

APPLICATION GUIDELINES

For the 2026-2027 cycle of the

URGENT REPAIR PROGRAM (URP27)

NORTH CAROLINA HOUSING FINANCE AGENCY

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Application Guidelines

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APPLICATION GUIDELINES

For the Urgent Repair Program

1. Introduction

The North Carolina Housing Finance Agency announces the availability of funds under the Urgent Repair Program ("URP") to nonprofit organizations, local governments, and regional councils statewide who may apply for funding through a competitive application process. Applicant eligibility and ranking criteria are described under sections 5 and 9.

Last year's URP funding cycle ("URP26"), was very competitive, with 59 applicants requesting a total of \$13.1 million. With \$8.8 million available, 40 projects in 69 counties could be funded. For this program year, we expect 38 to 40 of the applicants for URP27 to receive awards.

The goals of the Urgent Repair Program are: 1) to alleviate housing conditions which pose an imminent threat to the life or safety of very low-income homeowners with special needs; and 2) to provide accessibility modifications and other repairs necessary to prevent the imminent displacement of very low-income homeowners with special accessibility needs, such as frail elderly and persons with disabilities.

The Urgent Repair Program objectives are:

- 1) To assist very low-income and low-income owner-occupant households with one or more fulltime household members with special needs (elderly $\geq$ 62 years of age, handicapped or disabled, Veteran, single-parent, large households (five or more), or households with children who have elevated blood lead levels, in all areas of the state;
- 2) To serve households with urgent repair needs that cannot be met through other state- or federally-funded housing assistance programs; and,
- 3) To enable frail elderly homeowners, and other household members with physical disabilities, to remain in their homes by providing essential accessibility modifications.

Under URP27, recipients of funds will be expected to develop and adhere to fair, open and competitive procedures for the procurement of goods and services and for the selection of Program beneficiaries. These Application Guidelines provide a brief overview of the Program. Additional information on Program and application requirements is contained in the accompanying Application for Funding.

2. Background

In 1994 the North Carolina Housing Finance Agency (the Agency) initiated the Urgent Repair Program ("URP94") as a one-year demonstration program with funds from the North Carolina Housing Trust Fund. The program was approved by the North Carolina Housing Partnership in response to the frequently expressed need for repair funding to respond to emergency situations and prevent displacement without having to bring a whole house up to code.

A total of \$1 million of URP94 funds was allocated to sub-contractors under the U.S. Department of Energy's Weatherization Assistance Program through a non-competitive application process. An additional \$250,000 was available to other non-profit organizations, non-entitlement local governments, public agencies, and regional councils through a competitive application process. A total of 47 organizations received URP94 funding which enabled them to assist more than 650 households.

A comprehensive study of the 1994 demonstration cycle indicated that it had filled a vital niche, and that there was strong, broad-based support for continuing the program. At the same time, the study elicited some thoughtful suggestions which led to numerous improvements in the design of the Urgent Repair Program. After many additional program adjustments over the past 31 years, URP is now a very popular tried and true product, filling a vital service niche. Close to \$90 million in URP funding has been committed to date to assist over 19,680 households with repairs and accessibility modifications.

From May of 2002, until February of 2004 a portion of recaptured URP funds (from recipients that were unable to use their entire allocation within the allotted time) was dedicated to a special Displacement Prevention Partnership Program fund ("DPP"). DPP provides supplemental funding for NC Dept. of Health and Human Services (NCDHHS) Independent Living Rehabilitation Program. DPP prevents the displacement of very low-income persons with permanent physical disabilities by providing accessibility modifications in the homes of eligible clients. The Displacement Prevention Partnership (DPP) began as a demonstration project under URP in 2002. The DPP operates statewide as a pool of funds. The pool is shared by the 17 local Independent Living Service (IL) offices of the NC DHHS's Division of Employment and Independence for People with Disabilities. To date, over \$35 million has been set aside to serve eligible homeowners and DPP has assisted over 6,500 households in all 100 counties of the state.

Those with experience under the recent cycles of URP have found some significant changes in the guidelines. The significant changes included raising the maximum eligible hard costs, revising program support expense allowances, changing the form of assistance from grants to loans, and reducing the percentage of assisted households that must fall below 30% of the area median income. This year continues that trend. To avoid confusing one cycle with another, we will often refer to the current cycle as URP27.

