



NORTH CAROLINA 2019 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, HIV 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 2018, or approximately \$80 million. The five programs covered by this Action Plan are as follows: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), national Housing Trust Fund (HTF), and Housing Opportunities for Persons with AIDS (HOPWA). 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

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic 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 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 2019 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:

- \$47.9 million in Community Development Block Grant (CDBG) funds, to be administered by the Department of Commerce, Rural Economic Development Division (REDD);
- \$18.3 million in HOME Investment Partnership Program (HOME) funds, and additional HOME match dollars, to be administered by the North Carolina Housing Finance Agency;
- \$5.9 million in national Housing Trust Fund (HTF) funds, to be administered by the North

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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
- \$2.4 million in Housing Opportunities for Persons with AIDS (HOPWA) funds, to be administered by the Department of Health and Human Services, HIV Care Program.

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

- Department of Commerce, Rural Economic Development Division – <https://www.nccommerce.com/about-us/divisions-programs/rural-economic-development-division>
- North Carolina Housing Finance Agency – www.nchfa.com
- HIV Care Program – <http://epi.publichealth.nc.gov/cd/hiv/program.html>
- Division of Aging and Adult Services - <https://www.ncdhhs.gov/divisions/aging-and-adult-services/nc-emergency-solutions-grant>

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

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 Commerce website at <https://www.nccommerce.com/rural-development-division/cdbc/con-planscdbg/20162020-conplan.pdf>.

Of the total funding for housing activities to be undertaken in 2019, funds from ESG and HOPWA will address high priority needs, funds from 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

Summary from citizen participation section of plan.

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 <https://www.nccommerce.com/rural-development-division/cdbc/con-planscdbg/20162020-conplan.pdf>.

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

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

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 5, 2018 and ended on November 5, 2018.

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
Lead Agency	NORTH CAROLINA	
CDBG Administrator	NORTH CAROLINA	NC Department of Commerce
HOPWA Administrator	NORTH CAROLINA	NC Department of Health and Human Services
HOME Administrator	NORTH CAROLINA	North Carolina Housing Finance Agency
ESG Administrator	NORTH CAROLINA	NC Department of Health and Human Services
HTF Administrator	NORTH CAROLINA	North Carolina Housing Finance Agency

Table 1 – Responsible Agencies

Narrative

NC Department of Commerce's Community Development Block Grant (CDBG). Funds are available to local municipal or county governments for projects to enhance the vitality of communities by providing decent housing and suitable living environments and expanding economic opportunities. These grants primarily serve persons of low- and moderate- incomes. State CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD) to the state of North Carolina. Some urban counties and cities in North Carolina receive CDBG funding directly from HUD. The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities. These grants primarily serve persons of low- and moderate-income, as the State must ensure that at least 70 percent of its CDBG grant funds are used for activities that benefit these persons. All municipalities are eligible to receive State CDBG funds except for entitlement communities which receive funds directly from HUD. North Carolina's 24 entitlement municipalities are: Asheville, Burlington, Cary, Chapel Hill, Charlotte, Concord, Durham, Fayetteville, Gastonia, Goldsboro, Greensboro, Greenville, Hickory, High Point, Jacksonville, Kannapolis, Lenoir, Morganton, New Bern, Raleigh, Rocky Mount, Salisbury, Wilmington, and Winston-Salem. In addition, all counties are eligible to receive State CDBG funds except Mecklenburg County, Wake County, Union and

Cumberland County, which have been designated by HUD as urban entitlement counties. As entitlement counties, neither the counties nor their municipalities are eligible for Small Cities funding, except the towns of Holly Springs and Linden.

CDBG Infrastructure (CDBG-I). In 2013, the North Carolina General Assembly allocated Community Development Block Grant funds to the Infrastructure program and transferred funds to the Division of Water Infrastructure to administer. The purpose of these funds is to construct public water and sewer infrastructure to mitigate public and environmental health problems in areas where the percentage of low to moderate income persons is at least 51 percent.

CDBG Economic Development (CDBG-ED). CDBG-ED provides grants to local governments for public infrastructure development. Funds are administered based on an annual federal allocation to North Carolina from the U.S. Department of Housing and Urban Development (HUD) and are made available to most local governments for economic development projects. Companies cannot apply directly for this funding, but instead work collaboratively with a local government applicant. Under the authority of Title, I of the U.S. Housing and Community Development Act of 1974 (as amended), the CDBG ED Program in North Carolina is designed to benefit low- and moderate-income persons through job creation. Funding eligibility is contingent upon the creation of permanent, full-time jobs meeting the following qualifying condition: at least 60% must be made available to persons whose household income over the previous 12 months was less than 80% of the median income for the area. For purposes of the CDBG ED Program, income eligibility is determined from data published annually for HUD's Section 8 housing program.

CDBG Disaster Recovery (CDBG DR). CDBG-DR provides flexible grants from HUD to help cities, counties, and States recover from Presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations. In response to Presidentially declared disasters, Congress may appropriate additional funding for the Community Development Block Grant (CDBG) program as Disaster Recovery grants to rebuild the affected areas and provide crucial seed money to start the recovery process. Since CDBG Disaster Recovery (CDBG-DR) assistance may fund a broad range of recovery activities, HUD can help communities and neighborhoods that otherwise might not recover due to limited resources. Hurricane Florence hit North Carolina on September 13-14, 2018 causing devastation to areas hard hit by Hurricane Matthew in addition to causing devastation in newly impacted areas of North Carolina. The Department of Commerce is assessing a myriad of resources and opportunities to partner with entities to address the needs of the impacted communities in the state as expeditiously as possible. CDBG will deploy additional funds as needed to assist with disaster recovery efforts such as CDBG-NR funds by prioritizing impacted areas through the program. CDBG will access de-obligated CDBG funds and direct these funds towards disaster recovery efforts and will look into using CDBG Contingency Program funds that fall outside of the CDBG normal protocol. In deploying resources, CDBG will ensure that there is no duplication of efforts and that funds are used as gap coverage to existing efforts.

Hurricane Matthew hit North Carolina on October 8-9, 2016, causing an estimated \$4.8 billion in damage across half of North Carolina's 100 counties. HUD appropriated \$236,529,000 in Community Development Block Grant funds to the state of North Carolina for recovery from Hurricane Matthew.

CDBG Neighborhood Revitalization (CDBG-NR). CDBG-NR grants offer approximately \$10 million to non-entitlement municipalities and counties the opportunity to implement community development needs such as housing and public facility activity projects to the localities primarily for the low to moderate income residents. The CDBG-NR program supports three (3) livability principles that help guide sustainability and resiliency throughout areas that receive funding. These principles are (1) promote equitable, affordable housing, (2) support existing communities, and (3) value communities and neighborhoods.

CDBG Contingency/Demonstration Projects. Examples of Contingency Projects within CDBG are The NC Main Street and Small Town Main Street Program(s). NC Main Street is a Main Street America™ Coordinating Program. Main Street America™ has helped revitalize older and historic commercial districts for more than 35 years. Today it is a network of more than 1,600 neighborhoods and communities who share both a commitment to place and to building stronger communities through preservation-based economic development. Based on the same concepts as the original Main Street program, Small Town Main Street offers downtown revitalization assistance to the state's very smallest communities. Small Town Main Street serves selected towns throughout the state that lack the resources to hire professional downtown managers. The NC Main Street Center team works closely with committees within these communities, providing technical assistance and helping facilitate local initiatives in the areas of organization, design, promotion and economic vitality.

