

DURHAM COUNTY GOVERNMENT STAFF WORKING GROUP

AFFORDABLE HOUSING STEERING COMMITTEE

INITIAL RECOMMENDATIONS

DRAFT - December 2023



Durham County Affordable Housing Steering Committee Initial Recommendations

December 2023

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Executive Summary

This paper is a work product of the Durham County Government Staff Affordable Housing Steering Committee that was formed at the request of the Board of County Commissioners during their November 2022 Strategic Policy Retreat. During the retreat, staff presented an update on the County's past and current affordable housing efforts, including the 300 and 500 East Main Street projects. Further, staff shared potential opportunities and challenges facing the county as it addressed affordable housing needs, while balancing fiscal limitations. During the retreat, the Board charged staff with identifying additional approaches that leveraged partner relationships to address affordable housing needs, with the goal of optimizing funding allocated using American Rescue Plan Act (ARPA) funds. Since that period, the City of Durham and Durham County Government have partnered in an interlocal agreement to invest \$27 million in gap funding to support nearly 600 new affordable housing units using ARPA funds. Each jurisdiction will contribute \$13.5 million in ARPA funding, which leverages additional federal grants, developer investments and other funding. Funds will expand affordable housing for residents at or below 80% of the area median income. The projects will have a minimum 30-year period of affordability, which is the standard for low-income housing tax credit developments.

The BOCC's second directive established a task force to evaluate potential approaches for the county to support housing security efforts. Fiscal constraints limit the county's ability to address all unmet operational and capital needs facing housing insecurity throughout the County. Many factors have contributed to the current housing crisis. Individuals and families at lower income levels are disproportionately impacted. More than 70 percent of households that pay over half their income for rent have extremely low incomes as defined by HUD.¹ In the Durham community, according to Rent.com, the average rent for a 2-bedroom apartment in November 2023 was over \$1600 per month.² In addition to rent, a security deposit and first and last month's rent are typically required to secure any apartment. It is hard to precisely determine the scale of the housing crisis because of the delays in census data reporting, but our best estimates put the affordable housing gap at about 20,000 units in Durham County.

Durham County remains committed to doing its part to address the housing crisis, but with such an immense issue and limited staff and financial resources, what is the most effective and efficient move? Staff looks to leadership for guidance and leadership looks to staff for expertise, and there are no shortage of opinions from the development community and public.

The Durham County Affordable Housing Steering Committee was formed to make recommendations to the Board of County Commissioners on the best ways the County can participate in addressing the housing crisis. The Committee members brought their own wide-ranging expertise from across County Departments to the table, educated themselves on affordable housing issues, and spoke with local experts. The Committee recognizes that the housing spectrum is wide ranging and includes everything from homelessness services, shelters, transitional, and supportive housing to government subsidized housing and naturally occurring affordable housing. At this point in the Committee's process, we

¹ Center on Budget and Policy Priorities. Priced Out the State of Housing in America. <https://www.cbpp.org/research/housing/priced-out-the-state-of-housing-in-america>. July 21, 2022

² Rent Trends. <https://www.rent.com/north-carolina/durham-apartments/rent-trends>, November 2023

recommend that the County contribute to an existing local affordable housing loan fund, continue to research other ways the County is uniquely situated to help provide resources and services to the housing ecosystem, and coordinate with housing partners to track affordable housing efforts and impacts.

Steering Committee Members

Tammy Baggett, Library Director

Dwane Brinson, Assistant County Manager for Community Safety

Matt Filter, Economic Development Manager

Jay Gibson, Director of Engineering

Janeen Gordon, MED, Assistant Director of Aging and Adult Services

Claudia Hager, Deputy County Manager for Financial Affairs

Ella Hargrove, Management Analyst

Krystal Harris, MSW, Director of Community Intervention & Support Services

Peri Manns, Deputy Director of Engineering

Gudrun Palmer, Director of Justice Services

Joanne Pierce, Assistant County Manager for Community Well-Being

Christy Rauli, Project Manager, Engineering

Donna Rewalt, Director of County Extension

JT Tabron, Assistant Register of Deeds

Due to retirements during the Committee's process, we were also joined by:

Roshanna Parker, Director of the Justice Services

Meghan Russ, Aging and Adult Services Program Manager, DSS

History and Charge of the Committee

Durham County is not an entitlement community, meaning that federal funding for housing and community development goes directly to the City of Durham. Thus, it has traditionally made sense that housing programs sit in City government. In 2017, the County recognized the rapidly growing need for affordable housing beyond what federal assistance provided and began a process to develop its two parking lots on East Main Street into affordable housing projects. In consultation with the UNC School of Government, the County partnered with market-rate and affordable housing developers to accomplish these mixed-use, multi-developer, public-private partnership (P3) projects.

There are always challenges in these extremely complicated forms of development. Most notably, we have seen significant cost increases in the 300 and 500 Block Projects where the County has had to step in to

fill the growing financial gap. Currently, the County's financial commitment to these projects is over \$20 million, more than double the original commitment. With the projects in construction, it is conceivable that these gaps may continue to increase.

Both projects will satisfy the public interests that were identified during the design process and positively contribute to the affordable housing stock in Durham, as well as address other critical needs (e.g., parking, childcare, retail). However, the complexity of these projects is well beyond a typical County construction project. The extremely detailed legal and financial issues specific to this form of development have greatly taxed the staff resources of the County in addition to the increased funding needed to see these projects through.

With the lack of affordable housing reaching crisis levels, the options for government participation being very wide-ranging and legally complicated, and the broad recognition that current funding and staffing levels at the County are not sufficient to continue managing P3 projects, the County Commissioners tasked County staff with drafting an Affordable Housing Policy. The recommendation was given to form a staff level Affordable Housing Steering Committee within the County to begin this policy process.

This report is the summary of the Committee's first phase of work to further educate ourselves on the issue of affordable housing, identify internal and external resources and additional options for County involvement, and propose the first set of steps the County can take to assist in addressing the housing crisis.

Committee Recommendations

The committee recognizes that the greatest needs in addressing the housing crisis are money, leadership, and land. We believe there are three substantial next steps that the County should consider related to these needs.

First, the County should devote resources to join, update, and expand the existing Durham Affordable Housing Loan Fund. This Fund makes loans that would leverage County funding and leadership to support land purchase and construction of affordable housing projects, as well as the retention of existing affordable housing. *The Committee recommends that an initial investment of \$500,000 supports the loan fund in FY 2023-24, with an additional commitment level identified in the FY 2024-25 Budget.* See below for more information on this existing loan fund.

Second, the County should evaluate post-pandemic needs and best practices for the delivery of County services that support affordable housing. With DSS and HHS situated in County Government, the committee feels the County is uniquely positioned to play a leadership role in service provision working in close collaboration with allied organizations including the City, Durham Housing Authority, and Durham Public Schools. ***The Committee should convene a "County Services Subcommittee" to build on past conversations within DSS and make further recommendations for Board consideration.***

Finally, the County should work with partner organizations to determine a concise set of metrics for an Affordable Housing Scorecard to track and report on the impact of housing resources and programs in the County.

Deploy County Funds Through the Durham Affordable Housing Loan Fund

Revolving loan funds are a powerful tool in funding the creation and retention/preservation of affordable housing. There are many ways to set one up, and many ways they have failed, most often by not achieving a scale sufficient to keep them sustainable. The Durham Affordable Housing Loan Fund (Fund) presents an opportunity for the County to leverage its housing dollars with an existing fund that has many advantages gleaned through its community-based creation and years of experience.

This fund was created through a community roundtable process involving the Duke Office of Community Affairs, Self-Help, Durham County, the City of Durham, and members of the local development community. This first-of-its-kind Fund at Self-Help has functional process, procedures, and staff support already in place. Self-Help has successfully managed this fund for years, and now has several other housing funds in place and in development with other local governments, including the Wake County Affordable Housing Preservation Fund that leverages a \$10.5 million County loan for a \$61.2 million housing preservation fund.

There are two major challenges with building and retaining affordable housing units. The challenge in building new affordable units is gap financing. For developers who have bank financing, tax credits, and their own “skin in the game,” there can still be a significant gap to fully funding a project. Developers have little choice but to look to local governments for loans and grants to fill this higher-risk portion of the capital stack. And, as we know from the 300 and 500 East Main Projects, these gaps are large and growing.

The existing Durham Affordable Housing Loan Fund was designed to support the purchase and renovation of existing properties. The Committee recommends that the fund’s scope be enlarged to support new construction. Projects that could then be funded with a much smaller portion of County funds, as well as outside expert underwriting, may look like our own 300 and 500 East Main Street projects, or the projects that the City and County worked together to fund from the City’s list of RFP responses.

The major challenge for preserving naturally occurring affordable housing (NOAH) is acquisition timing. Developers or property managers need quick access to liquid funds to acquire properties as (or before) they hit the market. Any entity looking to preserve existing houses or apartments is competing with large out-of-state investors who have “walking around money” readily available to put property under contract quickly, and then figure out if they can make money off renovating the property and raising rents. This same acquisition issue is at play when trying to purchase land for new projects.

This work to preserve affordable housing is the specific charge of the Wake County Affordable Housing Preservation Fund that was established in 2021. For example, in late 2022, this Fund supported CASA’s purchase of Grosvenor Gardens, an historic property with 62 studio and one-bedroom apartments at below market rents.

While a loan fund of this type can be created from scratch to address the above issues, the existing Durham Affordable Housing Loan Fund has the infrastructure, experience, and staffing in place to be immediately effective. With some modifications to its current form, it would have the ability to address both critical needs in building and retaining affordable housing units.

How Does the Durham Affordable Housing Loan Fund Work?

The existing Durham Affordable Housing Loan Fund was seeded with loans from the City of Durham and Duke University. It was created to provide funding to substantially renovate or preserve affordable units for sale or rent within the City of Durham.

With their initial loan creating the Fund, the City prescribed the tools, goals, restrictions, exceptions, and other specifications to guide the work of the Fund in a loan agreement. The Self-Help Fund Managers market, underwrite, service, report and collect on the loans, earning a percentage of interest from the borrowers. Borrowers receiving loans from the Fund accept deed restrictions guaranteeing the affordability of the project.

Importantly, the Fund Managers leverage the seed funding to receive matching loans from national and regional banks, typically in the range of three to four times the local government funding. In the opinion of the Committee, this strong and long-standing relationships with regional and national banks is the most impactful piece of the Self-Help Fund – their ability to leverage any public investment in the Fund with banks' Community Revitalization Act (CRA) funds to multiply potential County investment four-fold.

How the Loan Fund leverages local investment for greater impact:



1. The local government invests \$1 in the loan fund



2. That dollar is matched by the developer's \$1 and Bank CRA funding of \$3



3. The developer uses these \$5 to receive a construction loan of \$15



4. A \$20 project is fully funded with \$1 of public investment

To be clear, this fund offers loans to developers that include the re-payment of principal, a small interest rate on the bank money, and servicing fees to Self-Help. To fill the same size gap in a project, a loan will be a higher amount of funding than a grant. The public funds portion of the loan is the most at-risk and will be the first money lost if a loan is not re-paid. Self-Help has not yet had a loan from the fund go into default, but the County should proceed with the expectation that it may happen. Loans cycle back into the fund as they are repaid, making it possible for the fund to rapidly grow in size as loans are repaid and as the fund received future contributions that similarly leverage bank funding from the City, County, or other like-minded entities. The initial round of City funding is currently fully committed, leaving Self-Help with a pipeline of projects in need.

The Committee recommends the County provide an initial investment of \$500,000 to the loan fund in FY 2023-24. Additional funds should be leveraged to bolster loan fund amount above recommended amount. An RFP may be required depending upon the funding source. The funding may also be expanded to incorporate desired investments in land trust efforts.

Determine If There Is a Need to Add or Modify Supportive Services

The Committee heard from several experts who believe there is a strong need to strengthen supportive services for those in, or eligible for, affordable housing, and that the County may be uniquely positioned to provide some additional support through its existing Departments. The Committee believes that more information is needed to clarify what specific services or programs the County wants to include in its definition of supportive services.

The term supportive services encompass very wide-ranging assistance, and peoples' needs vary along the housing spectrum from a no-barriers shelter for unhoused persons who desire shelter to financing assistance for the purchase of a home, or maintenance and repair issues that allow one to stay in their home as they age. Many services focus on the needs of individuals who cannot live fully independently as residents of permanent supportive housing.

For example, while the Durham Housing Authority is designing and building its new projects it may be appropriate to discuss if there is some type of physical space in the new projects that would allow better delivery of County services. While this idea is intriguing and may have merit, additional time to fully vet the suggestion with affected County Departments is needed prior to responding to DHA with a formal request.

More broadly, there are many local organizations supporting those in need of housing, and there are many inter-related issues from health to transportation to job training, identifying the greatest current areas of need and where those overlap with the County's resources and strengths is a substantial task that should not hold back the County's decision to contribute to the Durham Affordable Housing Loan Fund. Given the existing workload commitments of County staff, the Committee believes that outside consultation will be necessary to conduct this study.

With the purchase of Carver Creek Apartments by Housing for New Hope, the County made a significant investment in providing homes on a future campus that will include wrap-around support to its residents. At this time, it is unclear to the Committee what additional role the County could be playing in this regard. Therefore, the Committee recommends further research on this topic.

The Committee recommends funding an independent study of current needs and actionable recommendations for if and how the County can improve or expand service delivery.

Establish and Track Shared Datapoints

In the effort to get our arms around the magnitude of the housing crisis and track the impact of County investment, the Committee believes it is important to determine the set of data points that most accurately capture the realities of the housing situation in Durham County and begin tracking and reporting on these data points on a regular basis. This work should be done in coordination with other entities working in the housing sector so as not to duplicate efforts.

Conclusion

The Affordable housing spectrum is broad and there are many ways for the County to meaningfully participate. Trying too many things at once or being primarily responsive to developers and the public will further stretch staff resources and risk diluting the County's funding and effectiveness. The Committee believes its recommendations to immediately pursue a funding commitment to the Durham Affordable Housing Loan Fund while continuing to research other ways the County can be impactful, is the right balance of action to assist in addressing the housing crisis.

Appendix

1. Durham County BOCC November 2022 Policy Discussion on Affordable Housing PowerPoint
2. Committee Meetings Discussion Topics
3. Asset Mapping Brainstorm
4. Self-Help Presentation (Fund borrowers redacted)
5. Data Presentation

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ATTACHMENT 1

*Durham County BOCC November 2022 Policy
Discussion on Affordable Housing PowerPoint*

BOCC POLICY RETREAT

AFFORDABLE HOUSING DISCUSSION





ONGOING PROJECTS

- The **300 E. Main St.** project includes a 757 space structured parking garage with a 110-unit mixed income affordable housing wrapper with a childcare space and commercial/retail component.
- The **500 E. Main St.** project includes a 847 space structured parking garage with 195-unit mixed income affordable housing structure and a 246-unit market rate housing wrapper with commercial/retail space suitable for a grocer and other tenants.

300 E MAIN ST – DEVELOPMENT PROGRAM

Affordable Housing

Unit Type	30% AMI	60% AMI	80% AMI	TOTAL
STUDIO	3	12	0	15
1BR	7	18	5	30
2BR	9	30	11	50
3BR	3	8	4	15
TOTAL	22	68	20	110

Diverse unit mix to allow the buildings to be

- Mixed-Income
- Mixed-Use
- Intergenerational

Childcare & Commercial Space

Description	Sq. Ft.
Childcare	10,243
Commercial	3,900
TOTAL	14,143

Commercial Space:

- Activate Queen Street
- Non-Profits
- Socially Responsible

500 E MAIN ST- DEVELOPMENT PROGRAM

Market Rate Housing

Unit Type	Avg Sq. Ft	No. of Units	% of Units
STUDIO	562	43	17%
1BR	695	118	48%
2BR	1198	80	33%
3BR	1506	5	2%
TOTAL	845	246	100%

500 East Main St Market Rate

- Activates the street on three sides
- Provides housing for all sizes and ages
- Conceals 1,200 space parking deck

Affordable Housing

Unit Type	30% of AMI	60% of AMI	80% AMI	TOTAL
STUDIO	13	14	15	42
1BR	27	42	24	93
2BR	5	34	7	46
3BR	1	12	1	14
TOTAL	46	102	47	195

500 East Main Affordable

- Five story building fronting Ramseur St
- 200 mixed income units
- Unit mix serves a range of incomes



OVERALL PROJECT COSTS/COMMITMENTS

- Structured Parking Deck(s) \$58,277,500
- 300/500 E. Main St. Commitments
 - 1. County Loan to LSR (300 E. Main) \$9,765,000
 - 2. Childcare Sublease \$169,500 annually @15 yrs/ w 2% inc. year \$2,931,234
 - 3. County Loan to LSR (500 E. Main) \$4,100,000*
 - 4. Legal Fees (outside counsel to County) \$118,000

*Costs could increase due to increased construction costs and completion of the design.



PENDING REQUESTS

- **Carr Rd. Development** - includes a plan to develop roughly 200 multi-family units on an assemblage of land on Carr Rd. that includes 11.5 acres of County-owned land. The proposal is being evaluated by DFI and County staff in preparation for future discussions with Management and the BOCC.
- **DHA/CJRC Redevelopment** - includes a plan to develop multi-family mixed use development on the assemblage of land that includes roughly 1.5 acres of County land where the existing CJRC facility and the Roxboro St. parking deck are sited. Currently, the plan is to leave the CJRC facility intact and replace the deck to expand the parking to address the needs of the redevelopment. No formal plan has been submitted to the County as DHA and their consultants are currently focused on the Fayette Place and Forest Hills Heights Developments.



CHALLENGES AND ISSUES

- **Staffing Resources** – this further burdens stretched staff resources and takes focus away from typical Capital Project, Real Estate, Finance, Budget and Legal staff functions.
- **Fiscal commitments** - these pending requests will further stretch County fiscal resources and take away from services and commitments that are more traditional responsibilities of County government.
- **Exposures** - the request to meet the demand of increased construction costs is an excellent example of an unanticipated exposure to the County necessary to deliver the project once all other commitments have been made. The 40-year commitment to providing affordable housing results in exposures that will need to be addressed once that term expires, i.e. maintenance and upkeep of the property and/or may require an entirely new build contingent on the condition of the property – all at County expense if the developers choose to “walk away” after the 40-year term.
- **Perhaps the most significant ongoing challenge is the reactive posture the County is in to deliver projects in the absence of having “Clear and Concise Goals” or an adopted “Framework for Making Decisions.”**



NEXT STEPS

- The reactive delivery posture directs us to the need to establish **“Guiding Principles” to provide a more clear, strategic approach** for the County if we elect to continue to participate in affordable housing in any capacity.
- These “Guiding Principles” should allow us to meet the need more efficiently and effectively by having a process in place to meet the needs of the types of projects we are being asked to participate in regardless of the commitment requested - be it land donation, fiscal commitment, and others. This structure should also include in-house staffing with the bandwidth and skillsets to meet the major demands of the projects.
- Possible delivery options for consideration include:
 1. Continue to manage projects as P3’s
 2. Leaving affordable housing to the City/DHA and support them in some capacity
 3. Establish funding framework to support future affordable housing priorities that align with General Statutes limitations.



QUESTIONS?

ATTACHMENT 2

Committee Meetings Discussion Topics

Durham County Affordable Housing Steering Committee

Committee Timeline and Meetings

January 19, 2023 – Kick-Off and introduction of the Committee and the Committee's Charge, appointed Peri Manns Committee Chair

February 16, 2023 – Presentation from Sarah Odio, DFI Assistant Director: Introduction to affordable housing, including issues, terms, definitions, and some very basic legal constraints on how Counties can support affordable housing

March 2, 2023 – Asset Mapping Exercise, session 1:

- 1) Who are the Organizations and People working on affordable housing in Durham?
- 2) What are the Services / Resources / Programs provided in Durham to address affordable housing?
- 3) What Assets* does Durham County Government have that can help address the affordable housing crisis? (*People, programs, data, resources, policies etc.)

March 16, 2023 - Asset Mapping Exercise, session 2:

- 4) What are the Gaps in Durham County for affordable housing?
- 5) What are the ideas and opportunities for the County to support affordable housing in Durham?
- 6) What else do we need or want to know?

April 20, 2023 – Virtual Watch party! Committee members watched the Presentation to Durham City Council by Anthony Scott, Executive Director of the Durham Housing Authority with discussion following

May 4, 2023 – Panel-style discussion with Reginald Johnson, City of Durham's Community Development Director and Anthony Snell, Durham Housing Authority's Director of Development

May 18, 2023 – Presentation from Dan Levine, Self-Help's Director of Real Estate, and JJ Froelich, Self-Help's Housing Sector Leader

November 3, 2023 – Committee re-convened to review a draft of the white paper

ATTACHMENT 3

Asset Mapping Brainstorm

Affordable Housing Steering Committee

Jamboard Affordable Housing Asset Mapping exercise*

March 2023

**Please note that this is an unedited list. The Committee recognized that it is incomplete and may contain inaccuracies as it was a brainstorm-style exercise designed to get everyone thinking together about our work as a Committee.*

- 1) Who are the Organizations and People working on affordable housing in Durham?
 - a. Repair
 - i. Does the state fund repair programs? Yes through local intermediaries (NC211 website)
 - ii. City Community Development Department
 - iii. Reinvestment Partners, Inc. repair program
 - b. Public Policy
 - i. Duke Housing Committee
 - ii. Residents/Voters (e.g. bond passage)
 - iii. Elected Officials (local, state Federal)
 - c. Developers (Non-Profit, Public and Private)
 - i. DHIC
 - ii. Self-Help
 - iii. Durham Housing Authority
 - iv. Habitat for Humanity
 - v. Reinvestment Partners, Inc
 - vi. CASA
 - vii. Private developers (for-profit and not for profit)
 - d. Funders
 - i. Latino Credit Union
 - ii. Community Empowerment Fund
 - iii. NC Housing Finance Agency (NCHFA)
 - iv. Neighborhood Assistance Corp
 - v. Self-Help (mortgage and refinancing for families)
 - e. Advocacy
 - i. Coalition for Affordable Housing and Transit (CAHT)
 - ii. Council to End Homelessness
 - iii. Durham CAN
 - iv. Fair Housing Project
 - v. Durham Inter-neighborhood Council
 - vi. Reinvestment Partners, Inc
 - vii. Dataworks NC
 - viii. NC Housing Coalition
 - ix. El Centro Hispano

- x. Human Relations Committee
 - f. Housing Education
 - i. Reinvestment Partners, Inc (housing counseling)
 - ii. Self-Help (financial counseling)
 - g. Housing Service Providers
 - i. Salvation Army (\$ for rent and utilities from NC211 website)
 - ii. NCHFA urgent repair
 - iii. Durham Community Land Trust
 - iv. Urban Ministries
 - v. County Justice Resource Department
 - vi. Alliance BHP
 - vii. Durham Rescue Mission
 - viii. Housing for New Hope
 - ix. Families Moving Forward
 - x. Leah Bergman
 - xi. Maple Court Veterans Transitional Housing Program
 - xii. N Magum Transitional House (120 day housing for formerly incarcerated men, from NC 211 website)
 - xiii. Second Mile Ministries (\$ for rent and utilities from NC211 website)
 - xiv. Supportive services for veteran families
 - xv. Durham VA
 - xvi. Durham Local Re-Entry Council (JRD is intermediary – is this the same as Coordinated Entry from NC 211 website?)
 - xvii. Special Assistance and Long Term Care (DCo DSS program)
 - h. Institutions/Agencies/Gov't
 - i. City of Durham
 - 1. Community Development Department
 - 2. Forever Home, Durham
 - 3. Affordable Housing Implementation Committee
 - 4. DPS Homeless Services
 - ii. Durham County
 - 1. Library Staff
 - 2. DSS
 - iii. Durham Tech
 - iv. NCCU
- 2) What are the Services / Resources / Programs provided in Durham to address affordable housing?
- a. Forever Home City Home Improvement
 - b. DHA Housing Vouchers (formerly section 8)
 - c. City/Self-Help Loan Fund
 - d. Opening Doors (deposits, first month's rent, extended stay in hotels)
 - e. Low Income Homeowners Relief (LIHR)
 - f. Rental Assistance (multiple orgs, DSS has a list)
 - g. Homeowner down payment assistance through NCHFA

- h. Eviction Diversion Program at Legal Aid
 - i. Preservation Durham – Preservation Equity Program (repair focused)
 - j. City Down payment Assistance through Community Home Trust
 - k. McKinney-Vento Homeless Services Policy (Durham Public Schools)
 - l. NC Homeowner Fund
 - m. ARPA
 - n. Coordinated Entry (Entry and Diversion)
 - o. Volunteers of America
 - p. Temporary/Night housing for homeless
 - q. Homeowner Education
 - r. Housing for New Hope
 - s. DPS Board \$1-million for teacher workforce housing to be used in a to-be-determined plan with a to-be-determined partner (from McKenzie Scott donation)
- 3) 3) What Assets* does Durham County Government have that can help address the affordable housing crisis? (*People, programs, data, resources, policies etc.)
- a. Policy
 - i. Policy Development
 - ii. Homestead exemption 65+ or permanently disabled
 - iii. Surplus Property Disposal Policy
 - iv. UDO
 - v. CDBG?
 - vi. Lobby at state level
 - vii. Research CDBG money for repairs in unincorporated parts of the County (Drew Cummins started this work)
 - b. Property
 - i. County-owned land
 - ii. JRD Transition House
 - iii. Underutilized properties / not at highest and best use
 - iv. Parking decks at 300 and 500 E Main
 - c. Business/Workforce
 - i. Business recruitment initiatives tied to entry and mid level positions paying good wages
 - ii. Workforce development partnerships (getting people out of poverty)
 - d. Platform (loud voice) and Messaging Soap Box/outreach
 - e. Expertise and people
 - i. Strong partnerships (DFI, etc.)
 - ii. Real Estate Division Experts
 - iii. Peri and Jay's expertise developing 300 and 500
 - iv. Long experience working with populations in need
 - v. Many DSS Programs
 - vi. Creative and Passionate County Staff
 - vii. Access to individuals and families in need
 - viii. Welcome Baby
 - f. Data

- i. Valuation data
 - ii. Building permit data
 - iii. Data about individuals and families (benefits, etc.)
 - iv. Tax data
 - g. Funding
 - i. DSS Rental assistance
 - ii. JRD Housing Assistance Funds
 - iii. ARPA
 - iv. County investment and support of Urban Ministries
 - v. Economic Incentives
- 4) 4) What are the Gaps in Durham County for affordable housing?
- a. Navigation
 - i. Communication with protective services and DPS to identify potential individuals in need
 - ii. Connecting with those most in need (difficult to reach populations)
 - iii. ESL Engagement (language/cultural)
 - iv. Identifying transient families/groups
 - v. No "single point" for coordination
 - vi. Pathway to navigating, i.e. one stop shop
 - vii. Education/guidance for potential renters or future homeowners
 - viii. Lack of conversation with individuals needing housing.
 - ix. Fewer landlords taking HCV (Housing Choice Vouchers)
 - x. Supporting and empowering communities to address some issues
 - b. After Housing Supports
 - i. Long-term supports after housing placement
 - ii. Support for those struggling to maintain/upkeep their current affordable housing
 - iii. Protections for those with suspect landlords
 - iv. Support for housing maintenance "how to" and supplies
 - c. Expertise
 - i. Lack of a plan for addressing the "complete" issue.
 - ii. Taking advantage of everything available to deliver affordable housing i.e. Opportunity Zone investment to maximize private funding/support
 - iii. Not thinking out of the box for solutions.
 - iv. Who specifically within DCo is "responsible" for coordinating/working on affordable housing?
 - v. Lack of interest from developers consider the profit they can make, especially during this economy
 - d. Types of Housing
 - i. Housing First
 - ii. Options for LIHTC projects at the end of compliance/use periods
 - iii. Housing for formerly incarcerated / individuals with felonies
 - iv. Housing for households "in the middle"
 - v. Housing for 30%AMI and below (rental and ownership)

- vi. Varying types of housing i.e. 30%AMI and below, Senior Housing, Housing for the Homeless, Supportive
 - vii. General focus on "official" affordable housing, like DHA, vouchers, deed-restricted for AMI, etc. but not as much on naturally occurring "affordable housing and supply
 - viii. Permanent supportive housing
 - ix. Housing for lower income, as well as undocumented, Immigrants & Refugees
 - e. Collaboration
 - i. Engaging/partnering/winning over well-resourced community members
 - ii. Opportunities to Collaborate with other agencies working in this space.
 - iii. Partnerships with all entities that can assist with this community need.
 - iv. Lots of community support, but (generally speaking) little community awareness of complexity and cost.
 - f. Resources
 - i. Not enough land
 - ii. Funding
 - iii. Salaries don't match housing expenses
 - iv. Sheer cost of building materials creates affordability issue in itself
- 5) 5) What are the ideas and opportunities for the County to support affordable housing in Durham?
- a. Land
 - i. Consider re-purposing office buildings since they aren't used at the same level post-COVID
 - ii. Secure land for building "tiny home" communities.
 - iii. buy lots of land in RTP to later sell to affordable housing developers
 - iv. Identify Land in County near services that could be developed
 - v. Buy trailer parks and pass to nonprofit land ownership
 - vi. Study available County land and its availability/feasibility for affordable housing
 - b. Policy
 - i. Short term - provide a day shelter utilizing space that already exist.
 - ii. Dedicate certain amount of the property tax rate to affordable housing causes/staff positions
 - iii. Encourage mixed income neighborhoods
 - iv. Utilization of our financial resources (bonds, special taxing districts, etc.) and credit.
 - v. Seek legislation to require X% of new housing projects to be affordable
 - vi. Incentives for landlords who have at least X% of units dedicated to affordable, i.e. special event each year for recognition
 - vii. small area planning to protect existing neighborhoods
 - viii. Zoning changes
 - c. Spend our money
 - i. Gap financing
 - ii. Self-Help Loan Fund (or similar)
 - iii. Fund DHA

- iv. Partner with established organization to expand their services (Habitat, Community Land Trust, etc.)
 - v. Give \$ to support existing City programs
 - d. Funding Support for Individuals
 - i. Creation of programs that minimize the need for affordable housing i.e. training, education, job creation and etc.
 - ii. Universal basic income pilot, join existing or expand
 - iii. Provide a dedicated webpage with projects that meet certain affordable housing criteria within Durham County
 - iv. Maintain DSS Rental Assistance Fund
 - v. Be flexible in our approach....workforce development, training, etc. to help connect residents with good jobs so they can afford to live here
 - vi. Inheritance Education
 - vii. Alternative rent payment economies (while avoiding serfdom/sharecropping vibes)
 - e. Encourage collaboration
 - i. Assist housing agencies write applications to outside funders
 - ii. Create an Affordable Housing Committee. Wait...
 - iii. Identify local community supporters willing to provide financial supports
 - iv. identify institutional investors, foundations
 - f. Navigation
 - i. Navigation Help "one stop" for housing at HHS
 - ii. Be supportive of efforts in RTP to increase density on suburban campuses and allow for residential.
 - iii. Provide technical and staff assistance to complete applications to state and federal agencies
 - iv. Fund more case managers at DSS
 - v. Training library staff because they are "front door" to populations in need
 - vi. Provide education, support, a navigator to those needing rental assistance
 - vii. Offer a "hand-up" instead of a "hand-out". Most want to help themselves.
 - g. Alternative Housing models
 - i. Co-ops
 - ii. Support community-based organizations doing this work
 - iii. Tiny house community support
 - iv. Reimagine what a "house" looks like
 - v. Support/encouragement for room rentals
 - h. Create a County staff position
 - i. Find ways to address the overarching problem - income, employment, transportation, health, cost of living etc.
 - j. Look at other areas/countries to see what has provided value
 - k. Embracing new technology/innovation (NCCU, Duke, etc.)
 - l. Coordinate transportation with affordable housing...and other housing too, but especially affordable to make it "livable" like JT mentioned in earlier mtg
- 6) 6) What else do we need or want to know?

- a. Do we have any projects that target those around 30% AMI? Who/how would be able to do this?
- b. Do the Commissioners have a hierarchy of target populations for assistance since different groups may need different types of housing/help?
- c. What is needed for after housing supports?
- d. What is the Delta between current Affordable Housing units and the estimated number of needed units?
- e. How we might connect with and learn about designers, creators of tiny home, etc.
- f. Similar to Peri's idea - "stakeholder" interviews/conversations with lead agencies and organizations to hear what they think our role could be.
- g. Do we "double down" on what's already being done by others? Do we "pick a new lane"?
- h. Are there income tax credits for building detached single-family affordable like there are for attached homes (apartments)?
- i. Hear from DHA and City Community Development
- j. Can we legally change policy to require either dedicating certain lots as affordable or contributing to affordable housing fund
- k. Hear from DSS about their process with individuals
- l. more info about DSS programs
- m. Note re DSS: Affordable housing not a mandated program. Part of Crisis Services
- n. DSS Data on who needs housing assistance

ATTACHMENT 4

Self-Help Presentation
(Fund borrowers redacted)

Real Estate Development & Affordable Housing Loan Funds

Orientation presented by Self-Help
to the
Durham County Affordable Housing Committee

Public & Private
Partnership

Maximize
Community
Benefit

Leverage Subsidy for Impact

Photo credit <https://www.durhamnc.gov/3245/Public-Art-Collection>

Our mission: creating and protecting ownership and economic opportunity for all, especially people of color, women, rural residents and low-wealth families and communities.

SHCU

Self-Help Credit Union (SHCU), a NC state chartered, federally regulated credit union with branches across NC and in SC, FL and VA. About 87,000 members \$1.6B in assets, \$214M in net worth (13% ratio).

SHVF

Self-Help Ventures Fund (SHVF), a nonprofit loan fund – \$978M in total assets; \$591M in net worth (60% net worth ratio) – where we house higher risk commercial lending, home loan secondary market program, real estate development.



Self-Help Federal Credit Union (SHFCU), a federally chartered and regulated credit union with branches in California, Washington, Chicago, Milwaukee. About 97,000 members, \$2.1B in assets, \$292M in net worth (14% ratio).

SHFCU

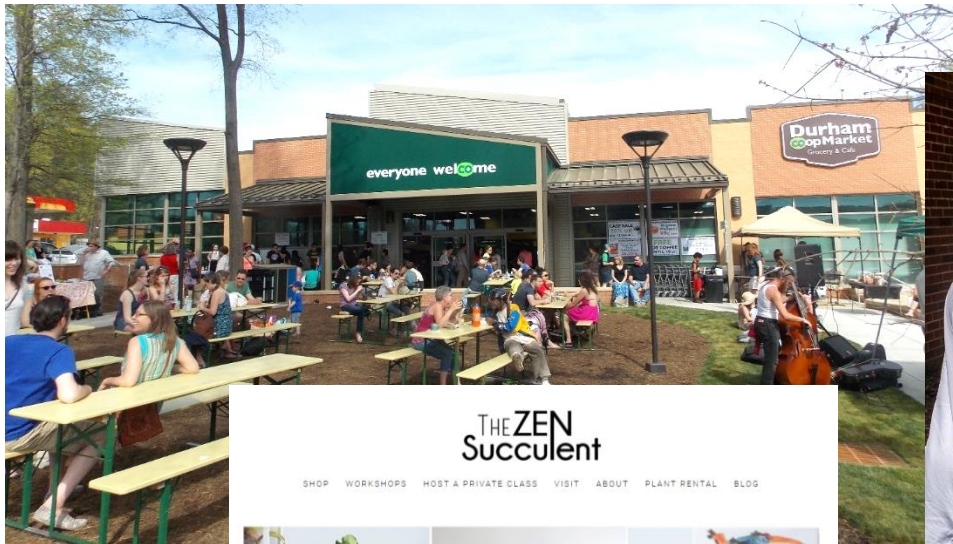
Center for Responsible Lending (CRL), a research and policy organization devoted understanding and combatting predatory lending practices.

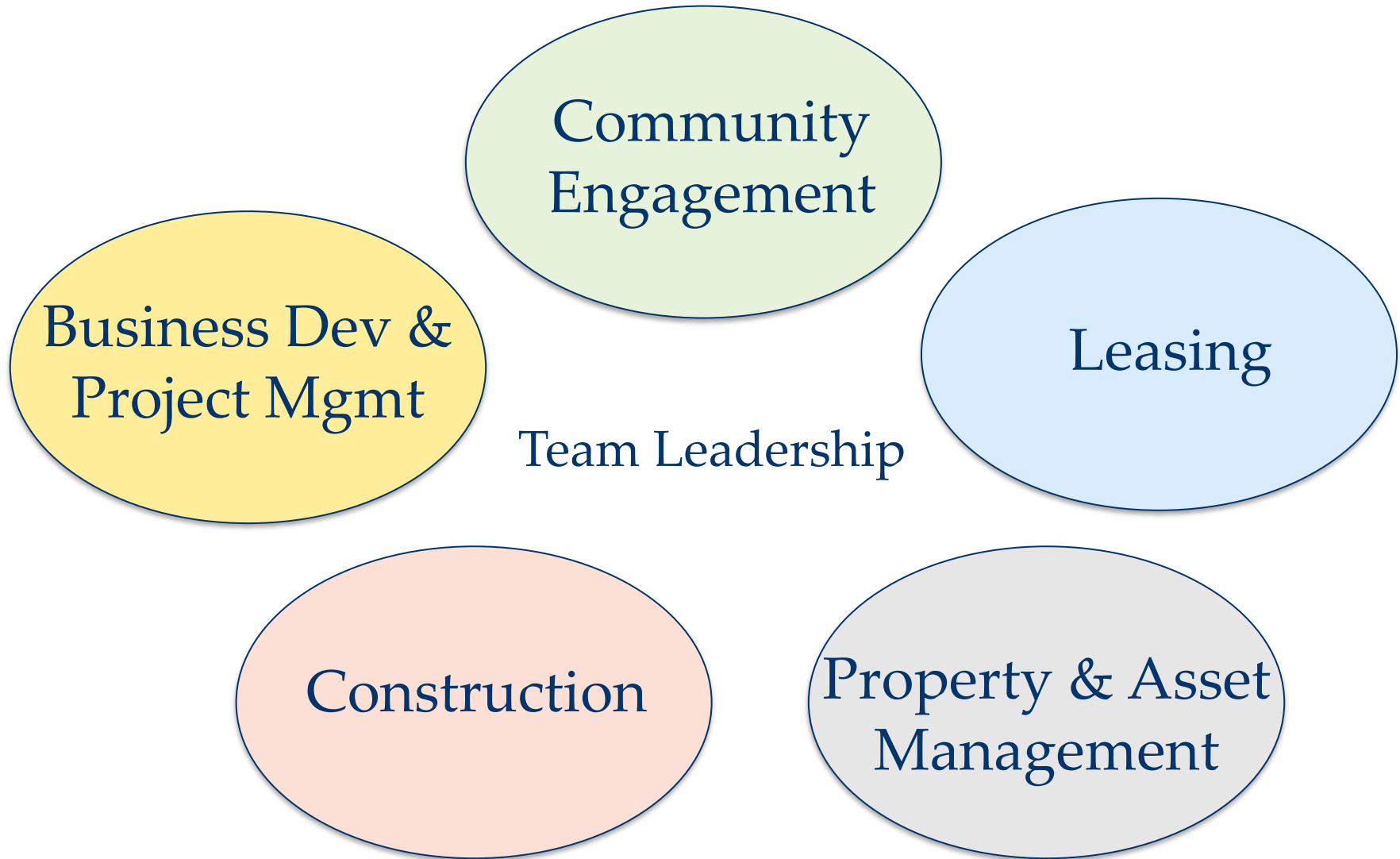
CRL

WE HAVE 5 PRIMARY BUSINESS LINES:

Retail services through credit unions – includes checking/savings, consumer loans
Commercial lending – focus on nonprofits and small businesses
Home lending – direct originations and home loan secondary market program
Community focused real estate development – catalytic revitalization projects, affordable housing
Research and policy – Payday lending, mortgage lending, student loans, auto loans

REAL ESTATE TEAM OVERVIEW





Self-Help pursues real estate development across the following focus areas in locations including Durham, across North Carolina, and beyond:

1. Partnering with allied non-profits and other mission-aligned institutions to expand the capacity of important institutions to serve their communities.
2. Place-based development efforts, meaning coordinated investments of a scale larger than a single building that align with broader community plans.
3. Seeking and supporting community real estate development projects where we currently have or are planning credit union branches to amplify our impact across Self-Help's footprint.
4. **Affordable housing development**, both NOAH preservation and ground-up new construction.

■ Residential

- Portfolio developed: 148 units of multifamily rental across three projects, as well as 250+ scattered site homeownership and rental units, and 200+ properties land bank then redeveloped by partners
- Under construction or in predevelopment:
 - Ashton Place: 51 age 55+ “senior” rental units under construction in Durham
 - Hardee Street Apartments: 132 family rental units breaking ground soon in Durham
 - Little Village: ~ 60 LIHTC rental units in early predevelopment in Chicago
 - Homestead Gardens: 96 units, a mix of ownership and rental, in predevelopment in Chapel Hill
 - RM Housing Initiative: ~ 40 renovated rental units recently completed in Rocky Mount
 - Mill House Apartments: 33 mixed-income rental units recently completed in Greensboro
- Land banked properties for future development by Self-Help or partners:
 - 50+ scattered site vacant properties across Durham, Carrboro, Chapel Hill, and Rocky Mount

■ Commercial

- Portfolio developed: 23 properties, about 1.8 million square feet across NC and in D.C. and Chicago
- Under construction or in predevelopment:
 - Beacon Point: office, health clinics, café, and SHCU branch under construction in Raleigh
 - Mill House: mixed use residential, office, and retail/restaurant under construction in Greensboro
 - 2102 Fond du Lac adaptive reuse for indoor farmer’s market, office in early predev in Milwaukee
 - West Oakland FRESH our staff plus partner offices, SHFCU branch in predev in Oakland
 - *WSP Center for African American History, Cultural Arts & Business in early predev in So. Pines
 - *YMI Cultural Center office, retail, community event space under construction in Asheville
 - *Dolores Huerta Peace & Justice Cultural Center office and event space in predev in Bakersfield

**Technical assistance/fee-for-service project management*

Willard Street Apartments

- Complete 1st phase of two-phase development adjacent to main transit station, with nonprofit joint venture partner DHIC, Inc.
- 82 affordable rental apartments for households at 60% AMI or below, and one-quarter for those at 30% AMI w/ DHA vouchers
- Won the 2022 Housing NC Award for best rental development in North Carolina!



Ashton Place

- Second and final phase of project that started with Willard Street Apartments, continuing our joint venture with DHIC, Inc.
- 51 affordable rental apartments for households age 55+, with all units serving 60% AMI and below, and one-quarter for 30% AMI
- Closely coordinated with Willard, including utilizing structured parking under that development
- \$14.6M investment, utilizing 9% LIHTC.



- 132 family apartment units on land we originally acquired for a purpose that did not pan out
- \$39.2M investment, utilizing 4% LIHTC bond financing, our team's first bond deal.
- Joint venture with DHIC, Inc.



South Square Townhomes

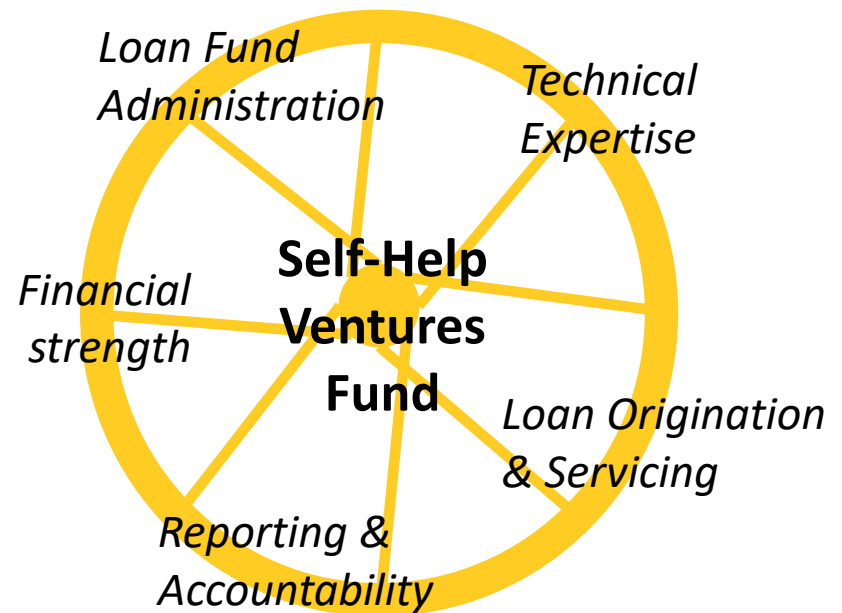
- Recent acquisition of 230 family apartments on Shannon Road near former South Square Mall
- Goal of preservation of “naturally occurring affordable housing” aka NOAH
- \$43.6M initial investment or \$189+K per unit
- Primarily serving tenants < 80% AMI and < 60% AMI



OTHER RELEVANT REAL ESTATE PROJECTS

- Potential future LIHTC projects in predevelopment in Southern Pines NC, Chicago IL, and Oakland CA.
- Exploring additional creative approaches to providing affordable housing like mixed-income condos, ADU financing pilot, new home lending incentives for first-time buyers, rural development opportunities, and more.

AFFORDABLE HOUSING LOAN FUND OVERVIEW & CONSIDERATION FOR GROWING THE DURHAM AFFORDABLE HOUSING LOAN FUND



MULTIFAMILY AFFORDABLE RENTAL HOUSING CHALLENGES

Acquisition

- affordable housing developers compete with fast moving cash buyers looking to acquire land for development or flip operating properties to higher rents displacing low-and-moderate income tenants.

Filling the Gap

- conventional senior debt financing typically yields only 70% of project cost. To fill the remaining gap, developers must rely on additional subsidy sources.

More than half of renters in San Diego County are considered over-burdened by their housing costs

The majority of Greensboro housing stock is more than 50 years old and in need of rehabilitation

Jacksonville (FL) households earning $\leq 50\%$ AMI are facing a deficit of nearly 37,000 affordable units

SOLUTION: AFFORDABLE HOUSING LOAN FUNDS

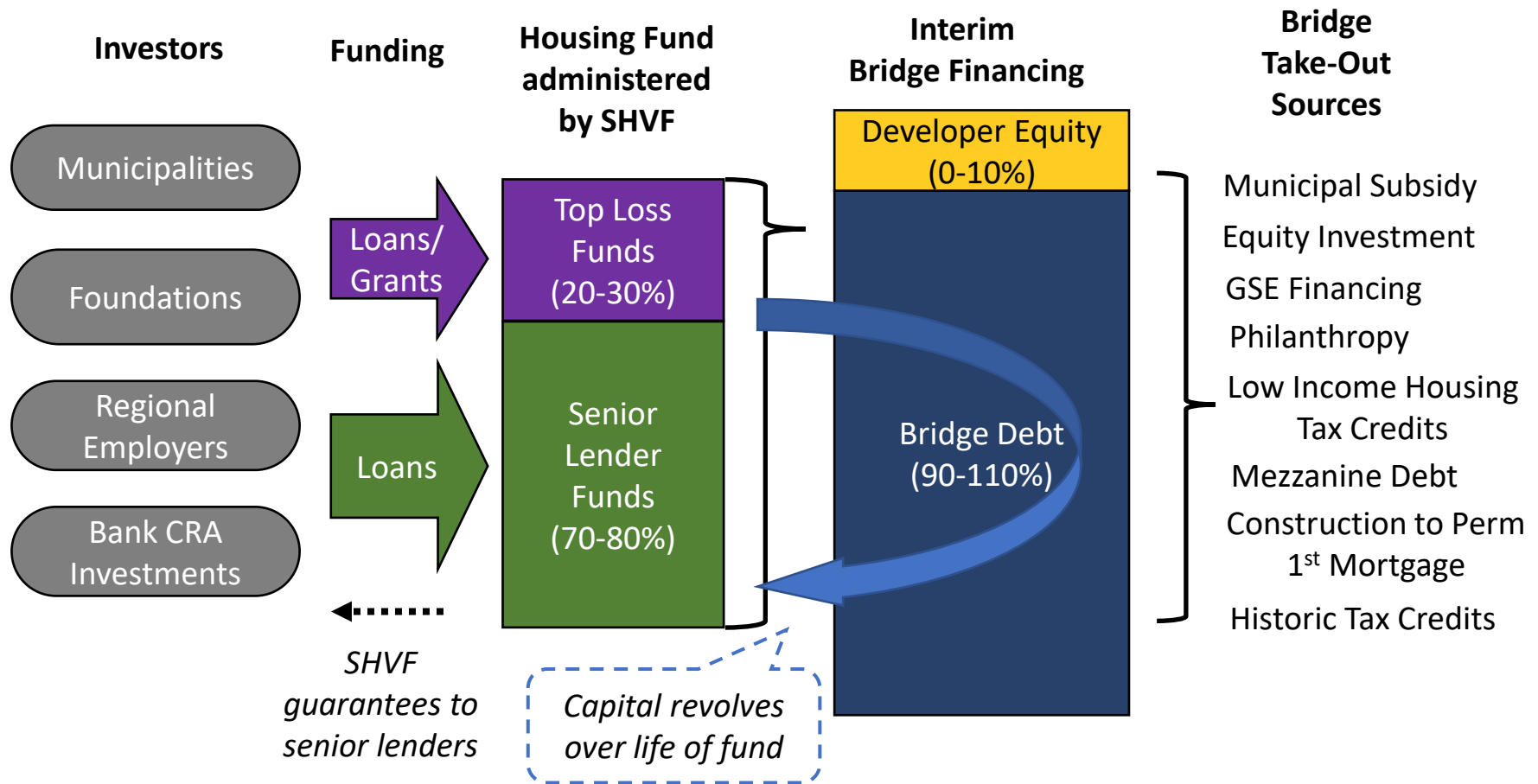
Acquisition

- bridge financing for affordable housing developers to acquire and hold properties, allowing time to assemble debt, tax credit, or other financing to create or preserve affordability.

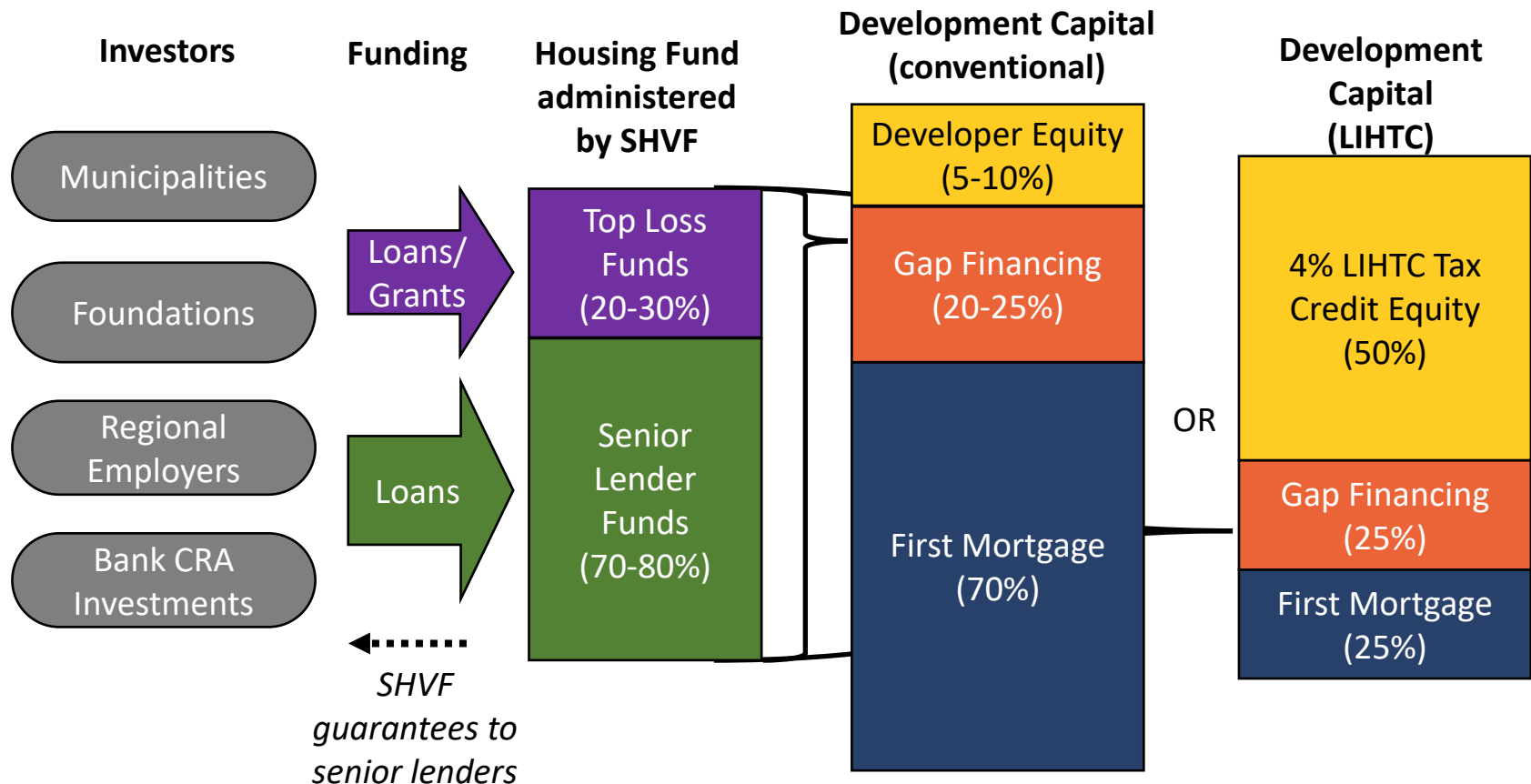
Filling the Gap

- subordinate mezzanine debt, combining low-cost public and private capital, leverages readily available senior debt to make affordable housing projects both achievable and attractive for developers.

AFFORDABLE HOUSING LOAN FUND – BRIDGE FINANCING



AFFORDABLE HOUSING LOAN FUND – GAP FINANCING



SELF-HELP VENTURES FUND IS ENGAGING NATIONALLY TO SET UP AND ADMINISTER LOAN FUNDS TO ASSIST OUR COMMUNITIES IN ADDRESSING THEIR AFFORDABLE HOUSING CHALLENGES.

DURHAM AFFORDABLE HOUSING LOAN FUND

- Launched 2019Q4, \$10MM fund
- Organic convening of funders, non-profit developers, City and SHVF
- Bridge loan for multifamily acquisition
- Fund fully deployed, proposing growth and gap financing in 2023

GREENSBORO HOUSING FUND (funding in progress)

- Anticipate 2023Q2, \$32MM fund
- Catalyzed by Community Foundation
- \$22MM gap financing for acquisition and rehabilitation of existing housing
- Co-administrator to deploy \$10MM small scale development product

WAKE AFFORDABLE HOUSING PRESERVATION FUND

- Launched 2022Q4, \$61.6MM fund
- Winning response to County RFP
- Bridge loan to long-term subsidized financing
- Gap financing to create a stable platform for long-term affordability

JACKSONVILLE HOUSING FUND (proposed)

- 2023-2024, \$40MM fund
- Mayor's Office initiative
- Bridge loan for land acquisition
- Gap financing for low-income housing tax credit funded developments

DURHAM AFFORDABLE HOUSING LOAN FUND (DAHLF) CURRENT INVESTORS & BORROWERS



Borrowers redacted

Borrowers redacted

DAHLF DEPLOYMENT TO DATE

Project Name	Loan Date	Borrower	Description	Loan Amount	Units
Harriet's Place	Q4 2019	Borrowers redacted	Former YWCA shell to be converted into 10 units	\$335,000	10
Ross Road	Q4 2019		Existing 42-unit multifamily complex	\$515,000	42
Northeast Central Durham Portfolio	Q4 2020		Existing 30 properties/53 units – quadplex, duplex, single-family	\$1,929,000	54
Angier/Odell Sites	Q2 2021		Acquisition of 5 vacant parcels for development	\$456,500	~20
Extended Stay America	Q3 2022		Acquisition of extended stay hotel	\$4,000,000	72
Lynnhaven Apartments	Q4 2022		Bridge refinance of existing 75-unit Sec 8	\$3,650,000	75

DAHLF: PROPERTIES & PEOPLE



- Durham
 - Serve renter Households earning $\leq 60\%$ Area Median Income (AMI) or Homeowners earning $\leq 80\%$ AMI
 - Many properties serving $\leq 30\%$ AMI
 - 243 units preserved, 30+ to be created in first 3 years; targeting 500 units over 10-year life of fund

DAHLF PROPOSED ADAPTATIONS

Allowing For-Profit Entities

- Considering inclusion of new provisions such as deed restrictions and accrued interest rate penalties sufficient to ensure good stewardship of public and private funds.

Adding a Mezz Debt Product

- Enable non-profit and for-profit affordable housing developers to achieve significant levels of affordability in mixed income projects without subsidy.

Insights from Other Geographies

- Wake Affordable Housing Preservation Fund (closing 2022Q4): mezz, for-profit use, non-recourse option
- Greensboro Housing Fund (2023Q3): NOAH preservation; complimentary products for diverse developers
- Jacksonville, Florida: workforce housing and LIHTC gap financing (2023Q4?)

DURHAM AFFORDABLE HOUSING LOAN FUND: GROWING THE ALLIANCE OF LOCAL PARTNERS FOR COMMUNITY IMPACT

Investment & Partnership:

An additional \$5MM (25%) in top loss funding from Durham County
+
Self-Help capacity to source investments, originate and service loans

Funding & Impact:

Yields an increase of \$20MM for the Durham Fund catalyzing ~\$80MM of investment
=
Creation and/or preservation of 400-800 units of low-income, supportive or workforce housing

Self-Help Housing Fund Contacts:

Investment: **Amanda Frazier Wong** | Dir. of Capital Development | Amanda.FrazierWong@self-help.org

Lending: **JJ Froehlich** | Housing Sector Leader | john.froehlich@self-help.org

ATTACHMENT 5

Data Presentation

Durham County Affordable Housing Analysis



DURHAM COUNTY AFFORDABLE HOUSING STEERING COMMITTEE, JUNE 2023

DATA AND PRESENTATION PREPARED BY ANNA BLANCHARD CONSULTING

Anna Blanchard Consulting

City Planner experienced in housing policy, program management, affordable housing data analysis, housing finance, and grant writing with a mission to promote affordable, safe, and accessible housing for all.

Education: Master's in City and Regional Planning from UNC, Chapel Hill

Undergraduate in Spanish and Human & Organizational Development from Vanderbilt University



Agenda

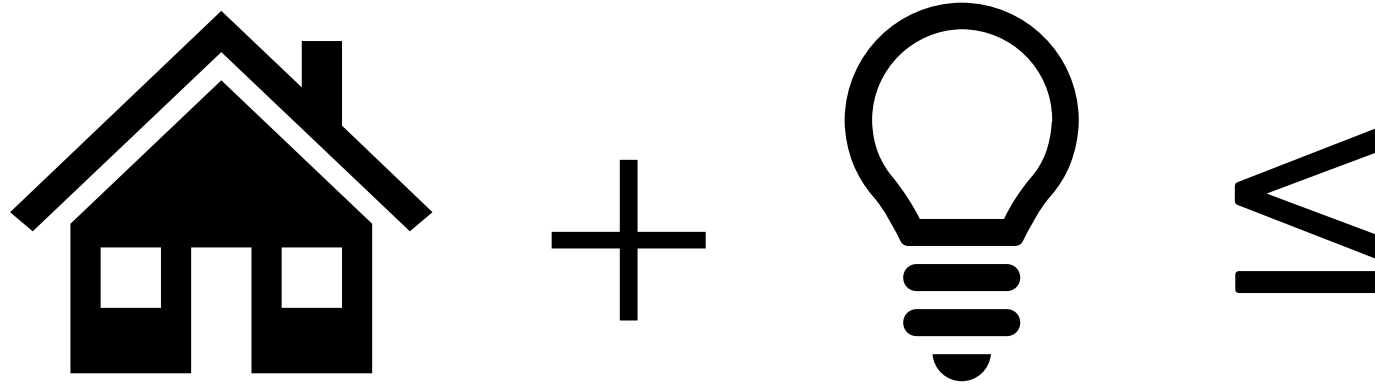
- When is Housing Affordable?
- Incomes and Affordability
- Current Housing Stock
- Considerations for Action



When is Housing Affordable?



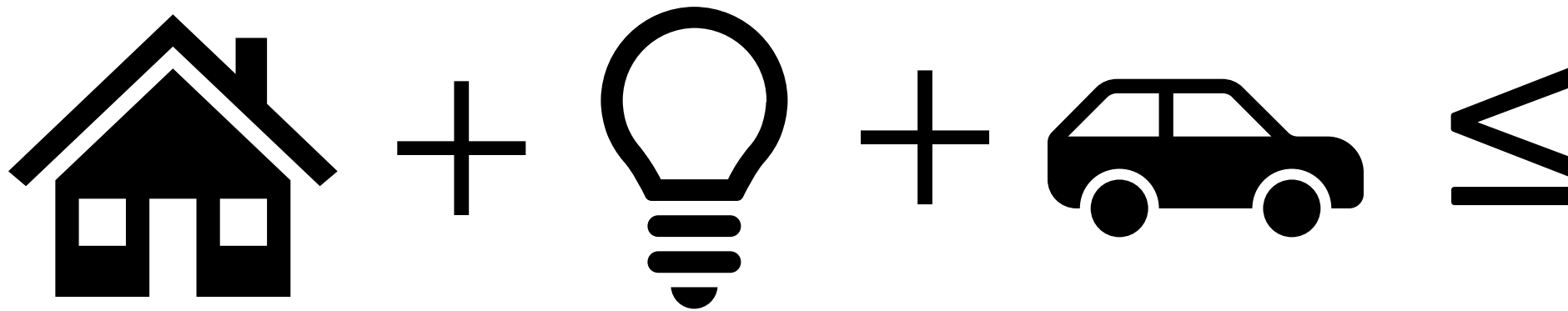
What is affordable housing?



30% Gross
Monthly
Household
Income



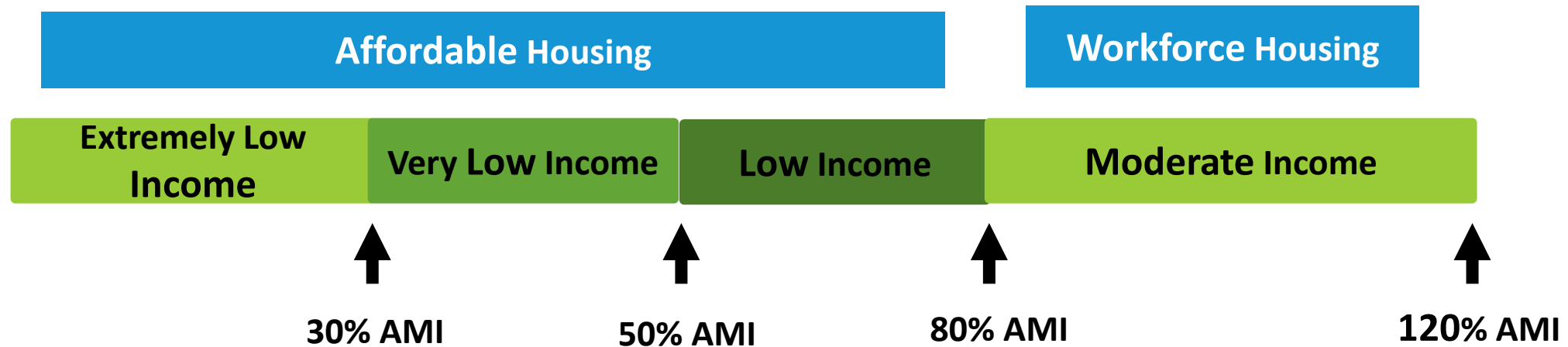
Housing + Transportation Affordability



45% Gross
Monthly
Household
Income



Affordable Housing Terms



NOAH vs. Legally Restricted

- NOAH: Naturally Occurring Affordable Housing
 - -Often also locations where housing vouchers are used
- Legally Restricted Affordable Housing
 - There is a legally binding method of affordability due to public or private subsidy
 - LIHTC
 - Land Trusts
 - Public Housing through the Housing Authority



Source: Zillow.com, 1800 N. Alston Ave Apt. A



Legally Restricted Housing

- Approximately 4,297 Current LIHTC Units
 - Almost 500 will have expiring affordability restrictions in next 5 years
- Durham Community Land Trustees: 280 homes
- Durham Housing Authority
 - 1,201 Public Housing Units
 - 3,078 Housing Choice Vouchers



Source: Durham Community Land Trustees



Source: Durham Community Land Trustees, <https://www.dclt.org/where-we-own/>
Durham Public Housing Authority, [https://www.durhamhousingauthority.org/#:~:text=Durham%20Housing%20Authority%2C%20established%20in,\(HCV\)%20for%20area%20landlords.](https://www.durhamhousingauthority.org/#:~:text=Durham%20Housing%20Authority%2C%20established%20in,(HCV)%20for%20area%20landlords.)

Incomes and Affordability



Income Levels and Affordability

Median household income in Durham is \$89,250 with a monthly affordable housing cost of \$2,231

	Median Income of All Households	Affordable Monthly Housing Cost
Extremely Low 30% AMI	\$26,775	\$669
Very Low 50% Income Limits	\$44,625	\$1,116
Low Income 80% Limits	\$71,400	\$1,785



Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Durham- Chapel Hill HUD Metro FMR Area

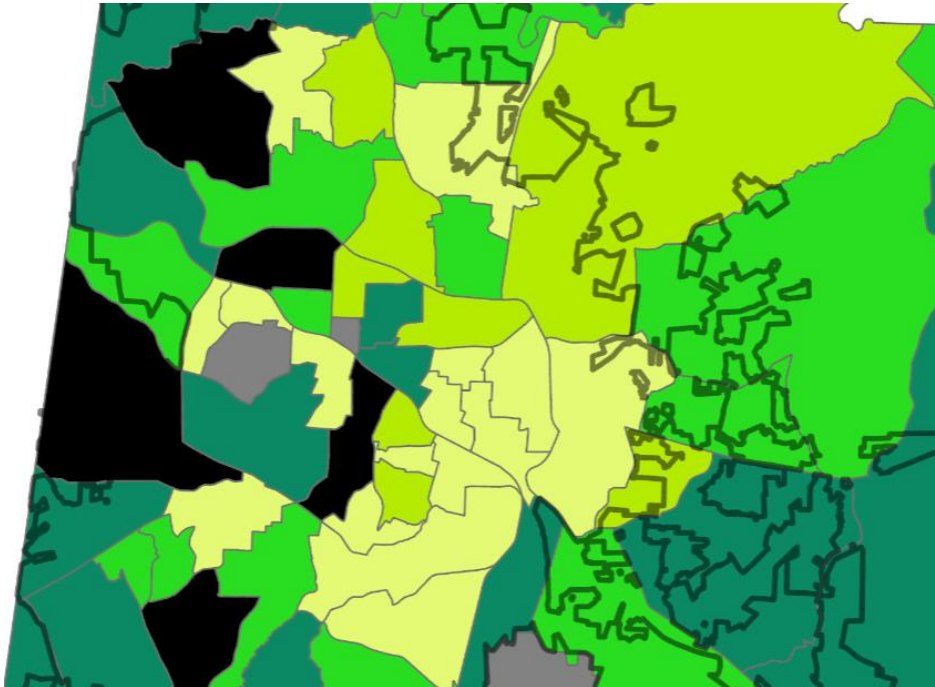
The median income for the entire metro area is \$116,400

	Yearly Income for 4-person Household	Affordable Monthly Housing Cost
Extremely Low 30% AMI	\$30,350	\$843
Very Low 50% Income Limits	\$50,550	\$1,404
Low Income Limits 80%	\$80,900	\$2,247

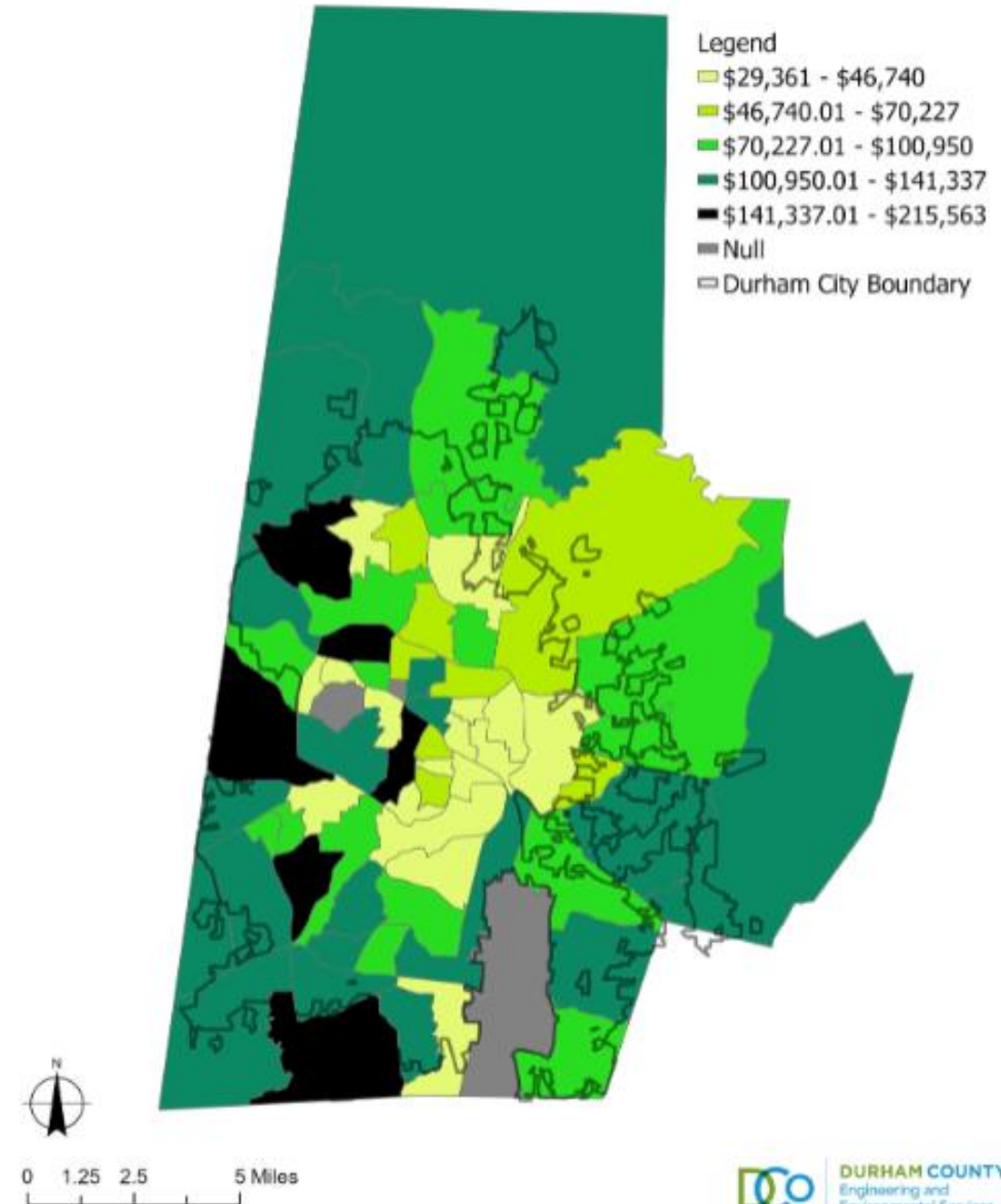


Median Income

Central Durham Median Incomes



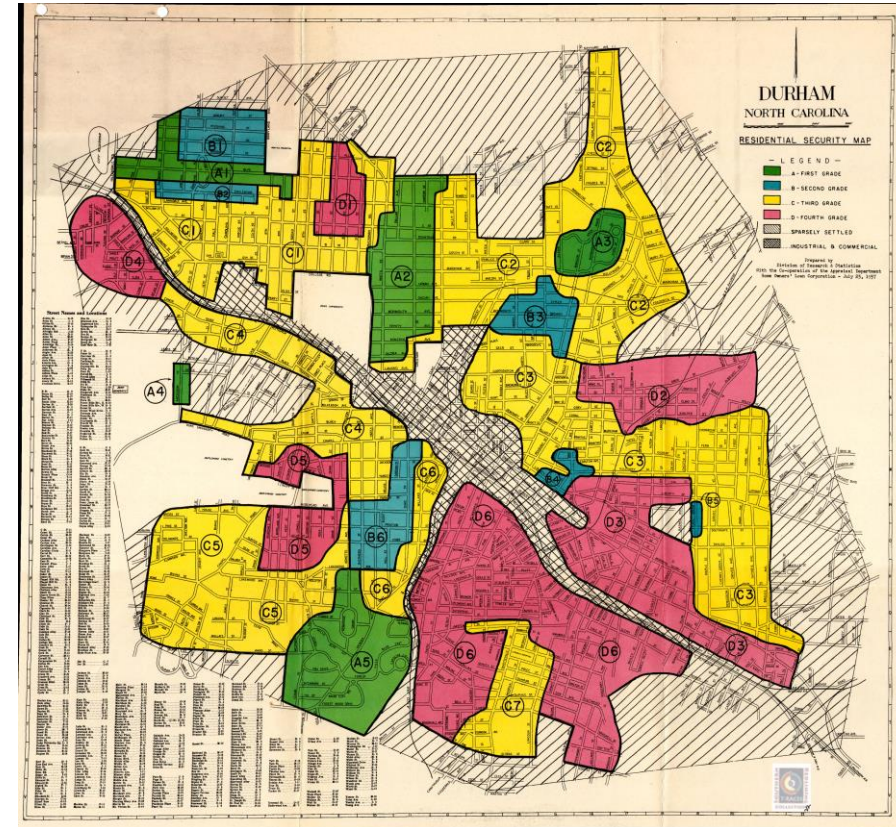
Durham County Median Household Income



Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Continued effects of Discriminatory Housing Practices

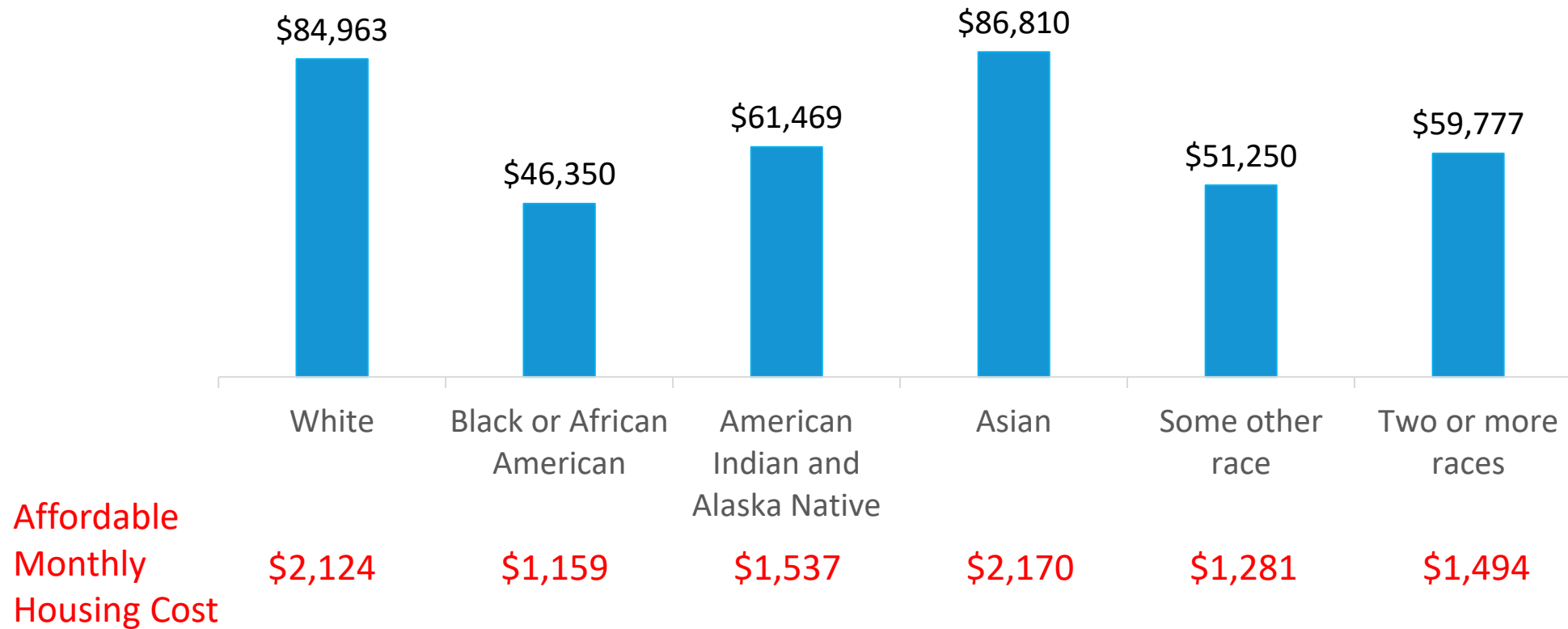
- Lasting effects of housing discrimination in the past
- Many areas that were red or yellow coded in 1937 continue to be home to low-income households
- Current large investor buying of single-family homes



Durham, NC Residential Security Map, 1937
Source: University of North Carolina, North Carolina Maps

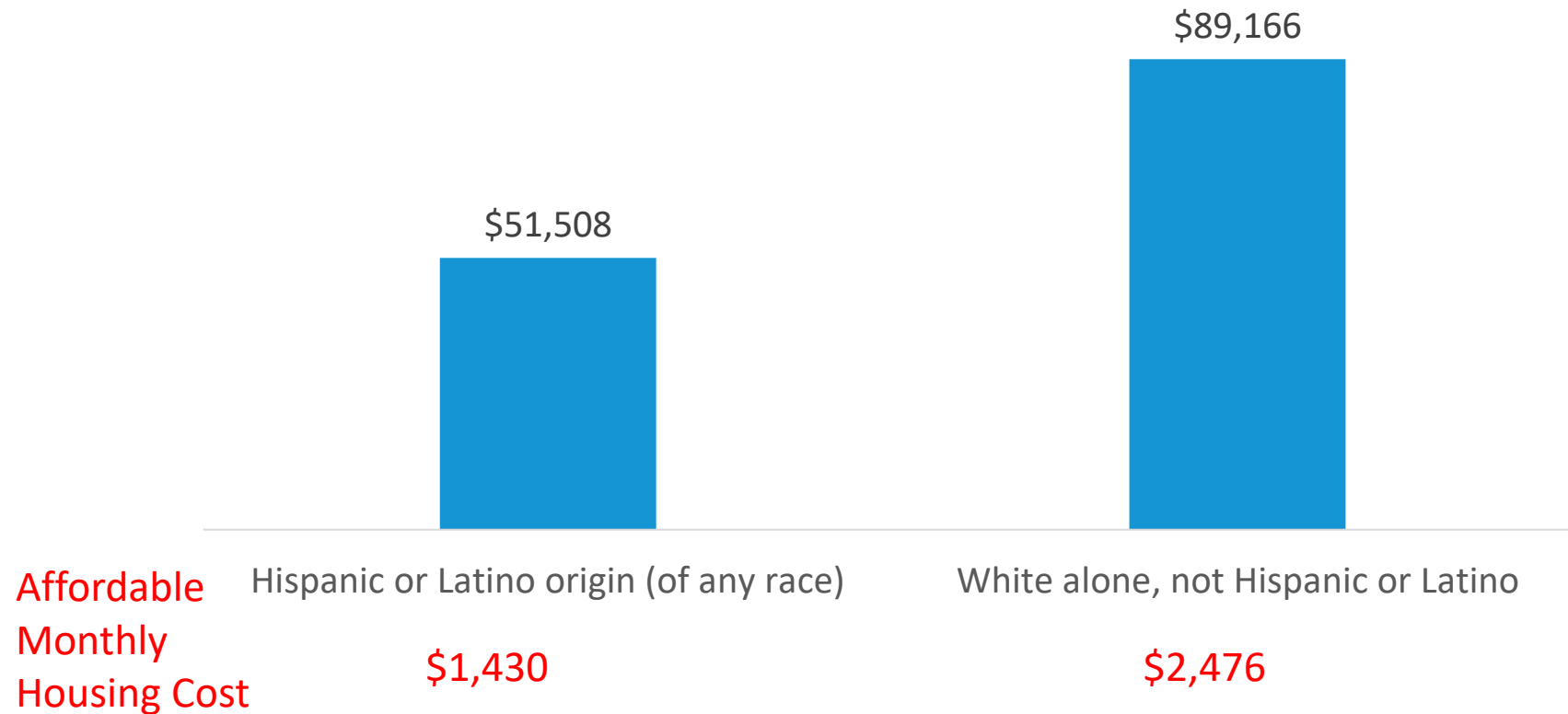


Median Household Income by Race



Source: U.S. Census, ACS 2021 5-year estimate for Durham County
Lack of data for Native Hawaiian and other Pacific Islander

Median Household Income by Ethnicity



Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Median Household Income by Age


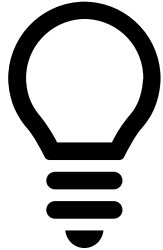




Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Housing Cost Burden



Measuring Housing Cost Burden

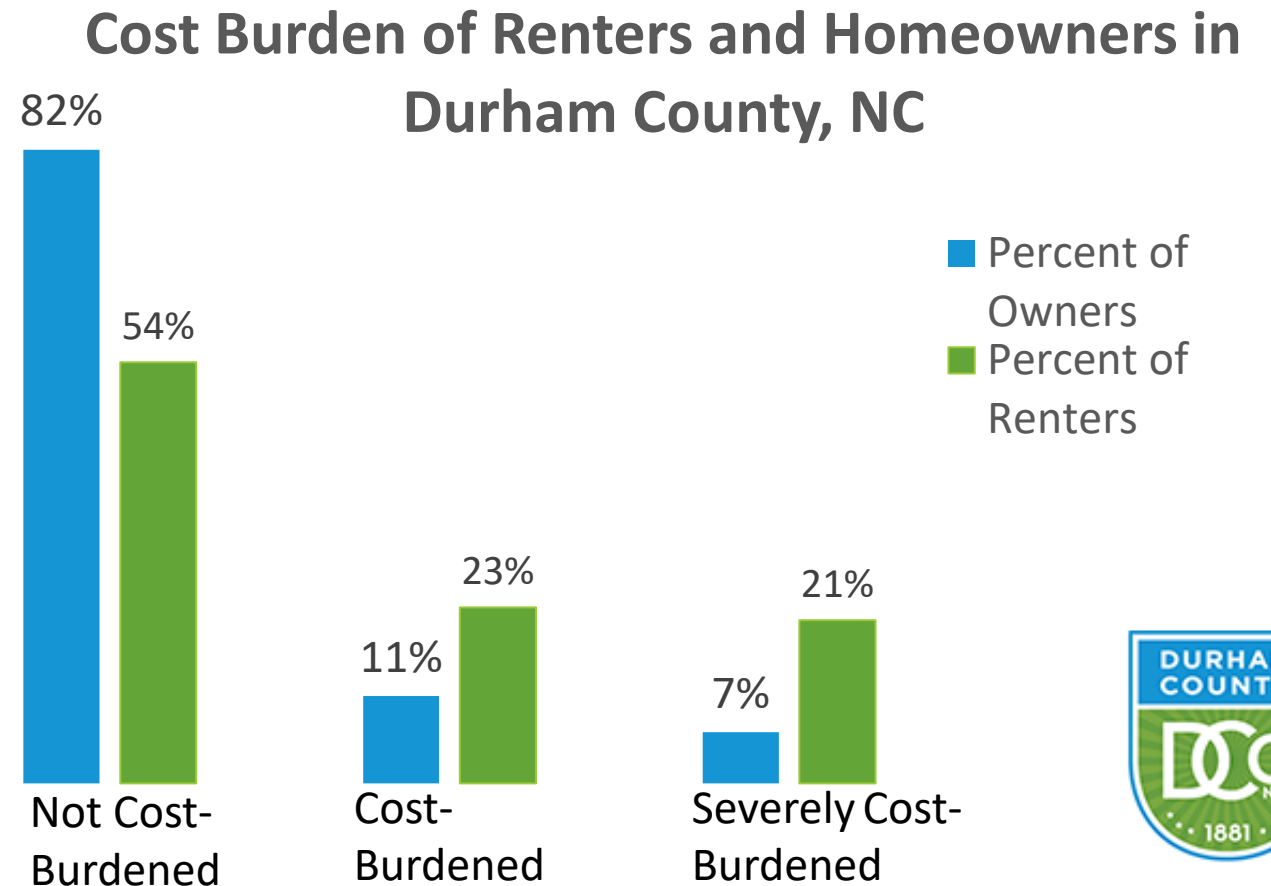
Cost-Burdened  +  > 30% Household Income

Severely
Cost- Burdened  +  > 50% Household Income



Cost Burden in Durham County

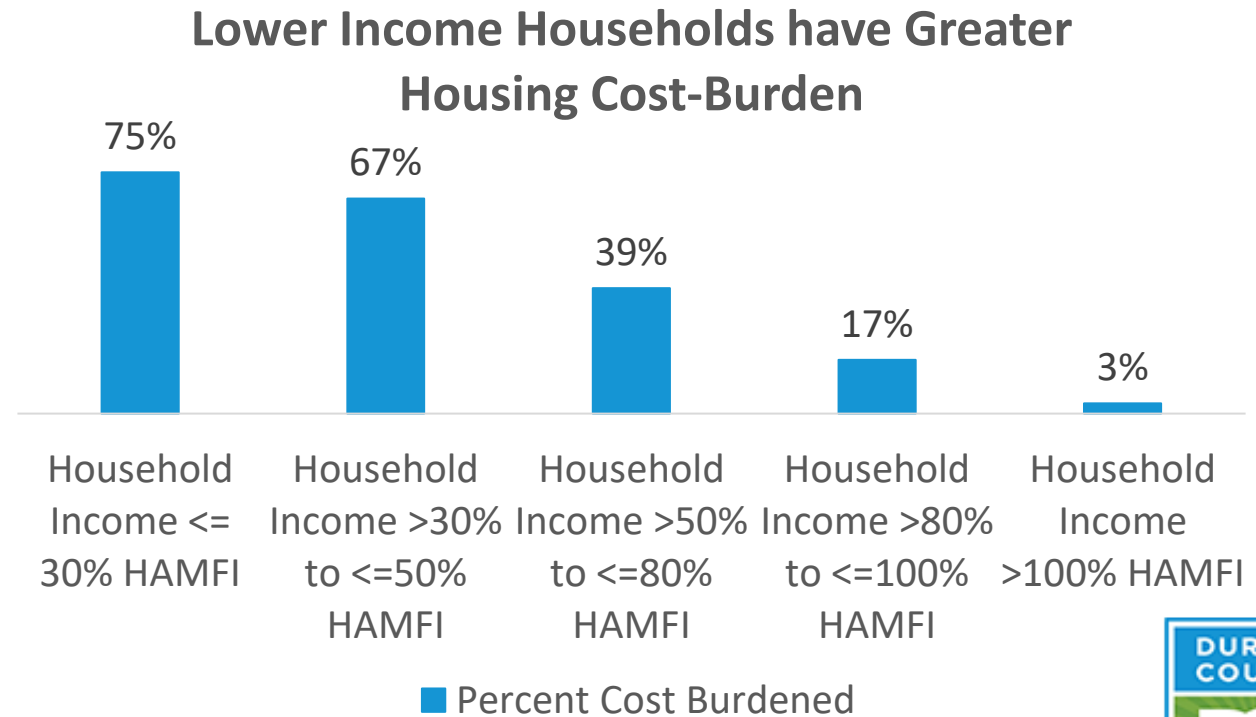
- 30% (37,300) of all Residents are Cost-Burdened
 - 13% (16,575) are severely cost burdened
- Cost burden is more prevalent among renters than homeowners
 - 18% of Homeowners are Cost Burdened compared to 44% of Renters
- 21% of Renters are Severely Cost Burdened



Source: HUD CHAS Data 2015-2019, Durham County

Cost Burden by Household Income

- Households with incomes below 80% AMI have the highest cost burden
- 75% of Households making below 30% AMI are cost burdened
 - 62% are severely cost-burdened
- Traditional affordable housing programs focus on those making less than 80% of AMI



Source: HUD CHAS Data 2015-2019, Durham County

*This graph uses the HUD Area Median Family Income, a separate calculation from the Census AMI used in most of the presentation

Homelessness in Durham

- In addition to those who are housed and experiencing cost-burden, those experiencing homelessness also need affordable, safe housing
- The PIT Count measures the number of people experiencing homelessness on a single night in January each year in Durham County

Year	Number of People
2022	549
2021	396
2020	349
2019	361
2018	338

Occupations and Affordable Housing



**30%
AMI**

Fast Food Cook
\$23,620



**50%
AMI**

Firefighter
\$36,020



**80%
AMI**

**Secondary Education
Teacher \$51,430**

Childcare Worker
\$30,810



**Automotive
Technician/Mechanic**
\$47,910



Registered Nurse
\$64,920



Affordable Housing by Occupation

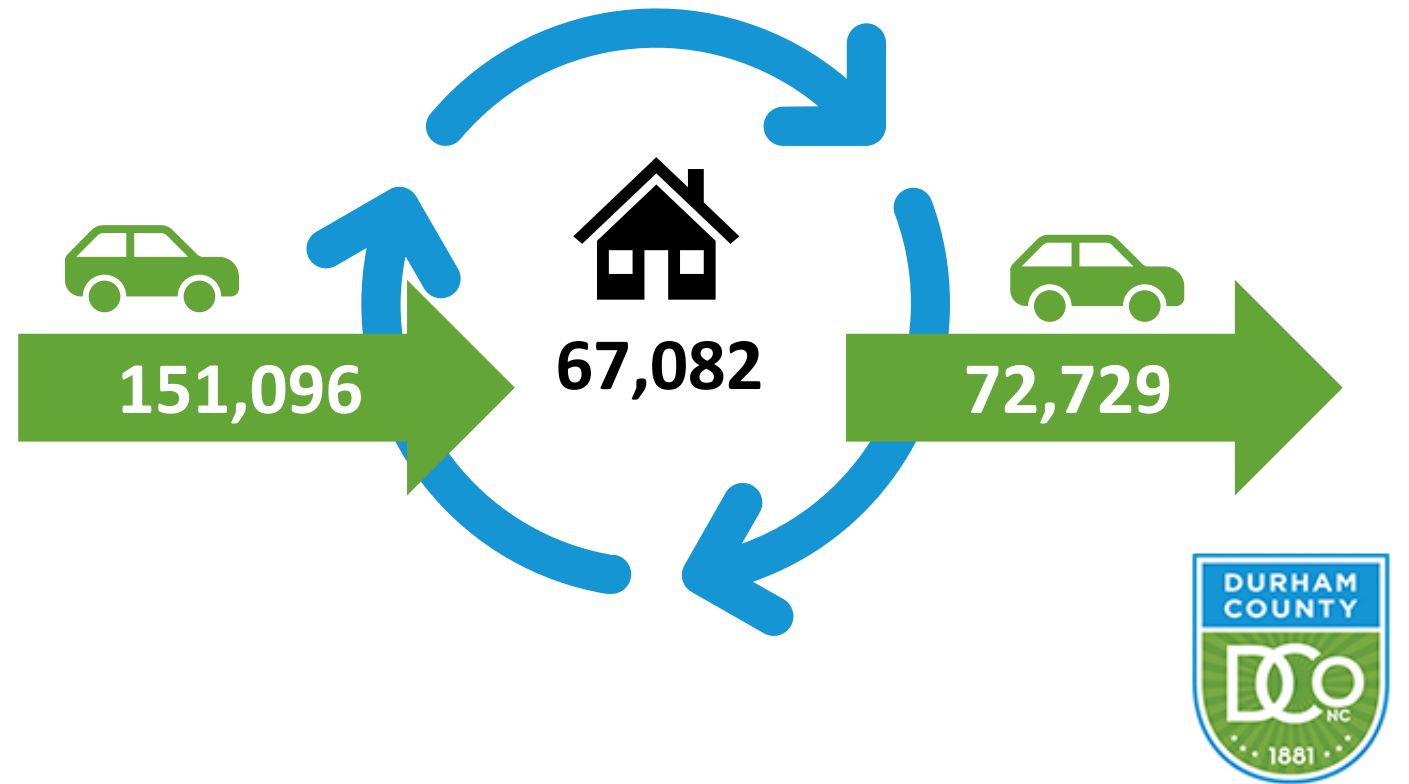
- Median Gross Rent (including utilities):
 - 1 bedroom: \$1,013
 - 2 bedrooms: \$1,187
 - 3 bedrooms: \$1,377
 - 4 bedrooms: \$1,416
- Rents out of reach for those making 50% AMI and below

Occupation	Affordable Housing Cost
Fast Food Cook	\$591
Childcare Worker	\$770
Firefighter	\$901
Automotive Technician/Mechanic	\$1,198
Secondary Education Teacher	\$1,286
Registered Nurse	\$1,623
Physical Therapist	\$1,992



Daily In-Out Flow for Work

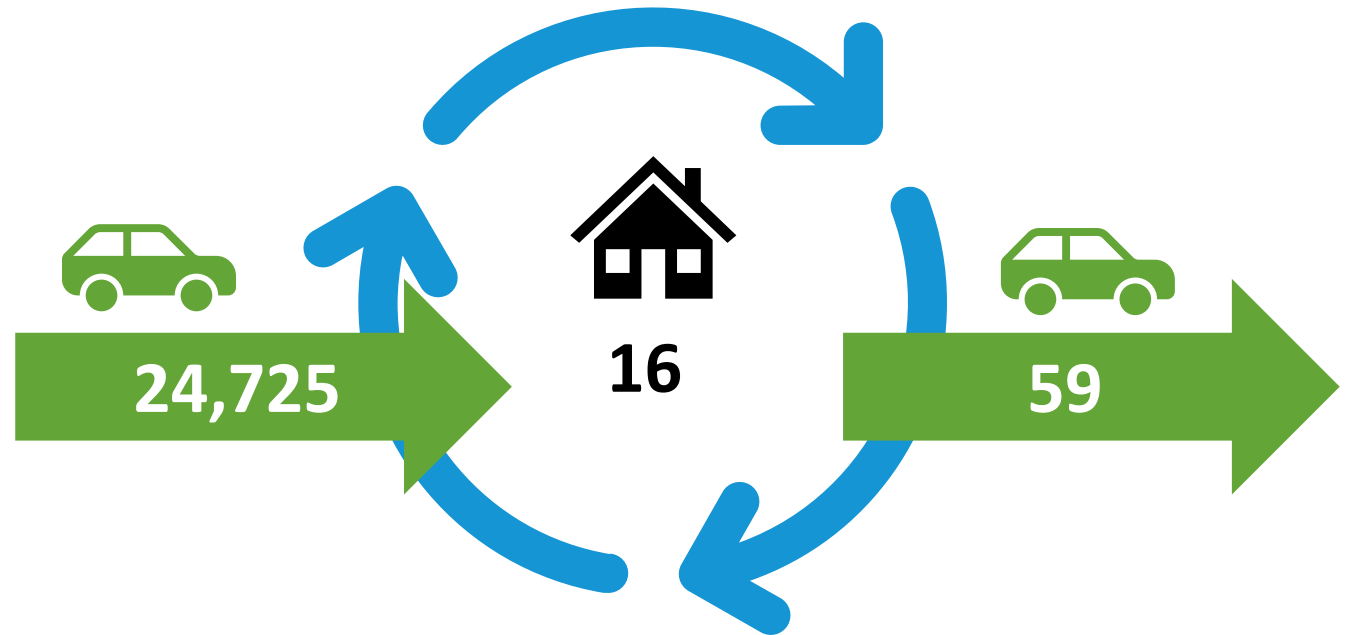
- 139,811 employed people live in Durham County
- 218,178 are employed in Durham County



Source: U.S. Census Bureau, LEHD on the Map. Durham County, 2020

RTP- Daily In-Out Flow for Work

- A total of 24,741 people were employed in Durham RTP in 2020, including part-time jobs
- 2,189 people employed in Durham RTP make less than \$39,996 a year, below 50% of Durham's AMI
- Most workers who work in RTP, do not live in RTP



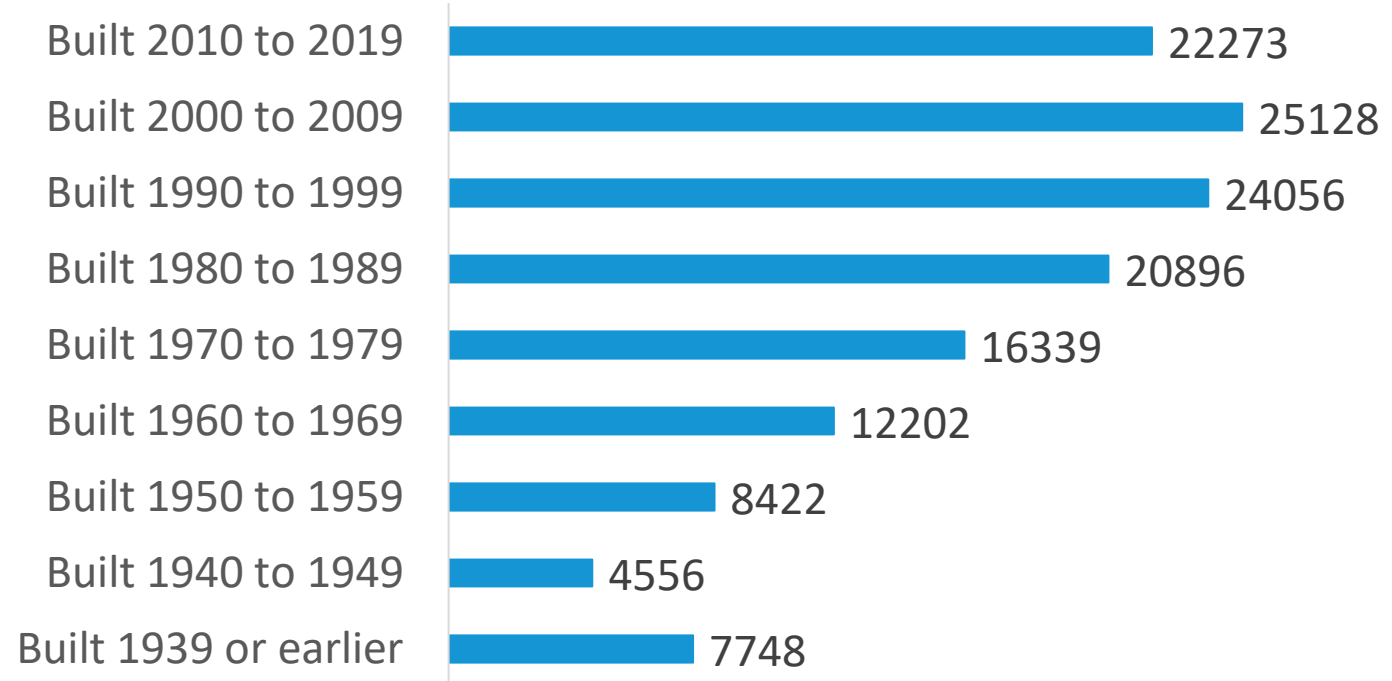
Current Housing Stock



Age of Homes in Durham County

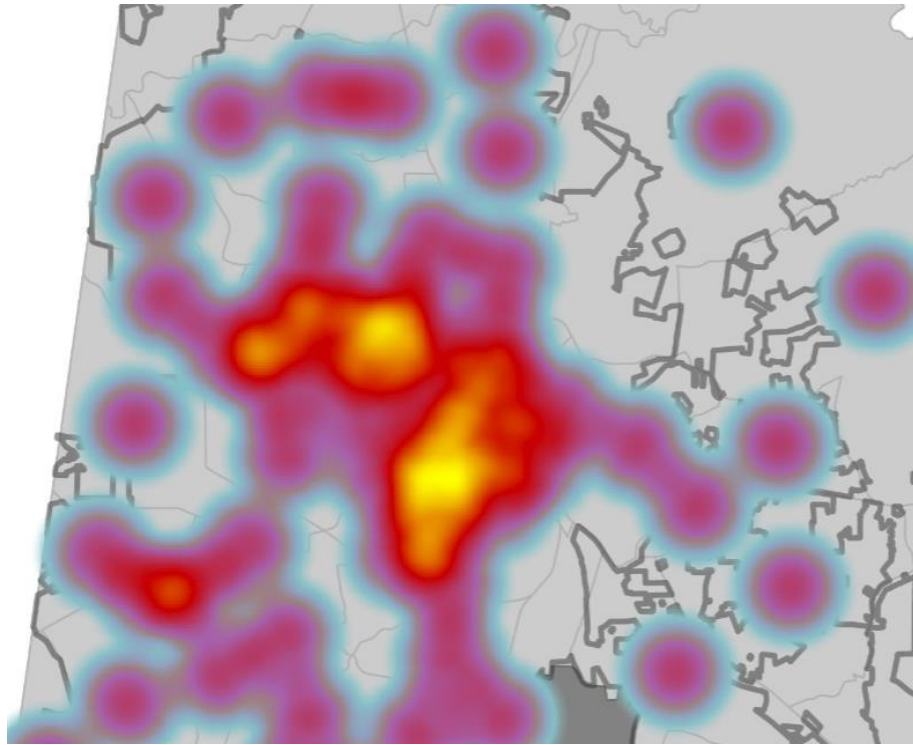
- Majority of the housing units were built prior to the 2000s
- New construction not keeping pace with recent population growth

Age of Housing Units in Durham County

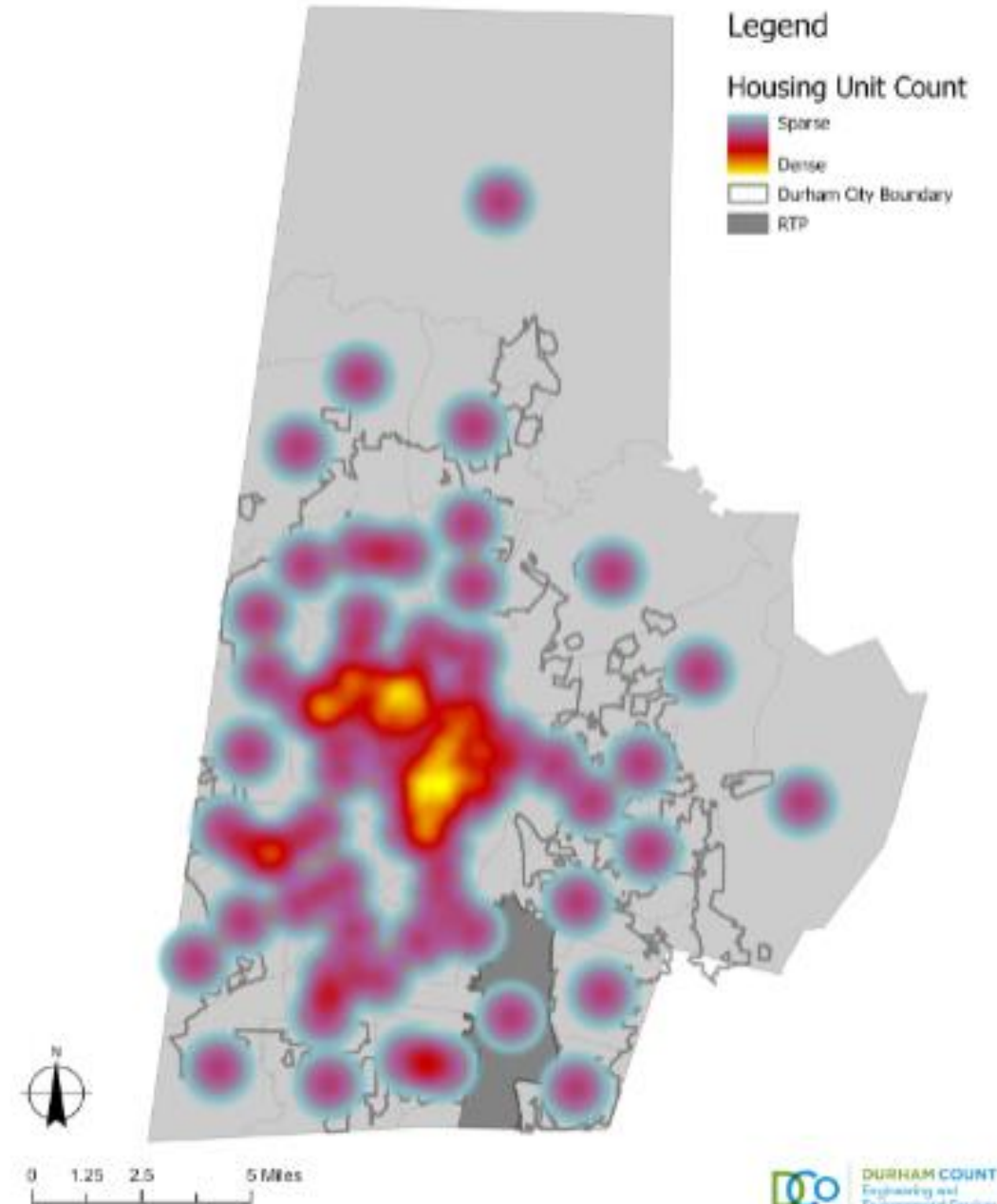


Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Housing Density



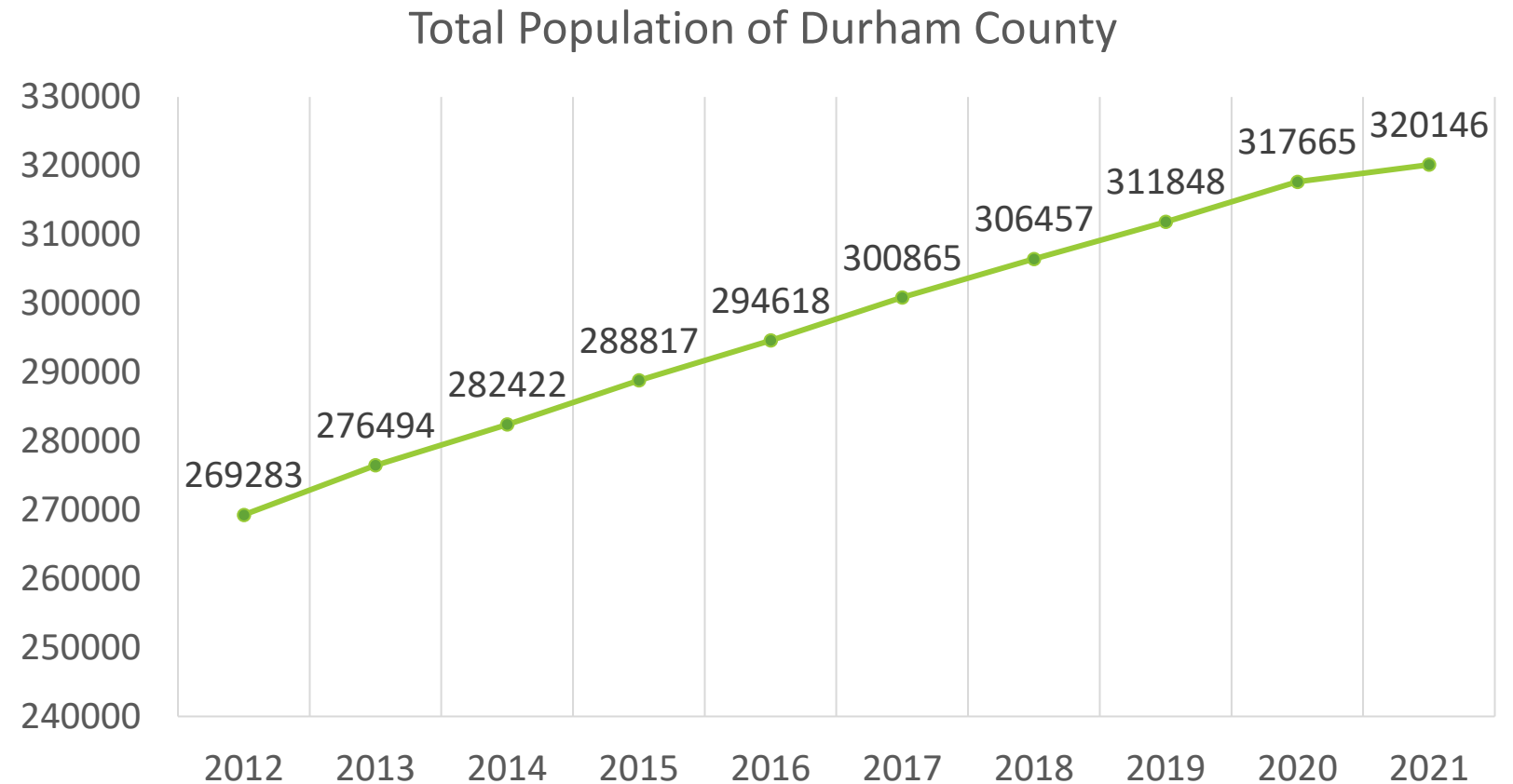
Durham County Housing Unit Count



Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Population Growth in Durham County

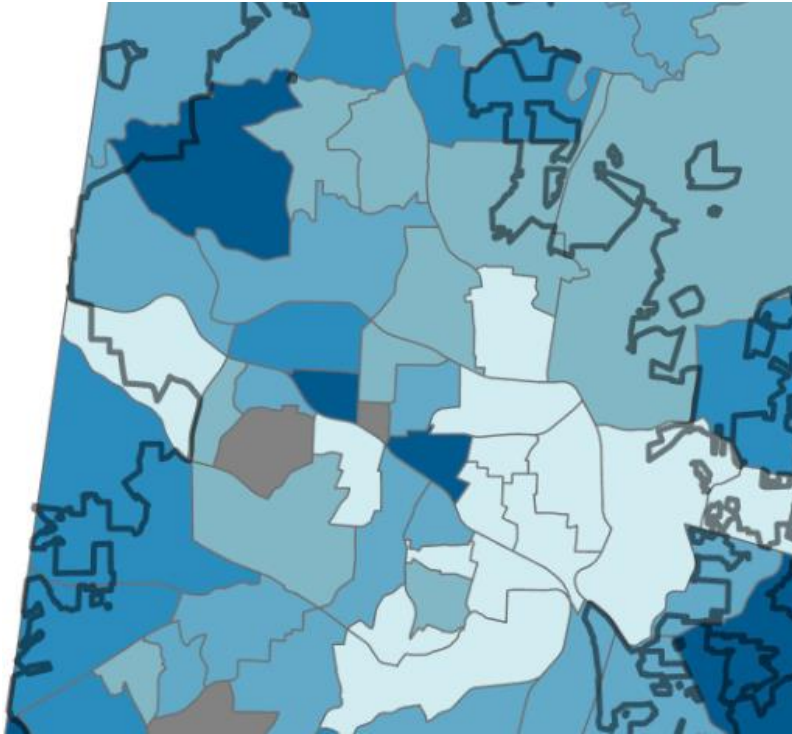
- Durham County's Population Increased 18.8% between 2012 and 2021
- The number of housing units increased by 18.2% in the same time period



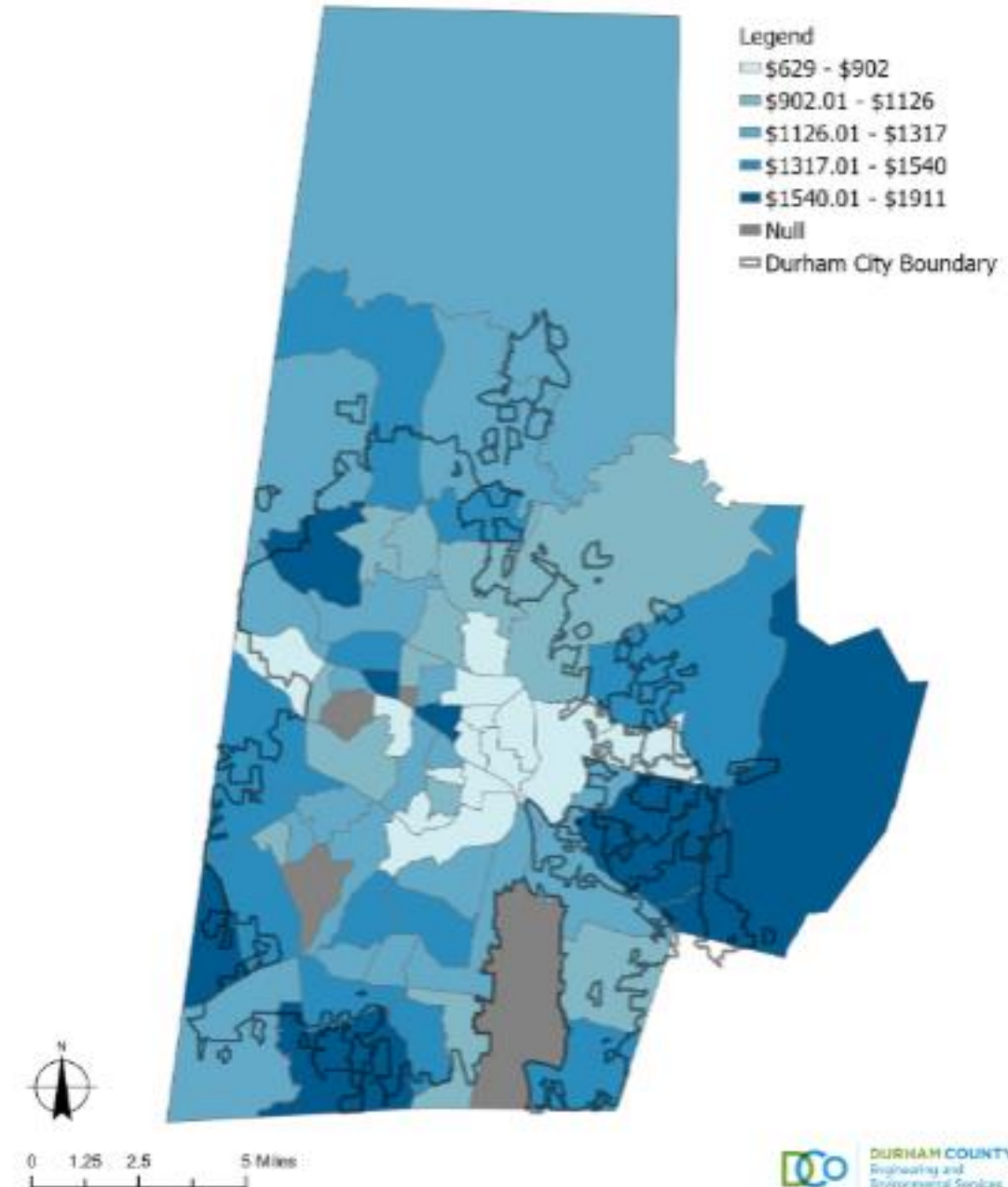
Source: U.S. Census, ACS 2021, 2020,2019,2018,2017,2016,2015,2014,2013,2012 5-year estimate for Durham County

Current Rent Prices

Central Durham Two Bedroom Median Rent



Durham County Two Bedroom Median Rent



Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Rental Prices as of June, 2023

- Market-rate data for **City** of Durham
 - Does not include areas outside of the city
 - Does not include utilities
- Even less affordable for low-income households

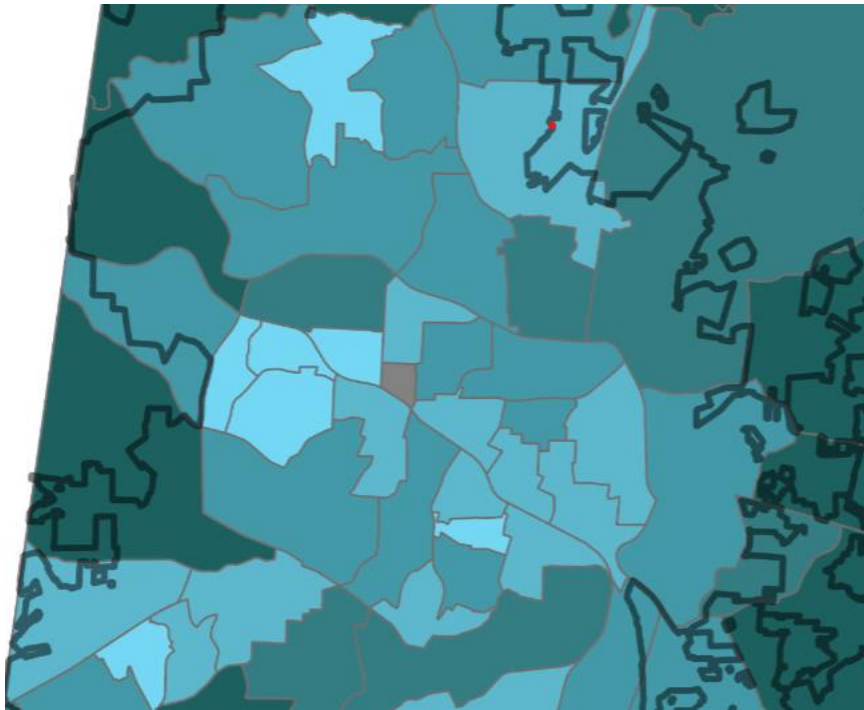
Apartment Type	Average Rent	Needed Yearly Income
Studio	\$982	\$39,280
One Bedroom	\$1,247	\$49,880
Two Bedroom	\$1,537	\$61,480
Three Bedroom	\$1,495	\$59,800

This data is before utilities, so actual needed yearly income is higher

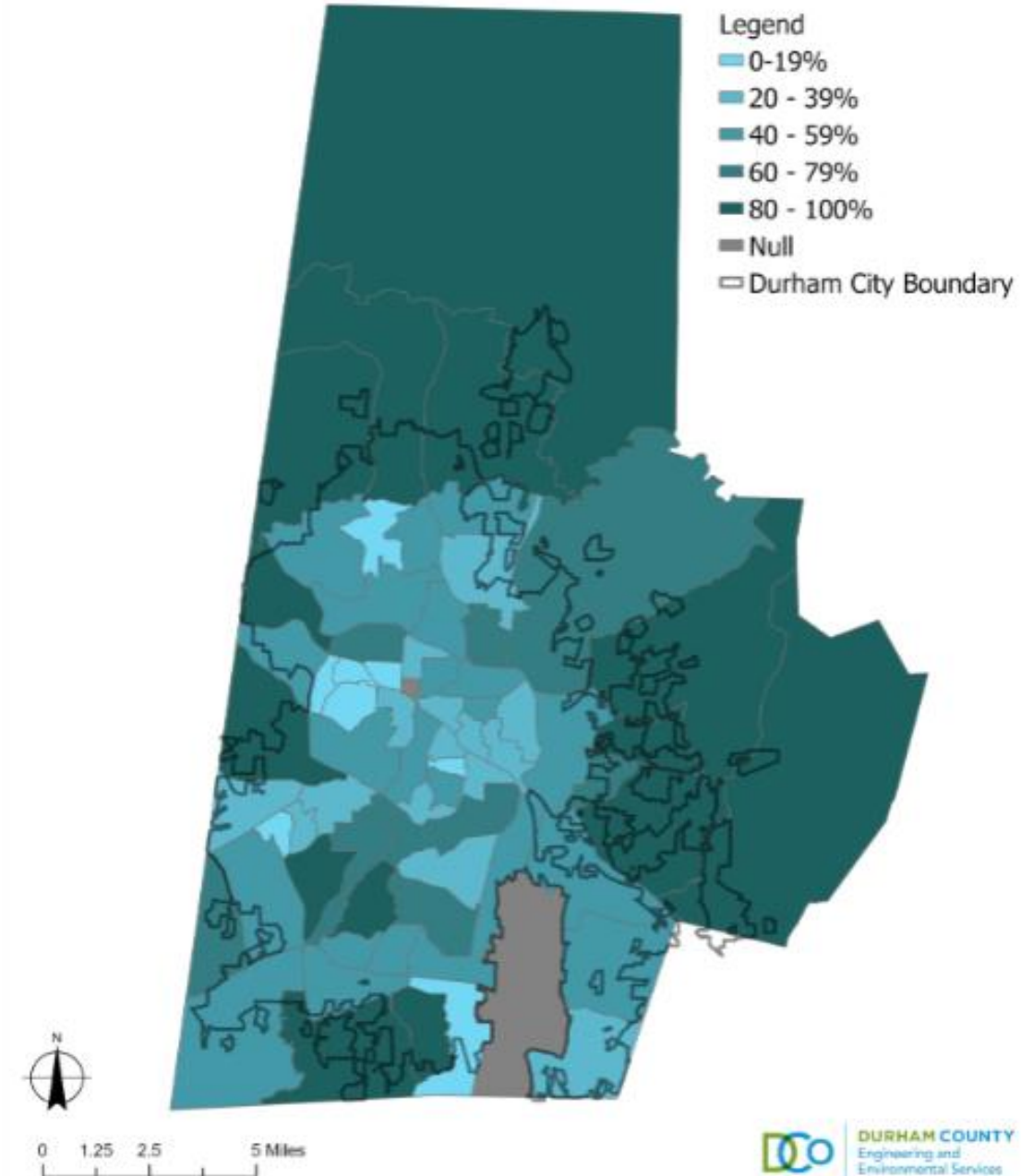


Homeownership Rate

Central Durham Percent Owner Occupied Homes



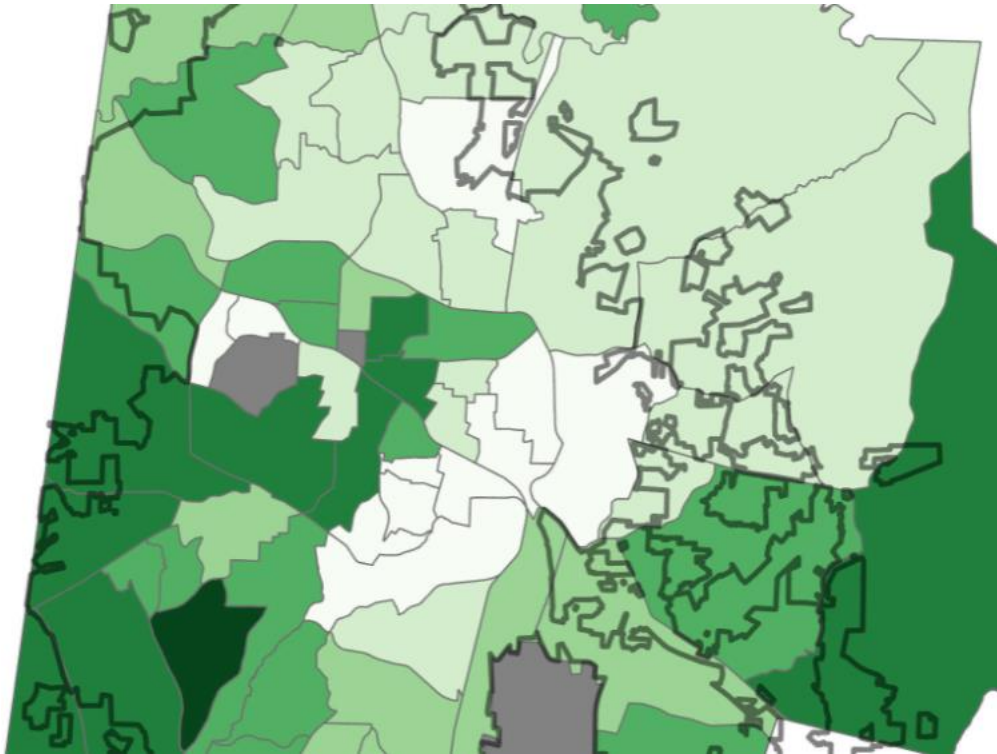
Durham County Percent Owner Occupied Homes



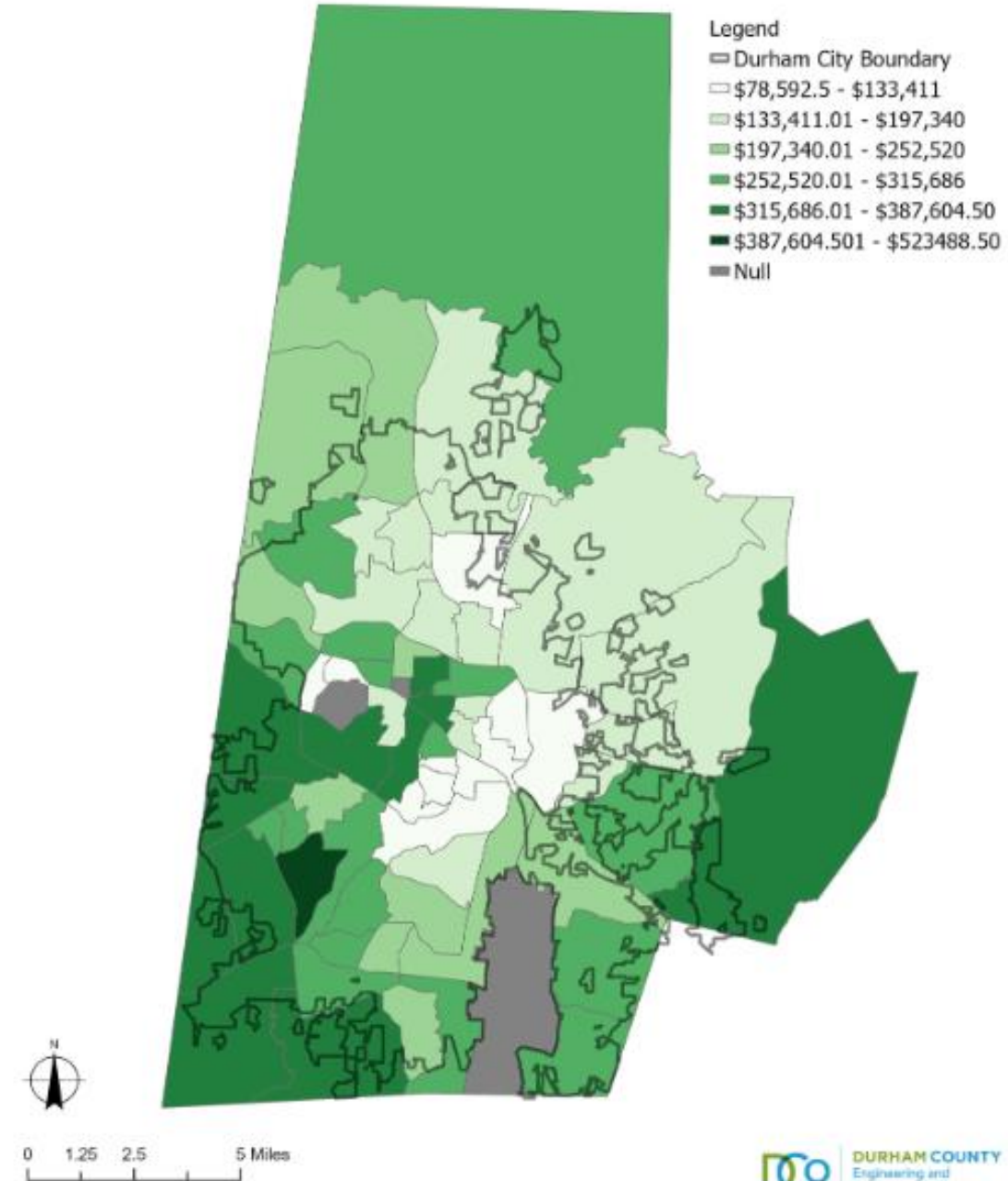
Source: U.S. Census, ACS 2021 5-year estimate for Durham County

Current Home Prices

Central Durham Median Home Value



Durham County Median Home Value



Sales Prices in City of Durham

- Median Sales Price of a Home in Durham is \$400,000 which requires an income of \$2,457 a month, or \$98,280 a year.
 - This is assuming a current 7% interest rate as well as a 20% down payment of \$80,000
- \$31,280 higher than the median income of \$67,000
- \$44,680 higher than 80% of AMI of \$53,600

Such a large median sales price is well above the North Carolina average of \$361,000 and makes first-time homeownership difficult or out of reach for many residents.

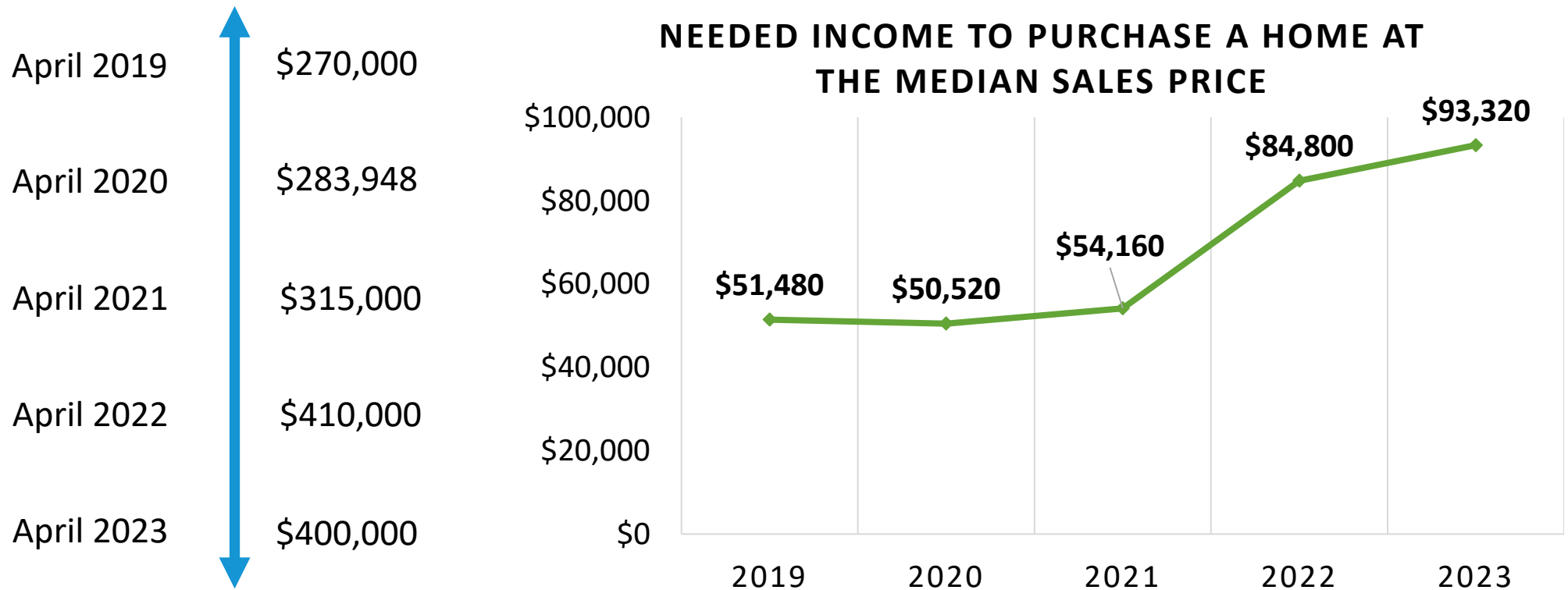


For sale on Zillow 6/7/2023: \$396,000 3 beds, 2.5 baths, 2,001 Square Feet



Source: Redfin, Durham Housing Market April 2023, <https://www.redfin.com/city/4909/NC/Durham/housing-market>
Redfin, North Carolina Housing Market, <https://www.redfin.com/state/North-Carolina/housing-market>
Bankrate Mortgage Calculator, <https://www.bankrate.com/mortgages/mortgage-calculator/>
Zillow, 1009 Sweet Cream Ct, Durham, NC 27703

Home Sale Prices Over Time



Comparison to Surrounding Areas

- Durham has higher home prices for sale than North Carolina as a whole
- Significantly cheaper homes for sale than Chapel Hill, which could be creating higher demand for homes in Durham
- On-par with the median price in Raleigh

Location	Median Sales Price
Durham	\$400,000
Chapel-Hill	\$674,415
Raleigh	\$399,470
North Carolina	\$361,000



Gap in Affordable Housing Units

ACS ROUGH CALCULATION

	Households	Housing Units	Difference in Units
Between 50% AMI and 80% AMI	23,544	36,356	Surplus of 12,809
Between 30% and 50% AMI	29,500	15,293	Gap of 14,207
Under 30% AMI	19,805	3,881	Gap of 15,924

*This is a rough calculation

CHAS COST-BURDEN CALCULATION

Income Level	Gap in Housing Units
> 100% HAMI	970
<50%-<=80% HAMI	5,510
<30%-<=50% HAMI	7,770
<=30% HAMI	10,505

Takeaways

- Limited affordability for 80% AMI and below, severe lack of affordability below 50% AMI
- Not a large lack of housing stock overall, but a lack of AFFORDABLE housing stock
 - Need for housing stock will continue to increase as people move to Durham
- Durham has on-par or cheaper housing options compared to Chapel Hill and Raleigh
- Households at 80% to 100% AMI are likely able to afford rent, but face high cost barriers to homeownership

Some considerations for action

- What data are we missing?
- Preservation of NOAH vs. Creation of New Units
- Programs focused on Renter vs. Homeowners
- Level of affordability to target (30% AMI, 50% AMI, 80% AMI)
- Length of affordability wanted and the mechanism to secure affordability
- Method of outreach to specific communities within Durham





Questions?

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Virtual meetings and calls available by appointment.

