



## S J Adams Consulting

June 19, 2021

North Carolina Housing Finance Agency  
3508 Bush Street  
Raleigh, NC 27609-7509

COMMENT: Housing Assistance Fund Proposed Plan Dated 6/15/2021

I am concerned that the communities with the greatest need as identified by your needs assessment will be at a severe disadvantage based upon your proposed plan.

I agree with your assessment that there is demonstrable need for targeted outreach to the identified 41 counties and 204 Census tracts, but your own data does not support the effectiveness of the proposed outreach plan to meet the needs of those in the counties with the greatest need. I contend that the majority of the funds will go to assist borrowers in the 9 urban counties where there is better infrastructure and services than exist in 41 rural counties identified.

Your needs assessment identified seven counties where half of all homeowners are non-white, these included Robeson, Hertford, Bertie, Northampton, Halifax, Warren and Hoke. With the exception of Northampton county all of these counties were also listed in the top 25 most distressed counties. Higher than average homeownership rates by non-white homeowners tends to suggest that land and homeownership has passed from one generation to the next, It would be tragic if this program failed to reach these homeowners and communities and contributed to the further loss of Black and other non-white wealth.

By your own assessment more than 40% of residents in Bertie, Halifax, Northampton, Robeson and Warren counties lack internet access and will therefore have a difficult time accessing the application portal, an alternative method for accessing the program must be considered.

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The HOPE program and other programs that have relied upon digital portals have been ineffective in reaching rural communities because of the lack of infrastructure in those areas. COVID-19 has strained traditional outreach approaches that may have been successful in the past. There must be deliberate efforts to ensure that all NCHFA programs work in coordination to achieve the program outcomes desired.

I propose the following changes for your consideration:

1. Not less than 60% will be used for qualified expenses that assist homeowners having incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater.

**RECOMMENDATION: No more than 35% of said funds would be used in the 204 designated census tracts and that those funds would be proportionally allocated per county and no less than 35% would go to the 41 rural counties. (for a total of 70% of program funds).**

2. Any amount not made available to homeowners that meet the above income-targeting requirement will be prioritized for assistance to socially disadvantaged individuals. "Socially disadvantaged individuals" are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. There is a rebuttable presumption that the following individuals are socially disadvantaged if they self-identify as such: Black Americans, Hispanic Americans, Native Americans, and Asian Americans and Pacific Islanders.

**RECOMMENDATION: No less than an additional 15% of the funds will be made available to the 42 counties where the homeownership rate of non-whites exceeds the state average. Further, that targeted outreach funds would be made available to local trusted advisors within those communities to assist eligible borrowers apply to the program, that local AM stations and other localized targeted forms of communications be employed to inform eligible borrowers about the program.**

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3. The Agency will prioritize assistance to homeowners who have Federal Housing Administration (FHA), Department of Veterans Affairs (VA), or U.S. Department of Agriculture (USDA) mortgages and homeowners who have mortgages made with the proceeds of mortgage revenue bonds or other mortgage programs that target low- and moderate-income borrowers (such as Habitat for Humanity borrowers or those with an Agency NC Home Advantage loan).

**COMMENT: USDA 502 and 504 direct loan borrowers have access to a separate program under the ARP. [Fact Sheet - Single Family Housing American Rescue Plan 2021 \(usda.gov\)](https://www.usda.gov/fact-sheet-single-family-housing-american-rescue-plan-2021). NCHFA should coordinate with the State Rural Housing Agency to ensure that all eligible borrowers are aware of the various programs that are available to assist them.**

**RECOMMENDATION: NCHFA should include enough data to determine if eligible borrowers are being provided equal access to the program and should provide fair housing information to all eligible borrowers and program participants.**

I want thank the NCHFA for the opportunity to comment on this proposed plan.

Sincerely,

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