

Housing Affordability Plan Update

Affordable Housing Committee Meeting
December 10, 2018



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Wake County is experiencing a growing housing crisis

- 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, housing affordability 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.

What Is Housing Affordability?

- Housing is affordable when individuals pay no more than 30% of their income on housing expenses
- Is safe and decent housing
- Is constructed and maintained to the same local standards as other market rate housing
- May be single family, multi-family, duplex, cottage courts, quadraplex, etc.
- May be for rent or to own

Who does it serve?



Home Health Aide

Single parent,
3 children

Income:
\$23,603

<30% AMI



Retail Associate

Single person,
0 children

Income:
\$25,001

30-50% AMI



Preschool Teacher

Single parent,
1 child

Income:
\$30,505

30-50% AMI



Firefighter

Two parents,
2 children

Income:
\$44,158

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 Diversity

Helps Ensure a More Vibrant Community

Business Advantage

Employee Retention

Competitive Recruitment

Economic Growth

Board of Commissioners Housing Goals

<i>Social & Economic Vitality</i>	<i>Initiative 1.1</i> Work collaboratively with all partners to preserve and increase the County's affordable housing inventory, reduce homelessness and improve wellbeing of our most vulnerable citizens.
	<i>Initiative 3.3</i> Assist Wake County's foster children in transitioning to successful independent living after leaving the foster care program.
	<i>Initiative 3.4</i> Identify and implement opportunities to reduce logistical barriers that prevent vulnerable populations from accessing services provided by government and nonprofits, including increasing co-location and contracting of services.
<i>Economic Strength</i>	<i>Objective 3</i> Develop economic development strategies and tools that encourage responsible employment practices, environmental stewardship, affordable housing, high quality of life and return on investments that produce societal benefits.

Board of Commissioners Housing Goals (cont.)

Growth & Sustainability	Initiative 4.2 Update and integrate Wake County's growth plans as it relates to land use and transportation systems.
	Initiative 5.3. Collaborate with municipal, community and private partners to encourage best development practice in corridors and areas identified for transit investment, including service communities in need and creating affordable housing.
Education	Initiative 1.3 Explore expanding the number of affordable housing options near public schools to help increase diversity in schools.
Community Health	Initiative 1.4 Leverage partnerships to enhance data sharing related to behavioral health services.
	Initiative 1.5. Expand opportunities to provide stable housing choices to frequent users of community services through Permanent Supportive Housing and other available tools (i.e. housing first).

Wake County 20-Year Affordable Housing Plan



- September 2016 – Board of Commissioners created Affordable Housing Steering Committee to develop 20-year affordable housing plan
 - 32 Board appointed stakeholders
 - Dozens of interested parties participated in process
 - 9 month process
- October 2017 – Board of Commissioners approved Wake County Affordable Housing Plan

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

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.

Highest Priority Recommendations

THREE ESSENTIAL STRATEGIES

Land Use

- County and Municipal Land Use Policy, including:
Affordable Housing Incentive Overlays
Expanded Capacity for Accessory Dwelling Units

Leveraged Programs

- Acquisition Fund
- Enhanced County Rental Production Loan Program
- Preservation Fund
- Preservation Warning System & Annual Report
- Affordable Mortgage Program
- “Familiar Faces” Permanent Supportive Housing Pilot Project
- Enhanced Housing Placement & Coordination System

New Public Resources

- Public Land Disposition Requirements
- New Local Funding Sources for Affordable Housing

