The Need for Affordable Housing in Lee County, NC

Key Objectives

1. FROM HOMELESS TO MIDDLE INCOME IN LEE COUNTY

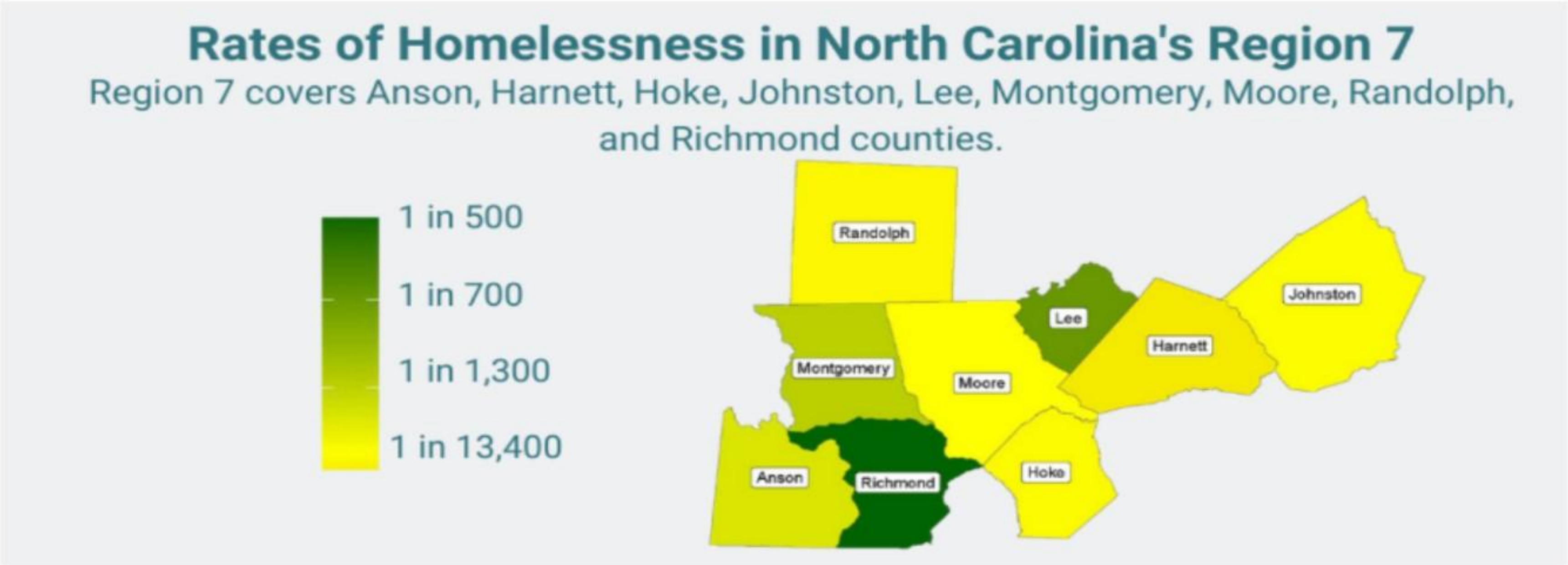
2. UNDERSTANDING AFFORDABLE HOUSING

3. AFFORDABLE OPTIONS IN LEE COUNTY

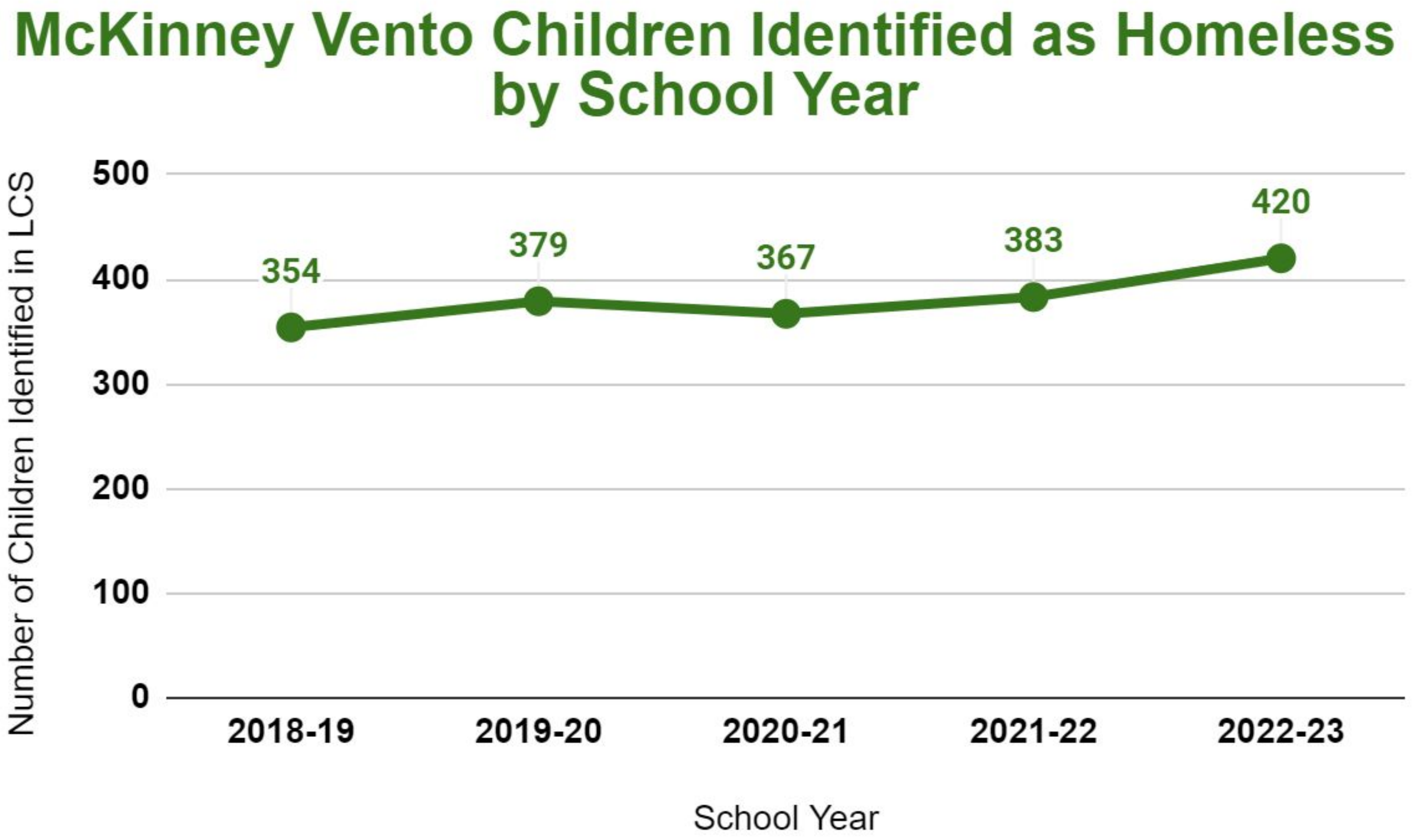
4. SOLUTIONS AND NEXT STEPS

What Makes Housing Affordable?

- No more than 30% of household income is spent on housing expenses
- With remaining income, people can afford car repairs, school, and medical expenses
  - Leads to better outcomes


Rates of Homelessness in North Carolina's Region 7
Region 7 covers Anson, Harnett, Hoke, Johnston, Lee, Montgomery, Moore, Randolph, and Richmond counties.
1 in 500
1 in 700
1 in 1,300
1 in 13,400
Randolph
Lee
Johnston
Harnett
Montgomery
Moore
Anson
Richmond
Hoke

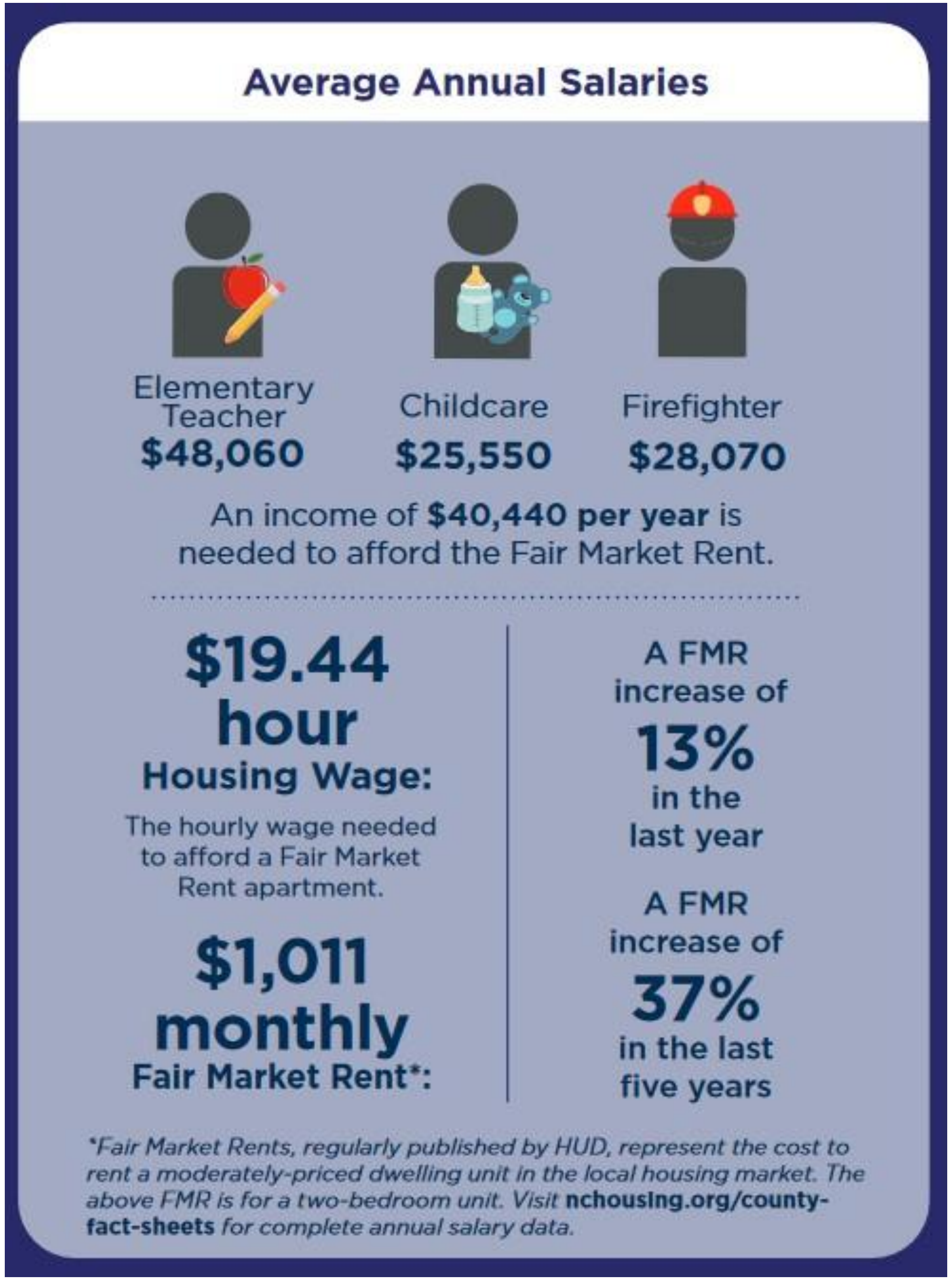
Child Homelessness in Lee County



Lee County Area Median Income $70,500 for Family of 4

- Extremely Low 30% = $21,150 = $529 Month is affordable*
- Low 50% = $35,250 = $885 Month is affordable*
- Low-Middle 80% = $56,400 = $1,410 Month is affordable*
- Average/Middle 100% = $70,500 = $1,762 Month is affordable*
- Average 120% = $84,600 = $2,115 Month is affordable*

*Includes Rent/Mortgage and utilities

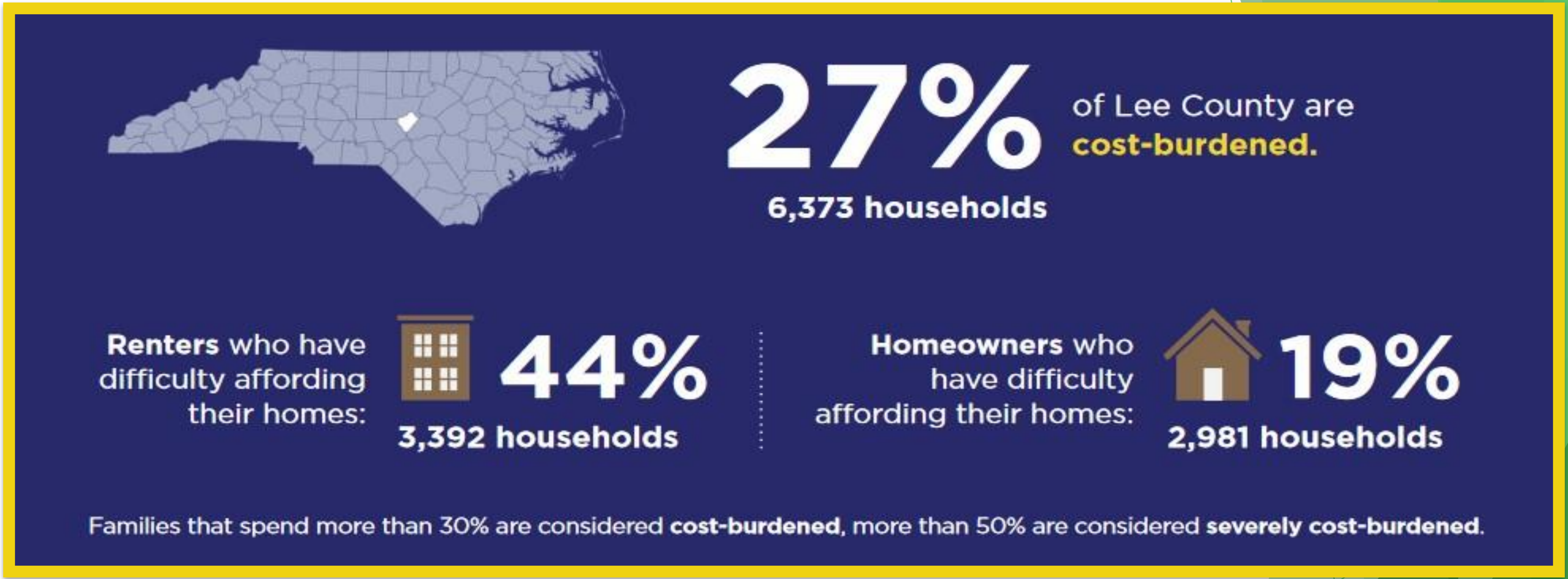


Lee County Average Wages

- Graphic and data from North Carolina Housing Coalition

Middle Income Families

- Make too much to be considered for housing assistance
- Often spending over 30% of income on housing (housing cost burdened), often over 50% (severely housing cost burdened)
- Supply is low and demand is high
- Feel stuck



The 2023 Housing Need in Lee County

Graphic and data from North Carolina Housing Coalition

Foreclosures and Evictions

- Graphic and data from North Carolina Housing Coalition

What is Available in Lee County Now?

- Low Inventory
  - 12 total rentals are available for less than $2,000 as of November 9, 2023 (Per Zillow)

Current Rental Property in Lee County

Fair Market Rent as determined by HUD is

Final FY 2024 & Final FY 2023 FMRs by Unit Bedrooms					
Year	Efficiency	One-Bed	Two-Bed	Three-Bed	Four-Bed
FY 2024 FMR	$842	$871	$1,011	$1,242	$1,566
FY 2023 FMR	$736	$792	$894	$1,103	$1,346
FY 2022 FRM	$671	$723	$824	$1,030	$1,196

$750/mo

1 bd | 1 ba | -- sqft - Apartment for rent

$1,000/mo

2 bds | 2 ba | 1,050 sqft - House for rent

$1,150/mo

2 bds | 1 ba | 800 sqft - Townhouse for rent

$1,250/mo

3 bds | 1 ba | 1,200 sqft - House for rent

$1,500/mo

3 bds | 1 ba | 1,102 sqft - House for rent

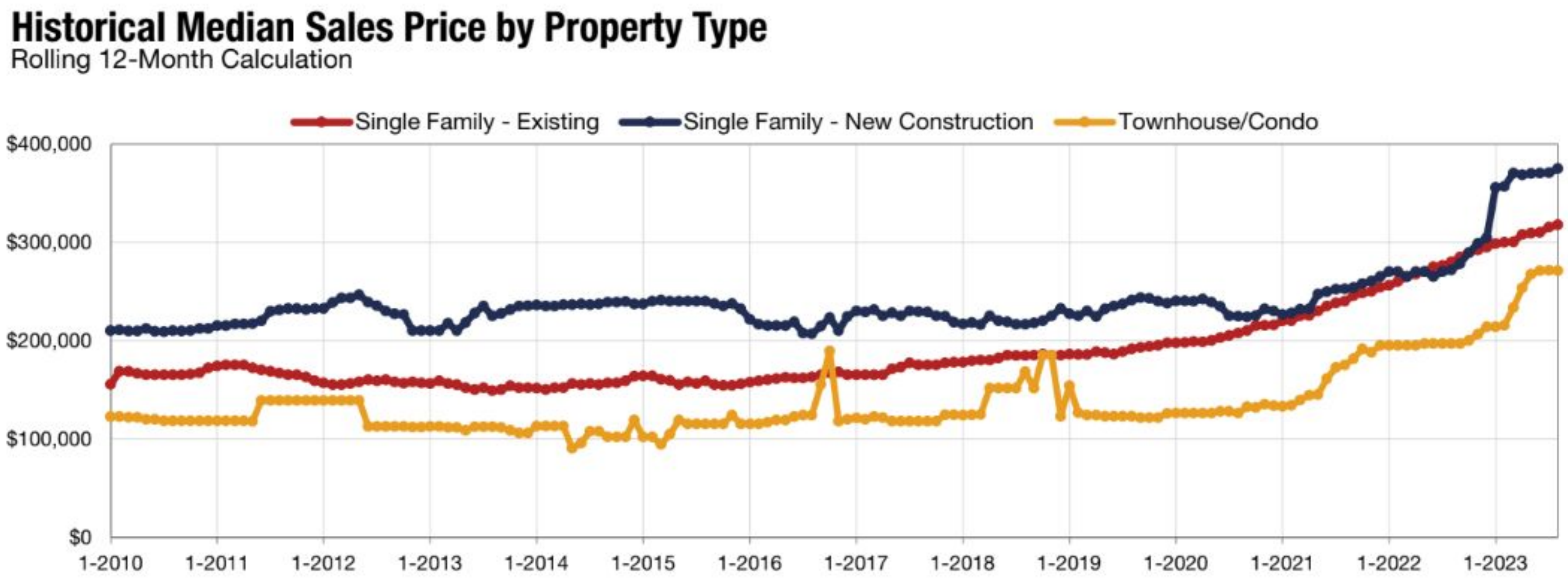
$1,850/mo

3 bds | 2 ba | 1,189 sqft - House for rent

Property Sale Price Trends in Lee County

August 2023 YTD Median Home Prices

- Single Family: New Construction = $372,703, Existing = $306,500
- Townhome: New construction = $271,640



Data Review: Money Talks

Affordable Housing Currently

Cost of a Home

- September 2020 Median Sold Price $203,000
- August 2023 Median Sold Price $300,000
  - **47% Increase**

Interest Rates

- September 2020 2.87%
- September 2023 7.18%
  - **47% Increase**

Median Family Affordability $70,500

Monthly gross income $5,875 x 30% = $1,762

$215K loan PITI @ 7.18% = $1,756 Payment or 30%

The maximum purchase price with 3.5% down = $225,000

Down payment ~ $8,000 and closing costs ~ $2,500 = $10,500 or higher

Types of Affordable Housing- Rental

- Private-market affordable housing
- Rental or ownership
- Smaller or older homes, single or multi-family
- Manufactured homes (mobile homes or modular homes)
- Tiny homes
- Shared housing

Bottom line: Current market does not provide many affordable housing options

Types of Affordable Housing- Rental

Housing Assistance Voucher

- Tenants find private rental property
- Tenant pays no more than 30% of their income for their portion
- Voucher program pays the remaining amount
- Could be long-term or short-term

*Landlords are not required to accept vouchers and many do not

Types of Affordable Housing- Rental

Stewart Manor (Currently Unavailable)

Project Based Housing

- Whole facility requires income eligibility and rents are adjusted
- May be owned and operated by local Housing Authority, nonprofit agency, or a for-profit company
- Low Income Tax Credit housing, Sanford Housing Authority, or other funding subsidized
- Rent is typically based on income but not always, could have other eligibility criteria

Types of Affordable Housing- Rental

Permanent Supportive Housing

- Supports people with disabilities and those who have experienced chronic homelessness
- Provides permanent housing at no more than 30% of resident's income along with support services including case management
- Project based or voucher based

Types of Affordable Housing- Ownership

- Naturally occurring affordable housing (private market driven; doesn't include any rental or purchase assistance)
  - Smaller or older homes, single or multi-family
  - Manufactured homes (mobile homes or modular homes)
- Housing purchased with Down Payment Assistance Programs
- Habitat Housing
- Land Trust Housing
- Subsidized housing development

City and County Level Solutions

Plan for Affordable Housing with Intention

- Establish measurable outcomes and accountability to the community
- Research/gather additional data
- Engage the community, especially those most affected

City and County Level Solutions

Consider some of the following strategies that have been successful in other areas:

- Develop a county/city fund for affordable housing support
- Create incentive zoning strategies that encourage setting aside a percentage for affordable housing or monetary support from traditional developers
- Create reimbursement (or waiver) for nonprofit affordable housing developers
- Support Affordable Housing developments with annexation into city limits

City and County Level Solutions

Plan for Affordable Housing with Intention-Continued

Consider some of the following strategies that have been successful in other areas:

- Create a preservation project to assist in repairing naturally occurring affordable housing
- Create a land trust; research and purchase land for affordable housing set aside
- Donate redevelopment lots to nonprofit developers
- Cultivate relationships with affordable housing developers and consultants and funders

City and County Level Solutions

Plan for Affordable Housing with Intention-Continued

Consider some of the following strategies that have been successful in other areas:

- Provide technical assistance and work closely with local nonprofits in completing funding applications and meeting requirements
- Provide up-front funding to support development costs prior to funding awards
- Create a town/county sponsored Affordable Housing advisory board with local residents and nonprofits working in this space

How Can You Help?

- Join the Affordable Housing Advocacy Committee of S3 Housing Connect
- Do more research on your own- get curious about affordable housing and what can be done to increase affordable housing
- Meet with agency leaders working with lower income individuals and families; hear their stories
- Meet with local elected officials
- Attend town council meetings and county commissioner meetings
- Gather with others to create a common agenda for affordable housing advocacy

Will you take the first step to learn more?

“Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart.”

-Matthew Desmond, *Evicted: Poverty and Profit in the American City*