

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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**SENATE BILL 809**

Short Title: Home Start Funds.

(Public)

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Sponsors: Senators Reeves; Clodfelter and Lucas.

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Referred to: Appropriations/Base Budget.

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April 12, 1999

**A BILL TO BE ENTITLED**

**AN ACT TO APPROPRIATE FUNDS TO INCREASE AND SUSTAIN THE  
CAPACITY OF NONPROFIT HOUSING ORGANIZATIONS TO PROVIDE  
AFFORDABLE HOMES.**

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the North Carolina Housing Finance Agency the sum of two million five hundred thousand dollars (\$2,500,000) for the 1999-2000 fiscal year to be allocated to community-based nonprofit affordable housing organizations. These funds shall be used for direct grants to new and existing community-based nonprofit affordable housing organizations to support operations and project activities, and for administrative and other operational purposes that expand the capacity of such organizations to:

- (1) Support the development of housing affordable to persons of low income;
- (2) Support home ownership through credit counseling and other home buyer education;
- (3) Meet the housing needs of underserved communities by focusing attention and efforts on high-poverty rural areas and distressed urban neighborhoods;

- 1           (4) Provide more appropriate and less costly private housing options and  
2 services for the elderly and for persons with special needs who  
3 otherwise might be dependent upon public assistance; and  
4           (5) Increase stability, help deter crime, and make neighborhoods more  
5 attractive for further economic and community development through  
6 education and community building activities.

7           Section 2. The North Carolina Housing Finance Agency shall adopt temporary  
8 rules pursuant to G.S. 150B-21.1 within 90 days of the effective date of this act  
9 governing the eligibility of applicants, application procedures, eligibility requirements,  
10 criteria and standards for awarding grants, and performance standards for continued  
11 funding and shall make available to the general public and interested parties adequate  
12 opportunity for input into the rule-making process.

13           Section 3. The North Carolina Housing Finance Agency shall report every six  
14 months to the Joint Legislative Commission on Governmental Operations on the use of  
15 the funds allocated pursuant to this act. The Agency shall not use these funds for its own  
16 administrative purposes.

17           Section 4. For purposes of this act, the term "community-based nonprofit  
18 affordable housing organization" means nonprofit corporations chartered pursuant to  
19 section 501(c)(3) of the Internal Revenue Code, which have as a major purpose the  
20 development and improvement of affordable housing opportunities for persons of low  
21 income; serves the community in which it is located; is neither controlled by, nor under  
22 the direction of, individuals or entities seeking to derive profit or gain from the  
23 organization; and maintains accountability to low-income community residents through  
24 board membership or other formal processes for input into the organization's housing  
25 decision-making process. For purposes of this act, the term "low-income" refers to  
26 persons and families whose incomes do not exceed eighty percent (80%) of the area  
27 median family income, with adjustments for family size, according to the latest figures  
28 available from the U.S. Department of Housing and Urban Development. For purposes  
29 of this act, the term "very low-income" refers to persons and families whose incomes do  
30 not exceed fifty percent (50%) of the area median family income, with adjustments for  
31 family size, according to the latest figures available from the U.S. Department of Housing  
32 and Urban Development.

33           Section 5. This act becomes effective July 1, 1999.