



 Nothing Compares

North Carolina 2018 Annual Action Plan

DEVELOPED BY:

NORTH CAROLINA DEPARTMENT OF COMMERCE

NORTH CAROLINA HOUSING FINANCE AGENCY

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF AGING AND
ADULT SERVICES

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, AIDS CARE PROGRAM

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

For the Program Year, the State of North Carolina estimates it will receive federal resources from the U.S. Department of Housing and Urban Development (HUD) equal to the funding amount for 2017, or approximately \$67 million. The four programs covered by this Action Plan are as follows (in alphabetical order): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the national Housing Trust Fund (HTF). Funds for these programs have been significantly reduced over the past several years, and as resources have decreased, needs have been prioritized and investments have been targeted to achieve the greatest impact on the goals and objectives identified in the State's Consolidated Plan.

2. Summarize the objectives and outcomes identified in the Plan

The State realizes it cannot meet all housing need, but it can strategically invest its limited resources to alleviate important housing problems for North Carolina's households.

The State has three (3) basic goals:

- To provide decent and affordable housing;
- To provide a suitable living environment; and
- To expand economic opportunity.

The primary means through which these goals are achieved is the provision of affordable housing and utility infrastructure improvements. Each agency operates programs that help to fulfill these goals, while meeting housing and service-related needs statewide. This document, the 2018 Consolidated Annual Action Plan of the State of North Carolina, serves as the annual application to the U.S. Department of Housing and Urban Development (HUD) for funding for the following housing-related projects:

- \$43.4 million in Community Development Block Grant (CDBG) funds, to be administered by the Department of Commerce, Division of Community Assistance (DCA);
- \$12.4 million in HOME Investment Partnership Program (HOME) funds, and additional HOME match dollars, to be administered by the North Carolina Housing Finance Agency;
- \$4.4 million in national Housing Trust Fund (HTF), to be administered by the North Carolina Housing Finance Agency.

- \$4.9 million in Emergency Solutions Grant (ESG) funds, to be administered by the Department of Health and Human Services, Division of Aging and Adult Services; and
- \$2.5 million in Housing Opportunities for Persons with AIDS (HOPWA) funds, to be administered by the Department of Health and Human Services, AIDS Care Program.

For information regarding specific programs, please visit the organization websites:

- Department of Commerce, Division of Community Assistance – <http://www.nccommerce.com/rd/state-cdbg/consolidated-plan>
- North Carolina Housing Finance Agency – www.nchfa.com
- AIDS Care Program – <http://epi.publichealth.nc.gov/cd/hiv/program.html>
- Division of Aging and Adult Services - www.ncdhhs.gov/aging

3. Evaluation of past performance

The state of North Carolina evaluates its performance annually on meeting the goals of the strategic plan and the action plan. The North Carolina Consolidated Annual Performance & Evaluation Report (CAPER) is submitted to HUD on March 31 of each year, 90 days after the close of the Consolidated Plan program year. The most recent past performance and evaluation reports can be downloaded from the DCA website at <http://www.nccommerce.com/rd/state-cdbg/consolidated-plan>.

Of the total funding for housing activities to be undertaken in 2018, funds from ESG, HOME, and HOPWA will address high priority needs and funds from HTF, HOME, and CDBG will address medium priority needs. The anticipated distribution of funding by agency and by priority need category is determined annually based on the five year goals stated in the Consolidated Plan.

4. Summary of Citizen Participation Process and consultation process

The State of North Carolina has developed a North Carolina Consolidated Plan Citizen Participation Plan. This plan is a guidance document to ensure and encourage public participation throughout the Consolidated Planning process. It sets forth the State’s policies and procedures for citizen participation. The plan can be downloaded from the Commerce website at www.nccommerce.com/rd/state-cdbg.

The State of North Carolina encourages citizens to participate in the planning, implementation, and assessment of the Consolidated Plan for HUD Community Planning and Development programs. This plan describes how this participation is encouraged.

5. Summary of public comments

The Annual Action Plan is under development and comments will be included with the final draft.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments will be accepted upon receipt.

