

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee
December 13, 2016
Meeting Notes

Present: Linda Smith, Robert Rosenberg, Steve Spain, Dave Spetrino, Jody Wainio, Tilghman Herring, Katrina Redmon, Katrina Knight, Paul D'Angelo, Phil Humphrey

Staff –Suzanne Rogers, City of Wilmington; Julia Moeller, NCH; Rebekah Roth, NHC

Absent: Will Bland, Elizabeth Dodson, Gloria Green

Resigned: David Barnes, Carlos Braxton

Jody Waino, Chair, called the meeting to order and welcomed all.

In preparation for the meeting exercise and discussion, Jody reviewed the City and NHC Resolution that established the ad hoc committee, including the purpose and direction to the committee.

Suzanne reviewed the issues and items the committee has explored thus far. See attached PowerPoint.

Following the introductory review of purpose and progress the committee members each wrote down what they would recommend to City Council and County Commissioners from the tools and topics explored or other thoughts. Include a brief description. One recommendation per sheet of paper.

Attached please find the recommendations as posted to a grid and the grouping by category. The group will continue to refine these items to present to NHC Commission and Wilmington City Council.

The committee agreed to meet again over the next two months – January and February. A doodle poll will be used to identify dates for future meetings.

Meeting 1:

Permanent AH Advisory Committee

- Develop a permanent advisory committee that makes recommendations to gov on changes or new programs to AH. Develops guidelines for use of trust fund money. Continues to educate community on state of region and need.
- C Council appointed AH Advisory Committee to serve as ongoing part of AH Coalition for term – reporting back to commission & council
- Put into Place an ongoing Advisory Committee on AH
- Focus on getting political buy-in (from council & commission) on broad strokes & leaving as much of the specifics to staff & any advisory committee (insulates politicians from blowback, avoids too many cooks, establishes the value of AH, while leaving mechanics flexible)
- Make CFHC the official affordable housing advisory committee

Research/Housing Needs Assessment

- Provide accurate # to determine the need to programs. May require a consultant to prepare or may have #s but need staff support to put them in a format easy to read & understand. This serves as ammunition to local officials and the NIMBY citizen.
- Utilize a professional consulting firm w/ experience in identifying what our needs are within the community (and then share that info w/ everyone)
- Housing Needs Assessment as a starting point

Meeting 2:

By-Right Zoning (Accessory Structures, SF&MF Mixed, AH as Default)

- Allow "by-right" building of garage apartments on single family lots
- Encourage & support sensible height limits & density without subjecting a project to public scrutiny/NIMBYism
- Make AH "by-right"
- Allow secondary structures on single-family lots by-right (X2)
- Restructure zoning regulations
- Affordable housing must be the default condition (not a bonus) in planning and zoning. Ex: R-5 allows lots 3K sq ft and up for "affordable" housing definition, but 5K and up doesn't qualify. Housing providers need to see City/County commitment to afford. Housing as default, by-right
- By-Right Zoning
- Allow a mix of single-family and multifamily housing in more places
- Mitigate authority of a single council member to deny affordable housing projects

Incentives for Developers

- Incentives – Layer the affordability: the lower the wage, the higher the incentive
- Land use incentive grant (similar to Asheville)
- Incentives/bonuses/goals re: AH
- Increased incentive for developers who include % of affordable units (i.e. density bonuses, reduction in permit fees, waive impact fees)
- Jurisdiction-wide incentives (i.e. less parking, lower fees, streamline process, bonuses)
- Multifamily tax-exempt program (property taxes)
- % of affordable exempt from property tax perhaps tiered by AMI
- True density bonuses that developers will use
- Some incentive if (multifamily) developer will accept some HCV (section 8)
- Credit Enhancement Programs could be used to assist developers with financing
- Incentives for lots/land w/vacant buildings (i.e. offer demo and provide clean site)
- Backstop private land-lords where a concern over a low security deposit or last month's rent being underfunded is "insured" up to \$5k or \$10 k if tenant flakes out.
- City should waive fee payment or spread required payments over time (*is this City or CFPUA? ser*)
- Employ 4% Credits w/bond issuing capacity of Housing Authority; construction or Long-Term

