

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 727
HOUSE BILL 1091

AN ACT TO RECALL FUNDS PREVIOUSLY APPROPRIATED TO THE NORTH CAROLINA HOUSING CORPORATION AND TO ESTABLISH A SPECIAL COMMITTEE TO STUDY THE ROLE OF THIS STATE IN HOUSING FOR PERSONS AND FAMILIES OF LOWER INCOME AND TO REPORT ITS FINDINGS TO THE GENERAL ASSEMBLY.

Whereas, the North Carolina Housing Corporation was established by Chapter 1235, Session Laws of 1969, and was at that time granted an appropriation in the amount of five hundred thousand dollars (\$500,000), for the purpose of aiding families of lower income in obtaining residential housing; and

Whereas, during the four years of its operation the effect of the North Carolina Housing Corporation on housing problems within this State has been negligible; and

Whereas, there is a severe housing shortage in this State acutely felt by nearly one and a half million North Carolinians; and

Whereas, some twenty other states have housing finance agencies similar to the North Carolina Housing Corporation which have enjoyed moderate success and in particular the Michigan State Housing Authority is not only self-supporting but is returning excess income over expenses to the state; and

Whereas, none of the housing finance agencies of other states have been abolished; and

Whereas, the reasons for the failure of the North Carolina Housing Corporation to make a significant impact on this State's housing problem despite the personal efforts of those involved with the North Carolina Housing Corporation are extremely complex and varied; and

Whereas, the entire role of the State in the field of housing, as to how the State of North Carolina may most properly and efficiently aid those in need of adequate housing, is unclear due to several uncertainties, including uncertainties as to the effect of actions taken and to be taken by the United States Government; and

Whereas, the General Assembly of North Carolina intends to fulfill its obligations to the people of this State in the field of housing, but does not intend to allow the further expenditure of tax monies in an ineffective manner; Now therefore,

The General Assembly of North Carolina enacts:

Section 1. Thirty days following ratification of this act, no further expenditures will be made from any funds appropriated to the North Carolina Housing Corporation for salaries of any employees or officers of the Corporation, and at that time all employees and officers of the North Carolina Housing Corporation shall be released.

Thirty days following ratification of this act, the State Treasurer of North Carolina will act as trustee for the North Carolina Housing Corporation. As trustee for the corporation, it shall be the duty of the State Treasurer of North Carolina to pay all legally enforceable obligations of the corporation and to collect any obligation owed it. The State Treasurer of North Carolina shall succeed to all powers of the corporation as may be necessary to carry out his duties as trustee and shall be entitled to perform all acts in the name of the corporation as

may be necessary to carry out his duties as trustee or to fulfill the obligations of the corporation.

Thirty days following the ratification of this act, all monies held by the North Carolina Housing Corporation shall be delivered to the State Treasurer as trustee. Any other assets of the corporation shall be delivered to the State Treasurer who shall dispose of them as personal property of the State of North Carolina and shall hold the proceeds thereof in like trust. As trustee for said funds, the State Treasurer shall await direction of the General Assembly of North Carolina for disposition of the funds.

Sec. 2. Because of current uncertainty as to the status of federal funding, a state of crisis exists in the funding of many limited-income housing projects. To ameliorate the impact of this situation, the Treasurer of the State is hereby authorized to issue in the name of the North Carolina Housing Corporation up to \$25,000,000 of bonds or bond anticipation notes and to spend the proceeds of such bonds or notes or of contributions, grants, or other funds held in the name of the Corporation, as if he were the Corporation, pursuant to the provisions of Chapter 1235 of the Session Laws of 1969. Provided, however, that such action shall be taken only upon application of a public or non-profit private agency concerned with the provision of limited-income housing, and that no such action shall be taken without the concurrence of the Council of State and the Attorney General.

Sec. 3. The North Carolina Housing Corporation is granted express authority to complete projects presently under way and directed to undertake no new projects or to make any new expenditures except as may be incidental to or required by projects presently under way and as may be necessary to the winding up of its affairs and except as provided in Section 2 above.

Sec. 4. After ratification of this act, the State Treasurer may, if he deems it necessary and advisable, order an audit of the financial records of the North Carolina Housing Corporation and report the results of said audit to the General Assembly.

Sec. 5. A committee is hereby established to study the advisability of maintaining the North Carolina Housing Corporation and to generally study the proper and effective role of the State in housing. The committee is to be composed of two members of the Senate appointed by the President of the Senate, two members of the House of Representatives appointed by the Speaker of the House, the State Treasurer, the Attorney General, the Secretary of Human Resources, and six other members to be chosen by the committee; one representative of the mortgage bankers of North Carolina, one representative of the North Carolina Association of Realtors, one representative of the North Carolina Home Builders Association, the administrator of a public or non-profit agency established to provide housing for limited-income persons, one representative of the North Carolina Manufactured Housing Institute, and a housing specialist with professional experience in analyzing housing needs and public policy relating thereto. The committee is to report its findings and recommendations to the next session of the General Assembly.

Sec. 6. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 23rd day of May, 1973.