

Wake County Board of Commissioners Affordable Housing Committee

January 22, 2019



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Agenda

1. Accomplishments, Opportunities, and Challenges in Wake County's Housing Affordability Program
2. Next Steps
3. New Business
4. Adjourn

Housing Affordability Plan Update

Affordable Housing Committee Meeting
January 22, 2019



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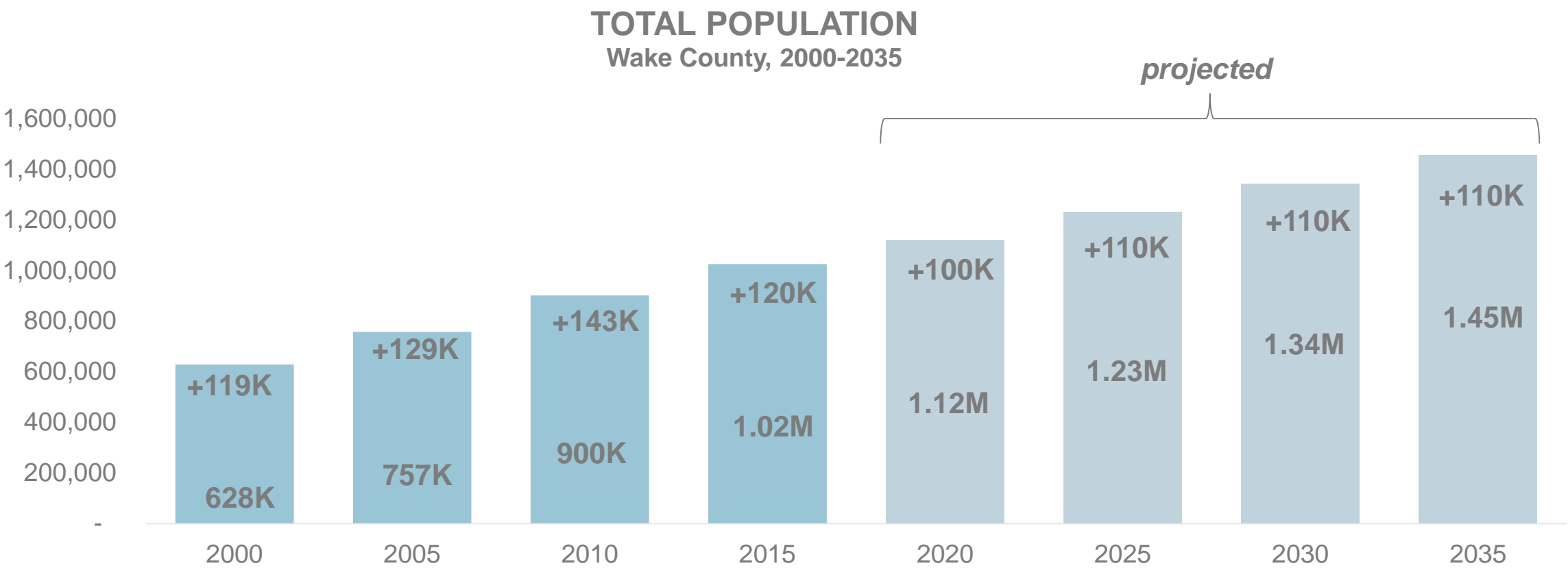
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Trends Driving Wake's Housing Affordability Crisis