3. Funding

The North Carolina Housing Finance Agency will provide funding for the URP27 cycle. The maximum allocation to an organization or government agency proposing to serve a multi-county service area (two or more counties in their entirety) is \$330,000. The maximum allocation to an organization or government entity proposing to serve an area of less than two entire counties is \$165,000. Only applicants proposing to serve areas with populations of 5,000 or more are eligible. The minimum allocation is \$99,000.

Eligible applicants may submit only one application. Funding provided to recipient organizations will be in the form of conditional grants.

URP27 assistance provided by Recipients to eligible households **cannot exceed \$15,000 in hard and soft costs** per dwelling unit, and \$1,500 in administrative costs per completed unit. There is no minimum amount of Program funds that can be spent on any assisted dwelling unit.

A share of each Recipient's URP27 allocation may be used for program support expense (soft costs), but must be accounted for and claimed on a per-unit basis. Eligible program support expenses are those necessary and reasonable costs directly associated with the delivery of program assistance, such as: (1) salaries and benefits for technical staff or fees to consultants for work write-ups, cost estimates, inspections, etc.; and (2) office supplies and materials consumed in carrying out repairs. The maximum amount available varies with the amount of the hard costs. All URP assisted units may receive base program support of \$300. Units with hard costs exceeding \$500 may receive additional soft costs up to 10% of the hard cost for eligible program support expenses, so long as the total soft cost for the unit does not exceed \$1,500, as indicated by the table below.

URP Hard Costs	Maximum Program Support
From \$501 to \$15,000	\$300 + 10% of the Hard Cost (not to exceed \$1,500)
Up to \$500	\$300

For instance, if the hard costs associated with the repair or modification of a given unit is \$3,250 the Recipient may claim up to \$625 for program support expenses (\$300 + \$325), for a total of \$3,875. Additionally, the Recipient may now claim 10% for Administrative Costs up to \$1,500 against the total HC+SC spent per completed unit. In the above example, \$387 for Administrative Costs (10% of \$3,875) could be claimed.

Administrative Costs can include: general management, oversight, and coordination; travel and mileage expenses; project monitoring; indirect and overhead costs related to the administration of URP activities; URP project related outreach; and intake, advertising and public information.

4. Schedule

Applications for Program funding must be received at NCHFA by **5:00 p.m., Wednesday, January 14, 2026**. Applications will be rated per the criteria described below. Program awards will be announced before the end of April 2026. After the implementation workshop in May 2026 for program administrators and technical staff, Funding Agreements will be executed. Successful applicants will be given a maximum of 18 months to complete their URP projects, and must report program progress quarterly.

5. Eligible applicants

Eligible applicants for URP27 funds include: 1) nonprofit organizations; 2) units of local government; and, 3) regional councils. Applicants for Program funding are directly responsible for the administration of projects being funded, even when contracting with third parties for administration.

6. Eligible households

Only households with special needs as defined in Section 1 (Introduction), paragraph 5 are eligible for assistance under URP. A minimum of 50% of the household units declared in the Application for Funding to be assisted under a Recipient's URP27 allocation must have incomes that fall below 30% of the area median income. No URP funds may benefit households with incomes exceeding 50% of the area median. Only owner-occupied housing is eligible for assistance under the Urgent Repair Program. Income limits will be defined using the most recent HUD income estimates, as provided by the Agency (see URP income limits at our web site www.nchfa.com under the Urgent Repair Program section).

7. Eligible activities

URP27 funds may be used exclusively to alleviate housing conditions that pose an imminent threat to the life or safety of very low-income households with special needs, or to their ability to remain in their homes independent of institutional confinement. Upon completion, housing units repaired/modified under URP do not have to meet any housing codes or habitability standards, but the work performed under the Program must meet the latest applicable North Carolina Building Code for Residential standards and be performed in accordance with all state and local permitting, inspections, licensing, and insurance requirements.

8. Eligible forms of assistance

Assistance provided to owner-occupants by Recipient organizations under URP27 shall be in the form of a loan covering the hard and soft costs (program support) of the URP funds associated with the repair/modification of the unit. Homeowners will receive an

unsecured deferred, interest-free loan, forgiven at the rate of \$5,000 per year, until the principal balance is reduced to zero. Recipients must use the loan documents provided by the Agency, and Recipient matching funds are not to be included in these loan documents. Recipients will be expected to have adequate project procedures to ensure that Program documents are properly processed.

9. Application review and ranking process

Applications for Program funds will be reviewed and ranked on applicant capacity to operate the project, past performance under Agency Programs, if applicable, and the project location (including an underserved county). A four-step review process will be used: threshold review, competitive ranking, Agency board approval, and execution of Funding Agreements.

9.1 Threshold review

Applications that do not include an attached résumé for each person listed in the table under III C on page 7 will be considered incomplete. The threshold review will eliminate any applications which are incomplete, were not received by the deadline, are from ineligible entities, or are not accompanied by the required application fee or a copy of the original application. The threshold review is also meant to eliminate applicants lacking minimal capacity to operate the project. The following factors will be considered:

- 1) The experience of the applicant in undertaking similar projects;
- 2) The past performance of the applicant, if applicable, under housing rehabilitation programs;
- 3) The capacity of the organization, including staffing support, to complete the project. *(Special attention will be given to the availability of qualified technical staff to diagnose repair or modification needs and implement the appropriate measures to address the needs, professionally and efficiently.)*

The capacity of units of local government or others proposing to administer the project through a third party will be rated based on that party's qualifications, experience, and past performance under Agency programs, if applicable.

9.2 Competitive ranking

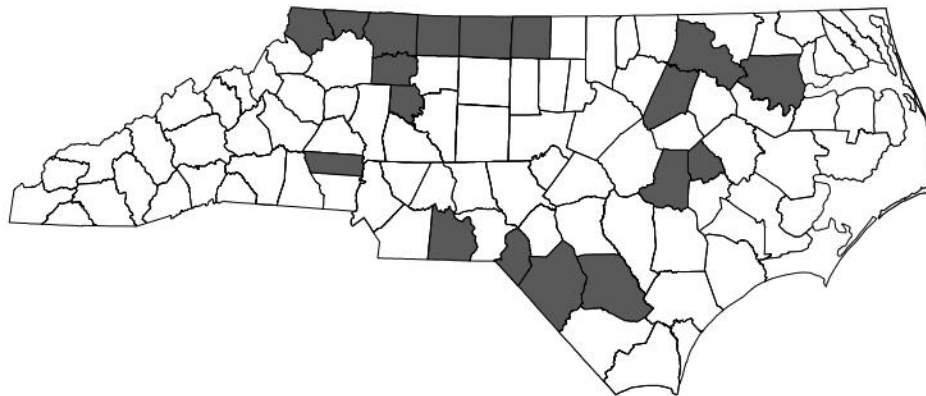
The next phase of the selection process will be to rate and rank applications based on a number of factors related to applicant capacity as determined by (1) staff qualifications and experience, (2) performance under past cycles of the Urgent Repair Program (including the percentage of targeted units completed under active grants and timeliness of grant completion), if applicable, or recent performance under other repair initiatives; and, (3) the accuracy and completeness of the URP27 application. A comprehensive and effective system for referring clients to services other than housing will also be a positive rating factor.

Additional points may be awarded as follows:

- 1) Providing matching local funds (for hard costs only) as well as volunteer labor and donated materials. An estimated dollar amount must be assigned to the volunteer labor and donated materials. Volunteer labor must use the rate of \$22.34/hr. which comes from the U.S. Bureau of Labor Statistics, Occupational Employment Statistics (2025) for Construction Laborers.
- 2) Proposing to serve counties with a high percentage of homeowners with incomes below 50% AMI, counties not served by URP in the last 5 and 10 years, respectively.
- 3) Points will also be awarded to organizations that applied for last year's URP cycle but were not recommended for funding.

Projects proposing to serve households with urgent repair needs that can be met through other state- or federally-funded housing assistance programs are discouraged and will be at a competitive disadvantage. (URP is designed to be used as funding of last resort.) The Agency reserves the right to award points to counties affected by natural disaster. The Agency may fund applications with overlapping service areas, but reserves the right to reduce number of requested and specific counties awarded based on capacity and to achieve the most effective service area across North Carolina.

Counties Unserved and Underserved with the Urgent Repair Program



Alleghany	Anson	Ashe
Bertie	Bladen	Caswell
Davie	Franklin	Greene
Halifax	Lincoln	Northampton
Lincoln	Robeson	Rockingham
Scotland	Stokes	Surry
Wayne	Yadkin	

9.3 Agency Board approval

After completion of the application review and ranking process, the final funding decision will be made by the Agency's board of directors. It is the goal of Agency staff to take their recommendations to the board in February 2026.

9.4 Post-Approval Documentation and Funding Agreements

Following board approval of the final ranking of applications, Applicants approved by the Agency board will receive conditional award letters and requests for additional documentation (Post Approval Documentation). Funding Agreements will be forwarded to Recipients following receipt by the Agency of all information requested in the post approval documentation packet and attendance at the mandatory URP27 Implementation Workshop. Post approval documentation will include the following:

- 1) A copy of the Recipient's Procurement and Disbursement Policy;
- 2) Bonding/Honesty and Fidelity Insurance documentation. All Recipients must submit evidence that honesty and fidelity insurance coverage is available in an amount not less than 50% of their URP27 funding allocation;
- 3) Organizational Documents. Recipients that are not units of government may be asked to supply copies of their organizational documents, including articles of incorporation, by-laws, and a listing of all directors, officers, and staff;
- 4) Conflict of Interest Policy (for private-nonprofit organizations); and,
- 5) The Applicant's proposed URP27 Assistance Policy.

9.5 Funding award

Upon receipt and approval by the Agency of the Post Approval Documentation packet, the Agency will forward the Funding Agreement to the Recipient. Once the executed Funding Agreement is returned to the Agency, an initial disbursement of 50% of the award amount will be sent to the Recipient organization. Project activities may commence upon receipt of the fully executed Funding Agreement. ***Note: If all necessary documentation is not received by the Agency within 45 days of the date of the conditional award letter, the award may be canceled and the funds de-obligated.***

10. SPECIAL INSTRUCTIONS TO THE APPLICATION

10.1 Requests for Application forms

Program Application forms may be downloaded from the Agency website www.nchfa.com, or requested from the Agency by calling Gloria Moore at 919-981-2623 or by writing to the address shown below (see section 10.4).

10.2 Application deadline

An original application must be **received** by the Agency by **5:00 p.m.**, or postmarked by, **Wednesday, January 14, 2026**. For in-person and electronic delivery, please see 10.5 Other Instructions, below.

10.3 Application fee

The application must be **accompanied** by a **non-refundable application fee**. The application fee must be paid by a check made payable to the North Carolina Housing Finance Agency. **The application fee is \$75.**

10.4 Address

All applications must be mailed or delivered to:

Attn: Gloria Moore, Administrative Assistant, Home Ownership
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 27609-7509

10.5 Other Instructions

1) Automated application forms created in MS Excel are available at the Agency's website (www.nchfa.com) or via e-mail. It is highly recommended that applicants use the automated version to take advantage of multiple automated calculations and general ease of use. The Excel version is designed such that the applicant tabs through the form, landing only where information is to be entered (the light yellow cells). All totals are automatically calculated (in the bright yellow cells). If you do not use the Excel version, please ensure that your application is typed or printed legibly in ink. Dollar amounts should be rounded to the nearest dollar. All applications should be signed and dated in ink on the "Certification" page by the applicant's chief administrative official as listed on the application under I.B.1. No applications will be accepted by Fax.

2) All applications should be submitted on the form provided. Except for requested attachments, please confine your responses to the provided space.

3) It is preferred that applications be fastened at the upper left corner by a single

staple or binder clip. Covers, ring binders, and folders are discouraged, as are attachments or exhibits which are not specifically requested.

4) All attachments should be clearly marked in the upper right hand corner per the instructions in the application. The attachments should be attached in the order that they were requested, at the back of the application following the last page.

5) Résumés should be current with the latest information for each of the staff listed in the table under III C on page 7 of the application. At minimum, all formal education, seminars, courses, training, and all previous job experiences that apply to the job assignment in the application should be included.

6) If you choose to electronically submit your application you must meet the following requirements:

1. The application fee (see 6.3) must still be delivered by mail or by hand;
2. Both the application and the application fee must be received in the Agency offices by the deadline or the application may not be considered.
3. You must still physically sign the original documents prior to scanning; no digital signatures will be accepted on any document.
4. The format for an electronic document must be a legible, color PDF not to exceed 40 MB.
5. It is the responsibility of the Applicant to confirm receipt of electronically submitted applications.
6. Electronic delivery email must have the following subject line: “Application for URP27 Funding– [X County] by [your organization name]”. Applications without the proper subject line content may not be considered for funding.
7. Send all electronic delivery applications to the following email: URPapplications@nchfa.com.