

# Housing Affordability in Wake County

Crosby Advocacy Group

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# Housing Affordability

## The Basics

# Housing Affordability Components

**Paying no more than 30% of income on housing expenses**

**May be for rent or own**

**May be single family, duplex, multi-family, cottage courts, quadraplex, etc.**

**Safe and decent housing**

**Constructed & maintained to local housing standards**

# Affordable Housing in Wake



# Who does it serve?



Home Health  
Aide

Single parent,  
3 children

**Income:**  
**\$23,600**

**<30% AMI**



Retail Associate

Single person,  
0 children

**Income:**  
**\$28,000**

**30-50% AMI**



Preschool  
Teacher

Single parent,  
1 child

**Income:**  
**\$35,500**

**30-50% AMI**



Firefighter

Two parents,  
2 children

**Income:**  
**\$54,000**

**50-60% AMI**

# Why is Housing Affordability important?

## Families & Individuals

Fulfills Basic Human Need for Shelter

Improves Mental & Physical Health

More money for health care, child care, food & other necessities

## Community Impact

Reduces Homelessness

Creates Diverse and Vibrant Community

Helps Ensure a Greener Community

## Business Advantage

Employee Retention

Competitive Recruitment

Economic Development and Growth



# Housing Affordability & Homelessness

In Wake County

# Trends Driving Wake's Housing Affordability Crisis

- 1** Rapid Population Growth
- 2** Household Incomes vs. Escalating Housing Costs
- 3** Housing Production compared to Growth
- 4** Loss of Affordable Housing
- 5** Unmet & Expanding Housing Need

# Understanding the Housing Affordability Need

- Wake County has an estimated deficit of **60,775** units that are affordable to households earning less than 50% of Area Median Income which is:
  - \$46,350 for a family of four
  - \$32,450 for an individual
- Wake County Median Income \$93,100 for a family of four



DHIC: Booker Park North at Washington Terrace

# Evictions Happen Throughout Wake County

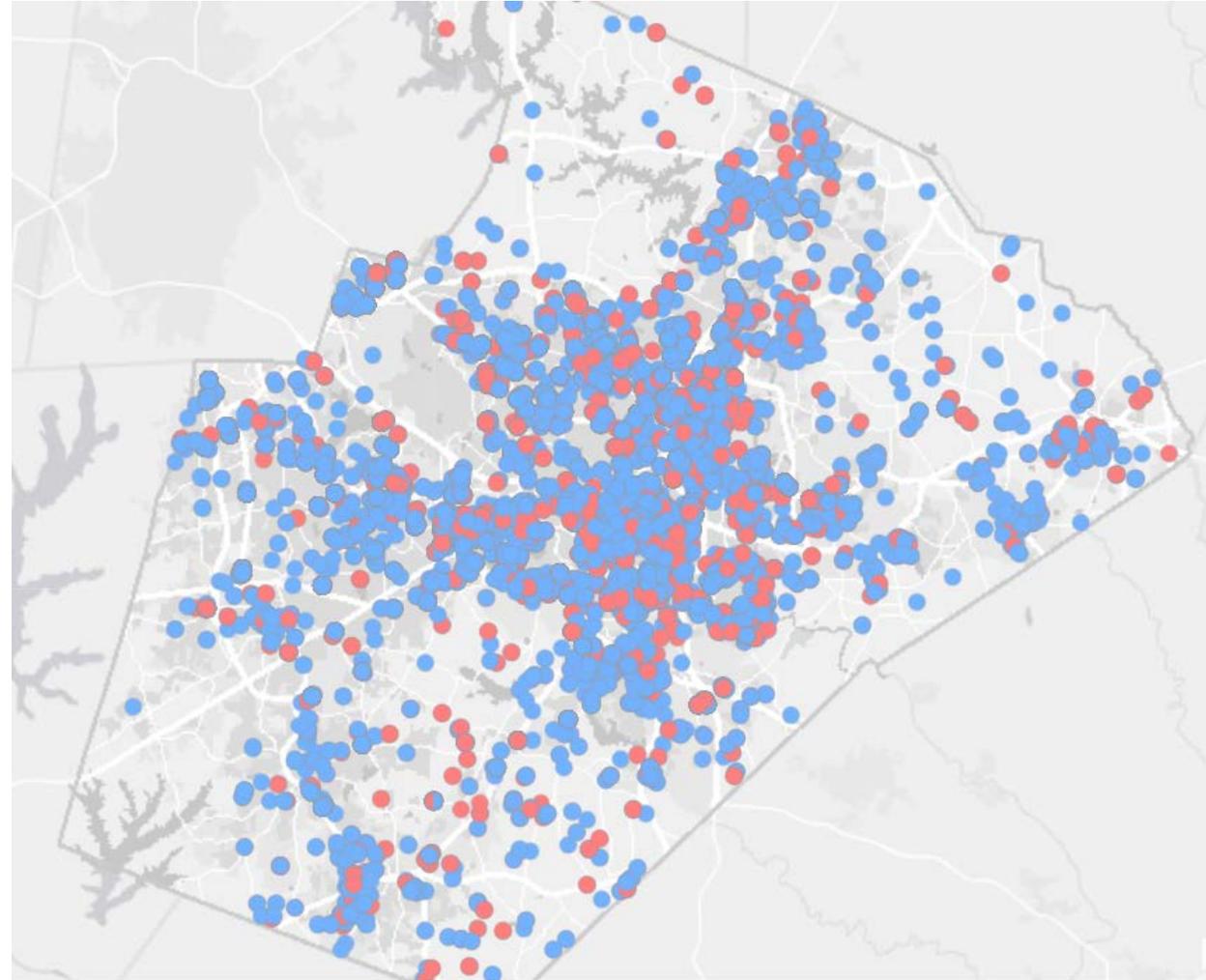
- In 2016, **2,350,042** eviction filings were conducted **in the US**.
- That same year, **Wake County** filed **14,845**.
- On average, there were **13 evictions per day** in Wake County in 2016.