HOPWA. The North Carolina HIV Care Program (HCP) 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 Ryan White Part B core medical and support services including outpatient/ambulatory care, mental health, outpatient substance abuse, medical and non-medical case management, oral health, health insurance premium cost -sharing assistance 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 HCP funds 10 HOPWA Project Sponsors within the 10 Regional Networks of Prevention and Care across the State. All funded and non-funded agencies that make up the Regional Networks of Prevention and Care, 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.

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. 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.

HTF. 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.

Consolidated Plan Public Contact Information

Consolidated Planning Coordinator
North Carolina Department of Commerce
4346 Mail Service Center
Raleigh, NC 27699-4313
Tel. (919) 814-4754
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 serves as a guide that describes 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

HOPWA. The HOPWA program ensures the maintenance of and collaborative planning for housing in NC through the Regional Networks of Prevention and Care which include funded and non-funded providers of health, prevention, housing, mental health and substance abuse services. 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 (HPCAC) 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).

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 persons 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 Continuum of Care (CoC) monthly calls, providing input on housing needs across the state and discussing collaborative housing opportunities. As part of the Consolidated Plan Partners, the HOPWA program works closely with ESG on addressing the needs of 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

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

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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

Table 2 – Agencies, groups, organizations who participated

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

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
11 NC Homeless Continuums of Care (CoC)	NC-DHHS ESG	
NC HIV/STD Prevention and Care Advisory Committee (HPCAC)	NC-DHHS Communicable Disease Branch-HOPWA	The HPCAC includes community stakeholders, consumers, providers of care and various human services to PLWHA. They provide comment and input on the Annual Action Plans and Consolidated Plans on affordable housing options for PLWHA to improve health outcomes.
NC HIV Prevention and Care Regional Networks of Care	NC-DHHS Communicable Disease Branch-HOPWA	The goal to achieve housing stability for Persons Living with HIV/AIDS has a positive impact on improving health outcomes through also achieving HIV Viral Suppression. Provide input on the Annual Action Plans and Consolidated Plans on affordable housing for PLWHA.

Table 3 - Other local / regional / federal planning efforts

Narrative

ESG. There are several requirements in the CoC Program interim rule that facilitates coordination between CoC and ConPlan jurisdictions regarding the ConPlan process. Applicant for CoC Program funding are coordinating with ConPlan jurisdictions to ensure that their applications are consistent with the HUD approved Con Plans for the jurisdictions in which the proposed project will be located.

Consultation between CoCs and ConPlan jurisdictions, and a CoCs participation in the public comment process as the ConPlan jurisdiction is developing the ConPlan, ensures that the CoCs plan to prevent and end homelessness.

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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 guide 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 <https://www.nccommerce.com/rural-development-division/cdbc/con-planscdbg/20162020-conplan.pdf>.

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. Live and recorded webinar access is also being provided in 2018.

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) 814-4754; 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.

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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	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Units of local Government</p>	<p>There were (XX) people in attendance at the public hearing that was held on October 31, 2018. This included the agencies presenting. See attached public hearing summary information.</p>	(To be filled out after the hearing)	All comments were accepted.	<p>Webinar:</p> <p>https://attendee.gotowebinar.com/register/1457276612369533187</p>

Table 4 – Citizen Participation Outreach

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Expected Resources

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

Introduction

All of the HUD funded partners in North Carolina work together to address the economic development, job creation, water/infrastructure and affordable housing needs in the state. Our partnerships are expanded to ensure the participation of community stakeholders, community members, low- to moderate-income individuals, PLWHA and their families, faith-based organizations, universities and the health care system, all of whom dedicate resources to the greatest extent possible to maximize resource.

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	47,936,112	0	43,700,000	47,936,112	91,636,112	

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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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	18,319,973	8,000,000	0	26,319,973	21,000,000	

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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	public - federal	Permanent housing in facilities Permanent housing placement STRMU Short term or transitional housing facilities Supportive services TBRA	2,451,540	0	2,504,422	4,955,962	10,171,731	

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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: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,993,667	0	4,946,338	9,940,005	10,000,000	

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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: \$		
Housing Trust Fund	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	5,874,191	0	0	5,874,191	5,800,000	

Table 5 - 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

CDBG. CDBG funds will be leveraged with other sources of funds (ie. Private, local government, non-profit, etc.) These funds are used to spur economic development for job creation and retention, address the affordable housing and public facilities needs via rehabilitation, reconstruction, relocation/temporary relocation, clearance for affordable housing, parks, public facilities and substantial rehabilitation. CDBG will leverage funding to meet the disaster recovery efforts in the state by deploying funding as quickly as possible to respond to the needs of the counties impacted. CDBG-Neighborhood Revitalization funding opportunities will prioritize the areas impacted by Hurricane Florence, CDBG de-obligated funds will be used to further address gaps in services and disaster recovery efforts. All CDBG leveraging efforts will be monitored closely to ensure there are no duplication in services and efforts. CDBG will maintain and establish partnerships across the state to ensure every opportunity to maximize resources is made. For several of the CDBG programs there is no matching fund requirement (i.e., CDBG-NR). But, for

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CDBG programs that require a match, the requirements are based upon the Tier a county falls in. The North Carolina Department of Commerce annually ranks the state's 100 counties based on economic well-being and assigns each a Tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2 and the 20 least distressed as Tier 3. This Tier system is incorporated into various state programs to encourage economic activity in the less prosperous areas of the state. States are required to match the funds used for State administrative costs beyond the first \$100,000 on a one-to-one basis, as further described under III.G.3.b, "Matching Level of Effort, Earmarking – Earmarking" (24 CFR section 570.489(a)(1)).

Department of Environmental Quality (DEQ). CDBG-Infrastructure funds will be matched with State Revolving Fund (SRF) loans in projects that rehabilitate water and sewer infrastructure. The amount of loan funds will be directed based on the affordability criteria currently used in the SRF programs. The affordability criteria examine parameters such as population numbers and the change in that number; poverty rate, the median household income, the unemployment percentage, and the property values per capita for the applicant community. Next the criteria evaluate the operating revenues from either the water or the wastewater utility involved in the project, the total expenditures of the utility, and the debt service being paid by the applicant, both principle and interest, to generate a future operating ratio for the utility. Next, the water or sewer bill for 5000 gallons of usage, the number of non-residential customers, total number of customers, and the cost per connection is determined. The answers to these calculations yields the appropriate mix of loan and grant funds for each project, and the percentage is shown in a chart at the bottom of the affordability criteria tool (<http://portal.ncdenr.org/web/wi//application-forms>). Local funds may also be leveraged when they are pledged as a match in the application process and included in the application budget. No match is required for projects that extend water or sewer service to an unserved residential area, with failing septic systems or failing wells.

HOME. 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. In the SHDP program, HOME funds provide permanent financing that works in conjunction with other debt and equity sources to fund supportive housing developments.

HTF. HTF 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.