- 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

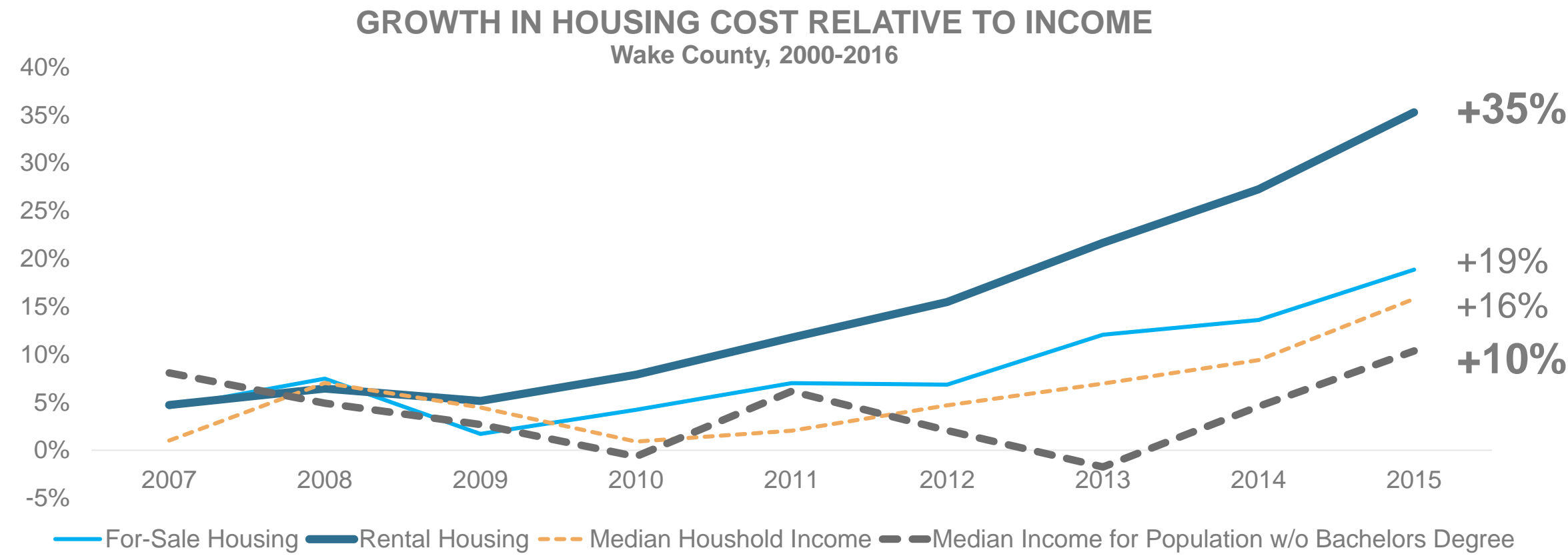
Housing Crisis Trend #1

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



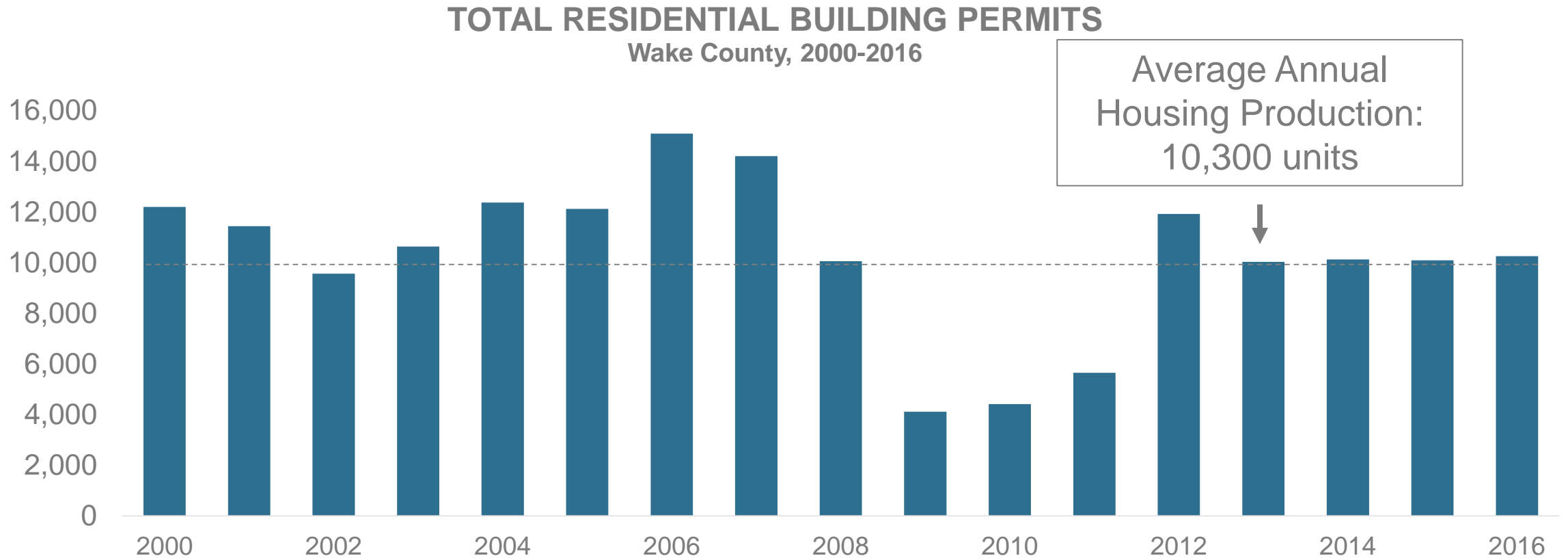
Housing Crisis Trend #2

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



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

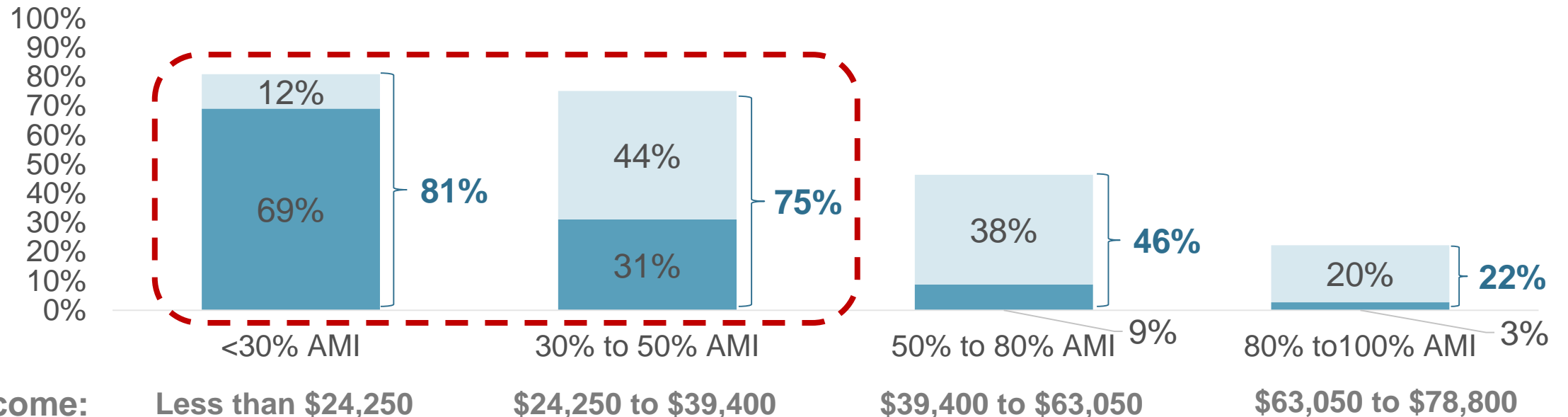
	LOW ESTIMATE	HIGH ESTIMATE
Annual Lost LIHTC	-100	-400
Annual Lost NOAH	-700	-900
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Annual Lost Affordable Housing Projection	-800	-1,300

Housing Crisis Trend #5

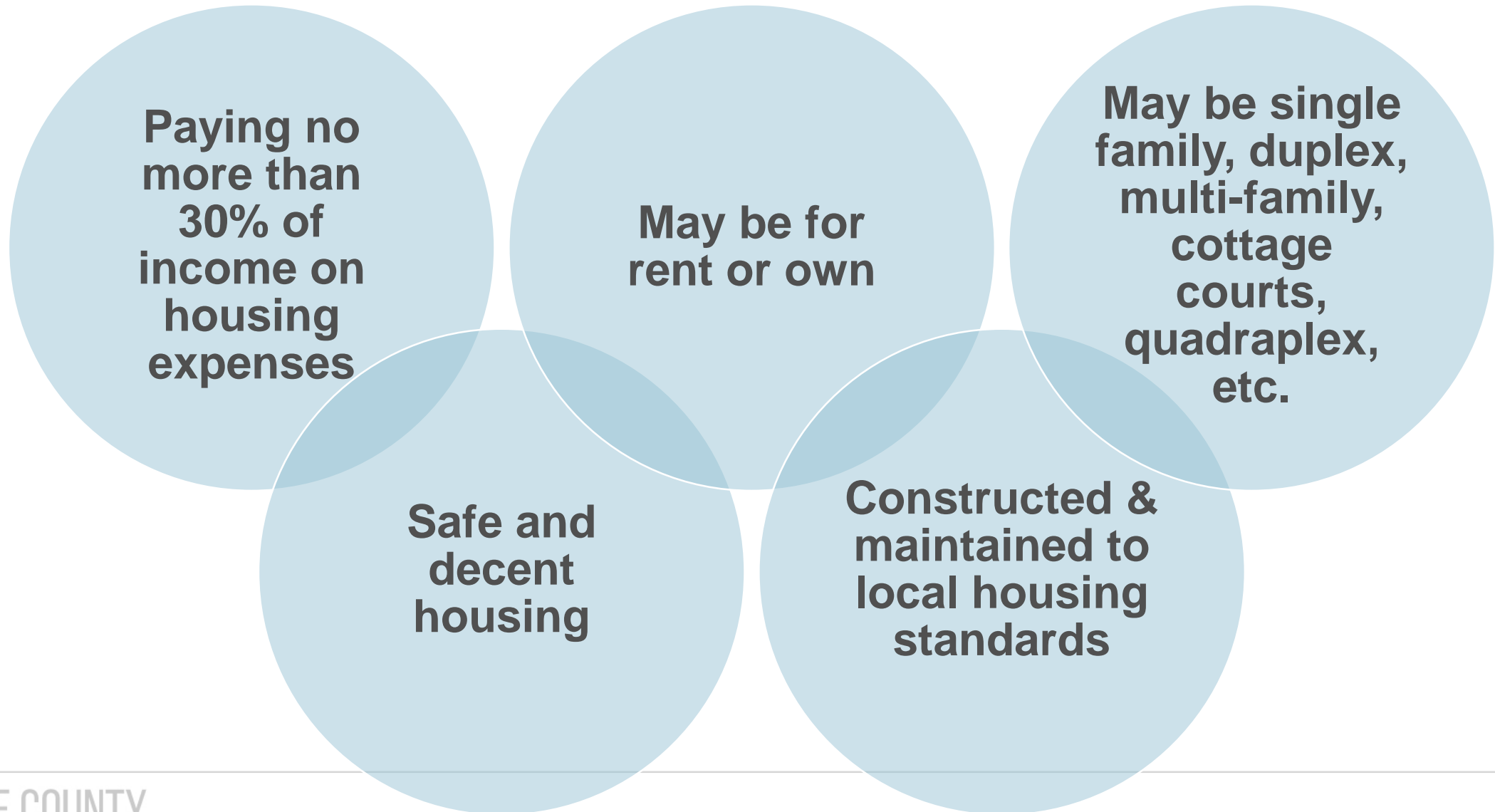
Households with incomes below \$39,000 are largely unable to find affordable housing, with the majority spending more than half their income on housing

COST-BURDENED HOUSEHOLDS 2014

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



What Is Housing Affordability?



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 Goals: Housing



Community Health

- Initiative 1.4
- Initiative 1.5



Economic Strength

- Objective 3



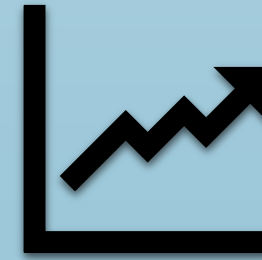
Education

- Initiative 1.3



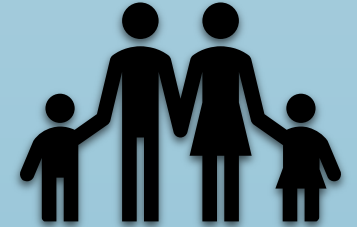
Great Government

- Objective 1
- Initiative 1.1



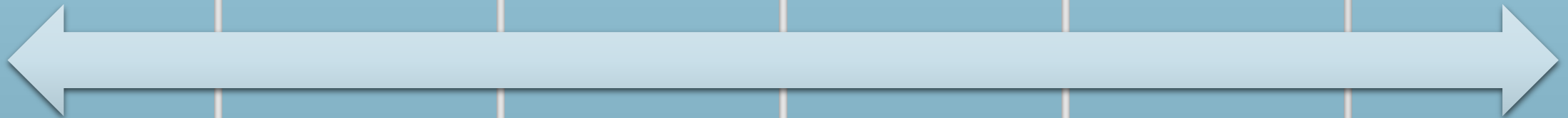
Growth & Sustainability

- Initiative 4.2
- Initiative 5.3



Social & Economic Vitality

- Objective 1
- Initiative 1.1
- Initiative 3.3
- Initiative 3.4



We have a Roadmap: Comprehensive, 20-year Plan



Board of Commissioners:

- 📅 September 2016 – created Affordable Housing Steering Committee
 - 32 Committee Members
 - 9 month process
- 📅 October 2017 – approved Wake County Affordable Housing Plan

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**

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

A stylized, light blue map of Wake County is centered in the background of the slide. The map shows the county's irregular shape with various indentations and protrusions.

Accomplishments

Fiscal & Calendar Year 2018

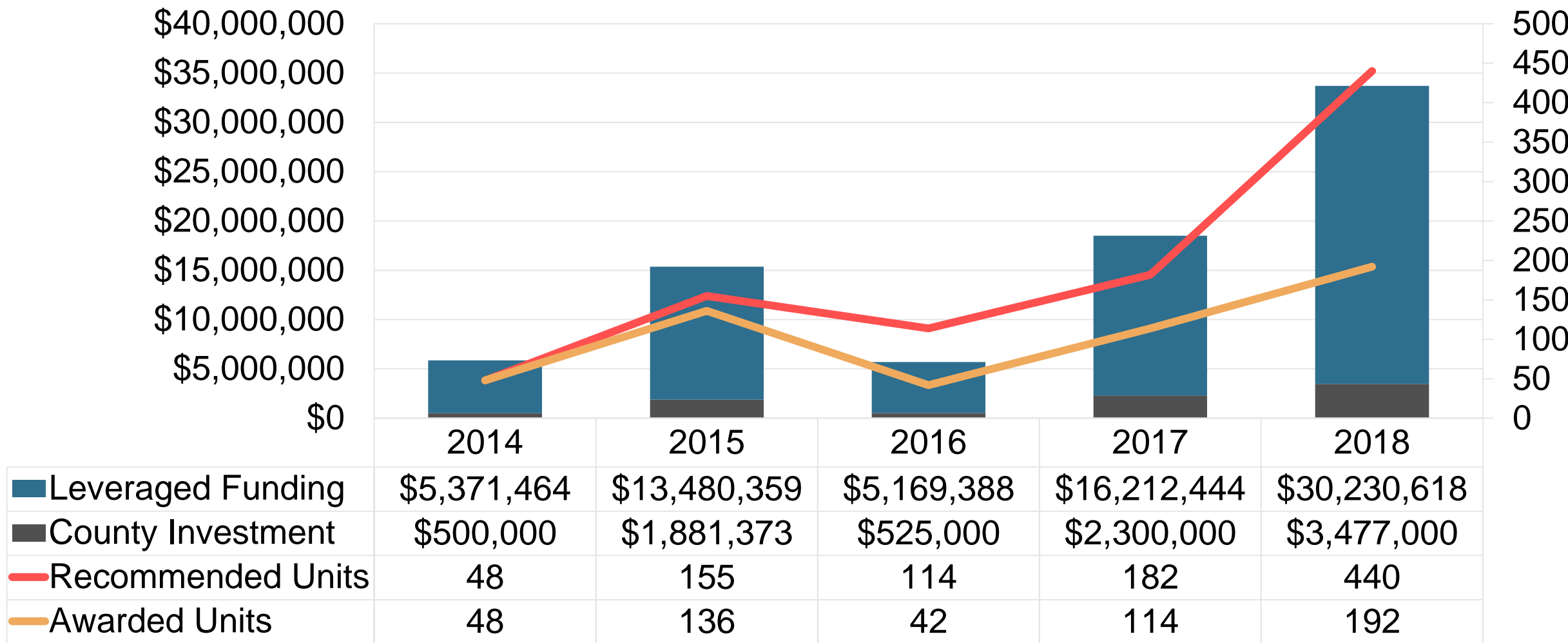
Changing Lives

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**

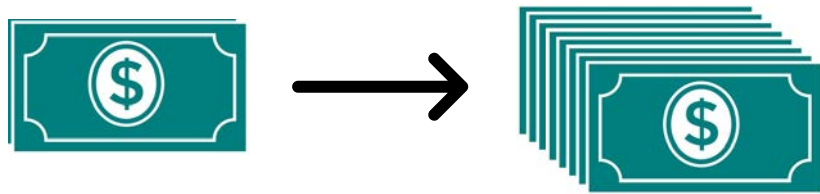
Creating Housing that is Affordable

County Investment, Other Leveraged Funding, & Total Units Produced



Through Smart Investments

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



For every \$1 spent by the County to develop affordable housing, \$8 dollars have been leveraged from other sources



1 in 5 homes developed using county investment serve families earning less than 40% of the Area Median Income (AMI)*

With A High Impact

Impact of Affordable Rental Cost				
	40% AMI	60% AMI	Fair Market Rent (FMR)	Zillow 11/30/18
1 Bdrm	\$515	\$800	\$893	\$1,178
2 Bdrm	\$605	\$950	\$1,026	\$1,243
3 Bdrm	\$760	\$1,100	\$1,327	\$1,407

Average rental savings on 40% AMI unit compared to market rate are \$649 per month. Savings on a 60% unit are \$326 per month.

Seeking Community Input

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

8

Municipalities

15

Community
Committees

8

Other Groups

Strengthening Community Coordination

Staff also participated in other related community efforts:

Wake Transit Plan

A Wake County Transit Investment Strategy Report

Moving Beyond Hunger

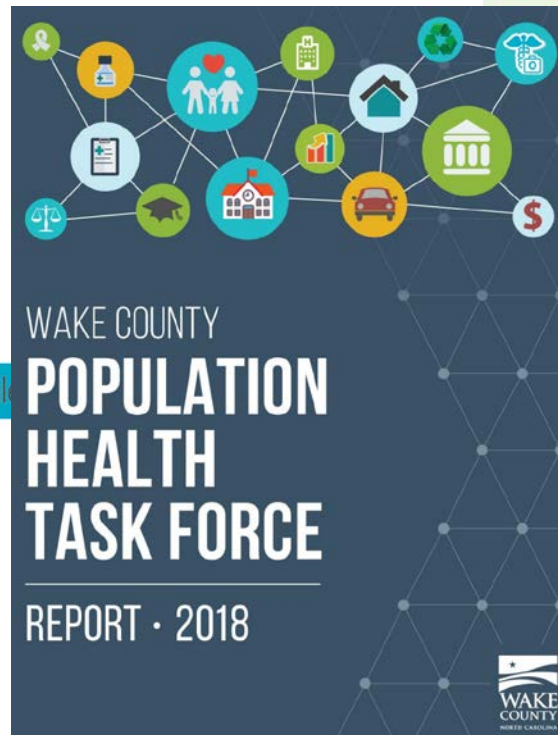
COMPREHENSIVE FOOD SECURITY PLAN
AND ACTION MANUAL FOR WAKE COUNTY

SUMMER 2017



JARRETT WALKER + ASSOCIATES

NOVEMBER 2016



Accomplishing Priority Recommendations

Public Land Disposition

- Legal Authority
- Policy and Process
- 70 County and WCPSS
- 10 high opportunity sites for further analysis

Rapid Rehousing & Prevention

- Implemented rapid rehousing focusing on Youth, Chronically Homeless, & Veterans
- 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

- Established a preference for veterans at South Wilmington Street Center
- Converting 1 dormitory to veteran only
- Implemented a Rapid Rehousing Program with priority for Veterans
- Adopted an intensive case management service model for Veterans
- 10 new permanent supportive housing vouchers

Supporting Women

- \$2.4 million replacement of Women Shelter 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
- Offering more equitable experience to those of the men or families

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 currently deliberating on next steps
- 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

Continuing Quality Programs & Implementing New Tools

Operation of Existing Housing Programs

Housing Affordability & Community Revitalization

- **Neighborhood Revitalization/ Public Facilities***
- **Rental Loan Production Program***
- Rehabilitation Loan Portfolio
- Elderly & Disable Rehabilitation Grant
- Emergency Rehabilitation Grant
- Multifamily Rehabilitation Grant
- 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***
- **Landlord Engagement***
- McKinney Team
- Cornerstone Facility
- Community Outreach Team
- 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

Homeless Services

Rapid Rehousing & Emergency Assistance

South Wilmington Street Center

Housing Education & Employment Programs

Developing Partnerships



Increasing Community Engagement

In order to properly implement Wake County's Housing Plan, we will need the support of all Wake County stakeholders.

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

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



Progressive Land Use Policies

Housing production must both keep pace with population growth and include options for residents at all income levels

Progressive land use policies are critical to affordable housing development

Staff continue to partner with Municipalities to identify and support land use policies that help to further affordable housing efforts

Progressive Planning Partners

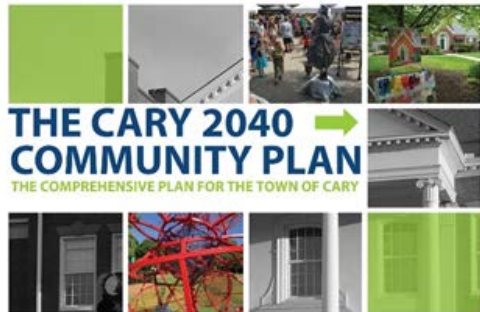


2035 Community Vision Land Use Plan

Adopted June 5, 2017



Vision Holly Springs
Town of Holly Springs
Comprehensive Plan



Enhancing the Rental Loan Program

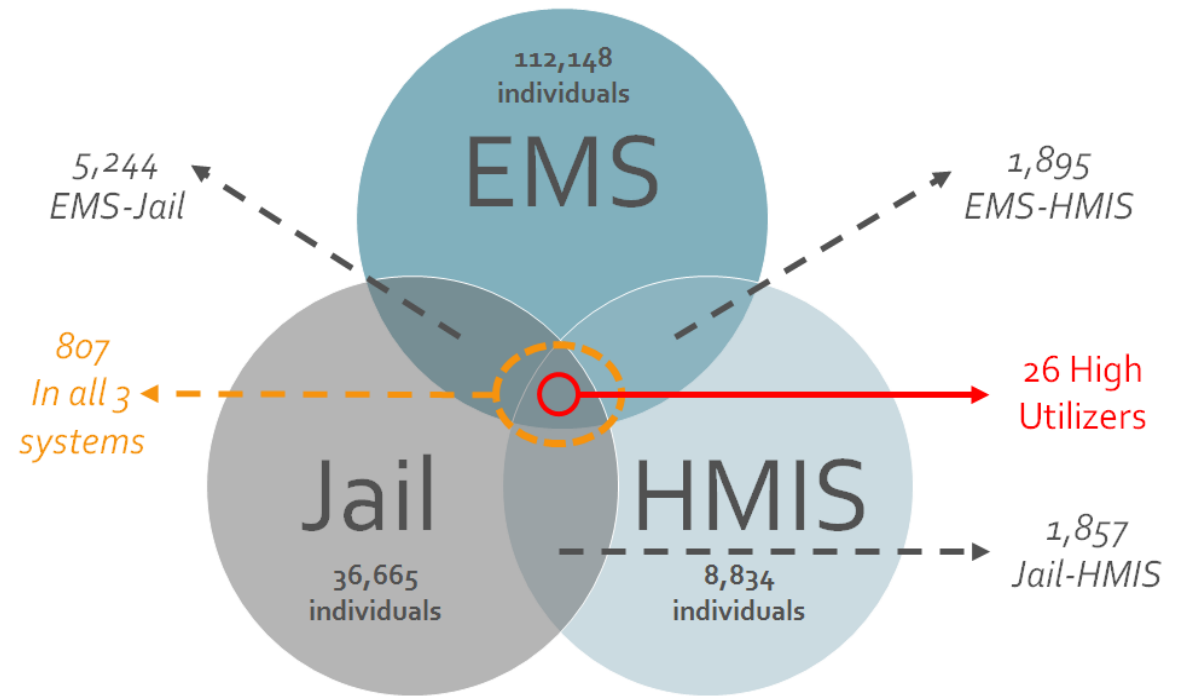
During the 2017, through 2019 cycles, the following enhancements were made:

- Increased focus on vulnerable populations including units at 40% Area Median Income (AMI) for 9% LIHTC Projects and 50% AMI for 4% LIHTC projects
- Requires 10% set aside for County PSH vouchers
- Prioritizes projects with close proximity to transit, schools, social/residential services, and other amenities
- Improved scoring criteria 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

Permanent Supportive Housing (PSH)

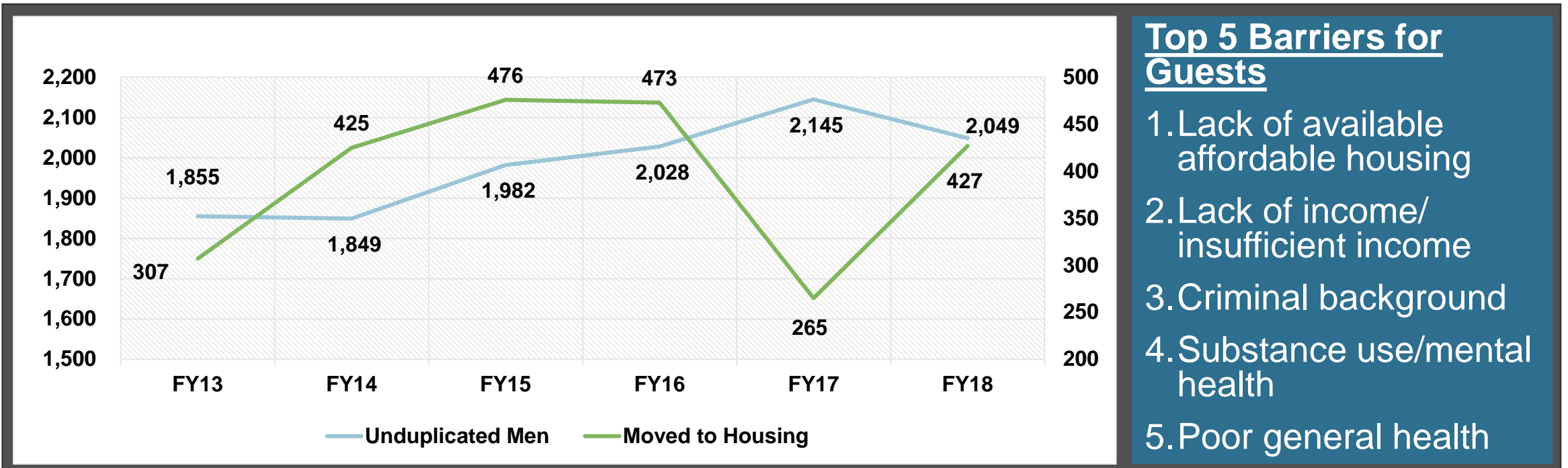
- Wake County's recent study by SAS showed more than 800 individuals cycled through Homeless, EMS, and Criminal Justice systems in an 18 month timeframe
- Permanent Supportive Housing (PSH) is the only evidenced based, long-term housing solution for highly vulnerable populations
- PSH stabilizes residents 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 Housing Resources

The Issue: The amount of unduplicated men served at SWSC has increased by as much as 15% over the last five years.

The Solution: By introducing a Housing Resource 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,

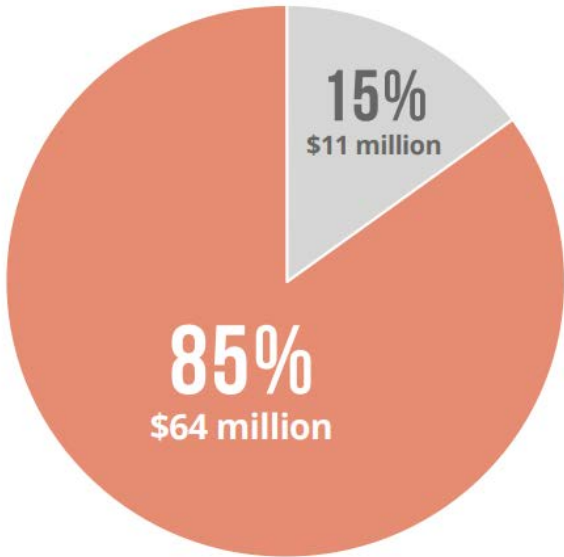
ADDING 37 BEDS

to serve homeless women without children.

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

\$75 MILLION
for housing affordability.

- Production and preservation of housing
- Program operating costs



Critical Considerations for Implementation

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
- 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?