7. Summary

The State will develop an action plan annually for the use of its funds, and submit this plan with certifications. The State will receive comments from citizens and units of general local government on the proposed action plan for a period of not less than 30 days from the date when the draft is available to the public. The comment period will be publicized in the notices published in the newspaper and mailed to interested parties. Any comments received in writing or orally at the public hearings will be considered in preparing the final submission. The final action plan will include a summary of these comments or views and the reasons for not accepting any comments received. Public comment for this plan began on October 11, 2017 and ends on November 11, 2017.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	NORTH CAROLINA	NC Department of Commerce
HOPWA Administrator		NC Department of Health and Human Services
HOME & HTF Administrator	NORTH CAROLINA	NC Housing Finance Agency
ESG Administrator		NC Department of Health and Human Services

Table 1 – Responsible Agencies

Narrative (optional)

Housing Opportunities for Persons with AIDS (HOPWA). The North Carolina AIDS Care Program (ACP) funds 10 Regional Networks of Prevention and Care across the State as part of an HIV Patient Management Prevention and Care Model. Each Network of Prevention and Care includes the provision of: core medical and support services including outpatient/ambulatory care, mental health, substance abuse, case management and transportation services; prevention services including testing and counseling services; HOPWA services including Tenant Based Rental Assistance (TBRA), Short-Term Rent, Mortgage and Utility Assistance (STRMU), Permanent Housing Placement (PHP), Supportive Services (SS), Housing Information (HI) and Resource Identification (RI) for individuals living with HIV/AIDS. Currently, the ACP funds 10 HOPWA Project Sponsors within the 10 Regional Networks of Care across the State. All funded and non-funded agencies that make up the Regional Networks of Care, at a minimum, participate in a minimum of quarterly Regional Network Meetings to address the needs of persons living with HIV/AIDS in their respective Networks of Prevention and Care. The Communicable Disease Branch has integrated the Ryan White Part B and HOPWA programs with the Prevention and Community Planning program. This includes holding joint Ryan White, HOPWA and Prevention Providers meetings and HIV Prevention and Care Advisory Committee (HPCAC) meetings.

Consolidated Plan Public Contact Information

Consolidated Planning Coordinator
North Carolina Department of Commerce
4346 Mail Service Center
Raleigh, NC 27699-4313

Tel. (919) 814-4663
TDD 1-800-735-2962
Fax (919) 715-0567

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The State of North Carolina has developed a North Carolina Consolidated Plan Consultation Plan. This plan is a guidance document describing our State process for consulting with other public and private agencies that provide assisted housing, health services, and social and fair housing services. Input from these consultations is incorporated into our consolidated planning process. Each agency will continue to reach out to its constituency to solicit feedback for their individual programs.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

Each year, The North Carolina Housing Finance Agency (NCHFA), NC Commerce, and NC Department of Health and Human Services (DHHS) work collaboratively with statewide non-profits representing low- to moderate-income households during the development of the State's Annual Action Plan.

The HOPWA program ensures the maintenance of and collaborative planning for housing in NC through the Regional Networks of Care which include funded and non-funded providers of health, prevention, housing, mental health and substance abuse services. We are on the team of the NC Consolidated Plan Partners comprised of the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions Grant (ESG) and the Housing Opportunities for Persons with AIDS (HOPWA) program. We meet regularly to discuss housing needs both met and unmet and how to ensure full access to affordable, decent and safe housing in areas of increased opportunity. This includes ensuring increased citizen participation, fair housing, Language Access Plan for those we serve with limited English proficiency and Affirmatively Furthering Fair Housing. The HOPWA program funds 10 HOPWA Project Sponsors that include local health departments, non-profit organizations, and faith-based organizations. The HOPWA program works closely with the NC HIV Prevention and Care Advisory Committee to ensure that all federally required reports (e.g., NC HOPWA CAPER, Annual Action Plans and Consolidated Plans) are disseminated and reviewed for comment and feedback by the committee members, community stakeholders and people living with HIV (PLWH).

NCHFA develops a HTF Allocation Plan each year pursuant to HUD regulations. The plan is sent to NCHFA community program partners to include non-profit and governmental agencies providing direct service to low- to moderate-income North Carolinians statewide.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

HOPWA. HOPWA alone does not meet all of the housing needs for people living with HIV (PLWH). PLWH that are temporarily housed or that have unstable living arrangements have the worst health outcomes. The HOPWA program participates in the CoC monthly calls, provides input and discusses collaborative opportunities. As part of the Consolidated Plan Partners, the HOPWA program works closely with ESG on addressing the needs of homeless/chronically homeless individuals and homeless/chronically homeless individuals living with HIV.

ESG. NC ESG is a member of the Governor’s Inter-Agency Council on Homelessness. The agency also works in collaboration of other state and private non-profit organizations including the North Carolina Coalition to End Homelessness, the North Carolina Housing Coalition, Continuum of Care Organizations, the HMIS Governance Committee, providers and municipalities throughout the state.

