



## Partners for Impact, LLC

Beth Bordeaux, MSW  
Co-owner, Senior Advisor

Stan Holt, PhD  
Co-owner, Senior Advisor

Chuck Bridger, MA  
Consultant

October 11, 2023

# Insights into Rural Affordable Housing Development

The nationwide affordable housing crisis is impacting rural communities in North Carolina in some unique ways. At 3,474,661 in 2020, our state has the second largest rural population in the nation. Approximately one in three North Carolinians live in rural areas<sup>1</sup>. We believe it is critical to share the lessons we have learned from rural communities this year as we listened and supported counties in accessing special American Rescue Plan funding to develop affordable housing and emergency non-congregate shelter<sup>2</sup>.

## The Process of Discovery

---

Early in 2023, the North Carolina Housing Finance Agency (NCHFA) engaged Partners for Impact to provide outreach and technical assistance for rural counties in central and eastern North Carolina for its Supportive Housing American Rescue Plan (SHARP) Program. This was an effort to strengthen rural area response to applications for approximately \$56 million in Federal HOME-ARP funds intended for local affordable rental housing and non-congregate shelter to impact local homelessness.

Partners for Impact and Carson Dean Consulting decided to share resources and learnings throughout our work together on SHARP outreach and technical assistance. Collectively, we reached out to 39 counties and provided technical assistance with leaders in 25 of these communities who responded to our initial outreach. Following the end of the NCHFA contract, Partners for Impact held three focus groups: one with our team and the consultants working with Carson Dean, and two with leaders from the communities we supported<sup>3</sup>. We explored their thoughts about the state of affordable

---

<sup>1</sup> For this definition, urban areas are any densely settled areas consisting of 2,000 or more housing units or 5,000 or more people. All other areas are considered rural.

<sup>2</sup> Non-congregate shelter ensures that individuals and families have private spaces with adjoining bathrooms.

<sup>3</sup> We took on this additional layer of discovery to expand our learning and to share these learnings with the broader community, especially the rural communities we have worked with over the past six years. We were not

housing in their communities, housing challenges faced by local residents, steps taken to make improvements, barriers they have faced in their efforts to increase affordable housing, and ideas to mitigate these challenges.

## Key Learnings

---

### **-priced Out of the Market**

Our state's population growth over the past few decades—an increase of 2.6 million from 2000 to 2020—coupled with the Great Recession's impact on home building, is one driving factor for the overall housing shortage seen in all communities. As the gap between housing stock and the number of residents seeking both rental and home-



ownership opportunities widens, low and middle income populations, including retired seniors and blue collar workers, can no longer afford the housing that is available. Rural counties contiguous to metropolitan areas are seeing skyrocketing home prices and rental rates as demand increases for housing in bedroom communities. Rural areas of the state that are popular for affluent retirees and those in a position to build second/vacation homes are experiencing a similar phenomenon. Working professionals like teachers and first responders are being priced out of housing that once was affordable. Many have to accept the costs and consequences of extensive daily commuting from neighboring counties where housing prices are more in line with their household budgets. Others are relocating altogether, which can leave significant voids in the local workforce. Those living in poverty cannot afford even the least desirable housing. Another, perhaps less evident, impact of the drastic increase in the cost of housing is that service agencies providing rental assistance are experiencing a double hit to their budgets: requests for assistance are increasing while available resources are stretched further by the higher costs.

---

under contract with NCHFA, therefore the information and recommendations reported here are ours alone and do not reflect the position of the NCHFA or other entities.

## Poor Housing Conditions

In rural communities where new housing development is mostly stagnant, existing affordable housing is often aged and deteriorating. Manufactured (mobile) home communities are especially vulnerable to age-related deterioration due to lower construction standards. They can become unlivable or no longer able to be moved, even if the land under them is sold, leaving residents (owners or renters) displaced. Often mobile homes, as well as older uninhabitable single-family homes, are simply abandoned when owners are unable to afford repairs. Equally problematic, in many communities these grossly substandard living conditions continue to house those who are unable to afford alternatives. Focus groups reported that other existing rental housing stock is increasingly owned by absentee landlords, whose motivation for maintaining the decency of the structures may be lessened compared to owners remaining in the community. Substandard housing and poor living conditions eventually become the norm for many in need of affordable housing.



## Landlords Losing Faith

An unforeseen consequence of COVID-19 “non-evict” policies may be that more landlords experienced significant loss of income from nonpayment of rent during the covered periods. Many landlords already have a reluctance to rent at the lowest income levels or to accept housing assistance vouchers. Pandemic-related losses appear to have exacerbated that bias. North Carolina fair housing laws do not address discriminatory practices associated with payment sources. We heard rural community leaders talk about being unable to fully utilize housing vouchers due to a failure to locate willing landlords.



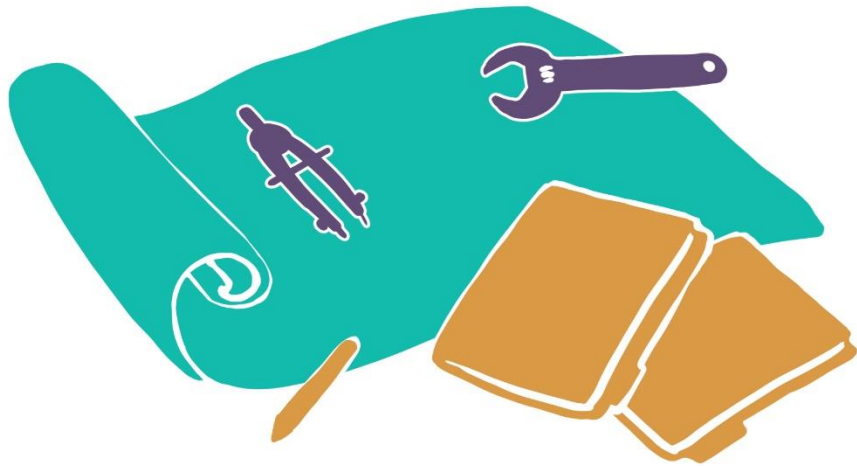
In smaller communities where people across the community know each other, people with housing available for rent often use informal arrangements for housing solutions. Private landlords lean on informal networks rather than publicly advertising to solicit renters. Therefore, those with the highest vulnerability and without support systems have more difficulty accessing housing options.

## Capacity Challenges

Compared to their urban counterparts, rural communities and their leaders face increased difficulty in confronting the scarcity of affordable housing. Budget constraints—and in some cases failure to sufficiently expand city limits—leave them with wastewater, utility, and other infrastructure challenges that can serve as limiting factors in development of new affordable housing.

Affordable housing developers/nonprofit developers and affordable housing consultants with the strongest experience and connections tend to focus their efforts primarily on larger urban initiatives where an economy of scale can help ensure adequate funding. In rural communities, understaffed city and county administrative offices and nonprofit organizations can find it difficult to pursue specialized/highly technical (e.g., federal funds) grant opportunities, especially with tight turnaround cycles. In addition, communities and organizations with the highest capacity to absorb initial costs—including site identification and architectural drawings—are more prepared for the application processes. Smaller communities often lack the funding capacity for research and planning, and are less likely to have local partners with federal grant knowledge to position a project for the high scoring level required to win competitive federal funding.

Lastly, but critically, poor recognition of the extent of the affordable housing crisis and how that influences homelessness appears to be a roadblock for the issue to be prioritized by many communities' elected officials.



## Where Do We Go from Here?

---

### Opportunities and Recommendations

1. **Community members can raise awareness** as a beneficial first step towards influencing local policy that can strengthen affordable housing efforts, reduce NIMBYism (Not in My Back Yard), and overcome rental prejudices. This includes educating the whole community as well as municipal staff and elected officials about the economic benefits of affordable housing, the true range of income levels and diversity of neighbors that struggle with accessing affordable housing, and the possibilities and promise that comes with affordable housing innovation. Some actions that support affordable housing education and advocacy:
  - Using long-standing local relationships and interconnectedness as an asset in building collaboration and mutually supportive services and supports. Stakeholders can leverage that collaboration to develop affordable housing plans that identify the gaps, set steps towards addressing them, and include clear roles for all partners.
  - Fostering collaboration across all the municipalities in the county to maximize resources and creative solutions.
  - Forming an affordable housing advisory committee for local elected officials and town/county staff.
  - Forming an affordable housing advocacy coalition of community residents who can build community buy-in for local opportunities, speak about affordable housing at public gatherings, and communicate the needs with elected officials.
  - Providing opportunities for elected officials to hear directly from those who are most affected by the affordable housing crisis in their communities - utilizing neutral locations with appropriate supports, language interpreters, etc.
  
2. **Local governments are in unique positions** to create policy, identify funding, and support efforts that strengthen housing affordability across their communities. Here are some of the ideas we heard from focus group participants and that we have experienced through our work:
  - Developing an affordable housing plan. Identify your community's unique needs and develop strategies to address them; define affordability and set priorities. Plans should be endorsed/approved by elected officials and local governments.
  - Reviewing zoning maps with an affordable housing lens, considering long-term development plans and locations that meet federal funding criteria regarding proximity to grocery stores, transportation, and support services.
  - Creating incentive zoning. Search for existing policies that dissuade affordable housing development such as low density and costly fees for

developers that could be modified into incentives for increasing affordability. Incentives could also be paired with requiring a set aside of a given percentage of new housing development to an affordable level.

- Identifying vacant city or county-owned property that can be conveyed to offset development costs for affordable housing opportunities.
- Enacting a dedicated local tax for increasing affordable housing or for land banking.
- Working with incoming industry and economic development efforts to create a public/private affordable housing fund.
- Developing landlord incentives for accepting housing vouchers. An example would be providing an annual payment equal to one month's rent when a year-long lease is signed using a housing voucher of any kind. The tenant must remain housed for at least six months for the landlord to receive the incentive. Another would be working with a nonprofit or the faith community to offer handyman services to landlords that utilize up to a certain number of housing vouchers.
- Developing laws prohibiting source-of-income discrimination are being passed in some metro areas (e.g., Charlotte, NC). These laws are only in effect for properties supported through local government funding, however, it is setting precedence and moves the needle in the right direction.

**3. Funders and grantmakers can strengthen communities statewide** by partnering with local stakeholders to combat the affordable housing crisis. Some suggestions include:

- Creating a streamlined, simplified way for rural communities to apply for smaller-scale affordable housing developments.
- Provide grants to help rural communities expand their planning efforts to include affordable housing plans, providing access to consultants and examples of metro area strategies as a starting point to be modified and contextualized for rural areas.
- Increasing outreach efforts and sharing information with rural communities about new funding opportunities and ongoing/cyclical funding cycles.
- Investing in building local agency capacity for grantsmanship, including targeted technical assistance and early training.
- Offering grant development resources to address up-front costs—e.g., architectural plans and initial engagement with housing development consultants.
- Maximizing the window of opportunity for communities with lower staff capacity to investigate, build local support, and pursue funding opportunities by expanding application timelines.
- Constructing asset-based affordable housing programs. Challenge communities to identify their strengths and in-hand assets, and match them with acceptable use of funding guidelines that are more broadly encompassing and intended to fill in the remaining gaps.

## Conclusion

---

We would like to see more targeted efforts to address capacity and support the unique needs of our state's rural communities. At Partners for Impact, we hope that:

- Rural community leaders can utilize ideas shared by peers in their own efforts to address the affordable housing crisis and assist those most impacted.
- Decision-makers across the state might bolster their awareness and appreciation of the dearth of affordable housing and the important role it plays in the lives of so many of our neighbors.
- Funders at all levels glean insights into new opportunities to have a larger impact, reconfiguring funding opportunities and application processes to better include rural, resource-strapped communities.

Stakeholders from rural communities have provided key insights into factors that are driving the affordable housing crisis in their communities and some approaches they believe have potential for moving the needle. Leaders at the community level, public policy decision makers, and funders focused on improving the lives of vulnerable North Carolinians are encouraged to listen to and act on these revelations and recommendations.

## Partners for Impact

---

Partners for Impact cares strongly about enabling and expediting community change with a keen focus on the systems that impact people's lives. We are a woman-owned and LGBTQ-owned small but flexible firm. All of our consultants have spent their careers working in positions from the front lines to leading a wide variety of nonprofits, government, philanthropic organizations, ministries, and community coalitions. We have committed our professional lives to working with community change initiatives comprising organizations and groups of all types. Through this work, as well as through lived experience, our consultants have gained an understanding of the needs of individuals and families living in crisis and the adverse consequences this has on their physical, economic, social, and emotional well-being. [The Partners for Impact team](#) recognizes that the design of systems can create inequity and have disproportionate negative impact, particularly on communities of color. We understand the importance of designing strategies that can be evaluated for success in the future and of evaluating impact with a racial equity lens. This experience and focus shapes who we are and what we bring to the table.

Our consultative [approach and services](#) are informed by our values and experience in strategic planning, organizational development, evaluation, trust building, integrating voices, and building accountability. As a firm, we are committed to bringing to all of our work an intention to increase racial equity and disrupt systems that prevent equitable access to resources and opportunities.

Our primary work is at the System/Community level and includes:

- addressing complex community problems with an integrated approach (e.g. affordable housing, homelessness, health disparities, food security, child care);
- facilitating a targeted integration of two or more core service sectors (e.g. early childhood education and care with services for families experiencing homelessness);
- designing and implementing collective impact evaluation, developmental evaluation, and cross-agency integration of strategy and evaluation;
- building communities of practice;
- tailoring programming and/or scaling to a larger/broader audience;
- facilitating/evaluating equity-driven funding and policy decision-making;
- community engagement and equitable processes for engaging the voices of those most affected by decisions in all aspects of decision making.

While working with whole communities (local governments, coalitions, collective impact initiatives, etc.) who are addressing community change at the systems level is our primary focus, we recognize that to build capacity for community change, support may be needed at various levels. Therefore we often work with individuals and organizations in the following ways as well:

- **Individual and interpersonal levels** - leadership development, executive coaching, team building, and developing and changing mindsets.



- **Organizational level** - developing or changing organizational culture, strategic planning, program evaluation and program design, and board development.

**Contact us to learn more about how Partners for Impact can help with the efforts you are making towards community change.**



**Beth Bordeaux**

[beth@partnersforimpact.com](mailto:beth@partnersforimpact.com)

919.612.6634

**Stan Holt**

[stan@partnersforimpact.com](mailto:stan@partnersforimpact.com)

919.475.3857