



MEMORANDUM

TO: Members of the General Assembly

FROM: A. Robert Kucab
Executive Director

DATE: March 2, 2015

SUBJECT: 2014 HOME Program Performance Report

This report is being filed in accordance with Session Law 1993-321, requiring the North Carolina Housing Finance Agency to report annually on the status of the federal HOME Program.

The Agency has used HOME and HOME match funds to finance housing for thousands of North Carolinians and to create thousands of jobs in residential construction and related industries. The Agency has assisted families in buying their own first home and has helped private developers work with towns to produce safe and attractive rental communities for seniors and working families, including persons with disabilities.

Since 1993, the Agency has successfully invested \$481.7 million in federal HOME Program funds and State matching funds. These funds have:

- helped 9,772 low-income families buy their first home
- financed 12,949 affordable apartments through private/public partnerships
- rehabilitated 5,123 substandard homes owned by low-income households
- provided operating assistance to produce affordable rents for 2,254 households

Cumulatively, these funds have also supported approximately 31,000 jobs and \$312.9 million in state and local tax revenues.

In 2014, the Agency made awards of \$21.2 million in HOME Program funds and State matching funds to develop, acquire, or rehabilitate 600 housing units. Additionally, the Agency provided operating subsidies of approximately \$595,000 to make 214 apartments affordable to persons living on disability income.

The State matching funds and HOME Program awards made in 2014 leveraged an additional \$43.8 million, resulting in the development of \$65.0 million in affordable housing. These 2014 awards will support approximately 1,000 jobs and \$5.5 million in state and local tax revenues.

If there are questions, please call me at (919) 877-5600.

A handwritten signature in blue ink that reads "A. Robert Kucab". The signature is written over a horizontal line.

A. Robert Kucab
Executive Director

HOME Investments Partnerships Program (HOME)

The HOME Program is a federal block grant to states and local participating jurisdictions requiring a 25% match of funds. The state program is administered by the North Carolina Housing Finance Agency and is used to produce affordable housing in partnership with local governments, for-profit developers, and nonprofit housing producers. HOME funds can be used to build rental and home ownership units, to reconstruct and rehabilitate rental and owner-occupied housing, to assist homebuyers, or to provide rent subsidies.

I. Total Awards Using Federal HOME Funds in CY 2014

Housing units financed	537
Financing provided	\$19,297,256
Value of housing and rehabilitation	\$57,941,097

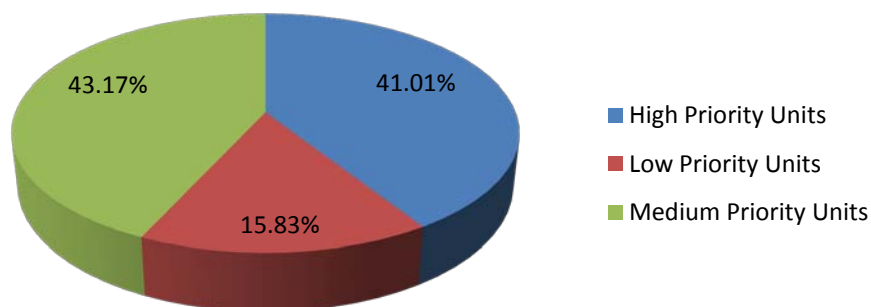
II. Priorities Met in 2014

Priorities for the 2014 HOME funds were set in the 2011-2015 North Carolina Consolidated Plan.

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| <u>High Priority Need</u> | <u>Medium Priority Need</u> | <u>Lower Priority Need</u> |
| <ul style="list-style-type: none"> ▪ Homeless families and individuals ▪ Non-homeless persons with special needs ▪ Households at or below 30% of area median income | <ul style="list-style-type: none"> ▪ Households between 31% and 60% of area median income | <ul style="list-style-type: none"> ▪ Households between 61% and 80% of area median income |

The figure below shows the percentage of households served by federal HOME funds in each priority level in 2014. One of the major uses of HOME funds is homebuyer assistance; most households who buy homes with the Agency's HOME financing have incomes which put them in the medium-priority category. The Agency serves high priority low-income populations with the Housing Trust Fund, which is less restrictive.

2014 HOME Funded Units by ConPlan Priority



III. Activities in 2014

Activities supported with HOME funds in 2014 include: homebuyer assistance, rental housing production, and housing rehabilitation.

State-Appropriated Matching Funds (HOME Match)

The federal HOME Program requires a 25% match of funds. In recent years, the General Assembly has appropriated a portion of the required 25% and the remainder has been supplied by the North Carolina Housing Finance Agency out of its other activities.

I. Total Activity Using State-Appropriated Match Funds in CY 2014

Housing units financed	61
Financing provided	\$1,858,366
Value of housing and rehabilitation	\$7,001,643
People with disabilities who received rent assistance	214
Operating subsidy provided	\$595,090

II. **State Priorities Met in 2014**

According to Session Law 1993-321, the Agency shall give priority for State-appropriated matching funds to finance housing: 1) in economically distressed counties as designated by County Tier (determined annually by the NC Department of Commerce) and 2) for households with incomes less than 50% of the local median family income.

Priorities for HOME Match Projects

Activities supported with HOME Match funds in 2014 include: homebuyer assistance, rental housing production, housing rehabilitation, and housing for disabled populations. In 2014, half of all match funds went to priority households which were in economically distressed counties or which served very low income households.

Key Program

Since 2004, the Agency, in partnership with the Department of Health and Human Services, has operated the Key Program, which is funded from State-appropriated HOME match and operating subsidy funds. Key operating assistance is limited to adults receiving disability-based income from Social Security (SSI and SSDI) or other state/federal programs (such as the Veterans' Administration) and whose total household income does not exceed thirty percent (30%) of the area median income. Thus all Key assistance falls under the funding priorities for match funds. Since 2004, 2,150 households have been assisted through the Key Program.