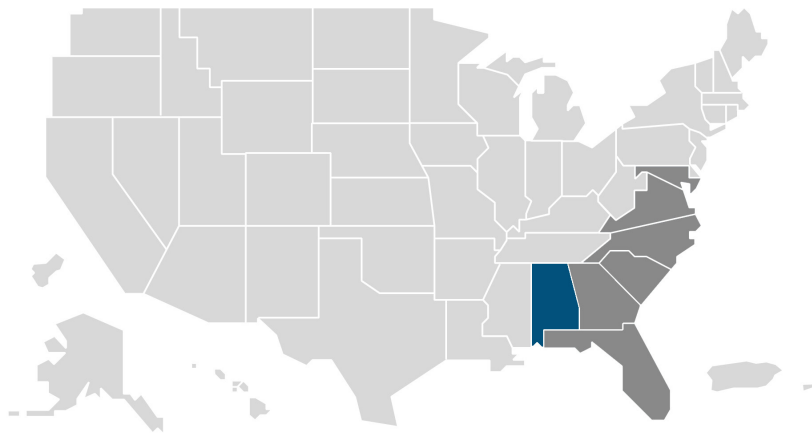


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



NORTH CAROLINA
STATE REPORT

NORTH CAROLINA STATE REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of North Carolina is in the Atlanta district. This report details the economic impact of housing within North Carolina that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within North Carolina may have received AHP funding from a Federal Home Loan Bank other than FHLBank Atlanta. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

NORTH CAROLINA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$81.49 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$104.34 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$976.43 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$1.27 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **377**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **11,534**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

NORTH CAROLINA Home Purchase Activities

Economic Basis



\$21.17 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$25.69 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$321.50 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$390.33 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



3,511

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

NORTH CAROLINA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$2.22 BILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



17,991 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$729.05 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.75

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$74.22 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

NORTH CAROLINA Home Purchase Activities

Economic Impact



\$836.01 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



5,590 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$187.85 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.87

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$24.51 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

Self-Help Credit Union Transforms Communities One House at a Time



Self-Help Credit Union is a staple in communities across North Carolina, providing services and products to help small businesses grow, and developing communities. To expand its reach, Self-Help has been partnering with the Federal Home Loan Bank of Atlanta for the past 19 years to provide more than \$3.2 million in down payment assistance to more than 600 families, such as Megan Smith’s family.

For years, Megan had the goal of becoming a homeowner. She wanted a house in a safe neighborhood where she and her 15-year-old son could thrive. She also knew that, by owning, she could build a stronger financial future.

Megan discussed a mortgage with several lenders, but they all put her application on “the back burner.” She didn’t give up. To save more money, she moved in with her mother in Henderson and commuted to her job in Raleigh, where she works as a meter reader.

When Megan came to Self-Help, the lending team saw her strengths. She had a steady income and savings from a job she had done for six years. Her credit was good, and her track record on paying rent and utilities was stellar.

Megan was determined to get a mortgage, and Self-Help was determined to help her qualify. Using FHLBank Atlanta’s First-time Homebuyer product to help with down payment assistance and make the monthly payments more affordable, Megan was able to close on her loan with a monthly payment of \$700.

“It was unbelievable,” Megan says, remembering how she felt when she learned she would be able to afford a three-bedroom house in Knightdale, North Carolina. “I love everything about that house!”

Now she has a yard big enough for a basketball goal for her son. They have also added another member to the family, a new puppy.

**Self-Help
Credit Union
North Carolina**

NORTH CAROLINA

Project Profile: Home Purchase Activity



Habitat for Humanity of Forsyth County (HFHFC) partnered with Capital Bank, N.A. to develop Project New Hope, which consists of 10 units located in northeast Winston-Salem, North Carolina. As a result of the partnership, \$150,000 was awarded in AHP from FHLBank Atlanta for permanent mortgage principal reduction. The project was targeted to individuals and families at or below 60 percent of median income, with 20 percent of the units set aside for residents with mental or physical disabilities. Through Project New Hope, HFHFC and its community partners provide homeowners with a range of supportive services, including homeownership education, training, employment and career-assessment services, life-skills education and neighborhood leadership development. These partnerships were key to the success of the project. Additionally, this was the first project developed by HFHFC that provided such a comprehensive range of supportive services for homeowners, both prior to and after closing. By investing in the homebuyers while providing them with the opportunity to obtain affordable housing, HFHFC and Capital Bank have strengthened the Winston-Salem community.

SOURCES		
Sponsor’s First Mortgage (Cash Value)	\$	319,508.89
FHLBank Atlanta	\$	150,000
United Way	\$	6,000
Homeowner Contribution	\$	6,000
Taxes	\$	947
Total	\$	482,455.89

As Base Closes, Housing for the Homeless Emerges from Soup Kitchen



Lakeside Reserve

The Adrian B. Rhodes Armed Forces Reserve Center sat abandoned and vacant after the building was identified under the Federal Base Closure Community Redevelopment and Homeless Assistance Act of 1994, which mandates reuse of bases for the purpose of assisting the local homeless population. A potential eyesore to the city of Wilmington, the building found a saving grace when Good Shepherd Ministries of Wilmington, Inc. approached the city with plans 10 years in the making to redevelop the property. Starting out as a modest soup kitchen for the homeless 35 years ago, Good Shepherd Ministries has been committed to serving the city of Wilmington. Over the years, the mission has expanded to address the shrinking availability of affordable housing in Wilmington. To make the dream a reality, Good Shepherd Ministries hit the pavement, working persistently to raise funds for the development of the project—all in preparation for the day the city officially turned the property over to them. The first phase of the project has been completed and includes permanent housing and supportive services for homeless individuals who are often overlooked and underserved. A case worker is located onsite to assist residents with meeting their personal and professional goals. In addition, the property will provide free transportation and a plethora of supportive services.

**South State Bank
Wilmington, North Carolina**

NORTH CAROLINA

Project Profile: Rental Activity



Eden Chase Apartments

Wynnefield Properties, an established commercial property developer, partnered with First Bank and was awarded \$500,000 in AHP funds for the development of Eden Chase Apartments located in Eden, North Carolina. Eden Chase Apartments is a 60-unit property that provides housing to individuals and families with an average median income at or below 65 percent. The project has multiple layers of financing and was awarded Low-Income-Housing Tax Credits from the North Carolina Housing Finance Agency, which ensures that rents remain affordable for residents. As a benefit, the property provides o-site empowerment programs to uplift residents. With the addition of Eden Chase Apartments, Wynnefield Properties and First Bank have added value and a better quality of life for the residents of the property. First Bank's commitment to improving communities in Eden is strong because its people live and work in these same neighborhoods.

SOURCES

NCHFA / Boston Capital (LIHTC Equity)	\$	4,502,293
North Carolina Housing Finance Agency (NCHFA)	\$	1,106,305
USDA RHS / PR Mortgage and Investments	\$	990,572
FHLBank Atlanta	\$	500,000
Deferred Developer Fee	\$	21,486
Total	\$	7,120,656