Infill & Redevelopment

- Encourage infill re-development through staff rezone based on their long-range plans of vacant & underused sites (vs applicant, owner request)
- Allow housing in light industrial zoning areas

Inclusionary Zoning Requirement

- 5% Inclusionary Zoning (X3)
- Payment-in-lieu of inclusionary %
- True density bonuses that developers will use

Meeting 3:

Public Awareness (De-stigmatizing, benefits of AH)

- Larger community survey on AH to find out where the support is
- Educate public. Put a face on AH
- Keep the issue in front of public; hold elected officials accountable; reflects importance to City/County; overlap with/work closely with CFHC
- Public awareness campaign. Need this before asking citizens to approve a mechanism for implementing trust fund. Use # from study to support the need.
- New public awareness campaign on financial literacy (i.e. public become better tenants & homeowners)
- Simple campaign to de-stigmatize AH. We all need housing that is affordable to use.
- Allow community input into what AH looks like. Alternative to federal prescriptive solutions to AH
- Identify those who occupy AH (give a face to the user)
- Advertise how to be a homeowner or "Hero Points" to encourage & guide individuals what to work toward
- Public awareness (\$\$ to CFHC for community presentations)
- Public awareness campaign on paying a "living wage" for Wilmington
- Highlight benefits of affordable housing for the wider community (traffic, good for businesses, mutual benefits)
- Initiate a public campaign to screen neighbor resistance to AH
- Do a better job of education our community on existing programs (like HOP). Don't reinvent the wheel.

Financial Literacy & Homebuyer Education

- Mandatory financial literacy class & homeowner education to participate in HO financing
- Advertise how to be a homeowner or "Hero Points" to encourage & guide individuals what to work toward
- Permanent financial literacy class @ CFCC – required for all incoming freshmen
- Homeownership education program that is in depth & supportive & well-advertised
- First-time homebuyer education & qualification: credit-counseling, resources, "neutral" guidance & support

Political Buy-In & Accountability

- Keep the issue in front of public; hold elected officials accountable; reflects importance to City/County; overlap with/work closely with CFHC
- Set goals to meet the deficit & sustain future needs based on growth. Goals need to be realistic. Use goals as mechanism to hold politicians' feet to the fire
- Multifamily tax-exempt program (property taxes)
- % of affordable exempt from property tax perhaps tiered by AMI
- Implement intentional regular education effort for elected officials (local: needs, best practices, opportunities; state: importance of healthy funding of NCHFA and state HTF)
- Provide evidence to our elected officials that AH is supported in all neighborhoods

Meeting 4:

Housing Trust Funds – Penny for Housing, AH Bond

- Housing Trust Fund (bond initiative)
- Improve Local & State funding sources (i.e. penny for housing or Housing Trust Fund)
- Provide City & County funds to assist in the building of affordable housing
- Trust Fund (must have support of community, an independent “board” to approve use – not city council or c commission, not sure best way to fund – that should be part of implementation team)
- Housing Trust Fund funded through penny for housing or similar (grants and loans, broader range of funding activities rather than construction only)
- Affordable Housing Bond. No matter what solutions we recommend all will need funding. Engages whole community in discussion. Provides “cover” for politicians, “the voters have spoken.” As long as there is \$ to spend on an issue it remains in the public eye.
- CIP: Can go hand-in-hand with trust fund; Invests \$\$ in community & creates jobs while in the works
- Affordable/Workforce Housing bond to support teachers, police, fire & similar municipal employees

Partnerships/CFPUA

- Develop program w/CFPUA on fees to help developers increase # of units/decrease costs associated with building projects. Helps to bring them along as a partner in the community & become part of the solution.
- Get CFPUA on board by **waiving fees** for non-profit or affordable developments
- CFPUA should only charge an impact fee where an impact is actually occurring. Tapping into existing lines vs placement of new have different values.

