

# NCHFA ESFRLP 2023

## Implementation Webinar: Rehabilitation Specialists' Day



### Essential Single-Family Rehabilitation Loan Pool

Members of the Essential Single-Family Rehabilitation Loan Pool can apply for funding to rehabilitate homes with elderly occupants or those with disabilities, as well as homes with lead hazards that have a child six years old and under living in them.

[LEARN MORE](#)



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## Welcome!

- Our Team
- If you haven't done so, Send us **your team** by completing your PAD submittal.

### NCHFA Groups:

*Leadership*  
Executive

*Programs*  
Community Living Initiatives and Rental  
Assets  
Hardest Hit Fund  
**Home Ownership Programs**  
Rental Investment

*Support*  
Finance  
Human Resources  
Information Technology  
**Legal**  
**Policy**



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**Home Ownership Program teams:**

**Management:** Sonia Joyner and Mike Handley

**Rehabilitation**  
 Chuck Dopler, Team Leader  
 Donna Coleman, ESFR Coordinator  
 Dan McFarland, DPP Coordinator  
 Sarah Zinn, URP Coordinator


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

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



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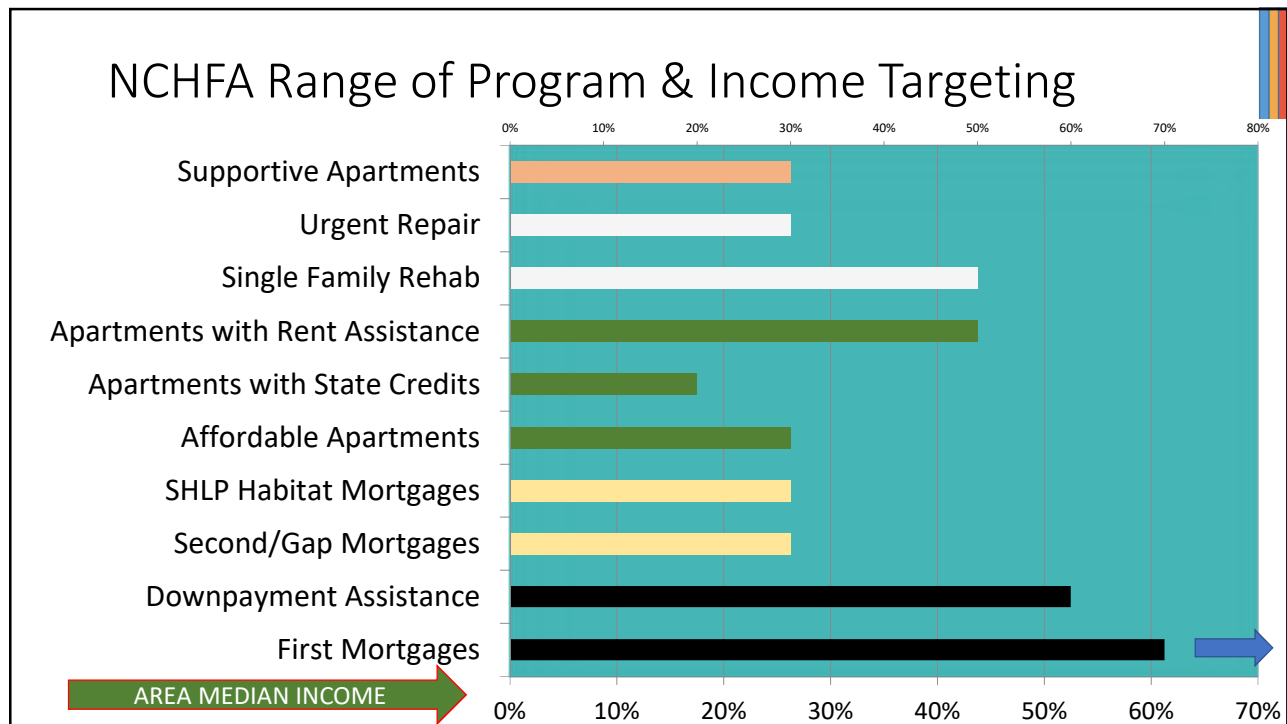

**Our Mission**

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



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# Agenda

## • Rehabilitation Specialists' Implementation Webinar Agenda

Thursday, June 8, 2023

- 9:45 a.m. *Webinar login*
- 10:00 a.m. Welcome: Mission, Workshop Agenda and ESFR Project Workflow
- 10:05 a.m. Trifecta: Funding Agreement + Program Guidelines + Assistance/P&D Policies; Property Standards vs. Rehab Standards; Essential Property Standards (EPS); Waiver Process & EPS Certification of Compliance
- 11:00 a.m. *10 Minute Stretch break Break*
- 11:10 a.m. Essential Rehabilitation Standards Part 1
- 11:35 a.m. Essential Rehabilitation Standards Part 2
- 12:00 p.m. *20 Minute Bio break Break*
- 12:20 p.m. Priority Projects and Requisitions
- 12:40 a.m. LBP in ESFR: Workflow and Worksheets
- 12:55 p.m. Field Observations, Q & A
- 2:00 p.m. *Adjournment (approximately, depending on questions it could be as early as 1)*

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# ESFRLP Project Workflow Overview and Due Dates



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## Website

- Navigate to the Program Guidelines: [www.nchfa.com](http://www.nchfa.com)
- Bookmark this page
  - <https://www.nchfa.com/homeownership-partners/community-partners/community-programs/single-family-rehabilitation-loan-pool/forms-and-resources>



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## ESFRLP PROJECT WORKFLOW DATES

Activity	Example Date in 2023
Award – issued by NCHFA, phone call + letter	April 6, 2023
Create Project Folder	Day of Award Letter Receipt (dated April 6, 2023)
Complete PAD, receive approval, sign Funding Agreement, \$162,000 allocation in place, usable	<b>Earliest</b> Start date: 7/1/23; after 7/1/23, FA is dated 7/1/23 but project begins on date of PAD approval
Begin Marketing and Outreach	Date of FA but <b>no earlier than 7/1/23</b> – no expenses prior
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Unused portion of \$162,000 allocations return to Loan Pool (3.2.2)	<b>July 1, 2024*</b> <b>*new beginning with ESFR22</b>
All units reserved in the Partner Portal (3.2.2)	December 31, 2025
All units complete, CCFC due, no further fund expenditures (3.2.2)	June 30, 2026



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## ESFRLP PROJECT WORKFLOW STAGES

Stage 1: Application and Award Phase

Stage 2: Project Outreach and Scoping Phase

Stage 3: Household Participant Project Initiation Phase

Stage 4: Bidding Phase

Stage 5: Construction Phase

Stage 6: Monitoring and Close-Out Phase

**It's a lot of  
WORK!**



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## ESFRLP PROJECT WORKFLOW STAGES

### **Setting Your ESFR Project UP: Administrator** roughly PG Section 2

- Stage 1: Application and Award Phase
- Stage 2: Project Outreach and Scoping Phase
- Stage 3: Household Participant Project Initiation Phase
- Stage 4: Bidding Phase
- Stage 5: Construction Phase
- Stage 6: Monitoring and Close-Out Phase

### **Financial Management Throughout: Finance** roughly PG Section 3

- Stage 1: Application and Award Phase
- Stage 2: Project Outreach and Scoping Phase
- Stage 3: Household Participant Project Initiation Phase
- Stage 4: Bidding Phase
- Stage 5: Construction Phase
- Stage 6: Monitoring and Close-Out Phase

### **Individual Case Management: Intake & Rehab** roughly PG Section 4

- Stage 1: Application and Award Phase
- Stage 2: Project Outreach and Scoping Phase
- Stage 3: Household Participant Project Initiation Phase
- Stage 4: Bidding Phase
- Stage 5: Construction Phase
- Stage 6: Monitoring and Close-Out Phase



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## ESFRLP PROJECT WORKFLOW STAGES

### Stage 1: Application and Award Phase

- Completing your Application, PAD submittal/approval and Funding Agreement (FA) Execution
- Setting Up your Project File
- Reviewing your accounting practices and setting up the proper controls for invoicing, funding requisitions, receipt and disbursement of funds
- **Ensuring that any consultants have contracts**



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## ESFRLP PROJECT WORKFLOW STAGES

### Stage 2: Project Outreach and Scoping Phase

- Attending the required workshop to understand the rules
- Review your Policies, FA, ESFR Application, Program Guidelines (PG) to ensure your project design meets all the relevant requirements
- Complete your Initial Marketing & Outreach-Including Contractors!
- **Keep records of Administrative Costs for your admin. team\***
- Collecting relevant data from participants
- Complete your Pre-Application Phase
- Do Income Calculations and Certifications
- Score and choose participating households
- Send out letters of award and notices of disposition

NEW 2022



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## May We Suggest?

# Outreach to Contractors Continuously!

- Don't wait till its time to advertise Bids
- This is the idea behind the "Contractor Registry"
  - If your Assistance Policy says licensed General Contractors are used, then you must use only licensed GC's even when the hard costs are below \$30,000.



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## ESFRLP PROJECT WORKFLOW STAGES

### Stage 3: Household Participant Project Initiation Phase

- Creating Case Files with **Case File Logs**
- Initiate use of the Partner Portal and create/submit Reservations
- Collect/research data for Portal, submitting environmental reviews, **post rehab evaluations**, etc. in the Portal
- **Keep records of Administrative Costs for your admin. team\***
- **Things like: mileage, completing admin paperwork, outreach time to contractor's for the registry, etc.**
- **The Rehabilitation Specialist should get Inspections, Workscopes, Cost estimates complete-Coordinate with Admin.**
- **Include Year Built date on Scope of Work PG 4.2.2**
- Initiate/upload loans in the Partner Portal
- **Process requisitions for soft costs as needed**

**NEW** 2022

**Required**



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## ESFRLP PROJECT WORKFLOW STAGES

### Stage 4: Bidding Phase

- Advertise and Receive Bids
- **Review and Award contracts**
- Execute any loans not completed in previous phase and upload to the portal
- **Execute construction contracts**
- Submit Settlement Data Sheet in the Partner Portal
- **Provide the information on the Contractor to Admin**
- **Process requisitions for hard and soft costs as needed**
- **If you have completed a unit, you may bill for Admin costs associated with the current unit\***

**NEW** 2022



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## ESFRLP PROJECT WORKFLOW STAGES

### Stage 5: Construction Phase

- Attend Pre-Construction Conferences, document them
  - Continuously review/interact w/ Case Files to ensure logs are updated, inspections and phone calls are noted, add relevant notes-to-the file, required documents are added etc.
  - Change Orders/Contract Modifications: execute & add to portal
  - Process requisitions for hard and soft costs
  - Provide Homeowners notice of Warranty date in some way
  - Attend Post-Construction Conferences, document them
  - Complete all unit construction contract close-out documents
  - Submit Unit Completion Reports for all projects
- Administrative Funds are not awarded until each unit is completed!\***



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NEW 2022



## ESFRLP PROJECT WORKFLOW STAGES

### Stage 6: Monitoring and Close-Out Phase

- Respond to request for monitoring, attend and respond when necessary to the Monitoring Report
- Process any lingering requisitions for unit soft costs
- **Complete any Administrative Invoices/Requisitions\***
- Prepare & execute all Close-Out paperwork for Case Files
- Ensure all UCR's are complete in the Portal
- Review the desktop monitoring submittal list and ensure all of the required documents are in the organized case files.
- Complete Section 3 Summary Report and/or Loan Modification
- Return any unused funds requested by NCHFA (very rare)
- Complete the Certification of Completion and Final Cost (CCFC)



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The Project End

NEW 2022



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**Trifecta:**  
**Funding Agreement**  
 +  
**Program Guidelines**  
 +  
**Assistance Policies**



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# Funding Agreement

*legally binding contract*

+

# Program Guidelines

*funding agreement detailed and less legalese*

+

# Assistance Policy

*program guidelines + your organization guidelines  
written by you to explain to homeowners*



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**READ THE Program Guidelines  
COMPLETELY  
NOW**

**Don't wait till you are near the end of construction.**



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# READ THE Assistance Policy and the Procurement & Disbursement Policy COMPLETELY

Don't wait till you have a problem client.

