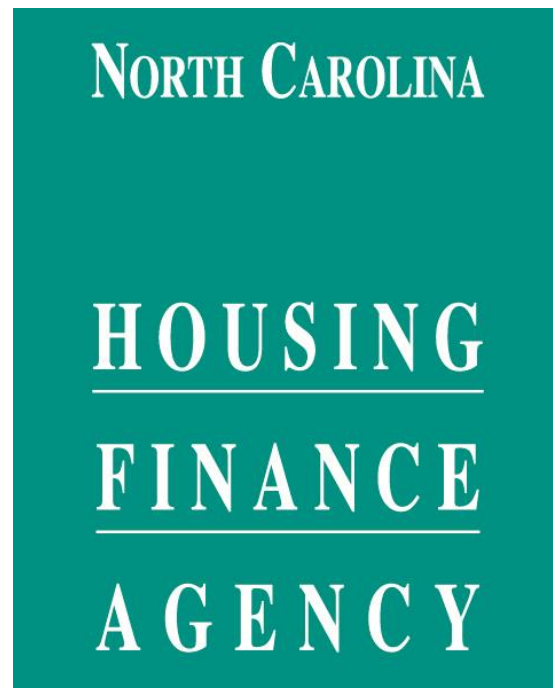


North Carolina Housing Finance Agency

Strategic Plan

2021 – 2023



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1. Strategic Plan Executive Summary

Agency Scope

North Carolina Housing Finance Agency administers programs to address the housing affordability needs of North Carolinians. These programs utilize five housing activities to address supply, quality and availability of affordable housing: home ownership, rental development, rehabilitation, supportive housing and rental assistance. The agency runs 15 active programs funded with more than 20 funding streams. A self-supporting public agency, NCHFA consistently keeps operating costs to less than 2% of housing financed while maintaining an AA+/Aa1 bond rating.

The impact of HFA can be traced back to our effective use of more than 8,000 public-private partnerships, financing 306,130 homes and apartments, totaling \$27.6 billion since 1973. Each year, NCHFA adds to, supports and preserves affordable housing stock across the state. In 2020, the Agency's work:

- Financed 12,990 affordable homes and apartments.
- Financed \$2.4 billion in housing construction, rehab and home sales.
- Supported 24,740 construction jobs.
- Produced \$72.9 million of state and local tax revenues.

Renters

More than 35,000 of those who will be helped by 2020 HFA programs and funding are renters in need of affordable apartments or rental assistance. Tax credits and tax-exempt bonds awarded in 2020 will produce 6,840 apartment home for working families and seniors, impacting 41 communities.

Supporting people with disabilities, NCHFA partners with NC DHHS on the Targeting Program, which provides accessibility to units made affordable with the Key Rental Assistance Program. NCHFA has also partnered with NC DHHS in implementing its Transition to Community Living and Back@Home programs.

NCHFA partnered with NCORR to build affordable rental units in counties devastated by Hurricane Matthew and Florence.

Homebuyers

Home ownership efforts assisted 3,330 borrowers through the NC Home Advantage Mortgage™ program, with 1,820 of these borrowers also utilizing the NC 1st Home Advantage Down Payment. Another 1,510 low- and moderate-income households used the NC Home Advantage Tax Credit, which helps make their mortgage payment more affordable by providing a Mortgage Credit Certificate that enables them to save up to \$2,000 annually on their federal taxes. Our community home ownership program supported 450 buyers.

Rehabilitation

Since their inception, our rehab programs have improved 37,020 properties with major and emergency repairs addressing safety issues and accessibility modifications. This preserved \$408.2 million in property value and saved more than \$550 million in health care costs.

Housing Trust Fund

The North Carolina Housing Trust Fund contributes to significantly to rental housing development, rehabilitation and supportive housing. Over the life of this funding, the Housing Trust Fund helped finance \$1.6

billion in housing construction and rehabilitation since its creation. It delivers one of the state's best returns on investment, leveraging \$4 in housing for every Trust Fund dollar.

Housing is made more affordable for households in North Carolina by these programmatic investments. Many of these investments offer long term benefits of affordability and accessibility for the households and communities impacted.

Strategic Plan

In January, the Agency embarked on an intensive year-long strategic planning process that will include input from our board of directors, Agency leadership, staff, and partners. The UNC School of Government is facilitating this process. A strategic planning working group was created with a subgroup of board of directors, including our chairperson, the executive director, and all of senior leadership. The process includes visioning, staff surveys and focus groups, partner input, and metric creation.

Current Focus

The COVID-19 pandemic has brought the importance for housing in stark relief, as access to housing and health have walked hand in hand. However, the ability to cover existing housing costs, coupled with house prices increasing, has been difficult for many North Carolina households. Our work moving forward may be impacted by the additional investments to be made in our state by the American Rescue Plan or other responsive efforts in the future. Our flexibility and adaptability to address shifting needs as well as new regulatory efforts is a large part of our success and will be tapped in the coming biennium.

2. Agency Mission, Vision, and Values

Agency Mission Statement

Our mission is to create affordable housing opportunities for North Carolinians whose needs are not met by the market.

Agency Vision Statement

We will lead the nation in creating sustainable housing opportunities that people can afford.

Agency Values

We are Committed to these values:

We Care

- We respect all people.
- We listen to understand.
- We support employees.
- We have passion for our work.

We Act

- We work with integrity and professionalism.
- We manage resources wisely.
- We do what we say we will do.
- We promote cooperation and teamwork.
- We forge strong partnerships.

