Affordable Housing

Erika Brown
Planner II, Triangle J Council of Governments
Overview

► What is Affordable Housing?

► Housing Affordability in our Region

► What Can Local Governments Do?

► TJCOG Housing Program
What is Affordable Housing?

\[ \text{House} + \text{Light Bulb} \leq 30\% \]
**Who Does Affordable Housing Serve?**

<table>
<thead>
<tr>
<th>Area Median Income (AMI)</th>
<th>30%</th>
<th>50%</th>
<th>80%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Affordable Housing**

**Workforce Housing**

<table>
<thead>
<tr>
<th>Area Median Income (AMI)</th>
<th>FY 2019 Income Limit Category</th>
<th>Persons in Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>$84,800</td>
<td>Low (80%) Income Limits</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>$84,800</td>
<td>Very Low (50%) Income Limits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extremely Low (30%) Income Limits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2019 HUD Income Limits for Durham-Chapel Hill HUD Metro FMR Area
What Does Affordable Housing Look Like?

Public Housing, Section 8, Naturally Occurring Affordable Housing (NOAH), Community Land Trust, Low-Income Housing Tax Credits (LIHTC)
Rapid Increase in Housing Values, 2004-2015

https://www.washingtonpost.com/graphics/business/wonk/housing/overview/
Jobs and Earnings Growth

The region has seen high growth in low-paying jobs, but low wage gains in those low-paying jobs.

Growth in Jobs and Earnings by Industry Wage Level, 1990 to 2012

Source: U.S. Bureau of Labor Statistics; Woods & Poole Economics, Inc. Universe includes all jobs covered by the federal Unemployment Insurance (UI) program.

From PolicyLink’s Equitable Growth Profile of the Research Triangle Region
Housing Supply and Demand Mismatch

![Graph showing housing supply and demand mismatch](image-url)
Larger apartments generally make up around 30% of new units permitted in a year.

Missing middle housing types, or 2-4 units, make up less than 1% of new units.
Where is this an issue?

Housing Cost-burdened Households – 30% threshold
Commuting Patterns

- There are approximately 900,000 workers that live within the seven Triangle J counties.

- Almost 235,000 of them, or 26%, work in a different county from where they live.

- More than half of residents in Chatham and Johnston counties work in another county.

Proportion of workers who work outside their county of residence
Data Source: 2012-2016 American Community Survey
Rapid population growth + slow & spread-out development pattern + uneven income growth = Affordable Housing Issue
Why Local Governments May Want to Engage in Affordable Housing

- Local governments have influence over development policies, pay policies, and can leverage state and federal resources.
- Cross-jurisdictional commuting due to housing costs contributes to traffic congestion, impacts quality of life for residents and workers.
- Quality housing at different income levels contributes to better health outcomes, educational outcomes, and builds community.
- With decreases in state and federal funding for affordable housing, local governments are increasingly having to be more directly involved if they want the issue addressed.
- Consider: how many of your local government staff members have incomes that would make them eligible for affordable housing?
What Can Local Governments Do?

- **Educate:** Inform citizens, businesses, developers and public bodies about benefits and consequences of different types of development.
- **Facilitate:** Encourage submittals/support Low Income Housing Tax Credit applications.
- **Stimulate:** Provide supportive infrastructure, streamline the development review process, etc.
- **Allocate:** Provide land, subsidies, etc. to address funding gaps.
- **Regulate:** Set standards for site zoning and layout, parking, quality, etc. that help produce and maintain quality affordable housing.
What is TJCOG doing?

Affordable Housing in Apex, NC

Affordable housing is the foundation of healthy communities. It enables residents to live, work, and thrive. Effective housing policies can help ensure that all residents have access to safe, stable, and affordable homes.

What is Affordable Housing?

The total cost of housing, including mortgage payments, utilities, and property taxes, should not exceed 30% of gross income.

Housing Stock

<table>
<thead>
<tr>
<th>Housing Stock</th>
<th>Total Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,870</td>
<td></td>
</tr>
</tbody>
</table>

Distribution of Housing Ages

In addition, 12.3% of housing units (231 units) in Releve are vacant, most of which are rental units.

Review of Income Data in Princeton, NC

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Princeton</th>
<th>Johnston County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Income</td>
<td>$66,000</td>
<td>$41,000</td>
</tr>
<tr>
<td>Mean Income</td>
<td>$82,000</td>
<td>$55,000</td>
</tr>
</tbody>
</table>

There are several policies and initiatives in place to address affordable housing needs, including:

- Affordable Housing Incentive Program
- Rental Assistance Program
- Homebuyers’ Assistance Program

These programs help ensure that all residents have access to safe, stable, and affordable homes, promoting healthy and vibrant communities.
Research, Education, and Facilitation

- Research tools to build and preserve housing and provide best practices for local governments
- Provide information and facilitation to jurisdictions interested in addressing affordable housing concerns

What Can Local Governments Do?

- **Educate:** Inform citizens, businesses, developers and public bodies about benefits and consequences of different types of development.
- **Facilitate:** Encourage submittals/support Low Income Housing Tax Credit applications.
- **Stimulate:** Provide supportive infrastructure, streamline the development review process, etc.
- **Allocate:** Provide land, subsidies, etc. to address funding gaps.
- **Regulate:** Set standards for site zoning and layout, design, that help produce and maintain quality development.

Addressing Perceptions of Affordable and Higher-Density Housing

When an affordable apartment development is proposed, neighborhood concerns are sometimes voiced around the impacts of that development on public safety, traffic congestion, school crowding, and property values. However, research has shown that these concerns do not come to fruition after the development of affordable and higher-density housing options.

**Public Safety**
- Perception: The presence of subsidized housing increases crime rates.
  - No observed impact on crime rates from Low Income Housing Tax Credit (LIHTC) developments.
  - Public housing projects, scattered-site public housing, or housing choice voucher households.

**Traffic Congestion**
- Perception: Higher-density housing creates traffic congestion.
  - On average, renters own fewer cars than homeowners do.

**School Crowding**
- Perception: Apartments overburden schools.
  - In the Raleigh metro area, only 4% of households with school-aged children live in buildings with 20 or more units, as compared to 18% who live in single-family homes. According to the 2010 American Housing Survey for the Raleigh Urban Area, 80.5% of all households were single-family, whereas multifamily units were less common. While single-family households without children are projected to make up the bulk of household growth between now and 2020.

**Property Values**
- Perception: Affordable multi-family apartments lower the value of nearby single-family homes.
  - Deluxe housing has a limited impact on property values in both lower-income and upper-income neighborhoods, based on a study of 1.8 million transactions in 19 states around 7,000 Low Income Housing Tax Credit (LIHTC) apartments.

Property values are more likely to decline when the quality, design, and management of the housing is poor, when housing is located in disinvested neighborhoods, and when low-income residents are displaced.
Short- and Long-Term Technical Assistance

- Conduct housing needs assessments
- Draft policies to incentivize affordable housing preservation and development
- Helped establish guidelines for dedicated funding sources
- Track metrics over time
- Provide educational forums for elected officials, landlords, etc.
- Assist local government staff with grant-writing
Fund Administration for Member Governments

- Administering home repair funds from the NC Housing Finance Agency in Lee, Durham, and Chatham counties

- Awarded a grant to support home repair partners in Orange and Chatham counties collaborate more effectively
Convene Stakeholders to Further Regional Collaboration

- Durham-Orange Light Rail Project and Wake Transit and Land Use & Housing Technical Group
- Engage local housing practitioners to review best practices and discuss financial and regulatory barriers to building and preserving affordable housing
- Be a consistent voice for affordable housing across the region!
Thank You!
Questions?

Erika Brown
Planner II
Triangle J COG
ebrown@tjcog.org
919-558-2700

Aspen Romeyn, AICP
Principal Planner
Triangle J COG
aromeyn@tjcog.org
919-558-9319

Resources: www.tjcog.org/housing.aspx