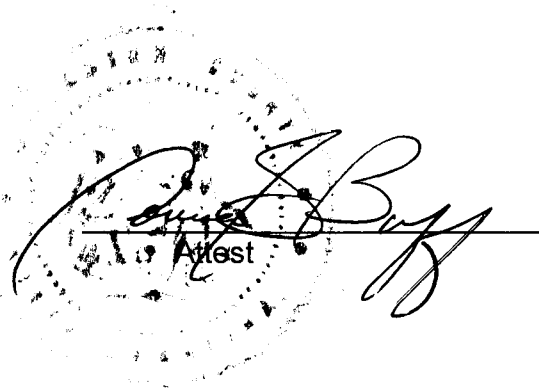
The County makes citizens aware of the ESFRLP program and other housing rehabilitation opportunities through various service providers and specific outreach efforts. The County of Gaston will advertise or publish an article about the Essential Single family Rehabilitation Loan Pool Program via the local newspaper, applicable Senior Center in Gaston County, the local cable government channel, and on the County's website.

Who can I contact about the ESFRLP18 program? Any questions regarding any part of this application or program should be addressed to:

Marc Bolick, Housing Rehab Manager
Building Inspection Department of Gaston County
P.O. Box 1578
Gastonia, NC 28053
Phone: (704) 866-3559

Cynthia Buchanan
DHHS Economic Support Services Department
330 N. Marietta Street
Gastonia, NC 28052
Phone: 704-862-7963

This Assistance Policy is adopted this 24th day of July 2018.



Chad Brown
Chad Brown, Chairman
Gaston County Board of Commissioners