Capital Improvement Project (CIP)

- CIP money if necessary to support a tax credit development
- CIP: Can go hand-in-hand with trust fund; Invests \$\$ in community & creates jobs while in the works

Partnerships w/Banks

- Public/private partnerships between banks, builders, & local nonprofits developers need improvement
- Consortium of banks or other institutions with lower cost loans & lower risk per financial institution
- Involve local/regional banks (i.e. loan programs for affordable housing construction – perm)

Color Key:

Yellow- in more than one category

Green – Requires action by NC Legislation or US HUD, i.e. no local authority

Blue-- Rebate Fees instead of waive or abate

Affordable Housing Ad Hoc Committee Meeting 12/13/16

High Impact/Low Effort	High Impact/Moderate Effort	High Impact/High Effort
<ul style="list-style-type: none"> • CIP money if necessary to support a tax credit development • Larger community survey on AH to find out where the support is • Provide accurate # to determine the need to programs. May require a consultant to prepare or may have #s but need staff support to put them in a format easy to read & understand. This serves as ammunition to local officials and the NIMBY citizen. • Develop a permanent advisory committee that makes recommendations to gov on changes or new programs to AH. Develops guidelines for use of trust fund money. Continues to educate community on state of region and need. • Utilize a professional consulting firm w/ experience in identifying what our needs are within the community (and then share that info w/ everyone) • Mandatory financial literacy class & homeowner education to participate in HO financing • Educate public. Put a face on AH • C Council appointed AH Advisory Committee to serve as ongoing part of AH Coalition for term – reporting back to commission & council • Put into Place an ongoing Advisory Committee on AH • Keep the issue in front of public; hold elected officials accountable; reflects importance to City/County; overlap with/work closely with CFHC 	<ul style="list-style-type: none"> • Incentives – Layer the affordability: the lower the wage, the higher the incentive • Better economic team for our region to attract higher paying jobs • Housing Trust Fund (bond initiative) • Land use incentive grant (similar to Ashville) • County designated as an Entitlement community for more CDBG/HOME • Public/private partnerships between banks, builders, & local nonprofits developers need improvement • Focus on getting political buy-in (from council & commission) on broad strokes & leaving as much of the specifics to staff & any advisory committee (insulates politicians from blowback, avoids too many cooks, establishes the value of AH, while leaving mechanics flexible) • Consortium of banks or other institutions with lower cost loans & lower risk per financial institution • Encourage infill re-development through staff rezone based on their long-range plans of vacant & underused sites (vs applicant, owner request) • Set goals to meet the deficit & sustain future needs based on growth. Goals need to be realistic. Use goals as mechanism to hold politicians’ feet to the fire • Develop program w/CFPUA on fees to help developers increase # of units/decrease costs associated with building projects. Helps to bring them 	<ul style="list-style-type: none"> • 5% Inclusionary Zoning (X3) • Large employers help fund their workforce housing • Involve local/regional banks (i.e. loan programs for affordable housing construction – perm) • Allow secondary structures on single-family lots by-right (X2) • Increased incentive for developers who include % of affordable units (i.e. density bonuses, reduction in permit fees, waive impact fees) • Payment-in-lieu of inclusionary % • Jurisdiction-wide incentives (i.e. less parking, lower fees, streamline process, bonuses) • Improve Local & State funding sources (i.e. penny for housing or Housing Trust Fund) • Provide City&County funds to assist in the building of affordable housing • Trust Fund (must have support of community, an independent “board” to approve use – not city council or c commission, not sure best way to fund – that should be part of implementation team • Restructure zoning regulations • Housing Trust Fund funded through penny for housing or similar (grants and loans, broader range of funding activities rather than construction only) • New public awareness campaign on financial literacy (i.e. public become better tenants & homeowners) • Multifamily tax-exempt program (property taxes) • % of affordable exempt from property tax perhaps tiered by AMI • Affordable housing must be the default condition (not a bonus) in planning and zoning. Ex: R-5 allows lots 3K sq ft and up for “affordable” housing definition, but 5K and up doesn’t qualify. Housing providers need to see City/County commitment to afford. Housing as default, by-right • Affordable Housing Bond. No matter what solutions we recommend all will need funding. Engages whole community in discussion. Provides “cover” for politicians,