## Eviction Filing Rate:\*

U.S.	N.C.	Wake County
6.12%	10.85%	10.12%

## Eviction Rate:\*

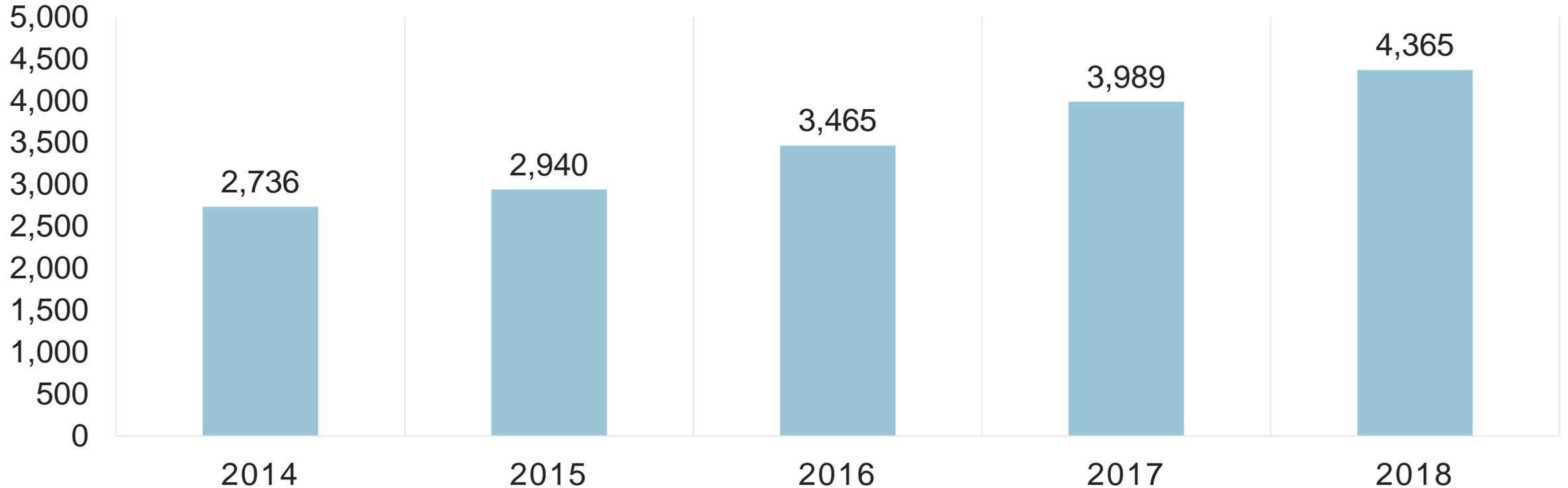
U.S.	N.C.	Wake County
2.34%	4.81%	3.27%



# Homelessness Defined by HUD

<b>Category 1</b>	People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided. The only significant change from existing practice is that people will be considered homeless if they are exiting an institution where they resided for up to 90 days (it was previously 30 days), and were in shelter or a place not meant for human habitation immediately prior to entering that institution.
<b>Category 2</b>	People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days and lack resources or support networks to remain in housing. HUD had previously allowed people who were being displaced within 7 days to be considered homeless. The proposed regulation also describes specific documentation requirements for this category.
<b>Category 3</b>	Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This is a new category of homelessness, and it applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
<b>Category 4</b>	People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing. This category is similar to the current practice regarding people who are fleeing domestic violence.

# WCPSS Students Experiencing Homelessness



McKinney-Vento Definition of Homelessness means families who lack a fixed, regular, and adequate nighttime residence, including those who are **doubled-up, living in motels, hotels, trailer parks, camping grounds, emergency or transitional shelters, and in places not meant for human habitation.**



# Housing Affordability Plan & Department

## Progress

# Housing Affordability Goal & Core Principals

**“To ensure that quality, affordable housing is available for all Wake County residents”**

**Maximum Benefit from  
Public Resources**

**Support Overall  
Housing Growth**

**Focus on Populations  
in Greatest Need**

**Pursue Locally  
Appropriate Solutions**

**Use Housing as Platform  
for Economic Opportunity**

# Wake County has acted to advance housing goals.

## *Highest-Priority Tools Identified in Wake County's Affordable Housing Plan*

### LAND USE POLICY

County & Municipal  
Land Use Policy



Encourage/Guide  
Development

### LEVERAGED PROGRAMS

Enhanced County Rental  
Production (AHDP)



Acquisition & Preservation  
Fund



Production & Preservation  
+

Warning System & Annual  
Report



Increase Housing  
Better Location  
Preserve Existing Stock

### ADDITIONAL PUBLIC RESOURCES

New Local Funding Sources  
for Affordable Housing



Public Land Disposition  
Policy & Analysis



Provide Funding to Support  
Development

# Other Housing Department Initiatives

## Complete

- Department Infrastructure & Recruitment
- Housing Resource Team - Wake Prevent!
- Housing Department Website

## In Progress

- Evaluate Existing Programs
- Landlord Partnership
- Affordable Mortgage Program
- Consolidated Plan
- Women's Shelter Expansion

## Ongoing

- Community Engagement & Education
- Permanent Supportive Housing Pilot
- Enhanced Housing Placement & Coordination

# Wake County Housing Department Structure

**Strategic Leadership, Business Management & Data Analytics**

**Equitable Housing  
& Community  
Development**

**Built Environment**



**Homeless &  
Prevention Services**

**Pathways to Housing**



**Permanent Housing  
& Support Services**

**Intensive Services**





# Wake County & City of Raleigh Consolidated Planning Efforts

2020-2025

# Seeking Public Input

## Consolidated Plan

Strategic Plan focused on Housing Affordability, Homelessness, and Community Development by priority populations