HOPWA. HOPWA funding does not require a state match but, HOPWA funding is leveraged with other sources. The other sources most utilized

to leverage HOPWA funds are:

1. Ryan White Part B (Emergency Financial Assistance),
2. Other HUD funded housing programs such as Section 8, Shelter plus Care, Veteran Housing,
3. Tenant Contribution towards rent,
4. In-kind, and
5. Other local, state and non-profit programs.

ESG. The Emergency Solutions Grants 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

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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.

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

CDBG. CDBG funding may be used to assist in the rehabilitation efforts needed to public facilities owned by local units of government and non-profit agencies with facilities opened to the general public such as Senior Centers, Housing for the homeless, housing and shelter for victims of domestic violence, transitional housing facilities, community/neighborhood/recreation facilities and parks.

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 and increase landlord participation in the HOPWA Tenant-Based Rental Assistance Program to expand affordable housing options for persons living with HIV/AIDS.

Discussion

ESG. The Emergency Solutions Grants Program leverages these funds in concert with the NC Key Program. 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, permanent housing placement, housing information, supportive services and resource identification to persons living 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. However, this year, (18/19) the department will provide match for all participating agencies.

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	HOME: \$5,603,788	Homeowner Housing Rehabilitated: 120 Household Housing Unit
2	NCHFA Multifamily Units	2016	2020	Affordable Housing		Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI	HOME: \$5,323,599 Housing Trust Fund: \$5,286,772	Rental units constructed: 861 Household Housing Unit
3	NCHFA Homeownership Units	2016	2020	Affordable Housing		Housing for households under 30% AMI	HOME: \$12,760,588	Direct Financial Assistance to Homebuyers: 403 Households Assisted

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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		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: \$1,539,205	Tenant-based rental assistance / Rapid Rehousing: 254 Households Assisted
5	HOPWA Short-Term Rent, Mortgage and Utilities	2016	2020	Affordable Housing Public Housing Non-Homeless Special Needs			HOPWA: \$270,010	Homelessness Prevention: 431 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	HOPWA- Supportive Services	2016	2020	Non-Homeless Special Needs		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: \$142,761	Other: 531 Other
7	HOPWA-Permanent Housing Placement	2016	2020	Non-Homeless Special Needs		Housing for Non-homeless Persons w/ Special Needs Housing for households under 30% AMI Housing for households 31-60% AMI	HOPWA: \$37,005	Homelessness Prevention: 52 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	HOPWA-Resource Identification/Housing Information	2016	2020	Non-Homeless Special Needs		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: \$34,271	Other: 83 Other
9	CDBG - Economic Development	2016	2020	Non-Housing Community Development	Statewide		CDBG: \$10,000,000	Jobs created/retained: 830 Jobs
10	CDBG - Infrastructure	2016	2020	Non-Housing Community Development			CDBG: \$20,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20000 Persons Assisted
11	CDBG – Neighborhood Revitalization	2018	2020	Non-Homeless Special Needs	Statewide	Housing for Non-Homeless Persons w/ Special Needs	CDBG: \$10,000,000	Homeowner Housing Rehabilitated: 3000 Household Housing Unit

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	ESG - Assist those at risk of homelessness	2016	2020	Homeless		Housing for households under 30% AMI	ESG: \$308,281	Homelessness Prevention: 211 Persons Assisted
13	ESG - Financial Assistance to Homeless	2016	2020	Homeless		Housing for Homeless Families and Individuals	ESG: \$7,168,610	Tenant-based rental assistance / Rapid Rehousing: 5924 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	NCHFA Single Family Rehab Units
	Goal Description	Provide essential and critical home rehabilitation to homeowners earning up to 80% of area median income who are elderly, disabled, and/or qualified veterans or have other special housing needs.
2	Goal Name	NCHFA Multifamily Units
	Goal Description	Provide long-term financing for rental developments financed with the Housing Credit, which provide housing for households earning up to 60% of area median income.
3	Goal Name	NCHFA Homeownership Units
	Goal Description	Provide affordable mortgages and/or down payment assistance, through community partners, to home buyers earning up to 80% of area median income.

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4	Goal Name	HOPWA -Tenant-Based Rental Assistance
	Goal Description	Obtain permanent housing that is safe, decent and affordable for persons living with HIV and their families within each Network of Prevention and Care in North Carolina
5	Goal Name	HOPWA Short-Term Rent, Mortgage and Utilities
	Goal Description	Provide short-term rent, mortgage and utility assistance to prevent homelessness and assist persons living with HIV and their families maintain housing
6	Goal Name	HOPWA - Facility Based Operating Cost
	Goal Description	The North Carolina HOPWA program is not funding facility based operating costs
7	Goal Name	HOPWA- Supportive Services
	Goal Description	Provide services that help HOPWA program participants stabilize their living situations and address care needs of persons living with HIV
8	Goal Name	HOPWA-Permanent Housing Placement
	Goal Description	Provide assistance with housing placement costs to assist persons living with HIV to secure housing and prevent homelessness
9	Goal Name	HOPWA-Resource Identification/Housing Information
	Goal Description	Identify and locate available, affordable and appropriate housing units for persons living with HIV in order to prevent homelessness
10	Goal Name	CDBG - Economic Development
	Goal Description	Each year the state of North Carolina provides funding to assist UGLGs in partnership with businesses in the creation and retention of job for LMI persons in their local jurisdictions. Funding activities include the installation of water and sewer lines and facilities

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11	Goal Name	CDBG - Infrastructure
	Goal Description	Public Facility or Infrastructure Activities for Low/Moderate Income Housing. Projected benefit is approximately 20,000.00
12	Goal Name	CDBG – Neighborhood Revitalization
	Goal Description	Housing and Public Facility Activities for Low/Moderate Income Households. Projected benefit is approximately 3000.
13	Goal Name	ESG - ESG - Assist those at risk of homelessness
	Goal Description	Homelessness Prevention prevents households from becoming literally homeless. Participants must meet Category 2, 3, or 4 of the homeless definitions and have an annual income below 30 % of area median income, as determined by HUD, at initial evaluation. Households are assisted under this component as long as the assistance is necessary to regain stability in permanent housing.
14	Goal Name	ESG - Financial Assistance to Homeless
	Goal Description	Rapid Re-housing is to move literally homeless individuals and families (24 CFR 576.104) quickly into permanent housing and achieve stability in that housing. Participants must meet Category 1 or 4 of the homeless definition

AP-25 Allocation Priorities – 91.320(d)

Introduction:

For the 2019 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 2018, or approximately \$80 million. The five programs covered by this Action Plan are as follows: Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and the Federal 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.