<ul style="list-style-type: none"> • Copy what other communities are doing well & implement the same 	<p>along as a partner in the community & become part of the solution.</p> <ul style="list-style-type: none"> • Public awareness campaign. Need this before asking citizens to approve a mechanism for implementing trust fund. Use # from study to support the need. • Allow "by-right" building of garage apartments on single family lots • Encourage & support sensible height limits & density without subjecting a project to public scrutiny/NIMBYism • Incentives/bonuses/goals re: AH • Make AH "by-right" • Maximize use of capefearhousing.org AH database • 	<p>"the voters have spoken." As long as there is \$ to spend on an issue it remains in the public eye.</p>
<p>Moderate Impact/Low Effort</p> <ul style="list-style-type: none"> • Support zoning for tiny homes • Simple campaign to de-stigmatize AH. We all need housing that is affordable to use. • Allow community input into what AH looks like. Alternative to federal prescriptive solutions to AH • Identify those who occupy AH (give a face to the user) • Advertise how to be a homeowner or "Hero Points" to encourage & guide individuals what to work toward 	<p>Moderate Impact/Moderate Effort</p> <ul style="list-style-type: none"> • Public awareness (\$\$ to CFHC for community presentations) • Housing Needs Assessment as a starting point • True density bonuses that developers will use • Permanent financial literacy class @ CFCC – required for all incoming freshmen • Make CFHC the official affordable housing advisory committee • Some incentive if (multifamily) developer will accept some HCU (section F) • Public awareness campaign on paying a "living wage" for Wilmington • Credit Enhancement Programs could be used to assist developers with financing • Implement intentional regular education effort for elected officials (local: needs, best practices, opportunities; state: importance of 	<p>Moderate Impact/High Effort</p> <ul style="list-style-type: none"> • By-Right Zoning • Get CFPUA on board by waiving fees for non-profit or affordable developments • Allow housing in light industrial zoning areas • City should waive fee payment or spread required payments over time • Allow a mix of single-family and multifamily housing in more places • Mitigate authority of a single council member to deny affordable housing projects • CIP: Can go hand-in-hand with trust fund; Invests \$\$ in community & creates jobs while in the works • Employ 4% Credits w/bond issuing capacity of Housing Authority; construction or L-T • Affordable/Workforce Housing bond to support teachers, police, fire & similar municipal employees • Small hotel tax and tax short-term rentals

	<p>healthy funding of NCHFA and state HTF)</p> <ul style="list-style-type: none"> • Highlight benefits of affordable housing for the wider community (traffic, good for businesses, mutual benefits) • Incentives for lots/land w/vacant buildings (i.e. offer demo and provide clean site) • Encourage Condo building for AH • Homeownership education program that is in depth & supportive & well-advertised • Mechanism for insuring AH units go to those who need them, not college students • If public funds, gov. "right of first refusal" at sale of AH developments • Provide evidence to our elected officials that AH is supported in all neighborhoods • Initiate a public campaign to screen neighbor resistance to AH • Backstop private land-lords where a concern over a low security deposit or last month's rent being underfunded is "insured" up to \$5k or \$10 k if tenant flakes out. • First-time homebuyer education & qualification: credit-counseling, resources, "neutral" guidance & support • Do a better job of education our community on existing programs (like HOP). Don't reinvent the wheel. 	
<p>Low Impact/Low Effort</p>	<p>Low Impact/Moderate Effort</p>	<p>Low Impact/High Effort</p> <ul style="list-style-type: none"> • CFPUA should only charge an impact fee where an impact is actually occurring. Tapping into existing lines vs placement of new have different values.

Reoccurring Themes Identified by Committee:

1. Housing Needs Assessment (Supply and Demand)
 - a. Tie in with zoning rewrites
 - b. Do we need to lead with this or can we use what we have now?
 - c. More information needed on the supply side
2. Education
 - a. What does a family need to earn to live here?
 - b. Need to communicate in 2016 \$ wage
3. Permanent Advisory Committee
 - a. Possible partnership with CF Housing Coalition
 - b. Continuous communication
4. Housing Trust Fund
 - a. How should this work and for who?
 - b. Loan vs grant production vs presentations

Tallies

Public Education (De-stigmatizing, Benefits of AH)	10
By-Right Zoning (Accessory Structures, SF+MF Mixed, AH as Default)	9
Incentives for Developers	8
HTF/Penny for Housing/Affordable Housing Bond	8
Financial Literacy & Homeowner Education	6
Political Buy-In & Accountability	6
Permanent Advisory Committee	5
Research/Housing Needs Assessment	4
Partnership w/CFPUA	3
CIP	2
Partnerships w/Banks	2
Infill & Redevelopment	2
Inclusionary Zoning Requirement	2
"Give a Face" to AH	2

Joint Committee on Affordable/Workforce Housing

Overview

Purpose



The Wilmington City Council and the New Hanover County Commissioners appointed a joint Ad-hoc committee 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.

- The committee is expected to recommend specific immediate, short and long term strategies, along with the identification of the key stakeholders whose involvement will be critical to achieving success; and
- This work may include examining results of recent planning efforts for ideas, researching best practices across the State or Nation, seeking consensus on recommendations and creating and recommending a plan; and
- This work is not intended to replace the efforts of ongoing affordable housing efforts presently undertaken but augment them; and
- The CC and NHC Commission will jointly appoint a taskforce to complete this work over the next 6 mons concluding with a report or recommendations

Tools and Topics Discussed:

Funding Sources for Affordable Housing:

- Housing Trust Fund
 - General Obligation Bond
 - General Fund Appropriation
 - Penny for Housing
- Capital Improvement Program (CIP)
- Federal HOME & CDBG

Incentives for Housing Production:

- Land Use Incentive Grant (Synthetic TIF)
- Fee Rebates (Permit and Application Fees)
- City-Owned Property

Tools and Topics Discussed:

Land Use Policy Actions Support Affordable Housing:

- Density Bonus
- Accessory Dwelling Units
- Zoning and Special/Conditional Use Permit fees

Public/Private Partnership Opportunities:

- 9% LIHTC
- 4% LIHTC
- Construction Financing @ 0%
- Gap Financing w/public funds

Education & Awareness:

- Financial Literacy Education
- Public Awareness Campaign

Tools and Topics Discussed:

Infrastructure Policy Actions Support Affordable Housing:

- Waive or delay impact fees (CFPUA) (or finance)
- Master Meter vs. Individual meters

Sustainability:

- Land Trust Model
- Deed Restrictions & Affordability Periods
- Income Eligibility Requirements

Administration & Underwriting:

- Commission/City Council Appointed Affordable Housing Advisory Committee
- Staff Underwrite Recommend → Advisory Committee → Elected Body

City of Wilmington Comprehensive Plan

Diversity of Housing Options:

- Mixed-income neighborhoods
- Dispersal of affordable & workforce housing
- Quality design & appearance all housing
- Zoning Policies provide opportunity & incentives for developers to build variety of housing
- Preservation of existing housing
- “Location-efficient housing” should be promoted

City of Wilmington Comprehensive Plan

Affordability:

- Increase range of housing assistance programs
- Work in partnership w/non-profit housing providers
- Scattered-site rental housing on infill lots
- Accessory Dwelling Units should be allowed
- Acquisition/assembly vacant & substandard residential lots in CIP for affordable housing
- Locate affordable housing w/access to transit
- Expand all transportation options to serve housing in all areas
- Energy efficiency standards for publicly supported housing

City of Wilmington Comprehensive Plan

Affirmative Furthering Fair Housing:

- Support agencies address root cause homelessness
- Support self-sufficiency programs help low-income persons
- Support public, private linkages & coordination to provide housing and related services
- Provide appropriate emergency shelter and services to homeless
- Collaborate with NHC and others on Fair Housing outreach, education, compliance
- Universal design and lifecycle housing to enable aging in place
- Support housing rehabilitation programs
- Encourage development of accessible housing

Plan NHC Goal

Provide a range of housing types, opportunities, and choices.

- Incentives to reduce development costs
- Affordable Housing Task Force
- Work one on one with developers experience in providing Affordable Housing

Definitions – Affordable

- Affordable Housing = HH spend no more than 30% gross income on housing costs including utilities, insurance
- Affordable Housing + Transportation = HH spend no more than 45% gross income on housing + transportation costs including car, maintenance, fuel
- Workforce housing is generally described as the housing that is affordable to households earning less than 120% of area median income

Local / Average Wages

\$738 average weekly wage = \$38,376 annually
(Garner Report)

\$14.91 median hourly wage = \$31,013 annually
(BLS)

\$19.44 average hourly wage = \$40,435 annually
(BLS)

Local / Average Wages

Nearly 60% of area workers are lower income Service Workers

Nursing Assistants – \$23,320

Police Officers - \$30,460

Cooks - \$23,980

Teller - \$29,470

Childcare Worker - \$19,310

Hair Dresser - \$22,520

Retail Salesperson - \$24,700

Office Clerks - \$26,520

Middle School Teachers - \$ 40,290

Teachers Assistants - \$24,740



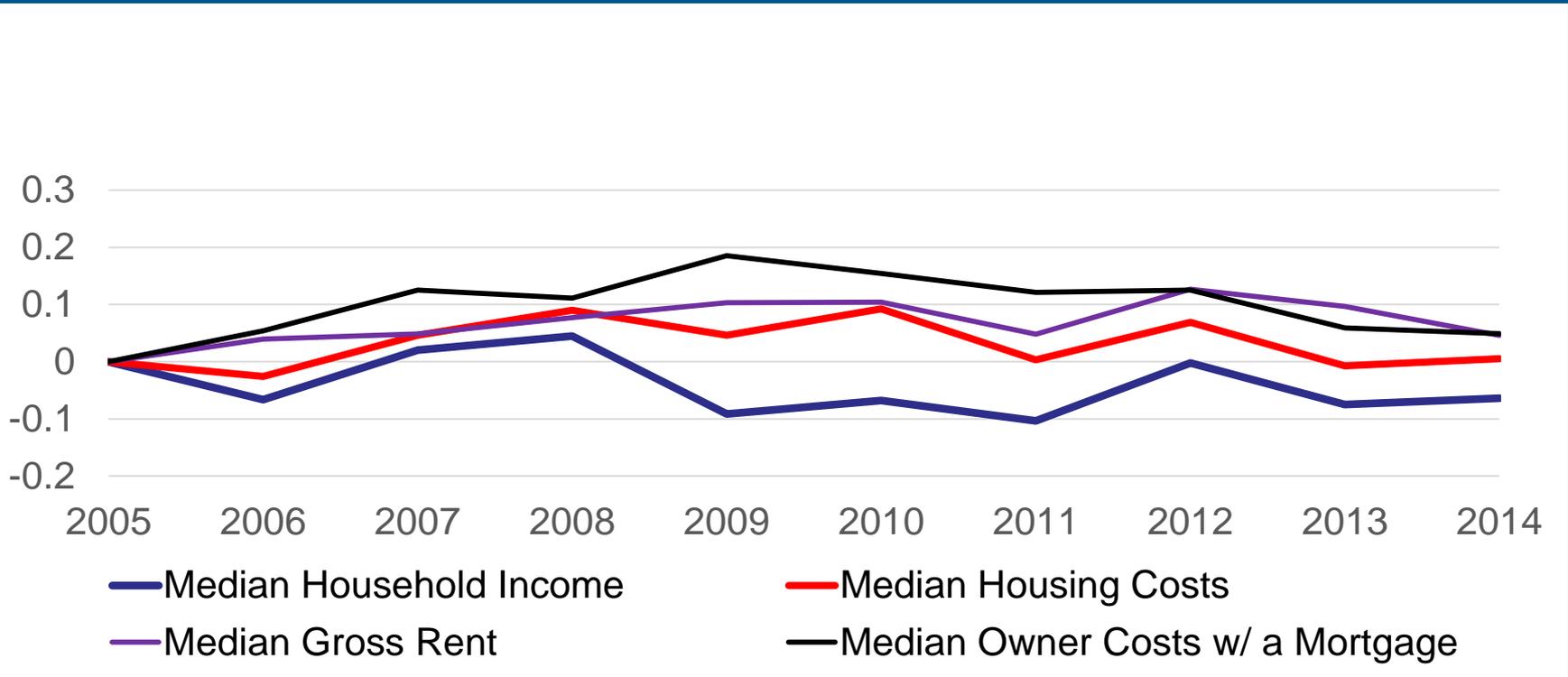
*US Bureau of Labor Statistics (BLS)

Housing Affordability: Selected Occupations

NHC Median gross rent, 2010-2014 \$902 US Census

Wilmington MSA May 2015 U.S. BLS data	Employment	Median Hourly Wage	Annual Median Earnings	Affordable Rent
Retail Salespersons(412031)	5,090	\$10.55	\$21,940	\$549
Combined Food Preparation and Serving Workers Including Fast Food(353021)	,620	\$8.56	\$17,800	\$445
Cashiers(412011)	3,280	\$8.75	\$18,210	\$456
Waiters and Waitresses(353031)	3,210	\$8.79	\$18,280	\$457
Office Clerks General(439061)	3,130	\$13.33	\$27,730	\$694
Registered Nurses(291141)	3,050	\$27.31	\$56,800	\$1,420
Customer Service Representatives(434051)	3,010	\$14.89	\$30,980	\$775
Laborers and Freight Stock and Material Movers Hand(537062)	1,920	\$11.10	\$23,080	\$577
Cooks Restaurant(352014)	1,890	\$9.94	\$20,670	\$517
Bookkeeping Accounting and Auditing Clerks(433031)	1,640	\$16.43	\$34,170	\$855

Housing Costs vs. Incomes in New Hanover



Housing Cost Burden in New Hanover Co.

- **Cost-burdened households pay more than 30% of their income for housing**
 - **32,000 cost-burdened households, 37% of households**
- **Severely cost-burdened households pay more than 50% of their income for housing**
 - **47% of cost-burdened households are severely cost burdened**

Not Enough Affordable Housing for Lower Income Households

Categories of Hardships	Wilmington	New Hanover County	North Carolina
Percentage of Households with income 0-80% HAMFI with housing cost burden	69%	68%	58%
Percentage of Households with income 0-80% HAMFI with severe housing cost burden	43%	41%	31%

Area Median Income

FY2015 %AMI	Family Size					
	1	2	3	4	5	6
≤ 30%	\$13,300	\$15,930	\$20,090	\$24,250	\$28,410	\$32,570
≤ 50%	\$22,100	\$25,250	\$28,400	\$31,550	\$34,100	\$36,600
≤ 80%	\$35,350	\$40,400	\$45,450	\$50,500	\$54,550	\$58,600
≥ 80 ≤ 120%	\$52,680	\$60,240	\$67,800	\$75,240	\$81,360	\$87,360

HUD AFFHT | egis.hud.gov/affht/#

Background | AFFHT Maps

Wilmington Int'l Airport

User Guide

Map Information

Wilmington (CDBG, HOME)
Name: Map 7 - Housing Burden and Race/Ethnicity
Description: Households experiencing one or more housing burdens in Jurisdiction and Region with R/ECAPs and race/ethnicity dot density
Jurisdiction: Wilmington (CDBG, HOME)
Region: Wilmington, NC

Map Layers

Legend TOC

Dot Value: 1 dot = 5

RECAP

Percent Households with Burden

- 0% - 26.07%
- 26.08% - 35.86%
- 35.87% - 46.38%
- 46.39% - 59.74%
- 59.75% - 100%

Tables | Toggle Region/Jurisdiction

Additional questions? [View the user guide here.](#)

egis.hud.gov/affht/#tab-pane-legend

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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