

Joint City/County Workforce and Affordable Housing Initiatives

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Cape Fear Leadership Forum

February 27, 2023

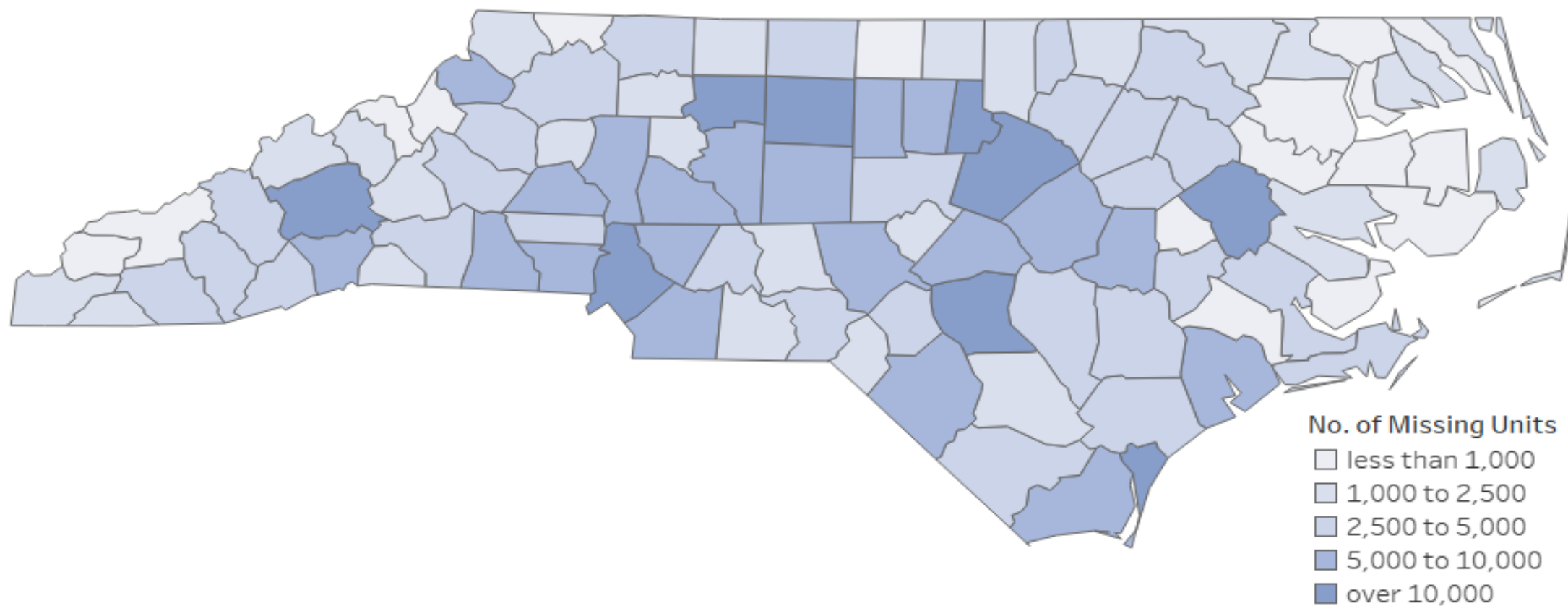


Definitions

Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

Workforce Housing is housing (to own or rent) that is affordable to households earning up to 120 percent of Area Median Income (AMI). This includes, but is not limited to, police officers, firefighters, teachers, health care workers, retail and restaurant staff, senior citizens, and other sources of incomes.

Shortfall of Affordable Housing Units for Households <80% Area Median Income



Source: NCHFA calculation of U.S. Department of Housing and Urban Development, CHAS data 2013-2017



34%

of New Hanover County
are **cost-burdened**

32,083 households

Renters who have
difficulty affording
their homes:



52%

19,409 households

Homeowners who
have difficulty
affording their homes:



22%

12,674 households

Families that spend more than 30% are considered **cost-burdened**, more than 50%, are considered **severely cost-burdened**.



\$1,259 monthly Fair Market Rent*:

An income of **\$50,360 per year** is needed
to afford the Fair Market Rent.



\$24.21 hour Housing Wage:

The hourly wage needed to afford a Fair
Market Rent apartment.

Average Annual Salaries



Healthcare
\$28,480



Childcare
\$24,030



Police officer
\$47,310



Construction
\$36,360

*Fair Market Rents, regularly published by HUD, represent the cost to rent a moderately-priced dwelling unit in the local housing market. The above FMR is for a two-bedroom unit.

When Housing Costs Too Much

When housing costs become too much, a family can lose their home. This takes an incredible toll not only on a family, but also on the entire community.



155 families in
New Hanover County
faced a foreclosure
this year...

1.22% of all cost-
burdened
homeowners.



2,305 families in
New Hanover County
faced an eviction
filing this year...

11.88% of all cost-
burdened
renters.

Ranks

#40

for evictions among
renter households.

(1 = highest and 100 = lowest)

The mission of the North Carolina Housing Coalition is to lead a movement to ensure that every North Carolinian has a home in which to live in dignity and opportunity.

Join the movement:  @NCHOnline | nchousing.org



33%

of Columbus County are **cost-burdened**

5,720 households

Renters who have difficulty affording their homes:



53%

2,005 households

Homeowners who have difficulty affording their homes:



27%

3,715 households

Families that spend more than 30% are considered **cost-burdened**, more than 50%, are considered **severely cost-burdened**.



\$771 monthly Fair Market Rent*:

An income of **\$30,840 per year** is needed to afford the Fair Market Rent.



\$14.83 hour Housing Wage:

The hourly wage needed to afford a Fair Market Rent apartment.

Average Annual Salaries



Healthcare
\$23,910



Childcare
\$22,370



Police officer
\$40,190



Farming labor
\$22,530



27%

of Pender County are **cost-burdened**

5,928 households

Renters who have difficulty affording their homes:



51%

1,938 households

Homeowners who have difficulty affording their homes:



22%

3,990 households

Families that spend more than 30% are considered **cost-burdened**, more than 50%, are considered **severely cost-burdened**.