HOME. NCHFA is a member of the Governor’s Inter-Agency Council on Homelessness and the Balance of State CoC’s Coordinated Assessment Committee. NCHFA works in collaboration with the North Carolina Coalition to End Homelessness, the North Carolina Housing Coalition, Continuum of Care organizations, North Carolina Fair Housing Project, and providers and municipalities across the state.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

ESG. NC ESG is in continuous contact with the CoCs and works with these organizations throughout the year as a partner providing technical assistance and monitoring. CoCs play an important role in assuring that allocations are fairly distributed according to need and organizational capacity. CoCs assist NC ESG in helping to develop policy and procedure for the operation and administration of HMIS.

2. Agencies, groups, organizations and others who participated in the process and consultations

North Carolina Coalition to End Homelessness and the North Carolina Housing Coalition

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

The Annual Action Plan draft and notice of public hearing is sent to program providers statewide in addition to statewide and local non-profits serving low- to moderate-income households and people experiencing homelessness.

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The State of North Carolina has developed a North Carolina Consolidated Plan Citizen Participation Plan. This plan is a guidance document to ensure and encourage public participation throughout the Consolidated Planning process. It sets forth the State's policies and procedures for citizen participation. The plan can be downloaded from the Commerce website at www.nccommerce.com/rd/state-cdbg.

The State of North Carolina encourages citizens to participate in the planning, implementation, and assessment of the Consolidated Plan for HUD Community Planning and Development programs. This plan describes how this participation is encouraged.

Citizens may make comments or request information regarding the Consolidated Plan by telephone, mail, or facsimile transmission to the Consolidated Planning Coordinator, North Carolina Department of Commerce, 4346 Mail Service Center, Raleigh, North Carolina 27699-4313; Tel. (919) 814-4663; TDD 1-800-735-2962; Fax (919) 715-0567. The State will respond in the Consolidated Plan or performance report, as appropriate, to written comments received.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Other: Units of local government				

Table 2 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	43,391,000	0	0	43,391,000	130,173,000	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	12,430,457	8,000,000	0	20,430,457	40,860,914	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	HUD HOPWA	1. Tenant-Based Rental Assistance (TBRA) 2. Operating Costs (OC) for Licensed Care Facilities 3. Short-Term Rent, Mortgage and Utility Assistance (STRMU) 4. Permanent Housing Placement (PHP) 5. Supportive Services (SS) 6. Housing Information (HI) 7. Resource Identification (RI) 8. Administration	2,504,422	0	2,197,886	4,702,308	8,502,114	
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,946,338	0	5,033,564	9,979,902	29,134,256	
Housing Trust Fund	public - federal	Multifamily rental new construction	4,433,361	0	0	4,433,361	8,800,000	

Table 3 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME funds that help finance loans for NCHFA's RPP program are used in conjunction with Low Income Housing Tax Credits, state-appropriated Workforce Housing Loan Program funds, and other private and local funding. In NCHFA's CPLP program, HOME funds finance second mortgages that are combined with NCHFA's NC Home Advantage Mortgage program or a USDA Section 502 Loan. HOME funded SHLP loans are used to compliment funds from Habitat for Humanity or other sources.

The **HOPWA** program consistently emphasizes the importance of leveraging HOPWA funding with other resources. Our HOPWA Project Sponsors leverage HOPWA funding with other sources like Ryan White, Shelter Plus Care, City Government, grants, private funding, and resident rent payments to landlords. Increased leveraging of HOPWA funding with other sources is one of our primary goals in hopes of reducing staff costs and operating expenses.

CDBG funds will be used to spur economic development for job creation and retention. The economic development component of the CDBG Program is administered by the Rural Economic Development Division within the North Carolina Department of Commerce. CDBG Infrastructure funds administered by the North Carolina Department of Environmental Quality will used to help with environmental issues due to aging sewer systems and contaminated drinking water, and improve the quality of life for many citizens across the state because of improved systems.

The **ESG** Program leverages these funds in concert with the NC Key Program (funded in part with HOME Match) through the provision of grants and loans to develop and operate shelters, supportive and permanent housing. ESG funding is also leveraged to combat chronic homelessness through the provision of preventive programs and activities by the Supportive Housing Development Program (SHDP) and Housing Opportunities for Persons with AIDS Program (HOPWA). SHDP helps partners develop permanent housing for persons with disabilities; Key provides operating subsidies for housing for persons with disabilities; and HOPWA provides tenant based rental assistance, short-term mortgage and utility assistance, housing information, supportive services and resource identification to persons with HIV/AIDS. ESG funding is a dollar for dollar match. Local non-profits and units of government use cash, non-cash (in-kind), donated value of a building/materials and or volunteer hours to match ESG funding.