- **Setting the stage up front with the client is your best recipe for success.**



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## WHEN YOUR CASE MANAGER MONITORS:

Questions we ask in the construction paperwork...

- Is it a work scope or a work write-up?
- Was all the testing and inspection completed as required to meet the proper authorities?
- Does the procurement process follow the P&D policy?
- Are Change Orders timely and complete?
- Were all required documents such as waivers, release of liens, certificate of compliance with the Essential Property Standards, certificate of satisfaction/final inspection fully completed & correspond to the timeline of the project?



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## WHEN YOUR CASE MANAGER MONITORS:

Questions we may ask during the home inspection...

- Do the bedroom windows operate and is egress sufficient?
- Does water drain away from the home? Is water standing?
- Do the GFCI outlets work?- may use a tester
- Are open flame appliances in the home? **Not allowed**
- Where are the house numbers?
- Is there visible light around any door, are they secure and operable?
- Are the electrical breakers labeled?
- Open any locked doors.
- Demo the smoke detector/thermostat/hvac filter.



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## CHANGES ESFR19 TO ESFR21

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

### CHANGES in the program guidelines from ESFRLP19 to ESFRLP20:

- 1) Updated several website references (especially in the Rehabilitation Standards) including the income calculator: <https://www.hudexchange.info/incomecalculator/>
- 2) Section 2.2: added language reinforcing the requirement to call your case manager for prior approval when increasing project budget due to unexpected issues.
- 3) Section 2.4.1: clarified date of unit fund commitment
- 4) Section 3.2.2: added requirement to complete FA modification process
- 5) Section 3.12.7: added requirement for one overall unit photo
- 6) Section 4.1.4.5: added additional language concerning mixed use of home
- 7) Sections 4.2.2, 4.2.2.4 and 4.3.1.17: added radon mitigation to list of work scope breakout requirements and reinforced that radon test is a required submittal
- 8) Section 4.4.4: updated Subordination Request process

### CHANGES in the program guidelines from ESFRLP21:

- 1) Section 3.9.5: added upload of monitoring documents to the Partner Portal
- 2) Section 4.1.2.17: tied Notice of Disposition description to the date of ESFRLP Pre-Application
- 3) Section 4.2.2: adds a year built date requirement to the work write-up and clarifies "required" and "preferred" requirements for the work write-up
- 4) Appendix Section C2: ESFRLP Waiver moved to required documents. This section is now used to provide the function of the Waiver and guidance on completing the Waiver.



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## CHANGES ESFR23

### CHANGES in the Program Guidelines for ESFR22 and ESFR23:

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

## CHANGES ESFR23

### CHANGES in the Program Guidelines for ESFR23:

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

We really mean it...

## READ THE Program Guidelines COMPLETELY

- Know your **Assistance Policy**, know your **Procurement and Disbursement Policy**.
- Read the **ESFR Property Standard** more than once. It's like your **Rehab Code** for ESFR.
- Understand the **ESFR Rehabilitation Criteria**
- Know when to apply the **ESFR Rehabilitation Standards**



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## Essential Property Standard (ESP)



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*Better than New? maybe...*  
ESFR repairs **must...**

## FIRST:

- Repair a home to meet the **Essential Property Standard** (or local **Minimum Housing Code**)
- **Goal:** Assist the homeowner in retaining a home's livability over the next ~~thirty~~ five years with typical or reduced maintenance efforts and costs.



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## C. Property Standard ~ 5 Big Sections

- Site Health and Safety
- Building Health and Safety
- Building Space and Structure Standards
- Building System Standards
- Energy Efficiency Standards

### C1. Priority Projects ~ 5 Short Sections

- Accessibility
- Durability/Longevity
- Energy
- Health
- Safety

### C2. Waiver Process

# Property Standard



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# Appendix A: Section C & D.

## • C. Property Standard

• C and D work together; one is the required what, the other is the required how

• Chuck and Dan will cover: D. Rehab Standard

**Table: Contaminants-Interior Only**

Repair Standard	Minimum Life Span
If any paint, sealant, coating, adhesive, particulate or MDF is used in a repair, meet the replacement standard.	1
Replacement Standard	1
All materials installed will meet the following standards to minimize the presence of Volatile Organic Compounds (VOC) and Formaldehyde:	
<ul style="list-style-type: none"> <li>All adhesives, paints, sealants and primers must meet the most recent Green Seal G-11 Environmental Standard (paints and primers) or have obtained GreenGuard certification for the appropriate product. Product lookup website: <a href="http://www.green-guard.org/FindGreenSealProductsandServices.aspx?Sub-View=ProductDetail&amp;Sub-Index=6">http://www.green-guard.org/FindGreenSealProductsandServices.aspx?Sub-View=ProductDetail&amp;Sub-Index=6</a> (GreenSeal product finder)</li> <li><a href="http://www.epa.gov/iaq/paints/060601a.htm">http://www.epa.gov/iaq/paints/060601a.htm</a> (GreenGuard product finder)</li> </ul>	
<ul style="list-style-type: none"> <li>All particulate components will meet ANSI A208.1 for formaldehyde emission limits, or all exposed particulate edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation. All MDF edges will meet ANSI A208.2 for formaldehyde emission limits, or all exposed MDF edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation.</li> </ul>	



NORTH CAROLINA HOUSING FINANCE AGENCY  
ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL

## Essential Rehabilitation Criteria

### C. Essential Property Standards

1. **SITE HEALTH AND SAFETY**  
 Site. The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.
  - A. Property Access and Egress
    1. Exterior platforms and/or steps shall be provided to serve exits and shall be maintained in a safe condition.
      - a. Every porch, terrace or entrance platform located at more than thirty (30) inches above the adjacent finished grade shall be equipped with guardrails not less than thirty-six (36) inches high.
      - b. Exterior stairs, handrails and railings shall be constructed with moisture resistant materials or protected with paint or other approved covering or material to prevent moisture penetration.
  - B. Infrastructure: Utilities & Storm/Site Drainage
    1. Water Supply. Every dwelling unit shall be connected to an approved public or private water supply and sewage disposal system that is sanitary and free from contamination.
    2. Drainage. Every yard shall be properly graded so as to obtain positive drainage and so as to prevent the accumulation of stagnant water in the yard or under the structure. Gutter and downspouts, if installed, shall be provided to properly collect, conduct and discharge the water from the roof and away from the structure.
  - C. Fire Safety
    1. Site Address. Address numbers. Buildings shall have approved address numbers, building numbers or approved building identification placed in a position that it is plainly legible and visible from the street or road fronting the property.
  - D. Sanitary Conditions
    1. Infestations. The dwelling unit and its equipment must be in sanitary condition: free of vermin and rodent infestation(s).
  - E. Hazardous Site Conditions
    1. Site Hazards. The site may not be subject to serious adverse natural or manmade environmental conditions, such as dangerous walks or steps, soil/geologic instability, flooding, poor drainage, septic tank back-ups or sewer hazards, mudslides, excessive accumulations of trash, or fire hazards.

### SITE Hazards

- Guardrails
- Prevent moisture penetration
- Water potable
- Sewage disposal sanitary
- Proper yard drainage
- No standing water
- Gutters NOT REQUIRED
- Address Number Visible

# Property Standard



## SECTION 1-SITE HEALTH & SAFETY

### Topic: Prevent Moisture Penetration

- Can I paint siding? *Yes, where the moisture barrier is not sealed from moisture penetration.*
- Can I replace siding? *Yes, if the moisture barrier is deteriorated.*
- Can I paint outbuildings? *You can remove deteriorated outbuildings but you can not repair or paint without permission*
- Can I paint fences? *Not without permission.*

### Topic: Drainage

- Can I do grading and put in swales to help water flow away from the foundation? *Yes! Please consider this option for lowest maintenance.*
- Can I put in underground drainage? *Yes, but consider the operation and maintenance issues + drainage must daylight or any underground drainage basin must be clearly marked above grade.*
- Can I add gutters and downspouts? *Try to resolve drainage issues anyway you can before using this solution.*

#### 2. BUILDING HEALTH AND SAFETY

**Dwelling.** All areas and components of the housing must be free of health and safety hazards. These include, but are not limited to, air quality, electrical hazards, emergency/ fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have hand rails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such (see 24 CFR part 35).

##### A. Dwelling Access, Egress and Security

1. **Access.** The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows). Access shall be provided to all rooms within a dwelling unit without passing through a public space. Access to toilet and bathing facilities shall be through a weather-tight area without going outside the building.
2. **Egress.** Each dwelling unit must provide two (2) remote exits or if only one (1) exit door is provided, every sleeping room must have at least one (1) operable window approved for emergency egress. The window must be operable from the inside without use of a key or tool. It is preferable that the window sill height does not exceed forty-four (44) inches above the floor and provides a minimum clear opening width of twenty (20) inches and a minimum clear opening height of twenty-two (22) inches. The total net clear opening shall not be less than four (4) square feet. Bars, grills or other obstructions placed over these windows must be releasable or removed from the inside with the use of reasonable force/dexterity and without the use of a key or tool.
  - a. Each sleeping room must have at least one operable window in proper working order.
  - b. Stairwells and flights of stairs, attached to or within a dwelling unit, that contain four (4) or more risers shall have handrails. Every rail shall be firmly fastened and maintained in good condition
  - c. Every stair riser on the path of egress from the home's sleeping rooms shall be reasonably uniform and shall not exceed eight and one-fourth (8 1/4) inches in height and shall be securely fastened in position.
3. **Security.** The dwelling unit must provide adequate security for the family.
  - a. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.
  - b. Unit windows located on the first floor, at the basement level, on a fire escape, porch, or other outside space that can be reached from the ground and that are designed to be opened must have a locking device. (Windows with sills less than six feet off the ground are considered accessible.) Traditional window locks, those provided by storm/screen combination windows, window pins, and nails are acceptable. Windows leading to a

#### BUILDING Hazards

- Access controlled and clear
- Sanitary access is inside
- Egress = 2 remote doors **or** 1 door + approved window in all sleeping rooms
- Security: accessible openings have locking devices

## Property Standard

## SECTION 2-BUILDING HEALTH & SAFETY

### Topic: Infestations – Vermin, Insects

- Is there a Rehab Standard: *No*
- When can ESFR funds be used to treat infestations? *Always*
- What is considered an infestation: *more than 1 that is visible and moving during an inspection or is an ectoparasite.*
- What types of vermin, insects make up an infestation: *Anything not purposely brought to the property by the homeowner, such as pets.*
- Does it matter if it is a natural or sanitary infestation: *No*
- Consider adding a requirement for homeowner to get rid of sanitary infestations prior to being served in the Assistance Policy
- Can ESFR pay for warranties? *No warranties will be paid for separate from what is covered by the initial application.*

- fire escape or required to meet egress or ventilation requirements may not be permanently nailed shut.
- B. Hazardous Interior Conditions**
- Egress:** Safe, continuous and unobstructed exits shall be provided from the interior of the structure to the exterior at street or grade level.
    - There shall be no loose flooring or floor covering.
    - There shall be no dirt floors or wood floors on the ground.
    - No flight of stairs settled more than one (1) inch out of its intended position or pulled away from supporting or adjacent structures shall be allowed.
  - Interior Air Health Threats:** The dwelling unit must be free of air pollutant levels that threatens the occupants' health, including carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- C. Fire Safety**
- Alarms and Detectors:** The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper operating condition and less than 10 years old, on each level of the unit, including basements, but excluding crawl spaces and unfinished attics.
  - Combustibles and Combustible Materials:** The dwelling units must have proper ventilation and be free of odor (e.g., propane, natural gas, methane gas), or other observable combustion deficiencies.
    - Liquid fuel stored on the premises shall be stored in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.
    - Hearths shall be of noncombustible material and shall extend at least twelve (12) inches beyond the face and six (6) inches beyond each side of the fireplace opening. No combustible materials shall be permitted within seven (7) inches of the top and seven (7) inches on either side of the fireplace opening.
    - No holes shall be permitted in the flue/vent of any fuel-burning equipment or waste pipe except for necessary vent connections and clean-out doors.
    - Existing chimneys shall be tight, safe and capable of maintaining proper draft of combustion by-products to outside air. Thimbles shall be grouted tightly and shall be located high enough to provide proper draft for the heating appliance served thereby.
    - No combustible material shall be located within six (6) inches of the thimble.
    - There shall be no cardboard, newspaper, or other similar highly combustible wall finish.
- D. Sanitary Facilities**
- General:** The dwelling unit must have hot and cold running water, including an adequate source of potable water.
    - Every dwelling unit shall be connected to an approved water supply and sewage disposal system.
    - Every dwelling unit used or intended for use as human habitation shall have an enclosed bathroom and toilet facilities complete with water closet, tub or shower and lavatory; and shall also have a kitchen sink, all of which

### **BUILDING Hazards**

- Egress is clear and unobstructed to the exterior
- Smoke Detector = min. 1 <10yrs

## Property Standard

shall be connected to approved water and sewer systems with unimpeded flow to each inlet or outlet.