\$988 monthly Fair Market Rent*:

An income of **\$39,520 per year** is needed to afford the Fair Market Rent.



\$19.00 hour Housing Wage:

The hourly wage needed to afford a Fair Market Rent apartment.

Average Annual Salaries



Healthcare
\$28,480



Childcare
\$24,030



Police officer
\$47,310



Construction
\$36,360



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Average Annual Salaries



Healthcare
\$28,480



Childcare
\$24,030



Police officer
\$47,310



Construction
\$36,360



27%

of Brunswick County are **cost-burdened**

15,002 households

Renters who have difficulty affording their homes:



49%

4,231 households

Homeowners who have difficulty affording their homes:



23%

10,771 households

Families that spend more than 30% are considered **cost-burdened**, more than 50%, are considered **severely cost-burdened**.



\$953 monthly Fair Market Rent*:

An income of **\$38,120 per year** is needed to afford the Fair Market Rent.



\$18.33 hour Housing Wage:

The hourly wage needed to afford a Fair Market Rent apartment.

Average Annual Salaries



Healthcare
\$27,820



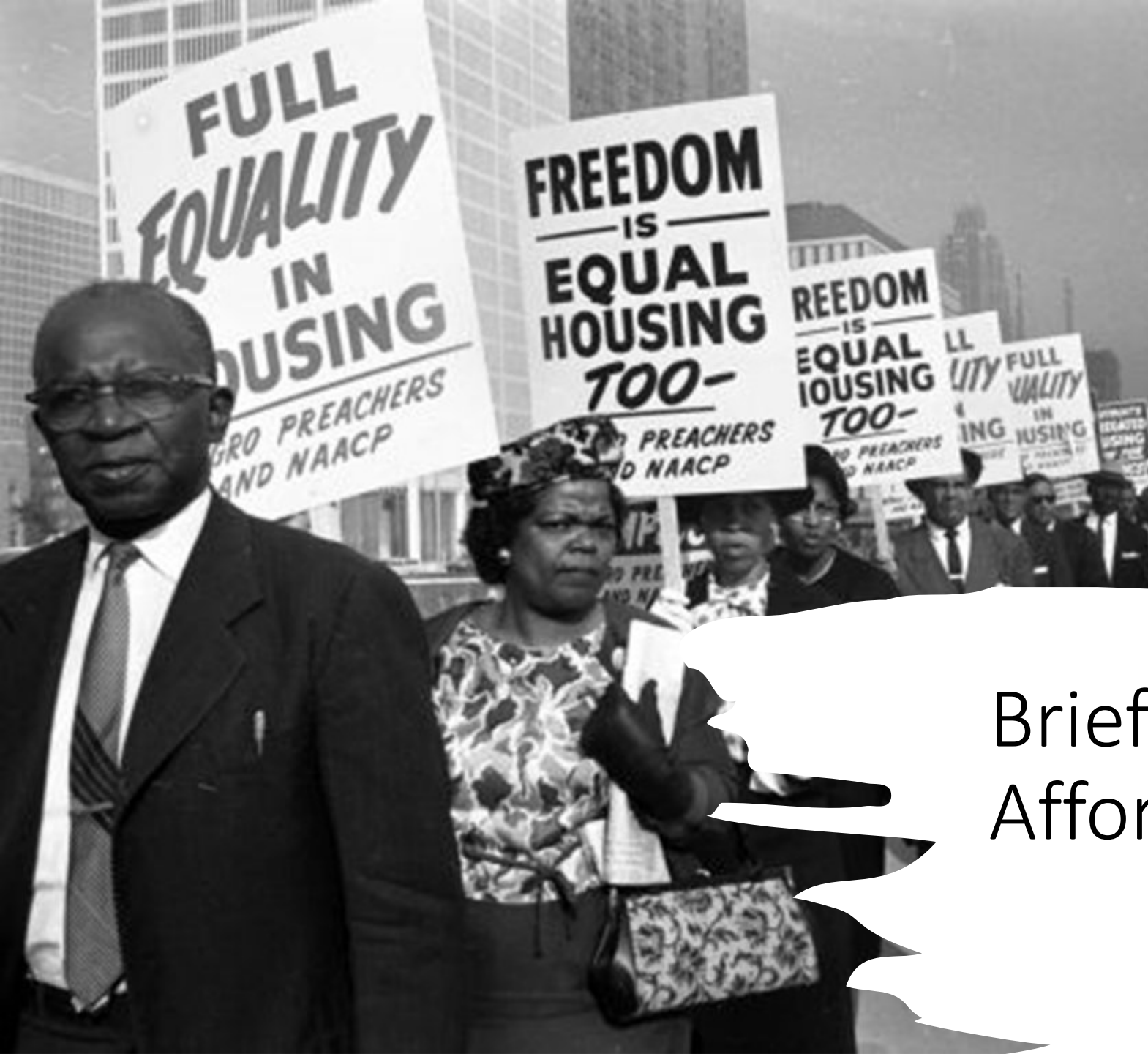
Childcare
\$22,490



Police officer
\$47,310

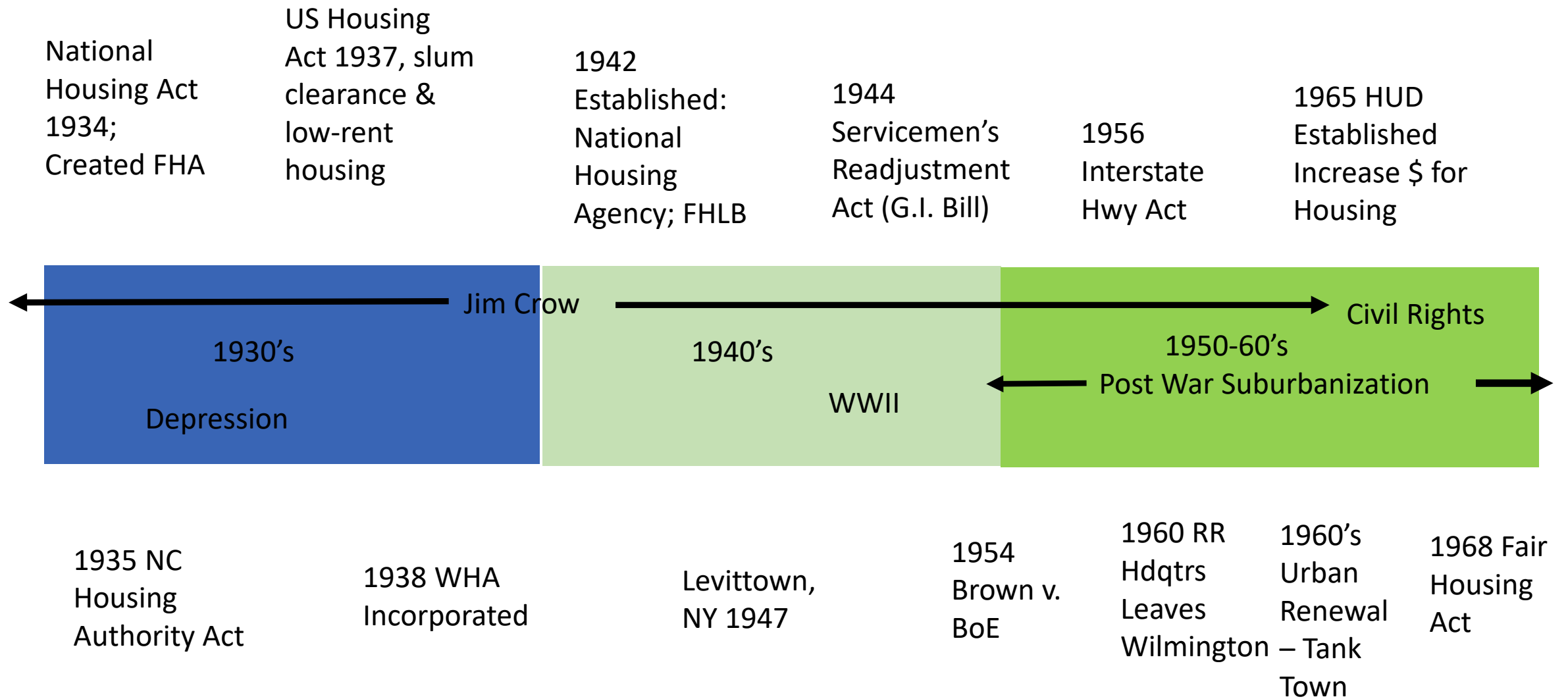


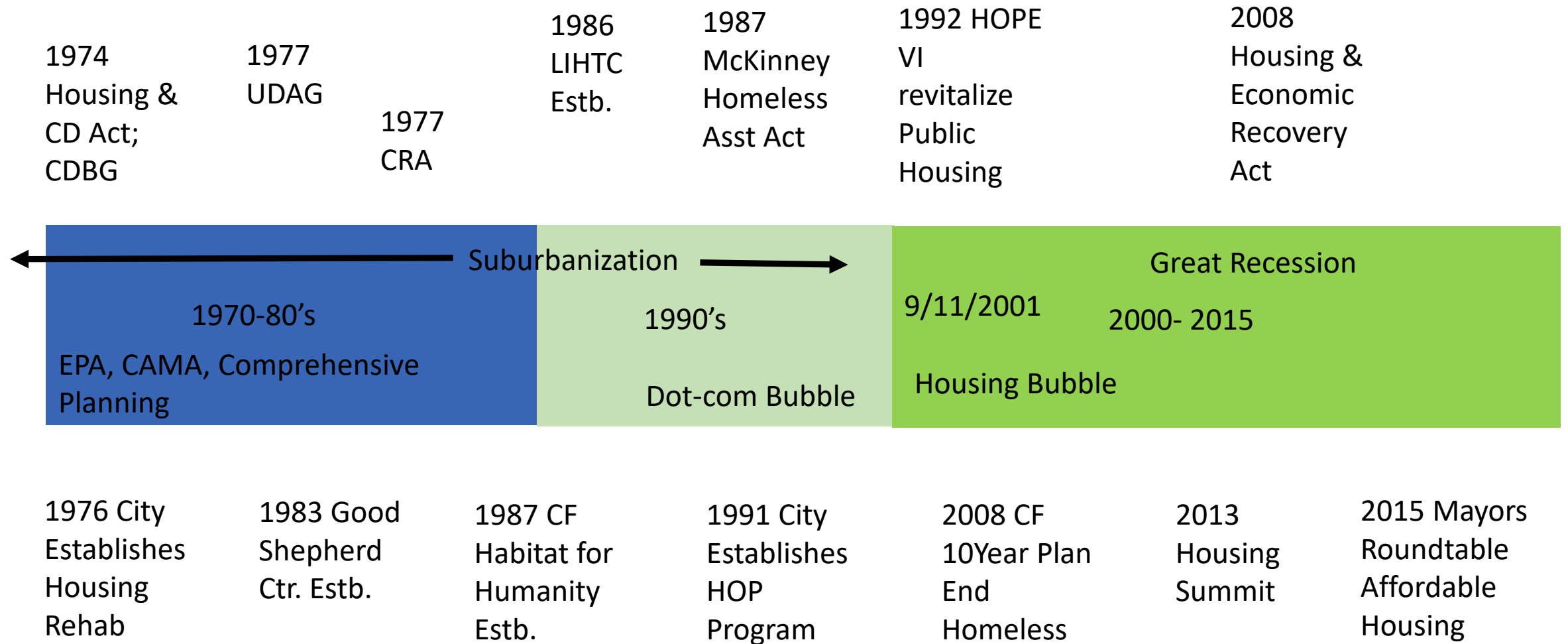
Farming labor
\$27,490



Fair Housing Act authors Sens. Edward Brooke, R-Mass. (standing, center) and Hubert H. Humphrey, D-Minn. (second from right) watch President Lyndon Johnson sign the act.

Brief History of Affordable Housing







Mayor's Roundtable November 2015

As a result of the roundtable, the Mayor's Roundtable Steering Committee discussed the establishment of an Affordable Housing Task Force



City of Wilmington/New Hanover County Ad Hoc Committee on Improving Workforce/Affordable Housing April 2016

Appointed by Wilmington City Council and the New Hanover County Commissioners to conduct a **comprehensive examination of workforce/affordable housing efforts**, along with the demand for and supply of such housing and **recommend the "best practices"** that would be most appropriate to improve and increase the stock of available workplace housing in this region.



Workforce Housing Advisory Committee



In 2019, the City and County established a 13-member Workforce Housing Advisory Committee comprised of professionals representing the following communities:

- Business/Education
- Cape Fear REALTORS®
- Development
- Financial
- Non-Profit Housing
- At-Large
- Chair of the Joint Community Relations Advisory Committee

The Committee was given the following duties:



1. To procure a workforce housing study and public opinion study and conduct a public awareness campaign on the topic of workforce housing.
2. To recommend, in an advisory capacity, to the Appointing Authority necessary procedures, programs, or policies to promote workforce housing.
3. To provide the appointing authorities with an annual written report or presentation.
4. To conduct any other duties as assigned or requested by the governing Boards.

Study and Survey

Study

- Evaluation of Demographic & Economic Trends
- Housing Supply Analysis
- Housing Gap Analysis
- Conclusions/Recommendations

Survey

- Key Informant Interviews
- Public/Stakeholder Meetings ~ Focus Groups
- Public Multi-Modal Public Opinion Survey



BOWEN
NATIONAL
RESEARCH



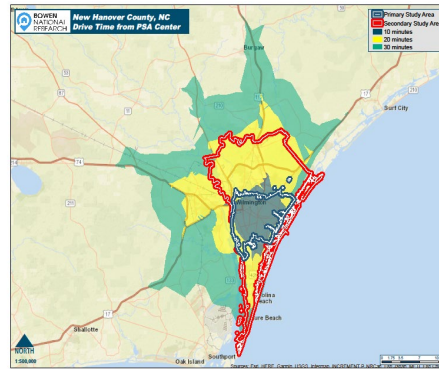
UNC
GREENSBORO

Scope of Work

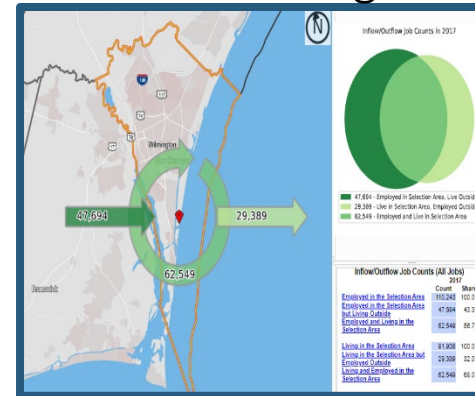
Established Study Areas	<ul style="list-style-type: none">•Primary Study Area (PSA):Wilmington•Secondary Study Area (SSA): Balance of County•County Study Area (CSA): New Hanover County, NC
Demographic & Economic Analysis	<ul style="list-style-type: none">•Population, Household and Income Trends through 2025•10 Years of Economic & Employment Trends•In-Depth Interviews with Local Economic Development Representatives
Housing Supply Analysis	<ul style="list-style-type: none">•Rental Housing Survey (Multifamily Apartments and Non-conventional Rentals)•For-Sale Housing, both Historical Sales and Active Listings•Senior Care Housing (Nursing Homes, Assisted Living, Etc.)
Other Housing Market Factors	<ul style="list-style-type: none">•Public Schools, Higher Education, Community Attributes•Public Transportation, Commuter Data and Migration Patterns•Residential Blight, Qualified Opportunity Zones & Regional Competitiveness•Special Needs Populations (Homeless, Ex-Offenders, & Elderly)
Housing Gap Estimates	<ul style="list-style-type: none">•Provided Estimated Number of Housing Units Needed by Tenure and Income
Conclusions	<ul style="list-style-type: none">•Provided Action Plan with Possible Housing Strategies

Other Housing Factors

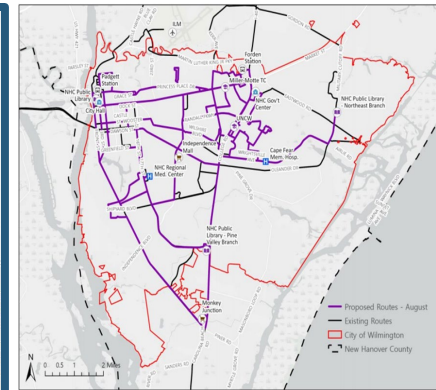
Drive-Times



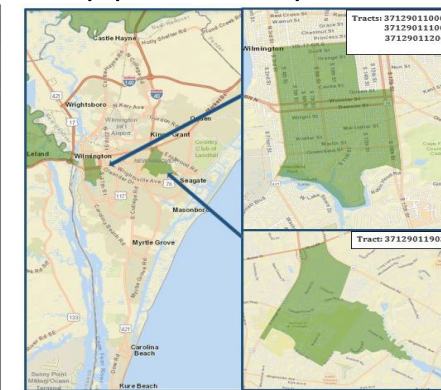
Commuting



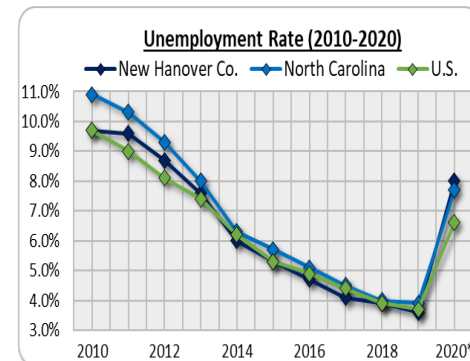
Public Transit



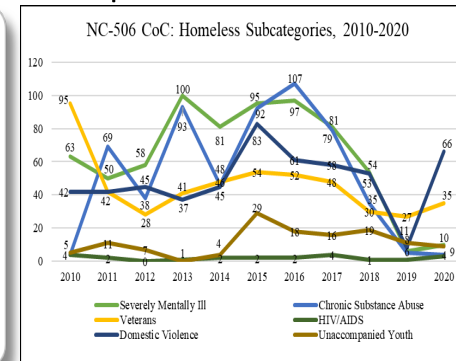
Opportunity Zones



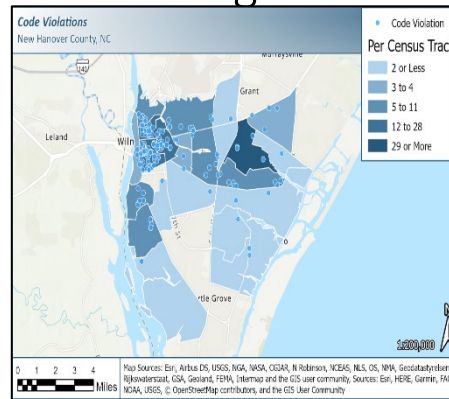
Employment



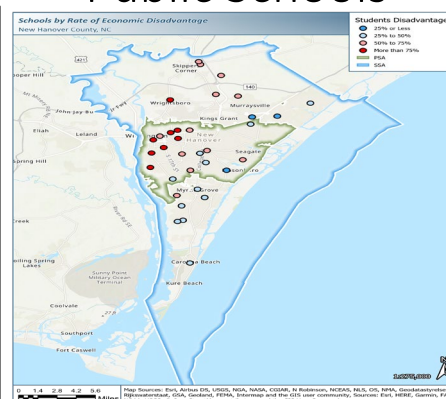
Special Needs



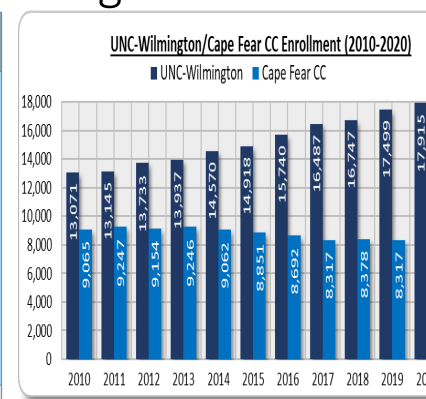
Blight



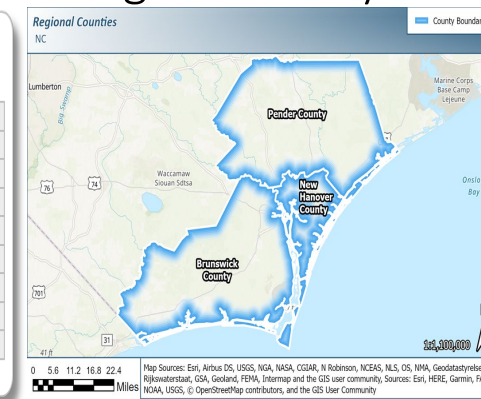
Public Schools



Higher Education

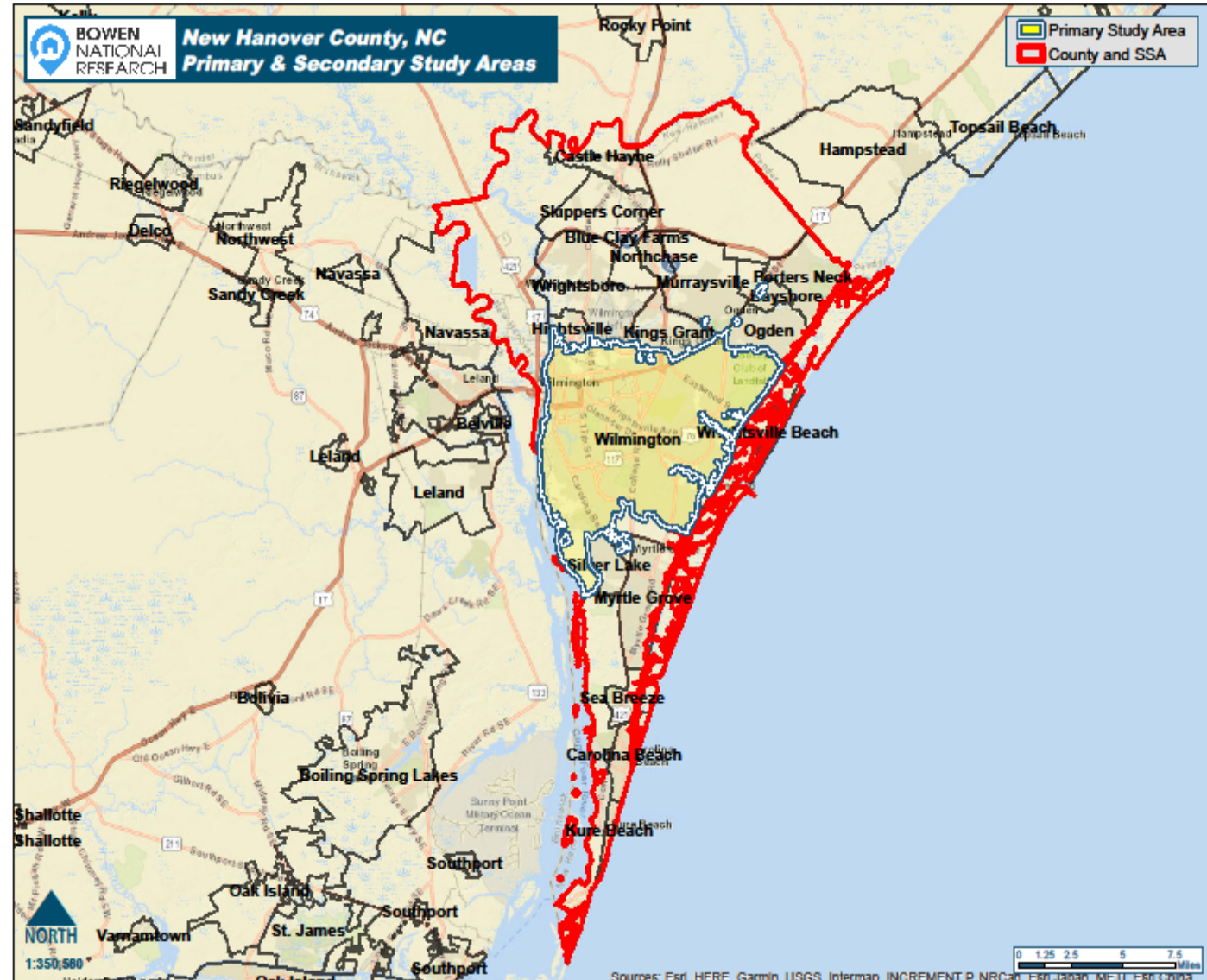


Regional Analysis




Geographic Study Areas

- County Study Area (CSA): New Hanover County, NC
- Primary Study Area (PSA): Wilmington, NC
- Secondary Study Area (SSA): Balance of County



Housing Needs Estimates (2020 to 2030)				
Approximate Affordability Level				Housing Gaps (Units)
Type	Percent AMI	Annual Income	Rent/Price Range	
Rentals	≤ 30%	≤ \$23,500	≤ \$575	2,787
	31%-50%	\$23,501-\$39,000	\$576-\$975	1,968
	51%-60%	\$39,001-\$47,000	\$976-\$1,174	1,231
	61%-80%	\$47,001-\$63,000	\$1,175-\$1,575	1,431
	81%-120%	\$63,001-\$94,000	\$1,576-\$2,349	1,796
	121%+	\$94,001+	\$2,350+	1,563
For-Sale	≤ 30%	≤ \$23,500	≤ \$74,000	1,228
	31%-50%	\$23,501-\$39,000	\$74,001-\$123,000	862
	51%-60%	\$39,001-\$47,000	\$123,001-\$148,000	1,165
	61%-80%	\$47,001-\$63,000	\$148,001-\$199,000	1,471
	81%-120%	\$63,001-\$94,000	\$199,001-\$296,000	3,659
	121%+	\$94,001+	\$296,001+	4,632



How do we
do it?

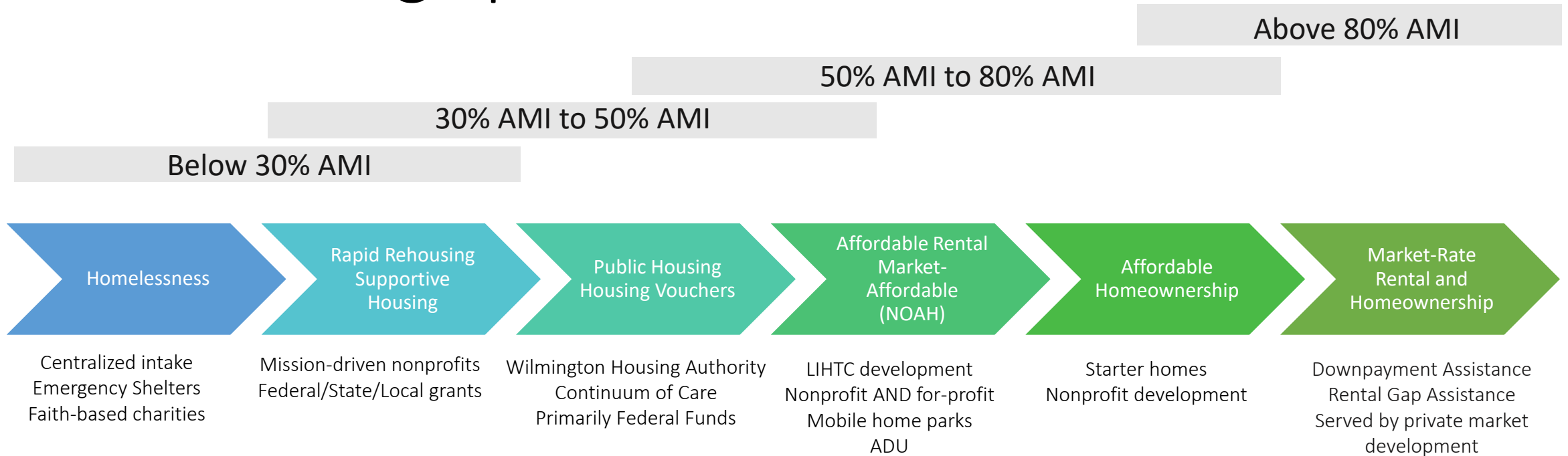
Make Affordable *Housing*

- Zoning Reforms (ADUs, density)
- Public Housing
- Subsidy, Incentives, Tax Credits
- Nonprofit Development (Property Conveyance)

Make Housing *Affordable*

- Renter Assistance
- Homebuyer Incentives (Downpayment Assistance)
- Rehabilitation Programs/Weatherization
- Living Wages

The Housing Spectrum



WORKFORCE HOUSING ADVISORY COMMITTEE STRATEGIC PLAN

BALANCE HOUSING COSTS WITH WAGES

STRATEGIC OBJECTIVES

Make Affordable Housing

Make Housing Affordable

DESIRED OUTCOMES

Land Use Policy Reform and Investments to Reduce Barriers

Programs and Policies fill the gaps to housing affordability and increase self-sufficiency

MEASURES

Number of new affordable units developed with incentives

Number of households served by program, tenure, and income

INCREASE DIVERSITY OF HOUSING

STRATEGIC OBJECTIVES

Preserve Affordability & Quality of Existing Housing

Adaptive Reuse & Redevelopment

Build New Housing

DESIRED OUTCOMES

Existing affordable housing is maintained and supports diverse housing needs

Diverse housing types are included in existing communities

New housing includes a diversity of type and cost

MEASURES

Number of housing units improved or rehabilitated

Number of workforce* housing units built in existing communities

Total new housing units built by type and cost

GOOD GOVERNANCE

Develop and nurture inclusive partnerships to deliver strategic objectives

Plan for long-term housing needs of the community

Communicate what the committee does and why

Foster an agile culture that embraces diversity and drives innovative solutions

*For the purposes of the committee, Workforce Housing is defined as housing that is affordable to households earning up to 120 percent of Area Median Income (AMI). This includes, but is not limited to, police officers, firefighters, teachers, health care workers, retail clerks, senior citizens, and other sources of incomes.

New Hanover County Housing Program Framework



Planning Component

- Coordination w/Housing Committee & stakeholders
- Public Education
- Data/Studies
- Ordinance Amendments for Affordability Incentives
- Housing Components of Community Plans

Programmatic Component

- GapRAPP
- Workforce Housing Services Program
- *Rental Housing Acquisition & Preservation Loan Program*
- *Rehabilitation Loan Program (Future Year)*
- *Public/Private Partnerships*
- *Leveraging of Other Programs*

Housing Program



Primary Duties/ Responsibilities

- Developing & Implementing Housing Programs
- Identification of Additional Funding & Leveraging Opportunities
- Program Evaluation
- Monitoring & Compliance

Current & Upcoming Projects

- Second Housing Services Program RFP Cycle
- 2nd Year of Gap Workforce Rental Assistance Program



Workforce Housing Services Program

- Covenant Senior Housing - 68 Units
- Estrella Landing - 84 Units





Unified Development Ordinance

Based on recommendations by Workforce Housing Advisory Committee, the county's Unified Development Ordinance received several housing related updates in the past year.

- Update and modernize the definition of a “Family”
- Increase the maximum residents of Group Homes to eight persons (originally six)
- Additional height allowances in residential and mixed use developments to support accessible housing
- Accessory Dwelling Units are now allowed by right in almost all residential zoning districts, creating a wider range of housing options within the community, enabling seniors to stay near family as they age, and facilitate better use of the existing housing fabric in established neighborhoods.

City of Wilmington Housing Loan Programs



- LOANS to DEVELOPERS
- LOANS to HOMEBUYERS and HOMEOWNERS
- INCENTIVES IN LAND DEVELOPMENT CODE

Rolling Application Gap Financing

Single Family, Multi-Family, Homeowner, Rental, Supportive Housing

The City of Wilmington identifies the need for workforce/affordable housing as a priority in the City's [Strategic Plan](#). Increasing affordable housing options is a goal in the [City's Five Year Consolidated Plan](#). Furthermore, [Create Wilmington Comprehensive Plan](#), recognizes that Wilmington residents want a diverse and inclusive community, with high-quality housing that is available to everyone.

Limited funds may be available for the development of housing that is affordable to households earning 80% or below the Area Median Income. Funds may be used to help finance the development of new construction or rehabilitation for single -family housing for home-ownership, multi-family rental housing, Permanent Supportive Housing, etc.



THE CITY OF WILMINGTON COMMUNITY DEVELOPMENT AND HOUSING OFFERS THE FOLLOWING PROGRAMS FOR YOUR HOUSING NEEDS:

Home Ownership Pool (HOP)

Mortgage loans for low to moderate income families offering 100% financing:
Down payment assistance may be available

HOP 2gether

Assists low-income borrowers who are 60% or below of Area Median Income qualify for a mortgage through education, down payment assistance and housing counseling

Housing Counseling

Provides counseling, education and information to consumers seeking to finance, maintain, rent or own a home

Owner Occupied Housing Rehabilitation Loan

Offers affordable loan options to low to moderate income homeowners in need of housing repairs

Rental Rehabilitation Incentive Loan

Loans for small developers/landlords for up to \$200,000 for the purchase or rehabilitation of rental housing

For more information:

Call 910.341.7836 or visit www.wilmingtonnc.gov/housing

The City of Wilmington does not discriminate on the basis of race, sex, color, age, national origin, religion or disability in its employment opportunities, programs, services or activities. Programs are subject to change without notice. Other restrictions may apply. Equal housing lender.



Stats:

Since 2000 City's Investment in Affordable Housing:

- 1241 Affordable Housing Units*
 - 400 Homebuyers Assisted
 - 294 Homeowners Assisted
 - 547 Rental Units Assisted
- \$43m City GF, CDBG, HOME invested

* Units that have been completed or loans closed

- HOP mortgage product in partnership with First Citizens Bank, Corning Credit Union, Truist Bank, South State Bank, North State Bank
- City provides up to 50% of mortgage at 0%
- City provides up to \$25,000 Down Payment Assistance
- Borrowers up to 130% AMI
- 620 credit score
- Require Homebuyer Education
- Purchase price up to 95% of median sales price

Home Ownership Pool (HOP)

The City of Wilmington, in conjunction with partner banks, offers the Home Ownership Pool to make mortgage financing available for low to moderate income families through a joint effort of public and private funding.



Program Benefits:

- + 100% Financing (No PMI)
- + 0% interest rate on a portion of the loan
- + Up to \$25,000 in down payment assistance on a single family home (up to \$35,000 for a town home)

Program Requirements:

- + Borrower MUST have minimum 620 credit score
- + Property MUST be within the city limits
- + Mandatory Home Buyer Education
- + Borrowers must be below 130% Annual Median Income

Wilmington, NC HUD Metro FMR Area 2022 Adjusted HOME Income Limits					
	1 Person	2 Person	3 Person	4 Person	5 Person
80%	\$ 47,750	\$ 54,550	\$ 61,350	\$ 68,150	\$ 73,650
100%	\$ 59,700	\$ 68,200	\$ 76,700	\$ 85,200	\$ 92,100
130%	\$ 77,610	\$ 88,660	\$ 99,710	\$ 110,760	\$ 119,730



For more information:

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or visit
www.wilmingtonnc.gov/housing



Housing Rehabilitation Options for Homeowners

Is your home in need of repairs?

Have you owned and lived in the home for at least 1 year?

We may be able to help!

The City of Wilmington offers programs for homeowners living within the city limits to make repairs to their homes. The program objective is to preserve affordable housing stock by providing an affordable loan for housing repairs to low to moderate income homeowners.

Minor Housing Repair Forgivable Loan

- Max. Loan Amount: \$10,000
- No payment is required
- Available to homeowners who do not exceed 50% of Area Median Income (AMI)

Major Housing Rehabilitation Forgivable Loan:

- Max Loan Amount: \$90,000
- 0% interest rate
- No minimum credit score requirement
- Available to homeowners who do not exceed 50% of Area Median Income

Fully Amortized Housing Rehabilitation Loan

- Max Loan Amount for existing construction: \$100,000
- Max. Loan Amount for demolition and reconstruction: \$150,000
- Fixed 2% interest rate
- 20-30 year loan term
- 620 minimum credit score

Wilmington, NC HUD Metro FMR Area 2022 Adjusted HOME Income Limits

	1 Person	2 Person	3 Person	4 Person	5 Person
100%	\$59,700	\$68,200	\$76,700	\$85,200	\$92,100
80%	\$47,750	\$54,550	\$61,350	\$68,150	\$73,650
50%	\$29,850	\$34,100	\$38,350	\$42,600	\$46,050

FOR MORE INFORMATION:
CALL 910.341.7836

WWW.WILMINGTONNC.GOV/HOUSING

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- Preserve and Maintain Existing Housing
- Loans to Homeowners
- Income \leq 50% AMI Forgivable Loan
- 51%-80% AMI 2% Amortized Loan
- Maximum Loan \$100,000
- Collaborate with Code Enforcement



Rental Rehabilitation Loan

The City of Wilmington Community Development and Housing offers loans targeted to small developers, investors, non-profits and others interested in providing small scale rental projects.



Purpose:

- To provide funding for small scale and scattered site projects;
- To bring badly deteriorated or dilapidated housing units back into the rental housing stock;
- To provide permanent supportive housing for special populations as defined by HUD, therefore priority is given to applications providing such



Benefits:

- Maximum loan amount = \$200,000 or 90% of appraised value, not to exceed \$200,000
- 0% interest rate amortized over a period not to exceed 360 months
- Required to rent to low to moderate (80% AMI or below) households using HOME rent limits
- Can be used for purchase and/or rehabilitation of vacant units

Wilmington, NC HUD Metro FMR Area 2022 HOME Income Limits					
	1 Person	2 Person	3 Person	4 Person	5 Person
100%	\$59,700	\$68,200	\$76,700	\$85,200	\$92,100
80%	\$47,750	\$54,550	\$61,350	\$68,150	\$73,650

Wilmington, NC HUD Metro FMR Area 2022 HOME Rent Limits							
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	\$746	\$799	\$958	\$1108	\$1236	\$1363	\$1491
High HOME Rent Limit	\$814	\$988	\$1164	\$1407	\$1550	\$1691	\$1833

For more information: Please contact the Community Development & Housing team at 910.341.7836 or visit www.wilmingtonnc.gov/housing

- Preserve Naturally Occurring Affordable Rental Housing
- Loans up to \$200,000
- 0% interest amortized up to 30 years
- 20-year affordability period
- Rent limits
- Tenants at or below 80% AMI

LDC Provisions: Density Bonuses



	MD-10	MD-17	CDMU*
Maximum Density	10 units/acre	17 units/acre	17 du/acre
Workforce Housing Bonus	26 units/acre	19 units/acre	Unlimited
Max Density with Bonus	36 units/acre	36 units/acre	Unlimited
Bonus Requirements	10% of units designated as workforce housing for at least 15 years		

*Commercial District Mixed Use (CDMU) is a use type permitted with conditions in the Community Business (CB), Regional Business (RB) and Office and Institutional (O&I) districts.

LDC Provisions: Conditional District Process



- **November 2022 Amendments:**
 - Authorized submission of a master plan instead of a detailed site plan for conditional district applications in which 50% of proposed units are designated as workforce housing
 - Authorized submission of a development narrative instead of a detailed site plan for conditional district applications in which 100% of proposed units are designated as workforce housing

Questions?

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New Hanover County
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Links

[Housing Needs Assessment](#)

[Affordable & Workforce Housing – A Public Opinion Study
for New Hanover County & the City of Wilmington](#)

2022 HUD Income Limits for Wilmington, NC HUD Metro Area (Effective April 18, 2022)

AMI	Household Size				
	1	2	3	4	5
60% AMI	\$35,820	\$40,920	\$46,020	\$51,120	\$55,260
100% AMI	\$59,700	\$68,200	\$76,700	\$85,200	\$92,100
120% AMI	\$71,640	\$81,840	\$92,040	\$102,240	\$110,520
Note: Median income for a family of four is \$90,600					

FY 2022 Wilmington, NC HUD Metro FMR Area FRMs for All Bedroom Sizes

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2022	\$814	\$988	\$1,164	\$1,545	\$1,992