Funding Allocation Priorities

	NCHFA Single Family Rehab Units (%)	NCHFA Multifamily Units (%)	NCHFA Homeownership Units (%)	HOPWA - Tenant-Based Rental Assistance (%)	HOPWA - Short-Term Rent, Mortgage and Utilities (%)	HOPWA - Facility Based Operating Cost (%)	HOPWA - Supportive Services (%)	HOPWA - Permanent Housing Placement (%)	HOPWA - Resource Identification/Housing Information (%)	CDBG - Economic Development (%)	CDBG - Infrastructure (%)	CDBG – Neighborhood Revitalization (%)	ESG - Assist those at risk of homelessness (%)
CDBG	0	0	0	0	0	0	0	0	0	23	48	23	0
HOME	21	20	49	0	0	0	0	0	0	0	0	0	0
HOPWA	0	0	0	76	13	0	7	2	2	0	0	0	0
ESG	0	0	0	0	0	0	0	0	0	0	0	0	60
Housing Trust Fund	0	90	0	0	0	0	0	0	0	0	0	0	0

Table 7 – Funding Allocation Priorities

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Reason for Allocation Priorities

The allocation priorities are established based on information outline in the five-year plan,

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

CDBG Economic Development (CDBG-ED). The Community Development Block Grant for Economic Development (CDBG-ED) will continue to provide grants to local governments that partner with a pro-profit business to bring public infrastructure improvements and building renovation services. The CDBG-ED program funds will continue to aid in the opportunities for job creation. All grants are awarded by a 15-member appointed Rural Infrastructure Authority.

CDBG- Neighborhood Revitalization (CDBG-NR). The State CDBG program currently has Neighborhood Revitalization funding opportunities available to local units of government. Notices of Funding Opportunities are being distributed widely throughout the state for eligible, non-entitlement counties and municipalities to submit applications (proposals). These funding opportunities are competitive and are designed to revitalize communities' area-wide that are at least 51% low and moderate-income (LMI) persons and direct activities benefit 100% low and moderate-income (LMI) persons.

CDBG Infrastructure (CDBG-I). These funds will construct public water and sewer infrastructure to mitigate public and environmental health problems in areas where the percentage of low to moderate income persons is at least 51 percent. CDBG-Infrastructure funds help sustain housing in rural communities by making water and or sewer infrastructure more affordable and more sustainable for low-mod communities. By rehabilitating existing water and sewer infrastructure, the existing housing remains habitable, and the neighborhood environment remains environmentally safe and healthy. By extending water and sewer service to neighborhoods with failing septic systems or failing wells, the neighborhood becomes healthier and cleaner. Because the work is partially grant-funded, water and sewer rates may not need to be raised to cover the cost of the construction, and residents are able to invest in improvements to their own property or, cover other living costs. Water and sewer rates tend to be significantly higher in small communities than in metropolitan areas, and so the savings due to the grant funding also tend to be significant.

CDBG Contingency Grants. The NC Main Street Center currently provides downtown development assistance through the NC Main Street and the Small-Town Main Street programs.

HOME. Through NCHFA Single Family Rehab and NCHFA Multifamily activities, HOME funds are used to address housing for non-homeless persons with special needs, a high priority need identified in the Consolidated Plan. Through NCHFA Multifamily activities, HOME funds are used to address housing for households under 30% AMI, another high priority need. Through NCHFA Multifamily and

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Homeownership activities, HOME funds are used to address housing for households earning 31-60% AMI, a lower priority need. Through NCHFA Homeownership activities, HOME funds are used to address housing for households earning 61-80% AMI, another lower priority need.

HTF. Through NCHFA Multifamily activities, HTF funds are used to address housing for non-homeless persons with special needs and housing for households under 30% AMI, both high priority needs identified in the Consolidated Plan.

HOPWA. The HOPWA program is instrumental in providing permanent housing options utilizing TBRA, STRMU, PHP and SS. Each of these activities ensures available, affordable, and appropriate housing in areas of increased opportunities. TBRA is our most utilized HOPWA service which provides permanent

housing for eligible households that are unstably housed, homeless or at risk of becoming homeless. STRMU our second most utilized HOPWA service is specific to eligible households that are already stably housed that may have crisis situations resulting in the need for short-term emergency financial assistance to prevent them from becoming homeless. Supportive Services, our 3rd most utilized HOPWA service, includes a myriad of services such as case management, transportation, food services and life skills, which based on assessed need, may be provided to assist eligible households remain permanently housed. PHP assists eligible households with reducing barriers to obtaining permanent housing through the provision of assistance with security deposits, one-time utility connection fees, rental application fees, criminal background checks, rental history and tenant counseling. Two-percent of our proposed funding is dedicated to PHP to assist eligible households with obtaining permanent housing. Resource Identification (RI) and Housing Information (HI) results in the identification and location available, affordable and appropriate housing units for persons living with HIV to prevent homelessness. Two-percent of our proposed funding for 2019 is dedicated to RI and HI to assist eligible households locate housing.

ESG. The ESG program is designed as the first step in the continuum of assistance to prevent homelessness and to enable the homeless population to move steadily toward independent living. ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of: (1) 60 percent of the recipient's fiscal year grant; or (2) The amount of Fiscal Year 2010 grant funds committed for homeless assistance activities. 24 CFR 576.100

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 8 - 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 included for 2019 include the Economic Development Program, the Infrastructure Program, and the Neighborhood Revitalization Program
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The Neighborhood Revitalization program will be a competitive program that will allow up to \$750,000.00 per grantee. Each grantee will be selected based on the number of LMI served, capacity, feasibility, and project design related to sustainability and resiliency in storm impacted areas.</p> <p>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> <p>The CDBG-Infrastructure Section of the CDBG Program managed by the NC Department of Environmental Quality (NCDEQ)'s Water Infrastructure Division administers a competitive selection process, whereby each grant application is reviewed according to a written procedure. The priority criteria used to rank each application is common across all of the infrastructure funding programs in the Division, with the exception of items unique to the CDBG program, such as the low-mod percentage of the project area. The priority</p>

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criteria were approved by the State Water Infrastructure Authority prior to their implementation.

The priority criteria are divided into four categories: project purpose (15 points); project benefit (20 points); system management (15 points); and financial situation (50 points). Within the financial situation category, the low-mod percentage in the project area accounts for 20 points, the most heavily weighted line item.

Applications are scored and ranked by staff, and those recommendations are presented to the State Water Infrastructure Authority for their consideration and award. The priority rating system may be found here:

<http://portal.ncdenr.org/web/wi//application-forms>.

Priority Criteria Changes for 2019. Changes in the priority criteria in 2019 include the change in Financial Situation line item 4.G, which is currently the combined utility rates for 5000 gallons of monthly usage divided by the median household income. It will be replaced by a table of increasing points for increasing utility rates for a single utility:

4.G Current Monthly Residential Single Utility Rates at 5000 Gallons Usage		
4.G.1	Greater than \$33	6
4.G.2	Greater than \$40	9
4.G.3	Greater than \$47	12
4.G.4	Greater than \$58	15
	Maximum Total for 4.G	15

Another change will be the addition of Benefit line item 2.T, which will provide 5 points for a “project that provides site work and new water and/or wastewater infrastructure, including house or apartment connections, to new low-to-moderate income housing.”

The biggest change in 2019, however, will be the partnering of the SRF loan programs with CDBG grant dollars in water/sewer rehabilitation projects. For projects that propose the rehabilitation of existing water and sewer infrastructure, the affordability criteria will be applied to the applicant, and a percentage of the project will be financed by loan, for those applicants who can take on debt service. The maximum loan amount would be for 50 percent of the project cost. The remainder of the project cost would be funded with grant dollars. Projects that extend water or sewer service to neighborhoods with failing septic systems and failing wells would

		continue to be financed at 100 percent grant.
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<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>The Program information, manuals and forms are listed on the Commerce and Department of Environmental Quality websites. CDBG also maintain an email list of local units of governments, Council of Governments and other organizations that receive information directly by email.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	

	Describe how resources will be allocated among funding categories.	Resources are allocated based upon needs assessed in the community and by analyzing the utilization of services, and gaps in services to ensure to the greatest extent possible the needs of the community are met.
	Describe threshold factors and grant size limits.	
	What are the outcome measures expected as a result of the method of distribution?	The outcome measures are: increased economic opportunity, improved quality of life, and pathway to housing opportunities provided.
2	State Program Name:	HOME
	Funding Sources:	HOME

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<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>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>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
	<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
	<p>Describe how resources will be allocated among funding categories.</p>	<p>See above.</p>

	Describe threshold factors and grant size limits.	No grants are issued with HOME funds for the programs listed above.
	What are the outcome measures expected as a result of the method of distribution?	See 5-year Consolidated Plan annual goals for details.
3	State Program Name:	ESG
	Funding Sources:	ESG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The U.S. Department of Housing and Urban Development allocated \$4,993,667 to the NC State ESG Program. A portion, 7.5% or \$374,525, is for admin costs incurred by the State or subrecipients that are units of local government. The remaining funds, \$4,619,142, will be distributed to subrecipients for program costs. The amount that each Local Planning Area is eligible to apply for is the “NC ESG Fair Share”.</p> <p>No more than 60% of funds can be used for Emergency Response Services (Street Outreach and Emergency Shelter). While there is a maximum percent for Emergency Services, there is no maximum for Housing Stability (Rapid Re-Housing, HMIS, and Targeted Prevention). This means a Local Planning Area may choose to apply for the full 60% of Emergency Response funding or use some of that funding for Housing Stability Activities.</p> <p>To establish a fair distribution of program funds, the NC ESG Program uses the Department of Housing and Urban Development’s (HUD) Continuum of Care (CoC) Pro Rata Formula as the basis for determining the amount of eligible funding for each Local Planning Area. Six entitlement communities receive ESG funding directly from HUD. The allocation that these entitlements receive from HUD are considered when determining each Local Planning Area’s eligible amount. The CoC Pro Rata percentage is multiplied by the total amount of ESG funds allocated to North Carolina (NC State ESG + entitlements). This is the total amount that each Local Planning Area should have as its fair share of ESG funding.</p> <p>For communities that do not receive entitlement funding from HUD, the full amount will come from the NC ESG Program. For entitlement communities, the amount received directly from HUD will be subtracted from their fair share, so only a portion of the fair share is awarded through the NC ESG Program. The chart below shows the total fair share for each entitlement community with the amount of program funding administered by the local government and the NC ESG Program.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>NC ESG staff review and score Regional and Project Applications for minimum threshold criteria.</p>
<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>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>The NC Emergency Solutions Grants Programs uses the formula of the HUD Pro Rata Share to determine available funding to Continuums of Care / Local Planning Areas (CoCs / LPAs). Local units of government, and non-profit organizations including community and faith-based organizations can submit a Project Application to CoCs/LPAs. Upon doing so, CoCs/LPAs recommend projects for funding in the NC Emergency Solutions Grants Request for Application. NC ESG staff then review and score Regional and Project Applications for minimum threshold criteria.</p>

	<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
	<p>Describe how resources will be allocated among funding categories.</p>	
	<p>Describe threshold factors and grant size limits.</p>	

	What are the outcome measures expected as a result of the method of distribution?	See 5-year Consolidated Plan annual goals for details.
4	State Program Name:	HOPWA
	Funding Sources:	HOPWA

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The HOPWA program is instrumental in providing permanent housing options utilizing TBRA, STRMU, PHP and SS. Each of these activities ensures available, affordable, and appropriate housing in areas of increased opportunities. TBRA is our most utilized HOPWA service which provides permanent housing for eligible households that are unstably housed, homeless or at risk of becoming homeless. STRMU our second most utilized HOPWA service is specific to eligible households that are already stably housed that may have crisis situations resulting in the need for short-term emergency financial assistance to prevent them from becoming homeless. Supportive Services, our 3rd most utilized HOPWA service, includes a myriad of services such as case management, transportation, food services and life skills, which based on assessed need, may be provided to assist eligible households remain permanently housed. PHP assists eligible households with reducing barriers to obtaining permanent housing through the provision of assistance with security deposits, one-time utility connection fees, rental application fees, criminal background checks, rental history and tenant counseling. Two-percent of our proposed funding is dedicated to PHP to assist eligible households with obtaining permanent housing. Resource Identification (RI) and Housing Information (HI) results in the identification and location available, affordable and appropriate housing units for persons living with HIV to prevent homelessness. Two-percent of our proposed funding for 2019 is dedicated to RI and HI to assist eligible households locate housing.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	

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<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>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>The HOPWA Program announce Request for Applications (RFAs) for HIV Prevention, Care and HOPWA. The application is combined and the proposals are written by a network of providers of HIV prevention, care and HOPWA services across the State of NC. Submitted applications are reviewed by NC HIV Prevention, Care and HOPWA staff and the applications are scored and must meet a minimum threshold criteria to be awarded.</p>

	Describe how resources will be allocated among funding categories.	
	Describe threshold factors and grant size limits.	
	What are the outcome measures expected as a result of the method of distribution?	See 5-year Consolidated Plan annual goals for details.
5	State Program Name:	Housing Trust Fund
	Funding Sources:	Housing Trust Fund

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	<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 2019 QAP is available on NCHFA's website: https://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2019-qualified-allocation-plan-gap. The State will distribute NHTF funds by selecting applications submitted by eligible recipients according to the process described in the State's QAP.</p>

<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>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</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>
	<p>Describe threshold factors and grant size limits.</p>	<p>No grants are issued with HTF funds.</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>

AP-35 Projects – (Optional)

Introduction:

Projects are outlined in each individual category.

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG. Allocation priorities were determined based upon needs described in the 2016-2020 Consolidated Plan (Housing Needs Assessment) and the Analysis of Impediments (supplemental information to the 2016-2020 Consolidated Plan. Obstacles to addressing underserved needs vary from being a result of pre-determined eligibility requirements, barriers that may disqualify low to moderate income individuals such as criminal backgrounds, poor credit and rental history, lack of affordable housing stock, etc. CDBG will shift priorities at any time to address emergency and crisis events. For example, CDBG has prioritized the disaster recovery efforts of the state to those counties, towns and small cities hard hit by Hurricanes Matthew and Florence.

HOPWA. Our allocation priorities are determined by the utilization of HOPWA services. The most utilized HOPWA services are TBRA, STRMU, Supportive Services and PHP. The utilization of HOPWA services matched the assessed eligible household needs identified through the State of NC HOPWA Consolidated Annual Performance and Evaluation Report (CAPER), and the HIV Prevention and Care Unit's Statewide Coordinated Statement of Need and Integrated Plan which include HOPWA. There are obstacles that affect access to HOPWA services such as the following:

- Stringent requirements on obtaining housing based upon criminal history, bad credit history and stigma that is prominent in landlords' lack of willingness to participate in HUD federally assisted household programs.
- Lack of affordable housing due to cost-burden and extreme cost-burden.
- Lack of available affordable housing stock, and
- Other factors such as low wage/income earning jobs creating cost-burden and severe cost-burden in maintaining stable housing and making decent, safe and affordable housing an unattainable goal.

AP-38 Project Summary
Project Summary Information

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

Acceptance process of applications

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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, within the scope of the CDBG funding opportunities made available.

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

The State CDBG program currently has Neighborhood Revitalization funding opportunities, economic development funding opportunities, and disaster recovery funding opportunities that the local units of government may access through a competitive and non-competitive process depending upon the program specific requirements. CDBG has also provided funding opportunities for Contingency Grant Programs (e.g., Main Street and Small Town Main Street programs. These funding opportunities are designed to revitalize communities' and rebuild communities impacted by Hurricanes Matthew and Florence area-wide that are at least 51% low- and moderate-income (LMI) persons and direct activities benefit 100% LMI persons.

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.

CDBG. Community Development Block Grant (CDBG) funds are available to local municipal or county governments for projects to enhance the vitality of communities by providing decent housing and suitable living environments and expanding economic opportunities. These grants primarily serve persons of low- and moderate- incomes.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Discussion

CDBG. The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities. These grants primarily serve persons of low- and moderate-income, as the State must ensure that at least 70 percent of its CDBG grant funds are used for activities that benefit these persons.

HOPWA. The North Carolina HOPWA program serves 82 of the 100 counties in the State of North Carolina. The remaining 18 counties are served through other HOPWA Grantees. The HOPWA formula grant was first funded for the state of North Carolina in 1992 and served the entire state until 1998. In that year, the Charlotte and Raleigh Metropolitan Service Areas (MSAs) became eligible for HOPWA formula allocations and the state's service area was reduced. In 2002, Wake County received a transfer of HOPWA Formula funds from the City of Raleigh to provide HOPWA services to Wake, Franklin and Johnston counties. In 2011, the City of Greensboro also became eligible for HOPWA formula funding to serve Guilford, Randolph and Rockingham counties and the State funding and service area was again reduced. The Charlotte MSA was revised in 2013 to include Iredell, Lincoln and Rowan counties. The state's HOPWA program gained Anson County as a result of that 2013 revision to the Charlotte MSA service area. During the Federal Fiscal Year 2015, the Durham-Chapel Hill Metropolitan Service Area became eligible for HOPWA formula funding which resulted in the transition of Chatham, Durham, Orange and Person counties from the State HOPWA program to the Durham-Chapel Hill MSA. As a result, the state funding and service area was further reduced. In addition, clients living in Currituck

County are served by the Virginia Beach, Virginia MSA.

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Affordable Housing

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

Introduction:

One Year Goals for the Number of Households to be Supported	
Homeless	23,582
Non-Homeless	4,555
Special-Needs	1,553
Total	29,690

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	11,125
The Production of New Units	861
Rehab of Existing Units	3,120
Acquisition of Existing Units	403
Total	15,509

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

HTF. HTF will be used fund the development of more rental units that are affordable to households earning 30 percent or less of AMI. The Consolidated Plan states that 1,943 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 and an additional 87 units in the 2017 HTF Allocation Plan). The State's \$5.29 million in HTF is expected to fund 116 units that will be affordable at 30 percent or less AMI, further increasing this goal to 2,059 units by 2020.

HOPWA. Under the 2019 Annual Action Plan the HOPWA Program is proposing to serve a total of 1,351 eligible households with the following: TBRA, STRMU, PHP, Supportive Services, Household Information and Resource Identification. Our 2019 AAP (1-year goals) for Rental Assistance Only is to provide TBRA, STRMU and PHP to 737 eligible households.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

Actions planned during the next year to address the needs to public housing

Actions to encourage public housing residents to become more involved in management and participate in homeownership

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Discussion:

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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 those experiencing homelessness or those at risk of homelessness by encouraging local grantees to develop innovative projects which better address the causes, conditions and problems of homelessness / housing 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 ESG program's goals are to assist people in preventing or ending their homelessness by supporting two primary functions: Emergency Response Activities, including emergency shelter operations and services as well as street outreach, and Housing Stability Activities including homelessness prevention and rapid re-housing. Emergency Response Activities focus on the needs of the homeless:

- Street Outreach: Providing essential services to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.
- Shelter Operations: Providing costs to operate an emergency shelter.
- Shelter Services: Providing essential services are services to homeless families and individuals in emergency shelters, including: case management, childcare, education, employment, and life skills, legal services, mental health, substance abuse services, transportation, and services for special populations.

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

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recently homeless from becoming homeless again

The Homelessness Prevention and Rapid Re-Housing Program provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds under this program are intended to target individuals and families who would be homeless but for this assistance. The funds will provide for a variety of assistance, including: short-term or medium-term rental assistance and housing relocation and stabilization services, including such activities as mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management.

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

Through services provided by emergency shelter and services programs individuals and families work with staff to both prevent homelessness and to use strategies that will prevent a lapse back into homelessness.

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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	431
Tenant-based rental assistance	254
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	737
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	1,422

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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:

HOPWA.

1. Lack of available and affordable housing for households displaced due to domestic violence of which some are HOPWA eligible. As reported in the Needs Assessment completed for our 2016-2020 Consolidated Plan, the NC Coalition against Domestic Violence (NCCADV) reported that on the date of the Point-In-Time count in January 2014, 13% of the adult women who experienced homelessness did so as a result of being displaced from their homes due to domestic violence. In the current Point-in-Time Count for 2016, 21% of the adult women experiencing homelessness are survivors of domestic violence. North Carolina needs additional emergency shelters for women living with HIV who are displaced from their homes due to violence. Ultimately, more permanent housing solutions, retention in HIV care and access to supportive services are needed to obtain stable housing and viral suppression for this population.

2. Lack of available and affordable housing for homeless youth of which some are HOPWA eligible. As of the Point-in-Time Count for 2016, 21% of the homeless population identified in the Count was youth ages 17 and younger. Our State needs additional resources such as emergency shelters that can provide educational opportunities and assist with placement in permanent housing in safe, decent, high

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opportunity environments to ensure the safety of our homeless youth and HIV+ homeless youth.

3. Lack of available and affordable housing for our LGBTQ Community of which a portion of them are HOPWA eligible. Homelessness and HIV/AIDS are two of the biggest issues facing the LGBT community in NC. More stable housing options and linkage to care resources are needed for this population.

4. Lack of available and affordable housing Options for PLWH with Mental Health and Substance Abuse Disorders. More housing options are needed for our PLWH that have serious mental illness and substance abuse disorders. According to the Point-in-Time Count conducted January 2016, 17% of the homeless people identified had serious mental illness and 15% had substance abuse disorders.

5. Barriers to housing affordability. In the Analysis of Impediments conducted for the NC 2016-2020 Consolidated Plan, Cost Burden/Severe Cost-Burden, Overcrowding/Severe Overcrowding, and housing units without working plumbing and kitchen systems were the top identified impediments to housing. For People Living with HIV (PLWH) these impediments are exacerbated due to low, extremely low, or no income, and the inability of PLWH to maintain their health.

AP-85 Other Actions – 91.320(j)

Introduction:

Actions planned to address obstacles to meeting underserved needs

CDBG. Hurricane Florence hit North Carolina on September 13-14, 2018 causing devastation to areas hard hit by Hurricane Matthew in addition to causing devastation in newly impacted areas of North Carolina. The Department of Commerce is assessing a myriad of resources and opportunities to partner with entities to address the needs of the impacted communities in the state as expeditiously as possible. CDBG will deploy additional funds in a timely manner and as needed to assist with disaster recovery efforts such as CDBG- NR funds by prioritizing impacted areas through the program. CDBG will access de-obligated CDBG funds and direct these funds towards disaster recovery efforts and will investigate using CDBG Contingency Program funds that fall outside of the CDBG normal protocol. In deploying resources, CDBG will ensure that there is no duplication of efforts and that funds are used as gap coverage to existing efforts. Many of the communities impacted by Hurricane Florence were also impacted by Hurricane Matthew on October 8-9, 2016, causing an estimated \$4.8 billion in damage across half of North Carolina's 100 counties. HUD appropriated \$236,529,000 in Community Development Block Grant funds to the state of North Carolina for recovery from Hurricane Matthew. CDBG will continue the recovery efforts in the counties impacted by Hurricane Matthew to get communities thriving and revitalized.

HOPWA. Per requirement, our HOPWA Project Sponsors follow-up with eligible households on their wait lists to determine current living arrangements and to provide updates on housing resources. Often times, eligible households on the wait lists are determined to be eligible for other housing programs such as VASH, Shelter Plus Care, and Section 8 and are placed in permanent housing through those programs.

Actions planned to foster and maintain affordable housing

HOPWA. Due to the Modernization of HOPWA, all current eligible clients receiving Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage and Utility Assistance (STRMU) and Permanent Housing Placement (PHP) will remain eligible and housed. In addition, it is our plan to significantly reduce the numbers of eligible households on the TBRA waiting list.

Actions planned to reduce lead-based paint hazards

CDBG. All CDBG sub-recipients awarded CDBG funds are required to adhere to the Lead-Based Paint Regulations found at 24 CFR, Part 35 and the N.C. General Statute 130A-453.01 – 453.11.

HOPWA. Contingent on receiving HOPWA Housing Subsidy (TBRA, STRMU and PHP) the Lead-Based Paint Acknowledgement, HOPWA Housing Quality Standards and the Visual Assessment conducted for

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the provision of STRMU must be completed. Ensuring that these criteria are met is done through the review of client files during sub-recipient monitoring site visits.

Actions planned to reduce the number of poverty-level families

CDBG. The CDBG Economic Development Program in North Carolina is designed to benefit low- and moderate-income persons through job creation. Funding eligibility is contingent upon the creation of permanent, full-time jobs meeting the following qualifying condition: at least 60% must be made available to persons whose household income over the previous 12 months was less than 80% of the median income for the area. For purposes of the CDBG ED Program, income eligibility is determined from data published annually for HUD's Section 8 housing program. Creating jobs and retaining jobs will positively impact the reduction to the number of poverty-level families.

HOPWA. The State of NC (DHHS) HOPWA Grantee and its Sub-recipients (HOPWA Project Sponsors) are required to take the HUD "Getting to Work" Training Module to better assist HOPWA eligible households with obtaining sources of income through employment. The goal is to assist them with increasing their household income and working their way to full self-sufficiency.

Actions planned to develop institutional structure

CDBG. CDBG will continue to maintain and increase cross-collaboration with federal, state, local units of government, non-profit/for-profit, private-sector to identify opportunities to lessen the barriers in addressing community and economic development needs in the State.

HOPWA. Because of the Housing Opportunities Through Modernization Act (HOTMA), the increase in HOPWA funding to NC will significantly impact eligible households in a positive manner. The stop-loss factor to the increase in funding which ensures that jurisdictions not gain more than 5% or lose more than 10% of their prior year funding during the 5-year phase in allows for the time to effectively plan for needed services and reduce the risk of having funding recaptured. We will increase the utilization of HIV/AIDS Surveillance data to develop a NC HOPWA Cascade. The NC HOPWA Cascade will demonstrate the impact of stable housing on improved health outcomes namely, HIV viral suppression. We will expand the use of allowable activities under Supportive Services (SS) such as outreach to further establish the housing and health care connection as it relates to improved health outcomes, specifically viral suppression. We will increase training opportunities for HOPWA Project Sponsors, landlords and tenants on Fair Housing. We plan to increase funding for Permanent Housing Placement (PHP) to assist eligible households with securing permanent housing through assistance with security deposits and one-time utility connections. We are strongly considering the addition of other HOPWA eligible activities based upon assessed need such as Short-Term Emergency Housing. We are exploring the potential for coordinating with NC Housing Finance Agency on bricks & mortar projects through sub-recipient contracts/agreements.

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

CDBG. The CDBG Neighborhood Revitalization Program funds can be used for public facilities owned by local units of government and Non-profits agencies (if the building is open to the general public). The Local Government will need to have a lien on the property and legally binding Commitment that includes the contract provisions. Examples of Public Facilities that CDBG funding can assist are senior centers, housing for homeless persons, housing or shelter for victims of domestic violence, transitional housing, and community/neighborhood/recreational facilities.

HOPWA. We will continue to ensure that HOPWA services are offered in the Regional Networks of Prevention and Care as part of the Patient Management Model. We will continue to collaborate and coordinate services with Public Housing Authorities, landlords/private home owners and other housing providers to maximize housing options and services to PLWH. We will ensure that the appropriate HOPWA eligible activities are provided and accessible to eligible households based upon assessed needs. We will ensure that HOPWA funding is utilized and leveraged with other sources to ensure expenditures are allowable, cost-effective and meet the needs of the eligible households. We will continue to ensure community and consumer input through the HIV Prevention and Care Advisory Committee (HPCAC) and through the Public Hearing process which allows for public comment. As a result of the HOPWA Formula Modernization through the Housing Opportunities Through Modernization Act (HOTMA) we will increase funding to our HOPWA Project Sponsors (Sub-Recipients) using the modernized HOPWA formula. The HOPWA program staff will research the feasibility for working with the Community Development Block Grant, NC Housing Finance Agency, Housing Authorities and other NC HOPWA Grantees on rehabilitation efforts on low income and affordable housing projects to further expand housing opportunities for PLWH in North Carolina. We will look into affordable housing options for PLWH through working with agencies that are designing creative models for housing PLWH that are homeless in congregate living arrangements (e.g., Boarding Houses). We will continue to work towards established, redefined and newly established goals and measures to achieve no new HIV infections, no loss-to-care PLWH, no PLWH without treatment and access to treatment, to ensure consistent community and consumer involvement in the State's "Ending the Epidemic Campaign" plan to end new HIV infections.

Discussion:

Program Specific Requirements

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

Introduction:

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.	80.00%

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 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

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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, 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 can be called (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 can be called (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 91.320(k)(3)**

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

Written Standards: In accordance with 24 CFR 576.500 (b), the recipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2. The written standards procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. Each subrecipient written standards are reviewed annually by the state using a HUD checklist.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

As part of the on-going on-site monitoring done by the ESG program office, compliance with centralized coordinated assessment will be added to the process and technical assistance will be provided.