## Analysis of Impediments to Fair Housing Choice

Assessment of local laws, policies and conditions that affect the location, availability, and accessibility of housing

## Citizen Participation Plan

Describes process and opportunities for citizens to participate in the planning, implementation and assessment of programs or projects

# Wake County - Current Priority Populations

## High Priority

- Renters 0-40% AMI (Area Median Income)
- Individuals and families experiencing homelessness
- Individuals and families with special needs, not experiencing homelessness

## Medium Priority

- Renters 41-50% AMI
- Homeowners 41-50% AMI

## Low Priority

- Renters 51-80% AMI
- Homeowners 51-80% AMI



# City of Raleigh - Current Goals & Priorities

## Current Priorities



Increase the supply  
of affordable  
housing

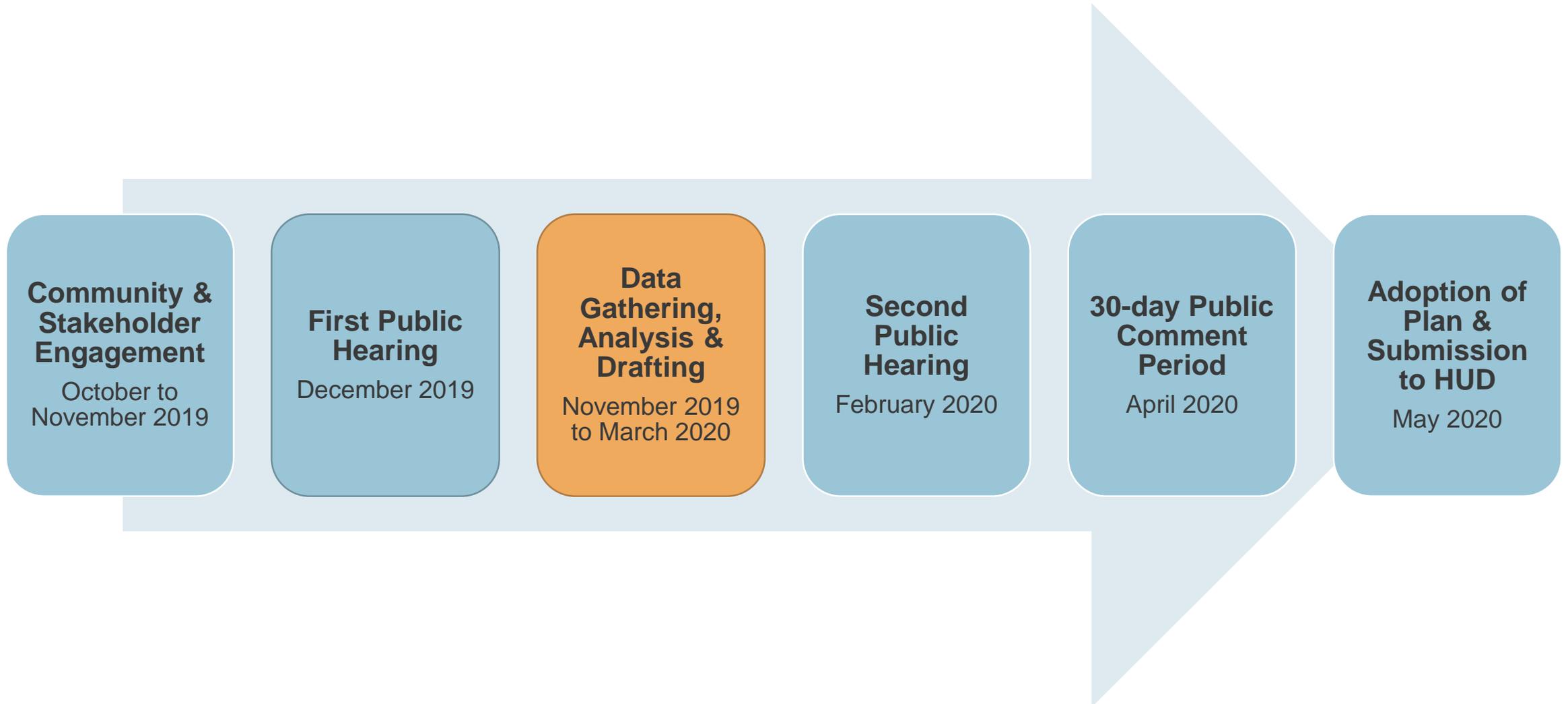


Neighborhood  
Revitalization



Enhance the  
homeless to  
housing continuum

# Estimated Consolidated Plan Timeline





# Housing Affordability Advocacy

# The Role of the Community

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## Educate

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### Inform Yourself

*About housing affordability, whom it serves, and what benefits it provides individuals and the broader community*

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### Have a Conversation

*Begin to educate others about the local landscape of housing affordability across the community and what they can do to help*

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## Support

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### Local Initiatives

*Through public education, events, personal donations or business investments which support housing affordability*

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### Elected Officials

*In overcoming negative perceptions about affordable housing and encourage implementation of the appropriate plan tools*

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## Act

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### Coalition Development

*With countywide stakeholders committed to overall housing production and affordable housing to keep pace with growth*

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### Donate

*To community organizations to support the critical work locally and help advance affordable housing initiatives*

