

§ 122E-6. Uses of funds.

Funds from the Fund shall be used to increase the supply of decent, affordable and energy-efficient housing for low, very low, and moderate income residents of the State as defined in G.S. 122E-2. Such funds shall be used to finance, in whole or in part, projects and activities eligible under this section. The Agency shall make available loans, grants, interest reduction payments, or other comparable forms of assistance to eligible applicants. Provided, however, that with regard to those funds of the Fund which are Stripper Well Litigation Funds or Diamond Shamrock Funds, grants shall be from both the principal and income generated by the principal of such Funds so that all such Funds will be expended within a reasonable period of time. Provided, further, that with regard to that portion of the Fund which is derived from the appropriation of State funds, the amount of grants to be made in any fiscal year shall be limited to the amount of income generated by the principal of that portion of the Fund.

(a) Beneficiaries.

- (1) The Partnership shall ensure that the Agency's program for uses of monies from the Fund directly benefit low, very low and moderate income persons and families as set forth in subsections (2), (3), and (4) below.
- (2) The Partnership shall ensure that at least thirty percent (30%) of the total funds from the Fund eligible for expenditure by the Agency in any fiscal year directly benefit persons and families whose incomes do not exceed thirty percent (30%) of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.
- (3) The Partnership shall be authorized to allocate up to thirty percent (30%) of the total funds from the Fund for the benefit of persons and families whose incomes do not exceed fifty percent (50%) of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development; provided, however, these funds may also be directed for the benefit of the persons and families defined in subsection (2).
- (4) The Partnership shall ensure that no more than forty percent (40%) of the total funds from the fund eligible for expenditure by the Agency in any fiscal year directly benefit persons and families whose incomes do not exceed eighty percent (80%) of the median family income for the local area, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.

(b) Eligible Projects.

- (1) An eligible project consists of one or more residential buildings containing similarly constructed units, the site on which the building(s) is located and any functionally related facilities. Multiple buildings may constitute a project only if bounded together as a result of proximate location, or common ownership and financing.
- (2) Projects which provide for the construction or rehabilitation of rental projects must contain contractual guarantees to ensure that at least twenty percent (20%) of the units are occupied by persons and families defined in G.S. 122E-6(a) (2) and (3) for a period of time following the award of grants or loan funds from the Fund, said period to be not less than 10 years, and shall be established by the rules and regulations promulgated by the Partnership and are affordable housing units as defined in G.S. 122E-2(9) [G.S. 122E-2(6)].

(c) Eligible Uses for State Appropriated Funds.

Eligible activities include, but are not limited to the following:

- (1) Rehabilitation, including weatherization, of sub-standard housing units;
- (2) Assistance for costs of necessary studies, surveys, plans and permits, engineering, legal and architectural and other technical services;
- (3) new construction, including costs of land acquisition and site preparation;
- (4) Assistance for the construction or rehabilitation of shelters for the homeless;
- (5) Assistance in the development of manufactured housing sites which constitute eligible projects as defined in subsection (b) of this section. The Agency may contract with outside organizations to provide such assistance; and
- (6) Such other programs which increase the supply of decent and affordable housing for low, very low, and moderate income persons which the Partnership shall deem appropriate to meet the purposes stated in this section.

(d) Eligible Uses for Stripper Well Litigation Funds and Diamond Shamrock Litigation Funds.

- (1) Eligible uses for the Stripper Well Litigation funds shall be those uses permitted under Paragraph II.B.3.f.ii. of the Settlement Agreement that was approved by Order of the Court, dated July 7, 1986, including, but not limited to, those residential energy-related uses which are identified in Exhibit J to said Settlement Agreement.
- (2) Eligible uses for the Diamond Shamrock Litigation funds shall be those uses permitted under Exhibit B to the Order of the Court, dated June 6, 1986, including but no [not] limited to those residential energy-related uses which are identified in Attachment C to Exhibit B to said Order. (1987, c. 841, s. 1.)