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).

The NC Emergency Solutions Grant Program uses the formula of the HUD Pro Rata Share to determine available funding to CoCs/Regions. Local units of government and non-profit organizations, including community and faith-based organizations, can submit Project Applications to CoCs/Regions. Upon doing so, CoCs/Regions recommend projects for funding in the NC Emergency Solutions Grants Request for Application. NC ESG staff then review and score Regional and Project Applications for minimum threshold criteria.

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*.

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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 sub recipients are meeting goals. Sub recipients must adhere to:

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

Housing Trust Fund (HTF)

Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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. The State will not distribute any HTF funds through subgrantees. The State will require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds and that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements.

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b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

NCHFA will use the application process and eligibility requirements described in North Carolina's Qualified Allocation Plan (QAP) in awarding HTF funds (available online at www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2018-qualified-allocation-plan-qap). The QAP details applicant eligibility, eligible activities, what applications must include, when and where applications are to be submitted, the criteria by which applications will be evaluated, who will review applications, and when awards are to be made.

We will award HTF funds based on the selection criteria described in Section IV of the QAP.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The selection criteria are designed to identify the best applications based on site, market, rent affordability, development costs, project team, design and construction, energy efficiency, efficient use of tax credits, units for mobility-impaired individuals and ability to achieve community integration pursuant to North Carolina's 2012 *Olmstead* settlement agreement with the U.S. Department of Justice. Appendix J of the QAP outlines the additional criteria for those tax credit applications requesting HTF funds (available online at www.nchfa.com/sites/default/files/page_attachments/18-QAPFinalAppendixJ.pdf).

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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 2012 *Olmstead* settlement agreement with the U.S. Department of Justice.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Grantees (i.e., the State) must "commit" their HTF within two years, and expend within five years. All tax

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credit projects have a strict window for completion and must be placed in service by December 31 two years after the award of credits. For example, applications awarded tax credits in 2016 must be placed in service no later than December 31, 2018. There is also a requirement for projects to expend ten percent of the costs within 12 months of allocation. Using HTF with tax credits ensures that all projects will adhere to the requirement to obligate the funds and undertake eligible activities within 12 months.

Appendix J of the QAP further states the ability to obligate funds and undertake activities in a timely manner will be a threshold requirement for HTF approval. NCHFA will request a timeline as part of the application for projects requesting HTF funds to verify the applicant's ability to meet all deadlines.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Housing affordable to extremely low-income families is defined as families not paying more than 30 percent of their household income for housing costs, including utilities. Project-based rental assistance includes, but is not limited to, unit-based rental assistance, operating subsidies and cross-subsidization of rents within the project. All tax credit applicants must set-aside a minimum of ten percent of the total units for persons with disabilities and all of these units (referred to as "Targeted Units") are eligible for state-funded project-based rental assistance known as Key Rental Assistance. Therefore, all projects eligible for HTF will be eligible for project-based rental assistance. Applicants who have other types of project-based rental assistance also provide the source and number of units receiving project-based rental assistance as part of their applications. Project-based rental assistance is stated as a priority in QAP Appendix J. In the event of a tie in QAP scoring among projects seeking HTF funding, the percentage of units receiving project-based rental assistance will be used as the first tie breaker.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Minimum affordability period is 30 years. A statement is included in QAP Appendix J to indicate that it is a threshold requirement for projects requesting HTF to have a minimum 30-year affordability period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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

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Con Plan. The State's Con Plan defines households earning 30 percent or less of the AMI to be a high-priority population. The QAP requires that at least 25 percent of the qualified low-income units in a proposed tax credit project be affordable to and occupied by households with incomes at or below 30 percent of AMI in order to be eligible to receive HTF funds.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All tax credit projects require leveraging of sources, public and private, to fully fund the cost of each housing development. The QAP does not provide points for leveraging, but it does award points for the efficient use of tax credits in section IV(F)(2) and provides state funding through the state Housing Trust Fund and the Workforce Housing Loan Program to encourage leveraging. In the event of tie scores, the third tiebreaker is the project requesting the least amount of credits per unit (see QAP section IV(F)(7)(c)). Appendix J further states priority will be given to projects based on leveraging of non-federal funds. In the event there is a tie in QAP scoring among projects seeking HTF funding, the project with the lowest percentage of federal funding to total sources will be used as the second tie breaker.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

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7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The State will use HOME maximum per unit development subsidy limits.

The HOME maximum per-unit subsidy limits were chosen for consistency as we also use HOME funds with tax credits. Given that NHTF rules closely follow other established rules in the HOME program, it is appropriate to rely upon this limit. Currently, there is only one published limit for the entire state. Based on our experience with rental housing development, there are no significant differences in costs that would require any geographic adjustment from the statewide limit. Below are the current subsidy limits (available online at www.hudexchange.info/resource/2315/home-per-unit-subsidy/).

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

The State will not use HTF for rehabilitation of housing.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

Discussion:

Comments/Verification: The NC HOPWA Program is integrated with the Ryan White Part B and HIV Prevention Program. Every three years Regional Networks of Care apply to our integrated (HIV Prevention and Care) Request for Application (RFA) to describe their plans for HIV Prevention, HIV Care and Support Services and Housing via CDC Prevention, HRSA Ryan White Part B and HOPWA funds. We ensure that the RFA announcements reach far and wide via the Internet and other sources in North

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Carolina and that grassroots agencies, public housing agencies, faith-based, non-profit, and a myriad of organizations have access to HOPWA funding.

- Ninety-seven percent of the State of NC DHHS HOPWA funds are awarded to Project Sponsors of which the maximum cap for Project Sponsor Administration is seven (7%) and three (3%) percent is set aside for Grantee Administration. HOPWA Project Sponsors may only use HOPWA funding for eligible HOPWA activities as approved in the Consolidated Plan and Annual Action Plan. Sound Fiscal and Programmatic oversight must be implored by the Grantee and HOPWA Project Sponsors and monitoring sight visits are conducted to ensure HOPWA funding is utilized for allowable activities only. Citizen Participation in our Consolidated Planning Process/Annual Action Plan and CAPER is encouraged and required. HOPWA Grantee staff and Project Sponsor staff are required to take the HOPWA Oversight Training, Getting to Work and Fair Housing Training. The duty to Affirmatively Further Fair Housing is required and monitored to ensure that meaningful action is taken by the Grantee and HOPWA Project Sponsor staff to eliminate segregated living patterns in areas of low opportunity via ensuring our eligible clients have the freedom to choose housing that meets the HOPWA Housing Habitability Standards and Fair Market Rent standards. Client eligibility (medical status and income limits are assessed and monitored annually via the recertification process. In addition, household size is assessed during the same time. Ensuring eligible HOPWA clients have access to care, support and prevention services through the provision of case management and/or access to case management is required of our HOPWA Project Sponsors and assessed via monitoring site visits. The assurance of available housing under favorable conditions within 2 weeks is the goal of our HOPWA program. The HOPWA Grantee and our Project Sponsors are required to follow the Omni-Circular 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit for Federal Awards.

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Attachments

Grantee SF-424's and Certifications

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