

Cumberland, Johnston, and New Hanover

January 10, 2022

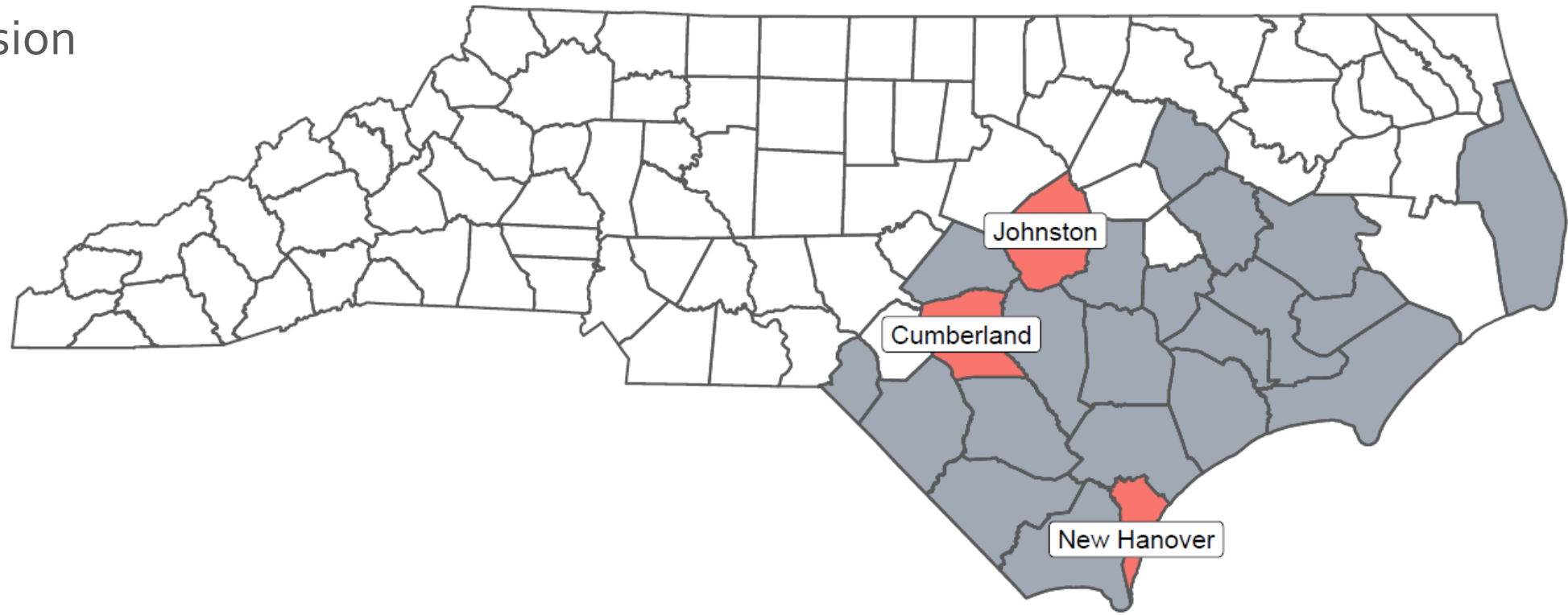
Input Session: Group 4

Expanding Housing Options in MID Counties



Agenda

- Project Background
- Group 4 Overview
- Discussion



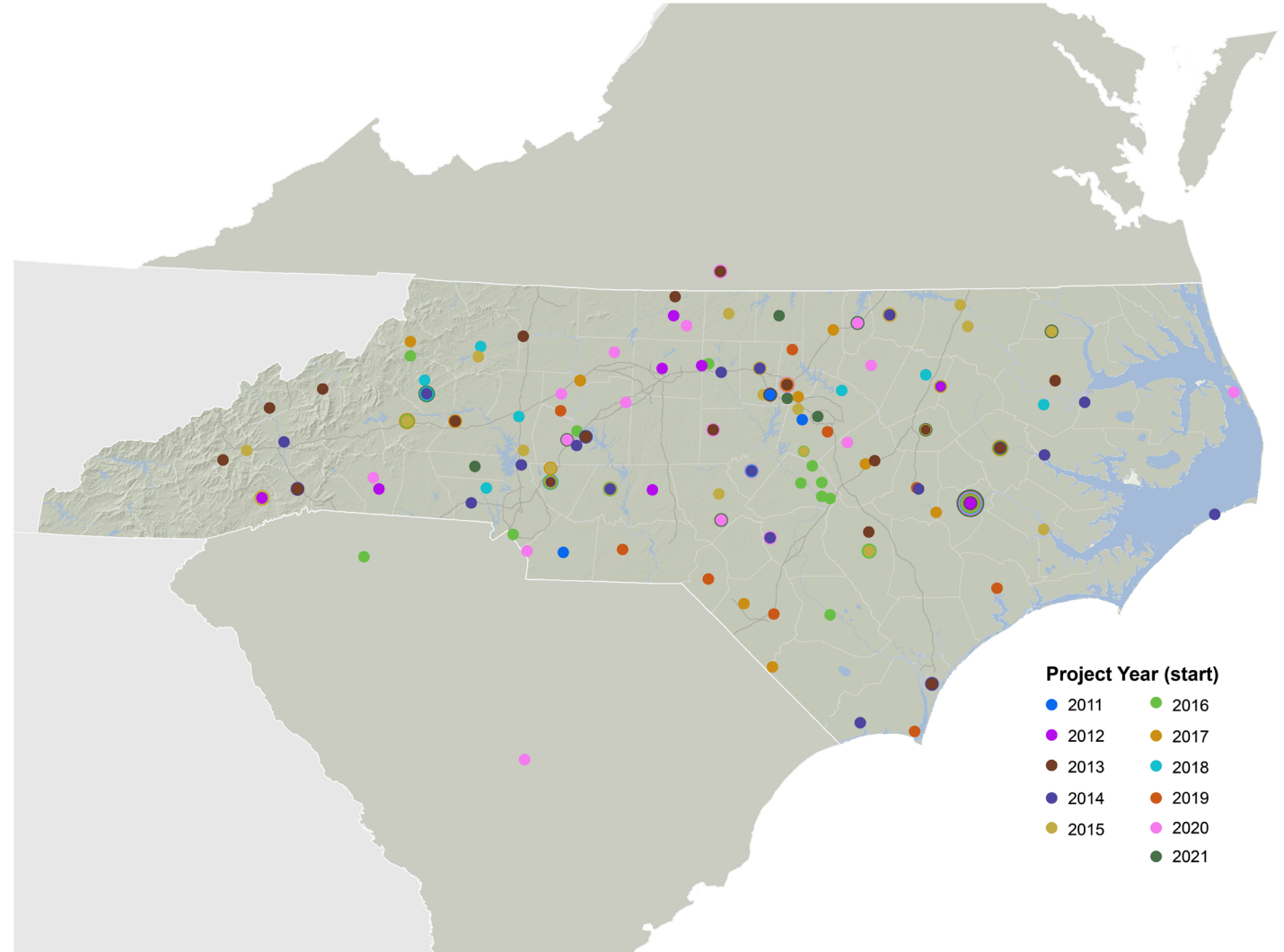
UNC School of Government



UNC Chapel Hill's School of Government is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.

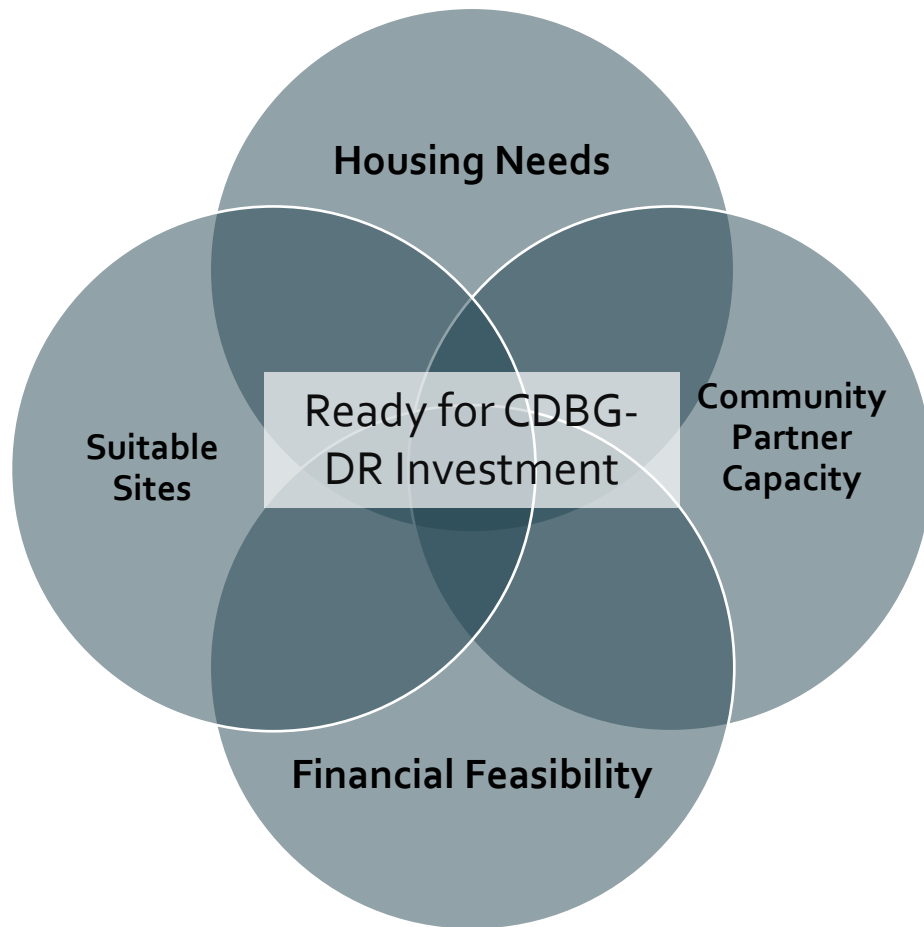
Development Finance Initiative (DFI)

DFI is a program of UNC Chapel Hill's School of Government that advises communities in NC to attract private investment for transformative projects by providing specialized real estate development and finance expertise.



NCORR Engagement

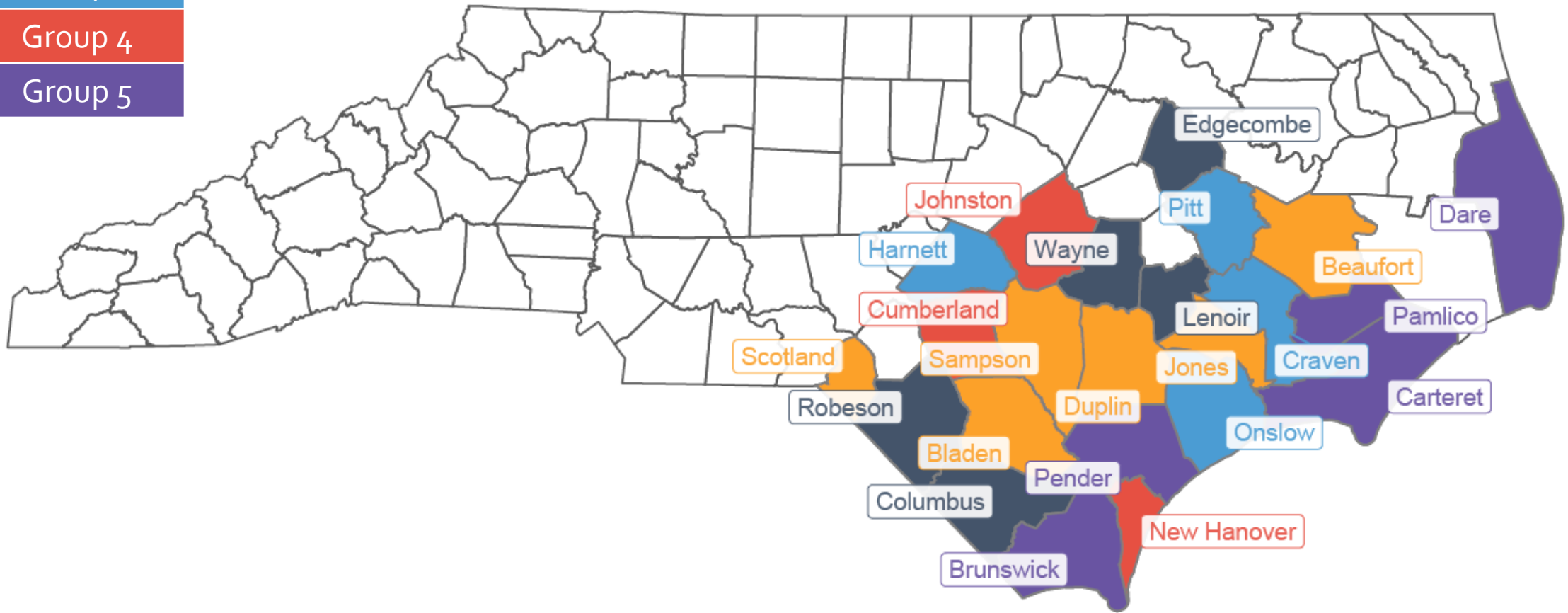
In September 2021, the North Carolina Office of Recovery & Resiliency (NCORR) engaged DFI to assist with the development of a strategy to expand and preserve rental housing options for low- and moderate- income households in 23 counties.



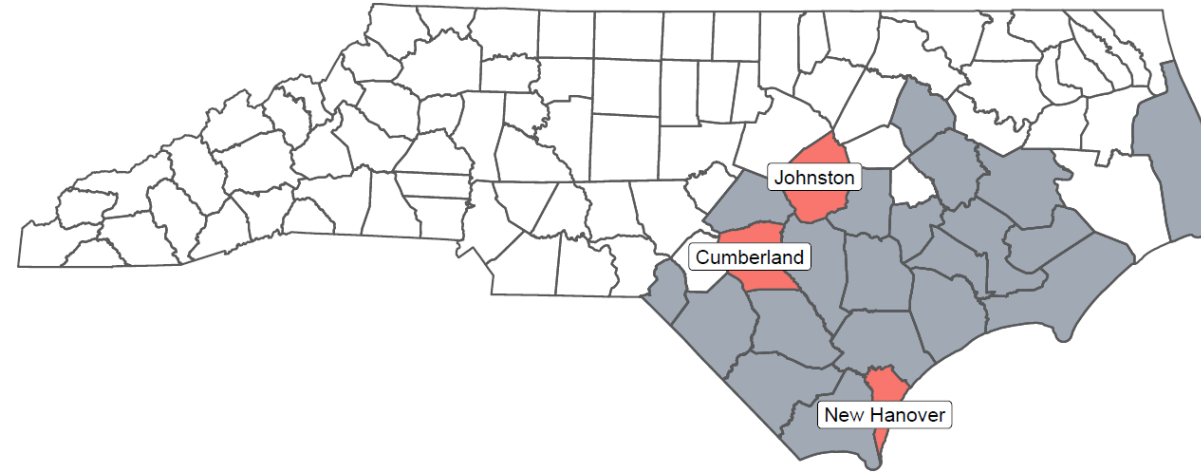
1. Identify optimal level of funding to maximize development and preservation across counties
2. Identify strategies to address local level challenges in areas without “investment-ready” projects

MID Counties by Group

- Group 1
- Group 2
- Group 3
- Group 4
- Group 5



Group 4: Urban Centers/Metros

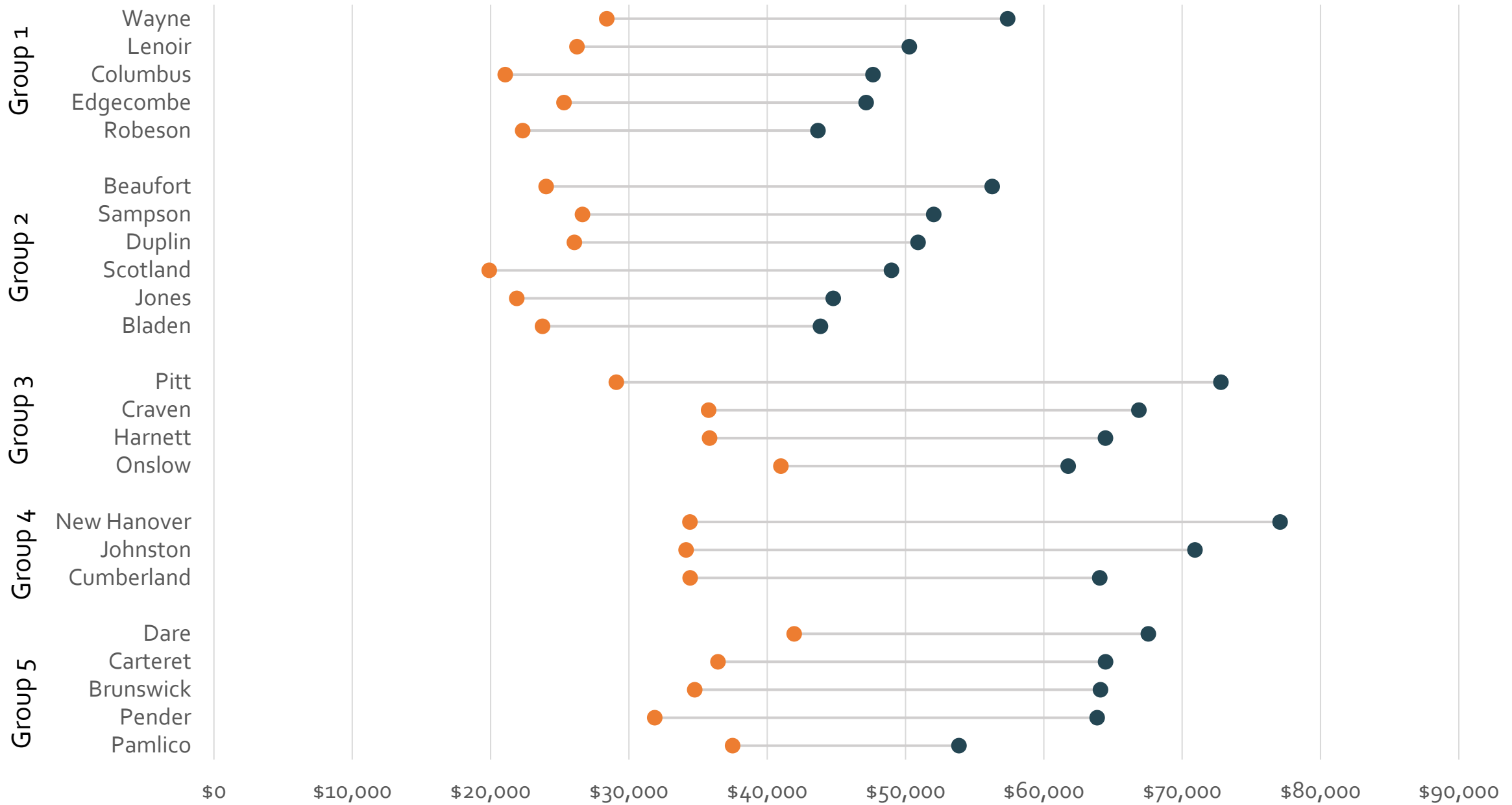


County	Population	Population Change 2009-2019*	Households	Homeownership Rate	Median Household Income	Poverty Rate
Cumberland	332,861	8%	125,427	51%	\$46,875	18%
New Hanover	227,938	20%	95,638	58%	\$54,891	16%
Johnston	196,870	25%	68,968	73%	\$59,865	13%

Source: 2015-2019 ACS 5-Year; *2009-2019 ACS 1-Year

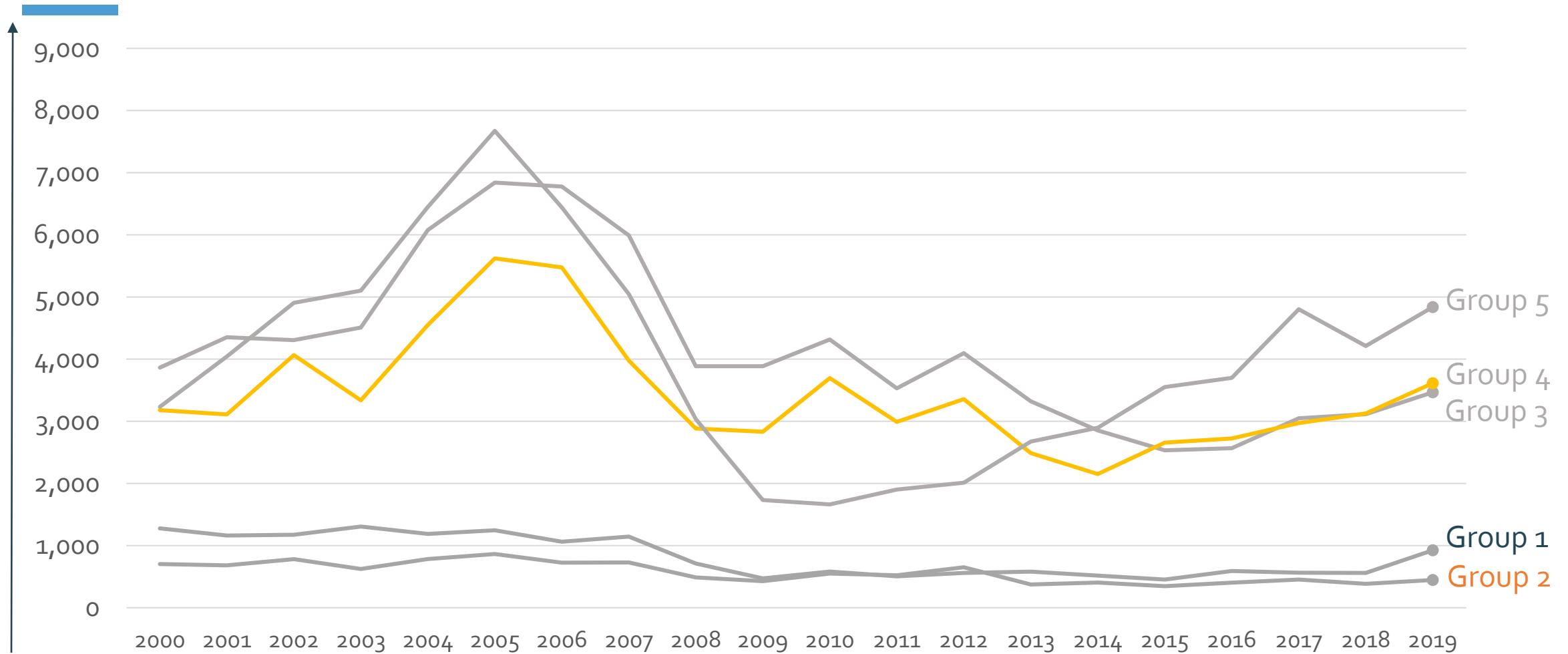
Spread of Median Income by Tenure

Renter Median Income ● ● *Owner Median Income*

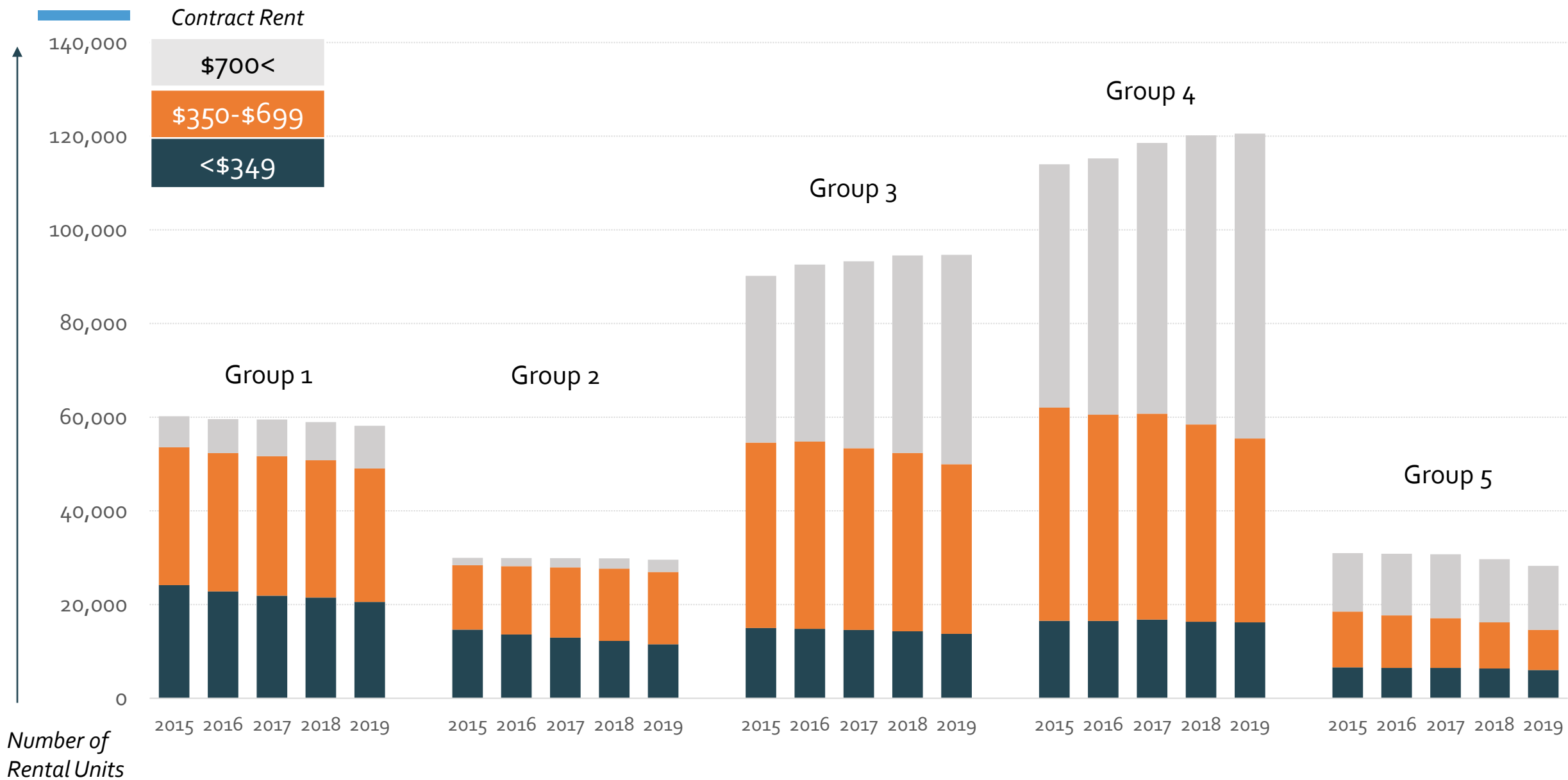


Source: ACS 2019 (5-Year Estimates)

New Construction of housing units has not reached pre-recession level



Change in Rents and Units

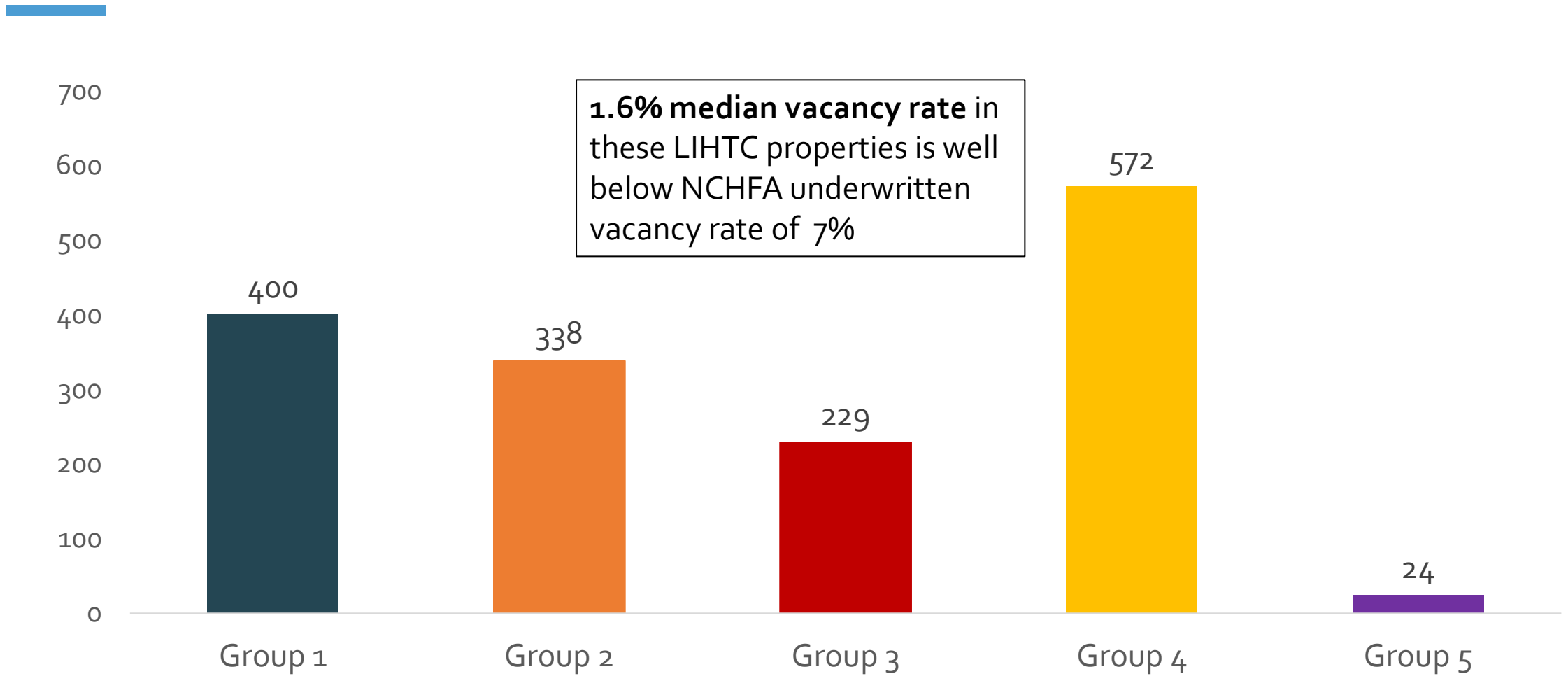


Need for extremely low-income and moderate-income units compresses low-income stock

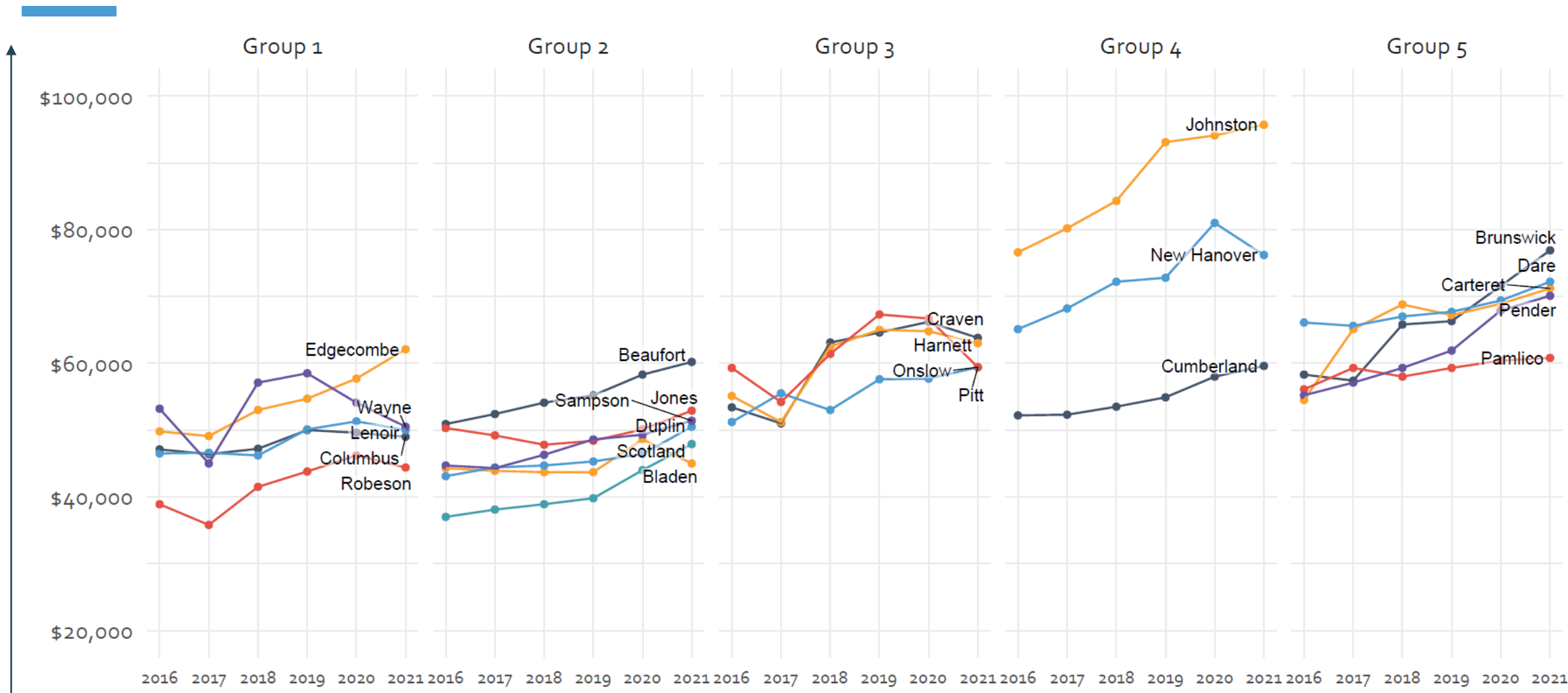


Source: HUD CHAS 2015-2019

9.5% of all LIHTC units will reach the end of their income-restricted period in the next 5 years



Changing AMI changes definition of "low-income"



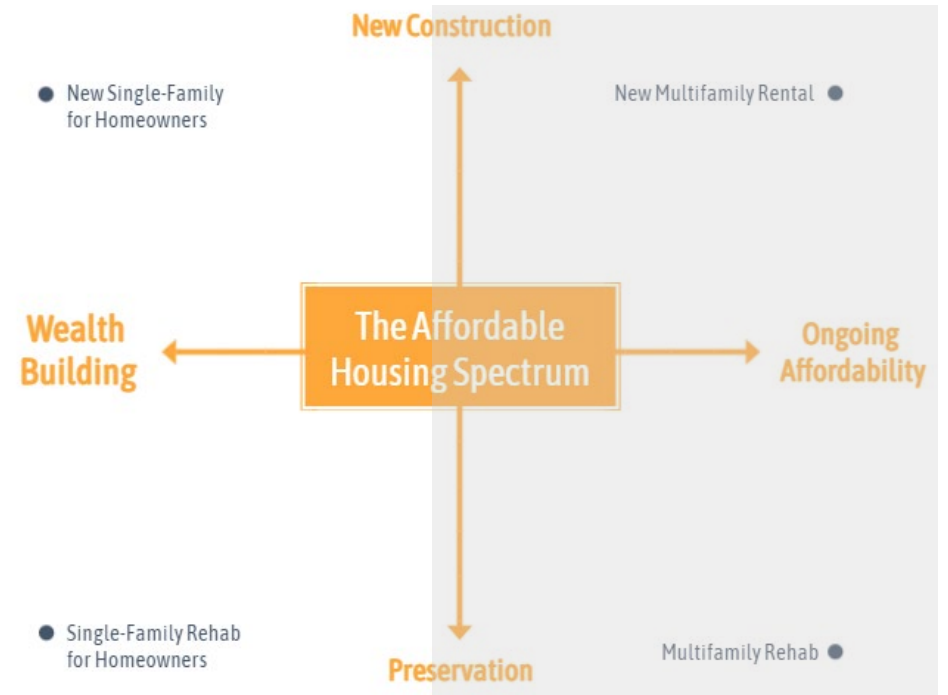
Area Median Income

Group 4: Urban Rental Overview

- 51,000 low-income renter households currently cost-burdened and/or living in substandard housing
 - 41 percent of which are elderly households.
- More urban counties have had the largest population growth among all MID counties.
 - Rents reflect that growth → Especially in Johnston County and New Hanover County, where rents have increased 27 percent and 20 percent since 2016, respectively.
- The # of cost-burdened renters increased between 2015 and 2019, as the number of units with rents below \$700 is in decline.
- Rental production not keeping up with demand, and these counties will see the greatest number of LIHTC units (approximately 570) reach the end of their income restriction requirements over the next five years.
 - Units in these counties are more at-risk of being converted to market-rate apartments due to regional rent increases.
- Growth in Area Median Income → good for rental production, but not for depth of affordability.

Priorities Across All Counties

- Rental units restricted to serve extremely low-income (ELI) (<30% AMI) households
- Rental units that serve LMI senior populations
- Preservation of unsubsidized affordable units and housing with expiring subsidies
- General increase in housing supply affordable to all income levels



Group 4: Rental Priorities

New Construction

- Large multifamily (50+ units) targeting LMI families

Preservation

- Renovation of large multifamily properties with naturally affordable rents
- Renovation of income-restricted properties with expiring subsidies and extension of affordability period

Questions for Discussion

- Tell us about unique opportunities in your group.
- Who are the people or organizations that are actively expanding rental housing options in the county or counties you work? Who are people or organizations in your community with capacity to take on development projects, if funds were available?
- What attempts at expanding housing options have worked well in your area?
- Which rental housing interventions are most likely to receive support at the local level?
- Are there any local funding sources that could couple with recovery dollars to maximize the impact – foundations, groups, churches, local government commitments, etc?

Questions?

Email Sarah Odio at odio@sog.unc.edu

Please complete the input form in the chat and share the link with potential development partners.

Thank you.



SCHOOL OF GOVERNMENT

Development Finance Initiative

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL