

# 2015 Consolidated Annual Performance and Evaluation Report (CAPER)

## North Carolina Housing Finance Agency



## Summary

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This *2015 Consolidated Annual Performance and Evaluation Report (2015 CAPER)* summarizes the North Carolina Housing Finance Agency's (NCHFA) use of HOME funds in program year 2015. NCHFA and three other state organizations and their HUD-funded programs work together to meet three goals for the good of North Carolinians. These three basic goals are:

- Provision of decent and affordable housing
- Provision of a suitable living environment
- Expansion of economic opportunity

Since 1999, the State has pursued a consolidated planning process that addresses the major housing and community development needs affecting North Carolina communities. Pursuant to the provisions of *24 CFR, Housing and Urban Development, Part 91, Performance Reports*, NCHFA has prepared the *2015 CAPER* on its progress in the implementation of the *2015 Annual Action Plan* and the *North Carolina Consolidated Action Plan, 2011-2015*.

### ***The North Carolina Housing Finance Agency***

The North Carolina Housing Finance Agency is a self-supporting public agency that provides financing through the sale of tax-exempt bonds and mortgage-backed securities, and the management of the federal Low-Income Housing Tax Credit Program, the federal HOME Program, the N.C. Housing Trust Fund, and other programs.

Using these resources and its own earnings, the Agency

- offers low-cost mortgages and down payment assistance for first-time home buyers and moderate income move-up buyers,
- finances affordable homes and apartments developed by local governments, nonprofit organizations, and private owners,
- finances the development of housing for people with special needs,
- finances the rehabilitation of substandard owner-occupied homes,
- and administers HUD rent assistance contracts for more than 24,000 privately owned apartments statewide.

### ***Summary of Housing Needs***

Every five years, for the benefit of HUD, our partnering agencies, and the public, the State prepares a five-year housing strategy outlining North Carolina's plans for meeting housing and community development needs. This cycle's five-year strategy, called the *North Carolina Consolidated Plan 2011-2015*, lays out the priority needs for North Carolina, which are based upon housing and population information captured from census data special tabulations, which yield the incidence of certain housing problems (overcrowding, inadequate plumbing facilities, cost burden, etc.) among the population. The five-year plan also sets the framework from which each year's Annual Action Plan can be drawn. The Annual Action Plan further details how the State will accomplish its five-year goals during annual program cycles. Below are the State's housing priorities based upon the Housing Market Analysis and Needs Assessment performed as part of the *2011-2015 Consolidated Plan*.

## High-Priority Needs

The 2011-2015 Consolidated Plan identifies three high priority needs: homeless families and individuals, non-homeless persons with special needs<sup>1</sup>, and households with incomes less than 30% of area median (AMI). To meet these priorities, North Carolina developed a set of objectives to be accomplished over the five-year period. The following table summarizes N.C. Housing Finance Agency's progress toward meeting the high-priority goals applicable to the Agency.

Table 1: High-Priority Goals and Objectives (NCHFA portion)

Strategy	Objective	Anticipated (2011-2015)		Current Progress (as of 2015)			
		Funding	Households	HOME Funding <sup>2</sup>	HOME Households	Total Funding <sup>3</sup>	Total Households
<b>Homeless Families and Individuals</b>							
Prevent homelessness in North Carolina	Increase the number of permanent supportive housing units for homeless populations in North Carolina through the North Carolina Housing Finance Agency's Supportive Housing Development Program from 2011-2015.	\$2,201,721	72	--	--	\$6,442,858	170
<b>Non-homeless Persons with Special Needs</b>							
Increase the supply of decent, affordable supportive housing for special needs populations in North Carolina.	Increase the number of supportive housing units for non-homeless populations with special needs in North Carolina through the North Carolina Housing Finance Agency's Supportive Housing Development Program from 2011-2015.	\$5,137,150	170	\$411,682	11	\$10,743,420	276
Preserve the affordable owner occupied housing stock owned by persons with disabilities	Rehabilitate homes owned by elderly and/or disabled persons through the North Carolina Housing Finance Agency's Single-Family Rehabilitation Program.	\$29,356,286	704	\$27,832,318	568	\$27,852,318	568
<b>Households with Persons 0%-30% AMI</b>							
Increase the supply of new rental units affordable to high priority populations.	Finance the development of rental units affordable to high-priority households between 2011 and 2015 through the North Carolina Housing Finance Agency's Rental Production Program (30% AMI)	\$3,230,015	242	\$2,429,326	201	\$5,100,622	435
Preserve the rental housing stock affordable to high priority populations.	Finance rehabilitation of rental units for high-priority households from 2011-2015 through the North Carolina Housing Finance Agency's Rental Production Program (30% AMI).	\$807,506	61	\$225,000	15	\$806,350	123

<sup>1</sup> Per the 2011-2015 Consolidated Plan, persons with special needs are defined as the disabled, the elderly, households with a member under 6 where a lead threat exists, migrant farm workers, and ex-offenders.

<sup>2</sup> Includes state-appropriated HOME Match funds.

<sup>3</sup> To conduct housing-related activities, NCHFA uses nonfederal as well as federal funds. The nonfederal sources offer the NCFHA even more opportunities and flexibility to serve all priority categories. The available federal and non-federal funding sources include the North Carolina Housing Trust Fund, Hardest Hit Funds, the Low-Income Housing Tax Credit Program, and bond financing.

*Medium-Priority Needs*

The 2011-2015 Consolidated Plan identifies medium priority needs as households earning between 31% and 60% of area median income. The following table summarizes the Agency’s progress toward meeting these medium-priority goals.

*Table 2: Medium-Priority Goals and Objectives (NCHFA portion)*

<i>Strategy</i>	<i>Objective</i>	<i>Anticipated (2011-2015)</i>		<i>Current Progress (as of 2014)</i>			
		<i>Funding</i>	<i>Households</i>	<i>HOME Funding</i>	<i>HOME Households</i>	<i>Total Funding</i>	<i>Total Households</i>
<b>Households with Persons 31%-60% AMI</b>							
Increase the supply of new rental units affordable to medium priority households.	Finance the development of rental units affordable to medium-priority households between 2011 and 2015 through the North Carolina Housing Finance Agency’s Rental Production Program (31%-60% AMI)	\$9,690,047	726	\$25,427,151	1,804	\$39,608,170	2925
Preserve existing rental housing affordable to medium priority households.	Finance rehabilitation of rental units for medium-priority households from 2011-2015 through the North Carolina Housing Finance Agency’s Rental Production Program (31%-60% AMI)	\$2,422,511	182	\$705,000	47	\$2,357,098	179
Enable renter households to become homeowners.	Work with local governments and nonprofits to assist rental households in purchasing their first home and achieving increased financial literacy through NCHFA’s Individual Development Account Loan Pool Program.	\$1,834,768	94	\$626,380	27	\$999,080	57

*Low-Priority Needs*

The *2011-2015 Consolidated Plan* identifies low priority needs as households earning between 61% and 80% of area median income. The following table summarizes the Agency’s progress toward meeting these low-priority goals.

*Table 3: Low-Priority Goals and Objectives (NCHFA portion)*

<i>Strategy</i>	<i>Objective</i>	<i>Anticipated (2011-2015)</i>		<i>Current Progress (as of 2015)</i>			
		<i>Funding</i>	<i>Households</i>	<i>HOME Funding</i>	<i>HOME Households</i>	<i>Total Funding</i>	<i>Total Households</i>
<b>Households with Persons 61%-80% AMI</b>							
Enable renter households to become homeowners.	NCHFA will enable renter households to buy homes through its New Homes Loan Pool and its Self-Help Loan Pool .	\$12,843,375	523	\$12,267,191 <sup>4</sup>	395	\$12,320,883	398
	Assist households in purchasing their first home through down payment assistance through NCHFA's Statewide Down Payment Assistance Program.	\$917,384	113	\$132,390	17	\$1,334,047	169

<sup>4</sup> The NHLP and SHLP numbers included here only include those households in the 61%-80% AMI range. In all, these two programs have used \$42,282,863 to serve 1,349 households in the 0% - 80% AMI range (2011-2015).

## **2015 HOME Performance Report**

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North Carolina's Consolidated Plan was developed with community and interdepartmental cooperation and outreach. The priorities identified in the Plan cover a broad range of needs from preserving and increasing the supply of affordable housing across the state to developing housing with supportive services for persons with special needs. The North Carolina HOME program was designed to serve the needs prioritized in the state's 2011-2015 Consolidated Plan while remaining within the federal guidelines.

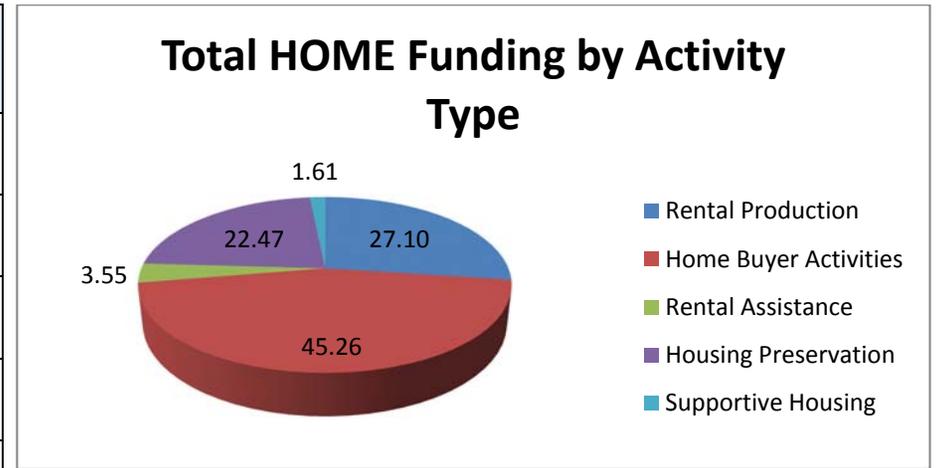
### ***2015 HOME Activity***

In 2015, the N.C. Housing Finance Agency received \$11,626,898 in resources through the HOME program, of which 10% is eligible to be used for administration. The State's General Assembly appropriated \$1,458,739 in public, nonfederal funds to partially match the federal HOME funds.

In 2015, NCHFA disbursed \$ 21,410,768 in federal HOME funds and \$4,110,206 in state-appropriated match funds to assist 1,504 households in North Carolina. These disbursements are typically from funds appropriated in prior years. The following tables show the economic and demographic breakdown of HOME funds disbursed in calendar year 2015. In accordance with 24 CFR § 91.520, included is the geographic distribution, income status, racial, and ethnic breakdown for those assisted by HOME money. Also included is the comparison of proposed and actual numbers in relation to NCHFA's effort to meet priorities and goals set in the 2015 Annual Action Plan.

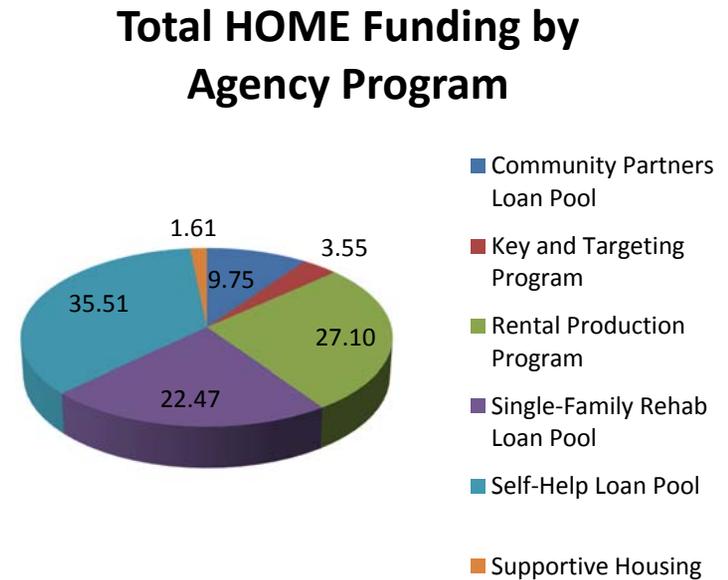
**Table 4: 2015 HOME Funding by Activity Type**

Activity	Households Assisted	HOME Funding	HOME Match Funding
Rental Production	681	\$6,200,250	\$716,250
Home Buyer Activities	408	\$9,063,000	\$2,488,890
Rental Assistance	236	\$0.00	\$905,066
Housing Preservation	168	\$5,735,836	\$0.00
Supportive Housing	11	\$411,682	\$0.00

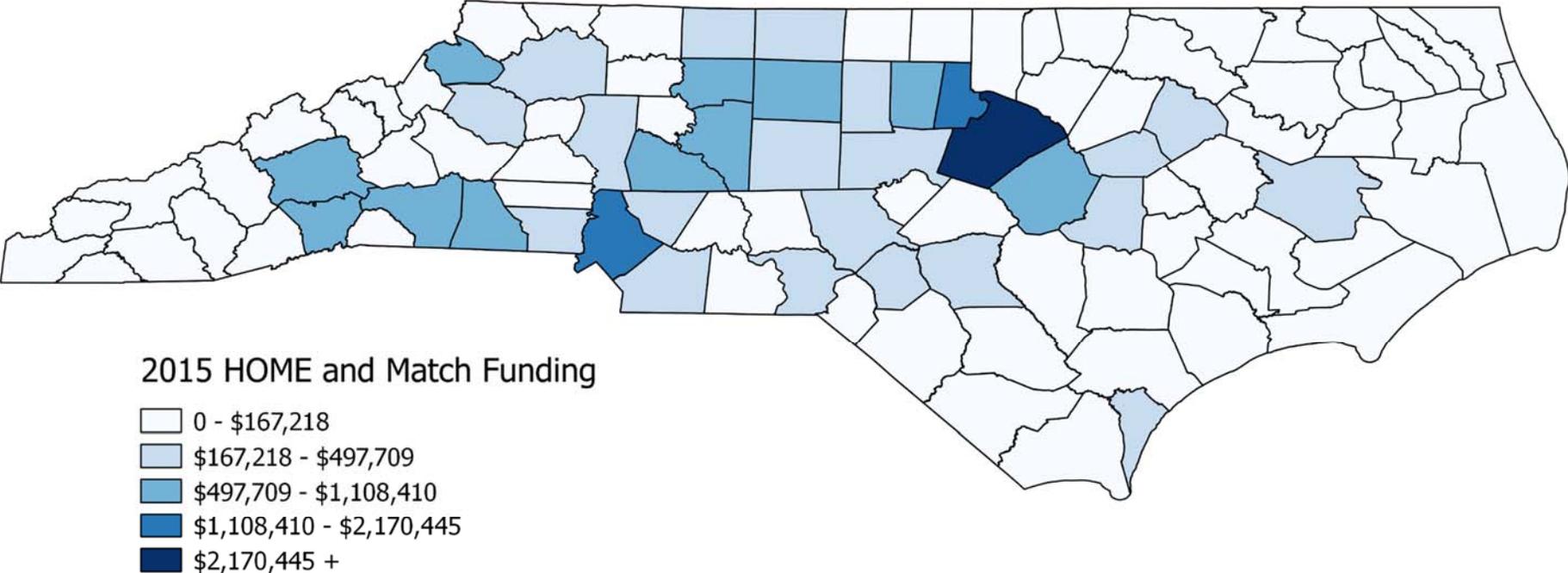


**Table 5: 2015 HOME Funding by Agency Program**

Program	Households Assisted	HOME Funding	HOME Match Funding
Community Partners Loan Pool	145	\$0.00	\$2,488,890
Key and Targeting Program	236	\$0.00	\$905,066
Rental Production Program	681	\$6,200,250	\$716,250
Single-Family Rehab Loan Pool	168	\$5,735,836	\$0.00
Self-Help Loan Pool	263	\$9,063,000	\$0.00
Supportive Housing	11	\$411,682	\$0.00



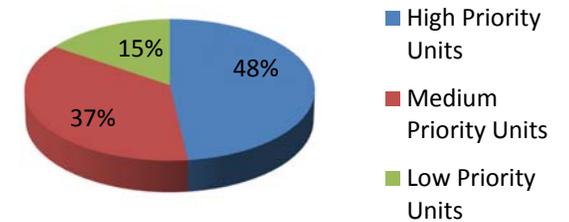
**Table 6: 2015 HOME Funding by County**



**Table 7: 2015 HOME Funding by Priority / Income Distribution**

HOME Funding by Priority (2011-2015 Consolidated Plan)				2015 Annual Action Plan Goals	
	Households Assisted	HOME Funding	HOME Match Funding	2015 Anticipated Units	2015 Anticipated Total Funding
<b>High Priority</b>					
Persons with Special Needs	841	\$10,413,256	\$1,121,496	166	\$4,367,000
Households between 0-30% AMI	29	\$1,200,846	\$79,350	119	\$1,630,000
<b>Medium Priority</b>					
Households between 31-60% AMI	480	\$8,015,369	\$1,288,169	156	\$2,551,000
<b>Lower Priority</b>					
Households between 61-80% AMI	154	\$2,308,000	\$1,621,191	14	\$379,000
<b>TOTAL</b>	<b>1504</b>	<b>\$21,410,768</b>	<b>\$4,110,206</b>	<b>455</b>	<b>\$8,927,000</b>

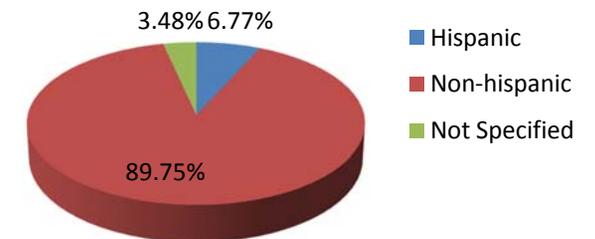
**Total HOME Funding by  
Con Plan Priority**



**Table 8: 2015 HOME Funding by Ethnicity**

Ethnicity	Households Assisted *
Hispanic	39
Non-Hispanic	517
Not Specified	20

**Ethnicity**

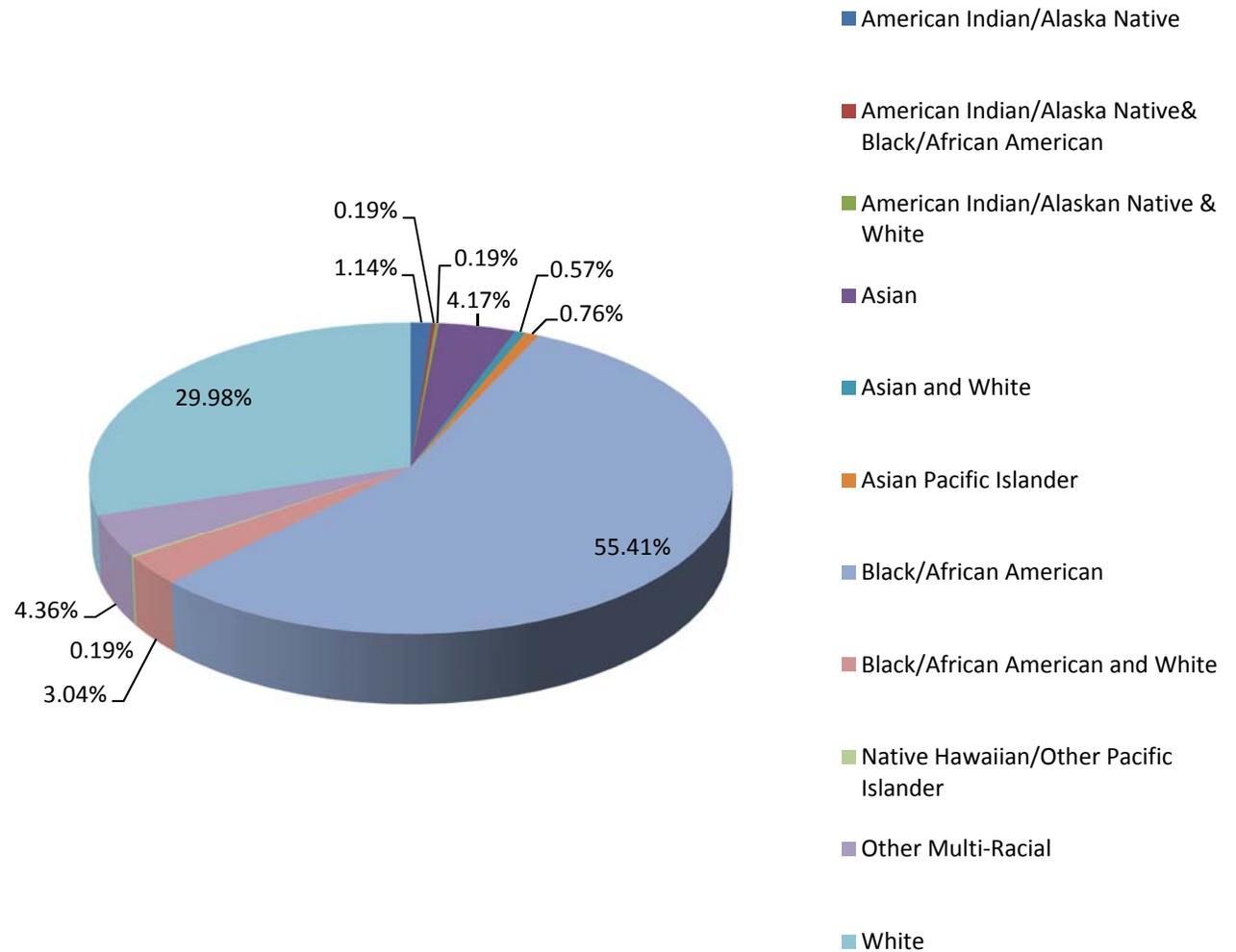


\* Totals include primarily single-family home ownership and rehab activities.

**Table 9: 2015 HOME Funding by Race**

Race	Households Assisted *
Unknown	49
American Indian/Alaska Native	6
American Indian/Alaska Native and Black/African American	1
American Indian/Alaskan Native & White	1
Asian	22
Asian and White	3
Asian/Pacific Islander	4
Black/African American	292
Black/African American and White	16
Native Hawaiian/Other Pacific Islander	1
Other Multi-Racial	23
White	159

**2015 HOME Funding by Race**



\* Totals include primarily single-family home ownership and rehab activities.

## **Supporting Activities – Actions Taken**

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### ***Affirmative Marketing Actions***

The Agency's procedures are consistent with the requirements of affirmative marketing under 24 CFR part 92.351 (a) and (b). For relevant programs, the Agency requires affirmative marketing plans and monitors their implementation. It also monitors policies for selecting beneficiaries, accepting Section 8 certificate and voucher holders, and maintaining waiting lists. The Agency encourages selection of sites close to services and community support networks, and outside of areas with high minority concentration, high poverty, and high low-income concentration.

### ***Outreach to Minority-Owned and Women-Owned Businesses***

In the State of North Carolina, the Department of Administration is charged with implementing outreach programs to minority- and women-owned businesses. The Department's staff maintains current listings of minority- and women-owned businesses, services, and suppliers, and provides comprehensive and continuing assistance and support to them. The office also acts to provide assistance in case of discrimination.

### ***Section 3 Efforts***

The owner of each rental property with a HOME award greater than \$200,000 is required to participate in Section 3 compliance from project award to closing. The Section 3 Summary Report is given to the rental owner with the final commitment letter along with directions on how to complete the form. Prior to the start of construction, the rental owner must submit a Section 3 Plan to a contact person at NCHFA and at the end of each calendar year, a progress report is reviewed during rental construction. After the project is completed, the owner is required to submit a completed Section 3 Summary Report form to NCHFA.

### ***On-Site Inspections of HOME-Assisted Rental Housing***

Section 92.504d of the HOME rule outlines requirements for inspecting HOME-assisted rental housing units. As part of its annual report on the HOME Program, the North Carolina Housing Finance Agency is including the information below, which demonstrates: the Agency's efforts to fulfill this regulation during the 2015 program year regarding the number, location and review date of units inspected; components of a typical (physical and record-keeping) inspection; means of addressing units not meeting Housing Quality Standards (HQS) and/or Agency guidelines; and verification of rents. Should the information in this section not meet the level of detail necessary, any additional information can be reviewed during U.S. Department of Housing and Urban Development's onsite audit and review process at the offices of the North Carolina Housing Finance Agency, 3508 Bush Street, Raleigh, NC 27609.

#### ***1. Inspection: Physical review of property and audit of records***

A typical inspection consists of an annual, onsite visit of all of our HOME rental properties except for projects with fewer than 26 units. Compliance with all loan agreement requirements, as well as HOME program and housing tax credit program requirements, if applicable, are reviewed.

2. Compliance – Chart to be inserted at a later date

During the 2015 monitoring cycle, the Agency’s HOME rental portfolio consisted of 271 completed properties. All 271 properties were monitored in 2015 and were found to be in compliance as of the end of 2015, with the following exceptions:

Name	Location	Total Units	Issues	Action Plan/Status
Autumn Chase Apts	New Bern	34	Unit #906 - Management failed to provide the income verification for the pension of \$5,400 at initial move-in. Income was disclosed by the household and included on the Income Certification; however, it was not third-party verified.	NCHFA is working with management to obtain the missing verification. Action plan accepted.
Carmel Ridge	Henderson	22	Unit #120 - An area of flooring in the kitchen just past the doorway from dining room is spongy and soft.	Corrected 1/14/2016
Catawba Senior Housing	Charlotte	62	Unit #322 - Emergency window egress is blocked in bedroom by a bookcase.	Corrected 1/22/16
East Side Homes	Asheboro	18	Common areas: Smoke detector missing in community room; lighting in stairwell not working; loose handrails at entrance; broken window in office; fire extinguisher in hall not charged; auxiliary lighting does not work. Units vacant over 30 days are not rent ready. Problems with smoke detectors and GFI outlets in two occupied units.	Small non-profit owner has had some personnel changes over the past year. File compliance has improved. They are now focused on correcting the physical problems. Action plan accepted.
Everitt Square Apts.	Greensboro	16	Roofs need to be replaced. Major state of disrepair. Units vacant more than 30 days and not rent-ready. Laundry room does not contain front load washer as required by federal and state accessibility guidelines. Playground is not on an accessible route.	New owner is in the process of rehab. The property will re-open in the Spring of 2016 serving homeless and formerly homeless families. Action plan accepted.

Hope Crest	Raleigh	10	Unit #101 - The damaged kitchen vinyl causes a trip hazard.	Corrected 2/17/2016
Hycienda Heights	Engelhard	24	Three units were taken off-line at the time of our inspection in May 2015 because they need extensive repair in order to be considered rent-ready. Two of the three units were repaired and back online in July 2015.	A request to withdraw funds from the replacement reserve account is being prepared in order to complete the necessary repairs to the remaining unit. The owner has not been successful in attempts to secure a rehab loan. Action plan accepted.
Weston Trace Apts	Garner	48	Unit #268-204 - Two bedroom windows blocked by furniture.  Parking lot has trip hazards, along with cracking and other damage.	Blocked egress corrected 2/24/2016.  Parking lot remains uncorrected. Bids being collected by management for corrections & seal coating. Action plan accepted.
Woodland Olney School Apts	Woodland	30	There are deteriorated seals--with evidence of leaks or damage to the window or surrounding structure at all windows in 5 inspected apartments.	Owner is seeking a loan to replace the affected windows and perform other improvements. Action plan accepted.

### ***HOME Match and Program Income***

Annually, the North Carolina General Assembly appropriates funds for HOME Match. During the 2015 Program Year, the General Assembly appropriated \$1,458,739 to be used as a partial HOME match. The Agency used state-appropriated HOME match funds to provide rent assistance to very low-income persons with special needs, funding for rental development, and funding to provide second mortgages to home buyers.

In 2015, \$9,773,756 in HOME Program Income (PI) was disbursed. Of these funds, \$6.1 million was spent on homeownership-based loan pool programs and \$3.6 million was spent on homeowner rehab activities. HOME PI was also used for administrative costs.

### ***Fair Housing***

The Agency sponsors Fair Housing training activities of the North Carolina Justice Center Fair Housing Project. In 2015, eight Fair Housing training sessions were scheduled for the first half of 2016 across the state, with plans to offer additional sessions. The sessions offer Fair Housing education and training to both service providers and to property managers. The Agency also ensures that Fair Housing training is offered at the annual North Carolina Affordable Housing Conference. Additionally, Fair Housing is a topic

covered in many of the periodic trainings offered throughout the year on rental program compliance. A property manager roundtable was held to specifically review and educate property managers on fair housing for people with disabilities, reasonable accommodation requests, and screening applicants with criminal backgrounds. Also in 2015, the Agency collaborated with the NC Fair Housing Project to develop a model policy for properties on screening applicants with criminal records. The Agency also participated in the development of Fair Housing for Tenants with Disabilities: Understanding Reasonable Accommodations and Reasonable Modifications, a publication available on our web site. Most recently, in 2015, the Agency collaborated in the development of Reasonable Accommodation – A Quick Guide for Property Managers. This is a resource and training handout also available on our website: <http://www.nchfa.com/rental/Mreasonableaccommod.aspx>

### ***Efforts to Address Homelessness***

The State addresses the needs of people who are homeless and people with special needs through administration and funding of numerous programs. The State addresses emergency shelter, transitional, and permanent housing needs of individuals and families experiencing homelessness with the Emergency Shelter Grants Program (ESG), the Supportive Housing Development Program (SHDP) and the Key Program. ESG also addresses chronic homelessness. The State addresses the needs of those who are not homeless through SHDP, Key Program, and Housing Opportunity for Persons with AIDS Programs (HOPWA). SHDP helps partners develop permanent and transitional housing for persons with disabilities, Key provides rental subsidies to persons with disabilities, and HOPWA provides tenant-based rental assistance, short-term mortgage assistance and utility assistance, housing information, supportive services and resource identification to persons with HIV/AIDS.

### ***Limited English Proficiency - NCHFA Compliance with Title VI***

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 require that recipients of federal funds take responsible steps to ensure meaningful access by persons with limited English proficiency (LEP persons). The North Carolina Housing Finance Agency is a recipient of federal funds for a portion of its programs and thus obligated to reduce language barriers that can preclude meaningful access by LEP persons to the Agency's programs.

The Agency's four-factor analysis revealed a significant Spanish-speaking population. In response to this, the Agency has had a Spanish version of its website available since 2007 and has vital documents available in Spanish as well as program brochures and materials. In addition, it has staff members who are bilingual in English and Spanish and can translate if needed. Furthermore, upon request, the Agency will provide oral interpretation and/or written translation in other languages. Because virtually all assistance is provided by NCHFA's partners, all applicants/sub-grantees will be required to comply with Title VI and its accompanying regulations. All organizations receiving federal funds provide their Language Access Plans to the Agency. The Agency reviews each plan and assists agencies in finding appropriate translation resources to disseminate translated HUD notices, brochures, and other documents.

NCHFA has implemented its Agency Language Assistance Plan (LAP) and shall make revisions to policies and procedures as may be periodically required. The Agency's LAP is posted on its website at <http://www.nchfa.com/forms/Forms/LAPPlan.pdf>.

## **Other Actions Indicated in the Strategic Plan**

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As part of the 2011-2015 Consolidated Plan, each of the four state agencies committed to undertake action in six categories to further the housing goals for North Carolina. These focus areas are:

- Anti-Poverty Strategies
- Capacity Building and Technical Assistance
- Coordination and Collaboration
- Housing Delivery Systems
- Legislative and Public Policy Initiatives
- Lead-Based Paint Hazard Reduction

The following is a report on the N.C. Housing Finance Agency's progress in each of these areas in 2015.

### ***Support of Anti-Poverty Strategies***

- The Agency will continue to finance supportive rental housing through the federal Low-Income Housing Tax Credit Program, the Rental Production Program and the Targeting and Key Program. In 2015, the Agency financed the production of 421 units of affordable housing targeted to persons with disabilities. Through a combination of state and federal resources, these units are able to receive operating subsidies, making them affordable to persons on Supplemental Security Income (SSI). The Agency has partnered with the N.C. Department of Health and Human Services, which refers clients to these units, in order to ensure that these units remain fully utilized.
- The Agency will continue funding transitional and permanent housing for the homeless and non-homeless persons with special needs through the Supportive Housing Development Program using mostly state funding. Through its regular Supportive Housing Development Program, the Agency awarded \$3.2 million dollars in 2015 to fund 86 units of supportive housing for people with special needs and people who are homeless.

### ***Capacity-Building and Technical Assistance Activities***

- The Agency's Home Ownership Business Group will continue working with the Real Estate Commission and other partners to provide classes for real estate professionals and other lenders and mortgage professionals. The Agency continued to offer its courses in 2015.
- The Agency will continue to provide ten monthly lender training sessions and twelve monthly webinars throughout the state to educate mortgage professionals about the Agency's below-market-rate loans, with and without down payment assistance. These training sessions and webinars were provided in 2015.

- The Agency's Rental Investment Business Group has statewide responsibility for Contract Administration of the U.S. Department of Housing and Urban Development's Section 8 Project-based Rental Assistance Program, which supports tenants in over 24,000 housing units in North Carolina. The Agency has partnered with Quadel Consulting Corporation to manage the contract administration duties. Rental development owners will receive ongoing technical assistance on the U.S. Department of Housing and Urban Development Section 8 regulations. The Agency continued to partner with Quadel, which in 2015 administered more than \$148.9 million in Section 8 project-based assistance statewide.
- The Agency's Strategic Investment Business Group will continue to collaborate with the Advanced Energy Corporation (AEC) to train contractors and developers (both nonprofit and for-profit) in techniques of building high performance houses. In partnership with Advanced Energy, The Agency encourages the development of energy-efficient SystemVision homes. In 2015, the Agency continued to work with AEC to conduct trainings and to partner with Advanced Energy to encourage the development of SystemVision homes, providing financial incentives for housing sponsors using Agency financing to incorporate SystemVision Technology in their work.

### ***Interagency Coordination and Collaboration***

- The Agency partnered with the U.S. Treasury Department, N.C. Division of Employment Services and local housing counseling agencies in the N.C. Foreclosure Prevention Fund, with funding from the US Treasury's Hardest Hit Fund. In 2015, the Agency worked with these partners to provide loans to help 2,865 homeowners avoid foreclosure. Cumulatively over 21,000 households in North Carolina have been helped by this program.
- The Agency has partnered with the Advanced Energy Corporation (AEC) of Raleigh, North Carolina for over 10 years and will continue this partnership, to train and assist local partners under home ownership programs. AEC's services will include providing low-income homebuyers with guarantees that their heating and cooling costs will not exceed a very low, set level (as low as \$18/month). This broadens the window of affordability and enhances marketing effectiveness. The Agency continued to partner with AEC to train and assist local partners. Additionally, the Agency and AEC had quarterly meetings to share ideas.
- The Agency continued its collaboration with Habitat for Humanity, in its operation of the Self-Help Loan Pool (SHLP). In the SHLP collaboration, the Agency and Habitat for Humanity jointly provide a primary mortgage to low-income homebuyers of Habitat for Humanity homes. In 2015, approximately \$8 million in awards were made to assist 229 households in the Self Help Loan Pool. Additionally, during 2015, information meetings and trainings were held with various Habitat affiliates and the Habitat for Humanity International regional office in North Carolina.
- The Agency continued its partnership with the North Carolina Home Builders Association (NCHBA), providing funding (along with local governments) to enable the NCHBA to offer construction training for a small number of underemployed residents.

- The Agency continued to fund the Displacement Prevention Partnership, which allows the Independent Living Program to assist households facing displacement due to mobility limitations. In 2015, 311 households were assisted by the Displacement Prevention Program.
- The Agency works in close partnership with the N.C. Department of Health and Human Services (DHHS) to administer the Key Program, providing operating subsidies so that persons with disabilities on Supplemental Security Income can have access to affordable housing.

### ***Addressing Weaknesses in the Housing Delivery System***

- The Agency offers a variety of mortgage loan products (FHA, USDA, and VA) and has 60-day rate locks.
- The Agency continued to strongly support various statewide housing trade associations such as the N.C. Community Development Association, the N.C. Community Action Association, the Professional Housing Rehabilitation Association of N.C., the N.C. Association of CDCs, the N.C. IDA Collaborative, the Association of Housing Counselors. The Agency also serves on the North Carolina Governor’s Council on Homelessness. We will continue a balanced policy of serving on association boards and committees, serving as presenters at training conferences and providing gap financing for training efforts of mutual benefit, in an effort to assist those associations in their efforts to address weaknesses in the housing delivery system.
- The Agency continues to make changes to the delivery of single-family rehabilitation assistance to rural areas. The SFR program, starting in 2010, is on a three-year rotation, serving 33 counties every year. It is also now functioning as a pool program, similar to our homeownership loan pools, so that high performing partners will be able to access more SFR funds when needed. In 2015, the Agency’s SFR program provided \$6.1 million dollars in financing to assist in the rehabilitation of 119 homes.

### ***Legislative Initiatives***

- The Agency plans to work to continue appropriations to the Housing Trust Fund and federal HOME Program match. In 2015, the General Assembly appropriated \$6,783,215 to the N.C. Housing Trust Fund and \$1,458,739 as partial matching funds for the federal HOME Program. Cumulatively, HTF funding has helped build 30,470 affordable homes and apartments.

### ***Efforts to Reduce Lead-Based Paint Hazards***

- All HOME-funded programs will continue to be in compliance with U.S. Department of Housing and Urban Development lead regulations (25 CFR Part 35).
- The Agency will continue to participate in a quarterly, ad hoc lead hazards advisory group made up of concerned individuals from the public health, environmental protection, affordable housing, and occupational safety sectors.

- Using the N.C. Housing Trust Fund, eligible households may receive lead hazard reduction under the Urgent Repair Program if they have children under the age of six with an elevated blood lead level.
- A redesign of the Single-Family Rehabilitation Loan Pool (SFRLP) allows Pool Members to serve Households with a child under the age of six whose health is threatened by the presence of lead hazards with HOME funds. This change in the SFRLP allows the Agency to efficiently serve homeowners referred by the Department of Environment and Natural Resources and local County Health Departments through existing qualified partners. Funds are provided as loans to the homeowners to pay for cleanup and stabilization activities as prescribed by DENR's regional lead specialists and raise the home to the SFR Rehabilitation Standards of energy efficiency.