The State will distribute its **HTF** funds to eligible applicants through NCHFA's Rental Production Program (RPP), which provides long-term financing for Low Income Housing Tax Credit projects. NCHFA uses the application process and eligibility requirements described in North

Carolina's Qualified Allocation Plan (QAP) in awarding HTF funds. All tax credit projects require leveraging of sources, public and private, to fully fund the cost of each housing development. Each year 10% of all the rental apartments that are developed using the federal Low Income Housing Tax Credit (LIHTC) are reserved (targeted) to allow people with disabilities to apply to live in them. Properties may opt to increase their participation up to 20%. The State's QAP encourages leveraging state funding sources such as the Workforce Housing Loan Program and the NC Housing Trust fund.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

HOME: N/A

HOPWA: The NC HOPWA Project Sponsors may use Resource Identification and/or other sources to identify landlords, facility-based housing and public housing organizations to establish relationships in order to gain buy in to participating in the HOPWA Tenant-Based Rental Program to expand affordable housing options for persons with HIV/AIDS.

CDBG: N/A

ESG: N/A

HTF: N/A

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	NCHFA Single Family Rehab Units	2016	2020	Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs	CDBG: \$0 HOPWA: \$0 HOME: \$4,453,739 ESG: \$0	Homeowner Housing Rehabilitated: 84 Household Housing Units
2	NCHFA Multifamily Units	2016	2020	Affordable Housing	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI	CDBG: \$0 HOPWA: \$0 HOME: \$8,416,578 ESG: \$0 Housing Trust Fund: \$3,990,025	Rental units constructed: 436 Household Housing Units
3	NCHFA Homeownership Units	2016	2020	Affordable Housing	Statewide	Housing for households under 30% AMI	CDBG: \$0 HOPWA: \$0 HOME: \$5,517,094 ESG: \$0	Direct Financial Assistance to Homebuyers: 242 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	HOPWA -Tenant-Based Rental Assistance	2016	2020	Affordable Housing Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI Housing for households 61-80% AMI	CDBG: \$0 HOPWA: \$1,307,308 HOME: \$0 ESG: \$0	Tenant-based rental assistance / Rapid Rehousing: 270 Households Assisted
5	HOPWA Short-Term Rent, Mortgage and Utilities	2016	2020	Affordable Housing Public Housing Non-Homeless Special Needs	Statewide		CDBG: \$0 HOPWA: \$608,575 HOME: \$0 ESG: \$0	Homelessness Prevention: 600 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	HOPWA - Facility Based Operating Cost	2016	2020	Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI Housing for households 61-80% AMI	CDBG: \$0 HOPWA: \$2,254 HOME: \$0	HIV/AIDS Housing Operations: 3 Household Housing Unit
7	HOPWA- Supportive Services	2016	2020	Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI Housing for households 61-80% AMI	CDBG: \$0 HOPWA: \$247,938 HOME: \$0 ESG: \$0	Other: 650 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	HOPWA-Permanent Housing Placement	2016	2020	Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI	CDBG: \$0 HOPWA: \$45,079 HOME: \$0 ESG: \$0	Homelessness Prevention: 50 Persons Assisted
9	HOPWA-Resource Identification/Housing Information	2016	2020	Non-Homeless Special Needs	Statewide	Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI Housing for households 61-80% AMI	HOPWA: \$42,826	Other: 250 Other
10	CDBG - Economic Development	2016	2020	Non-Housing Community Development	Statewide		CDBG: \$15,800,000 HOPWA: \$0 HOME: \$0 ESG: \$0	Jobs created/retained: 450 Jobs Businesses assisted: 30 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	CDBG - Infrastructure	2016	2020	Non-Housing Community Development	Statewide			Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 2000 Households Assisted
12	ESG - Assist those at risk of homelessness	2016	2020	Homeless	Statewide	Housing for Homeless Families and Individuals	ESG: \$98,108	Homelessness Prevention: 126 Persons Assisted
13	ESG - Financial Assistance to Homeless	2016	2020	Homeless	Statewide	Housing for Homeless Families and Individuals	ESG: \$1,599,560	Tenant-based rental assistance / Rapid Rehousing: 3056 Households Assisted

Table 4 – Goals Summary

Goal Descriptions

1	Goal Name	NCHFA Single Family Rehab Units
	Goal Description	
2	Goal Name	NCHFA Multifamily Units
	Goal Description	
3	Goal Name	NCHFA Homeownership Units
	Goal Description	

