

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee
January 31, 2017
Meeting Notes

Present: Robert Rosenberg, Steve Spain, Dave Spetrino, Jody Wainio, Will Bland, Katrina Redmon, Katrina Knight, Gloria Green, : Elizabeth Dodson, Linda Smith, Paul D'Angleo, Phil Humphrey

Staff –Suzanne Rogers, City of Wilmington; Jennifer Rigby, New Hanover County (NHC)
Julia Moeller, NCH; Rebekah Roth, NHC

Absent: Tilghman Herring

Resigned: David Barnes, Carlos Braxton

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

Jody referred the group to the meeting notes distributed from the 12/13/16 meeting. She initiated discussion on two items from the past meeting 1) Public Awareness, and 2) Financial Literacy & Homebuyer Education.

Discussion Topic: Is a public awareness campaign for affordable/workforce housing needed? If so, what should the campaign address? Who will be responsible for this campaign?

The Committee recommends a public awareness, aka marketing, campaign to educate the general public on why housing that is affordable is important to the community.

The following points should be addressed in the marketing campaign:

- Change attitudes towards affordable housing;
- Change the language used to discuss the topic, instead of “affordable” or “workforce “ housing, use “housing that is affordable” to better communicate the point that it’s about affordability relative to income;
- Put a face on housing affordability; convey messages using stories about real people, reflect the community’s diversity;
- Messages should resonate with people from all walks of life, i.e. small business owner, corporate, government/public service, seniors, millennials, and others;
- Campaign needs to be real and inclusive;
- Demonstrate how housing that is affordable intersects with economic development, business recruitment, worker performance and stability, business growth, traffic congestion, health cost, academic achievement; it’s a quality of life matter for everyone;
- Educate the public on the importance of rental housing that is affordable to reducing ongoing dependence on subsidized housing and build self-sufficiency;
- Illuminate factors not always considered when thinking about housing location, such as the increased transportation cost, traffic congestion and time away from family;
- The campaign should use a variety of platforms to get the messages out including, but not limited to, billboards, print media, brochures, broadcast media, social media, and UNCW short film program

- Make the public aware of basic financial literacy facts, such as the importance of good credit, the negative financial impact of minimum payments and late payments; and how to access credit counseling and financial literacy resources from reputable providers in the community.

The marketing campaign should recruit the services of a public relations/marketing consultant. In addition, the permanent Housing Advisory Committee should enlist advocates to help get the message out and work with partners to provide financial support for the campaign. Below is a list of ideas for partners and advocates, this is not an exhaustive list.

Partners (Funding & Expertise):

- City of Wilmington
- New Hanover County
- CF REALTORS Association
- Community Foundation
- NHRMC
- UNCW
- Banks

Advocates (Hero Points):

- Police/Sheriff
- Ben David
- Chamber of Commerce
- CF REALTORS
- CF Housing Coalition

In addition to the aforementioned recommendations, the Ad hoc committee also recommends a statistically valid survey be conducted on housing affordability. This survey should build upon a previous survey commissioned by the Cape Fear Housing Coalition (CFHC) and conducted by UNCW Sociology Department Professors and Students. The City of Wilmington and New Hanover County should also include questions about housing affordability/availability in the biennial citizen surveys conducted by both organizations.

Discussion Topic: Is Financial Literacy and Homebuyer Education needed? If so, why? Who is currently do this? What needs to change or improve?

There are existing programs offered by non-profits (AMEZ, CF Habitat, and CFRCDC), banks and the City's HOP program. These programs are not widely utilized because many people don't know about them, or perhaps don't think they will benefit. Also, a shortage of staff resources limit the number of people being served.

Don't reinvent programs; help enhance and better coordinate existing programs to reach more people.

Homebuyer education attracts households with an interest in homeownership; however, financial literacy isn't necessarily tied to homeownership. Financial literacy will benefit many people - renters and youth in particular. Further, it should be recognized that better access to financial literacy is important in preventing deferred maintenance which results in blighted/deteriorated owner-occupied homes.

The Ad hoc committee recommends the Permanent Advisory Committee:

- Explore the interest among landlords to refer residents to an existing financial literacy program, in lieu of the late fee when the resident is late paying rent. In addition, approach CFPUA with this program idea. This program incentivizes households with late payments to seek assistance to better manage the household budget.

- Create and distribute, via print and webpage, a FAQ on financial literacy, to emphasize saving, budgeting and planning. This material should include links to local programs and other reputable resources, like the National Foundation for Credit Counseling and NeighborWorks.
- Approach employers, NHC Social Services, NHCS middle & high schools, CFCC and UNCW about offering financial literacy workshops.
- Include Financial Literacy as a component of the Marketing Campaign.

Homework:

In preparation for the marketing campaign the Ad hoc committee members will create talking points, known as “Hero Points”, to concisely communicate the importance of housing that is affordable. Committee members will provide up to three “Hero Points” answering the question - Why is housing that is affordable important to our community?

Joint Committee on Affordable/Workforce Housing

Recommendations:

Public Awareness

Financial & Homebuyer Education

Benefits of Affordable Housing

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

Benefits- Jobs

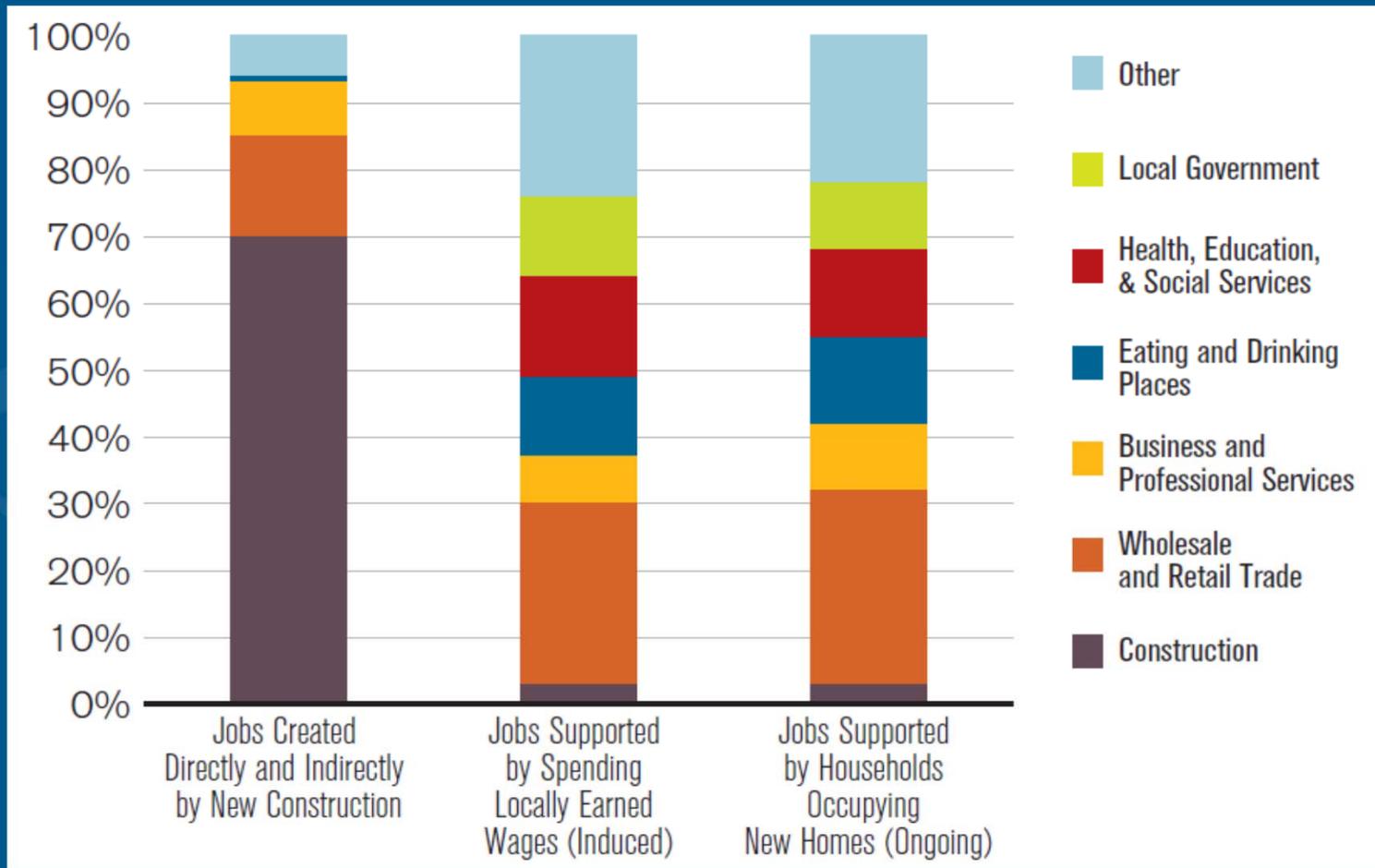
Number of Jobs Created During and After the Construction of a 100-Unit Low-Income Housing Tax Credit (LIHTC) Multi-Family Property

Source: National Association of Home Builders (2010, 2009) and Wardrip (2011)

	Family LIHTC	Senior LIHTC	Market-Rate Apartments
Jobs Created Directly and Indirectly by New Construction	80	75	80
Jobs Supported by Spending Locally Earned Wages (Induced)	42	39	42
Jobs Supported by Households Occupying New Homes (Ongoing)	30	32	32

Benefits - Jobs

Types of Jobs Created During and After the Construction of a 100-Unit Multi-Family Low-Income Housing Tax Credit (LIHTC) Property



Benefit - Foreclosures

Compared to prime and subprime loans for similar borrowers, low –to-moderate income homebuyers who participate in affordable homeownership programs have a much lower risk of delinquency and foreclosure (Wardrip, 2011)

A study of low-to-moderate income borrowers with similar profiles found that subprime and prime borrowers were three to five times more likely to default than those who received a mortgage through an affordable lending program (Ding et al 2010)

Benefit - Health

1 Costs to health care systems were lower after people moved into affordable housing.

- Total Medicaid expenditures declined by 12 percent.
- Declines in expenditures were seen for all housing types.
- *IMPLICATION: Access to affordable housing will likely drive down costs to the health care system.*

Overall	FAM	PSH	SPD
-12%	-8%	-14%	-16%

Source: Center for Outcomes Research and Education (2016)

Benefit - Health

2 Primary care visits went up after move-in; emergency department visits went down.

- Outpatient primary care utilization increased 20 percent in the year after moving in, while ED use fell by 18 percent.
- Similar trends were observed for each housing type.
- IMPLICATION: *Affordable housing helps meet major health reform utilization metrics.*

Primary Care:



ED Visits:



Source: Center for Outcomes Research and Education (2016)

Benefit ↓ Food Insecurity

Households spending 50% or more on housing cost spend less on food and health care compared to households spending 30% or less of their gross income on housing cost
(Alexander et al 2014)

Increases in average rents correlates with increased rates of food insecurity
(Fletcher et al. 2009)

Benefit - Academic Achievement

Stable affordable housing improve academic achievement. Impoverished children who move 3 or 4 times prior to turning 6 years old demonstrate increased attention and behavior problems in school (Ziol-Guest & McKenna 2014)

Children growing up in overcrowded housing are less likely to graduate high school than their peers (Goux and Maurin 2005)