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**Questions?**

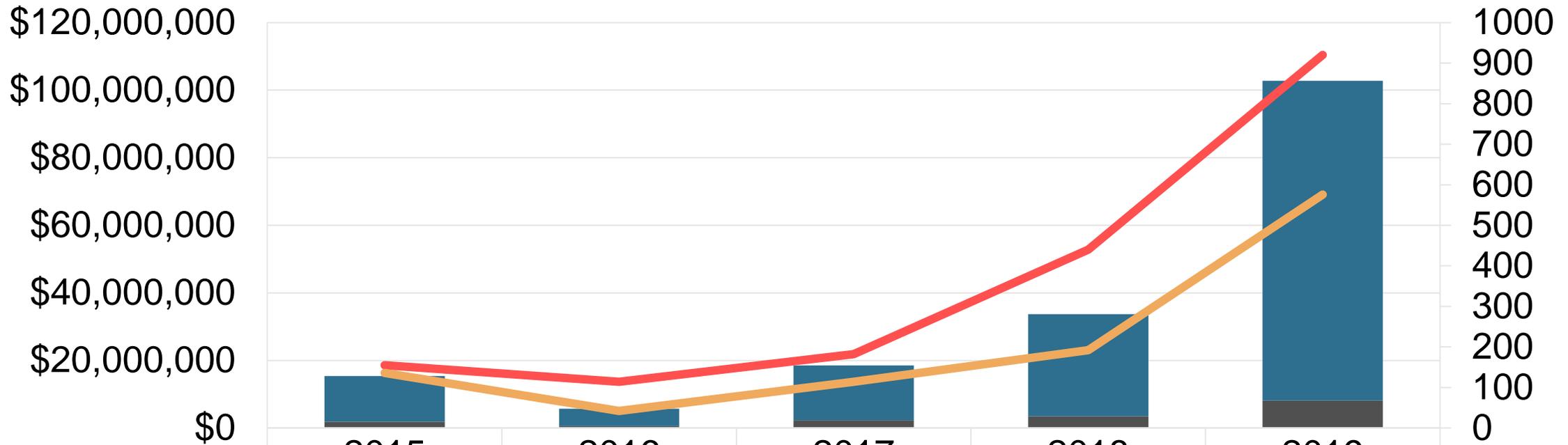


# Enhanced Affordable Housing Development Program

**Wake County Affordable Housing Plan**

# Increased Investment = Increased Impact

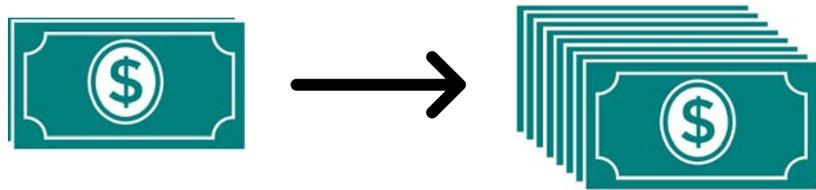
## County Investment, Leveraged Funding, & Total LIHTC Rental Units Awarded



	2015	2016	2017	2018	2019
Leveraged Funding	\$13,480,359	\$5,169,388	\$16,212,444	\$30,230,618	\$94,632,079
County Investment	\$1,881,373	\$525,000	\$2,300,000	\$3,477,000	\$8,141,296
Recommended Units	155	114	182	440	920
Awarded Units	136	42	114	192	576

# Fiscally Responsible, Serving Most Vulnerable

***Based off of data from this years RFP cycle's estimated awards:***



For every \$1 spent by the County to develop affordable housing, \$11 dollars have been leveraged from other sources



1 in 3 homes developed using county investment serve families earning less than 50% of the Area Median Income\*

# Rental Cost Impact by the Numbers

<b>Impact of Affordable Rental Cost</b>			
	<b>HOME Rent 50% AMI</b>	<b>Fair Market Rent (FMR)</b>	<b>Zillow 12/19</b>
<b>1 Bdrm</b>	\$877	\$1,022	\$1,120
<b>2 Bdrm</b>	\$1,043	\$1,163	\$1,220
<b>3 Bdrm</b>	\$1,205	\$1,482	\$1,410

*Average rental savings on 50% AMI unit compared to market rate are \$208 per month.*



# Wake Prevent

# Wake Prevent!

Rental assistance may be approved for clients who are:

1. Currently fleeing or attempting to flee domestic violence
2. Doubled up (couch surfing) and client has been told by the lease holder to vacate the unit
3. A leaseholder and has received a notice to vacate the property by the property owner or manager
4. Paying for a hotel/motel without assistance
5. Exiting an institution (mental/physical health or jail/prison) and has no resources or support system to assist upon release

***\*\*For all households: The expected loss of housing must be less than thirty days away and the household's income must be less than 50% of Area Median Income***