4	Goal Name	HOPWA -Tenant-Based Rental Assistance
	Goal Description	
5	Goal Name	HOPWA Short-Term Rent, Mortgage and Utilities
	Goal Description	
6	Goal Name	HOPWA - Facility Based Operating Cost
	Goal Description	
7	Goal Name	HOPWA- Supportive Services
	Goal Description	
8	Goal Name	HOPWA-Permanent Housing Placement
	Goal Description	
9	Goal Name	HOPWA-Resource Identification/Housing Information
	Goal Description	
10	Goal Name	CDBG - Economic Development
	Goal Description	
11	Goal Name	CDBG - Infrastructure
	Goal Description	
12	Goal Name	ESG - Assist those at risk of homelessness
	Goal Description	
13	Goal Name	ESG - Financial Assistance to Homeless
	Goal Description	

Table 5 – Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction

For the 2018 Program Year, the State of North Carolina estimates it will receive federal resources from the U.S Department of Housing and Urban Development (HUD) equal to the funding amount for 2017, or approximately \$67.6 million. The five programs covered by this Action Plan are as follows (in alphabetical order): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the national Housing Trust Fund (HTF). Funds for these programs (outside of HTF, which was new in 2016) have been significantly reduced over the past several years, and as resources have decreased, needs have been prioritized and investments have been targeted to achieve the greatest impact on the goals and objectives identified in the state’s Consolidated Plan.

Funding Allocation Priorities

	CDBG	HOME	HTF	HOPWA	ESG
NCHFA Single Family Rehab Units (%)		23			
NCHFA Multifamily Units (%)		47	100		
NCHFA Homeownership Units (%)		30			
HOPWA -Tenant-Based Rental Assistance (%)				58	
HOPWA Short-Term Rent, Mortgage and Utilities (%)				27	
HOPWA - Facility Based Operating Cost (%)				1	
HOPWA- Supportive Services (%)				11	
HOPWA-Permanent Housing Placement (%)				2	
HOPWA-Resource Identification/Housing Information (%)				1	
CDBG - Economic Development (%)	37				

CDBG - Infrastructure (%)	63				
ESG - Assist those at risk of homelessness (%)					40
ESG - Financial Assistance to Homeless (%)					60
Total (%)	100	90	90	100	100

Table 6 – Funding Allocation Priorities

Reason for Allocation Priorities

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

DRAFT

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

Each HUD-funded agency establishes its own Method of Distribution based on priority needs from the Housing Needs Survey and Market Analysis data.

Distribution Methods

Table 7 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The programs described in the State's Method of Distribution for the CDBG program include the Economic Development category and the CDBG Infrastructure category.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Economic Development category has a preliminary application meeting to determine project worthiness based on CDBG ED requirements. Each CDBG ED application is reviewed based on the following criteria, operator capability, project impact, project completion, substantial benefit to LMI, public benefit standard, leverage, compliance with CDBG regulations. In addition, the project is underwritten based on CDBG factors suggested by HUD in the Federal Register of 1/5/1995 to include reasonable costs, funding sources committed, financial feasibility of the project, and is return on investment reasonable.

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Annually the CDBG economic development section managed by the NC Department of Commerce, Rural Economic Development Division, holds outreach sessions across the state to inform potential applicants of funding opportunities. During the outreach sessions application guidelines and funding accessibility are discussed to include eligible activities and the award process. The CDBG Infrastructure section of the CDBG Program managed by the NC Department of Environmental Quality (NCDEQ), sends out notifications of funding availability and holds multiple workshops to discuss the application, review and award process. The State CDBG program is only eligible to non-entitlement local units of government. Each program area has an individual website with additional information for potential applicants.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>See above.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>See above.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>See 5-year Consolidated Plan annual goals for details.</p>
<p>2</p>	<p>State Program Name:</p>	<p>HOME</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>HOME funds are used as a funding source for several programs run by the North Carolina Housing Finance Agency, including the Single Family Rehab Loan Pool (SFRLP), the Rental Production Program (RPP), the Self Help Loan Pool (SHLP), the Supportive Housing Development Program (SHDP), and the Community Partners Loan Pool (CPLP). SFRLP rehabilitates homes owned by elderly and/or disabled persons. RPP finances the development of rental units that receive LIHTC. SHLP helps enable households to purchase Habitat for Humanity homes. CPLP helps offers zero-interest, deferred, second mortgages that are generally combined with NCHFA's NC Home Advantage Mortgage. SHDP develops housing for people who are low income and disabled and/or have special housing needs.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>RPPs are awarded according to the Qualified Action Plan process as required for all LIHTC awards. For SFRLP, one applicant per county is awarded a set-aside for the rehabilitation of eligible units, with the option of receiving additional funds on a first-come, first-served basis. For CPLP and SHLP, funds are distributed through nonprofits and local government agencies throughout the state. If HOME is used for SHDP, funds are awarded through an annual application process to eligible organizations. For each program, program guidelines are developed and used to fully explain the home buyer programs and set forth eligibility criteria.</p>

