



MEMORANDUM

TO: Members of the General Assembly

FROM: A. Robert Kucab
Executive Director

DATE: March 22, 2016

SUBJECT: 2015 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 \$509.8 million in federal HOME Program funds and State matching funds. These funds have:

- helped 10,247 low-income families buy their first home
- financed 12,035 affordable apartments through private/public partnerships
- rehabilitated 5,242 substandard homes owned primarily by low-income seniors
- provided operating assistance to produce affordable rents for 2,300 households

Cumulatively, these funds have also supported approximately 32,513 jobs statewide and \$328.1 million in state and local tax revenues.

In 2015, the Agency provided financing of \$27.3 million in HOME Program funds and State matching funds to develop, acquire, or rehabilitate 1,395 housing units. Additionally, the Agency provided operating subsidies of approximately \$905,000 to make 236 apartments affordable to persons living on disability income.

The State matching funds and HOME Program financing provided in 2015 leveraged an additional \$131.2 million, resulting in the development of \$159.4 million in affordable housing. The 2015 financing provided will support approximately 3,000 jobs and \$15.8 million in state and local tax revenues.

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

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 home buyers, or to provide rent subsidies.

I. Total Awards Using Federal HOME Funds in CY 2015

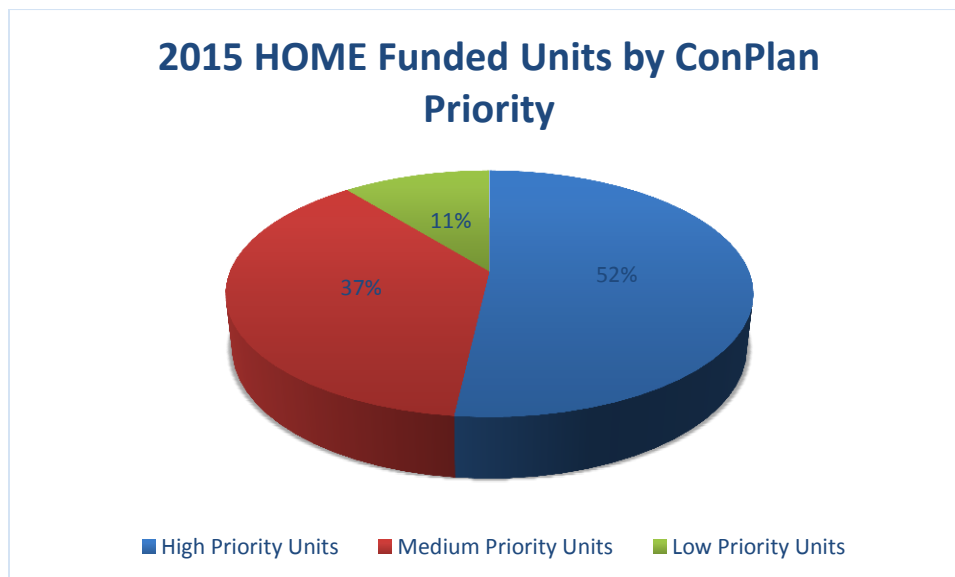
Housing units financed	1,076
Financing provided	\$23,165,978
Value of housing and rehabilitation	\$120,472,788

II. Priorities Met in 2015

Priorities for the 2015 HOME funds were set in the 2011-2016 North Carolina Consolidated Plan.

- | <u>High Priority Need</u> | <u>Medium Priority Need</u> | <u>Lower Priority Need</u> |
|--|--|--|
| ▪ Homeless families and individuals | ▪ Households between 31% and 60% of area median income | ▪ Households between 61% and 80% of area median income |
| ▪ Non-homeless persons with special needs | | |
| ▪ Households at or below 30% of area median income | | |

The figure below shows the percentage of households served by federal HOME funds in each priority level in 2015. **Activities in 2015**



Activities supported with HOME funds in 2015 include: home buyer 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 2015

Housing units financed	319
Financing provided	\$5,066,281
Value of housing and rehabilitation	\$38,917,070
People with disabilities who received rent assistance	236
Operating subsidy provided	\$905,066

II. State Priorities Met in 2015

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 2015 include: home buyer assistance, rental housing production, housing rehabilitation, and housing for disabled populations. In 2015, half of all match funds went to priority households that were in economically distressed counties or that 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 generally does not exceed thirty percent (30%) of the area median income. However, assistance is allowed if income does not exceed fifty percent (50%) of area median income. Thus all Key assistance falls under the funding priorities for match funds. Since 2004, 2,566 households have been assisted through the Key Program.