

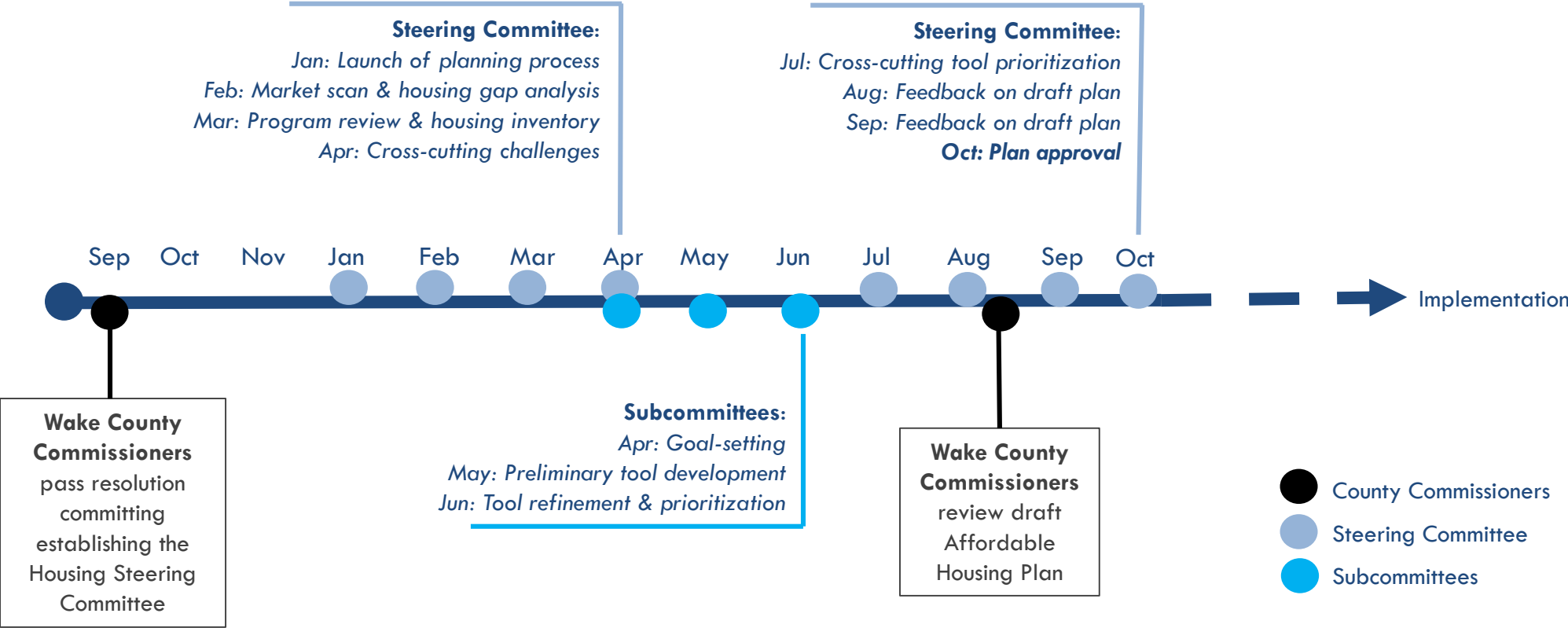
Wake County Affordable Housing Plan

October 16, 2017

The Wake County Board of Commissioners established a Steering Committee and charged them with developing an Affordable Housing Plan for Wake County.

In September 2016, the County Board of Commissioners (BOC) passed a resolution committing to the development of a long-term (20-year) affordable housing plan for Wake County and establishing a Steering Committee to support the process. The plan’s goal is **to identify strategies to preserve and produce affordable housing and address**

the growing housing crisis in Wake County, as well as provide guidance to local municipalities grappling with the same issues on a smaller scale. Plan development involved a 10-month process from January to October 2017.



Fundamentally, the Plan's goal is to ensure that quality affordable housing is available for all Wake County residents.

Affordable housing is critical to preserving Wake County's economic competitiveness by offering housing for workers of all income levels, supporting housing stability and economic opportunity for its existing residents, and furthering Wake County's commitment to healthy and inclusive growth.

Since the plan is meant to serve as a comprehensive strategy for addressing affordable housing needs in Wake County, **it considers the unique conditions and needs of all areas** in Wake County, including both the incorporated areas falling within the municipalities and the unincorporated areas.

Maximum Benefit from Public Resources

Maximize efficient use of public subsidy, including land.

Support Overall Housing Growth

Use land use policy to support housing production that keeps pace with population growth and includes a proportionate share of affordable housing.

Focus on Populations in Greatest Need

Focus limited County resources on serving the populations in greatest need of affordable housing.

Pursue Locally Appropriate Solutions

Ensure that recommended tools respond to the diverse market conditions and regulatory frameworks that exist across Wake County.

Use Housing as Platform for Economic Opportunity

Provide housing in high-opportunity areas that provide access to high-frequency transit and other essential services to support economic opportunity for residents and deconcentrate poverty.

Wake County is experiencing a growing housing crisis as residents are increasingly unable to afford to live within the County.

Following the launch of the planning process, **HR&A conducted a multipart analysis of the existing affordable housing landscape in Wake County.** This effort involved a series of interviews with local affordable housing experts; a thorough review of all housing programs and policies in Wake County, as well as a synthesis of housing plans developed to date; an evaluation of demographic and

market conditions; a census of current affordable housing; and an affordable housing gap analysis for Wake County residents at various income levels. This process revealed **wide variation in housing affordability throughout Wake County,** as well as significant challenges to affordable housing production and preservation. Overall, five key themes emerged from the existing conditions analysis:

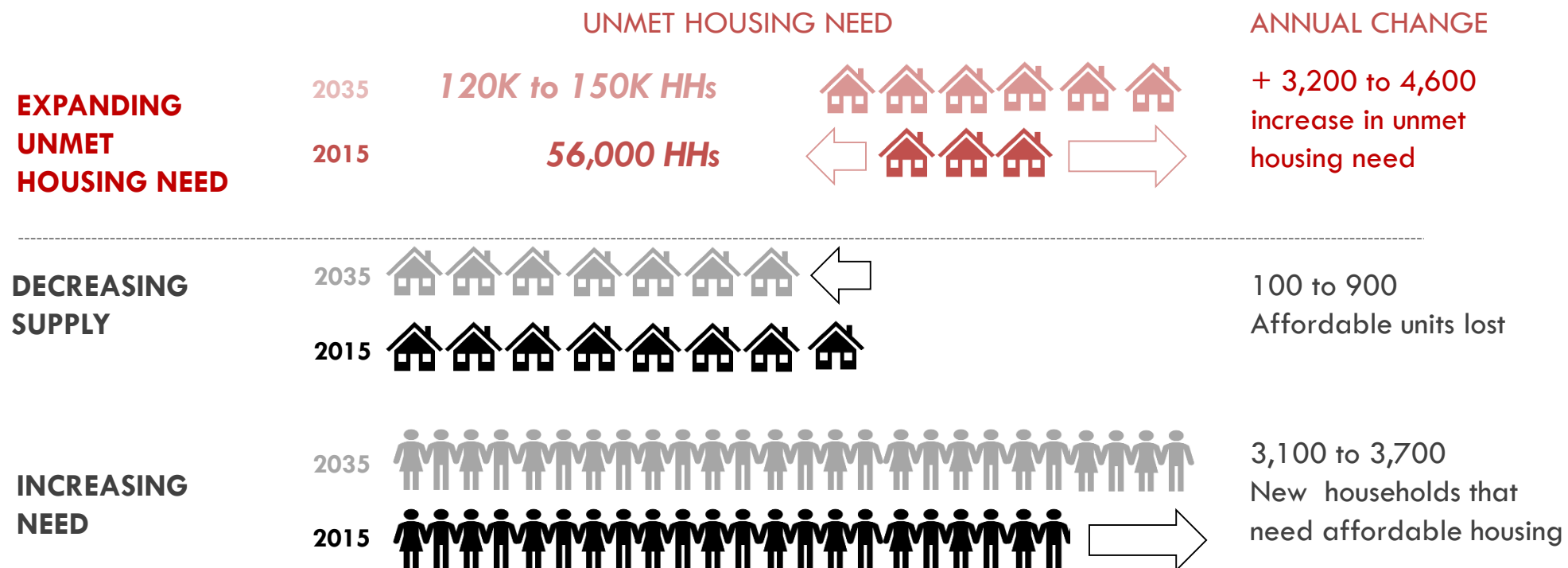
- 1** Wake County's rapid population growth is generating upward pressure on the cost of rental and ownership housing.
- 2** Household incomes are not keeping pace with escalating housing costs, especially for the lowest-income households.
- 3** While Wake County has experienced substantial housing production in response to growth, affordable housing has been a very small part of this.
- 4** Wake County is losing both existing naturally occurring affordable housing (NOAH) and publicly subsidized housing through redevelopment and conversion.
- 5** In 2015, Wake County had an unmet housing need of ~56,000 affordable units, which is likely to expand to as much as 150,000 units in the next 20 years.

Note: A household with an income of \$39,000 or lower is equivalent to a household less than or equal to 50% AMI based on HUD's definition of AMI for a 4-person household in Wake County in 2015.

Wake County's growing affordable housing need and diminishing supply is likely to cause low-income households unable to find housing to more than double over 20 years.

There is a **current unmet housing need of roughly 56,000 for very low-income households**. With Wake County's growing population, the need for additional affordable units to accommodate a greater total number of low-income people is expected to rise by approximately 3,100 to 3,700 households annually. Simultaneously, overall supply of affordable housing in Wake County is projected

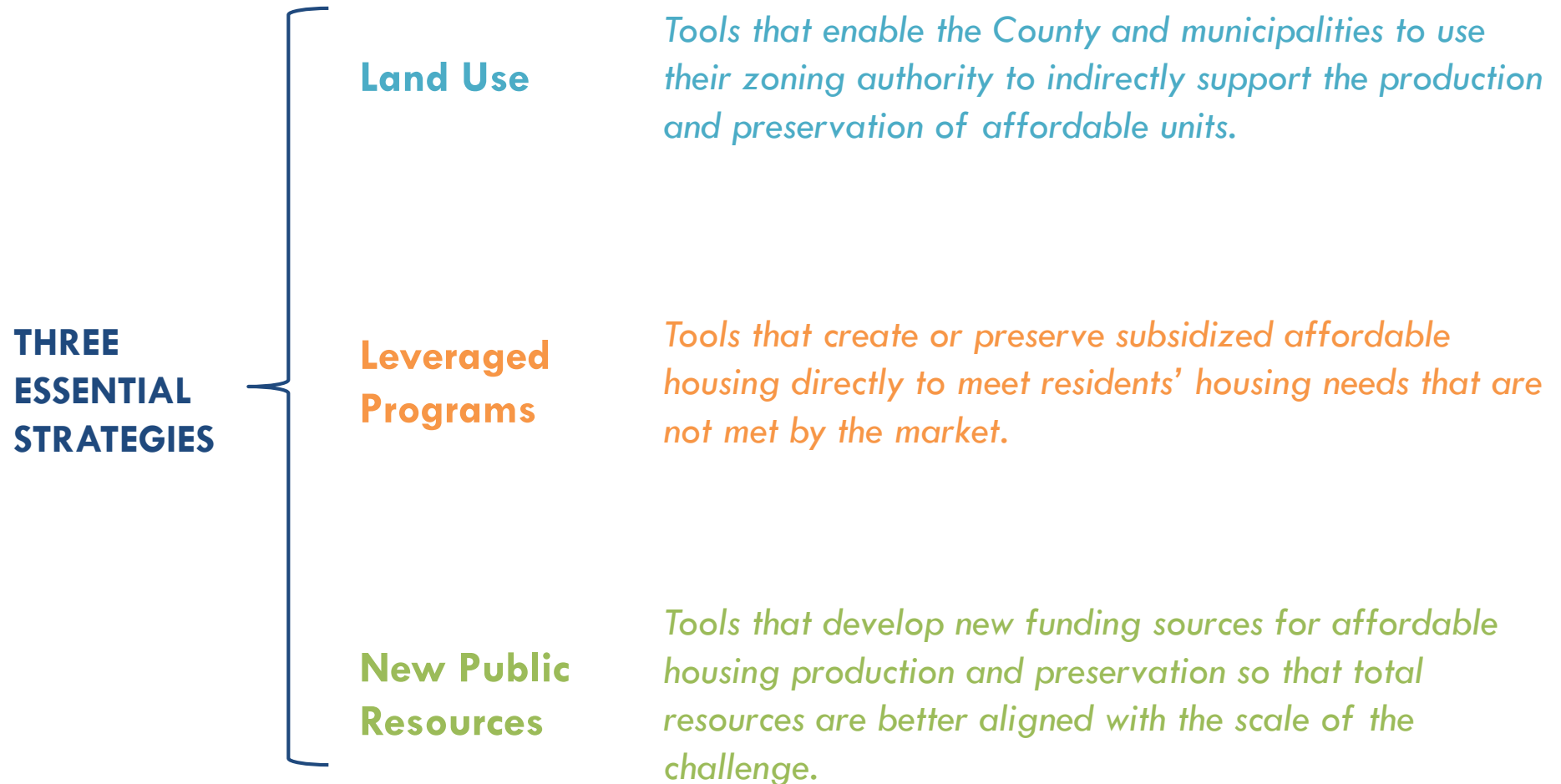
to decline by approximately 100 to 900 units each year. This will decline has decreased in recent years and the production has subsidized rental housing has increased. **Together, these trends create are projected to create an unmet housing need between 120-150,000 by 2035.**



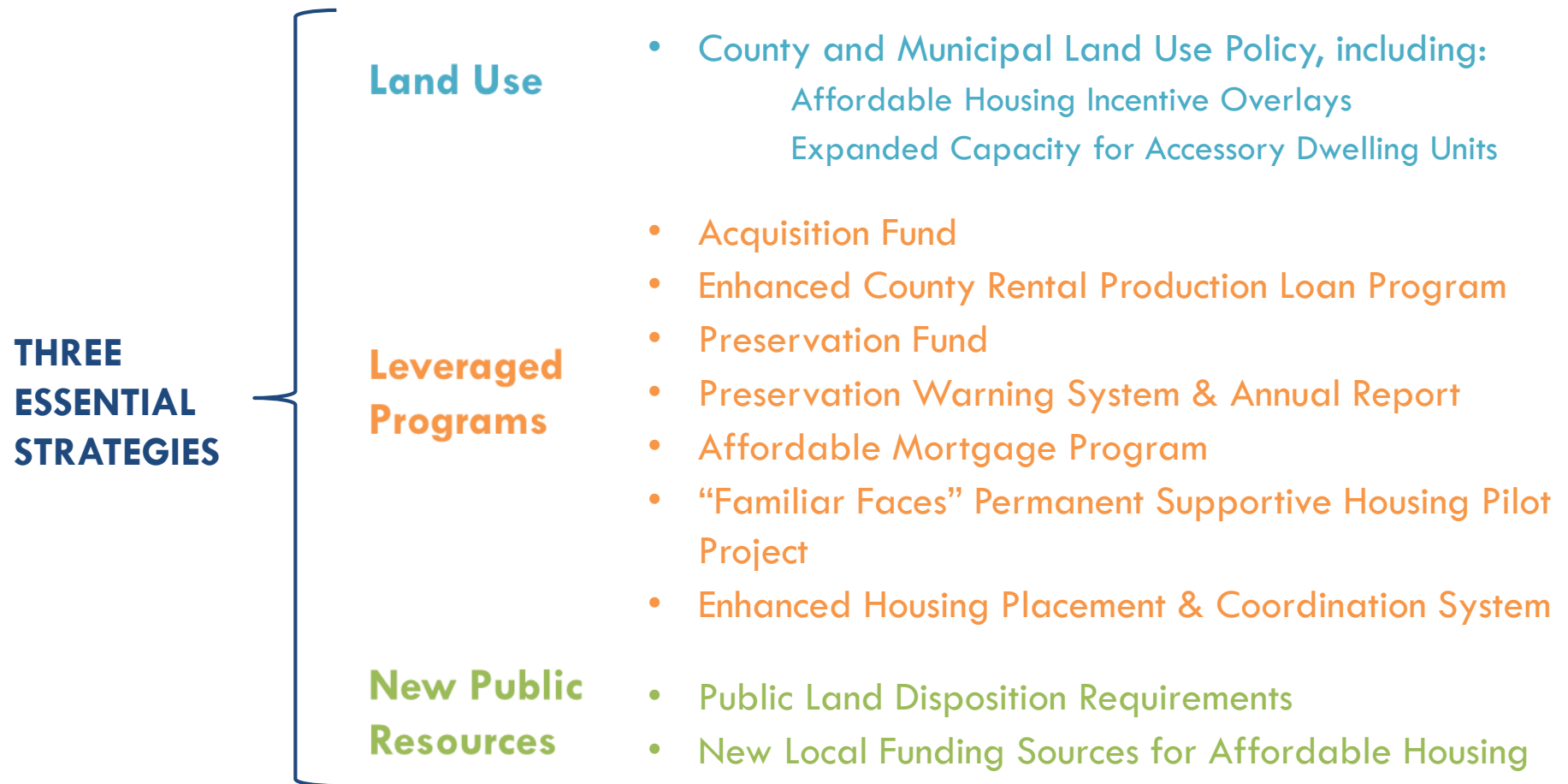
Note: Unmet housing need speaks includes only households at or below 50% AMI. All of the projections assume that current demographic and housing market trends continue along a straight line for the next 20 years.

Source: U.S Census; HR&A Advisors

Recommendations Structure



Recommendations Structure with Priority Recommendations



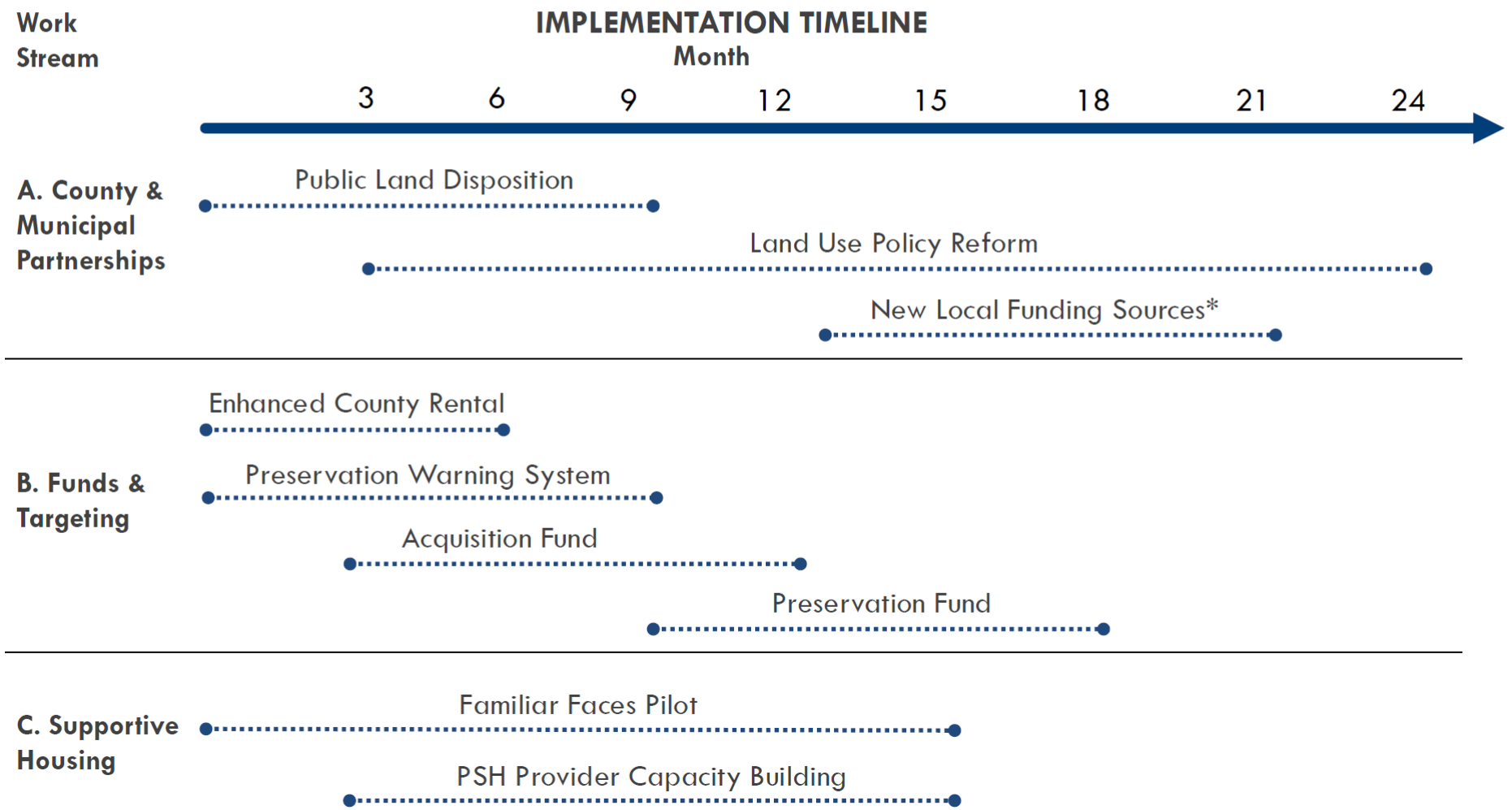
There are six key considerations that Wake County will need to take into account as it implements the Plan.

- 1** **Sizing impacts and required funding** to guide requested budget allocation.
- 2** **Refining policy** for income targeting and location targeting.
- 3** **Strengthening internal and partner capacity**, including by adding County staff and expertise and establishing partnerships with the municipalities and other actors essential to plan implementation.
- 4** **Building community support.**
- 5** Establishing systems for **guiding and tracking implementation.**
- 6** **Launching priority programs.**

LAUNCHING PRIORITY TOOLS & PROGRAMS

The Affordable Housing Plan recommends the creation or significant revision of over 20 programs, regulations, or policies. This represents a drastic expansion and reorganization of the County's housing efforts. To be successful, the County should focus on priority projects, organized into three workstreams, and phase their implementation over at least 24 months.

- A. Building County and municipal partnerships for public land disposition, land use policy reform, and new funding sources.
- B. Developing different types of affordable rental funds and the tools to target them.
- C. Implementing tools that have the primary focus of serving highly-vulnerable populations.



Additional Information can be found online at wakegov.com/housingwake



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Wake County Affordable Housing Plan

Background

While Wake County has been fortunate to experience a great deal of growth and prosperity, that good fortune has not extended to every resident in our county.

Across Wake County, more than 100,000 households were identified as being cost burdened, meaning they spend 30 percent or more of their income on housing. This is more than one quarter of the county's households.

While the number of people and families who need affordable housing is increasing, the supply of affordable housing in Wake County is not growing fast enough to meet the demand.