We Lead

- We invest to improve lives and communities.
- We seek long term solutions.
- We pursue new capital to solve housing problems.
- We innovate to respond to needs.
- We strive for excellence.

3. Goals, Objectives, and Performance Measures

As mentioned earlier, the Agency is currently engaged in an intensive year-long strategic planning process that will include input for our board of directors, Agency leadership, staff, and partners. This process is facilitated by the UNC School of Government. At the conclusion of this process, the following Goals, Objectives and Measures will be updated based on the plan created by these efforts.

Goal 1 – Create affordable housing opportunities for North Carolinians whose needs are not met by the market.	
Objective 1.1 – Provide financing and support of home ownership for low- and moderate-income households.	Performance Measure or Milestone 1.1 – <ul style="list-style-type: none"> • Number of home purchase loans through NC Home Advantage programs, Community Partners Loan Pool (CPLP) and Self Help Loan Pool (SHLP) • Number of home purchases assisted with down payment assistance • Number of Mortgage Credit Certificates issued • Dollars of property purchased
Objective 1.2 – Finance the development and rehabilitation of rental housing for household below 80 percent Area Median Income (AMI).	Performance Measure or Milestone 1.2 – <ul style="list-style-type: none"> • Units created • Units rehabilitated • Dollars of property financed
Objective 1.3 – Provide homeowner rehabilitation and repair funding to assist low income seniors, veterans or persons with a disability.	Performance Measure or Milestone 1.3 – <ul style="list-style-type: none"> • Homeowners assisted • Real estate value preserved • Beneficiary by eligibility (e.g. senior, disability, veterans)
Objective 1.4 – Support and provide for the development of supportive housing and assistance.	Performance Measure or Milestone 1.4 – <ul style="list-style-type: none"> • Targeted rental units created • Rental assistance provided through for those with disabilities • Dollars of property financed • Number of months of rental assistance provided • Dollars provided in rental assistance

4. Highlights and Opportunities

Agency Highlights and Best Practices

Successful development and purchase of affordable housing solutions depends largely on the strength of our partnerships across the business and non-profit communities in the state. In 2020, our housing efforts reached 460 communities. This was possible in large part because of more than 8,000 partners from lending institutions, non-profit organizations, for-profit developers, local governments, the real estate industry and housing counseling organizations. Our programs reach all 100 of North Carolina counties.

Below are a few examples illustrating the work the Agency does to create affordable housing opportunities for North Carolinians.

Parkside Commons in Greenville

Parkside Commons provides 98 affordable apartments to help address the lack of housing options for the City of Greenville's lower income seniors. The three-story development offers one- and two-bedroom garden apartment homes. Apartments range from 680 to 900 square feet with rents from \$330 to \$580. Ten apartments are fully accessible for persons with disabilities and all units feature Energy Star appliances, large closets and storage, ceiling fans and connections for washers and dryers.

Property based amenities from onsite laundry to high speed internet increase the livability and community of the development. Residents also enjoy outdoor features including a walking trail, gazebo, picnic area, raised bed gardens and exercise equipment that offers an adult playground to help residents stay fit and have fun. The property is located in the city's medical district and within walking distance of a grocery store, a pharmacy, banks, restaurants and retail businesses. Vidant Medical Center, one of the largest hospital systems in Eastern North Carolina, is less than a mile away.

Parkside Commons was financed with federal and state housing credits.

Community Shelter of Union County in Monroe.

The new Community Shelter of Union County provides short-term shelter for single adults and families while working to move them into independent, permanent housing through their rehousing efforts. With the construction of a new facility, CSUC moved from a borrowed 7,000-square-foot structure to a two-building campus with close to 20,000 square feet. The new shelter increases the bed count over the longstanding shelter from 28 to 91 beds.

Their increased capacity and physical structure became instrumental to their service in the pandemic. During the first seven months of the pandemic, CSUC placed 33 households in permanent housing, with 100 total households rehoused since opening.

The new construction of the Community Shelter of Union County received financing from the North Carolina Housing Trust Fund, administered by the North Carolina Housing Finance Agency, along with an additional four million dollars raised by private and public sources. The property for the facility was donated by the City of Monroe.

Piedmont Triad Regional Council in Kernersville.

Many low-income homeowners who are elderly or have disabilities face home safety threats they cannot afford to repair and are at risk for having to move into institutional care. Piedmont Triad Regional Council provides home rehabilitation through its Community Development Department (CDD). Low-income families, seniors, people with disabilities and veterans are eligible for assistance in 13 counties.

CDD receives additional, related funding from other sources, allowing our funding to be layered for maximize impact and increase the level of service. In addition to North Carolina Housing Finance Agency's Essential Single-Family Rehabilitation Loan Pool and Urgent Repair Program, the CDD administers compatible programs such as the HOME Investment Partnership Program and the Weatherization Assistance Program. These investments help at least 125 homeowners annually, addressing safety concerns by replacing septic systems and wells, repairing and replacing roofs, removing lead paint and asbestos, replacing rotting doors and windows, repairing and replacing plumbing, electrical and HVAC, and making accessibility modifications that enable people to remain in their homes.

Potential Initiatives

The passage of the American Rescue Plan will provide increased resources to address housing needs that were exacerbated by the COVID-19 pandemic. NCHFA is prepared to address these shifting and increasing housing needs through expansion of existing programs as well as new efforts that are responsive to the state's needs.

Collaborative Opportunities

NCHFA already works in partnership with NCDHHS and NCORR. NCHFA welcomes conversations about housing across multiple policy arenas. When there is a need for expertise and experience in the housing development and financing space, HFA can contribute its decades long track record for creating affordable housing opportunities across the state.