- c. Water-heating facilities shall be provided which are properly installed, are maintained in safe and good working condition, are properly connected with the hot water line to each tub, shower, lavatory, kitchen sink, washing machine, and/or any other supplied plumbing fixture and are capable of supplying water at a temperature of not less than one hundred twenty (120) degrees Fahrenheit. Such supplied water-heated facilities shall be capable of operating independently of the space-heating equipment.
2. **Human Hygiene.** The dwelling unit's sanitary facility must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.
3. **Food Preparation.** The dwelling unit must have **suitable space and equipment to store, prepare, and serve food** in a sanitary manner. All required equipment must be in proper operating condition.

E. **Light, Heat and Ventilation**

1. **Light.** Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Every habitable room in a dwelling or dwelling unit shall contain a window or windows facing outside.
2. **Heat.** The dwelling unit must be able to provide a thermal environment that is healthy for the human body.
3. **Ventilation.** There must be adequate air circulation in the dwelling unit.
  - a. Bathroom areas must have **one operable window or other adequate passive or mechanical ventilation.**
  - b. Attics shall be properly ventilated.
  - c. Clothes dryers shall be exhausted in accordance with the manufacturer's instructions. Dryer exhaust systems shall be independent of all other systems and shall convey the moisture and any products of combustion to the outside of the building.
  - d. **The home must have at least one exhaust fan in any bedroom, living room, bathroom or kitchen vented to the outside for every 1800 SF.** The exhaust fan must be capable of continuous operation to provide fresh air from a clean source. Additionally, the home shall have an exhaust fan vented to the outside in at least one of the following locations: **bathroom or kitchen.** If this fan meets the minimum criteria for an exhaust fan (see Section 4) and the home is less than 1800 SF, then a single exhaust fan in the home is acceptable.
  - e. **A filtered and protected passive or mechanical fresh air intake system is required if the home or occupants meet any of the following criteria:** inoperable or no windows in any habitable room; an open fireplace is present; known indoor contaminants are present (for example: lead, asbestos, radon, carbon monoxide, mold, cigarette smoke) and/or a home occupant has a respiratory illness.

F. **Lead, Asbestos, Radon and Other Toxins**

1. The dwelling unit must be free of lead, asbestos, radon and other toxin hazards that threaten occupants' health.

### BUILDING Hazards

- Food Preparation space + equip
- Bathroom ventilation: window or mechanical
- 1 exhaust fan min. per 1800 SF
- Special criteria for ventilation if certain criteria present

d. The home must have at least one exhaust fan in the bathroom or kitchen vented to the outside for every 1800 SF. The exhaust fan must be capable of continuous operation to provide fresh air from a clean source. Additionally, the home shall have an exhaust fan vented to the outside in at least one of the following locations: bathroom or kitchen. If this fan meets the minimum criteria for an exhaust fan (see Section 4) and the home is less than 1800 SF, then a single exhaust fan in the home is acceptable.

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3. **BUILDING SPACE AND STRUCTURE STANDARDS**

**Dwelling Unit.** The dwelling unit must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, ceiling, doors, floors, kitchen, patio/porch/balcony, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.

A. **Minimum Space Requirements**

  1. **General.** The dwelling unit must provide adequate space for the family.
  2. **Habitable Rooms.** At a minimum, the dwelling unit must have **a living room, a kitchen and a bathroom and at least one sleeping area.**
    - a. No cellar shall be considered a habitable area.
    - b. **No basement shall be used as a habitable room or housing unit unless:** the floors and walls are impervious to leakage of underground and surface runoff water and insulated against dampness and condensation and there is at least one means of egress that meets building exit standards.
  3. **Sanitary Facilities.** The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and disposal of human waste. The sanitary facilities must be usable in privacy.
    - a. The bathroom must be located in a separate room and have a flush toilet in proper operating condition.
    - b. The unit must have a fixed basin (lavatory) with a sink trap as well as a shower or tub both with hot and cold running water in proper operating condition.
    - c. All sanitary facilities must utilize an approved public or private sanitary waste disposal system.
  4. **Food Preparation.** The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.
    - a. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approved public or private system.
  5. **Sleeping Areas.** The dwelling unit must have at least one sleeping area (bedroom or living/sleeping room) for every two persons.

B. **Exterior Surfaces**

  1. **General.** Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair. All exterior surfaces shall be structurally sound.
    - a. All **exterior surface shall be protected** with paint or other approved protective covering to prevent deterioration and the entrance or penetration of moisture.
  2. **Foundation.**
    - a. The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.
    - b. Homes with a crawl space **have unobstructed foundation vents.**

### BUILDING Space + Structure

- Dwelling Unit = living room, kitchen, bathroom, sleeping area
- One sleeping area per two persons
- Exterior surface protected to prevent deterioration and moisture
- Foundation-Crawl Space: unobstructed foundation vents

# Property Standard

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3. **Walls.**
- The exterior wall surface must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in water infiltration or vermin infestation.
  - There shall be proper flashing at walls and chimney, windows, doors or any other wall penetration. **For hidden/non-visible flashing, the presence of no damage assumes proper flashing.**
4. **Roof.**
- Roofing shall prevent the entrance of moisture into the dwelling unit.
  - There shall be a minimum of Class C roof covering.
  - There shall be no roof with more than two (2) roof coverings.
- Interior Surfaces**
- General:** Interior finish materials/finish substrates shall be free of serious defects.
  - Floors:** Floors shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.
    - After removal of any **non-affixed treatment or object** including all furniture, floors shall be reasonably smooth, not rotten or worn through, and without visible or excessive cracks/deterioration which permit rodents to penetrate rooms.
    - Floors shall be reasonably level.
    - All bathroom, toilet room, laundry and kitchen floors shall be constructed reasonably impervious to water so as to permit such floor to be readily kept in a clean and sanitary condition.
  - Walls:** Walls shall be in sound condition, not seriously out of plumb and structurally sound.
    - After removal of any **non-affixed treatment or object** including all furniture, there shall be no visible loose plaster, loose boards or other loose wall materials susceptible to falling.
    - There shall be no exposed/evident/visible seriously rotted, termite-damaged, fire-damaged or broken studs.
  - Ceilings:**
    - The ceiling shall be substantially vermin and rodent-proof. After removal of any **non-affixed treatment(s) or object(s)**, there shall be no visible loose plaster, boards, sheetrock or other ceiling finish susceptible to falling.
- Doors**
- General:** Doors shall be provided at all doorways leading to bedrooms, toilet rooms, and bathrooms and all rooms adjoining a public space. Toilet and bath doors shall have an operable privacy lock.
  - Exterior doors shall be water and rodent-proof and lockable from inside and outside.
  - Doors shall be in sound working condition and good repair.
- Windows**
- General:** There must be at least one window in both the living room and each sleeping room.
  - Function:** Window frames and glass shall have no missing, cracked or broken glass.
    - All operable windows shall be provided with suitable hardware to include operable locks and shall be made to open freely.



## BUILDING Space + Structure

- Exterior hidden flashing: no damage assumes proper flashing
- Interior: *remove non-affixed treatment or objects* for inspecting: floors, walls, ceilings
- Visible AIRTIGHTNESS Standard

# Property Standard

- All operable and openable windows shall be adequately screened.** Screens shall not be permanently fixed to the window frame or sash. **The screens on windows and doors may be omitted for dwelling units containing a permanently installed heating and air conditioning system providing the dwelling unit with year round mechanical ventilation.** Screens shall be installed in dwellings with window air conditioning units which are not permanently installed.
- F. Structural Support**
- General:** The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. Any structural issue uncovered during the execution of the scope of work must be addressed for the health, safety and protection from the environment of the occupants.
  - Foundation:** The foundation and exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
    - The foundation shall be on firm, reasonably dry ground, and there shall be no water standing or running under the building.
    - Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.
    - All elements of the foundation including piers, underpinning and masonry, shall be in good repair. Piers shall be sound.
      - There shall be no wood stiff knees piers or other improper piers.
      - No isolated masonry pier shall exceed (10) times the least dimension.
    - Underpinned units shall use an approved material so as to be substantially weatherproof and rodent-proof.
    - Units with a **crawl space will have a crawl space access, with cover.** Adequate ventilation shall be provided to the foundation area by approved methods.
  - Roofs, Ceilings & Floors:** Roofs shall be in sound condition and capable of supporting the load intended. Floors, attic floors and ceilings shall be in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.
    - The roof must be structurally sound and weather-proof.
    - There shall be no exposed/evident/visible rotten, broken, sagging, or fire-damaged joists or improperly supported ends.
    - Joists and supporting members shall provide sufficient support.
    - Rafters shall be adequately braced.
    - Broken, overloaded, decayed or excessively sagging sills, beams, girders and joists shall be prohibited.
    - There shall be no loose, or visibly rotted or fire-damaged sheathing or roof covering.
    - All existing hanging masonry chimneys shall be removed or reattached.
    - There shall be no chimneys or parts thereof which are defective, deteriorated or in danger of falling, or in such condition or locations as to constitute a fire hazard.



## BUILDING Space + Structure

- Screens at operable windows
  - EXCEPT: year-around HVAC
- Crawl Space: provide access/door

# Property Standard

4. **Walls.** All load-bearing walls, exterior or interior, shall not be substantially bowed or out-of-plumb and shall be structurally sound.

- a. Walls must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- b. The foundation and exterior wall structure must not have any serious defects such as serious leaning, buckling, sagging, or defects that may result in unsafe conditions or vermin infestation.
- c. Studs shall provide sufficient support for sheathing or exterior finish and shall not be visibly rotten or termite damaged.
- d. There shall be no **visibly rotted, termite (-damaged), fire-damaged** or broken studs.

5. **Other.**

- a. **Porches:** Foundation, floor, ceiling and roof shall be equal to standards as set forth above, except sills and joists need not be level if providing drainage of floors; floors need not be weather-tight. Posts and railings shall not be visibly rotted or termite-damaged.
- b. **Stairs:** They shall be safe to use and capable of supporting the load that normal use may cause to be placed thereon. Every rail shall be firmly fastened and maintained in good condition. No rotting, sagging or deteriorated supports shall be allowed.


## Property Standard

**BUILDING Space + Structure**

- No visible rot
- No visible termite damage
- No visible fire damage

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4. **BUILDING SYSTEM STANDARDS**

**Building Systems.** Each dwelling unit's domestic water, electrical system, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, and operable. Any electrical, plumbing, heating or other utilities furnished to an accessory structure shall be free of health and safety hazards. Major building systems (e.g. structural support, roofing, cladding and weatherproofing, plumbing, electrical & HVAC) must have a **remaining useful life of a minimum of five years.**

A. Plumbing

1. **Supply.** Hot and cold water must be available at the kitchen sink, tub, shower, and lavatory taps. The definition of hot water (temperature) required at the lavatory, tub, or shower should be determined from local health standards or applicable local code. **All water piping shall be protected from freezing by approved methods.**
2. **Drains.** The kitchen sink, tub/shower, toilet, and basin/lavatory must have a proper sewer trap, drain, and vents to prevent the escape of sewer gases or severe leakage of water. Drains must not be clogged and the toilet must flush.
  - a. All existing and necessary plumbing vents shall be properly sized and functioning.
  - b. Sewer and water lines shall be properly supported with no broken or leaking lines.
3. **Fixtures.** All fixtures shall be in proper working condition with no leaks existing.
  - a. The unit must have these minimum fixtures in proper operating condition: a fixed basin (lavatory) with a sink trap and hot and cold running water; a shower or tub with hot and cold running water and a kitchen sink, with a sink trap and hot and cold running water.


## Property Standard

**BUILDING Systems**

- Minimum 5 year life: major systems
  - Structural support
  - Roofing
  - Cladding + weatherproofing
  - Plumbing
  - Electrical
  - HVAC
- Freeze protect water pipes

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b. No fixtures shall be cracked, broken or badly chipped.  
c. Water closets shall be properly connected to a cold water line; water closets without traps are prohibited.

**B. Heating, Cooling and Ventilation**

1. **General.** The dwelling unit must be able to provide a thermal environment that is healthy for the human body.

a. There must be a safe system in proper operating condition for heating (and cooling in US Department of Energy climate zones 3 & 4) the dwelling unit, such as electric baseboard, radiator, or forced air systems. In order to ensure a healthy living environment appropriate for the climate, the system must be able to adequately provide or reduce adequate heat either directly or indirectly to each habitable room.

b. The dwelling unit must not contain unvented room heaters or other non-sealed combustion equipment. Electric heaters are acceptable. Existing wood-burning open fireplaces which are supplemental heating are exempt from this requirement but any combustion equipment installed in an open fireplace is not exempt.

c. One carbon monoxide (CO) detector shall be installed outside each bedroom area and to manufacturer specifications in homes that have a combustion appliance(s) or an attached garage (minimum one per floor).

2. **Heating/Cooling Equipment.** Every central or electric heating system including any ductwork, controls, return/delivery grills, etc. shall be properly installed and capable of safely and adequately heating all habitable rooms, bathrooms, and water closet compartments to a temperature of at least sixty-eight (68) degrees Fahrenheit with an outside temperature of 20 degrees Fahrenheit.

a. All gas and oil burning equipment existing on the premises shall be of a type approved and installed in accordance with the provisions of the North Carolina State Building Code and any other applicable codes.

b. Fireplace(s) shall be used only for supplemental heat and not for primary heating, and shall have no loose mortar or damaged firebrick.

3. **Ventilation and Fresh Air.** There must be adequate air circulation in the dwelling unit.

a. **Exhaust fan:** A mechanical exhaust fan is one that is rated to exhaust 80 CFM minimum and capable of exhausting at a rate of 50 CFM minimum. Additionally, the fan should be capable of continuous, quiet (by homeowner preference) operation in conjunction with either a passive or mechanical filtered air intake system to provide fresh air. Existing fans in a home meeting this criteria are acceptable.

b. **Vented to the outside:** All ventilation/exhaust ducts shall terminate at or beyond the exterior skin of the building. No exhaust air can be delivered to/terminated in the attic, crawl, enclosed/screened porch or other semi-enclosed space.

c. **Fresh Air:** Mechanical and gravity outdoor air intake openings shall be located not less than 10 feet (3048 mm) horizontally from any hazardous or noxious contaminant source, such as vents, chimneys, plumbing vents, sanitary sewer vent, streets, alleys, parking lots and loading docks, except as specified in the current NC Residential Codes. Intakes shall be located


**BUILDING Systems**

- Zones 3&4 = provide cooling
- No unvented heaters
- No unsealed combustion equip.
- Combustion appliances = one CO detector outside each bedroom
- Gas & Oil equipment: type approved and properly installed
- Provide adequate air circulation
- Mechanical exhaust fans vent to outside + 80rated/50capable cfm

**Property Standard**

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not less than 3 feet (914 mm) below contaminant sources where such sources are allowed by the NC Residential Code to be located within 10 feet of the opening. Intake openings on structures in flood hazard areas shall be at or above the 100 year flood plain. No intake air can be sourced from the attic, crawl, enclosed/screened porch or other semi-enclosed space.

d. **Filters:** The washable or throwaway filter for passive fresh air intake shall be designed to keep insects, pollens and dust mites out of the home but allow maximum infiltration (this is equivalent to a MERV rating of 3-4).

e. **Protection:** Fresh air intake openings in residential occupancies shall meet the following minimum and maximum opening sizes in louvers, grilles and screens, measured in any direction: not <1/4" and not >1/2 inch.

**C. Electrical**

1. **General:** The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The dwelling unit shall be safely wired for existing or required electrical lights, convenience receptacles, central heating (and cooling when present) equipment, the major appliances/equipment and water pumps/septic systems when applicable.

a. Electrical fixtures and wiring must not pose a fire hazard. All electric wiring, devices, appliances and fixtures shall be installed in accordance with the North Carolina State Building Code and none shall be dangerous or hazardous.

b. Hanging light fixtures or outlets from electric wiring, missing cover plates on switches and outlets, badly cracked outlets or cover plates, exposed fuse box connections and, overloaded circuits are unacceptable.

c. All receptacles, ceiling fixtures or other fixtures shall be securely attached. No flexible cords shall be used as a substitute for the fixed wiring of a structure, nor run through holes in walls, ceiling or floors; through doorways, windows or similar openings; attached to building surfaces, or concealed behind building walls, ceilings or floors.

2. **Electrical Supply:**

a. Fuses and branch circuits shall be sized and installed properly.

b. The living room and each sleeping space must have at least two electrical outlets in proper operating condition. The kitchen must have at least one electrical outlet in proper operating condition. This outlet must be GFCI if located within 6' of a water supply outlet/faucet.

c. Outlet(s) that exist in the bathroom must be GFCI.

3. **Electrical Appliances:**

a. The dwelling unit must have an oven and a stove or range. A microwave oven may be substituted for an oven and stove or range.

b. The dwelling unit must have a refrigerator. The refrigerator must be capable of maintaining a temperature low enough to keep food from spoiling. A counter-top or under-counter type refrigerator is not acceptable as the only refrigerator. The freezer space must be present and working, and the equipment must not present an electrical hazard.


**BUILDING Systems**

- Defines but doesn't require: passive air intake with filters and screens
- Electrical: does not pose a fire hazard
- Kitchen: 1 outlet required
- GFCI within 6' of water supply
- Unit has oven w/ stove or range
- Unit has refrigerator w/freezer

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4. **Lighting Fixtures:** At least one (1) fixed in place ceiling or wall type electric light fixture shall be provided in every bedroom, laundry room, furnace room, hall, basement or any other area in which artificial light is required for the safety and welfare of the occupants. A switched wall receptacle shall be acceptable in a bedroom, living room or den. The kitchen area and the bathroom must have a permanent ceiling or wall-mounted fixture in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets in the living room and sleeping areas.
  - a. All switches and fixtures shall be safely operable or sealed off and disconnected.
  - b. Lights at entrances and exits are required.



**BUILDING Systems**

- Lights required for safety:
  - Bedroom
  - Laundry
  - Furnace
  - Hall
  - Basement
- Light required for security at exterior doors
- Freeze protect water pipes

# Property Standard



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8. **ENERGY EFFICIENCY STANDARDS**
  - A. **Air Tightness.** The dwelling unit shall be weatherproof and capable of being adequately heated. Existing insulation, light fixtures, conduits, HVAC grilles/pans, exhausts, plumbing fixtures are all considered affixed.
    1. **Attics/Ceilings:** After removal of any non-affixed treatment(s) or object(s), there shall be no visible holes, loose plaster, beams, sheetrock or other ceiling finish susceptible to air infiltration.
    2. **Floors:** After removal of any non-affixed treatment or object including all furniture, floors shall be weather resistant before an excessive crack which permits air to penetrate the dwelling unit.
    3. **Walls:** After removal of any non-affixed treatment or object from interior walls including all furniture, there shall be no visible holes, loose plaster, visible cracks that would permit air to penetrate the dwelling unit. All exterior wall surfaces and the foundation shall be **weatherproof, non-compressed and robust** and meet with no visible holes, cracks or rotted beams.
    4. **Doors and Windows:** Exterior doors shall be **substantially weather-tight** with no visible light at the header, jamb or threshold. Window frames and glass shall be **removably weather-tight**.
  - B. **Insulation:** Insulation shall be installed in ceilings to the insulation manufacturer's specifications with no gaps, voids, compression or wind intrusion. Insulation and the air barrier shall be installed in physical contact with each other. Accessible attics shall be **insulated to R-38 or greater.**
  - C. **Crawlspaces:** All crawlspaces shall have a **100 percent ground cover of 6 mil thickness or greater.**



- B. → Insulation:** Insulation shall be installed in ceilings to the insulation manufacturer's specifications with no gaps, voids, compression or wind intrusion. Insulation and the air barrier shall be installed in physical contact with each other. Accessible attics shall be insulated to R-38 or greater; if attic insulation rated at R-30 or better exists in a very good and undisturbed condition and no construction activity will damage the insulation, then no additional upgrading is required. **Rooms where documentation is provided that the ceiling structure is connected to the roof structure forming a panel with no additional space to provide insulation except between each joist are not required to meet this standard.**
- C. → Crawlspaces:** All crawlspace areas with 18" or more clearance from the bottom of the wood structural floor and/or with 12" or more clearance from the bottom of wood girders shall have a 100 percent ground cover of 6 mil thickness or greater.

**Energy Efficiency**

- **VISIBLE Airtightness STANDARD** for attics/ceilings; floors; walls; doors and windows
- Affixed items:
  - Insulation
  - Light/fan fixtures
  - Coverplates
  - HVAC grills/panels
  - Cabinets
  - Plumbing fixtures
- Attic insulated to R-38
- Crawlspace: 100% 6 mil groundcover

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# The Appendix Rehabilitation Specialist/Consultant



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## Section 2: Supporting Documents

- Appendix A, Section A & B: *Introduction and General Requirements*
- Appendix A, Section C: *Essential Property Standards*
  - Priority Projects
  - Waiver Process
- Appendix A, Section E: *Environmental Protection* – pages 93-95
- Appendix A, Section F: *Lead Based Paint Requirements* – pages 97-100
- Appendix C: *Lead-Based Paint Requirement Worksheet (Required)*
- Appendix C: *ESFRLP Essential Property Standard Certification of Compliance (Required)*

"As long as one keeps searching, the answers come."

- Joan Baez



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## Appendix A: Section A. Introduction

### • ESFRLP Goal:

- *Make a positive impact on the state's stock of standard affordable housing by encouraging essential rehab of existing, single-family owner-occupied homes occupied by those with an AMI of 80% or less.*

### General Principles

- Do not throw good money after bad.
- Do not leave bad apples.
- Will an energy improvement pay for itself over its lifetime? Yes=Go, No=Stop.
- Home energy conservation includes winter heat gain, summer heat-loss, ventilation, shading, storm drainage, etc.
- When local utilities offer discount rates, make an effort to meet the energy standards, when possible.

Fair, Systematic, Uniform, Transparent = policies



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## Appendix A: Section B. General Requirements

### • Final HOME Rule:

- *Issued July 29, 2013*
- *Requires units to meet an (as yet) unpublished version of UPCS that replaces HQS*
- *Once published, this version may supersede the Essential Property Standard (EPS)*
- *NCHFA will issue a memo once we receive guidance*

- All work must meet or exceed the NC Building code and local permitting/inspection requirements
- Use Minimum Housing Code requirements when they exceed the EPS
- No units will retain threats to health or safety
- Meet or exceed the EPS
- Review all units for environmental effects
- Pay attention to manufacturer's installation instructions and workmanship
- Member's are responsible to advise clients of proper care and maintenance
- Use universal design principles when you can
- As much as practical, remove moisture from crawlspaces and basements
- Comply with the Essential Rehabilitation Standards

Fair, Systematic, Uniform, Transparent = policies



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# Appendix A: Section C2. Request for waiver of ESFRLP Property Standard requirement

## C2. Waiver Process

-Acts a feedback loop to suggest potential revisions.

-Acts similar to a Change Order and must be approved/signed by:  
--homeowner  
--Member -- 2 persons  
--(Maybe) contractor

-Removes an Essential Property Standard requirement

-This is a required form that must be signed and dated

## C2. Request for Waiver of ESFRLP Property Standard Requirement

Date: \_\_\_\_\_

Agency: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Owner: \_\_\_\_\_

Phone: \_\_\_\_\_

Project Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

By signing this document, the undersigned acknowledges NCHFA's Minimum Requirements of the Essential Single-Family Rehabilitation Loan Pool (ESFRLP) are for the benefit of meeting and/or exceeding building codes and the design standard is intended to promote minimum housing code construction for this project address.

I, \_\_\_\_\_, affirm I am the authorized representative of the funded entity for this project and do hereby request a waiver of the following Minimum Requirement for my project:  
[Enter ESFRLP Minimum Property Standard Section Reference Number's]

Please state how this waiver will meet or exceed the above ESFRLP Minimum Property Standard requirement for this project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I hereby acknowledge that by requesting this waiver, I will hold harmless any party providing funding, administration, or construction, due to omission of this provision of the North Carolina Housing Finance Agency's ESFR Property Standard and that implementation of this request will not violate any state or local codes or ordinances.

Homeowner's Name: \_\_\_\_\_  
(print full name and sign)

Rehabilitation Specialist's Name: \_\_\_\_\_  
(print full name and sign)

Funded Member/Community Partner Contact: \_\_\_\_\_  
(print full name and sign)

Date: \_\_\_\_\_

Please NCHFA use only below this line

NCHFA Case Manager Comments: \_\_\_\_\_

Case Manager: \_\_\_\_\_ Date reviewed: \_\_\_\_\_

NCHFA Manager of Housing Rehab Comments: \_\_\_\_\_

NCHFA Manager of Housing Rehab: \_\_\_\_\_ Review Date: \_\_\_\_\_  
Date of: Approval \_\_\_\_\_ Denial \_\_\_\_\_

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# Appendix C: Required Forms

## Lead Requirements Worksheet

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

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

Street Address: \_\_\_\_\_ DU# \_\_\_\_\_  
City: \_\_\_\_\_ State: NC Zip: \_\_\_\_\_

### Part 1: Regulation Eligibility Statements

Check all that apply:

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

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

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

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

Check all that apply:

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

## Lead Requirements Worksheet

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

### Part 3: Hazard Reduction Requirements - Partial Waivers

If any of the partial waivers are applicable, the grantee will be determined not waive certain requirements as described below:

- A) De minimis [35.1350(d)(1) & (2)]**  
The amount of painted surface that is being disturbed during construction is below "de minimis" levels. Safe work practices and clearance are not required in that work area.  
 Less than 6" of lead soil?  
 Less than 20 square feet of an exterior surface  
 Less than 2 square feet in the following rooms: \_\_\_\_\_
- B) Elderly Relocation Waiver [Interpretive Guidance Question J-24]**  
The home is only occupied by an elderly person(s). Relocation of elderly homeowners is not required if complete disclosure of the nature of the work is provided and informed consent is obtained prior to disturbance.
- C) Historic Abatement Waiver [35.115(i)]**  
The home that is subject to abatement requirements is listed or eligible for listing on the National Register of Historic Places or contributes to a National Register Historic District. The State Historic Preservation Officer may require that certain controls be implemented under this abatement.
- D) No Exterior Work [35.930(d)(3)]**  
No exterior paint is to be disturbed during renovations. (Only exterior abatement required even in abatement jobs.)
- E) No Children [35.1350(d)(1)]**  
All of the residents are over the age of 6. (No chiselable or plug area treatment required.)
- F) No Bite Marks [35.1330(d)(1)]**  
All chiselable surfaces are free of bite marks made by children under 6. (No chiselable surface treatment required.)
- G) No Dust Hazards [35.1330(c)(3)(g)]**  
The clean horizontal surface dust stays below the clearance threshold. (No friction and impact surface treatment required in the following work area: \_\_\_\_\_)

### Part 4: Level of Rehabilitation Assistance [35.915]

A. Amount of federal funding for home	\$ _____
B. Amount of rehabilitation <b>Hard Costs</b> (not including any soft costs or costs of lead hazard evaluation, reduction, clearance and training)	\$ _____
C. Level of Assistance (lower of A or B)	\$ _____

Approach Required (Based on answer to C, above)

\$5,000 - \$25,000	Risk Assessment and Interim Control of Lead Hazards
\$25,001 and above	Risk Assessment and Abate Lead Hazards

Note - If abatement work was subtracted from the hard cost to get the unit below \$25,000. The subtracted abatement items must be performed by a NC licensed abatement contractor and crew.

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# Appendix C:

Required Forms

- ESFRLP Essential Property Standard Certification of Compliance
  - What does this replace?
- The EPS Checklist

### ESFRLP Essential Property Standard Certification of Compliance\*

This certifies that \_\_\_\_\_ (project address) in \_\_\_\_\_ (city) was inspected on the dates named below and found to be in compliance with at least one of the following during the **Post-Rehabilitation Inspection**:

- Local Minimum Housing Code for \_\_\_\_\_ (local jurisdiction)
- Essential Property Standard (ESFRLP Program Guidelines Appendix A, Section C.)

**Pre-Rehabilitation Inspection** by [print name of inspector]: \_\_\_\_\_  
 Inspected by \_\_\_\_\_ (Signature of Rehabilitation specialist)  
 on \_\_\_\_\_ (month/day/year) to create a scope of work to meet the selected standard.

**Post-Rehabilitation Inspection** by [print name of inspector]: \_\_\_\_\_  
 Inspected by \_\_\_\_\_ (Signature of Rehabilitation specialist)  
 on \_\_\_\_\_ (month/day/year) to confirm completion of a scope of work to meet the selected standard. On this date, all work is complete and there are no 'punch-list' items.

A one-year warranty begins on the Post-Rehabilitation Inspection date above; the homeowner must notify in writing the contractor and/or partner of any defects within one-year of this date. All corrective work performed extends the warranty on the corrected work to one-year from the date corrected.

**Contractor:** \_\_\_\_\_ (name of organization and contact with address)

**Partner:** \_\_\_\_\_ (name of organization and contact with address)

The following corrective work was performed (include item and date of the correction):  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Homeowner Receipt of completed document:**  
 Homeowner signature: \_\_\_\_\_  
 Homeowner Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

\*The project case file should continue to include a consistent pre-rehab inspection list. Examples include: ESFRLP Certification Checklist, ESFRLP Pencil List, local minimum housing code with additional required ESFRLP Essential Property Standards added or other pre-rehab list that suits the needs of the Member's organization and location to meet the Essential Rehabilitation Criteria.

Last Updated: April 22, 2019



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# REQUEST FOR PROJECT AMENDMENT (REQUIRED)

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

Member Organization: \_\_\_\_\_ Title: \_\_\_\_\_

Amount of ESFRLP Pencil per Funding Agreement: \_\_\_\_\_

**1 Dwelling units covered:** (Please check either A or B)  
 A. No change in number of dwelling units to be covered is requested.  
 B. The Member requests that the number of dwelling units to be covered be amended in accordance with the following table:

Number of Dwelling units	Approved	Proposed

Reason for requested change: \_\_\_\_\_

**2 Other Family:** (Please check either A or B)  
 A. No change in other family to be covered is requested.  
 B. The Member requests that the other family to be covered be amended in accordance with the following table:

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

Reason for requested change: \_\_\_\_\_

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

**1 Project Rationale:** (Please check either A or B)  
 A. The Member requests approval of a change in loan purpose or to delete a loan. A request for a new loan purpose will require a new project application.  
 B. The Member requests approval of a change in loan purpose or to delete a loan. A request for a new loan purpose will require a new project application.

Project Item	As Approved	Proposed Change
1 Project identification	Name: _____ Title: _____	Name: _____ Title: _____
2 Financial assessment	Name: _____ Title: _____	Name: _____ Title: _____
3 Loan administration	Name: _____ Title: _____	Name: _____ Title: _____
4 Member qualifications, records, and history	Name: _____ Title: _____	Name: _____ Title: _____
5 Rehabilitation assessment	Name: _____ Title: _____	Name: _____ Title: _____
6 Work order report	Name: _____ Title: _____	Name: _____ Title: _____
7 Estimate/Scope of work	Name: _____ Title: _____	Name: _____ Title: _____
8 Final scope of work	Name: _____ Title: _____	Name: _____ Title: _____
9 Budget breakdown	Name: _____ Title: _____	Name: _____ Title: _____
10 Other	Name: _____ Title: _____	Name: _____ Title: _____
11 Other (identify below)	Name: _____ Title: _____	Name: _____ Title: _____

**1 Budget for Soft Costs:**  
 A. No change is requested.  
 B. The Member requests approval of changes to the Budget for Soft Costs.

ESFRLP Soft Costs Item	As Approved	Proposed Change
11 Construction Administration		
12 Environmental Remediation		
13 Real Estate Brokerage		
14 Real Estate		
15 Real Estate		
16 Real Estate		
17 Real Estate		
18 Real Estate		
19 Real Estate		
20 Real Estate		
21 Real Estate		
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99 Real Estate		
100 Real Estate		

**1 Member Certification:**  
 The Member certifies that the information provided in this Request for Project Amendment is true and correct. I understand that if I provide false information, I may be subject to disciplinary action and the proposed change may not be approved. I warrant that the information provided is accurate and the proposed change is in writing and necessary for the success of the project.

\_\_\_\_\_  
 Title: \_\_\_\_\_

**1 NCHFA Approval:**  
 The North Carolina Housing Finance Agency hereby approves the above Funding Agreement change.

Approved. See attached (F) Request for Project Amendment (RPA). Staff changes are hereby made a part of the Funding Agreement and all other changes.

\_\_\_\_\_  
 Title: \_\_\_\_\_



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# ESSENTIAL REHABILITATION STANDARDS

## Part 1

Health & Safety  
Site

Exterior Building Surfaces  
Foundations & Structure



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## ESFR repairs

- Repair a home to meet the ***Essential Property Standard*** (or local ***Minimum Housing Code***)
  - **Goal:** Assist the homeowner in retaining a home's livability over the next five years.
- Make repairs to a home focused on a ***Priority Project(s) (C1)***.
- For example:
  - **Goal:** Modify a home so the homeowner can more easily function in the home.
  - **Goal:** Address making the home safer from possible environmental hazards.
  - **Goal:** Improve energy efficiency & reduce utility costs when feasible.



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## D. Essential Rehabilitation Standards p.77

- These standards are based on the Sample NSP Single-Family Housing Rehabilitation Standard created for HUD's Neighborhood Stabilization Program (NSP). They have been adjusted to reflect the requirements of the ESFRLP as it is administered by NCHFA.
- **Exceptions:** On a case-by-case basis, deviations from the minimum requirements of this standard will be permitted with approval of an ESFRLP Waiver. See the Program Guidelines for the Waiver Process.
- **Examine Repair vs. Replace**



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## Essential Rehabilitation Standards

- **Categories**
  - Health & Safety
  - Site
  - Exterior Building Surfaces
  - Foundations & Structure
  - Windows & Doors
  - Roofing
  - Insulation & Ventilation
  - Interior Surfaces
  - Electric
  - Plumbing
  - HVAC
  - Appliances



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## Essential Rehabilitation Standards

- **Repair Standard**
- **Replacement Standards**
- **Minimum Life**
- **These are minimum standards!!**



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## Rehabilitation Standards

- **Foundation for your scope of work**
- **Your expectations, create adequate specifications**
- **Know the products/process you are specifying – Are all resilient sheet goods the same?**
- **Cost vs. Value - cheapest is not always the best value.**
- **Default 5-year life minimum; certain replacement items higher, sometimes with warranty (AC, WH, Roof coverings, etc.)**



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## Health & Safety

- **Contaminants-Interior Only**

- All materials installed will meet the following standards to minimize the presence of Volatile Organic Compounds (VOC) and Formaldehyde

- **Lead based paint (LBP)**

- All units rehabilitated with ESFRLP assistance are deemed "HUD-associated housing" for the purpose of the Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821](#)), and are, therefore, subject to [24 CFR part 35](#)
- Members are responsible for ensuring that rehabilitation specialists, contractors and workers are trained and/or certified in accordance with [24 CFR part 35](#) and for rehab specialists at minimum specifically Subpart J sec 900-940 and Subpart R Sec 1300-1355 dealing with single-family homes, and RRP training.
- Member to provide the pamphlet, "Renovate Right", to households occupying pre-1978 dwelling units. <http://epi.publichealth.nc.gov/lead/lhmp.html>
- Lead-safe work practices must be followed, and only certified abatement contractors can be used to perform certain work.
- **Lead Requirements Worksheet:** Project cost, Abatement, Interim controls



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## Health & Safety

- **Asbestos**

- **Non-friable** intact Asbestos materials that are not creating a hazard such as cementitious exterior wall shingles or vinyl flooring may be left intact and encapsulated.
- **Friable asbestos** components, such as badly deteriorated cementitious shingles or deteriorated flooring, will be removed and replaced with non-hazardous materials *if necessary*.
- Applicable federal regulations are found at [40 CFR, Part 61, Subpart M](#).
- The rehabilitation specialist should contact the [Asbestos Hazard Management Branch of the Division of Epidemiology](#) to discuss the treatment of any suspected asbestos hazard.
- Resource website: <http://epi.publichealth.nc.gov/asbestos/ahmp.html>
- **Type 1 Maintenance Training recommended** <https://www.epa.gov/asbestos/asbestos-training>
- **HHCUC**



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## Health & Safety

- **Radon**

- All housing in this program will be subject to a “Short Term” Radon Test, and if the result is a reading of 4 pCi/L or higher, a follow-up “Short Term” test will be performed.
- When a second test is required, average the results. If the average is above 4 pCi/L, remediation is required.
- Remediation will be undertaken per the EPA guidance in their Consumer’s Guide to Radon Reduction.
- Resource website:  
<http://www.epa.gov/radon/pubs/consguid.html>



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## Health & Safety

- **Mold**

- Any presence of mold is unacceptable and must be addressed
- All carpeting, drywall or other gypsum-based wall coverings or any other non-structural components with mold present will be removed and replaced.
- The National Center for Healthy Housing protocol “Creating a Healthy Home” will be followed for remediation.
- Lead, Asbestos, Radon, Mold, Well and Septic repairs may be eligible for additional funding above Max HC



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## Health & Safety

- **Fire Safety**
  - **Egress- NC Residential Building Code**
  - **Fire/Smoke & CO Alarms**
    - Existing alarms/detectors that meet the ESFR Property Standard will be repaired to operating condition.
    - Replacement requires directly wired smoke detectors to meet the NC Residential Building Code.
    - CO detectors are required with all fuel-burning furnaces and water heaters in sleeping rooms and on each floor level.



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## Site

- **Grading-** Positive drainage away from structure
- **Outbuildings-**Unsafe, blight
- **Fencing-**Minor repairs for safety
- **Paving and Walks-**Trip hazards, accessibility
- **Trees and Shrubs-**Hazard to home or infrastructure
- **Lawns-**Repair of rehab related damage

**CONSULT WITH YOUR CASE MANAGER**



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## Exterior Building Surfaces

- **Cladding**
  - Siding and trim will be intact and weatherproof. Wood components will be painted or sealed .
  - Vinyl siding of .042 gauge or better. Soffit material will be perforated vinyl of .05 gauge or better
- **Porches**
  - Porch repairs will be structurally sound, with smooth and even decking surfaces.
  - Deteriorated wood structural components will be replaced with preservative-treated wood.
  - Replaced wood structural components will be preservative-treated.
- **Railings**
  - Existing handrails will be structurally sound.
  - Handrails on at least one side of all interior and exterior steps or stairways with **more than two risers**
  - NC Residential Building Code



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## Exterior Building Surfaces

- **Steps & Decks**
  - Steps, stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces. Repairs will match existing materials.
  - Wood decking may be replaced with 5/4" X 6" preservative-treated material and new steps will be constructed from nominal 2" preservative-treated wood.
  - **Know when to apply gussets, angle bracing, x-bracing**
- **House Numbers**
  - All houses will have minimum 4" house numbers clearly displayed and near the front entry.



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## Foundations & Structures

- **Foundations**

- Foundation elements will be repaired to be sound, reasonably level, and free from movement.
- All crawlspaces will have a 100 percent ground cover of 6-mil plastic thickness or greater.

- **Structural Walls**

- Structural framing and masonry will be free from visible deterioration, rot, or serious termite damage, and be adequately sized for current loads.
- A newly installed or rebuilt section shall meet the current NC Residential Building Code.



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# ESSENTIAL REHABILITATION STANDARDS

## Part 2

Windows & Doors  
Roofing  
Insulation & Ventilation  
Interior Surfaces  
Electric  
Plumbing  
HVAC  
Appliances



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## Windows & Doors

### • Interior Doors

- Baths and occupied bedrooms will have operating doors and lock sets.
- Hollow-core, pressed-wood product consistent with the style of existing doors

### • Exterior Doors

- Exterior doors will be solid, weather-stripped and will operate smoothly. Include a peep site, a dead bolt, and an entrance lock set.
- Steel, six-panel replacement doors.
- All doors will be weather-stripped to be air tight (no visible light).

### • Windows

- All required operable windows will remain in place when opened & will lock when closed.
- Screens required for operating windows
- Windows replaced will meet the NC Residential Building Code



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## Roofing

### Flat/Low Slope

- Built-up roofing that is leak-free will be re-coated and flashing and accessories repaired if their minimum life is questionable.
- The most cost-effective roof – either 3-ply, hot built-up or EPDM – will be installed.

### Pitched

- Missing and leaking shingles and flashing will be repaired on otherwise functional roofs
- At minimum, shingles with a prorated 30-year warranty with a continuous ridge vent over 15-lb. felt (or other weather resistant barrier as required by the mfr.) with new drip edge on all edges.

### Gutter & Downspouts

- Gutters and downspouts must be leak free and installed to collect storm water from all lower roof edges.
- The system must move all storm water away from the building.
- Positive drainage away from the building, outlets will be a minimum of 5 feet away when a history of water problems.
- Splash blocks must be installed to assist water away from the foundation.



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## Insulation & Ventilation

### Infiltration

- Repair all visible cracks and holes with appropriate materials compatible with existing adjacent surfaces so that: no light is visible, no air is moving.

### Insulation

- R-38 in the attic, installed as per mfr. & NC Residential Building Code

### Ventilation

- All homes shall have a minimum of one mechanical exhaust fan per 1800 sf of floor space
- Rated for 80 cfm minimum, and capable of exhausting at a rate of 50 cfm minimum, while operating at a quiet noise level.
- Terminate to the exterior

### Roof Ventilation

- Yes, as per NC Residential Code. No leaks.



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## Interior Standards

### • Interior Walls & Ceilings

- Holes, cracks and deteriorated and un-keyed plaster will be repaired to match the surrounding surfaces.
- When necessary plaster will be replaced by ½" gypsum board.

### • Flooring

- No flooring should be a trip hazard
- Bathroom, kitchen and other water-susceptible floor areas will be covered with water-resistant flooring.
- Deteriorated and/or damaged carpet with trip hazards shall normally be replaced with vinyl floor or other flooring with a cleanable surface.
- New flooring will be installed with a plywood underlayment



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## Electric

- **Ground Fault Circuit Interrupter**
  - Kitchen counter, bath and laundry receptacles within 6' of a sink will be replaced with a GFCI-protected receptacle or protected by a GFCI device.
- **Passage lighting**
  - All lights and switches in hallways, stairs and other passages will be operable and safe.
  - All halls, stairs and rooms necessary to cross to other rooms must be well lit. Attics, basements and crawl spaces must have utility fixtures.
- **Kitchen Electric Distribution**
  - GFCI as above.
  - Appliances on individual circuits
- **Interior Electric Distribution**
  - Exposed knob and tube will be replaced.
  - NC Residential Code
- **Service & Panel**
  - Distribution panels will have a main disconnect, at least 10 circuit-breaker-protected circuits, a 100-amp minimum capacity and be adequate to safely supply existing and proposed devices. If a working central air conditioning system is present, the minimum service will be 150 amp.



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DM2

## Plumbing

- **Drain, Waste, Vent Lines**
  - Lines should not leak. Waste and vent lines must function without losing the trap seal.
- **Fixtures**
  - All fixtures and faucets will have working, drip-free components. Toilets with greater than a 1.6 GPF rating will be replaced with a maximum 1.3 GPF model.
- **Minimum Equipment**
  - Every dwelling unit will have a minimum of one single bowl sink with hot and cold running water in the kitchen and at least one bathroom containing a vanity with a sink, and a shower/tub unit, both with hot and cold running water, and a toilet.
- **Water Heaters**
  - Water heaters more than 5 years old may be repaired if it is clear that a repair will make it operable. Provide a water heater with a 10-year warranty installed to the current NC Plumbing code.
- **Supply**
  - The main shut off valve must be operable and completely stop the flow of water to the house. All fixtures must be leak-free and deliver sufficient cold water and, where applicable, hot water.



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## HVAC

- **Air Conditioning**
  - Existing central air conditioning will be inspected, serviced and refurbished to operate safe
  - New air conditioning systems for will have a SEER rating  $\geq 15$
- **HVAC Distribution Systems**
  - Repair & replace as per N.C. Mechanical Code
- **Heating Systems**
  - Workable existing heating systems will be inspected and serviced to operate in a safe manner.
  - Gas-fired equipment will be rated at  $\geq 90\%$  AFUE or better; package units may be rated at  $\geq 81\%$  AFUE or better in zones 3 and 4. Heat pumps will be rated at  $\geq 15$  SEER and must have outdoor thermostat.
- **Chimney Repair**
  - Unused chimneys will be removed to below the roof line wherever roofing is replaced. Unsound chimneys will be repaired or removed. When chimneys must be used for combustion ventilation, they will be relined.



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## HVAC New Federal standards in 2023

As of January 1, 2023, federal standards for minimum efficiency requirements for air conditioners and heat pumps changed as follows:

- New designation for cooling is SEER2 and EER2 (in lieu of SEER and EER)
- New designation for heating is HSPF2 (in lieu of HSPF)
- Will anything be grandfathered in? *It needs to be rated for the same climate at SEER 15 at minimum to be installed if it was manufactured prior to Jan. 1, 2023.*
- Designations for the Southeast:
  - Air Conditioners:
    - 14 SEER is now upgraded to 14.3 SEER2 (equiv. to 15 SEER) for less than 3.75 ton units
    - 14 SEER is now upgraded to 13.8 SEER2 (equiv. to 14.5 SEER) for greater than 3.75 ton unit
  - Split System heat pumps
    - 8.2 HSPF/14 SEER is now upgraded to 7.5 HSPF2/14.3 SEER2 (equiv. to 8.8 HPSF/15.0 SEER)
  - Single package unit AC systems
    - 6.7 HSPF2/13.4 SEER2 is the new designation for 8 HSPF/14 SEER but no change



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## HVAC New Federal standards in 2023



### Resources:

- <https://www.nahb.org/blog/2022/05/upcoming-changes-efficiency-standards-ac-units-heat-pumps>
- <https://www.eia.gov/todayinenergy/detail.php?id=40232>
- [https://www.energystar.gov/most-efficient/me-certified-mini-split-heat-pumps/results?is\\_most\\_efficient\\_filter=Most+Efficient](https://www.energystar.gov/most-efficient/me-certified-mini-split-heat-pumps/results?is_most_efficient_filter=Most+Efficient)  
Energy star also goes up
- <https://seer2.com/region-southeast.html>



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## Appliances

### Kitchen Appliances

- Existing ranges will have a working and cleanable range (at least 3 functional burners);
- Refrigerators will maintain temperatures low enough to keep food from spoiling and have a freezer and not present an electrical hazard; repair of non-functioning ice and water delivery equipment is required for leaks and electrical hazards only.
- All replaced kitchen appliances will have ENERGY STAR-labeled appliances where applicable. All new cooking ranges will be electric.



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# Priority Projects



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## Appendix A: Section C1. Priority List of Additional Repairs

.... And after all the required EPS items, I still have ESFRLP funds available....

### PRIORITY PROJECTS

If after rehabilitation work required to comply with either the ESP and/or the local Minimum Housing Code are completely accounted for and ESFRLP funds remain, then additional rehab work that matches closely the scope of listed Priority Projects may be addressed without consulting NCHFA. Additional rehabilitation work that does not match closely with the scope of work listed must be approved by your case manager.

Five Focus Areas:

- A. Accessibility
- B. Durability/Longevity
- C. Energy
- D. Health
- E. Safety



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# Priority Projects

## A. Accessibility

1. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep overhang OR a maximum 7'x 7' covered entry roof.]
2. Rehab one bathroom to provide appropriate turn around space and human hygiene facilities to meet needs of the homeowner and the NC Accessibility Code.
3. Increase entry door to 32" wide clear or better; add a vision panel (max. 144 square inches).



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# Priority Projects

## B. Durability/Longevity

1. Remediate the surrounding grade of the home so that no standing water occurs within 10 feet of the home and/or no plantings closer than 3'-0 to the home (measured from the center of the plant roots).
2. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep continuous overhang; create 5'x5' area of vinyl/wood/tile/solid surface flooring at all exterior entries with no trip hazards OR a maximum 7'x 7' covered entry roof.
3. Remove any carpet in the home and replace with solid surface, easily cleanable flooring with a minimum 15 year life.
4. Increase structural and occupant safety by one of the following improvements which meets the current NC Residential Building code: For a crawlspace, provide foundation venting OR crawlspace is semi-conditioned and weathertight OR other approved method.
5. Increase the durability of the plumbing system or a specific subset of the system (supply, waste, venting) to meet the requirements of the current NC Residential Building Code.
6. Extend the life of the roofing and structure by upgrading the roof soffit and ventilation system to meet the current NC Residential Building Code. This only applies when the existing roof appears to have 5 or more years of life in its current condition.
7. Improve or extend the life of the exterior cladding system by reducing moisture penetration. Discussion of this project with your case manager prior to including it in the scope of work is highly recommended.



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# Priority Projects

## C. Energy

1. The building envelope between exterior and interior air shall not leak greater than 8 ACH @ 50 PA or less than 3 ACH @ 50 PA. At the end of the project, choose one of the following protocols to perform a blower door test: WAP, BPI, RESNET. Contact your Case Manager if the home leakage is outside this range. All methods must properly deal with combustion appliances for occupant safety.
2. Install an outdoor thermostat for a home with a heat pump or any type of electronic strip backup heating.
3. Floors over crawl spaces insulated to at least R-19 when a minimum clearance of 18" between the ground and the bottom of the floor joists exists.
4. Heating and air conditioning delivery ducts shall be tested and remediated to meet current NC Residential Building Code airtightness and delivery standards.
5. Improve the weather tightness of the home by one of the following methods: certify to meet ENERGYSTAR (current version) OR certify to meet SystemVision for Existing Homes OR home has HERS score of 70 or lower OR home meets requirements of the current residential energy code. All scenarios must properly deal with combustion appliances and fresh air for occupant health and safety.
6. Insulate exterior walls; insulation in contact with the air barrier.



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# Priority Projects

## D. Health

1. Reduce moisture issues in the home by installing or upgrading an existing exhaust system as follows: a min. 70-80 cfm mechanical exhaust system in any bathroom with a tub or shower and a 100-150 cfm exhaust system in the kitchen. Both systems must be tested to insure proper air delivery as follows: 50-80 cfm in bathroom and 100-150 cfm in the kitchen.
2. Heating and air conditioning delivery ducts shall be tested and remediated to meet current NC Residential Building Code airtightness and delivery standards.
3. Remove carpet and replace with solid surface easily cleanable flooring with a minimum 15 year life.
4. Encapsulate/abate potential lead hazards in the home especially in horizontal locations (floors, window sills) and areas where friction from operations (window jambs, door jambs) provide a higher potential for lead deterioration in the future.
5. Encapsulate/abate potential asbestos hazards in the home especially in horizontal locations (floor coverings) and areas where household operations (wall compound/textured finishes) provide a higher potential for asbestos deterioration in the future.
6. Exterior entry path is improved to include one or more of the following: max. 6'x6' level landing at the door; area to support groceries/store outside shoes; 10' long mud walk-off area; entry landing is protected overhead by min. 2' deep overhang OR a maximum 7'x 7' covered entry roof.
7. Install air conditioning (cooling) or dehumidification system where none exists (applicable to zone 5 only).
8. Provide a whole-house mechanical fresh air ventilation system in compliance with ASHRAE 62.2-2010. This ventilation system typically includes either a fresh air make-up duct to the return side of the air handler (the preferred approach) or a continuously running bathroom fan set at the calculated air flow rate in compliance with ASHRAE 62.2.



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# Priority Projects

## E. Safety

1. Install wired, interconnected smoke/CO detectors throughout the home to meet current NC Residential Building Code.
2. Replace or provide new stairs or handrails/guardrails to increase safety, meeting the current NC Residential Building Code.
3. Upgrade the electrical system or a specific subset of the system (service, panel or distribution) to meet the current NC Residential Building Code.
4. Replace bedroom windows to meet current NC Residential Building Code for egress and energy efficiency [note: this is not considered an energy efficiency project].
5. Increase entry door to 32" wide clear or better and add a vision panel (max. 144 square in.)
6. Improve the safety of the property by removing a dilapidated outbuilding, repairing existing retaining walls or other physical site hazard. Note that no new construction or non-life threatening repair of existing structures is allowed.



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## Appendix A: Section C1. Priority List of Additional Repairs

### • Priority List guidance:

- Improves Health, Accessibility, Safety, Durability and Resource Efficiency
- Site Specific/Homeowner needs
- Mission driven
- Reduces potential Homeowner O&M costs
- Be fair, equitable, and consistent in your efforts
- Use close to \$40,000 for a unit on a consistent basis.



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# Requisitions



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## When can I pay... anybody?

### Soft Costs

- A project must show as **“Approved”** in the portal
  - You can bill only the amounts that were approved in your [Post-Approval Documentation \(PAD\)](#) before the “Closed” status *except when...*
  - You submit a “Project Amendment Request” to change soft cost amounts for all projects and your case manager/the program manager approve the request.

### Hard Costs

- A project must show as **“Closed”** in the portal
  - Once the [Settlement Data Sheet \(SDS\)](#) is submitted and complete, then you can bill for hard costs.
  - You can also adjust the soft costs for a specific project during the Settlement Data Sheet submittal process.



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### Loan status "Approved":

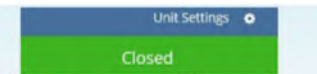
- Soft costs can be requisitioned once incurred; for example, a reasonable percentage of total outreach costs.



[https://www.nchfa.com/sites/default/files/page\\_attachments/ESFRLPInvoicesRequisitions.pdf](https://www.nchfa.com/sites/default/files/page_attachments/ESFRLPInvoicesRequisitions.pdf)

### Loan status "Closed" (i.e, the closing has been conducted, documents mailed back to NCHFA and processed):

- Both soft and hard costs can now be requisitioned



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## Settlement Data Sheet

**Status-Approved**

- After final hard costs are determined, you can submit the Settlement Data Sheet

**STATUS: APPROVED**



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## Settlement Data Sheet

Edit Settlement Data Sheet Costs

### Construction Management - Soft Costs

Category	Amount	Budgeted	Funds Disbursed
Outreach & Advertising	<input type="text" value="100"/>	100	No <input type="checkbox"/>
Environmental Review Preparation	<input type="text" value="400"/>	400	No <input type="checkbox"/>
Asbestos Testing/ Clearance	<input type="text" value="250"/>	250	No <input type="checkbox"/>
Radon Testing	<input type="text" value="50"/>	50	No <input type="checkbox"/>
LBP Inspection/ Risk Assessment	<input type="text" value="800"/>	800	No <input type="checkbox"/>
LBP Clearance	<input type="text" value="350"/>	350	No <input type="checkbox"/>
Loan document execution, recording & legal fees	<input type="text" value="600"/>	600	No <input type="checkbox"/>
Pre-rehab Inspection including scope of work	<input type="text" value="800"/>	800	No <input type="checkbox"/>
Work write-ups	<input type="text" value="1,000"/>	1,000	No <input type="checkbox"/>
Cost estimate	<input type="text" value="400"/>	400	No <input type="checkbox"/>
Project & construction management	<input type="text" value="4,375"/>	4,375	No <input type="checkbox"/>
Flood Insurance (units in Flood Hazard Zones)	<input type="text" value="100"/>	100	No <input type="checkbox"/>
Post-rehab value certification	<input type="text" value="500"/>	500	No <input type="checkbox"/>

### Status-Approved

- Your case manager will review submitted soft costs



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## Settlement Data Sheet

### Construction - Hard Costs

Category	Amount	Funds Disbursed
Construction contract	<input type="text" value="20,000"/>	No <input type="checkbox"/>
Temporary relocation	<input type="text" value="0"/>	No <input type="checkbox"/>
Construction Contingency Funds	<input type="text" value="4,000"/>	

### Summary

	Soft Costs	Hard Costs	Total
Funds Disbursed			
Funds Not Disbursed	\$9,725	\$24,000	\$33,725
Funds Disbursed at Closing			
Total Assistance	\$9,725	\$24,000	\$33,725

Save Cancel

### Status-Approved

- Your case manager will review submitted hard cost
- Contingency costs will automatically add 20% up to the maximum hard cost amount



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## Settlement Data Sheet

Closing Date Scheduled

Your closing date has been scheduled for 2/26/2019.

Your Case Manager will review the SDS and advise of any concerns. Once the SDS is approved:

- You will receive an approval message through the portal
- A Good Faith Estimate will be mailed to the homeowner with a copy emailed to you
- Closing documents with instructions will be generated by Liz Hair and e-mailed to you



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## ESFR and the LBP Process

### PG Appendix F



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## Important things to know

- Are ESFR homes ever exempt from the Lead Safe Housing Rule?
  - Only when the home was **built in 1978 or after**.
- All homes in this program built before 1978 are subject to the Lead Safe Housing Rule (LSHR). Why?
  - Because ESFR homes are owned by private citizens and are not government owned housing restricted to occupation by the elderly.
  - If children under the age of 6 can live in the homes now or in the future, LSHR applies.
    - What does this mean? **The Rehab Specialist can never decide that the home is exempt because only elderly people live in the home.**

### Federal Lead Regulations

HUD/EPA's Lead Disclosure Rule	HUD's Lead Safe Housing Rule (LSHR)	EPA's Renovation, Repair, and Painting (RRP) Rule
<ul style="list-style-type: none"> <li>• Applies to most housing, public and private, built before 1978. Effective March 1996 (except exemptions mentioned earlier)</li> </ul>	<ul style="list-style-type: none"> <li>• Applies to most Federally-assisted and Federally-owned housing built before 1978. Effective September 2000</li> <li>• <b>Amendments (EBLL) effective 2/13/17</b></li> </ul>	<ul style="list-style-type: none"> <li>• Applies to almost all target housing, public and private, built before 1978, including child-occupied facilities such as schools and day-care facilities. Effective April 2010</li> </ul>

**All regulations are relevant to ESFR**

## Federal Lead Regulations

**HUD – 24 CFR Part 35**

- Subpart A: Lead Disclosure Rule
- Subpart B: General LSHR Requirements & Definitions
- Subpart (J, K, L, M): LSHR Program Requirements
- Subpart R: LSHR Methods and Standards

**EPA – 40 CFR Part 745**

- Subpart F: Lead Disclosure Rule
- Subparts D, L, Q: Lead-Based Paint Activities Rule
- Subparts E and Q: Renovation, Repair, and Painting (RRP) Rule

Note: Recent changes in the EPA rule went into January 6, 2020 and additional proposed rule changes released on 6/17/2020


### Limited Exemption from Lead Safe Work Practices and Clearance

- Rehab that **does not disturb** painted surfaces:
- Lead safe work practices are not required when minor maintenance or activities disturb painted surfaces that are less than de minimis\* levels:
  - 2 sq. ft. per interior space
  - 10% of small component type
  - 20 sq. ft. for exterior work


\* Note: HUD de minimis levels are more protective than the EPA RRP guidelines

ESFR relies on 24 CFR Part 35, Subparts A, B and J, R as well as RRP, whichever is more stringent or “protective”.

RRP (in NC) relies on EPA 40 CFR Part 745 as per the regulations of NC-DHHS Health Hazard Control Unit.



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## LBP and ESFR *efforts require follow through*

- Consider how you manage LBP through each phase of the project

Stage 1: Application and Award Phase

Stage 2: Project Outreach and Scoping Phase

Stage 3: Household Participant Project Initiation Phase

Stage 4: Bidding Phase

Stage 5: Construction Phase

Stage 6: Monitoring and Close-Out Phase



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## Stage 1: Application and Award Phase

- Fill out the required paperwork
- Identify how you want to handle lead: 1. Testing or 2. Presumption
- 1. **Testing Preparation Phase:**
  - Review HUD & EPA requirements on what type of testing you need so you can write a scope of work to bid
    - **Inspection, Risk Assessment and Clearance**
    - Insure that consultant is in the EPA database certified for the tasks they are doing
    - De minimis requirements for HUD are less than for EPA, make sure consultant knows this
    - New lead dust testing levels, ensure the consultant knows this
  - Choose/Identify a testing consultant and write a contract
- 2. **Presumption**
  - Decide how you will replace components in each house.



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## Stage 2: Project Outreach and Scoping Phase

### Partner Activities for LBP during outreach and scoping

- Ensure that your Assistance, Procurement & Disbursement Policies and any other program policies include LBP information and requirements
- In the initial data collection for a unit, **collect the year built**
  - Best practice: send notification to the homeowner that LBP is an issue for all pre-1978 units.
- Identify and pre-schedule expected, required LBP inspections



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## Stage 3: Household Participant Project Initiation Phase

### Partner Activities for LBP during project initiation

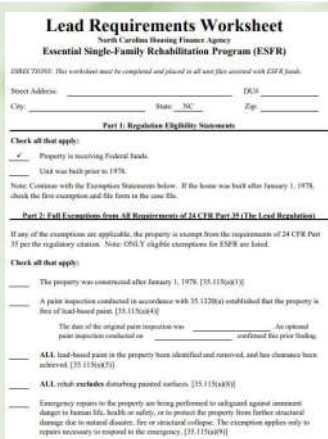
- Execute **Lead Inspection/Risk Assessment** and provide pamphlet to homeowner, **Renovate Right**, required for all pre-1978 units
- Fill out **Lead Requirements Worksheet**, required for all units
  - Use the numbers in your Settlement Data Sheet
  - Don't forget to add all Federal funding if you are using more than one source such as ESFR + CDBG
- Add **Year Built** to the project description on the Work Write Up, required for all units- **PG 4.2.2**
- Incorporate any needed remediation/abatement into the work scope based on the **Lead Risk Assessment**
- Place all completed, required documents into the Case File
- Process LBP inspection/assessment soft costs



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## Appendix C: Required Forms



Page 1 of the worksheet

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

### Lead Requirements Worksheet

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

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

Street Address: \_\_\_\_\_ DU# \_\_\_\_\_  
City: \_\_\_\_\_ State: NC Zip: \_\_\_\_\_

**Part 1: Regulation Eligibility Statements**

Check all that apply:

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

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



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# Appendix C: Required Forms

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

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

### Check all that apply:

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

- Typical ESFR exemptions
- 1978 or after

Page 1 of the worksheet



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# Appendix C: Required Forms



## Lead Requirements Worksheet

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

### Part 3: Hazard Reduction Requirements - Partial Waivers

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

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

Page 2 of the worksheet



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## Appendix C: Required Forms



**Part 4: Level of Rehabilitation Assistance [35.915]**

A. Amount of federal funding for home	\$ _____
B. Amount of rehabilitation <b>Hard Costs</b> (not including any soft costs or costs of lead hazard evaluation, reduction, clearance and training)	\$ _____
C. Level of Assistance (lower of A or B)	\$ _____

Approach Required (Based on answer to C, above)

_____ \$5,000 - \$25,000	Risk Assessment and Interim Control of Lead Hazards Note - If abatement work was subtracted from the hard cost to get the unit below \$25,000. The subtracted abatement items must be performed by a NC licensed abatement contractor and crew.
_____ \$25,001 and above	Risk Assessment and Abate Lead Hazards

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

Page 2 of the worksheet



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## Stage 4: Bidding Phase

### Partner Activities for LBP during bidding

- Confirm bidders have current **Lead Renovation Firm Certification**- **you can look this information up online**
- Confirm awardees have personnel on the job with **Lead Renovator Certification**; check to confirm date is not expired for project timeframe
  - This is provided by the OHHC in the form of a letter, not a certificate- **you cannot look these employees up online but you can call OHHC**
  - Best Practice: Provide Contractors with **Renovate Right** brochure
- Collect Firm and Renovator letters/certificates and place in file(s)
- Process LBP inspection/assessment soft costs

<https://epi.dph.ncdhhs.gov/lead/rrp.html>

### Renovation, Repair and Painting

In order to obtain certification from the Health Hazards Control Unit (HCCU), discipline-specific training must be obtained from an accredited training provider.

- [Application for Lead Renovation Firm Certification](#) (9/16; PDF, 159KB) | [Solicitud de Certificación de Empresas de Carolina del Norte](#) (9/16; PDF, 218KB)
- [Application for Lead Renovator Certification](#) (9/16; PDF, 202KB) | [Solicitud de Certificación de Renovador de Plomo](#) (9/16; PDF, 109KB)
- [Application for Lead Dust Sampling Technician Certification](#) (8/10; PDF, 32KB)
- NC RRP Recordkeeping Guidance Document – non mandatory RRP compliance assistance tool.



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## Stage 5: Construction Phase see Appendix F

### Partner Activities for LBP during construction

- Discuss LBP at pre-construction including contractor strategies and specific items on the workscope, occupant protection plan, etc.
- Schedule and execute **Lead Clearance Test**
- Process LBP inspection/assessment soft costs and LBP hard costs
- Discuss at post-construction conference, including homeowner maintenance
- Provide the homeowner with LBP documents as required in Appendix A, Section F so that if homeowner sells home they can disclose LBP.



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## Stage 6: Monitoring and Close-Out Phase

### Partner Activities for LBP during monitoring and Close-Out

- Confirm all necessary documentation is in the file
- For monitored Units, upload LBP documents to the portal including:
  - **Lead Requirements Worksheet** (from Appendix C)
  - **Lead Inspection/Risk Assessment** (from testing vendor)
  - **Lead Renovation Firm Certification** (from contractor)
  - **Lead Renovator Certification** (from contractor/subcontractor)
  - **Lead Clearance Test** (from testing vendor)
  - Any other documents about **LBP** in the case file



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# Appendix C: Model from HUD

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



Page 1 of the opt. checklist

**LEAD-SAFE HOUSING RULE CHECKLIST**  
For  
**GENERAL COMPLIANCE DOCUMENTATION**

(Program participants can use this checklist as a guide for determining whether or not they are proceeding in a manner required by the LSHR, and that they are maintaining documentation for each CPD-assisted project. Field Office staff can use the checklist as a means for familiarizing themselves with the kinds of documentation that should be maintained in order to demonstrate LSHR compliance. Compliance with the program-specific requirements may not be substantiated solely by the documents included on this general checklist. Additional guidance is provided as referenced in the checklist.)

An appropriate, the following documents should be maintained in CPD-assisted project files for properties constructed before January 1, 1978, in order to demonstrate general knowledge and compliance with basic LSHR requirements. Standard forms are available in the Federal Register (FR), as indicated by the sources noted below. Citations from 24 CFR part 35 are also provided as additional references.

- **Applicability Form** [§35.115] – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule. <sup>1</sup>  
(Note: (A) If the property is exempt, the file should include the reason for the exemption and no further documentation is required; (B) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below.)
- **Summary Paint Testing Report or Presumption Notice** [§35.930(a)] – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces. <sup>2</sup>
- **Risk Assessment Report** [§35.930(c)(2)] – A copy of a report (in addition to the requirements of §35.930(a)) to indicate any presence of lead-based paint hazards for projects receiving more than \$5,000 per unit in rehabilitation assistance. <sup>4</sup>  
(Note: If the property receives more than \$25,000 in assistance, more stringent requirements apply, including compliance with applicable state requirements, as appropriate. [See §35.930(d)].)
- **Notice of Evaluation** [§35.125(a)] – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing. <sup>3,4</sup>
- **Clearance Report** [§35.930(b)(3)] – A report indicating a “clearance examination” was performed of the work-site upon completion.
- **Notice of Hazard Reduction Completion** [§35.125(b)] – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents. <sup>3</sup>

Source: Federal Register (FR), 64 FR 50139-50231, published September 15, 1999 – Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance. The appendices are on pages 50230-50231.  
<sup>1</sup> LSHR Regulation Applicability Form (See Attachment B to this memorandum.)  
<sup>2</sup> Appendix C–Sample Summary Presumption Notice Format  
<sup>3</sup> Appendix A–Sample Summary Inspection Notice Format  
<sup>4</sup> Appendix B–Sample Summary Risk Assessment Notice Format  
<sup>5</sup> Appendix D–Sample Hazard Reduction Completion Notice Format

This form is downloadable from: <http://www.hudexchange.info/resources/documents/LSHR-checklist.pdf>  
NCHFA recommends using this form for ESFRLP.



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# Appendix C: Model from HUD

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



Page 2 of the opt. checklist

**LEAD-SAFE HOUSING RULE -- APPLICABILITY FORM**

Address/location of subject property: \_\_\_\_\_

**Regulation Eligibility Statements (check all that apply):**

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

Note: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date the form.

**Regulation Exemption Statements [24 CFR 35.115] (check all that apply):**

- \_\_\_ Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- \_\_\_ The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.
- \_\_\_ Housing “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.
- \_\_\_ An inspection performed according to HUD standards found the property contained no lead-based paint.
- \_\_\_ According to documented methodologies, lead-based paint has been identified and removed, and the property has achieved clearance.
- \_\_\_ The rehabilitation will not disturb any painted surface.
- \_\_\_ The property has no bedrooms.
- \_\_\_ The property is currently vacant and will remain vacant until demolition.

If any of the above Exemption Statements have been checked, the Regulation does not apply. In all cases, sign and date the form.

I, \_\_\_\_\_, certify that the information listed above is true and accurate to the best of my knowledge.  
(Printed Name)

Signature \_\_\_\_\_ Date \_\_\_\_\_

Organization \_\_\_\_\_

This form is downloadable from: <http://www.hudexchange.info/resources/documents/LSHRApplicabilityform.pdf>  
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# Question and Answer Session + LBP +Environmental Protection +Asking for extra money + Field Observations



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