	<p>Describe how resources will be allocated among funding categories.</p>	<p>See above.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>No grants are issued with HOME funds for the programs listed above.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>See 5-year Consolidated Plan annual goals for details.</p>
<p>3</p>	<p>State Program Name:</p>	<p>Housing Trust Fund</p>
	<p>Funding Sources:</p>	<p>Housing Trust Fund</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>HTF will help finance loans through NCHFA's Rental Production Program used in conjunction with Low Income Housing Tax Credits (LIHTC), state-appropriated funds, and other private and local funding. RPP finances the development of rental units that receive LIHTC.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>NCHFA will award HTF based on the selection criteria as further described in Section IV of the QAP. The selection criteria are designed to identify the best applications based on site, market, rent affordability, development costs, project team, design, and construction, as well as energy efficiency, efficient use of tax credits, units for mobility impaired, and to achieve community integration pursuant to North Carolina's Olmstead settlement agreement with the U.S. Department of Justice. Appendix J outlines the additional criteria for those tax credit applications requesting HTF funds. A copy of the 2018 QAP is available on NCHFA's website: https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2018-qualified-allocation-plan-qap. The State will distribute HTF funds by selecting applications submitted by eligible recipients according to the process described in the State's QAP.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>All HTF funding will be allocated to the NCHFA Rental Production Program.</p>

Describe threshold factors and grant size limits.	No grants are issued with HTF funds.
What are the outcome measures expected as a result of the method of distribution?	See 5-year Consolidated Plan annual goals for details.

DRAFT

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

DRAFT

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State’s Process and Criteria for approving local government revitalization strategies

Local jurisdictions make their own determinations, approvals, and strategies.

DRAFT

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Funds are allocated statewide.

HTF will be made available to eligible applicants in high-income counties in North Carolina as defined in the QAP. Doing so will allow the units to be made affordable to people earning 30 percent or less of AMI. Many of North Carolina’s high-income counties are also counties that have the highest demand for people transitioning out of adult care homes to achieve community integration pursuant to North Carolina’s Olmstead settlement agreement with the U.S. Department of Justice.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

N/A

Discussion

N/A

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	3,182
Non-Homeless	2,762
Special-Needs	1,553
Total	7,497

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	6,982
The Production of New Units	436
Rehab of Existing Units	84
Acquisition of Existing Units	242
Total	7,744

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

HTF will be used fund the development of more rental units that are affordable to households earning 30 percent or less of AMI. The ConPlan states that 1,856 multifamily units will be added by the year 2020 (the original goal of 1,776 units by 2020 was increased by 80 units during the 2016 HTF allocation process). The State's \$3.99 million in HTF is expected to fund 87 units that will be affordable at 30 percent or less AMI, further increasing this goal to 1,943 units by 2020.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Emergency Solutions Grant is administered by the North Carolina Department of Health and Human Services, Division of Aging and Adult Services. The program helps meet the needs of the poor by encouraging local grantees to develop innovative projects which better address the causes, conditions and problems of poverty and to serve as an advocate for low-income persons and families that are homeless or at-risk of homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Emergency Solutions Grants Program is state administered program. The Program's one year goals are to provide housing stabilization funding to local non-profits and units of government to administer rapid re-housing financial assistance and services as well as prevention financial assistance and services. The goal of the Program is also to fund shelter activities that enable persons and families experiencing homelessness to transition to permanent housing and prevent homeless persons and families from becoming homeless. ESG funding benefits low-income individuals and families whose incomes are at or below 30% of the area median income.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly

funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Discussion

DRAFT

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	600
Tenant-based rental assistance	270
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	953
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	1,823

DRAFT

AP-75 Barriers to affordable housing – 91.320(i)

Introduction

The Analysis of Impediments to Fair Housing Choice, completed for 2016 through 2020, summarizes barriers to affordable housing and is available to the public. The Housing Partnership, the oversight board of the state's Housing Trust Fund, considers barriers to housing in the allocation of state resources. In carrying out their regular programs and funding cycles, the Consolidated Plan Partners continue to promote the removal of barriers to affordable housing. The Consolidated Plan partners will take efforts to address those impediments through individual agency efforts as well as a collaborative effort as partners.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In partnership with the Housing Finance Agency (HFA), enhance education and outreach efforts targeting consumers and providers of housing in the state's non-entitlement areas.

Measurable Objective 1.1: The number of outreach and education sessions offered and the number of participants.

Discussion

The 7% cap on administration for the HOPWA program continues to be a barrier to providing the housing assistance needed.

Discrimination/Confidentiality. The overarching issue regarding discrimination and confidentiality is that the State of North Carolina continues to face challenges with stigma surrounding HIV/AIDS. This appears to be largely in part due to religious views around many of the risk factors that contribute to people becoming infected with HIV/AIDS. Because of deep-rooted stigma with HIV/AIDS, consumers are always concerned about their confidentiality. With North Carolina being primarily a rural State with low populated areas, clients are generally afraid of their status being revealed. The AIDS Care Program and our Project Sponsors adhere to all rules and regulations regarding Confidentiality and follow all rules and regulations regarding Non-discrimination.

Supportive Services. Many of our Project Sponsors expressed that flat funding for Ryan White Part B

services for the Networks of Care have impacted the limited availability of Ryan White Emergency Financial Assistance (EFA) funds to leverage with HOPWA funding to adequately provide supportive services to clients. The need is simply greater than the resources available. The AIDS Care Program encourages our Project Sponsors to identify additional sources of funding to assist clients by applying for funding, working with the Networks to identify additional resources and to assist with the updating and utilization of the Network Resource Directories.

DRAFT

AP-85 Other Actions – 91.320(j)

Introduction

Housing Affordability:

The availability of affordable housing is limited in our state and remains a challenge within our Regional Networks of Care. Increased community testing has left us with an increasing number of PLWHAs (People Living with HIV and AIDS) at a time when funding for housing along with other HIV services has decreased. Waiting lists for other housing programs have either closed or waits are as long as two years. Due to rising costs and a high unemployment rate in some of our Networks of Care, housing affordability is a major barrier for clients. More clients are having difficulties paying their mortgages, rent and utilities. Many HOPWA clients cannot be transferred into other housing programs due to issues with criminal and credit history.

Credit History/ Criminal Justice History:

HOPWA eligible individuals with poor credit history have difficult times finding affordable and safe housing. Our NC HOPWA Project Sponsors work diligently to find landlords who do not require credit checks and these same landlords often charge higher rent as a result of poor credit. Many HOPWA eligible individuals cannot be transferred into other housing programs due to issues with criminal and credit history.

NCHFA works with LIHTC owners and managers to adopt model Tenant Selection Plans (TSPs) that adhere to all state and federal fair housing laws. The TSP specifically addresses the use of blanket criminal policies not being allowed in tenant selection policies. NCHFA continually encourages owners and managers to work with tenants who may have negative credit histories. NCHFA also works with the NC Fair Housing Project to provide fair housing training to housing providers and service providers statewide.

Geography/Rural Access:

Geography/Rural Access creates multiple challenges in that it is difficult to secure transportation for clients. Although housing tends to be more affordable in more rural areas, client access to transportation to medical appointments and to get around town has proven to be problematic.

Housing Availability:

Some of our NC HOPWA Project Sponsors are affected by the lack of available housing in the Networks of Care due to lack of available housing units for rent at the Fair Market Rate. In addition, there is often no public transportation, which prevents clients from following up on medical care and effective

implementation of HOPWA services.

Rental History:

As mentioned before, Many HOPWA eligible individuals cannot be transferred into other housing programs due to issues with criminal and credit history. Our Project Sponsors work diligently to find landlords who do not require credit and criminal background checks and these same landlords often charge higher rent as a result of poor credit.

Actions planned to address obstacles to meeting underserved needs

Actions planned to foster and maintain affordable housing

NCHFA directs its funding and programs toward the creation and preservation of affordable housing opportunities, including home rehabilitation and repair, new homeownership production, rental and supportive housing development, and foreclosure prevention financing and counseling.

Actions planned to reduce lead-based paint hazards

Actions planned to reduce the number of poverty-level families

Providing quality, affordable housing to North Carolinians will help increase the housing stability of households across the state which has been shown to help increase education, health, and income outcomes.

Actions planned to develop institutional structure

Actions planned to enhance coordination between public and private housing and social service agencies

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	97.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is	
Annual Action Plan	41
2018	

as follows:

To conduct housing-related activities, NCHFA uses nonfederal, federal funds and the private market. The nonfederal sources offer the NCFHA even more opportunities and flexibility to serve all priority categories. The available funding sources include the North Carolina Housing Trust Fund, state appropriated HOME Match, Hardest Hit Funds, the Low-Income Housing Tax Credit Program, Workforce Housing Loan Program, bond financing, and Mortgage Credit Certificates.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Homebuyer loan subsidies except for the Self-Help loan pool will be provided as subordinate deferred-payment loans that are not forgiven. Homebuyer loans under the Self-Help Loan Pool will be provided as principal-only amortizing loans. Loans under all home buyer programs will be due and payable (1) when the property is sold, (2) when the property is no longer the home buyer's principal residence, (3) at the end of the loan term, or (4) when the first mortgage is refinanced. If the net proceeds of the sale of the property are insufficient to repay the home buyer loans in full, the Agency will accept its pro rata share of the net proceeds in full satisfaction of the loan. However, exceptions may be granted and assumptions may be allowed for an income-qualified heir or lineal descendant that will reside in the home as a principal residence.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Homebuyer programs funded with HOME follow recapture requirements. And ensure that the State recoups all or a portion of the HOME assistance to the homebuyers. As stated in number 2 above, home buyer loan subsidies except for the Self-Help Loan pool will be provided as subordinate deferred-payment loans that are not forgiven. Homebuyer loans under the Self-Help Loan Pool will be provided as principal-only amortizing loans. Loans under all home buyer programs will be due and payable (1) when the property is sold, (2) when the property is no longer the home buyer's principal residence, (3) at the end of the loan term, or (4) when the first mortgage is refinanced. If the net proceeds of the sale of the property are insufficient to repay the home buyer loans in full, the Agency will accept its pro rata share of the net proceeds in full satisfaction of the loan. However, exceptions may be granted and assumptions may be allowed for an income-qualified heir or lineal descendant that will reside in the home as a principal residence.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that

will be used under 24 CFR 92.206(b), are as follows:

HOME funds are not used for refinancing of existing debt, even in developments rehabilitated with HOME funds.

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Subrecipients of NC ESG funding must comply with the following written standards:

- Be able to document its process for verifying that clients served meet the HUD definitions of “homeless” or “at risk of homelessness”;
- Operate a program that includes eligible emergency response, housing stability and/or system coordination activities;
- Have an established accounting system that provides for maintenance of ESG funds in accordance with OMB Circulars A-110 and A-122;
- Have at least one person on the board of directors that is homeless or formerly homeless;
- Have the ability to expend ESG funds awarded within the period of the contract;
- Have eligible resources to match the ESG funding received on a dollar for dollar basis; and
- Have the goal to use ESG funding to transition homeless persons to permanent housing as quickly as possible.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.
3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Subrecipients of NC ESG funding may sub-award with other non-profits and local units of government to provide an ESG eligible activity. In doing so, subrecipients of ESG funding must request in writing to the NC ESG Program that describes the need for to sub-award. All sub-award must be approved by the NC ESG Program.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions

regarding facilities and services funded under ESG.

The NC ESG Program requires each sub-recipient to identify a homeless or formerly homeless person that is a member of the agency Board of Directors. Agencies may request a waiver of homeless participation and identify a written process whereas homeless or formerly homeless individuals are consulted in considering policies and funding decisions.

5. Describe performance standards for evaluating ESG.

The NC ESG Program uses performance measures rubrics as a tool to determine the success of a project and how well services and products are being delivered. Together they enable the NC ESG Program gauge efficiency, determine progress toward desired results and accesses if subrecipients are meeting goals. Subrecipients must adhere to:

- Entering all appropriate client data completely and accurately into the statewide HMIS.
- Exist 32% of statewide exists from shelters to permanent housing
- Exist 81% of rapid re-housing persons to permanent housing.

Discussion

**Housing Trust Fund (HTF)
Reference 91.320(k)(5)**

NCHFA will utilize the application process and eligibility requirements described in North Carolina's national Housing Trust Fund Allocation Plan and Low-Income Housing Tax Credit Program Qualified Allocation Plan (QAP) in awarding funds. The QAP describes in detail applicant eligibility, eligible activities, what an application is to include, when and where applications are to be submitted, the criteria by which applications will be evaluated, who will review the applications and when awards are to be made. The QAP indicates what the State has determined to be the priority housing need(s) it intends to address based on the outcome of its HTF citizen participation process and priority needs indicated in its current ConPlan. The State's QAP will require that at least 25 percent of the qualified low-income units in a proposed tax credit project will be affordable to and occupied by households with incomes at or below 30 percent of county median income in order to be eligible to receive HTF funds. The State will distribute HTF funds by selecting applications submitted by eligible recipients according to the process described in the State's QAP.

HTF will be made available to eligible applicants in high-income counties in North Carolina as defined in the QAP. Doing so will allow the units to be made affordable to people earning 30 percent or less of the AMI. Many of North Carolina's high-income counties are also counties that have the highest demand for people transitioning out of adult care homes achieve community integration pursuant to North Carolina's *Olmstead* settlement agreement with the U.S. Department of Justice.

HTF will be used to increase the number of rental units developed that are affordable to households earning 30 percent or less of the AMI. This will increase the number of rental units affordable at 30 percent or below AMI constructed as reported in the ConPlan by 87 units.

The State requires that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in §93.200. The State requires that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements.