



# North Carolina

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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North Carolina's 2011 QAP includes a 20% rehabilitation set-aside. To be eligible for the rehabilitation set-aside, a property must have either mortgage subsidies from a local government in excess of \$5,000 per unit or have federal rental assistance for at least 30% of the total apartments plus hard construction expenses in excess of \$15,000/unit and been placed in service on or before December 31, 1995.

Preservation and rehabilitation applications do not receive point scores but instead are evaluated using an alternate criteria set. Priority will be given to the state's most distressed federally subsidized housing.

#### **Allocations (2003-2009)**

*Properties Preserved:* 49

*Apartments Preserved:* 3,063

#### **State Low Income Housing Tax Credits**

In 2007, North Carolina allocated up to \$10,500,000 toward its state tax credit program. Applicants who qualify for federal tax credits automatically qualify for state credits, as long as they meet the state credit income targeting requirements for the county in which the property is to be located.

### Private Activity Bonds with 4% Tax Credits

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North Carolina allocates the multifamily portion of the state's tax-exempt bond authority in the following order of priority: 1. Properties that serve as a component of an overall HOPE VI revitalization effort, 2. rehabilitation of existing rent restricted housing, 3. rehabilitation of projects consisting of entirely market rate units, 4. Adaptive re-use properties and 5. Other new construction properties. Rehabilitation applicants require rehab expenses in excess of \$10,000 per unit.

#### **Allocations (2003-2009)**

*Properties Preserved:* 9

*Apartments Preserved:* 957

*Additional Info:* North Carolina did not allocate any 4% tax credits towards preservation in 2009.

### Housing Trust Funds

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The North Carolina Housing Trust Fund is administered by the state HFA and provides loans, grants and interest reduction payments for activities including rehabilitation of sub-standard housing apartments. The HFA channels Trust Fund money to eligible applicants through the other state programs (i.e. rental housing programs), with each dollar awarded leveraged with nearly \$4 of other funding. Cumulatively, the General Assembly has provided \$141.5 million for the Housing Trust Fund, including \$10 million in recurring funds in 2010.

In western North Carolina, the Charlotte Housing Trust Fund offers funding for affordable housing projects. In 2009, \$15,060,505.00 of a total \$64,109,178.00 (23%) allocated by the Charlotte HTF went to the rehabilitation of existing multifamily developments.

**PLEASE NOTE: Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).**

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

New construction residential buildings must comply with all Energy Star standards. Adaptive reuse and rehabilitation projects must comply to the extent doing so is economically feasible and as allowed by historic preservation rules.

A separate scoring system is used for rehabilitation and preservation projects in that they are not scored at all regarding a 'green score.' A non-numerical list of criteria is used for scoring existing properties. Threshold requirements for rehabilitation projects include: improving energy efficiency by replacing inefficient doors and windows, adding additional insulation in attics, upgrading the efficiency of mechanical systems and appliances.

### ***Other Green Incentives Relevant to Preservation***

Incentives include an income tax credit for renewable energy systems, a property tax exemption for renewable systems, and two renewable energy production incentives.

*For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.*

## **Sustainable Communities & Transit-Oriented Development Incentives**

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North Carolina's 2010 QAP awards 10 points for new construction developments which are part of community revitalization plans and are in qualified census tracts. For preservation, applications will have priority to the extent that the rehab improvements are part of a community revitalization plan.

Up to 40 points for "availability, quality, and proximity of the following: grocery store(s); basic shopping/general merchandise; pharmacy; community/senior center; public park or library; access to public transportation; other beneficial services or amenities."