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Accomplishments

Fiscal & Calendar Year 2018

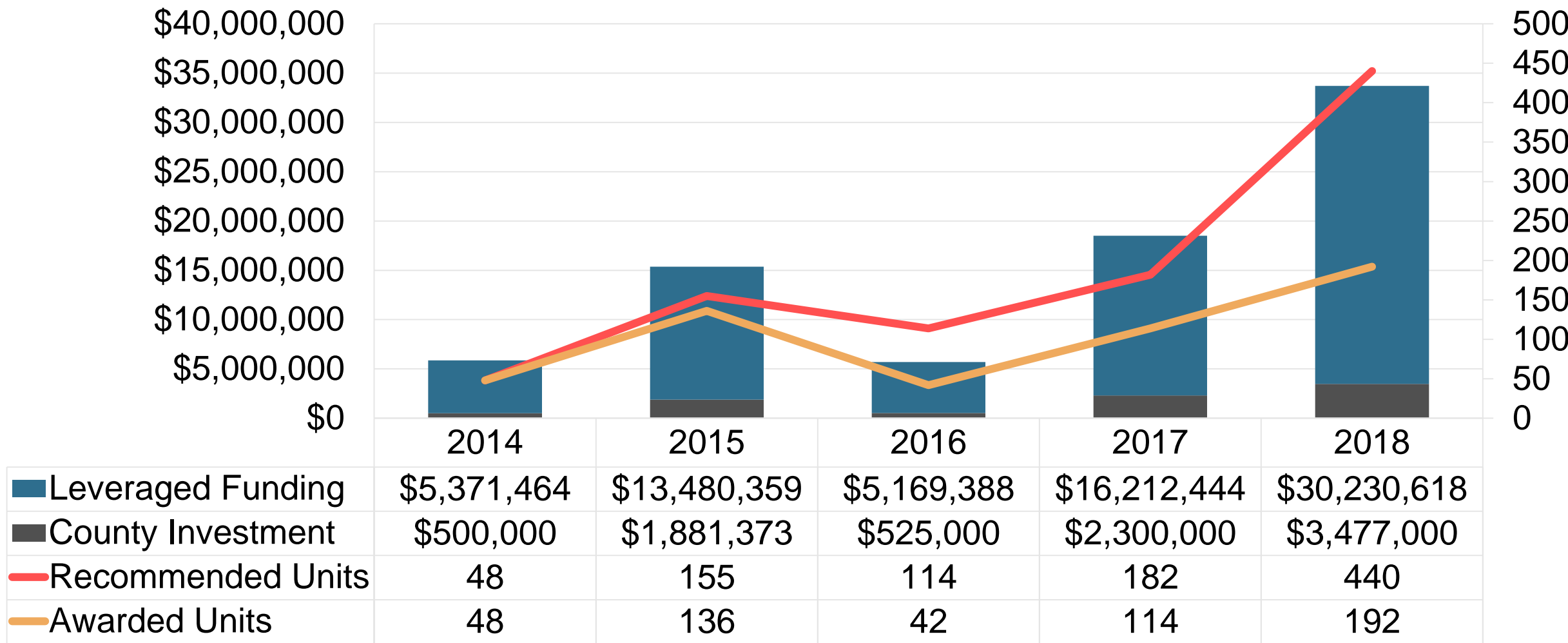
Changing Lives

During Fiscal Year 2018, Wake County Housing:

- Served **2,049 unduplicated men** at SWSC with a total of **87,225 check-ins**
- Completed Emergency and Elderly & Disabled Rehabilitation grants for **40 families**, and five Multi-Family Rehabilitation projects serving **217 households**
- Provided **300+ families** with permanent supportive housing vouchers through the Rental Assistance Housing Program
- Approved **six developments totaling 440 units** for funding; ultimately two developments received tax credits **producing 192 new units**
- Trained **48 individuals** through Homeless Employment Initiative
- Provided daily housing information sessions to more than **600 individuals** and conducted Ready to Rent educational classes, graduating **74 individuals**

Creating Housing that is Affordable

County Investment, Other Leveraged Funding, & Total Units Produced



Through Smart Investments

Based off of data from the past five years of the County housing program:

- For every \$1 that has been spent by the County to develop affordable housing, \$8 dollars have been leveraged from other sources
- 1 in 5 homes developed using a county investment serve families earning less than 40% of the Area Median Income (AMI) which is currently \$23,640 for an individual or \$33,720 for a family of four

Impact of Affordable Rental Cost				
	40% AMI	60% AMI	Fair Market Rent (FMR)	Zillow through 10/31/18
1 Bdrm	\$515	\$800	\$893	\$1,169
2 Bdrm	\$605	\$950	\$1,026	\$1,240
3 Bdrm	\$760	\$1,100	\$1,327	\$1,397

Average rental savings on 40% AMI unit compared to market rate are \$640 per month. Savings on a 60% unit are \$320 per month.

Seeking Community Input

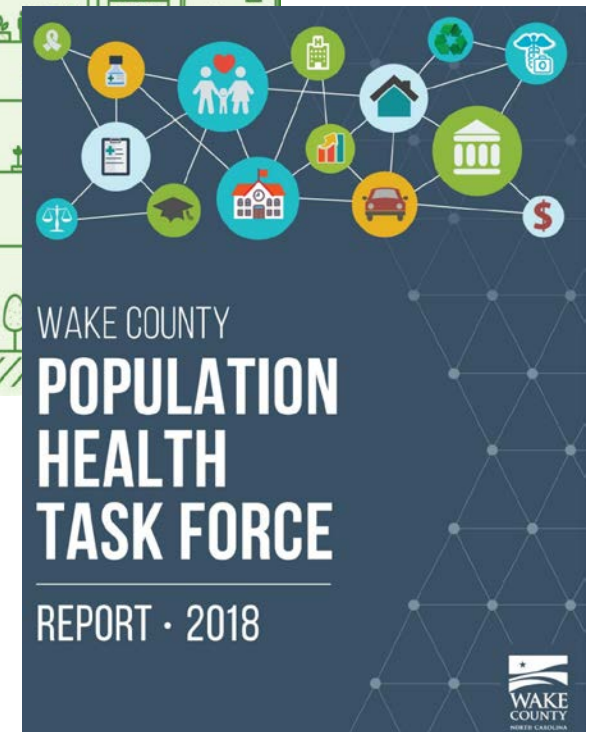
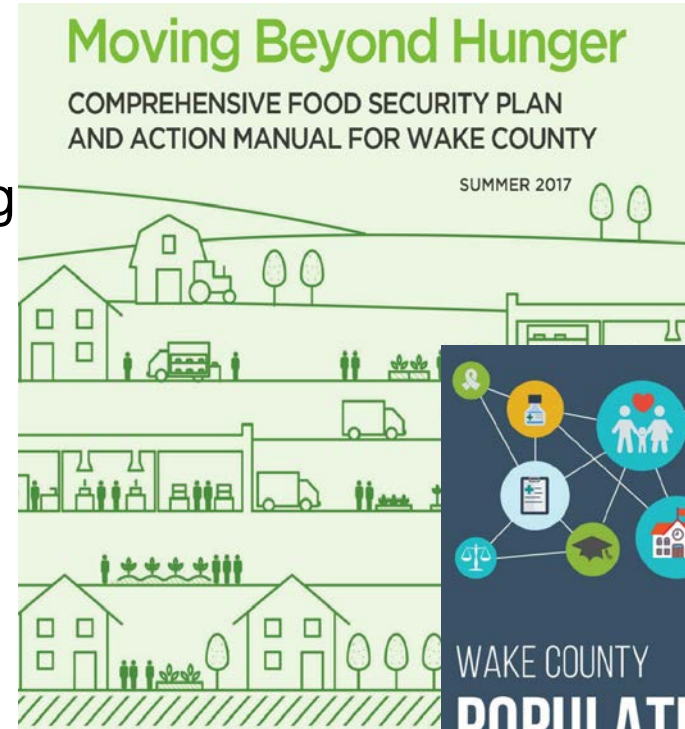
Since October 2017, staff presented the Housing Plan or held housing conversations with:

- **Municipalities** - Zebulon Board Retreat, Apex Affordable Housing Discussion, Garner Town Council, Wendell Board of Commissioners, Morrisville Staff, Holly Springs Staff, Fuquay Varina Staff, City of Raleigh Staff
- **Community Committees** – Western Wake CAC, Annual County CAC Meeting, Durham Affordable Housing Coalition, Crosby Garfield Advocacy Group, Western Wake Dems, Congregations for Social Justice, Raleigh Regional Association of Realtors, APA North Carolina Planning Conference, Wake UP Wake County, Wake Community Resource Connections, WakeMed Government Affairs Committee, Millbrook CAC, SAGE Committee, Wake Forest Chamber, Cary Chamber
- **Others** – Wake Directors Group, Wake County Planners Meeting, Wake Town Manager's Meeting, DHIC Board of Directors, Wake County Human Services, Wake County Planning Board, Families Together, UNC School of Government – Community Development Graduate Class

Strengthening Community Coordination

Staff also participated in other related planning & community efforts:

- NCSU Community Conversation on Food and Housing Security among Students
- PlanWake Comprehensive Plan
- Behavioral Health Summit
- Population Health Task Force
- Wake Transit Plan – Corridor Land Use & Affordable Housing Committee
- Wake Food Security Plan
- Permanent Supportive Housing Work Group
- SE Park Master Plan
- Town of Morrisville Land Use Plan update
- Behavioral Health Stakeholders
- Community Health Needs Assessment



Accomplishing Priority Recommendations

Public Land Disposition

- Determined Legal Authority
- Developed the Policy and Process
- Analyzed 70 County and WCPSS
- Identified 10 high opportunity sites for further analysis & disposition (Phase II)

Rapid Rehousing & Prevention

- Implemented rapid rehousing at SWSC focusing on Youth, Veterans, and Chronic Homelessness
- To date 80% of families have remained housed
- Increased funding for Prevention through Passage Home

Accessory Dwelling Units

In December 2017, the Board of Commissioners passed a Resolution Encouraging Municipalities to Join Wake County in Allowing Development and Reducing Obstacles for Accessory Dwelling Units (ADUs)

Accomplishing Priority Initiatives

Supporting Veterans in need of Housing

- Established a preference for veterans at South Wilmington Street Center
- Converting one dormitory to house only veterans
- Implemented a Rapid Rehousing Program with priority for Veterans
- Adopted an intensive service model that provides case management services to Veterans
- Providing 10 new permanent supportive housing vouchers

Supporting Women in need of Shelter

- Funded \$2.4 million replacement of the outdated Helen Wright Center for Women operated by Urban Ministries
- Increases shelter capacity from 36 to 73 beds, and building square footage from 5,100 to 11,000
- Will coordinate services offered at Oak City Cares to support women
- Will offer more equitable experience to those of the men served at SWSC or families at Salvation Army

Focusing on Permanent Supportive Housing

Housing and County Manager staff:

- Held a Supportive Housing Services & Coordination Provider Training for more than 60 Providers and Developers
- Held a Technical Assistance session for Providers, Developers and Hospitals to prepare for the Request For Proposals (RFP)
- Held a Community Engagement Session to seek community feedback and support for the RFP
- Created a funding “roadmap” to assist agencies in understanding available resources
- Released an RFP for a PSH Pilot project and received one response
- Partnered with Alliance Behavioral Health, CASA and Resources for Human Development (RHD) to pilot a bridge supportive housing program with 12 units at Harrington Place
- Financed purchase of Trees & Leaves Apartments by DHIC to preserve 64 affordable units and create additional PSH capacity within the community

Continuing Quality Programs & Implementing New Tools

Operation of Existing Housing Programs

Housing Affordability & Community Revitalization

- Elderly & Disable Rehabilitation Grant
- Emergency Rehabilitation Grant
- Multifamily Rehabilitation Grant
- **Neighborhood Revitalization/ Public Facilities***
- Rehabilitation Loan Portfolio
- **Rental Loan Production Program***
- Continuous Call for Affordable Housing

***Bold** indicates newly established programs still in initial implementation or programs identified for evaluation and redesign

Operation of Existing Housing Programs (cont.)

Permanent Housing & Supportive Services

- **Rental Assistance Housing Program***
- McKinney Team
- Cornerstone Facility
- Community Outreach Team
- **Landlord Engagement***
- Under One Roof HOPWA Program
- Triangle Family Services(TFS) HOPWA Program
- Pullen HOPE Center Support Services

***Bold** indicates newly established programs still in initial implementation or programs identified for evaluation and redesign

Operation of Existing Housing Programs (cont.)

Housing & Homeless Services

Women's Shelter - Urban Ministries & Healing Transitions*

- Family Shelter - Salvation Army
- Continuum of Care
- Support Circles – Catholic Charities
- Housing Information Sessions & Ready to Rent Program
- Rapid Rehousing - Triangle Family Service
- Prevention – Passage Home

Homeless Prevention & Rapid Rehousing*

- South Wilmington Street Center
- Homeless Employment Initiative
- Incentive Housing Dormitory

***Bold** indicates newly established programs still in initial implementation or programs identified for evaluation and redesign

Implementing a Strong Department Structure

Department Leadership, Business Management & Data Analytics

Housing Affordability & Community Revitalization

Financing of Affordable Housing Development

Rehabilitation Grants

Community & Neighborhood Revitalization

Permanent Housing & Supportive Services

Permanent Supportive Housing

Tenancy Support & Housing Services

Rental Assistance for Vulnerable Populations

Housing & Homeless Services

Rapid Rehousing & Emergency Assistance

South Wilmington Street Center

Housing Education & Employment Programs

Developing Partnerships



Increasing Community Engagement

In order to properly implement the County's Housing Plan, we will need the support of all Wake County stakeholders. Solutions should be developed with their input and should help to meet the needs of their respective municipalities.

The Housing Department will continue to engage and solicit feedback from:

- All twelve municipalities
- The philanthropic community
- The faith based community
- The business community
- The residents of Wake County
- Wake County Board of Commissioners



Enhancing the Rental Loan Program

The Rental Loan Program produces and preserves housing through an annual Request For Proposals (RFP) for properties eligible for Low Income Housing Tax Credits (LIHTC).

This program is generates the largest number of Affordable Rental Units nationwide.

During the 2017, through 2019 cycles, the following enhancements where made:

- Increased focus on vulnerable populations including units for those earning less than 40% Area Median Income (AMI) for 9% LIHTC Projects and 50% AMI for 4% LIHTC projects
- Requires 10% set aside for County Permanent Supportive Housing vouchers
- Prioritizes projects with close proximity to transit, schools, social/residential services, and other amenities
- Improved scoring criteria and review process to maximize resources and increase units
- Increased funding from \$3 million in 2018, to \$10 million in 2019

Community wide more than 1,000 new units will be produced from the 2018 tax credit cycle

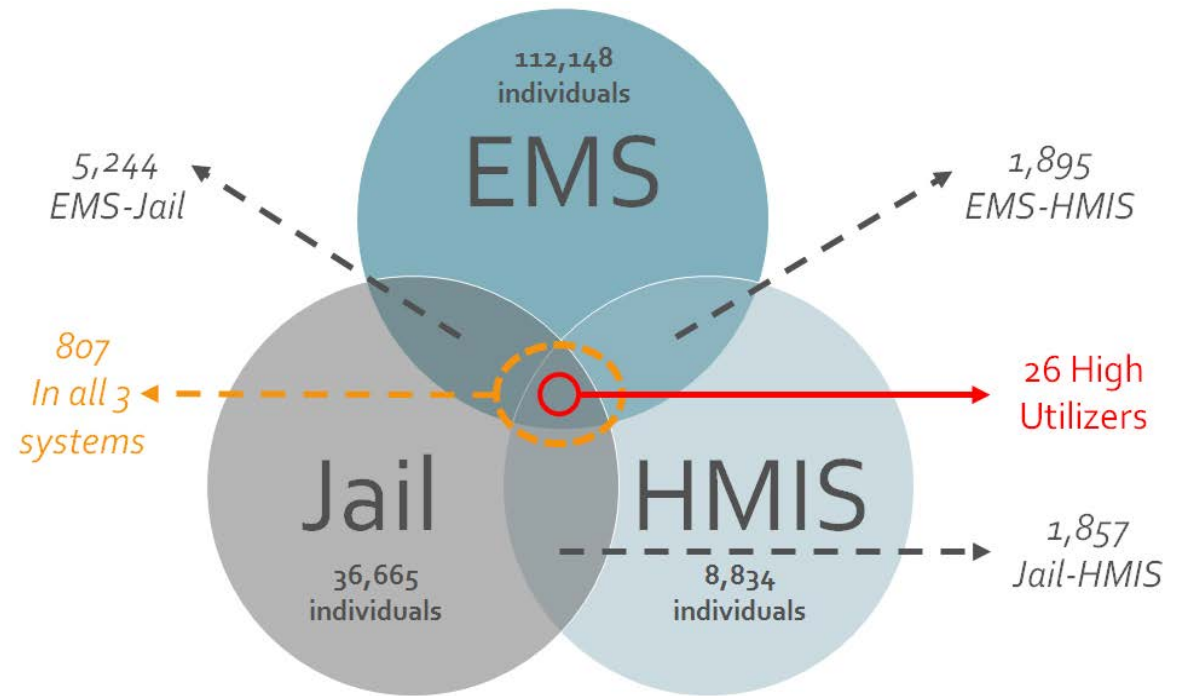
Land Use Policies



- If housing production does not keep pace with population growth, residents who lack exorbitant financial resources will experience a housing shortage as the cost of housing will continue to rise
- Staff will continue partnerships with Municipalities to identify and support land use policies such as:
 - As-of-right zoning
 - Accessory Dwelling Units
 - Affordable housing incentive overlays
- These policies increase housing affordability through increased density and housing production

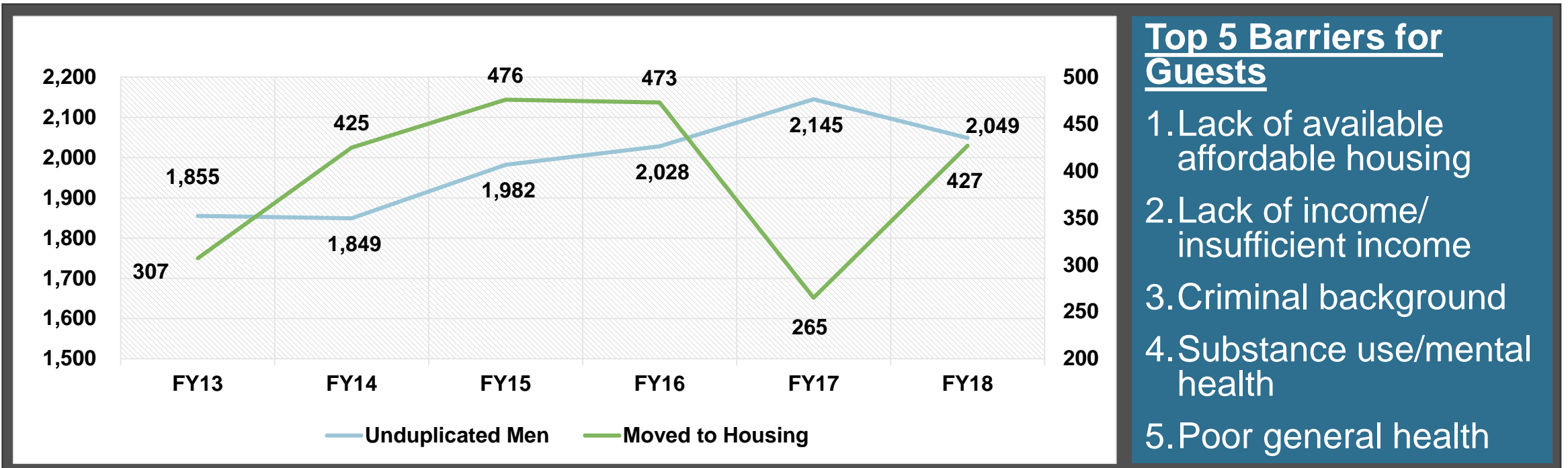
Permanent Supportive Housing (PSH)

- Wake County's recent study by SAS showed more than 800 individuals cycled through Homeless, EMS, and Criminal Justice systems in an 18 month timeframe
- Permanent Supportive Housing (PSH) is the only evidenced based, long-term housing solution for highly vulnerable populations
- PSH stabilizes residents and decreases use of limited resources from cycling through other interventions such as prevention, rapid rehousing, and coordinated entry sites
- The County seeks to increase PSH programs and developments serving highly vulnerable target populations



The Importance of Rapid Rehousing

The amount of unduplicated men served at SWSC has increased by as much as 15% over the last five years. It has become more difficult to house the current population as the housing market is less affordable and guest exhibited deteriorating conditions and significant barriers. By introducing a Rapid Rehousing program at SWSC, guest and other referrals have a full range of easily accessible services tailored to their unique needs and offered in a Housing First model.



Effectively Ending Veteran's Homelessness

- The County is partnering with community groups, service agencies, the Continuum of Care and Veteran's Affairs to Effectively End Veterans Homelessness by 2021
- Effectively Ending Homelessness is defined as a comprehensive community response that ensures homelessness is prevented whenever possible, or if it can not be prevented, the availability of community resources ensure it is a rare, brief, and one-time experience
- This program expands access for veterans county wide by using the newly established homeless assessment tool and coordinated entry system to identify and link veterans needing services



Oak City Cares Partnership



- Multiservice, multiagency approach to serve individuals experiencing or at risk of homelessness
- Examples of Services Offered:
 - Comprehensive Assessments
 - Resource Information and Referrals
 - Mental and Physical Health Services
 - Temporary Placement into Shelter
 - Support Services and Transportation to Providers
 - Access to showers, laundry and other basic needs
 - Employment Training & Educational Opportunities
 - Weekend Meal Distribution



Planning for the Future

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.

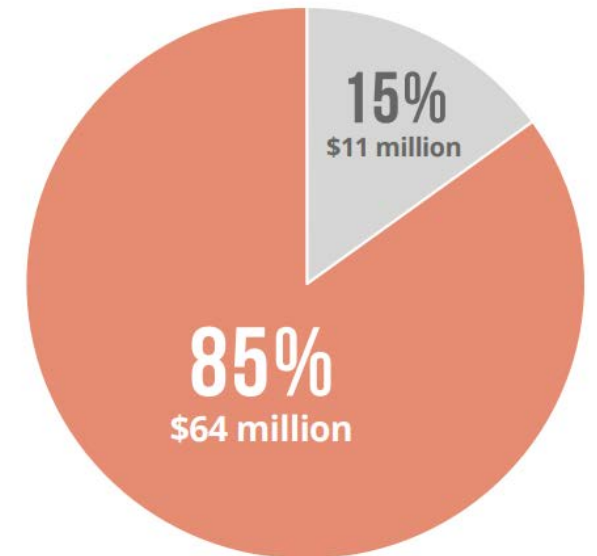
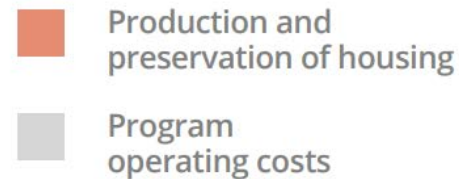
Provide operating and capital financial support for a new shelter,

ADDING 37 BEDS

to serve homeless women without children.

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

\$75 MILLION
for housing affordability.



Critical Considerations & Priority Tools

Refining policy for income targeting and location targeting.

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.

Building community support.

Establishing systems for **guiding and tracking implementation.**

Launching priority programs.

Priority Tools for Future Implementation

- Build Infrastructure & Recruit Positions
- Evaluate Existing Programs for Best Practices
- Enhanced Housing Placement & Coordination
- Affordable Mortgage Program
- Acquisition Fund
- Permanent Supportive Housing Development
- Preservation Warning System
- Preservation Fund
- Housing Navigation & Outreach Team
- Landlord Partnership Program
- Community Engagement & Education

Projected Accomplishments

Based off anticipated outcomes for the next five years of the housing affordability program, the Housing Department will:

- Increase community production and preservation from approximately 100 units annually to 500 units annually, **generating 2,500 units by 2023**
- Assist **100 families in accessing homeownership** opportunities by 2023
- **Effectively end veteran's homelessness** through increased resources, coordination and permanent supportive housing by 2021
- Support the **development of a new Women's Shelter**, increasing the emergency shelter capacity by 37 beds, bringing the total shelter beds for women to 83 by 2019
- Enhance and **develop Permanent Supportive Housing** by developing one additional supportive housing development and adding at least 20 new units to the inventory by 2021
- Create a community engagement campaign and report accomplishments annually



Questions?