# Housing Resource Team Services

## Information

Housing Information Sessions

Landlord Recruitment

Private & Public Housing Resources

## Education

Ready to Rent

Tenant Rights and Responsibilities

Be a Good Neighbor

## Assistance

Homeless Prevention Financial Assistance

Diversion & Prevention Case Management Services

Relocation Response



# **Acquisition & Preservation Fund**

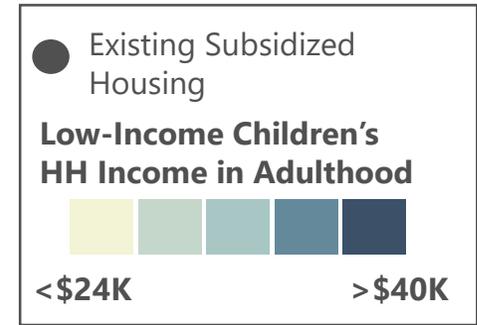
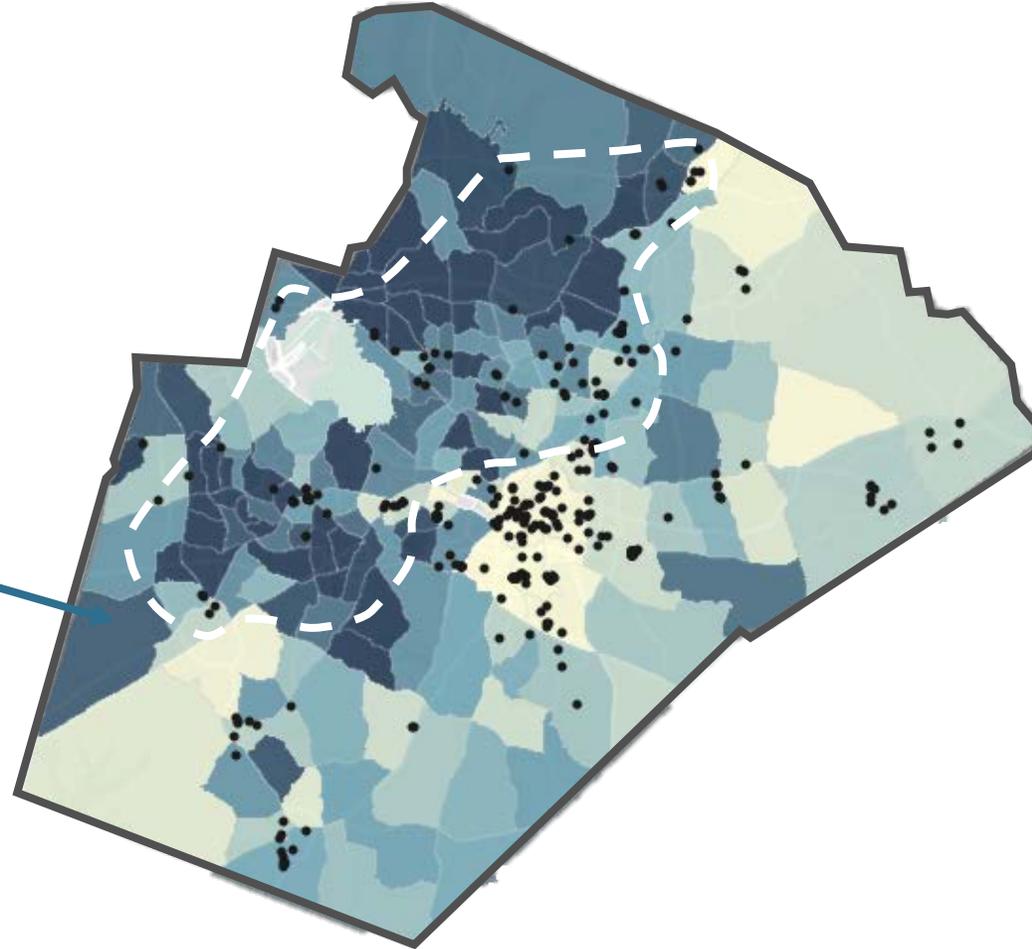
## **Wake County Affordable Housing Plan**

# Preservation of subsidized units should focus in areas that offer higher chance of economic mobility.

## Existing Subsidized Units

Wake County, 2019

Existing subsidized units in areas of higher opportunity are most at risk for displacement at end of affordability requirement.

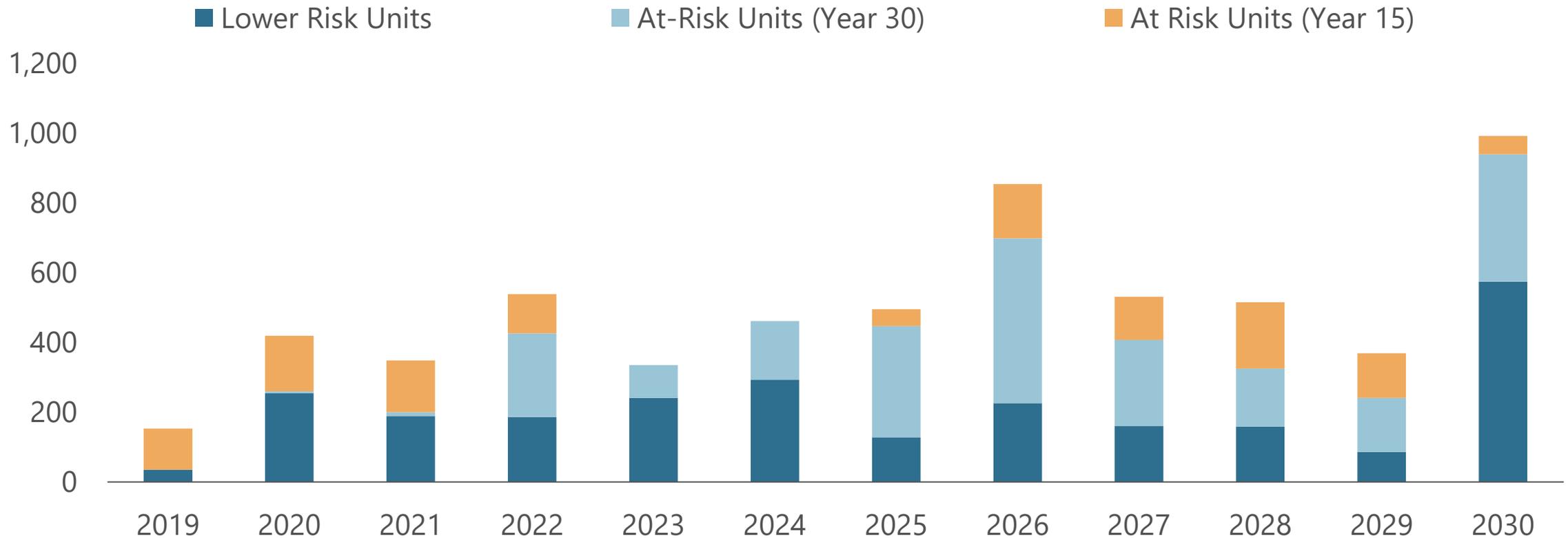


# Subsidized housing units in Wake County are at risk of converting to market-rate.

## Upcoming Subsidized Unit Expiration

Wake County, 2019 - 2030

**3,600 units** at greatest risk of expiring over the next 10 years



# Affordable Rents for lower income working families are being lost

## Loss of Affordable Rental Units

Wake County, 2010 and 2017

■ 2010 ■ 2017

Since 2010 Wake County has **lost 48%** of it's stock of rental units priced below \$750 a month.





# Additional Information

# Whom We Can Serve

## Participants must meet HUD income limits

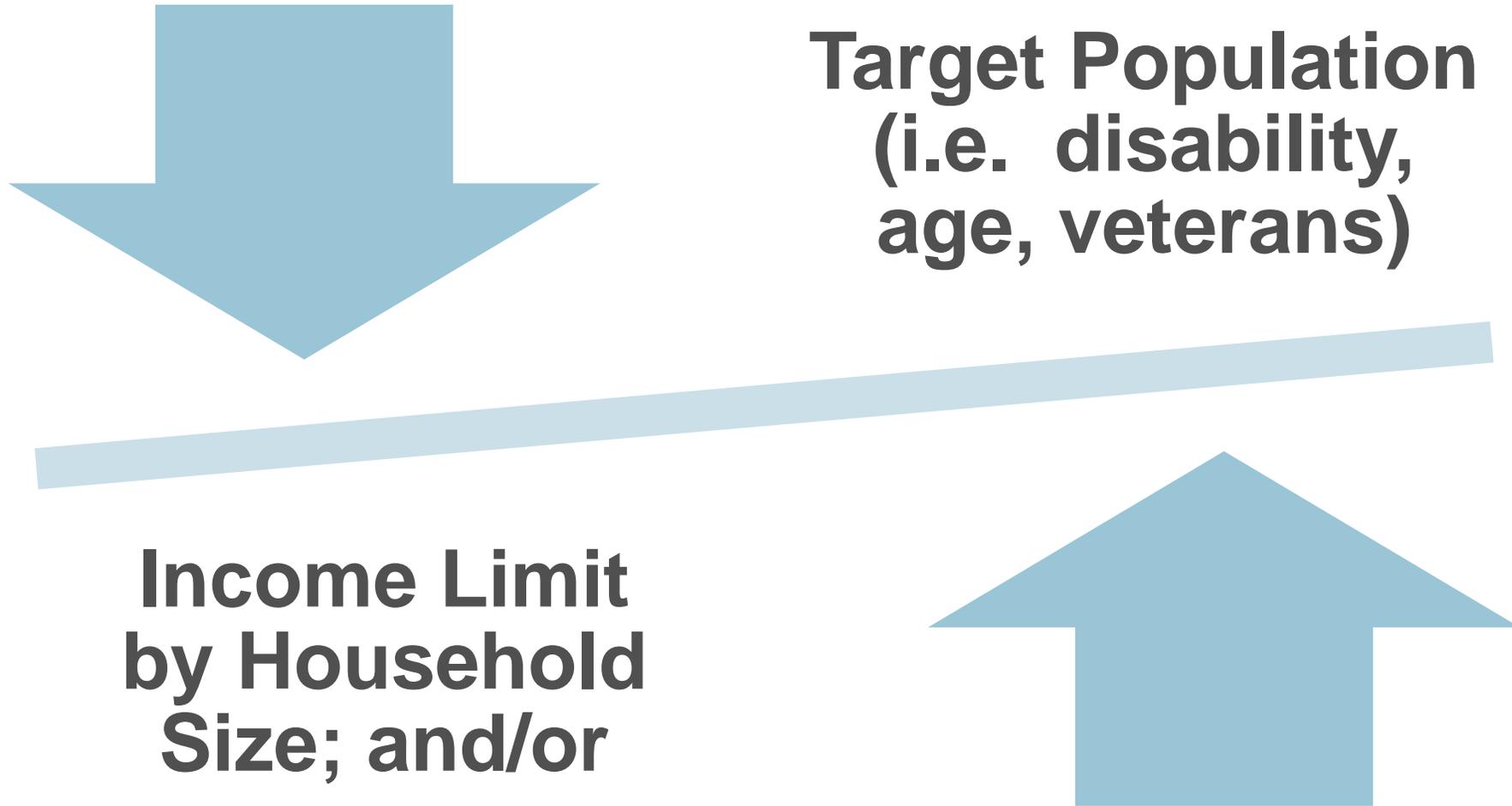
	Household Size							
Percent of Area Median Income	1	2	3	4	5	6	7	8
Median Income (100%)	\$65,170	\$74,480	\$83,790	\$93,100	\$100,548	\$107,996	\$115,444	\$122,892
Low Income (80%)	\$51,950	\$59,350	\$66,750	\$74,150	\$80,100	\$86,050	\$91,950	\$97,900
Very Low Income (50%)	\$32,450	\$37,100	\$41,750	\$46,350	\$50,100	\$53,800	\$57,500	\$61,200
40%	\$25,960	\$29,680	\$33,400	\$37,080	\$40,080	\$43,040	\$46,000	\$48,960
Extremely Low Income (30%)	\$19,500	\$22,250	\$25,050	\$27,800	\$30,050	\$32,250	\$34,500	\$36,700

# Types of Affordable Housing

1. Naturally Occurring Affordable Housing (NOAH)
2. Legally-Binding, Subsidized Housing

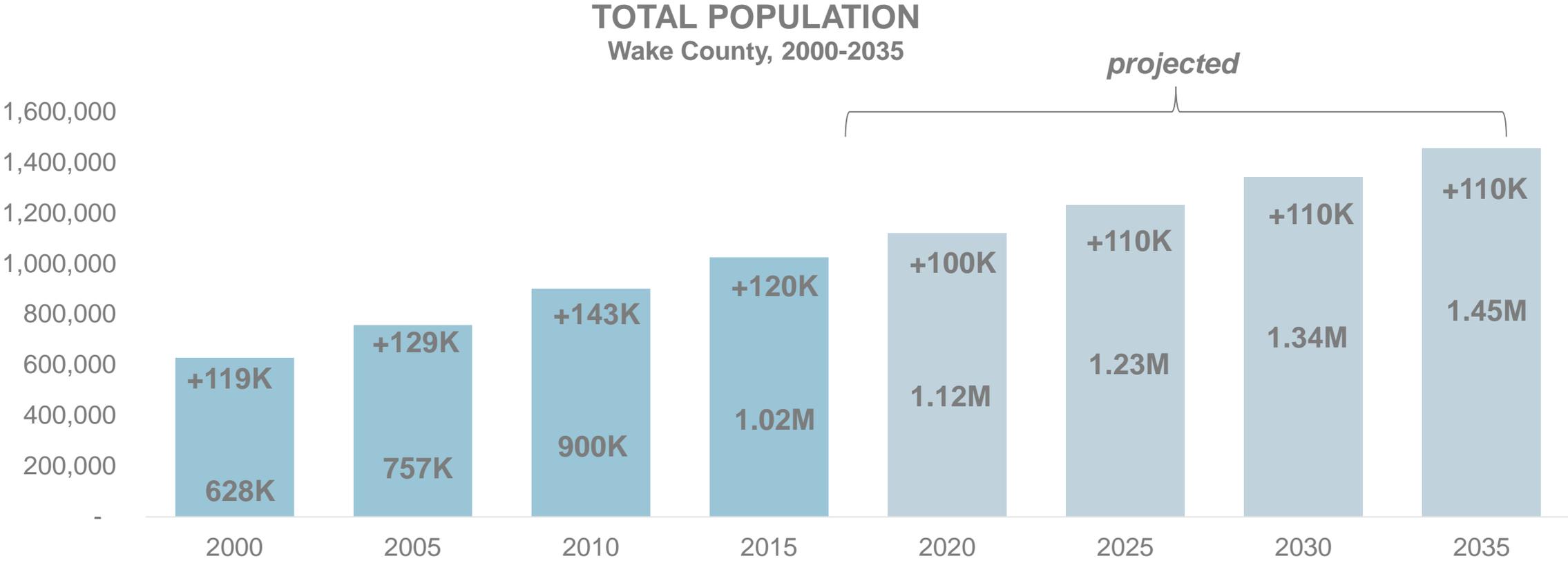


# Eligibility Requirements for Subsidized Housing



# Housing Crisis Trend #1

Wake County's rapid population growth is generating upward pressure on the cost of rental and ownership housing

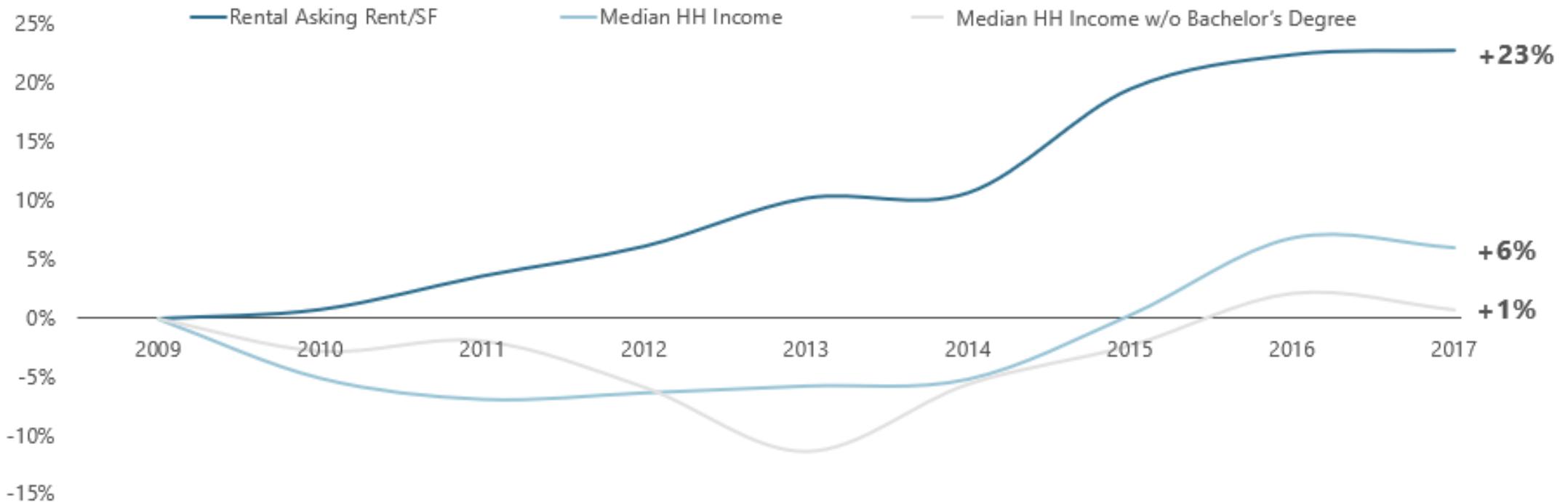


# Housing Crisis Trend #2

Household incomes are not keeping pace with escalating housing costs, especially for the lowest-income households

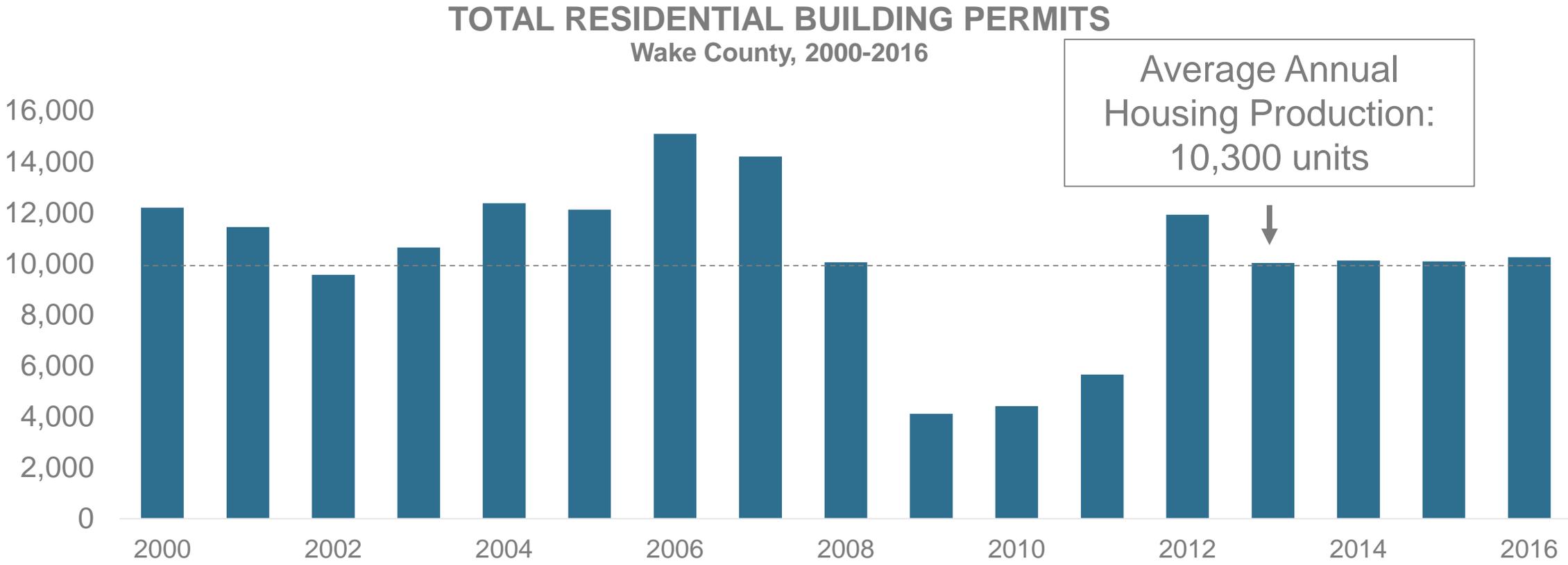
## Real Growth in Multifamily Rent and Median Household (HH) Income

Wake County, 2009-2017



# Housing Crisis Trend #3

Wake County has experienced substantial housing production, affordable housing has been a very small part of this



# Housing Crisis Trend #4

Wake County is losing its existing affordable housing stock due to redevelopment and conversion faster than it can produce or preserve it

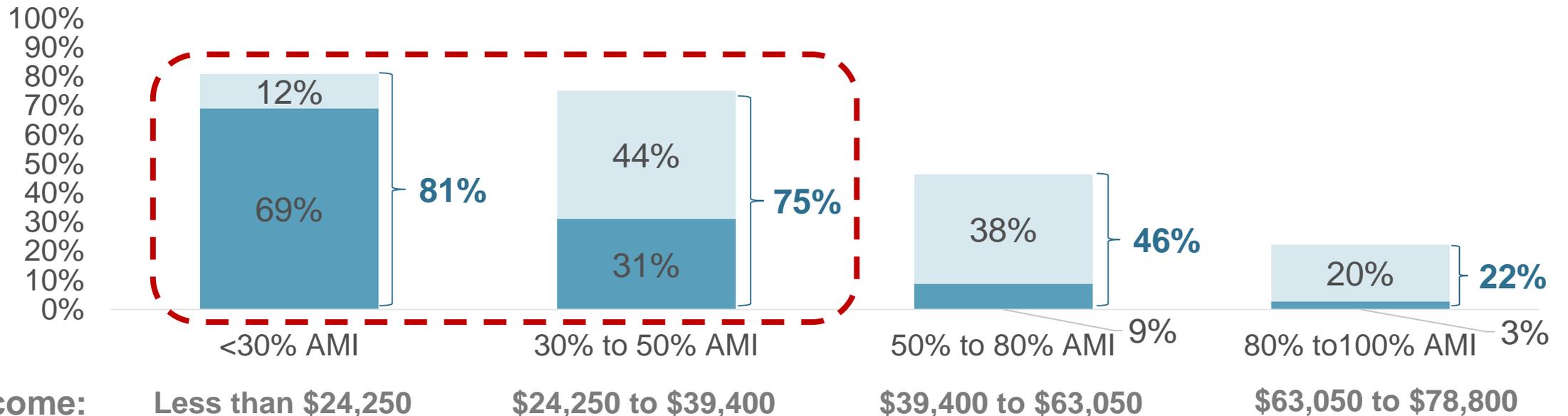
	LOW ESTIMATE	HIGH ESTIMATE
Annual Lost LIHTC	-100	-400
Annual Lost NOAH	-700	-900
<hr/>		
<b>Annual Lost Affordable Housing Projection</b>	<b>-800</b>	<b>-1,300</b>

# Housing Crisis Trend #5

Households with incomes below \$39,000 are largely unable to find affordable housing, with the majority spending more than half their income on housing

## COST-BURDENED HOUSEHOLDS 2014

■ Extremely Cost Burdened (>50% income) ■ Cost Burdened (30-50% income)



# A Historic Investment in Housing Affordability

The budget recommends investing an additional

**\$15 MILLION**  
IN NEW REVENUE

to help provide more housing options for all our residents. This would be a dedicated, recurring funding stream for housing affordability efforts.

Implement a **pilot program** for permanent supportive housing that combines housing assistance with support, such as mental health services and job training.

Effectively end veteran homelessness in Wake County by the end of calendar year 2021.

Build and preserve more housing that working families can afford. Wake County would have the potential to produce

**2,500** NEW AFFORDABLE HOUSING UNITS  
over the next five years.

Provide operating and capital financial support for a new shelter,

**ADDING 37 BEDS**

to serve homeless women without children.

Over the **first five years**, this proposed investment would generate

**\$75 MILLION**  
for housing affordability.

