

NEW HANOVER COUNTY BOARD OF COMMISSIONERS

RESOLUTION

**Supporting the Establishment of a City of Wilmington/New Hanover County Ad hoc
Committee on Improving Workforce/Affordable Housing**

WHEREAS, an adequate supply of workforce/affordable housing is an emerging and perplexing challenge for our region; and

WHEREAS, an adequate supply of workforce/affordable housing is critical to the continued economic development and quality of life of the area; and

WHEREAS, the City and County officials have participated in a number of Affordable Housing Summits where various aspects of providing this housing and challenges have been discussed. This underscores the need to take additional actions to address this challenge.

NOW, THEREFORE, BE IT RESOLVED, that the New Hanover County Board of Commissioners supports the establishment of a City/County Ad hoc Committee to conduct a comprehensive examination of workforce/affordable housing efforts, along with the demand for and supply of such housing, and recommended "best practices" that would be most appropriate to improve and increase the stock of available workforce housing in this region; and

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(s); and

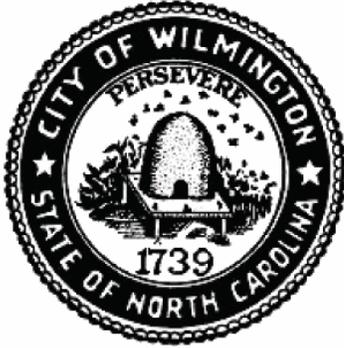
This work may include examining results of recent planning efforts for ideas, researching best practices across the State or Nation, seeking consensus on recommendations and creating and recommending a plan; and

This work is not intended to replace ongoing affordable housing efforts presently undertaken but augment them; and

The Wilmington City Council and New Hanover County Board of Commissioners will jointly appoint a 14-member task force to complete this work over the next six (6) months concluding with a report on recommendations; and

The appointees will be citizen representatives of the region and include individuals with the following areas of expertise: banking, real estate, private development, workforce housing, and community non-profits. One member of the task force will be a representative of the Cape Fear Housing Coalition; one member of the task force will represent the home builders community; one member of the task force will be an "at large" City representative; one member of the task force will be an "at large" County representative; and

It is expected that the Committee will keep the various stakeholders and governing boards apprised of their efforts and progress; and



CITY of WILMINGTON North Carolina

P.O. BOX 1810
28402

OFFICE OF THE CITY MANAGER
(910) 341-7810
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4/19/2016

City Council
City Hall
Wilmington, North Carolina 28401

Dear Mayor and Councilmembers:

This resolution of the amendment is revised to conform to the similar resolution approved by the New Hanover County Board of Commissioners on yesterday, April 18, 2016.

The County resolution endorsed a joint City/County Ad hoc Committee on Workforce/Affordable housing. A suggested change by the City's Appointment's Committee to respectively appoint an at-large member for a total committee membership of fourteen (14) has been incorporated.

The two principal changes by the Commissioners were:

- To add the discipline of home builders to the list of citizen appointees.
- To require the committee to present any budgetary requirements for assistance in completing the work to the respective boards for approval.

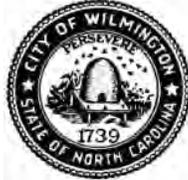
The County approved changes and the changes offered by the City Council's Appointment's Committee are herein incorporated.

Passage of the attached Resolution is recommended.

Respectfully submitted,

Sterling B. Cheatham,
City Manager

Resolution



City Council
City of Wilmington
North Carolina

Introduced By: Sterling B. Cheatham, City Manager

Date: 4/19/2016

Resolution Amending Resolution Adopted January 19, 2016 by the Wilmington City Council Regarding Supporting Establishing a Joint City/County Committee on Improving Workforce/Affordable Housing

LEGISLATIVE INTENT/PURPOSE:

On January 10, 2016, the Wilmington City Council approved the attached resolution which endorsed the establishment of a City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing. The New Hanover County Board of Commissioners considered and adopted a similar resolution at their meeting on April 19, 2016; however, it included having one member respectively be appointed from a background including the discipline of homebuilders.

The City Council's Appointments Committee has also recommended that the membership of the committee be modified by one "at large member" respectively, increasing the total membership to fourteen (14).

The County's resolution also stipulates that any budgetary requests be presented by the Committee to the City Council and County Commissioners for their respective approval.

THEREFORE, BE IT RESOLVED:

THAT, City Council amends the resolution approved at the January 19, 2016 meeting, to add one (1) "at large" member by the City and the County, that one member respectively be appointed from the Home building discipline; and that any budgetary requests be presented by the Committee to the City Council and the County Commissioners respectively, for their approval.

Adopted at a _____ meeting
on _____ 2016

Bill Saffo, Mayor

Attest:

Penelope Spicer-Sidbury, City Clerk

Resolution



City Council
City of Wilmington
North Carolina

Introduced By: Mayor Saffo and Councilmember Sheridan

Date: 1/19/2016

Resolution supporting the establishment of a City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing

LEGISLATIVE INTENT/PURPOSE:

WHEREAS, an adequate supply of workforce/affordable housing is an emerging an perplexing challenge for our region, and

WHEREAS, an adequate supply of workforce/affordable housing is critical to the continued economic development and quality of life of the area, and

WHEREAS, the City and County officials have participated in a number of Affordable Housing Summits where the various aspects of providing this housing and challenges have been discussed. This underscores the need to take additional actions to address this challenge.

THEREFORE, BE IT RESOLVED:

THAT, the Wilmington City Council supports the establishment of a City/County 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; and

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 (s); 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 Wilmington City Council and New Hanover County Commission will jointly appoint a twelve member taskforce to complete this work over the next 6 months concluding with a report on recommendations; and

CITY CLERK
CERTIFIED TO BE A TRUE COPY
Shirley Sproul

The appointees will be citizen representatives of the region and include individuals with the following areas of expertise: Banking, real estate, private development, workforce housing, community non-profits. One member of the Task Force will be a representative of the Cape Fear Housing Coalition; and

It is expected the Committee will keep the various stakeholders and governing boards apprised of their efforts and progress; and

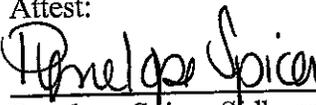
Once selected, the Committee members shall elect a Chair, Vice Chair and arrange for meeting times. Meetings will be open to the public; and

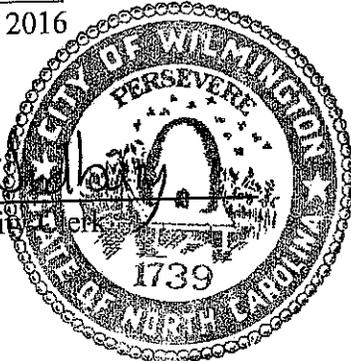
The City and County Managers will designate staffing support and request any additional budgetary requirements needed to support the Ad hoc Committee's efforts. Resources may be needed to collect additional information to fully assess the current state of workforce housing and evaluate potential solutions i.e. "best practices".

Adopted at a regular meeting
on January 19, 2016


Bill Saffo, Mayor

Attest:


Penelope Spicer-Sidbury, City Clerk



Approved As To Form:


City Attorney

City of Wilmington/New Hanover County Joint Ad-hoc Affordable/Workforce Housing Committee

August 30, 2016

Meeting Notes

Welcome:

- Beth Dawson, Chair NHC Commission
- Jonathan Barfield, Vice Chair NHC Commission
- Bill Saffo, Mayor City of Wilmington

Introductions:

- Committee members (see list below)
- Staff Liaisons: Jennifer Rigby, NHC; and Suzanne Rogers, City of Wilmington

Meeting Schedule:

- September 20, 27;
- October 11, 25;
- November 15, 29; and
- December 13

Time: 11:00am – 1:00pm, Lunch will be provided

Location: NHC Executive Development Center unless otherwise notified

Video recording of meetings- Staff will find out if possible

Ground Rules:

- Start and end meetings on time
- Be prepared for meetings/ read materials in advance
- Do not use cell phones during meetings- no text, emails, phone calls
- Don't talk over one another
- No side bar conversations, one conversation at a time
- Use Roberts's rules
- Work towards consensus to make decisions
- Meetings are open to the public. Public may submit written comments and questions for the committee to consider via public email address.
- Website will be created to post updates on committee progress and address public questions and comments
- Meeting minutes will be available two days prior to meetings

Selection of Chair and Vice-Chair:

Committee members to nominate. Notify staff via email. Nominations will be emailed to committee prior to September 20th meeting. Chair and Vice-Chair selected at September 20 meeting.

Robert Rosenberg volunteered for either Chair or Vice-Chair

What is Success:

- Work of the committee will result in people in houses;
- Provide viable options to address affordable housing;
- Recommendations will be attainable, not a plan on shelf;
- Solutions are inclusive;
- Solutions are immediate, short-term, and long-term;
- Look at existing development criteria – City and County Comprehensive Plans and Codes;
- Solutions that can move forward to elected officials with an accountability factor;
- Educate elected officials and the public;
- Goals should be measurable and attainable;
- Establish a real budget for the City and County to consider;
- Need to address negative image/myths, put a face on affordable housing – PR campaign to re-brand affordable housing;
- Recommendations need to align with City and County Comprehensive Plans;
- Define affordable housing with numbers for:
 - Income
 - Cost of housing
 - Number of housing units needed ;
- Review existing plans, such as City’s Comprehensive Plan for CDBG & HOME; etc. Don’t reinvent the wheel;
- Pick-up on what’s already being done, show and share ; and
- Start with an overview of best practices

Committee members present:

Elizabeth Dodson
Gloria Green
Phil Humphrey
Robert Rosenberg
Steve Spain
Dave Spetrino
Jody Wainio
Davide Barnes

Carlos Braxton
Tilghman Herring
Linda Smith
Katrina Redmon
Paul D'Angelo
Katrina Knight
Will Bland

City of Wilmington/New Hanover County Joint Ad-hoc Affordable/Workforce Housing Committee

September 20, 2016

Meeting Notes

Welcome:

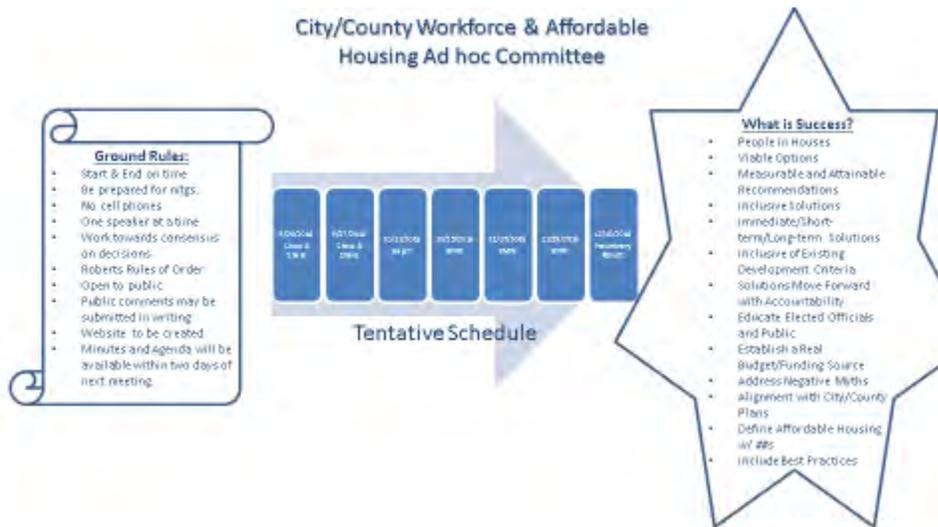
- Dr. Earl Sheridan, Councilmember City of Wilmington

Review Last Meeting Outcomes

Jennifer Rigby reviewed the decisions from last meeting including ground rules, what success looks like, and the schedule and process for reaching the desired outcome. She also mentioned that a website is being developed and the link will be sent to committee members in the near future.

In reviewing What is Success committee members offered the following comments for clarification and emphasis:

- Need to establish priority from list of success
- Committee should include rental housing in discussion, not only homeownership
- Be sure to recognize the changing demographics in determining housing demand, include aging population and talent drain
- Housing and economic development align, housing product should be targeted to desired industry/employer



Selection of Chair and Vice-Chair:

Nominees: Jody Wainio, Robert Rosenberg, and Paul D'Angelo

Each nominee spoke briefly about why they interested in serving. Committee members voted via written ballot as follows:

- Jody Wainio – Chair
- Robert Rosenberg – Vice Chair

Show & Share:

To start off show and share and establish common framework for future discussions Suzanne reviewed some data about housing cost burden, housing and income mismatch, trends in housing cost and income and other related information. In addition, an overview of the City of Wilmington's community development and housing programs was presented. The powerpoint is attached.

The following questions and discussion points came up during the presentation:



- Does the City communicate the impact of urban sprawl on traffic congestion? How does this factor into the Traffic Impact Analysis for residential development?
- Need to take a broader view of traffic impact and development that contributes to traffic congestion. Residential development near employment helps reduce traffic congestion overall.
- Need to look at past projects and verify the Traffic Impact against the projected traffic impact when the project was in the planning process.

- How do other cities evaluate the traffic congestion generate from urban sprawl and greenfield development?
- What is cost of sprawl? What are the savings from solutions to sprawl, such as, increased density, TOD, etc.?

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%

Source: Credit: Metropolitan Comprehensive Plan Growth Pattern Report, 2009

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

02/22/2016 Virginia Center for Housing Research at Virginia Tech



- Who should committee focus on? HH w/incomes \$0-\$18/hr or \$18/hr
- Can produce rental units for HH below \$18/hr
- Need funds to fill the gap for HH 0\$0-\$18/hr
- There are models for producing/providing housing for low-income HH
- National Low Income Housing Coalition – Out of Reach Report shows that for NC HH need to earn \$13/hr to afford a 1 bedroom apartment; and \$17/hr for a 2 bedroom apartment.
- Disability income (SSDI) is \$700/mo in NC @ 30% of gross income = \$220/mo rent & utilities
- Private sector can't produce apartments for rent at \$220
- Need to look at other options, example co-housing

Other Comments

- Invite Stephanie Norris to committee meeting to share her experience w/ LIHTC
- Invite MPO to discuss traffic and sprawl issues
- Invite Progress Energy/Duke and CFPUA re: cost of energy/utilities
- Provide list of non-profits provide housing

Committee members present:

Gloria Green
 Phil Humphrey
 Robert Rosenberg
 Steve Spain
 Dave Spetrino
 Jody Wainio

Tilghman Herring
 Linda Smith
 Katrina Redmon
 Paul D'Angelo
 Katrina Knight
 Will Bland

Absent: Elizabeth Dodson, David Barnes, Carlos Braxton

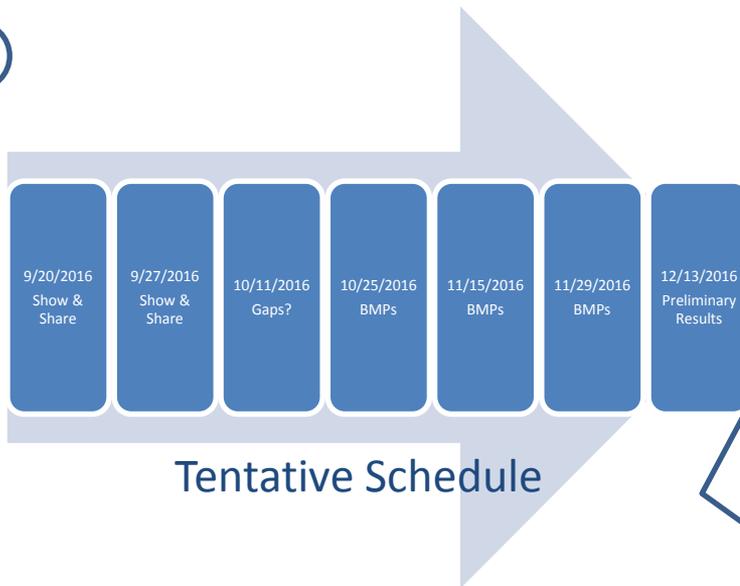
Notes prepared by: Suzanne Rogers

Powerpoints w/ be attached in final pdf version

City/County Workforce & Affordable Housing Ad hoc Committee

Ground Rules:

- Start & End on time
- Be prepared for mtgs.
- No cell phones
- One speaker at a time
- Work towards consensus on decisions
- Roberts Rules of Order
- Open to public
- Public comments may be submitted in writing
- Website to be created
- Minutes and Agenda will be available within two days of next meeting.



What is Success?

- People in Houses
- Viable Options
- Measurable and Attainable Recommendations
- Inclusive Solutions
- Immediate/Short-term/Long-term Solutions
- Inclusive of Existing Development Criteria
- Solutions Move Forward with Accountability
- Educate Elected Officials and Public
- Establish a Real Budget/Funding Source
- Address Negative Myths
- Alignment with City/County Plans
- Define Affordable Housing w/ #s
- Include Best Practices

Joint Committee on Affordable/Workforce Housing

Overview

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



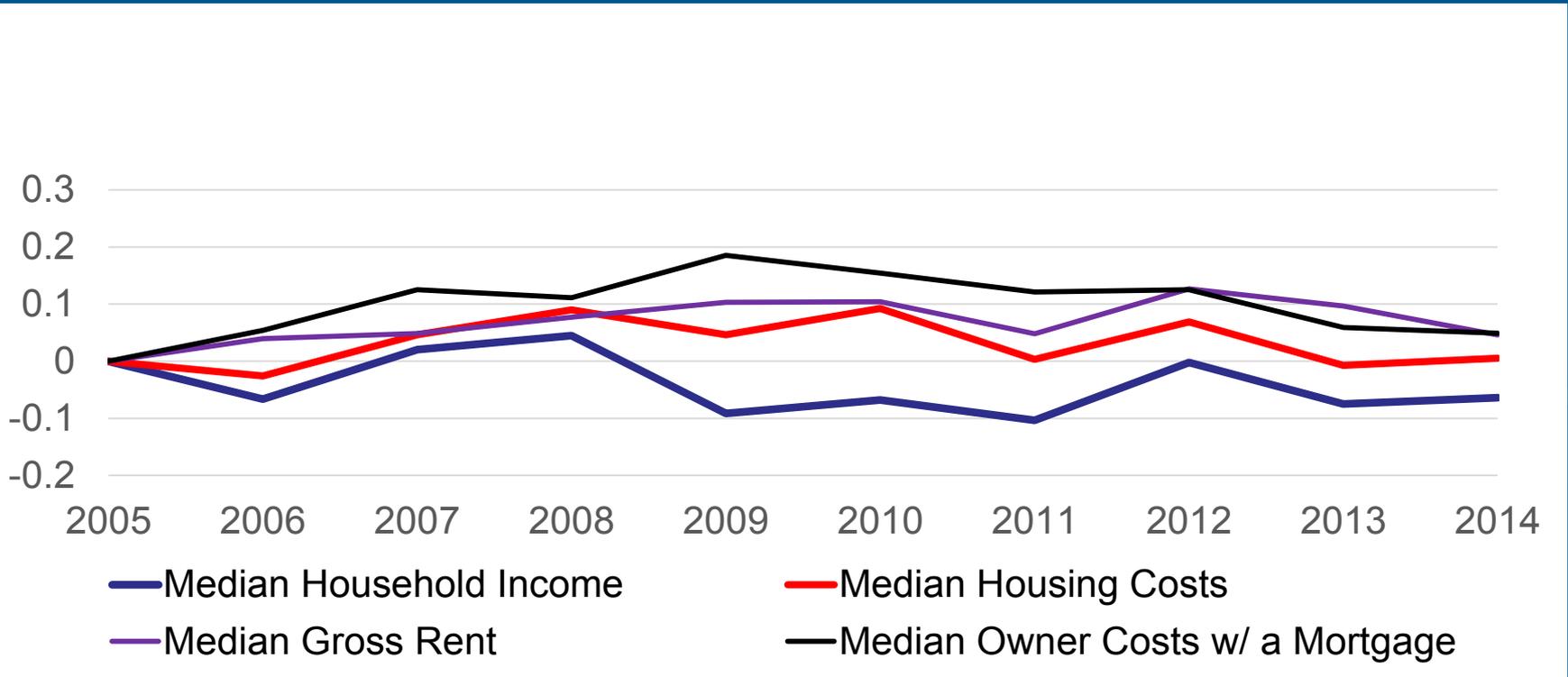
***US Bureau of Labor Statistics (BLS)**

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)	4,620	\$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**
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Not Enough Affordable Housing for Lower Income Households

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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 Intl 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.](#)

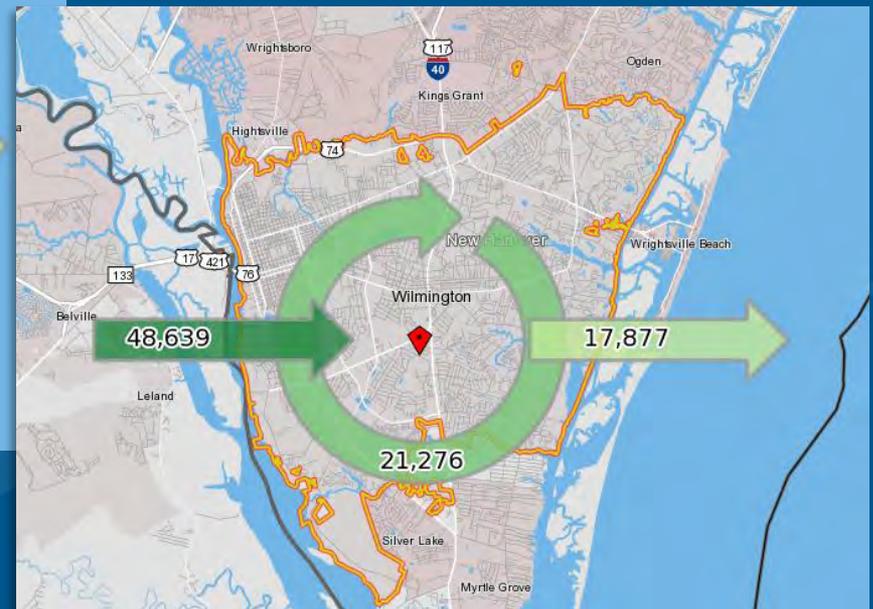
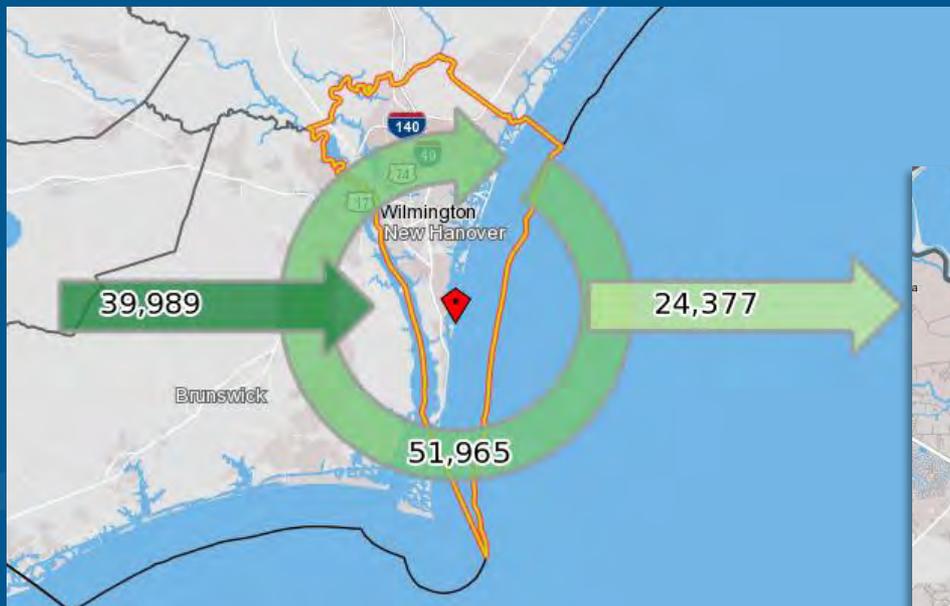
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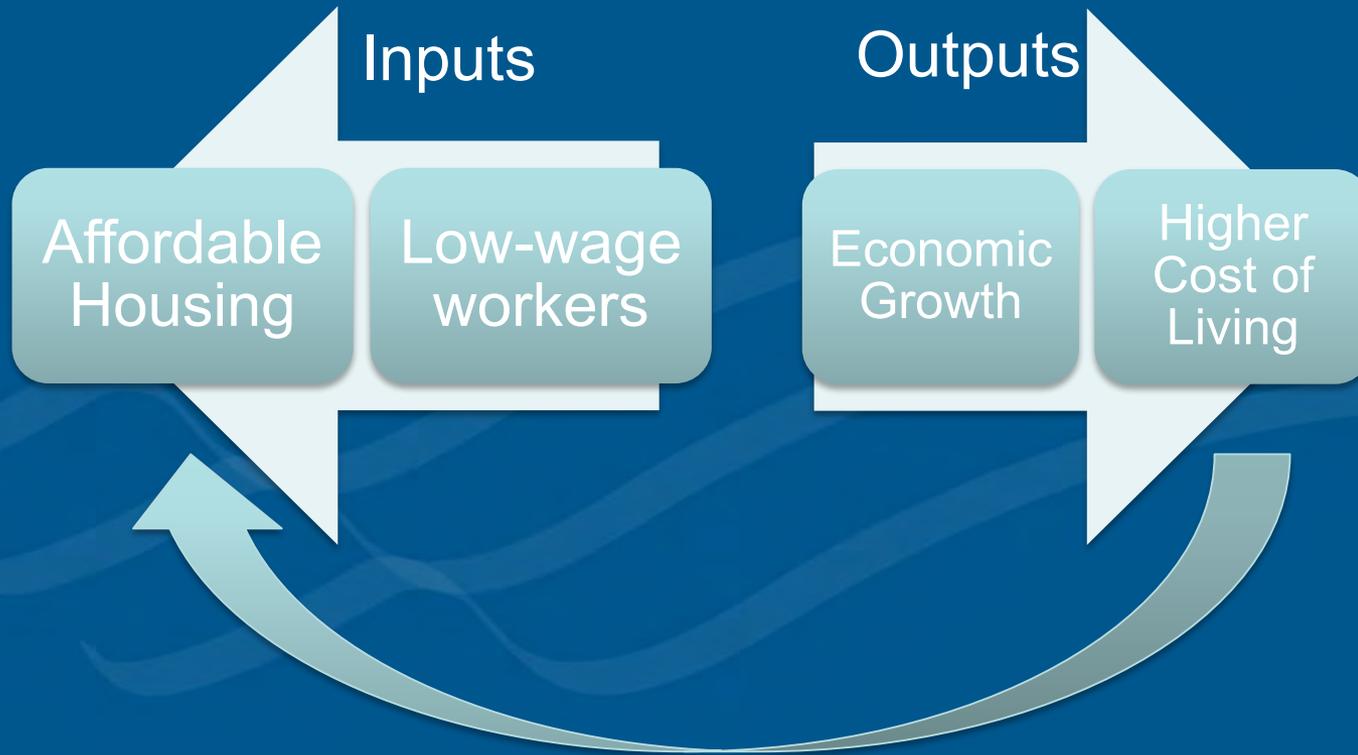
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Microsoft Office 2013 11:54 AM

Commuting in New Hanover Co.



Tourism



City of Wilmington
Community Development
Administration & Housing
Section

Overview of Community Development

- Community Development Division responsible for administration of CDBG & HOME entitlement grants from US Dept HUD
- Community Development Division has an obligation to monitor activities funded with CDBG and HOME
- City of Wilmington, 1 of 23 entitlement communities in NC
- Since 1975 received over \$36 million CDBG; \$13 million HOME since 1992; and \$13 million in program income from revolving loans

- Homeowner Rehabilitation/Repair
- Homebuyer Loans
- Affordable Rental Housing
- Homeless Shelters and Supportive Services
- Public Service-Funding for Community Partners
- Public Facility Improvements
- Benefit Low-to-Moderate Income People

Leveraging:

\$1 : \$9.00

CDBG/HOME : Other Funds

	Expenditures	Leveraged
*CDBG Expenditures :	\$ 827,582	\$ 9,616,532
*HOME Expenditures :	\$ 912,099	\$ 6,078,362
TOTAL	\$ 1,405,114	\$ 15,694,894

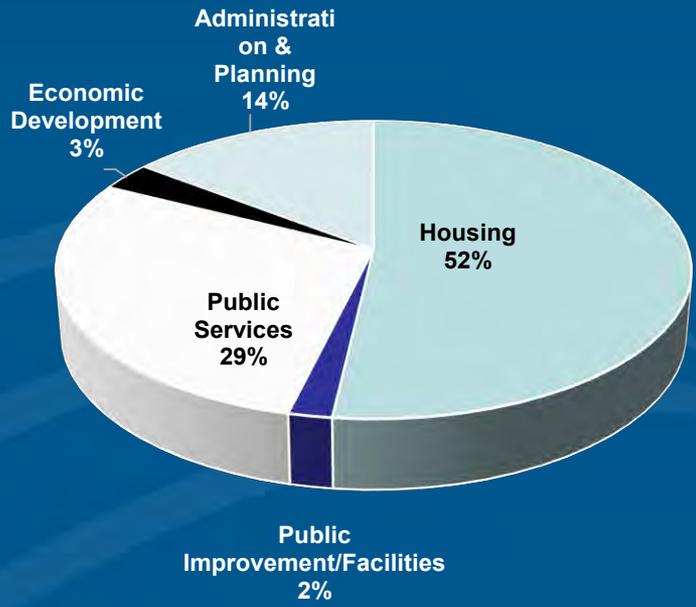
Revenues:

CDBG FY14-15 Entitlement & Program Income	\$1,203,544
CDBG Prior Year Revenues Available	<u>\$ 586,848</u>
Total	\$1,790,392
HOME FY14-15 Entitlement & Program Income	\$ 668,650
HOME Prior Year Revenues Available	<u>\$1,354,995</u>
Total	\$2,023,645
General Funds, Revolving Loan Funds & Other	\$3,088,925

Summary of Expenditures:

Expenditure by Activity

Housing	\$ 1,655,373	52%
Public Improvement/Facilities	\$ 62,928	2%
Public Services**	\$ 917,584	29%
Economic Development*	\$ 95,616	3%
Administration & Planning	\$ 463,568	14%
	<u>\$ 3,195,069</u>	



- *WDI & Comm Lending
- **Includes CDBG, GF and other funds

Homeownership Opportunities Program (HOP) ye6/2015

•10 Loans in
(2nd mortgages)

•Average loan
\$46,167

•84 loans previous
7 years; 400 +
loans since 1991

•2 Partner Banks

•\$501,100
CBDG/HOME and
Gen Fund
Expended

•\$861,900
Other Funds
Expended



Housing Rehabilitation



Before
1477 Wynnwood
Street



After
1477 Wynnwood Street



- 3 loans in FY13-14
- Since 1977, 1000 households received loans or grants.
- Serves low to moderate income, especially elderly and disabled
- Rehabilitation loans made at 0% to 2% interest
- Maximum loan amount \$95,000



119 So. 10th Street
Front View



119 so. 10th Street
After

Housing

Rehabilitation Loans

(4E6/2009)

- **8 Units Completed**
- **\$364,450 CDBG/HOME General Funds Expended**
- **4 Houses Demolished**
- **5 Temporary Relocations**
- **3 Lead-based Paint Grants**

**Ways to improve the
Owner-Occupied Housing Rehabilitation
program to meet the needs of our citizens**

Minor Housing Repair Forgivable Loan Program

- Grants with a lifetime maximum of \$10,000
- Owner occupied homes
- Household income cannot exceed 50% AMI
- No credit or payment requirements
- Property issues which pose an immediate threat to the health and safety of the occupants
 - HVAC
 - Hot Water Heater
 - Roof
 - Access Ramp
- Secured with a Promissory Note and Deed of Trust for a period of three years
- Source of funds – General Fund
- Generates no program income



Major Housing Repair Forgivable Loan Program

- Loans up to a maximum of \$75,000
- Owner occupied or unable to occupy the dwelling due to an open Code Enforcement Case and/or other emergency
- Household income cannot exceed 50% AMI
- Repair & improve the dwelling and/or remove health & safety hazards
- No min credit score requirements but judgments & tax liens are not allowed
- Loan must be in 1st or 2nd position
- Loan due upon death, sale/transfer or ownership, non-occupancy
- Forgiveness rate determined by range of loan - 10, 15, or 20 years at 0% interest
- Source of Funds – CDBG, HOME, or General Funds
- Generates no program income

Fully Amortized Housing Rehabilitation Loan Program

- Loans up to a maximum of \$95,000 for existing and \$115,000 for reconstruction
- Owner occupied or unable to occupy the dwelling due to an open Code Enforcement Case and/or other emergency
- Household income cannot exceed 80% AMI
- Repair & improve the dwelling and/or remove health & safety hazards
- 620 minimum credit score
- Loan due upon death, sale/transfer or ownership, non-occupancy
- Loan must be in 1st or 2nd position
- Interest rate fixed at 2% and payments are fully amortized over 20 years
- Source of funds- CDBG or HOME



Affordable Rental Housing: Lockwood Village



- 60, one and two bedroom rental units for low to moderate income households
- Started construction spring 2014 at 4900 South College Road
- Low Income Housing Tax Credit Project
- \$650,000 **HOME** invested in this \$7.5 million dollar project

Affordable Rental Housing:

Lake Ridge Commons



- 75, one and two bedroom rental units for low to moderate income elderly citizens
- Lease up began in October 2012 and by January 2013 it was fully occupied
- Low Income Housing Tax Credit Project
- \$650,000 **HOME** invested in this \$9.2 million dollar project

Robert R. Taylor Homes

- 96 unit low income elderly
- 48 unit low income
- \$500,000 HOME Funds
- \$9,031,317 Other Funds
- NCHFA Tax Credits



Affordable Rental Housing:

New Brooklyn Heights



•\$300,000 CDBG
Expended

•48 Units Public
Housing

•NCHFA – LIHTC

•\$5.8 million
leveraged

•WHA/HEO
Developers

Affordable Rental Housing:

Greenville Trace



•\$175,000 HOME
Expended

•8 Units
Supportive
Housing for
Disabled

•\$992,822
leveraged

•RHA
•Developer

Cottages at Cornerstone by Habitat for Humanity



3909 Prices Lane

•32 Units
Affordable
Housing

•\$331,000 CDBG
Funds Expended
for Land
Acquisition

•\$75,000 CDBG
Funds Expended
for impact fees

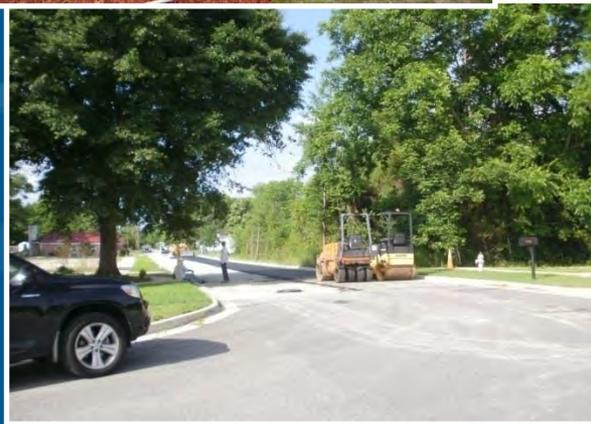
•\$ 303,795 Other
Funds Leveraged

Corbett Street by Habitat for Humanity

•\$242,440 CDBG
Funds Expended
for Infrastructure



•4 Units
Affordable
Housing



•NorthSide Strategic
Revitalization Area

Cape Fear Housing Land Trust

Ensuring forever affordable communities through the innovative stewardship of land and creation of homeownership opportunities in the Cape Fear Region.



808 N. 6th Street Before



808 North 6th Street – AFTER

(Artist's rendering kindly donated by Lois Watson)

- \$57,400 Construction Loan for rehabilitation of 808 N. 6th Street

- \$35,000 Admin/Housing Delivery (Gen Fund, CDBG/HOME)

Cape Fear Housing Land Trust

Ensuring forever affordable communities through the innovative stewardship of land and creation of homeownership opportunities in the Cape Fear Region.



In partnership with CF Habitat for Humanity, CFHLT completed and sold 8 units in Gideon Point project.

Public Facilities: DREAMS Arts & Education Center



\$452,637 for adaptive rehabilitation old city garage

1144
Youth
Served



City of Wilmington/New Hanover County Joint Ad-hoc Affordable/Workforce Housing Committee

September 27, 2016

Meeting Notes

Committee members present:

Elizabeth Dodson
Gloria Green
Phil Humphrey
Steve Spain
Dave Spetrino
Jody Wainio

Linda Smith
Katrina Redmon
Paul D'Angelo
Katrina Knight

Absent: Robert Rosenberg, David Barnes, Carlos Braxton, Tilghman Herring, Will Bland

Staff: Jennifer Rigby, NHC; Suzanne Rogers, City of Wilmington

Show & Share

Representatives from non-profit, public sector and private housing providers, housing services and developers presented brief overview of their respective organizations (presentations attached) as follows:

Cape Fear Regional Community Development Corporation, Stan Turner, Executive Director

<http://www.cfrcdc.org/>

Stan gave a brief overview of the CFRCDC history, mission and programs. He pointed out that the CFRCDC serve a 9 county region offering housing and business development assistance. The organization's capacity is directly related to the resources available to implement programs. That said, the organization has had as many as 6 staff members. Currently, CFRCDC is working in counties surrounding Wilmington to offer USDA to provide homeownership opportunities. CFRCDC works with the City of Wilmington, NCHFA, Banks and others to provide programs including, but not limited to, Single-Family Owner-Occupied Rehabilitation, Urgent Repair, and Neighborhood Stabilization Program (NSP). Stan noted that the USDA loan product is great for affordable homeownership. He noted that the CFRCDC received a \$300,000 grant to provide TA to help homebuyers provide sweat equity.

PowerPoints attached below for the following presentations.

Wilmington Area Rebuilding Ministry, Inc. <http://www.warmnc.org/home.aspx>

Wilmington Housing Authority, Katrina Redmon, CEO, <http://www.wha.net/>

Good Shepherd, Katrina Knight, Executive Director, <http://goodshepherdwilmington.org/>

Cape Fear Habitat for Humanity, Steve Spain, Executive Director, <http://www.capefearhabitat.org/>

Cape Fear Community Land Trust, Paul Stavovy, Executive Director, <http://www.foreverplaces.org/>

AMEZ Housing Community Development Corporation, <http://m.ncforeclosureprevention.gov/amez-housing-community-development-corporation>

Plantation Building Corp, Dave Spetrino, President/CEO, <http://plantationbuilding.co/>

Wilmington Regional Association of REALTORS®, Adrienne Cox, Public Affairs Director

<http://www.realtor.org/topics/smart-growth/publications/on-common-ground>

Cape Fear Housing Coalition, Paul D'Angelo, President,
<http://www.capefearhousingcoalition.org/home.aspx>

Other information requested

Invite Stephanie Norris to October 11 meeting to discuss Low Income Housing Tax Credit projects

Include information about:

North Carolina Housing Finance Agency, <http://www.nchfa.com/>

Wilmington Housing Finance Development,

Notes prepared by Suzanne Rogers

Presentations:



Small Miracles, Safer Homes

WARM Mission

Urgent Repairs & Accessibility Upgrades

→ Safer & Healthier Homes



WARM Mission

- Completely free to those who qualify
- Most work is completed by volunteers
- Typical projects:
 - Roof repair / replacement
 - Floor repair
 - Wheelchair ramp construction
 - Stairs and landings
 - Plumbing
 - Heating & AC repair / replacement
 - Critical appliances: stove, refrigerator
 - Door & Window replacement



WARM Homeowners

- 40-60% Over age 60
- 50-55% Disabled
- 20% Children
- 65-75% female head of household



Eligibility

- Homeowner in Brunswick, New Hanover or Pender Co.
- 50% median income (HUD)
- Own/occupy for 3 years
- Mortgage and utilities paid
- Not served by WARM previously
- Criminal background check

Background check services donated by CastleBranch

Example of qualifying income: \$27,850 for family of 4 in Pender Co.

Waiting in New Hanover County

37 households, including

- 51 residents
- 30 people over age 60
- 22 people report some type of disability
- 6 children
- 2 military veterans



Before



Falls are the leading cause of death from injury
among older adults...

After



33% of those falls are directly related to environmental hazards within the home

40% of asthma diagnosed in childhood is caused by the child's living conditions.



Before (not wheelchair accessible)



After

(fully wheelchair accessible)



Health Related Outcomes

- 96% reported feeling safer in their homes
- 69% had fewer falls
- 63% had a reduction in chronic illness
- 30% had fewer colds and infections.
- 33% reported that the cost of their medical care had decreased
- 20% reported fewer EMS calls
- 60% reported sleeping better

Recent Growth!

Number of
households served

2011: 75

2012: 81

2013: 78

2014: 105

2015: 107

2016: 130+

(projected)

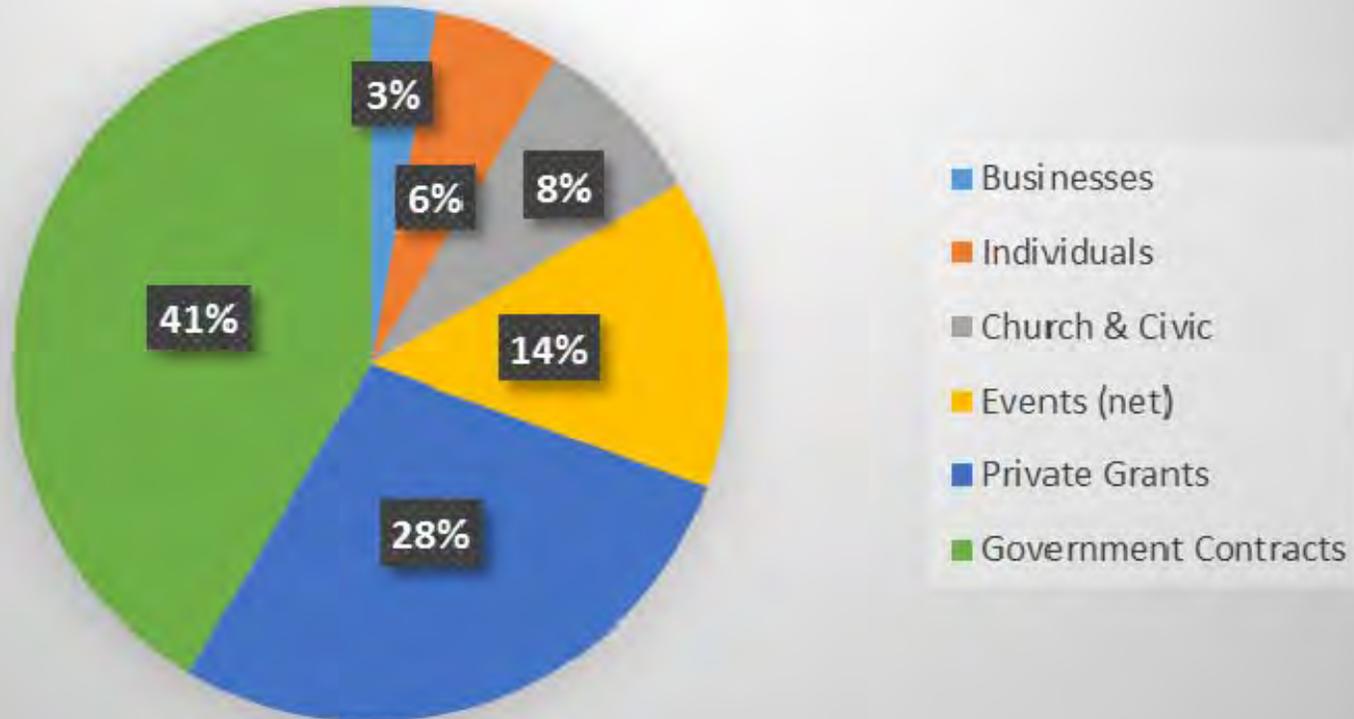


2014 Coastal Entrepreneur Award



Funding Sources

WARM, Inc. 2015 Revenue



Home Repair Volunteers

■ Locals

- Church teams and individuals
- Businesses and professional associations
- Active retirees (esp. on weekdays)
- School groups such as Cape Fear Academy, UNCW campus ministries

■ Out-of-Town “VolunTourists”

- Youth & adults on summer mission teams
- They bring donations
- Western NC, Pennsylvania, Ohio, Louisiana, Tennessee, New Jersey, etc.

Top Mission Strengths

- **Expertise** – Licensed general contractor, conducts assessment, work write-up & cost estimate and oversees construction
- **Organized and prepared** – Efficient use of resources and positive volunteer experience
- **Training** – Volunteers trained and supervised by construction professionals
- **Accountability and compliance** – Admin competencies led to larger grants

City of Wilmington/New Hanover County Ad-hoc
Committee on Affordable & Workforce Housing

September 2016



Katrina Redmon, CEO
910-341-770, ext. 224
kredmon@wha.net



The Wilmington Housing Authority's mission is to provide quality affordable housing in safe, attractive communities for the families we serve, thereby improving quality of life for all residents of New Hanover County.



Programs and Services

Public Housing

- 1,039 units
- Qualified for 1,624 units
- Jurisdiction is the City and just beyond city limits
- \$224 subsidy per unit per month



Programs and Services

Housing Choice Voucher

- Currently 2,000 vouchers
- Includes VASH, Family Reunification, HOPWA, NED
- Applications in for additional vouchers
- Jurisdiction is New Hanover County



Programs and Services

Multi-family

- Glover Plaza (75 units)
- Senior and Disabled Property



Other Programs and Services

Resident Services

- ROSS (Public Housing)
- Family Self-Sufficiency (Public Housing and HCV)



Other Programs and Services

Low Income Housing Tax Credit Properties

- Robert R. Taylor Senior Homes (96 units)
- The Pointe at Taylor Estates (48 units)



Other Programs and Services

Supportive Housing Properties (NCHFA)

- Jervay House (8 units)
- Pearce House (8 units)



Population Served

- 3,300 families
- Public Housing and HCV can serve clients with an income of up to 80% of Area Median Income.
- 40% of Public Housing new admissions must be at 30% of AMI or less.
- 75% of HCV new admissions must be at 30% of AMI or less.
- 76% of current Public Housing residents have an income of 30% of AMI or less.
- 61% of current HCV participants have an income of 30% of AMI or less.
- AMI for New Hanover County is currently \$65,100 for a family of four.



Unmet Demand

- Known need of 5,500 families
- 685 families are currently on Public Housing waiting list and 450 are on HCV waiting list.
- Both waiting lists are closed.
- It will take 7-10 years to address current need through attrition.



Housing Task Force

- Wilmington Police Department and New Hanover County Sheriff's Department
- Perception is that crime is high in the Public Housing properties. Statistics show that it is actually low.



Trends

- Federal funding has decreased.
- No longer funded for providing resident services; current funding is for connecting residents to services in the community (28 partnering organizations).



City of Wilmington/New Hanover County Ad-hoc
Committee on Affordable & Workforce Housing





Housing Efforts by the
Cape Fear Region's Largest
Provider of Homeless Services

Emergency Safety Net with a Focus on Returning Homeless Guests to Housing Stability



- “Traditional” homeless services focused almost exclusively on immediate safety needs
- Best Practice homeless services invest as much or more in expediting returns to housing
- Follow-up case management, targeted placements for those needing more help → housing retention
- 150 Transitions from Shelter to Housing Annually

Good Shepherd's Housing Strategies

- *Transitional Housing* – 16 units for homeless Veterans in recovery; no longer considered Best Practice and slowly being de-funded by HUD (and likely VA)
- *Rapid Re-housing* – state-funded program; rent, utility payments to expedite moves to housing; could re-house more individuals & families w/ more \$\$\$
- *Permanent Supportive Housing*
 - Best Practice housing intervention for special needs populations w/ limited income
 - affordable unit (30% gross income) + supportive services
 - Sgt. Eugene Ashley Center – previously Transitional Housing only; now provides 8 PSH units for homeless Veterans and men with disabilities

Lakeside Reserve

- 10-year effort to secure federal property for affordable housing, specifically PSH for persons with disabilities transitioning out of homelessness
- Will include Veterans, seniors
- Phase I: 16 units of Permanent Supportive Housing + common areas, offices for social worker, etc.
- When complete: 40 PSH units
- Collaborative effort in planning, advocacy with neighborhood, funding and financing



The Cape Fear Habitat for Humanity Model



How we invest in a better
community.

New Hanover County's Need for Affordable Housing

Affordable housing refers to rent or mortgage payments no more than 30% of the gross income of the household

UNAFFORDABILITY of Housing in NHC

- \$897 = Fair market rent for 2-bedroom
- \$33,880 = Annual income needed
 - \$17.25/hr
- Average renter wage = \$11.98/hr
- At minimum wage, a worker would need to work 2.2 full-time jobs to make rent affordable.
- Median housing value continues to outpace median income .

Percentage of Households Paying More than 30%



33,543
Impacted Households
out of 87,176

Who Qualifies for a Habitat Home?

Eligible Applicants must:

- Live or work in New Hanover or Pender counties
- Have a stable income
- Be able to pay modest, monthly mortgage payments
- Contribute 250-400 hours of “sweat equity”
- Pay closing costs and monthly affordable mortgage payments – no more than 30% of household income

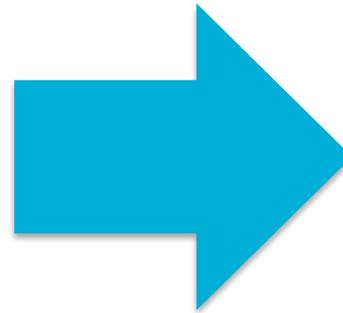


Building Lives and Community

A Better Future

- Improved academic performance
- Better health
- Increased savings
- Decreased government assistance

A Habitat home provides a lifelong foundation



- 74% of families' overall health had improved
- 83% consider their children safer
- Children of homeowners have a 19% higher rate of high school graduation and are twice as likely to acquire postsecondary education
- Children of homeowners outperform children of renters in math and reading achievement tests
- Increase in lifetime earning of children

FY 2016 – 2017 Build Goals

- Build 12 new homes
- Rehabilitate 3 existing homes
- Strengthen neighborhood associations in areas where we build
- Advocate, at all levels, for more affordable housing

What We Build in New Hanover & Pender Counties

New Home Features

Habitat Homes are designed to take on the look and feel of their neighborhoods.

Homes vary in size and design depending on the community and the family's needs.

The average home has three bedrooms, 2 baths, and 1,100 square feet.



How do we build affordably?



ReStore net pays all administrative and fundraising costs

Financial contributions and donations of materials and services

Volunteer labor

Modest, energy-efficient finishes

How do we sell affordably?



All homes sold at appraised value

Habitat finances at 0% interest, or arranges 3rd party financing at 2 - 3%.

Payments on first mortgage cannot exceed 30% of homeowner's income

2nd mortgages for affordability

3rd party subsidies: down p'mt assistance, housing choice vouchers, etc.

Avg. mortgage payment (incl. taxes and ins.) for 3 bed, 2 bath home: \$525

Limits to the Model

- Limited donor capacity
- Limited volunteers
- Build now, get paid over 25-30 years
- Cost and availability of land
- Cost and availability of infrastructure
- NIMBYism





WHAT WILL YOU BUILD?

Join us in building homes, hope, and community.

Donate or volunteer at
www.capefearhabitat.org

THANK YOU!



CFCLT
Cape Fear Community Land Trust

What is a Community Land Trust?

Community Land Trusts are an innovative solution to the rapidly rising cost of housing across the country. The goal is to:

- Provide access to land and housing to those who would otherwise be denied
- Increase long term neighborhood assets
- Preserve affordability, permanently



Why is CFCLT Needed?

Spending too much on housing leads to:

- Less available for other life essentials – food, medical, education, child care
- No savings for life's bumps (places families one mishap away from a disaster)
- Increasing levels of debt
- Less disposable income available to spend in the local community



Our Mission

Cape Fear Community Land Trust exists to enhance and restore vibrant and diverse communities by holding land in trust, thus removing the cost of land from our clients and creating forever affordability.



Our Vision

At CFCLT, we envision a Cape Fear region with no barriers to quality, affordable housing. The region would be filled with communities that are vibrant, holistic, and economically diverse, so that all citizens have a choice of where to live, work, and play.



Population Served/Statistics

CFCLT serves those making between 25% and 120% of the Area Median Income

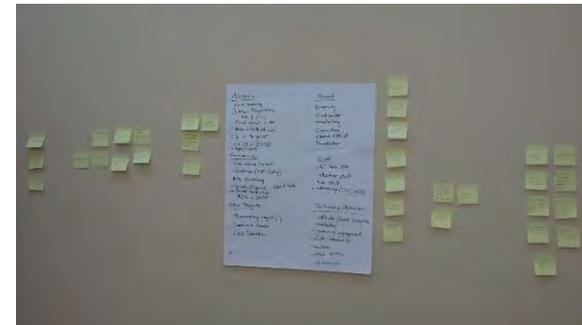
AMI = Area Median Income: Family of 4 [Individual]

- Wilmington Metro AMI: \$63,100 [\$44,200]
 - 30% = \$18,930 [\$13,300]
 - 50% = \$31,550 [\$22,100]
 - 80% = \$50,500 [\$35,350]
- From 2000-2010, AMI increased by 27% while housing cost rose over 94%
- Median Home Price is around \$192,000, which is considered affordable at \$59,000 AMI (*WRAR*)
- Unfortunately, 58% of our jobs in the Wilmington MSA are low paying sales & service jobs, making \$18,000-\$32,000 per year (*FOCUS Report*)
- Of those considered low-to-moderate income in the Wilmington Area:
 - 56.2% spend more than 30% of their income on housing
 - 31% spend more than 50% of their income on housing
- Local Incomes (*US Bureau of Labor Statistics*):
 - Police Officer - \$30,460
 - Nursing Assistant – \$23,320
 - Cook - \$23,980
 - Teller - \$29,470
 - Childcare Worker - \$19,310
 - Retail - \$24,700
 - Hair Dresser - \$22,520
 - Office Clerk - \$26,520



Strategic Planning Process

Thanks to the UNCW MPA program, we have recently completed a strategic planning process that has helped us to identify our place in the local nonprofit landscape.



Welcome House

By Partnering with Interfaith Refugee Ministry, we are now able to provide transitional housing for refugees relocating to the area, while improving the neighborhood one house at a time.



Welcome House



Affordable Rental Properties

Using City of Wilmington and CRA Funding, we have been able to renovate two homes that are currently rented at below market rate to low-to-moderate income families



Board of Directors



- **Stephen C Whitney – Architect (ret.) – PRESIDENT**
- **J Clark Hipp – Architecture – VICE PRESIDENT**
 - Architect, *Hipp Design & Development*
- **Kenneth S Chestnut, Sr. – Construction (ret.) – TREASURER**
- **Ruth D Green – Tenant – SECRETARY**
 - TAHC Housing Counselor, *AMEZ Housing CDC*
- **Al R Sharp – Public Manager (ret.)**
 - Management Consultant, *Pro-Bene, LLC*
- **Jody Wainio – Real Estate**
 - Realtor, *Buyer's Choice Realty LLC*
- **Bonnie M. Braudway – Legal**
 - Attorney, *Craige & Fox, PLLC*



Wilmington Daddy Daughter Dance

We hosted our First Annual Fundraising Event and we look forward to building on our success next year!



THANK YOU TO OUR EVENT SPONSORS!!

BENEFITTING:



CFCLT
Cape Fear Community Land Trust

EVENT PLANNING BY:



kickstand
EVENTS

BELLE SPONSORS:



Hipp Architecture & Development, PC
228 N. Tenth St. Suite 100, Wilmington, NC 28401

Pro-Bene, LLC
201 North Front St., Suite 807, Wilmington, NC 28401



Mr. Kenneth Chestnut, Sr.
Cape Fear Community Land Trust Board Member

SWEETHEART SPONSORS & DONATIONS:



www.WilmingtonDaddyDaughterDance.com



Accomplishments

Housing

- 8 Land Lease Properties
- 2 Below Market Rate Rentals
- One Agency Lease
- Three Successful Renovations
- Increased Revenue from Leases
- Secured CRA Funding
- Built our Property Portfolio
- Initiated Relationship w/ Banks

Community Involvement

- Increased Awareness of CFCLT
- Participation in Planning Efforts
- Successful Fundraising Event
- New Office Space Partnership
- Use of Freelance Grantwriter
- Diversification of Revenues
- Increased Board Involvement
- Partnerships with other NPOs



Where do we go from here?

- Develop an **Impact Zone** and develop a **Neighborhood Approach**
 - Use GIS to map need and create target areas
 - Build community up through jobs, networking, housing, opportunity
 - Develop Community Resources within Target Neighborhoods
- **Workforce Development** Partnerships – Industry, Employers, NPOs
- **Partnerships** – Contractors, NPOs, Community College, UNCW, City of Wilmington, AMEZ, Neighborhood Contractors/Workers, Garden Clubs
- **Financial Stability** – Cash Reserves, Additional Funding Sources, Bank Relationships
- **Properties** – Sale, Improve Conditions of Existing, Purchase New, Expand to Other Areas
- Different type of **Development** – Live/Work Opportunities, Senior Housing, Cluster Development, Respite Program, Larger Development
- Community – **Impact Neighborhoods**, Identify Place in City/County Plans



Cape Fear Community Land Trust, Inc.

- In the past year, CFCLT has secured Community Reinvestment Act (CRA) Funding and Successfully Renovated two dilapidated properties in the downtown area. We are currently renting to two moderate-income, working Wilmingtonians, and have leased another property to Interfaith Refugee Ministry to be used as a “Welcome House” for refugees as they transition into the area.



The logo for AMEZ consists of the letters 'A', 'M', and 'E' in orange, and the letter 'Z' in blue. The letter 'A' contains a white silhouette of a house with a chimney.

housing community development corp.

MISSION STATEMENT

AMEZ is a non profit organization working to provide decent affordable housing for low to moderate income families through innovative programs of housing and human development.

Organization Foundational History

AMEZ Housing (formerly Wilmington A.M.E. Zion Housing Development Corporation) was founded in 1993 by the leadership of four area A.M.E. Zion Churches, namely St. Andrew, St. Luke, Price Cathedral and Warner Temple collectively saw a need for affordable housing.

The establishment of the organization was a part of the Northside Revitalization Effort by the City of Wilmington.

AMEZ Housing At-Large

We are a Community Housing Development Organization with programs that target low to moderate income households (LMI) that are 80% of the area media income (AMI) provide a wealth of services including:

Programming

- Single Family Affordable Homes – Purchase
- Single Family Rehabilitation
- Affordable Rental Housing
- Homebuyer Education
- Homeownership Counseling
- Financial Literacy Education
- Rental Education
- Fair Housing Education - No Income limits
- Foreclosure Mitigation - No Income limits

AMEZ at a Glance

- Helped over 1000 families avoid foreclosure and stay in their homes in New Hanover, Brunswick, Pender and Columbus counties in the last six years.
- Built or renovated 34 homes which have been sold to low or moderate income families who have remained in their homes without default.
- Built affordable rental housing units
- Helped prevent homelessness and provided financial stability in the communities we serve
- Serve a diverse population including young families to the elderly, with 75% of our recipients being non-African American.
- Conducted financial literacy and credit counseling services in addition to pre and post purchase education.
- Provided down payment assistance to qualified families.

AMEZ in the Community

- **AMEZ serves on various community boards including the Cape Fear Housing Coalition, The Cape Fear Housing Land Trust and others.**
- **We work with DC Virgo Preparatory Academy, MLK, Jr. Center, and the Blue Ribbon Commission during their seasonal enrichment programs to bring financial literacy to students and adults with banking partners such as First Citizens and South State Banks**
- **We also have been active with MedNorth Health Center during their Annual Rock Block Informational Fair and have participated regularly with WRAR's Workforce Housing Initiative.**

Affordable Building Capacity

AMEZ Housing has built and or rehabilitated single family scattered site houses for low to moderate income persons in the city of Wilmington since 1996 with HUD HOME funding. In fiscal years 2008-2009, 2009-2010, 2010-2011, and 2013-2014, six(6) units were constructed or rehabbed. Four (4) were sold to qualified homebuyers and two (2) are affordable rental units

Affordable Building Capacity.....

While sustaining our current programs, AMEZ has begun to refocus on the reason why our organization was created: to build affordable housing. We currently have (3) lots that home sites will be constructed on at 905, 909, and 913 Grace Street. These affordable units will be a combination of rental and purchase. 905 is currently under construction. Upon approval from the City of Wilmington, we will construct a home at 909 with the same architectural design. However, the home at 913 will not only be a different design but handicap accessible.

Rendering of 905 Grace Street



**WILMINGTON GROUP BREAKS GROUND
ON AFFORDABLE HOUSING** By: [Allyson Lorick](#)

905 Grace Street



August 12, 2016
Groundbreaking Ceremony

WILMINGTON, NC (WWAY) — One Wilmington group is breaking ground on affordable housing.

AMEZ Housing Community Development Corporation and the City of Wilmington are hoping to add value and vitality to the community and support affordable housing opportunities in the Port City.

They broke ground Friday morning on a new home site at 905 Grace Street.

Organizers said once construction is complete, they will start the process of selection a buyer to call the place home.

“We work with the City of Wilmington and HUD in order to determine qualified buyers for our properties qualified applicants to be able to purchase a new affordable house from us,” Executive Director Toronya Ezell said.

Construction will also soon begin on two more lots across the street. Mayor Bill Saffo said it’s important to not only build, but to keep these communities vibrant and strong.







AMEZ BY THE NUMBERS

Now that AMEZ is building again, we anticipate our numbers for housing demand to increase. However, we are aware that qualified buyers and renters will make for successfully owned and rented leased properties. At this time, we have the following:

Rental Applications

Seven (7) active rental applications. Three (3) are eligible to rent

Homeownership Applications

Four (4) active homeownership applications. One (1) is eligible to purchase

Homebuyer Ed. Completed (other than at AMEZ)

Four (4)

In conclusion

As a part of the City of Wilmington's Five –Year Consolidated Plan for FY13-17, our project on Grace Street addresses HUD's Livability Principles through promoting equitable affordable housing and supporting existing communities as well as meeting local, high priority housing needs such as a supply of affordable rental housing units in the community. AMEZ's main focus is to continue to build dwellings in locations throughout the City where we can further contribute to the economic value and stability to the neighborhoods that we serve.

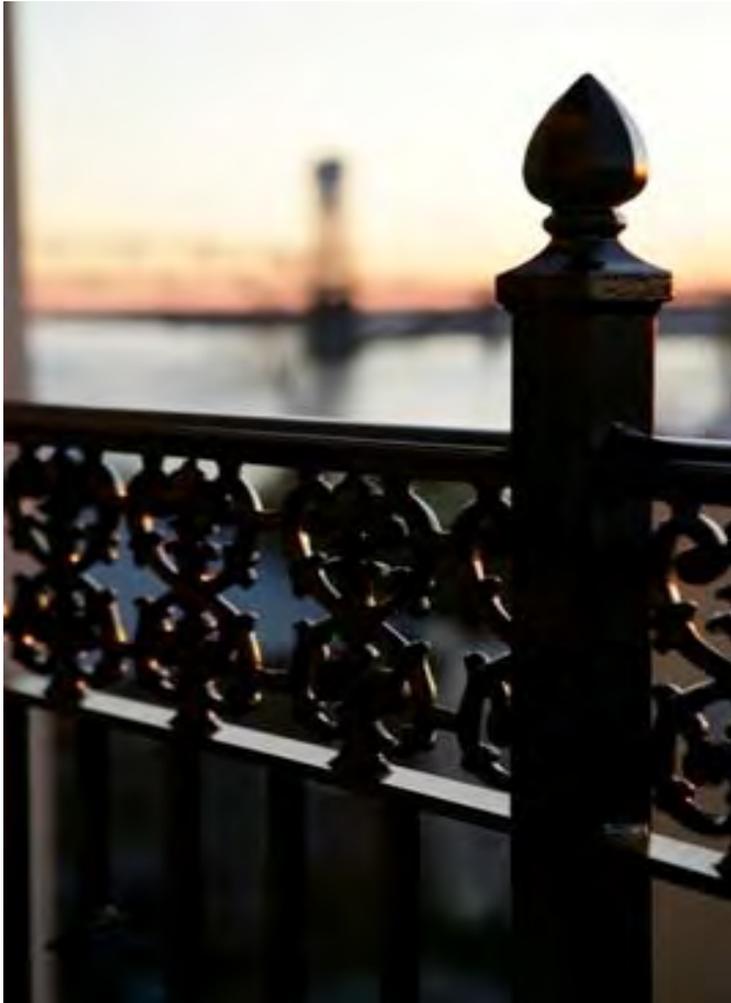
For More Information.....

Please contact



Wilmington, NC 28401
(910) 815-3826

www.amezhousing.org



Affordable/ Workforce Housing

Overview of New Construction
In Downtown Wilmington

For Sale/ For Rent

Fall 2016

Dave Spetrino
Plantation Building Corp



The Lautner, Landfall

Plantation Building Corp
Custom Home, 2015



17 Bahama, Wrightsville Beach

Plantation Building Corp
Custom Home, 2016



The Cate Greene, Brunswick Forest

Plantation Building Corp
Custom Home, 2016



The Cate Greene, Brunswick Forest

Plantation Building Corp
Custom Home, 2016

“Infill development is publicly cheap but privately expensive,
while sprawl is publicly expensive but privately cheap.”

-James Nicholas



Historic Infill

7th + Grace Street
2013



Historic Infill

South Front Street
2012



New York Hatters

Grace Street, 2008



Tanyard Parish

Front Street, 2009

Opportunities

- Existing infrastructure
 - Lower land/acquisition costs
 - Well located (convenient or desirable)
 - Increased tax base
 - Improved streetscape
-



Average Monthly Income
\$870/ Unit

Monthly Exp:

Management:	\$85
Insurance:	\$81
Property Taxes:	\$80
Maint. (2015):	\$170

NOI*: \$454

Loan Amt of (\$90K/unit) 15
yr, 5%
(PI) = \$711 (\$430)

8th and Nixon Streets – Downtown Wilmington (2006)

“Rental Duplexes” - Market Value, \$225,000 per Duplex.
(6) Homes, 3 Bedroom, 2 Bath (off street parking – rear alley)



Average Monthly Income
\$1,130/ Unit

Monthly Exp:
Management: \$113
Insurance: \$105
Property Taxes: \$122
Maint. (2015): \$212

NOI*: \$578

Loan Amt of \$150K, 15 yr,
5%

(PI) = \$1,186 (\$720p)

6th and Brunswick Streets – Downtown Wilmington (2008 - 2010)

“Single Family Homes” - Market Value, \$185,000 - \$195,000.
(10) Homes, 3 & 4 Bedroom, 2.5 Bath (off street parking – rear alley)



Average Monthly Income
\$1,130/ Unit

Monthly Exp:
Management: \$113
Insurance: \$105
Property Taxes: \$122
Maint. (2015): \$212

NOI*: \$578

Loan Amt of \$150K, 15 yr,
5%

(PI) = \$1,186 (\$720p)

6th and Brunswick Streets – Downtown Wilmington (2008 - 2010)

“Single Family Homes” - Market Value, \$185,000 - \$195,000.
(10) Homes, 3 & 4 Bedroom, 2.5 Bath (off street parking – rear alley)



Sale Price: \$165K

AD&C Expenses:

Land: \$ 15K
Impact Fees: \$ 5K
Design/ Permits: \$ 3K
Construction: \$ 112K
Const. Loan: \$ 4K
Realtor: \$ 10K
Developer Profit: \$ 16K

Loan Amt: \$165K
Owner (PITI): \$1,026

612, 614 & 616 Campbell Street – Downtown Wilmington (2013-14)

“Single Family Home” - Market Value, \$165,000.

3 Bedroom, 2.5 Bath, 1348 SF, 1418 Under Roof (Vinyl Siding, No Yard)



Sale Price: \$275K

AD&C Expenses:

Land: \$ 30K

Impact Fees: \$ 5K

Design/ Permits: \$ 5K

Construction: \$188K

Const. Loan: \$ 6K

Realtor: \$ 16K

Developer Profit: \$ 25K

Loan Amt: \$225K

Owner (PITI): \$1,346

424 Campbell (5th and Campbell) – Downtown Wilmington (2015)

“Single Family Home” - Market Value, \$265,000 - \$285,000.

3 Bedroom, 3 Bath, 1664 SF, 1884 Under Roof (off street parking, no yard)



Sale Price: \$255K

AD&C Expenses:

Land: \$ 35K

Impact Fees: \$ 5K

Design/ Permits: \$ 10K

Construction: \$159K

Const. Loan: \$ 5K

Realtor: \$ 15K

Developer Profit: \$ 26K

Loan Amt: \$205K

Owner (PITI): \$1,238

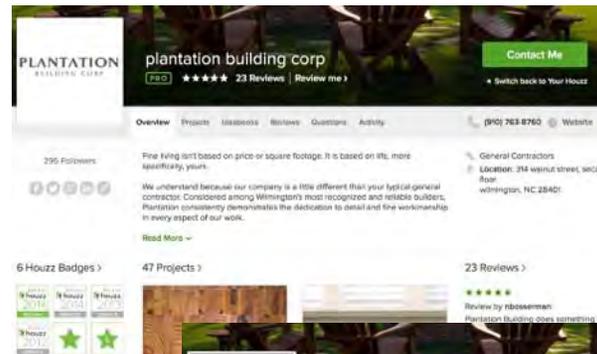
515 Peabody Alley (Between 5th & 6th) – Historic District (2016)

“Single Family Home” - Market Value, \$250,000 - \$265,000.

3 Bedroom, 2.5 Bath, 1348 SF, 1418 Under Roof (off street parking, no yard, 16' wide)

Learn more:

- Find us on Houzz



- Follow us on Facebook



- Email me: spetrino@plantationbuildingcorp.com



**WILMINGTON REGIONAL
ASSOCIATION *of* REALTORS®**

City of Wilmington/New Hanover County Committee on Affordable & Workforce Housing

Adrienne Cox

Public Affairs Director

adrienne@wrar.com

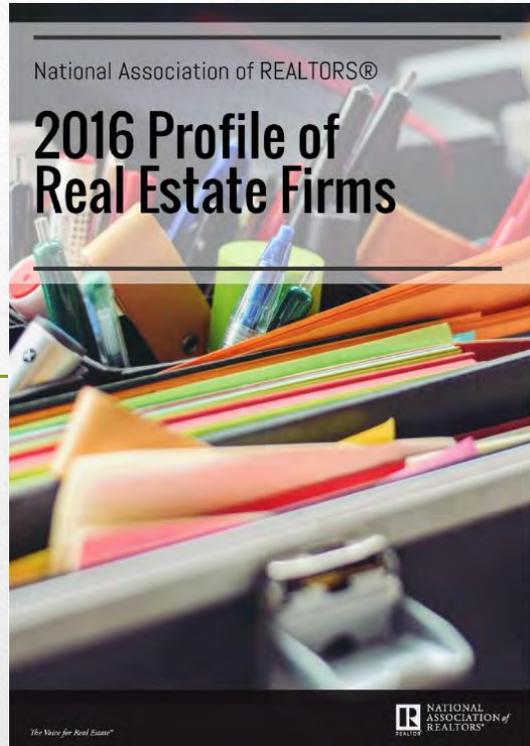
910.473.5605

WRAR Mission and History

- Promoting private property rights.
- Monitoring and proposing regulation and legislation to ensure the availability and affordability of insurance for both residential and commercial property owners
- Work with the National Association of REALTORS®, the North Carolina Association of REALTORS® and the NC Real Estate Commission to promote ethically and legally sound representation for the consumer.

WRAR Community Voice

REALTORS® in Wilmington, NC are an effective **voice for real estate**, protecting your right to own, transfer and use real property. Our effective legislative program benefits all property owners at all levels of government.



Realtor® Demographics Who are We?

Profile of Real Estate Firms 2016



78% of real estate firms have a single office, typically with 3 full-time real estate licensees, up from 2 in 2015.

85% of firms specialize in residential brokerage.



The typical residential firm has been operating for 13 years, while the typical commercial firm has been operating for 20 years.

Firms with one office typically had a total of 21 real estate transaction sides in 2015, while firms with four or more offices typically had 900 transaction sides.



Firms typically had 30% of their sales volume from past client referrals, 30% from repeat business from past clients, 10% from their website, 7% through social media, and 2% through open houses.

Future Outlook of Firms

47% of firms reported they are actively recruiting sales agents in 2016, up from 44% in 2015.



48% of firms are concerned with Gen Y's ability to buy a home.

46% are concerned about the recruitment of Gen Y and Gen X real estate professionals.



44% are concerned with Baby Boomers retiring from real estate as a profession.

82% of firms encourage their agents to volunteer in the local community and 48% at their local association of REALTORS®.



REALTORS[®] CONFIDENCE INDEX

Report on the August 2016 Survey



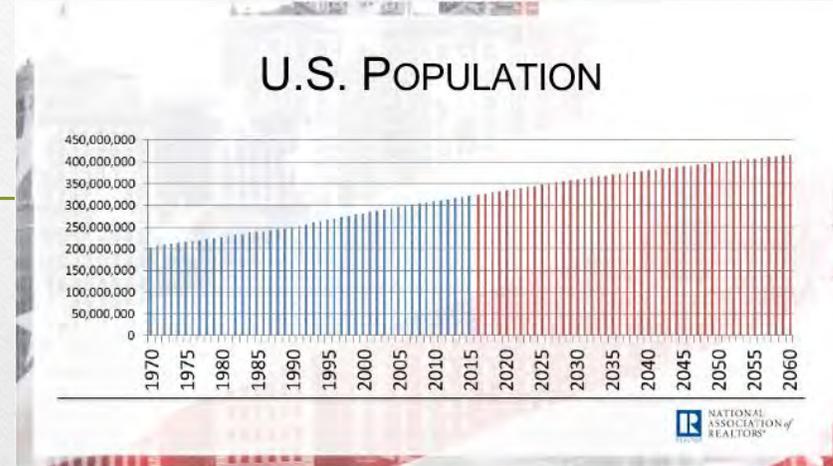
National Association of REALTORS[®]
Research Department

Lawrence Yun, Senior Vice President
and Chief Economist

The Voice for Real Estate[®]



Housing Market Statistics What we are talking about?



Housing Market Statistics

What we are talking about?

Housing Indicators

Existing-Home (Aug.)

Sales	5.33 million units*
-------	---------------------

Median Price	\$240,200*
--------------	------------

Housing Starts (Aug.)	1,142,000*
-----------------------	------------

New Home Sales (July)	654,000*
-----------------------	----------

*seasonally adjusted annual rate

[U.S. Economic Outlook](#) (PDF: 285 KB)

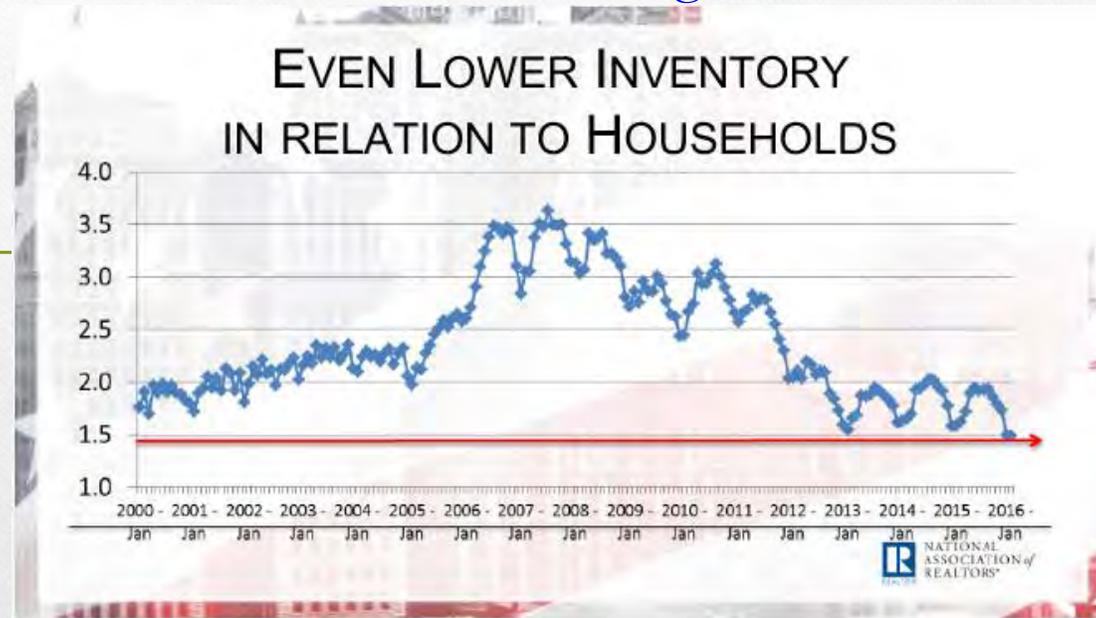
Home Sales Statistics

Numbers to note:

	Jan - July 2015	Jan - July 2016	% Change Jan-June
Total Units Sold	4,998	6,012	20.29%
Avg. Sales Price	\$249,300	\$248,014	-0.52%
Median Sales Price	\$203,144	\$205,213	1.02%
Days on Market	114	98	-14.64%
New Listings	8,005	8,233	2.85%

Housing Market Statistics

What we are talking about?



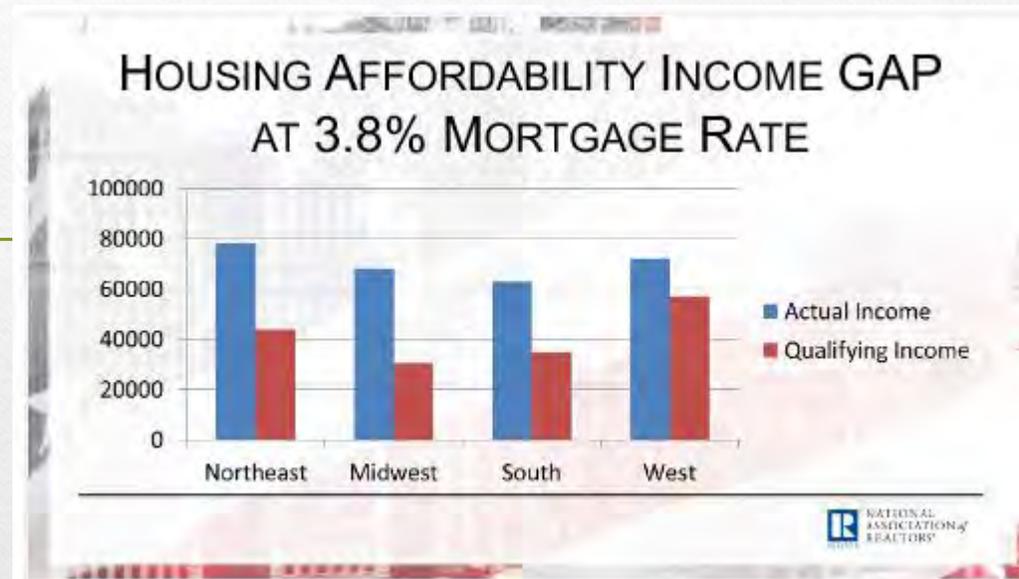
Housing Market Statistics

What we are talking about?

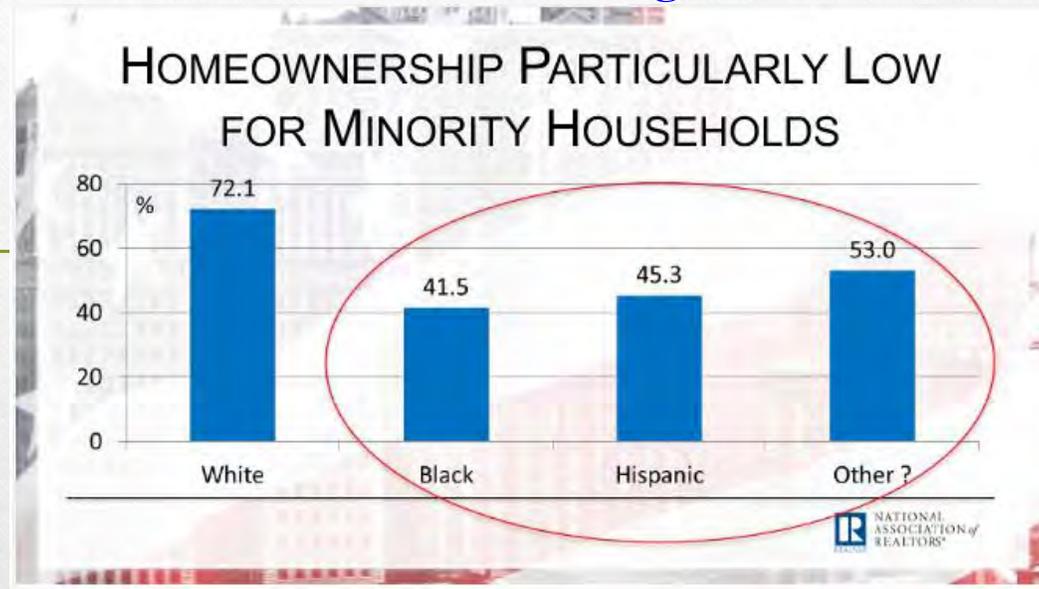


Housing Market Statistics

What we are talking about?



Housing Market Statistics What we are talking about?



REALTOR® Support for Affordable & Workforce Housing

Ethic Training and Professional Requirements

Homes4NC

NC Workforce Housing Specialist Certificate

REALTOR® Support
for Affordable &
Workforce Housing

Realtor® Programs

Diversity Program

Housing Opportunity Program

Fair Housing Program

Neighborhood Stabilization Project

Good Neighbor Awards Program

Smart Growth Program

REALTOR® Support for Affordable & Workforce Housing

Realtor® Programs

- National Association of Real Estate Brokers: chartered in 1947 by African American real estate professionals
- National Association of Hispanic Real Estate Professional
- Asian Real Estate Association of America



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ASSOCIATION *of* REALTORS®**

City of Wilmington/New Hanover County Committee on Affordable & Workforce Housing

Adrienne Cox

Public Affairs Director

adrienne@wrar.com

910.473.5605

Everyone needs a place to call home.



Education & Advocacy

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

September 27, 2016 / Wilmington, NC

Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Who We Are ... since 2005

Mission

Our mission is to strengthen the Cape Fear Region by increasing access to affordable, safe, healthy housing.

Objectives

- Envision the housing opportunities necessary to strengthen our community and improve the quality of life for all.
- Advocate on behalf of low and moderate-income individuals and other marginalized groups; influence public opinion and public policy.
- Educate the private and public sectors about fair housing rights and affordable housing needs, issues and best practices.
- Bring together housing professionals and other stakeholders to understand the community's concerns and priorities; execute collaborative plans of action.

Everyone needs a place to call home.



Who We Are ... in Logos



Everyone needs a place to call home.



WELCOME TO NEW HANOVER COUNTY

With its white sandy beaches, strong economic development presence, and a quality of life like no other, New Hanover County is a vibrant, prosperous and diverse coastal community committed to building a sustainable future for generations to come.



Our Message 2015 & 2016

- What is Affordable Housing?
- The Math doesn't work for a growing majority of our residents
- The more we spend on housing, the less we have to spend in the local economy



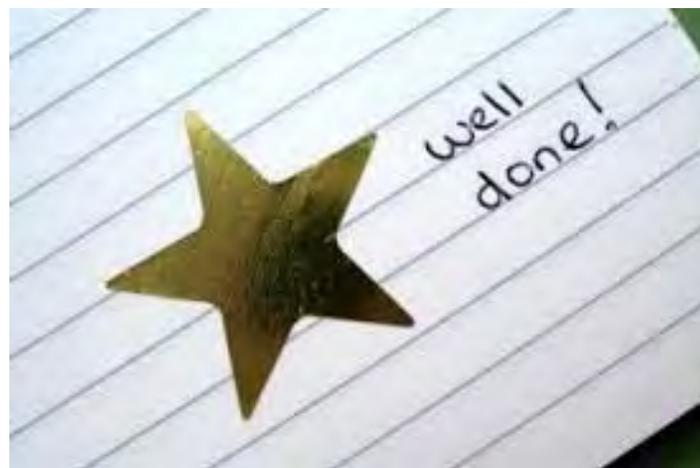
Definitions

- Affordable Housing = Households, both rental & homeownership, should spend no more than 30% gross income on housing costs, including utilities, insurance, taxes
- Cost Burdened – Household spends **more than 30%** of their gross income on Housing
- Severely Cost Burdened – Household spends **more than 50%** of their gross income on Housing



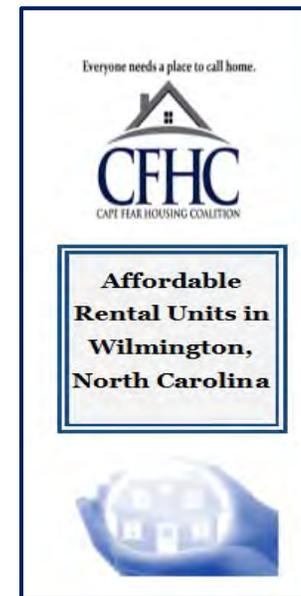
What did we accomplish in 2015?

- January Legislative Breakfast
 - Our Goals
 - FOCUS
- April Fair Housing Month
- Insight Series GWBJ
- WDI Economic Development Series
- Solution Series
 - Inclusionary Zoning
 - East West Partners
 - Community Home Trust / Chapel Hill
 - Housing Trust Funds
 - Town of Chapel Hill
 - Charlotte
 - Durham
 - Legislative Breakfast
- Awareness & Momentum & Press
- Mayor's Roundtable
- Relationships with NC Housing Coalition & NC Justice Center



So far in 2016?

- January Legislative Breakfast
 - Update from NC Housing Coalition
 - Solution Series on Tax Credits / Funding Streams
- Listening Session w/ NC Housing Coalition
- Insight Series GWBJ
- Public Awareness Campaign / WHQR
- ***Housing Street Sheet***
- Awareness & Education & **Press**
- Mayor's Ad Hoc Committee on Affordable Housing
- April Fair Housing / Landlord Event
- Website Update / Facebook
- Strengthening Relationships
- Affordable Housing Survey with UNCW
- Solution Series: Housing & Economics



Solutions

- Low Income Housing Tax Credits (LIHTC)
- CDBG / Home Funds
- Housing Bonds on the Ballot
 - Charlotte / Raleigh
 - Asheville 2016
 - Greensboro 2016
 - Orange County (Durham/Chapel Hill) 2016
- Housing Trust Funds
- Incentives
 - Surplus Land
 - Impact Fees
 - Property Tax
- **Inclusionary Zoning**
- Public / Private Partnerships
- Creative / Land for Affordable Housing
- ***Housing & Economics***



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Housing & Economics / Workforce Housing

- Employee retention is highly dependent on availability of affordable housing
- Available & Affordable Housing Top 5 Relocation Criteria for a Business

-
- Workforce housing is generally described as the housing that is affordable to households earning less than 120% of area median income

- Our Teachers, Fireman, EMT's, Retail, Office

- Communities like Coastal Tourist towns are “suffering from their own success.”

- Quality of Life -> Population -> Destination -> Increasing \$\$
Real Estate -> Tourism/Services -> Lower paying service jobs ->
Wages  Housing



-
- Economic & Community Problem (\$\$ for Local Economy / Traffic)

Economic Problem / Average Wages

EARNINGS:

Example:

rate per hour	hours per week	weekly salary
\$22	20 hours	\$440
\$25	25 hours	\$625

weekly salary	weeks per year	annual salary
\$440	40 weeks	\$17,600
\$625	35 weeks	\$21,875

wikiHow

- \$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)

Economic Problem / Locally Cost Burdened

\$36,500 Average wage

(60% of area workers lower income Service Workers - FOCUS)

(\$11.96 Estimated Hourly Mean Rental Wage – NLIHC)

If that wage is supporting a family of 1,2, 3, or 4, only \$900 per month on rent/mortgage, utilities, insurance & taxes

So, it's no surprise that HH earning 80% of Area Median Income, which is \$36,500 ...

Cost Burdened in Wilmington = 69%

Cost Burdened in New Hanover = 68%

Severe Cost Burdened in Wilmington = 43%

Severe Cost Burdened in New Hanover = 41%

Cost Burdened = Less \$\$ to spend Necessities / Local Economy



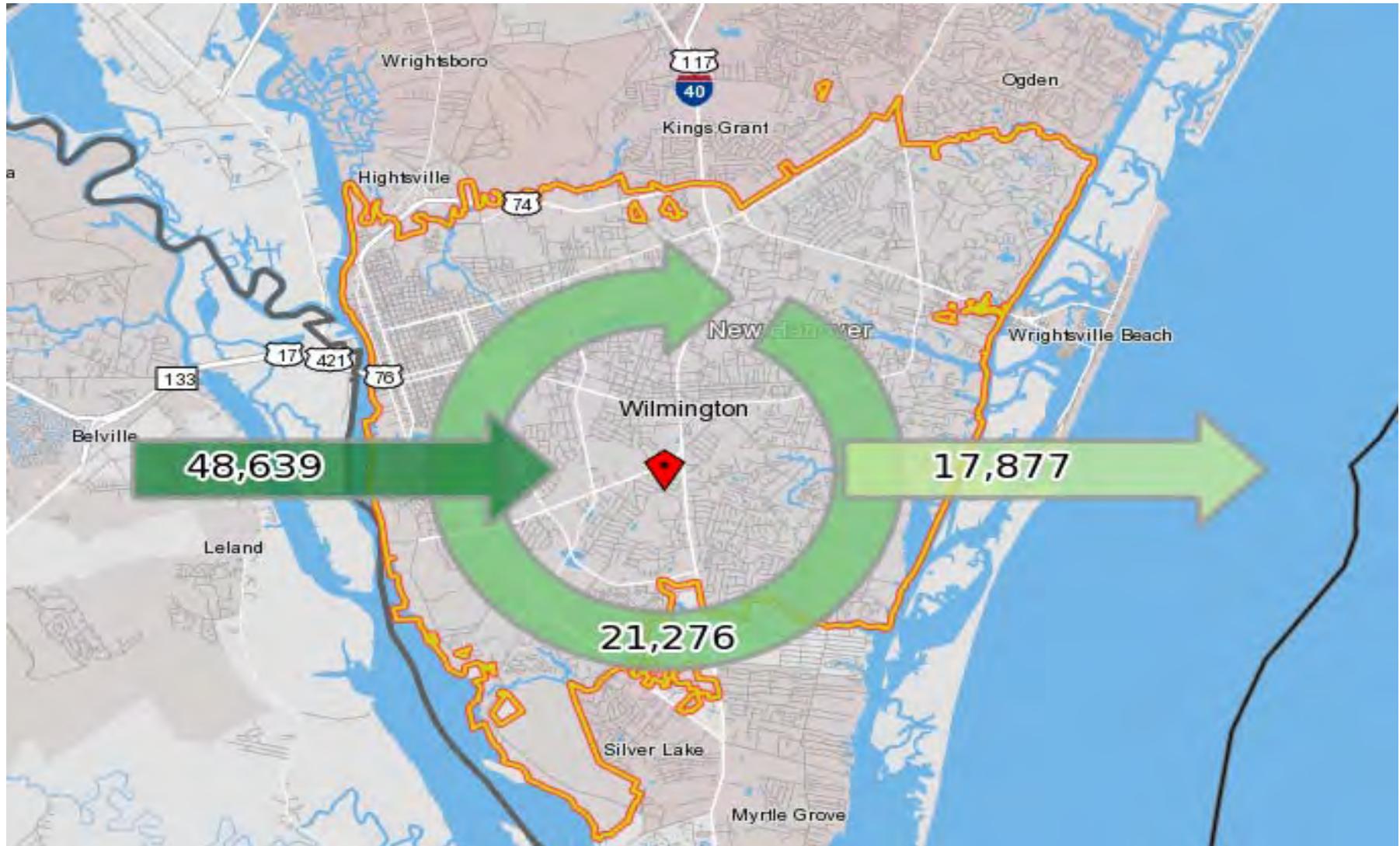
Economic Problem / Workforce Housing

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)	4,620	\$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

Community Problem / County Traffic



Community Problem / City Traffic



Housing & Economics / End Game

For a Municipality to Maintain a
Healthy Economic & Community Environment,
it is important to support the
Development of a Variety of Housing,
both rental and homeownership,
multifamily to single family home,
for the **Variety of Income Levels** in our area to
Create a Community where you can truly
Live, Work & Play!

Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- **National Statistics & Assistance**
- Affordable Housing Survey
- Questions



National Conversation

- 81% believe housing affordability is a problem in America
- Nearly 7 in 10 adults find it more challenging to secure stable, affordable housing today than it was for previous generations
- 63% of renters with annual household income of less than \$30,000 were worried about being able to pay their rent or other housing costs
- Housing Affordability is a Key Issue for 6 in 10 of likely voters in this year's Presidential race but is only discussed in the Democratic National Platform
- Bigger issue in larger cities



National Stats / Housing

- Nearly 40 million households, both owners and renters, were cost burdened in 2014, one-third of all American households.
- In 2014, 11.4 million renter households (a record) and 6.2 million owner households were severely cost burdened, nearly 15 percent of all U.S. households.
- The median asking rent on new apartments was \$1,381 per month in 2015, well out of reach for the typical renter earning \$35,000 a year
- 29% of Homeowners age 75 and over are cost-burdened
- 72% of the nation's 9.6 million lowest-income renters (earning less than \$15,000 / think Seniors) are severely cost-burdened

* Joint Study for Housing Studies / Harvard University 2016

National Stats / Housing

According to the Urban Institute in 2015, not a single U.S. county in the country had enough affordable housing for its residents.

On average, there are only 28 adequate and affordable housing options for every 100 extremely low-income households.

National Stats / Wages ... Housing

- According to the Bureau of Labor Statistics, 94.6% of jobs added from 2014 to 2024 will be in the service sector.
 - The single largest employer of near-minimum wage workers, the restaurant and food service industry, is one of the sectors with the greatest projected job growth.
 - Jobs in the healthcare and social assistance sector are projected to increase by 38% between 2012 and 2024 and accounting for 3.8 of the 9.3 million new service sector jobs.
 - Many health-related jobs are poorly paid. Home health aides, who need no formal educational credentials and whose median annual wage is \$21,850, now significantly outnumber better-paid and better-educated licensed nurses (median wage: \$43,090). And low-wage home health aides are more than three times more numerous than medical and health services managers (median wage: \$92,710).
- So it's no surprise that nearly half of working-age families have no retirement savings at all - with little or no access to retirement plans or 401(k)s - and for individuals between 56 and 61, the median retirement account holds only \$17,000.

Affordable Housing Assistance

- Experts say there are really two distinct problems ...
- The first is affordability: Rents are rising, particularly in many expensive coastal cities, while wages for low-income workers have been nearly stagnant for much of the past 15 years. That leaves many poor families unable to afford housing on their own.
- Second, government housing-assistance programs haven't kept up with demand even though new research suggests that unaffordable housing is an important cause of poverty.
- But whether it's vouchers or public housing, the vast majority of low-income families don't receive any housing support. The programs are overwhelmed by the demand. Two-thirds of families at or below the poverty guideline receive no assistance at all, according to the 2013 American Housing Survey. About 17 percent get a government subsidy, 15 percent live in public housing, and 1 percent benefit from a rent-controlled unit.
- For many of these families, the issue isn't that they don't qualify for help. It's that the help they need isn't available.

Affordable Housing Assistance

- Most federal housing assistance is targeted to very low-income households (earning 50% or < of area median)
- Some 18.5 million renters met this criterion at last count in 2013, up 2.6 million since 2007.
- However, only one in four income-eligible renters receives assistance of any kind, leaving millions to try to find housing they can afford in the private market.
- Cost burdens are rapidly spreading among moderate-income households as well, especially in higher-cost coastal markets.

* Joint Study for Housing Studies / Harvard University 2016



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Affordable Housing Survey Origin

- Problem
 - Discussion & Research
 - Solutions
 - **Public Support**
 - Political & Policy Leaders
 - Discussion
 - Support
 - Action & Implementation

Survey Objectives

- Develop an understanding of community members' perceptions and attitudes regarding housing affordability.
- Identify supported solutions to increase access to affordable housing within New Hanover County.
- Increase knowledge among City of Wilmington & New Hanover County leaders regarding the issue of affordable housing.

What we noted in the Survey

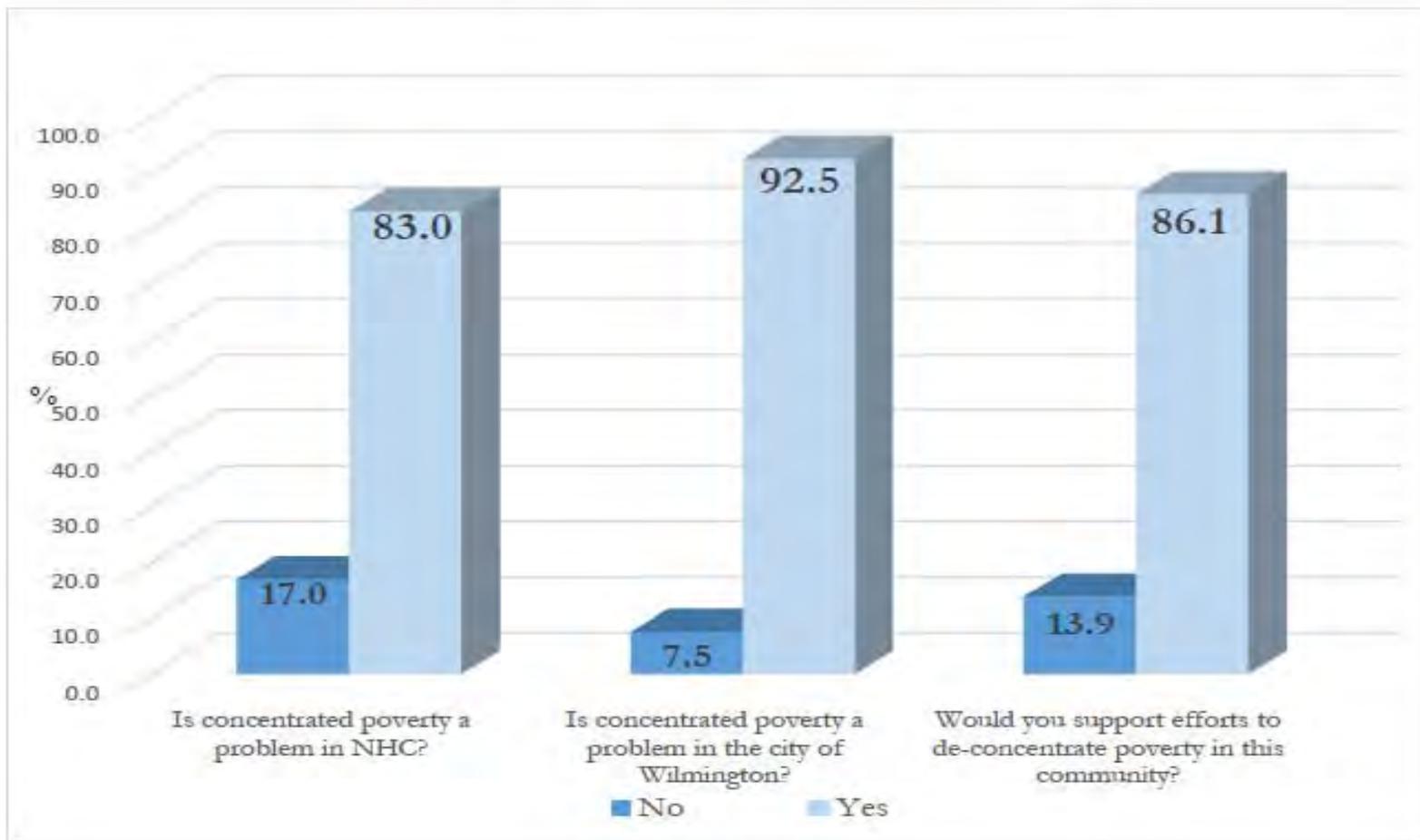
- 92% saw affordable housing as an issue in New Hanover County
- Wide variety of ages and income
- Over 67% of respondents have lived here 6 years or more, with over 70% in the City of Wilmington
- Nice mix of homeownership & rental families
- 68% responded that they were spending too much on housing & housing related expenses
- 56% spend between \$500 and \$1200 for rent or mortgage
- Overwhelming majority supported affordable housing in NHC, their neighborhood, as well as incentives, mixed income and accessory housing
- Split down the middle regarding property values
- Only 34% thought crime would increase
- Worry about traffic, but thought it would be a plus for the local economy
- 66 % of respondents felt an affordable monthly housing payment, rent or homeownership, was between \$500 and \$1000

Understanding the Difficulty

- Over 70% of respondents found the following very challenging or somewhat challenging ...
 - For a family of four with an income of \$24,000 to find affordable quality housing
 - For young adults who are just entering the labor force to find affordable quality housing
 - For a family with children to find affordable quality housing near quality public schools
 - To find affordable quality housing to buy
 - For retired people to find affordable quality housing
 - For senior citizens to find affordable quality housing
 - To find affordable quality rental housing

Ending the Concentration of Poverty

Figure 4: Perception of Concentrated Poverty



Affordable Housing Survey / Recommendations

- Use these data as a stepping stone to completing a comprehensive study of housing affordability within New Hanover County / I.e. Housing Needs Assessment or a County of the number of affordable units needed
- Host regular community conversations that focus on housing affordability within the area that would appeal to residents, builders, employers, etc. / How Housing affects our local economy, community, traffic, etc. Bigger Picture
- With 92% of the respondents indicating affordable housing is an issue in our community, the time may be right to look at solutions to this issue and move the conversation forward.

What does it all mean for Affordable Housing

- People moving here / 9,000 per the Star News
 - Where are they working and living?
 - Remember, 60% of our workforce currently are lower income service workers / Cost Burden issues
 - 90% built out in the City
- So many rentals / 2500 in the last 3 years, 4000 plus planned (GWBJ)
 - Rents are not cheap / \$1600 for a 2 bedroom
 - Again, data shows many residents are spending too much on housing
- Hard to get mortgage / A+ Credit, 20% down for many
 - Realtors discuss needed homes in New Hanover County around the \$150,000 mark; would be affordable for many local residents
 - Nimbyism against condos, townhomes, tiny homes
 - Hard for Developers to make \$\$ on that home price
- Support for the Deconcentration of Poverty
 - Smaller affordable developments spread throughout community in areas of investment, higher income, opportunity
 - But again, hard for developers to make money on this
 - But again, nimbyism



Did you get our Message?

- This is our Affordable Housing in NHC
- The Math doesn't work for a growing majority of our residents
- The more we spend on housing,
the less we have to spend in
the local economy



Learn More about the Survey

- Cape Fear Housing Coalition Website & FB



- Hopefully the Survey can be a useful Start

What's Next for CFHC

- **More Solution Series, Education, Advocacy, Success Stories**
 - Putting a Dollar Amount on Housing Affordability
 - Traffic & Affordable Housing
 - Nimbyism
- **Plan: Vacant Lots, Dilapidated Homes, and Heir Rights**
 - How can the CFHC help activate our inner city community into a vibrant, safe, affordable neighborhood?
- **Legislative Breakfast**
 - Thursday, January 12th, 2017
- **Monthly Meetings (All Welcome!)**
 - 2nd Thursday of each month / NHC Government Center Drive



Social Media



Please **LIKE us on Facebook**

to keep up-to-date with
affordable housing
options being exercised
here in NC
and across the country!

* 209 *

Everyone needs a place to call home.



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Everyone needs a place to call home.



Thank You!

Just like us!



Affordable Housing Resident

THEY'RE JUST LIKE US!



WILMINGTON HOUSING FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Wilmington Housing Finance and Development, Inc. ("WHFD") was organized to provide funds and assistance for the purchase, acquisition, improvement, renovation and sale of low and moderate income housing primarily in the counties of New Hanover, Pender, Brunswick, Columbus, and Bladen, North Carolina. In addition, WHFD manages four affordable housing apartment complexes. The apartment complexes are owned by related parties.

Also, WHFD holds general partner and managing member interests in three affordable housing apartment complexes that own apartment developments which includes Hopewood, L.L.C. ("Hopewood"), Kent Street Limited Partnership ("Kent Street"), and Driftwood Wilmington Limited Partnership ("Driftwood"). Wilmington Housing Finance and Development, Inc. established a Subsidiary, Housing Opportunities of Wilmington, Inc., to hold the limited partner interest in affordable housing apartment complexes.

On July 1, 2009, Housing Opportunities of Wilmington, Inc. was assigned 99% limited partner interest in Willow Pond Limited Partnership ("Willow Pond"), a North Carolina Limited Partnership organized for the purpose of purchasing, constructing and operating a 40-unit apartment complex (the "Project") for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986 ("Section 42"), which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the North Carolina Housing Finance Agency ("NCHFA") as to rent charges, tenant eligibility and partner distributions.

On July 5, 2013, Housing Opportunities of Wilmington, Inc. was assigned the Limited Partner interest of Kent Street Limited Partnership, a North Carolina limited partnership organized for the purpose of purchasing, constructing, and operating a 12-unit apartment complex for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986, which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the NCHFA as to rent charges, tenant eligibility and partner distributions.

On January 1, 2014, Housing Opportunities of Wilmington, Inc. was assigned the Investor Member interest of Hopewood L.L.C., a North Carolina limited liability company organized for the purpose of purchasing, constructing, and operating a 16-unit apartment complex for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986, which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the NCHFA as to rent charges, tenant eligibility and partner distributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Wilmington Housing Finance and Development, Inc. and its wholly-owned Subsidiary Housing Opportunities of Wilmington, Inc. (the "Corporation").

All intercompany transactions have been eliminated in consolidation.

Wilmington Housing Finance and Development, Inc.

Property Notes

JAMES A. WALKER APARTMENTS

James A. Walker Limited Partnership entered into a 75-year ground lease with WHFD in June, 1990. The ground lease provides that WHFD will receive payments of:

1. \$1 per year for the first 15 years of the lease term.
2. \$12000 per year for years 16 through 30 provided, however, if there is available cash flow from the Project after deduction for expenses, debt service, an 8% return on equity investment in the Project and all required payments to any leasehold mortgages, the excess cash flow shall be paid to WHFD as lease payments.
3. The Annual Operating Budget developed by the Partnership, its successors and assigns or any management company hired by Partnership is to be approved annually by the Board of Directors of WHFD. Such right of approval of the annual operating budget shall include the right to require the establishment of a reserve account to provide for repairs to the Leased Property.
4. The rental to be paid for the 31st through 75th year of the lease term shall be equal to 100% of all cash flow proceeds from the project after deduction for expenses,, debt service and an 8% return on equity investment in the project. Leasehold mortgages are limited to 80% of the market value of the leased property in years 31 through 75.

Certificate of Occupancy was issued to JAWs on 6/29/90.

JAWs Apartments has 37 units of elderly and handicapped residential housing. Project receives Section 8 housing assistance.

JAWs apartments were managed by WHA until 1997. It is now managed by Landmark Management Company.

WHFD has never received even \$1 from this project.

Internal Revenue Service
District Director

RECEIVED

Department of the Treasury

P.O. BOX 941, RM 1112
ATLANTA, GA 30301

NOV 28 1988

HOUSING AUTHORITY
WILMINGTON

Date: **NOV 18 1988**

Employer Identification Number:

58-1492427

Contact Person:

GERALD MURPHY

Contact Telephone Number: -

(404) 331-6040

WILMINGTON HOUSING FINANCE AND
DEVELOPMENT INC
508 SOUTH FRONT STREET
WILMINGTON, NC 28401

Date of Exemption:

June 16, 1983

Internal Revenue Code

Section 501(c)(03)

Dear Applicant:

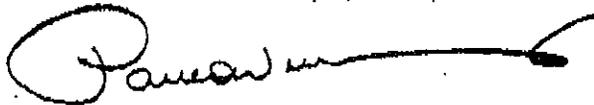
Thank you for submitting the information shown below or on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Paul Williams
District Director

Letter 976(DO/CG)

HOUSING OPPORTUNITIES OF WILMINGTON, INC.

HOW

HOW was organized on October 30, 1990. The period of duration of the corporation is perpetual. The organization became a 501(c)(3) in November, 1991. The tax ID is 56-1728967

The corporation is to have no members..

The purposes for which HOW was established are as follows:

1. For charitable, educational and scientific purposes.
2. To assist and provide services and financing for the purchase, acquisition, improvement, leasing, operation and renovation of low and moderate income housing for, by and to eligible prospective home buyers and investors in order to enhance and improve the quality and quantity of housing stock in New Hanover County, N. C.
3. To engage in any lawful act or activity for which corporations may be organized under Chapter 55A of the North Carolina General Statutes in furtherance of its purposes.

WHFD, Inc. created HOW to be a partner in housing developments for lower income families. HOW defines low income as less than 80% of the area median. WHFD's Board of Directors appoints HOW's Board of Directors.

HOW was originally created to serve as the initial limited partner for a 12-unit housing development – Kent Street Apartments. WHFD obtained a tax credit allocation for Kent Street Apartments and HOW was replaced by a permanent limited partner when the tax credits were syndicated. Fifteen years later the permanent limited partner returned its interest in the development back to HOW.

Likewise, HOW became the limited partner for a 40-unit housing development – Willow Pond Apartments. WHFD obtained a tax-credit allocation for this development and when the tax credits were syndicated HOW was replaced by a permanent limited partner. Fifteen years later the permanent limited partner returned its interest to HOW.

HOW now serves as a general partner for lower income apartment developments built by WHFD, Inc. HOW is responsible for the management, maintenance and financial decisions for the developments.

WHFD wants HOW to focus on the management of low income housing in future years.

WILLOW POND LIMITED PARTNERSHIP

Willow Pond Limited Partnership was formed in December, 1992 for the purpose of acquiring land, constructing and operating 40 apartment units. Rental Operations began in September, 1994. Willow Pond is a tax-credit project. The restrictions continue on the property for 15 years plus an additional 7 imposed by NCHFA. NCHFA monitors the property. IRS requires the property to operate under the initial guidelines for 30 years.

In 1992, Willow Pond Apartments' Cost Certification was \$2,040,272. Total square footage is 38,080. Cost per SF is \$53.58

Rent is not subsidized.

Resident selection is of crucial importance. At least 19 of the units in the development must be leased to families earning no more than 50% of applicable median income and 15 of the units must be leased to families earning no more than 60% of applicable median income. Six of the units are unrestricted.

Initially, the development included a Family Self-Sufficiency Program. However, since there were no funds allotted for this, all services received were voluntary and ended with the termination of the WHA's management agreement.

WHFD assumed management of Willow Pond Apartments on March 12th, 2003 by mutual agreement between WHA and WHFD.

WHFD implemented its own FSS Program composed of WHFD's Housing Counselors and other programs offered by CAHEC.

ORIGINAL FINANCING: Permanent financing was by a first mortgage loan from Community Investment Corporation of North Carolina (CICAR) for \$423,000 with a term of 30 years at 9% interest payable monthly. Secondary financing consists of two loans from NCHFA in the amounts of \$240,000 and \$60,000. The \$60,000 loan was turned into a mortgage at 3% interest payable monthly. The \$240,000 bears interest at a rate of 1% per annum and no payments of principal or interest were due until the maturity date of 12/1/2014. This date was extended until December 31, 2016 by a modification agreement.

Additional financing consisted of two loans from WHA in the amounts of \$325,000 and \$250,000. The \$325,000 loan accrued compound interest at the rate of 6% per annum. The \$250,000 loan accrued interest at the rate of 1% per annum. Payments for principal and interest were not due until 12/1/2025.

May 1, 2015, WHFD paid WHA \$100,000 for the removal of the two loans and all interest accrued which totaled \$1,330,295.

Enterprise transferred its interest to HOW on July 1, 2009.

KENT STREET APARTMENTS

Kent Street Limited Partnership was formed in November, 1990 for the purpose of acquiring land, constructing and operating 12 apartment units. The project was placed in service on July 31, 1991. The project began rental operations in September 1991.

Kent Street is a Tax Credit Project. 2001 ended the period for the equity partner to receive low income housing tax credits. 2006 ended the 15-year period. NCHFA continues to monitor the project as to rent charges and tenant eligibility.

Rent was subsidized by Section 8 initially. Currently, tenants must apply for Section 8 in order to receive it.

The first mortgage to First Citizens Bank for \$232,000 was paid in 2012. A \$90,000 loan from NCHFA and interest accrued was forgiven in 2012.

BB&T transferred its interest to HOW in 2013.

In August, 2012, the Partnership entered into a mortgage payable of \$153,000.

Some years ago, the Partnership granted a conservation easement option to NC Department of Environment and Natural Resources for the purpose of exploring the feasibility of a stream restoration project of mineral spring's branch.

HOPEWOOD LLC

Hopewood LLC was formed on April 15, 1997 with WHFD as the managing member. WNC California Institutional Tax Credits, LP as the investor member. WNC Housing LP as the special member.

Hopewood was organized to develop, construct, own, maintain and operate 16 residential units for rental to low-income tenants with special needs. The apartments were built and began initial operations in December, 1998.

Costs:

- Investor member's contribution was \$715,972.
- The special member's contribution was \$72,000.
- A construction loan with BB&T in the amount of \$266,000 was converted to a permanent mortgage. Final payment is due in 2017.
- A note payable to the City of Wilmington bearing interest at 1% per annum is in the amount of \$175,000.
- Initial costs of the project:

Land	\$30,089
Land Improvements	125,462
Buildings	879,605
Building Equipment	52,192
TOTAL	\$1,087,348

The cost certification was \$1,087,348. Total square footage is 11,064. Cost per square foot is \$98.28. Construction is masonry and sprayed concrete.

Initially, WHA managed the property. Effective April 1, 2000, WHFD assumed management responsibilities for the development.

Rents and security deposits are subsidized by an annual grant from Shelter Plus Care.

WHFD purchased WNC's interest for \$1001.00 and it was transferred to HOW January 1, 2014.

DRIFTWOOD WILMINGTON L.P.

Driftwood Wilmington Limited Partnership was organized for the purpose of purchasing, constructing and operating a 15-unit apartment complex for homeless individuals who are persistently and mentally-ill with incomes at or below 60% of median income. It is a tax-credit development and is monitored by NCHFA.

On August 26, 2002, NCHFA approved the reservation of up to \$1,40,692 in low-income housing tax credits. June 17, 2003, Driftwood Apartments received funding under the Supportive Housing Program in the amount of \$250,000. The amount is broken down as follows:

Acquisition	\$60,000
Supportive Services	145,918
Operating costs	32,177
Administration	11,900

The cost of the development is \$1,513,799 which includes land cost of \$60,000. The managing member was Regency Investment Associates and changed to Blue Dolphin Investments LLC. Heated SF is 10,623. The one-bedroom unit SF is 630. The two-bedroom unit is 821 SF. Development acreage is 2.4

On November 20, 2005, Judy Core became the sole owner of Membership Interest in the Integra Investment Holdings LLC, f/k/a Blue Dolphin Investments. June 14, 2011, Judy assigned her interests to James I. Anthony, Manager of Highland Henderson LLC and James I. Anthony, Manager of Zagreb, LLC.

The development consists of 14 one-bedroom units and one two-bedroom unit for staff and guests.

A Service Provider agreement was made with Community Support Professionals, LLC on January 3, 2006. This agreement was cancelled on June 30, 2008.

Harris Brown was the initial managing company. WHFD assumed management on August 7, 2006. At this time, NAMI asked WHFD to assume their interests in Driftwood and to take over the Grant. An agreement was given by the Board of Directors at that time. On July 17, 2012, WHFD passed a resolution to assume NAMI's interest.

An annual Grant provides supportive services. Rent is not subsidized.

TENANT SELECTION PLAN

WILLOW POND:

Applicants are selected from those who have incomes between 40% and 60% of median income. This development was developed as a "Family Self-Sufficient" complex with the goal of preparing all tenants to improve their income and educational status by the end of five years. Applicants also have to be selected to fill the apartments so that 19% of the apartments are occupied by tenants whose incomes are up to 50% and 15% are up to 60%. The remaining 6 apartments can be rented at market rate.

KENT STREET:

Tenants are selected from WHA's Section 8 waiting list. Now that Section 8 is not available for awhile, we select tenants whose income does not exceed 50% of median income.

HOPEWOOD:

Tenants are those who are homeless with a mental illness. We work closely with Community Support Professionals, LLC who screens and recommends tenants. These tenants will be those monitored by this group.

DRIFTWOOD:

Tenants are those who are homeless with a mental illness. Tenants are selected from those qualified tenants who have been presented by case workers at a meeting in which the homeless providers determine which apartment complex best suits the tenants needs.

MARKETING AND LEASING PLAN

Wilmington Housing Finance and Development, Inc. (WHFD) markets itself as an Affirmative Fair Housing entity. The demand for low to moderate income housing is high and WHFD receives many of its applicants through word-of-mouth. Current tenants often refer co-workers, friends, and family members to WHFD. This provides a consistent stream of applicants.

WHFD's staff keeps current by attending workshops on Fair Housing regulatory requirements by applicable federal, State, and local regulations. Tenant selection policies,, including the maintenance, retention and procedures for waiting lists are reviewed annually.

WHFD's staff attends meetings of the Tri-County Continuum of Care, permanent supportive housing and various other meetings where housing referrals can be made and received.

WHFD also utilizes flyers and rental signs to attract applicants. Once a quarter, WHFD's staff goes to heavily trafficked areas and posts handbills including pertinent information about the development rentals.. Rental houses that are vacant will have "for rent" signs posted in front of their property with current contact information.

Future plans include a web site with pictures of apartments.

Tenant selection is as follows:

- A waiting list is maintained.

- The selection of eligible tenants is on a first come first serve basis.

Applicants are selected from those who have incomes between 40% and 60% of median income. The goal of the development continues to be that of preparing all tenants to improve their income and educational status. Applicants also have to be selected to fill the apartments so that 19 of the apartments are occupied by tenants whose incomes are up to 50% and 15 are up to 60%. The remaining six apartments can be rented at market rate.

**BYLAWS OF WILMINGTON HOUSING FINANCE AND DEVELOPMENT,
INC.**

ARTICLE I

OFFICES

Section 1. Principal office. The principal office of the Corporation shall be located at 3508 Frog Pond Place, Wilmington, NC 28403.

Section 2. Registered office. The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other offices. The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Members. The Corporation shall have no members other than Directors. Membership in the Corporation is not transferable or assignable.

Section 3. Number, Term and Qualifications. The number of Directors constituting the Board of Directors shall be no more than fifteen and not less than nine. The number of Directors may be fixed or changed from time to time by the Board of Directors. The term of each Director shall be three years and a director may serve successive terms. The Board of directors is authorized to provide for the staggering of terms, provided that in staggering terms, the term of an incumbent Director may not be shortened. The Board of Directors shall include (a) not more than 1/3 of its members from the public sector or who are public officials; (b) not less than 1/3 of its members shall be representatives of the low income community; and (c) the remaining members to be selected from those persons possessing knowledge, expertise or skills that advance the corporate purpose of developing affordable housing. No "for profit" entity will appoint members to the Board of Directors. Any member serving from the private sector will serve as a citizen and not as a representative of their employer. The members of the Board of Directors shall be appointed by the Board of Directors.

Section 4. Election of Officers. The officers shall be those persons elected as such at the Annual Meeting of the Board of Directors of the Corporation; and those persons who receive the highest number of votes shall be deemed to have been elected. If any Director so demands, the election of officers shall be by ballot.

Section 5. Vacancies. Any vacancy occurring in the officers of the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, unless otherwise provided by law.

Section 6. Chairman of the Board. There will be a Chairman of the Board of Directors elected by the Directors from their number at the Annual Meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 7. Compensation. Board of Directors shall serve without compensation for their services as such, but the Board may provide for the payment of any reasonable and necessary expenses incurred by Directors in the performance of their duties other than their attendance at meetings of the Board.

ARTICLE III **MEETINGS OF DIRECTORS**

Section 1. Annual Meeting. The Annual Meeting of the Board of Directors shall be held in November of each year at such place in the City of Wilmington, North Carolina, as shall be designated in the notice of the meeting, or if no designation is made, at the principal office of the Corporation in the State of North Carolina, or on such day and as such time as fixed by the Board of Directors. The Annual Meeting shall be held for the purpose of electing Directors and officers, passing upon reports of the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting at the time designated shall not work a forfeiture or dissolution of the Corporation and in the event of such failure, the Annual Meeting shall be held within a reasonable time thereafter.

Section 2. Regular Meeting. A Regular Meeting of the Board of Directors shall be held monthly at a time and place, either within or without the State of North Carolina, as determined by the Board of Directors.

Section 3. Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the Chairman, the Secretary, or any two Directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.

Section 4. Notice of Meetings. Regular Meetings of the Board of Directors may be held without notice. The person or persons calling a Special Meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 5. Waiver of Notice. Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting,

except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Quorum. Four directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. Manner of Acting. Except as otherwise provided in these bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Presumption of assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the Minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of this Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV

OFFICERS

Section 1. Officers of the Corporation. The officers of the Corporation consist of a Chairman, a Secretary, a Treasurer, a Vice-Chairman and such other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the Corporation shall be elected by the Board of Directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification or the end of their term and his successor shall have been elected and qualified.

Section 3. Compensation of Officers. The compensation of all officers of the Corporation shall be fixed by the Board of Directors and no officer shall serve the Corporation in any other capacity and receive compensation therefore unless such additional compensation be authorized by the Board of Directors.

Section 4. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the corporation to give bond to the Corporation, with sufficient securities, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 5. Chairman. The Chairman is the principal Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general, supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings. He shall sign with the secretary, or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time-to-time.

Section 6. Vice-Chairman. In the absence of the Chairman or in the event of his death, inability or refusal to act, the Vice-Chairman, unless otherwise determined by the Board of Directors, shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all restrictions upon the Chairman. The Vice-Chairman may sign, with the Secretary, certificates for shares of the Corporation; and shall perform such duties as from time-to-time may be assigned to him by the Chairma or Board of Directors.

Section 7. Secretary. The Secretary shall: (a) Keep the Minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) Be custodian of the corporate records and of the Seal of the Corporation and see that the Seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its Seal is duly authorized; and (d) In general, perform all duties incident to the office of Secretary and such other duties as from time-to-time may be assigned to him by the Chairman or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall, (a) Have charge and custody of and be responsible for all funds, securities and assets of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such depositories as shall be selected in accordance with the provisions of Section 4 of Article V of these bylaws; (b) Prepare or cause to be prepared, a true statement of the Corporation's assets and liabilities as of the close of each fiscal year, all in reasonable detail, which statement shall be made and filed at the Corporation's registered office or principal place of business in the State of North Carolina within four months after the end of such fiscal year and thereafter kept available for a period of at least ten years; (c) In general, perform all the duties as from time-to-time may be assigned to him by the Chairman or by the Board of Directors, or these bylaws.

Article V

COMMITTEES

Section 1. Appointment of Committees. Committees may be appointed by the Board of Directors or by the Chairman of the Board of Directors in order to facilitate the corporate decision making process.

Section 2. Members of Committees. Committee members, whether appointed by the Chairman or the Board of Directors, may be members of the Board of Directors or other persons possessing technical skills or expertise needed to accomplish the task of the committee.

ARTICLE VI

CONTRACTS, LOANS, CHECKS, DEPOSITS AND GIFTS

Section 1. Contracts. Subject always to the Articles of Incorporation, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a Resolution of the Board of Director and permitted under the terms of the Articles of Incorporation of the Corporation. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time-to-time be determined by Resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time-to-time to the credit of the Corporation in such depositories as the Board of Directors may select.

Section 5. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or any specific purpose of the Corporation.

These bylaws adopted this 24 day of September, 2013.

WILMINGTON HOUSING FINANCE
AND DEVELOPMENT, INC.

By: Susan Brandt Quinn
Chairman

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee

October 11, 2016

Meeting Notes

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

Staff – Jennifer Rigby, NHC; Suzanne Rogers, City of Wilmington

Absent: David Barnes, Carlos Braxton (resigned)

Presentation:

Stephanie L. Norris, PE with Spaulding & Norris, PA presented and discussed with the committee the NC Housing Finance Agency (NCHFA) Low Income Housing Tax Credit (LIHTC) program. She offered the Lockwood Village project as an example and shared the process, challenges, changes in LIHTC Qualified Allocation Plan, and lessons learned. (see attached handouts) Ms. Norris offered the list of request to help with developing LIHTC projects:

- Funding from local governments (projects with local government funds more competitive bring down tax credits per unit)
- Other Sources of funds beyond the Federal HOME \$
- CFPUA
 - Impact Fee \$65k master meter:
 - Amortize w/payment schedule or waive impact fee for affordable housing projects
 - Waive meter fees during construction when no service/water provided
 - Prefer individual meter vs master meter - tenant directly responsible to CFPUA for use/payment vs sub meters
- Zoning & Permitting
 - Need hybrid approval process with preliminary approval on concept limited design with final approval upon award of tax credit... delay cost until know if project will get funding
- Need more cooperation from City attorney to ensure closing documents timeline met for all other funders...

Jody Wainio, Chair, asked committee members to work in small groups. She ask for volunteers to serve on the following groups to identify barriers to affordable housing.

Permanent Support Housing (also consider other subsidized housing for very low and low income persons) - Katrina Knight, Robert Rosenberg, Tilghman Herring, Jody Wainio

Rental Housing – Paul D'Angelo, Katrina Redmon, Elizabeth Dodson, Gloria Green, Phil Humphrey

Home Ownership – Steve Spain, Dave Spetrino, Will Bland, Linda Smith

Committee members met in their respective groups and reported out as follows:

Barriers (Gaps) to Rental Housing :

I = Individual, D = Developer, L = Landlord

- Lack of inventory of affordable housing (I)
- Lack of incentives for builders (D)
- Banks – affordable rental housing high risk/profit margin (D)
- Availability of Land/Land cost (multifamily), not so much barrier for single-family (D)
- Location of affordable land not ideal, for example location near transportation (I) (D)
- Cost of affordable housing still high (I)
- Marketing of programs and availability (I)
- Funding/Limited Sources/ Restrictions (D)
- Education – what is affordable housing (D)
- Size appropriate/matches subsidy (I)
- Cost of construction (D)
 - Fees, etc
 - Cooperation among agencies (education)
- Lack of incentives to Landlords (L)

Comments added from committee at report out:

- Insurance/taxes costs passed to consumer
 - 17% increase taxes and insurance
 - CFPUA, Duke Energy cost increasing
- Students drive up rents
- VRBO Rental competition
- Lack of CDBG funds in NHC
- Fair market value taxes – tax assessment reflects value of property as owner-occupied not as rental property

Barriers to Home Ownership:

- \$125k-\$145k = Affordable Housing for home ownership (no availability)
 - High cost of land and infrastructure - \$25k development cost per unit
 - Lack of Education
 - Budgeting for household/personal to save for down payment, qualify for mortgage, maintain house, etc.
 - Credit score – poor or no score
 - Schools/crime/social problems especially in downtown area where infrastructure exists
 - Down payment assistance in some areas
 - Myth that affordable housing brings down adjacent property values
-
- **Barriers to Permanent Supportive Housing and other subsidized housing:**

- Low or no income of individuals needing PSH housing
- Expense of supportive services – social workers, transportation, etc.
- Lack of available PSH and other supportive housing
- NIMBY
- Structuring multiple financing sources w/varying requirements and conditions to secure funding to develop PSH and housing for those with very low and low incomes
- Not being “poor enough” to qualify for subsidy and other resources
- Minimum standards for housing, such as separate kitchen, bathroom, living space for each tenant... 675square feet... etc... “creative solutions” shared spaces ... co-housing...
- Capacity of small non-profits
- ADA compliance
- Land cost
- Donation/private/non-profit
- Impact fees
- Permitting/ Approval Process

Comments added from committee at report out:

- Clustering affordable housing/concentration due to tax credits
- Lack of education on affordable housing and related issues among planning commission and elected officials.

Committee members pointed out that many of the barriers impact all the subcommittee housing categories.

LOCKWOOD VILLAGE

Family Apartment Community

LIHTC Application & Development Process

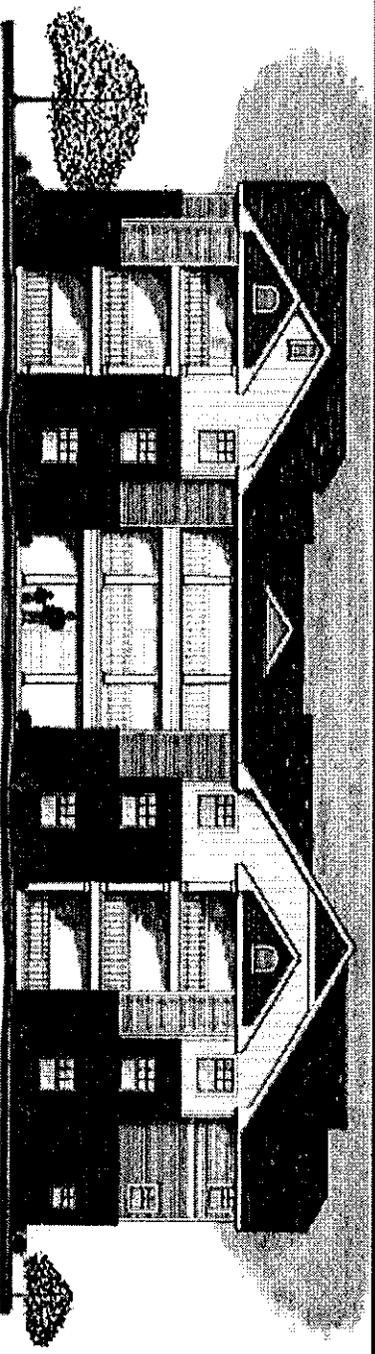
Things to do before applying for Tax Credits

Assemble a Team with specific NC tax credit experience and strong financial stability

Site Selection is critical

Preparation of Proforma – Rents, Operating Costs, Development Costs, Funding Sources

Meet with Equity Providers and Lenders



SNW, LLP

CASA

Boston Capital

NCHFA

**City of
Wilmington**

CICCAR

LIHTC Application & Development Process

NCHFA QAP & Application

- Preliminary Application – January submittal
- Site Zoning & Conditional Use Process
- NCHFA Site Scoring & Market Study
- Other Due Diligence for Full Applications
- Full Application – May submittal
- NCHFA Underwriting
- Tax Credit Award – August announcements
- Tax Credit Allocation – September/October deadline

SNW, LLP

CASA

Boston Capital

NCHFA

City of
Wilmington

CIQCAR

LIHTC Application & Development Process

Development Process

- Equity Provider – Preliminary Commitment
- Construction Lender – Preliminary Commitment
- Site & Architectural Design – Review & Permits
- Due Diligence for Closings – Equity & Construction Construction
- Lease-Up
- Stabilized Operations
- Equity Disbursements
- Other Lender Closings – NCHFA, City, CICCAR

SNW, LLP

CASA

Boston Capital

NCHFA

City of
Wilmington

CICCAR

2015 TAX CREDIT AWARDS & ANALYSIS

2015 Housing Credit Funded Projects

Project Name	Location	Phase	Value	Year	Units	Value	Year	Units	Value	Year	Units	Value	Year	Units	Value	Year	Units
Green Creek Park III	Madisonville	Phase 1	\$542,472	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 2	\$532,200	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 3	\$171,200	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 4	\$93,920	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 5	\$38,297	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 6	\$6,428	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 7	\$19,311	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 8	\$29,200	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 9	\$62,376	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 10	\$32,761	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 11	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 12	\$69,200	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 13	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 14	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 15	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 16	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 17	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 18	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 19	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 20	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 21	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 22	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 23	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 24	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 25	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 26	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 27	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 28	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 29	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30
Green Creek Park III	Madisonville	Phase 30	\$40,343	2015	30	2015	2015	30	2015	2015	30	2015	2015	30	2015	2015	30

Ave TC Per Unit = \$7,680
 Ave TC Per Unit = \$7,197
 Ave TC Per Unit = \$7,680
 (New Coast & Rehab)
 (New Coast Only)

East Region (12 Awards)
 Ave TC Per Unit = \$7,197
 Ave TC Per Unit = \$7,680
 (New Coast & Rehab)
 (New Coast Only)

April 15, 2015
 Page 1 of 1
 52057197

LOCKWOOD VILLAGE 2016 Funding Analysis

LOCKWOOD VILLAGE - WILMINGTON (60 Units)

FUNDING SOURCES

2013 NCHFA Application Source	Amount
Bank Loan - CICCQR	\$1,014,448
RPP Loan - NCHFA	\$800,000
Local Govt Loan - City	\$650,000
State Tax Credit Loan - NCHFA	\$844,089
Equity - TBD	\$4,481,552
Deferred Developer Fee	\$0
TOTAL SOURCES	\$7,890,089

Final Cost Certification Source	Amount
Bank Loan - CICCQR	\$1,076,819
RPP Loan - NCHFA	\$800,000
Local Govt Loan - City	\$650,000
State Tax Credit Loan - NCHFA	\$590,108
Equity - Boston Capital	\$4,859,514
Deferred Developer Fee	\$234,910
TOTAL SOURCES	\$8,151,351

2016 Analysis Source	Amount
Bank Loan - CICCQR	\$1,076,819
RPP Loan - NCHFA	\$800,000
Local Govt Loan - City	\$650,000
Workforce Housing Loan - NCHFA	\$0
Equity - Boston Capital	\$4,699,530
Deferred Developer Fee	\$250,000
TOTAL SOURCES	\$7,476,349

Estimated Tax Credit Pricing	\$0.83
Tax Credits Requested (Awarded)	\$540,000
Tax Credits per Unit	\$9,000

Actual Tax Credit Pricing	\$0.90
Tax Credits Requested (Awarded)	\$540,000
Tax Credits per Unit	\$9,000

Estimated Tax Credit Pricing	\$1.00
Tax Credit Request	\$470,000
Tax Credits per Unit	\$7,833

GAP

\$675,002

- Notes:
1. Actual bids for construction were significantly higher than estimated in the Application (Increased Costs = \$561,262).
 2. Received additional equity from Boston Capital due to higher Tax Credit Pricing (Increase = \$377,962).
 3. NCHFA lowered State Tax Credit Loan due to additional equity (Reduction = \$113,981).
 4. Project proforma allowed for a slight increase to CICCQR loan (Increase = \$62,371).
 5. Deferred Developer Fee also needed to cover increased costs (Increase = \$234,910).

Remarks

Assumes Rents/Income similar to 2015
Maximum amount allowed by NCHFA
HUD Home Loan Amount

See GAP for restrictions with City Loan

See Below
Amount is limited by Cash Flow

Realistic for Wilmington market

See Below

See 2015 Awards - Need to be competitive

How do we fill this GAP to win more projects in Wilmington and New Hanover County???

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)

NCHFA 2016 State-Mandated Set-Asides (with Novogradac Data for 60% AMI)

New Hanover % Of Median Income	Income Limit for Family Size Median Income: \$65,100 (1)								Rent Limits (Rent + Utilities) Maximum Housing Expense				
	One Person	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	Efficiency	1/BR	2/BR	3/BR	4/BR
30%	13,680	15,630	17,580	19,530	21,120	22,680	24,240	25,800	342	366	439	508	567
35%	15,960	18,235	20,510	22,785	24,640	26,460	28,280	30,100	399	427	512	592	661
40%	18,240	20,840	23,440	26,040	28,160	30,240	32,320	34,400	456	488	586	677	756
50%	22,800	26,050	29,300	32,550	35,200	37,800	40,400	43,000	570	610	732	846	945
60% (Novogradac)	27,360	31,260	35,160	39,060	42,240	45,360	48,480	51,600		732	879	1,016	1,134

*Note: 30% & 50% set-asides on this chart are for State-Mandated targeting only. They do not comply with HOME or Section 8. They may not be used by properties where the tax credit minimum set-aside is 20/50 per the 8609. Section 8 and HOME Income limits can be found at www.huduser.org

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee

October 25, 2016

Meeting Notes

Present: Elizabeth Dodson, Gloria Green, Phil Humphrey, Robert Rosenberg, Steve Spain, Dave Spetrino, Jody Wainio, Tilghman Herring, Linda Smith, Katrina Redmon, Katrina Knight,

Staff – Jennifer Rigby, NHC; Suzanne Rogers, City of Wilmington

Absent: Paul D'Angelo, Will Bland

Resigned: David Barnes, Carlos Braxton

Jody Wainio, Chairwoman, called the meeting to order and explained the continuation of work for the sub-committees using meeting notes from 10/11/16 meeting which identified barriers/gaps to affordable/workforce housing. Jody directed the sub-committee members to convene and brainstorm strategies, solutions, and best practices to address barriers. The small groups convened after lunch to report out as follows:

Rental Housing Group

A. Inclusionary Zoning

- De-concentration of poverty
- Needed focus on %
- Offer payment in lieu to support workforce housing elsewhere in community (how do we make this work for developers too?)
- Density, Square Footage, airspace, reduced parking, bonuses (rewards?)
- Confronts barriers of:
 - Inventory
 - Lack of incentives

Addresses the following barriers/gaps identified at 10/11/16 meeting

- *Lack of inventory of affordable housing (I)*
- *Lack of incentives for builders (D)*
- *Location of affordable land not ideal, for example location near transportation (I) (D)*
- *Funding/Limited Sources/ Restrictions (D)*
- *Lack of incentives to Landlords (L)*

B. "Micro Units"

- Caters to aging population
- Incentive to builders in terms of volume
- Must have zoning laws to support

Addresses the following barriers/gaps identified at 10/11/16 meeting

- *Size appropriate/matches subsidy (I)*

C. Set goals by jurisdiction

- Be prepared to incentivize those who work to achieve goals
- Active participation/concurrence of utility services, taxes, etc.

Addresses the following barriers/gaps identified at 10/11/16 meeting

- *Cost of construction (D)*
 - *Fees, etc*
 - *Cooperation among agencies (education)*
- *Insurance/taxes costs passed to consumer*
 - *17% increase taxes and insurance*
 - *CFPUA, Duke Energy cost increasing*

D. Education of public and elected officials

- Redefine “affordable” & “workforce” in a broad spectrum but also update monetary figures that that support this definition – affordable is not \$225K

Addresses the following barriers/gaps identified at 10/11/16 meeting

- *Lack of CDBG funds in NHC*
- *Fair market value taxes – tax assessment reflects value of property as owner-occupied not as rental property*

E. Mix multi-family w/single family residential and visa verse – tastefully & logically

Addresses the following barriers/gaps identified at 10/11/16 meeting

- *Size appropriate/matches subsidy (I)*

F. Accessory housing

Addresses the following barriers/gaps identified at 10/11/16 meeting

- VRBO Rental competition

Homeownership Group

Are you ready to be a Home Owner?

1. Is Homeownership part of your long-term personal goals?
2. Do you feel stable in our income/career?
3. Do you see yourself living in the area for 5 + years?
4. Have you paid rent on time, every month for the last 2 years?
5. Have you saved money for anything?

How's Your Credit?

1. Obtain your credit report
2. Credit Counseling:
 - A. low/cost/no cost access
 - B. Understand your report
3. No-No's / Do's & Don'ts
 - a) Don't co-sign for others
 - b) Don't add more debt
 - c) Pay bills on time- every time
 - d) Pay off /negotiate old debts
 - e) Debt snowballs
4. Avoid too much debt
 - a) Car Payments
 - b) Credit cards
 - c) Past due payments
 - d) Installments & pay day loans
5. Give Yourself Some Time:
 - a) 12 months
 - b) Start w/a plan, work your plan
 - c) Debt snowball
 - d) Good used cars – avoid costly payments and repairs

Let's Talk About Money

1. Down payment for home ownership - Save \$3,000 – start there
2. Work with existing programs:
 - HOP
 - USDA
Veterans Admin
3. Improve those programs:
 - Who's getting left out? Why? (Lower income need help)
4. Employer Benefit Programs – Are you taking advantage?

Permanent Supportive Housing /Subsidized Housing Group

- Planning-
 - Review existing zoning regulations to increase flexibility for affordable housing ..i.e. secondary structures/accessory dwellings, increased density, cohousing and other housing prototypes
 - Expedited review w/ City & NHC plan review process – saves \$, outlines expectations saves time... preliminary review before application fee paid
 - Limit Council/Commission discretion in affecting planning decisions in the approval process & adopting plans... administrative review only and by-right zoning for affordable housing
- Allow spreading of costs (tap fees) over time for affordable housing w/low or no interest
- Eliminate or waive development, permit, and utility fees on affordable housing projects
- City/NHC/CFPUA to finance fees
- City/NHC to encourage private investment in affordable housing
- Explore options of jurisdiction rebate of fees
- Educate City Council, County Commission and planning commission members re: fair housing law & commitment regarding affordable housing
- Explore creating a Housing Trust Fund a portion of which could be used to rehab existing unoccupied houses as affordable housing (deed restrictions to ensure affordability)
- Create a market-place for matching qualified elder home owners with qualified individuals or families to cohabitate

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee

November 15, 2016

Meeting Notes

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

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

Presenters: Ken Vafier, NHC; Ron Satterfield, City of Wilmington

Absent: Linda Smith,

Resigned: David Barnes, Carlos Braxton

Robert Rosenberg, Vice Chairman, called the meeting to order and introduced the presenters Ken Vafier, NHC; Ron Satterfield, City of Wilmington (presentation attached). After an update on the status of the revision of NHC and City of Wilmington land use ordinances the group discussed the following issues related to land use regulations impact on affordable housing:

Strategies for addressing housing affordability issues:

Accessory Dwellings

- Not permitted in County
- City allows accessory housing, attached or detached
- Cannot regulate residency (courts have ruled on this matter)
- In City, accessory dwellings can be up to 1/3 the size of the primary dwellings

There is concern over the interpretation of codes

- Accessory Dwelling could become a "frat house"
- The Committee may want to offer some recommendations to improve the accessory dwelling language in code to make it more flexible for affordable/workforce housing, for example encouraged in certain neighborhoods where more appropriate...

What were the challenges of the affordable housing development in Castle Hayne?

- Using the right language
- NIMBYs over density and traffic concerns
- The population in NHC is rising exponentially (additional 120,000-140,000 people by 2040) so density is necessary but we can do it and should do it intelligently.
 - Not density for density's sake; rather density in places where the infrastructure can support it
- Recognize that Northeast NHC is a greenfield and can expect residential development to occur in that area; should be sure that affordable/workforce housing is part of the growth here

We need an educational campaign about density

- Density won't hurt property values
- Density can be attractive
- Density can have a positive impact on traffic (i.e. more people using alternative transportation to employment centers, services, and entertainment)

Height: How do we overcome the fear?

- Goes back to fire codes and ladder heights
- Do we need more education?
- Put parking under housing to reduce impervious pavement
- The City encourages height

What about parking concerns?

- The City regulates maximum parking instead of minimum parking in urban mixed use and the central business district
- Affordable housing clientele doesn't need as much parking because some don't have cars and some don't drive (seniors).

What is the minimum dwelling unit size? Can seniors, LMI, single mothers, etc. cohabitate?

- Depends on building code
- Dwelling units must have a kitchen
- City/County should consider cohabitation in Ordinances to alleviate housing costs for seniors and single mothers (private bedrooms sharing a common living space).

What is the benefit of annexation?

- City has different design requirements
- City deals with more mixed use

NHC is not alone in NIMBY problem or aversion to affordable housing.

Density bonuses – why aren't they used?

- The Code is confusing
- Even staff has a hard time interpreting it
- Developers can get the same incentives with conventional housing just by asking for it.
- Charleston, SC and Asheville, NC use density bonuses, we can look at those models

NIMBY and Double Standards

- There's an added layer when you say "affordable housing" to City Council or County Commission. You have to convince them that everyone is excited about the AH project, where conventional housing projects will get approved more easily even with opposition from citizens.
- "You have better odds at Vegas than with a rezoning for affordable housing."

Taxes

- Land costs in the City are much higher than in the County and properties in City have city & county taxes
 - This should be an incentive to build more affordable housing in the County and the County needs to take the lead on this

- City could give better incentives than the County offers to offset higher costs or adjust the tax assessment/valuation on rental housing in the city so that tax not passed on to tenants

Zoning

- Inclusionary zoning does work but you have to have elected officials on board
- Design the system so that it defaults to what you want, meaning it should be less work for the developer to build housing that is affordable than housing that is not affordable.
- Make affordable housing by-right

Final thoughts on strategies

- Develop a Land Bank for affordable housing projects
- Use infill housing
- Streamline the development and permitting process to save the developer money

Notes prepared by Suzanne Rogers w/contribution from Julia Moeller

Unified Development Ordinance

Ken Vafier
Planning Manager

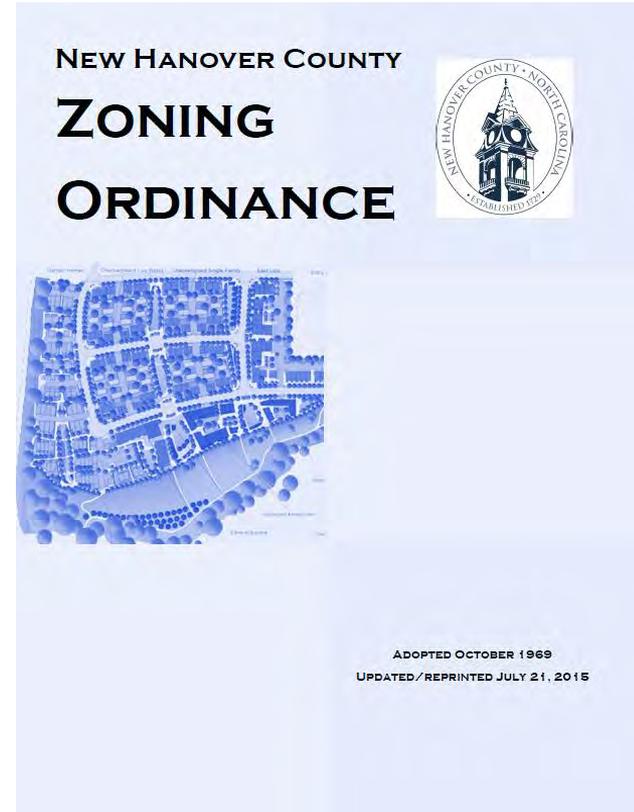


Planning & Inspections
New Hanover County

November 15, 2016

Current Tools to Guide Community

- New Hanover County Zoning Ordinance - adopted in 1969
- Other Land Use Regulations – Subdivision Ordinance, Flood Damage Prevention Ordinance, MHP Ordinance, Airport Height Ordinance
- Long Range Planning Documents – Comprehensive Land Use Plan, Small Area Plans, Transportation Plans



How is Development Changing?

- Mix of Uses
- Cluster Development
- Vertical
- Form Based
- Multi-Modal Transit
- Smart Growth
- Adaptive Reuse



Transitioning to a UDO

- Currently, there are many areas of conflict, interpretation or outdated practices in NHC's land use regulations
- Regulations can be revised to offer better opportunity to utilize contemporary development practices
- Major implementation strategy for *Plan NHC*



Project Goals

- Draft and adopt a Unified Development Ordinance using commonly accepted planning practices. The process will involve multiple stakeholders, elected and appointed officials, staff, citizens, and other parties with extensive public engagement;
- Incorporate modern and contemporary zoning tools into final document;
- Create clear procedures that are easily administered along with being easy to read and understand for all users including citizens, public officials, County staff, and developers;
- Support sound responsible economic development, multimodal transportation, and a sustainable built and natural environment;
- Utilize a regional approach and coordination with adjacent counties and municipalities, particularly with the City of Wilmington;
- Integrate with and cross-reference other land use related ordinances and documents and ensure consistency with local, state, and federal laws and regulations.



Scope of Work

- Project Orientation
- Issue Identification
- Stakeholder Outreach
- Technical Audit
- Coordination Meetings
- Draft Documents
- Public Forums
- Adoption Process
- Administrative Manual
- Staff Training
- “Checkups”



Expected Deliverables

- Diagnostic report on land use regulations to identify areas where improvement is needed or recommended;
- Method to share documentation easily with the general public (i.e. website)
- Potential zoning changes, and a strategy for implementing the changes;
- Administrative Manual to UDO;
- Draft and Final documents



Areas of Interest

- Revised procedures for development types and zoning districts that will allow different mix of housing types;
- Accessory dwelling units;
- Incentives/Bonuses for a variety of specific purposes;
- Conservation Overlay District revisions;
- Technical Review Committee procedures;
- Organization and presentation





Questions?



City of Wilmington Density Bonuses

Sec. 23.11. - Low and moderate income housing; density bonuses.

(a)

The city council may provide for the granting of density bonuses in one or more zoning districts in which residential uses are permitted, or provide other incentives of value to a developer of housing within the City and its extraterritorial zoning jurisdiction, if any, if the developer agrees to construct at least fifteen percent (15%) of the total housing units within the development for persons and families of low and moderate income. The size of the density bonus may vary with the percentage of housing units constructed within the development for persons or families of low or moderate income.

(b)

The city council may provide for the enforcement of a developer's commitment to provide low and moderate income housing by ordinance or through the adoption of rules and regulations. Such ordinance or rules and regulations may require the developer to record restrictive covenants applicable to the property, to convey real estate interests in the property, to enter into binding contracts satisfactory to the city or to take other lawful action prescribed by the city. The city may prescribe the period of time during which the developer's commitment shall be binding.

(c)

When used in this section, the following terms have the meanings indicated:

(1)

"Density bonus" means an increase in the number of housing units allowed on the tract of land upon which the development is located, when compared to the maximum number of housing units which would be allowed on the tract of land in the absence of the density bonus.

(2)

"Low and moderate income" has the meaning prescribed by the regulations of the United States Department of Housing and Urban Development applicable to the City of Wilmington. In the absence of such regulations, the term "low and moderate income" shall have the meaning prescribed by the City Council by ordinance or resolution. The term "low and moderate" shall also be construed to mean low or moderate income.

(Sess. Laws 1991, Ch. 119, § 1; Sess. Laws 1991, Ch. 615, § 2)

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee

November 29, 2016

Meeting Notes

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

Staff –Suzanne Rogers, City of Wilmington; Jennifer Rigby, NCH

Presenters: Jeff Staudinger, Assistant Director of Community & Economic Development. City of Asheville, NC

Absent: Phil Humphrey

Resigned: David Barnes, Carlos Braxton

Jody Wainio called the meeting to order and welcomed everyone. She asked committee members, staff liaisons, and other attendees to introduce themselves. Paul D'Angelo introduced the presenter Jeff Staudinger, noting that Jeff was recipient of the NC Housing Professional of the Year Award by NCHFA and NCHC. Jody thanked Cape Fear Housing Coalition for sponsoring Mr. Staudinger's travel.

Mr. Staudinger provided an in-depth overview of Asheville's affordable/workforce housing efforts – see attached powerpoint.

During the presentation the following questions and salient points were discussed:

Q: Are Accessory Dwelling Units a part of the Asheville Strategy for affordable housing?

A: Moving toward developing tools to incentivize ADUs, including construction financing

Q: Do short-term rentals s i.e. AirBnB, qualify for incentives? Are short-term rentals impacting supply of affordable housing?

A: Asheville City Council has appointed a task force to look at short-term rental issue. Currently allowed in commercial districts, not residential.

Q: Why aren't more condo's being built to meet demand for affordable homeownership?

A: 1- single family unit more profitable; 2- developers can't get conventional financing to develop; 3- cost per door to land, ie. Site prep & infrastructure, too high

Q: Regarding 1¢ for housing strategy – When tourism is the primary source of jobs why increase property tax for affordable housing instead of use sales/use tax?

A: Use of sales/use tax determined by County and requires action an NC Legislature to change or increase. In Asheville increased sales/use tax 100% tourism.

Q: Asheville has a standing housing advisory committee. Would you say this committee provides political cover to City Council in cases of NIMBY?

A: Yes

Q: Asheville contracted for a housing market study – Bowen Report. How much did that cost?

A: \$30,000

Q: Who manages the City's Housing Trust Fund?

A: City staff underwrite the applications and submit for review to the Affordable Housing Advisory Committee (AHAC); AHAC makes recommendation to City Council for final approval.

Priorities for Affordable/Workforce Housing Bond:

- Production of Affordable Rental Housing, leveraging of 9% & 4% LIHTC
- Every private sector developer is including 10% of units in development for affordable housing
- Increase production of single-family and attached homeowner units w/partners by offering construction financing w/very favorable terms

Important Housing Objectives & Tools for Asheville:

- Permanently affordable housing - tool to achieve Land Trust; important to address gentrification, especially in historically African American neighborhoods
- Housing Trust Fund (HTF) tool to finance development of housing City Council has consistently budgeted funds for the HTF. HTF averages \$20,000 per unit. City wants to work with local developers on infill development of smaller 12-24 unit projects.
- Capital Improvement Plan (CIP) tool to finance land banking and to redevelop city owned land for affordable housing
- Land Use Incentive Grant (LUIG) aka Synthetic TIF allows for rebate of taxes and fees conditional on performance. Used for multi-use and multi-income projects, incentive rebate for entire project not just affordable units.
- Density Bonuses – 20% affordability bonuses, no takers yet
- Fee Rebate for housing production up to 50% rebate on fees for houses below certain price point/sales price

For more information on Asheville's Affordable Housing programs:

<http://www.ashevillenc.gov/Departments/CommunityEconomicDevelopment/CommunityDevelopment/FundingPrograms.aspx>



Contents

- Asheville's Affordable Housing Market and Need
- Housing Strategy Framework
- Tools
 - General Obligation Bond
 - Housing Trust Fund
 - Land Use Incentive Grant
 - Permit Fee Rebates
 - Federal HOME and CDBG
 - Capital Improvement Program
 - City-Owned Property
 - Density Bonus



BOWEN NATIONAL RESEARCH

Primary Work Elements

- Analyzed more than 100 demographic & economic metrics
- Conducted ~40 community stakeholder interviews/surveys
- Surveyed nearly 170 multifamily *rental* properties (14,000+ units)
- Surveyed over 100 non-conventional rentals
- Evaluated 171 mobile home parks
- Analyzed *for-sale* data on 25,999 units (3,669 listed/22,330 sold)
- Surveyed 58 Senior Care Facilities (Adult Care, Nursing Home, & Multi-Unit Assisted)
- Completed a housing needs/gap analysis by tenure & affordability (up to 120% AMHI)
- Made more than 200 contacts with individuals & organizations
- Over 200 housing properties were visited and rated

Analysis Conducted on a Four-County Region Basis with Individual City/County Comparisons

- Asheville
- Buncombe County
- Henderson County
- Madison County
- Transylvania County



Housing Need and Housing Gap

- **Housing Need** includes “cost-burdened” households
- **Housing gap** does not; and includes “market adjustment”
- Both include household growth and sub-standard housing replacement



Market Rate Rents (Jan., 2015)

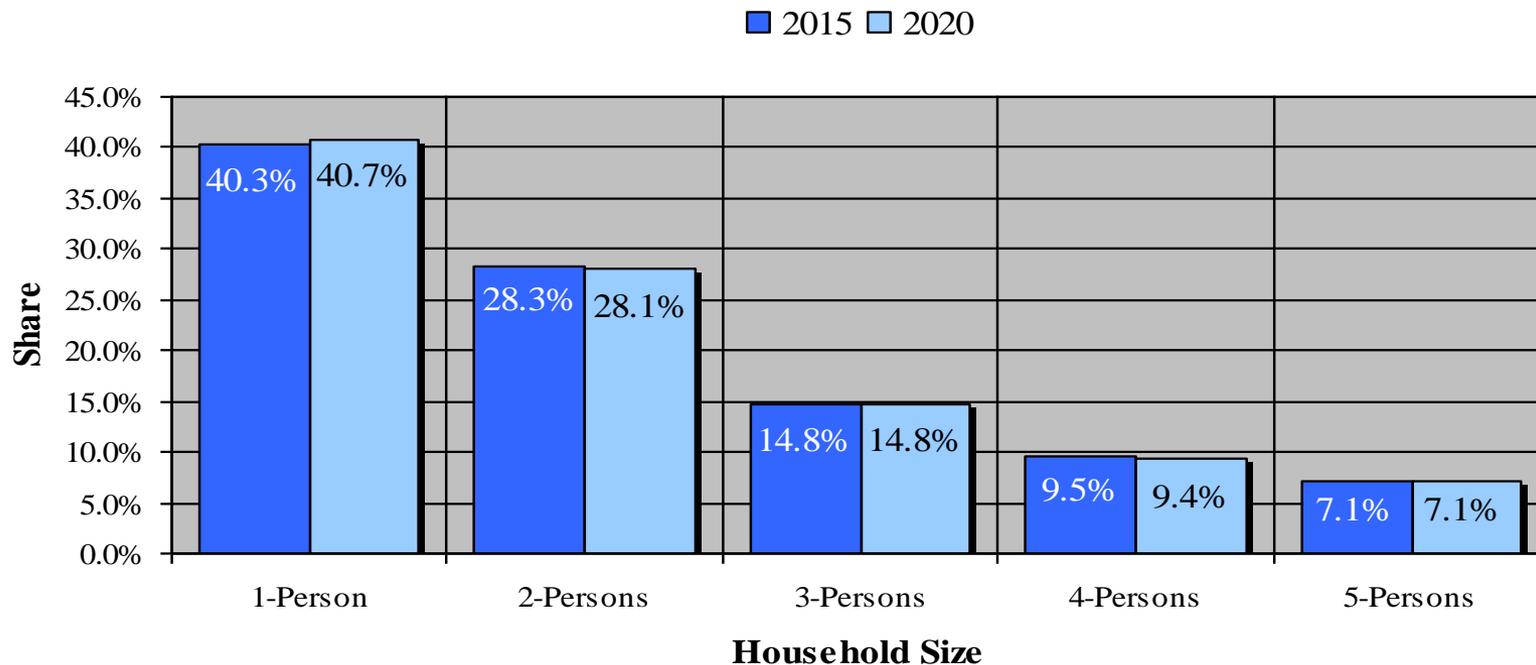
	Median Market-rate Rents by Bedroom Type			
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom +
City of Asheville	\$720	\$836	\$904	\$1,216
Buncombe County	\$667	\$830	\$916	\$1,021
HUD Fair Market Rents	\$510	\$723	\$857	\$1,100
City Affordable Rents	\$725	\$819	\$914	\$1,003



What would affordable housing cost?

Affordable Housing Standards					
Maximum Rent-80% AMI					
	Family Size*	Utility Allowance**	80%	Max affordable rent at 80% AMI***	Rent + Utilities****
0 BR	1	126	32,450	685	811
1 BR	2	133	37,050	793	926
2 BR	3	173	41,700	870	1,043
3 BR	4	209	46,300	949	1,158
4 BR	6	228	53,750	1,116	1,344
Low Income Housing Standards					
Maximum Rent-60% AMI					
	Family Size*	Utility Allowance**	60%	Max affordable rent at 60% AMI***	Rent + Utilities****
0 BR	1	126	24,338	482	608
1 BR	2	133	27,788	562	695
2 BR	3	173	31,275	609	782
3 BR	4	209	34,740	660	869
4 BR	6	228	40,313	780	1,008

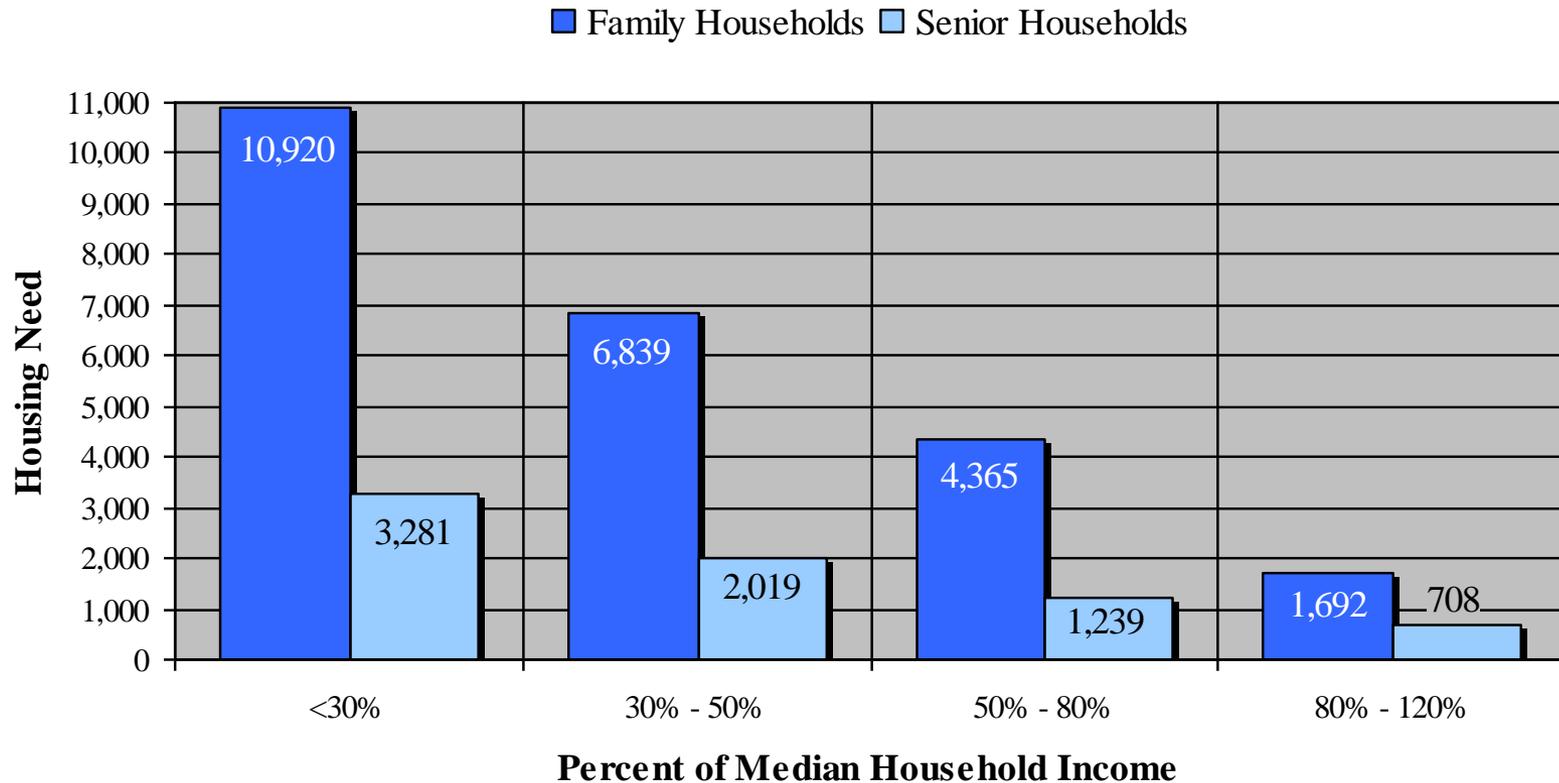
Region Persons per Renter Household (2015-2020)



- One-persons households comprise largest share (40%+) of renter HHs
- One-person HHs will increase by 1,797 b/w 2015-2020



Region Rental Housing Need by Income



31,063 Total Renter Households

74% earn less than 50% of median income



Rental Housing Gap

- 3,580 affordable rental units needed by 2020
- 64% are needed by households earning 80% or less of median income
- 45% of all renter households pay >30% of their gross income for rent
- 21% pay >50% of their gross income for rent



Red shading = Unable to afford Fair Market Rent

	Mean Hourly Wage	Employment	% of Total	Efficiency	Bedrooms		
					1	2	3
Total all occupations	\$17.14	116,920					
Retail Salespersons	\$10.71	4,690	4.0%				
Food Preparation & Serving Workers	\$8.08	3,780	3.2%				
Registered Nurses	\$28.96	3,630	3.1%				
Cashiers	\$8.45	3,350	2.9%				
Waiters & Waitresses	\$8.90	3,250	2.8%				
Home Health Aides	\$10.57	2,310	2.0%				
Stock Clerks & Order Fillers	\$10.74	1,970	1.7%				
Laborers, Freight, Material Movers	\$11.08	1,930	1.7%				
Secretaries	\$13.74	1,900	1.6%				
Janitors & Cleaners	\$9.84	1,740	1.5%				
Office Clerks, General	\$11.73	1,720	1.5%				
Customer Service Representatives	\$13.14	1,700	1.5%				
General & Operations Managers	\$49.62	1,600	1.4%				
Cooks, Restaurant	\$10.42	1,500	1.3%				
Supervisor/Mgr of Retail Sales Work	\$17.62	1,450	1.2%				
Bookkeeping & Accounting Clerks	\$15.20	1,390	1.2%				
Maids & Housekeeping Cleaners	\$8.77	1,310	1.1%				
Executive Secretaries & Admin Assts	\$16.55	1,270	1.1%				
Truck Drivers, Heavy/Tractor-Trailer	\$18.11	1,200	1.0%				
Receptionists & Information Clerks	\$11.39	1,180	1.0%				

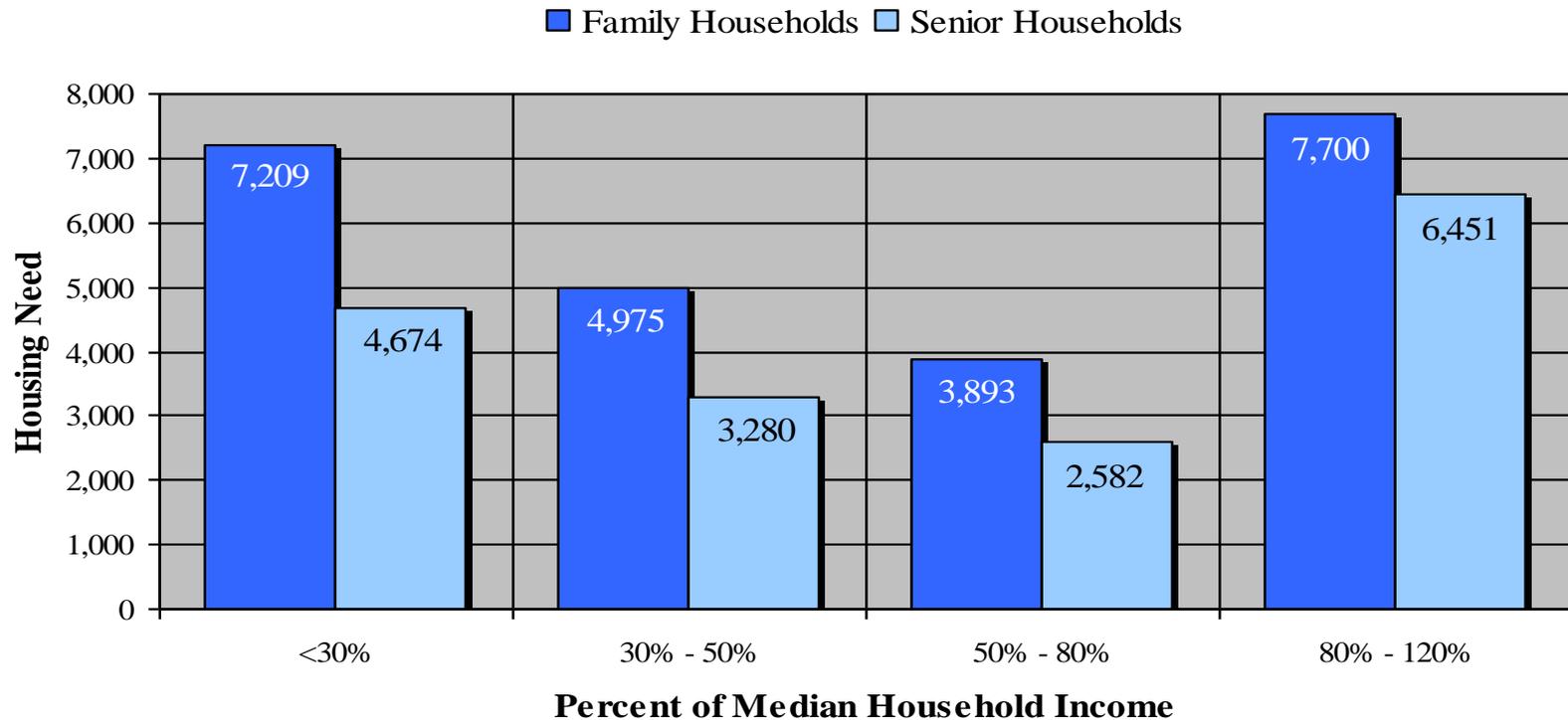


Larchmont

- 60 units of affordable family rental housing in north Asheville developed by MH^Q
- Will remain affordable for at least 30 years to households at 60% or less of median income



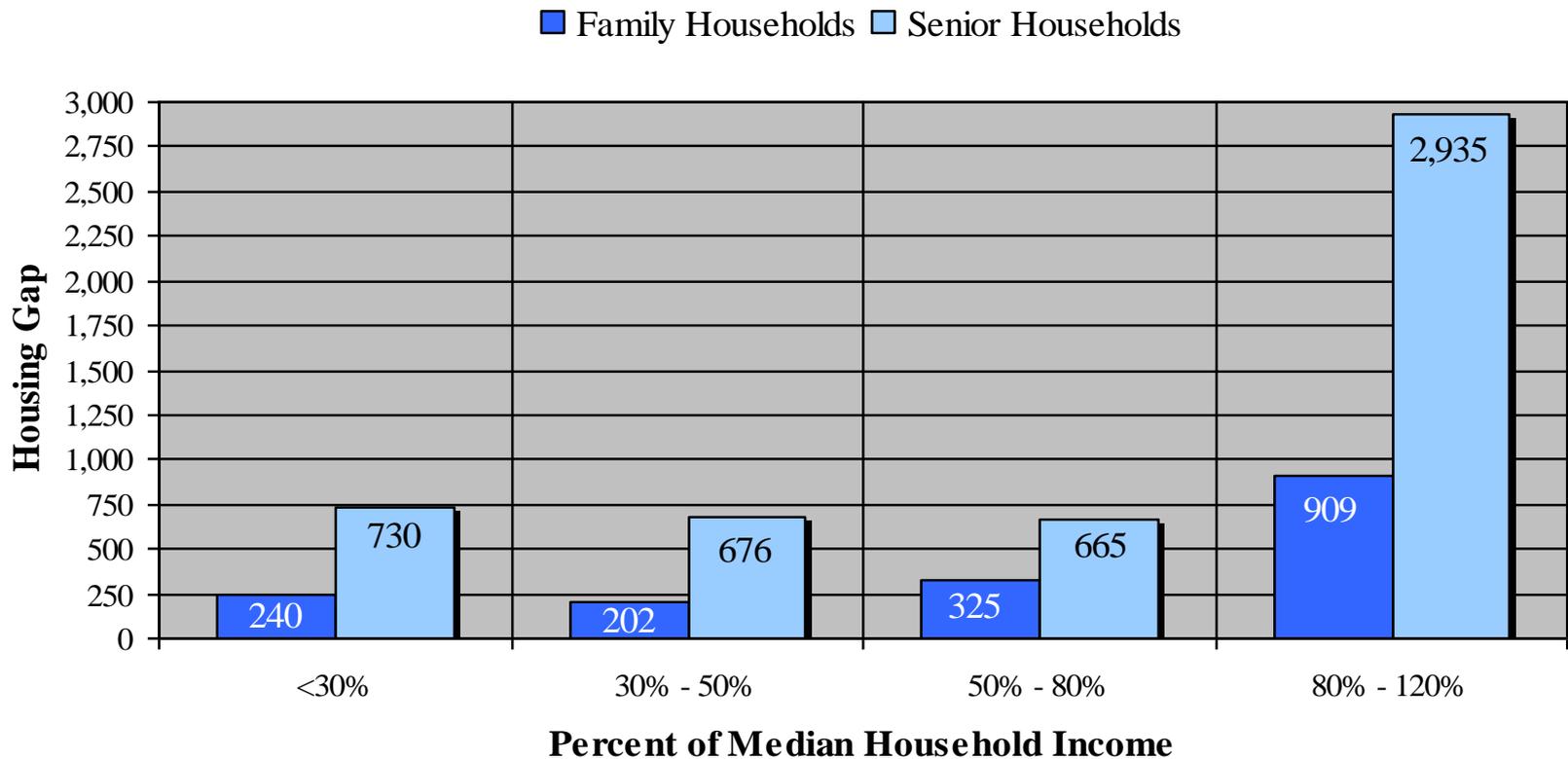
Region Owner Housing Need by Income



- 40,764 Total Owner Households
- 35% earn between 80% and 120% AMI



Region Owner Housing Gap by Income



- 6682 Total Owner Households
- 58% are between 80%- 120% AMI

Owner Housing Gap

- 3,879 affordable new ownership units needed by 2020
- 73% of that total needed by senior households
- 70% of households are looking for homes priced under \$200,000
- 13% of current homes listed are listed \$200,000
- Current median sales price: \$270,000





Appledorn Condominiums

- 190 Units
- Average sales price: \$117,000



H+T Index

6 Neighborhood Variables

Residential Density
Gross Density
Average Block Size in Acres
Transit Connectivity Index
Job Density
Average Time Journey to Work

3 Household Variables

Household Income
Household Size
Commuters per Household



Car Ownership
+
Car Usage
+
Public Transit Usage

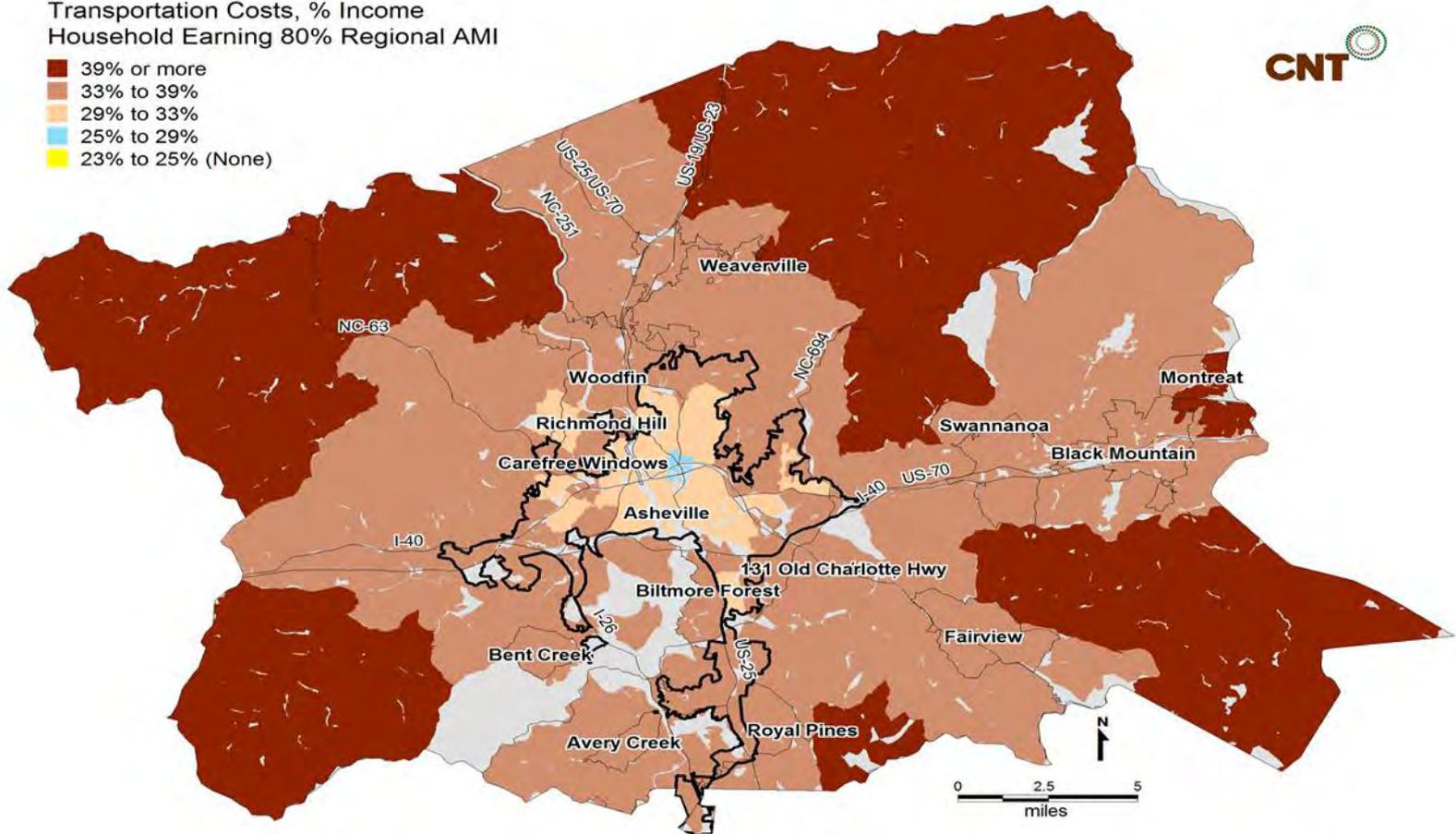


**TOTAL
TRANSPORTATION
COSTS**

Transportation Costs

Transportation Costs, % Income
Household Earning 80% Regional AMI

- 39% or more
- 33% to 39%
- 29% to 33%
- 25% to 29%
- 23% to 25% (None)



Affordable Housing Scorecard: Findings

- The city of Asheville
 - is outperforming annual targets for affordable housing production and assistance
 - is outperforming all four comparison cities: Greenville, SC, Wilmington, NC, Chapel Hill, NC and Durham, NC
 - is using its state and federal grant dollars efficiently
 - Housing Trust Fund and rebate programs have been very effective at assisting developers to make affordable housing development feasible
 - has the political support as well as institutional/organizational capacity to tackle the affordable housing challenge
- The local community development corporation, Mountain Housing Opportunities, has efficiently and effectively utilized Housing Trust funds, LIHTCs, HOME funds, NeighborWorks funds, and other funding to produce affordable rental and for sale housing



Affordable Housing Scorecard: Recommendations

- *Permanent affordability*
- *Housing Trust Fund and dedicated funding for affordable housing*
- *Identify opportunity areas*
- *Neighborhood Planning*
- *Economic Development and Workforce Development*
- *Continue and expand affordable housing coordination with Buncombe County*
- *Expand affordable housing network*



Strategy

The **Comprehensive Affordable Housing Strategy** is envisioned as a “living strategy” that will guide ongoing work related to affordable housing policies and programs. Adoption of the strategy will inform annual work program priorities aimed at continual action, monitoring and evaluation to expand housing opportunities through a variety of tools and coordinated initiatives.



Purpose of Strategy

- Strengthen the city's affordable housing programs for low- and moderate-income households
- Continue the development of a housing crisis management system to prevent and end homelessness
- Expand housing opportunities for middle-income households
- Explore innovative approaches to providing additional housing and a broader range of housing options, particularly for housing needs not being met by the market
- Prioritize action items that provide the highest return on investment as measured by number of affordable units, percentage of permanently affordable units, contributions to long-term economic and tax base growth, and sustainability



Goals



Strengthen Our Current Commitments

- Reach or exceed Asheville's goals to serve people of in all life stages, incomes and abilities; adopt production goals that are ambitious and achievable

Maintain the Middle

- Provide greater variety of housing choices for middle-income families and for Asheville's workforce.

Create Diverse Housing Choices in Every Neighborhood

- Facilitate the creation of a variety of housing options in every part of the city, including existing single-family neighborhoods and commercial districts.

Create Vibrant Neighborhoods

- Foster mixed-income, mixed-use, highly walkable neighborhoods in amenity rich locations (e.g., close to transit, parks, open space and trails, employment, retail services, etc.) to maximize locational efficiency

Strengthen Partnerships and Leverage Resources

- Strengthen current partnerships and explore creative new public-private-partnerships to address our community's housing challenges



Actions

- **Foundations for action**
 - Adoption of a housing production goal for FY2014-2015
 - Comprehensive Housing Market Analysis
 - 2015-2019 Consolidated Plan for CDBG and HOME
 - Revisit production goal for FY2015-2016
- **Mid-term policy initiatives**
 - Adopt Affordable Housing Policy Guidelines for FY2015-2016
 - Comprehensive Recommendations on City Affordable Housing Tools for FY2015-2016
 - Comprehensive Regulatory Analysis and Recommendations
 - Adoption of achievable and aspirational long-term goal to substantially impact affordable housing needs

Actions

- Goal: 2,800 units in next 7 years
 - Increase annual City funding to \$.01/\$100
 - New Public-Private Partnerships
 - Maximize LIHTC, explore 4% Credit Program
 - Continue to remove regulatory barriers, increase density
 - Increase Transportation- Housing Connection
 - Prioritize Incentives for maximum impact
 - Further Research Inclusionary Zoning



Asheville Tools and Strategies

- General Obligation Bond
- Housing Trust Fund
- Land Use Incentive Grant
- Permit Fee Rebates
- Federal HOME and CDBG
- Capital Improvement Program
- City-Owned Property
- Density Bonus



General Obligation Bond

- \$25,000,000 for affordable housing
- 70% approval
- Policy for use to be determined by City Council
- Likely to be incorporated into Housing Trust Fund, and used to repurpose land/land bank
- Will be able to support the development and preservation of 500- 1,000 units of affordable housing





Housing Trust Fund

- Rental and Ownership Housing Finance
- Ownership: Construction Loans only
- Rental: Permanent financing, minimum 15 years, 2% Interest
- Special terms (for units at 60% AMI): 2% interest only, deferred principal; or, 0% interest



Housing Trust Fund History

Year	Project	Developer	Amount	# of Affordable Units
FY 15-16	Simpson Street	Beucatcher Commons	\$300,000	60
	Virginia Ave.	Beucatcher Commons	\$90,000	6
	Smith Mill Place	Biotat	\$520,000	36
	Housing for Homeless	Groce United Methodist	\$30,000	2
	Commonwealth Court	Hearthstone	\$128,000	16
	White Pine	Leah Kim	\$150,000	15
	FY 14-15	Nancy Street	Beucatcher Commons	\$120,000
Oak Hill Commons		Biotat	\$200,000	24
FY 13-14	Eagle Market Place	MHO	\$500,000	62
	Givens Gerber Park	Givens Estates	\$230,000	120
	Oak Hill Hard to House	Biotat	\$58,106	30
	Raleigh Marietta	Beucatcher Commons	\$90,000	6
	FY 12-13	Marigold & Chapel Park	Beucatcher Commons	\$150,000
Givens Gerber Park		Givens Estates	\$270,000	120
FY 11-12	Glenn Rock Hotel	MHO	\$387,000	22
	West Chapel Road	Beucatcher Commons	\$120,000	6
	Johnston Cottages	Beucatcher Commons	\$200,000	18
FY 10-11	Shiloh Road	Beucatcher Commons	\$80,000	4
	Eagle Market Place	MHO	\$300,000	70
			\$2,705,106	627
	ACTUAL AMOUNT (Less duplicates)		\$2,447,000	383



MHO's Larchmont Development

Capital Improvement Program

Allocation:	\$250,000	2015
	\$500,000	2016
	\$2,000,00	2017

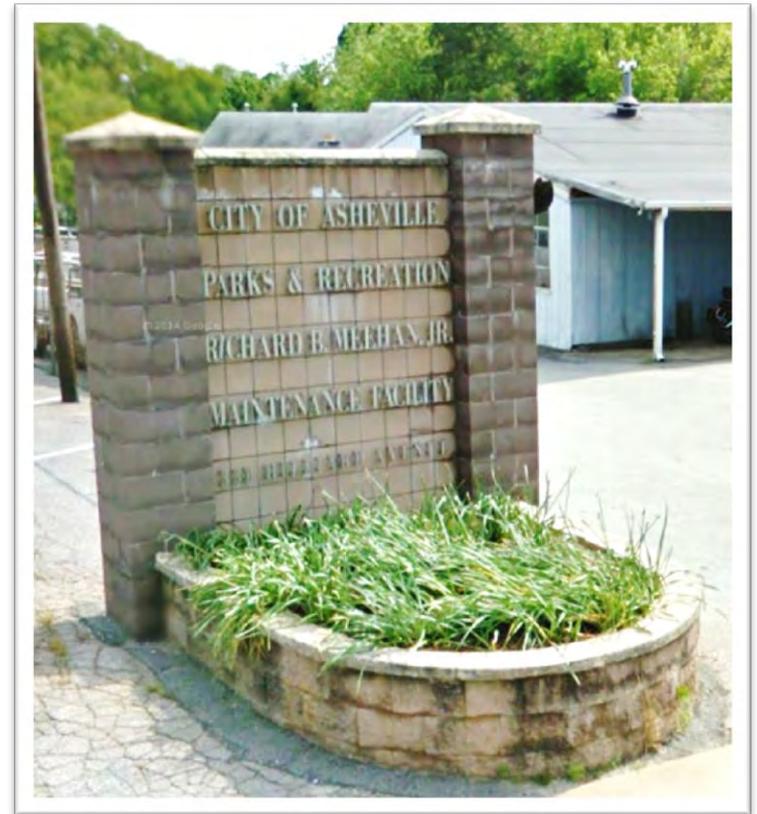
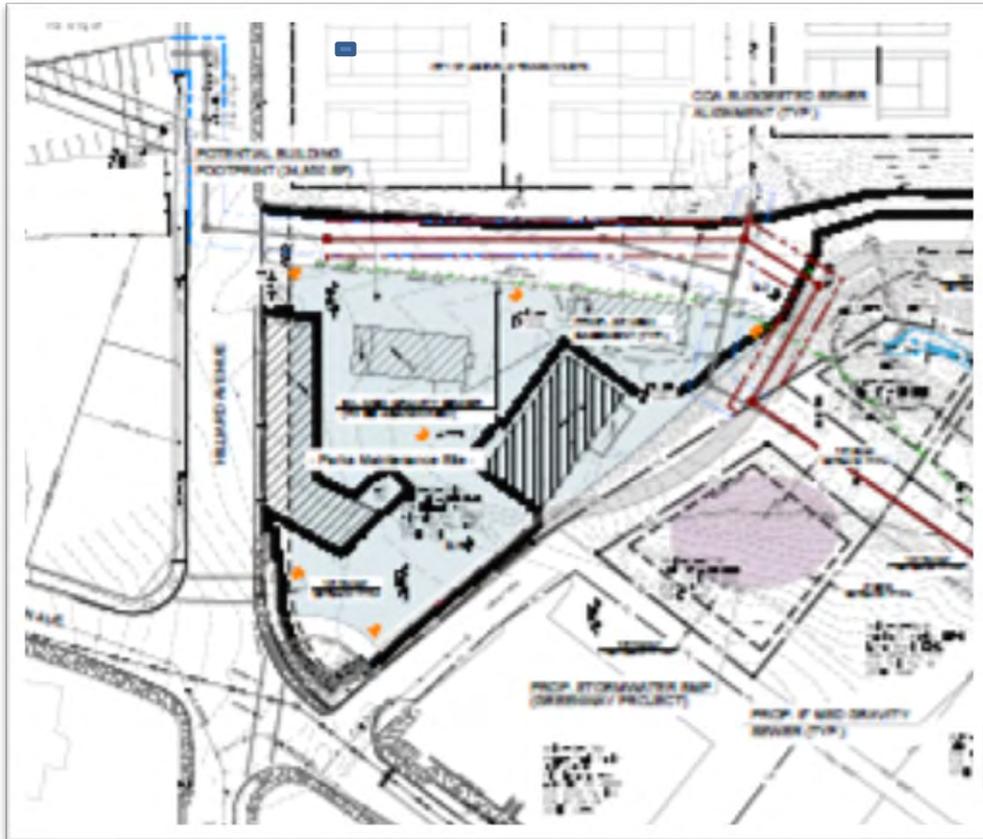
Eligible Uses:

- Market studies
- Engineering and architectural studies and plans
- Traffic analysis
- Infrastructure improvement
- Subsidies
- Land banking
- Construction
- Affordable Housing Financing

The initial tangible product will be redevelopment of existing City owned land for affordable housing.



City-Owned Property





Development Team Minimum Experience Qualifications

Minimum Developer Experience: :

- New Construction of at least one 24-unit or larger residential development in the past 5 years;
- Past experience with at least one of the following:
 - New affordable housing for low income families and for low income seniors;
 - Development of housing in Asheville
 - Low Income Housing Tax Credit financing.

Minimum Ownership Experience:

- Owned at least one residential development for at least 5 years prior to the Submittal Deadline of this RFP.

Minimum Architectural Experience:

- Design and construction of at least one multifamily housing development.
- Design and completed construction of at least one 24-unit or larger residential development within the past 5 years.

Minimum Property Manager Experience:

- Managed at least one family rental project for at least 24 months.

For any Developer team member, the experience of key staff members may be substituted for the experience of the organization as a whole

Requirements

- Minimum of 40 units of rental Housing
- Minimum 51% affordable to households earning 80% or less AMI
- Minimum 20% affordable to households earning 60% or less AMI
- Maximum rents no greater than 30% of the annual income for the above income levels
- Minimum commitment of 20 years affordable at the above minimums
- Minimum 50% One-Bedroom Units
- Minimum 15% Three-Bedroom Units

Other Standards and Achievables

- 10% affordable to households at 30% AMI or homeless at rent –up
- Sustainability
- Livability
- Urban Design
- Neighborhood Amenities





- **Development Experience -- 30 points possible**

- ***Housing Program Objectives* -- 30 points possible**

Key scoring elements will be:

How many units will be developed?

How many units will be affordable, and at what income levels?

How long will the units be affordable?

- ***Development Concept* – 10 points possible**

- ***Financing, Cost Control and Innovations* – 25 points possible**

- Feasibility of preliminary financing plans
- Development costs that are comparable to other similar Projects and reflect knowledge of site conditions and constraints;
- Minimize the City's permanent financing; Propose innovative sources or financing instruments;
- Use innovative but practical materials or methodologies designed to reduce costs, without reducing the overall quality of the completed Development.

- **(4) Community Outreach and Affirmative Marketing Plan- 5 points possible**

Land Use Incentive Grant

- 10 points = 1 year grant equal to the City of Asheville property tax that results from the increase in value due to the development.
- 10 points = 10% reduction in City of Asheville building permit fees.
- At least 10% of the units must be affordable for households earning 80% or less of the Area Median Income.
- The affordable units must be affordable to and leased to income-eligible households for at least 15 years.
- Must be located to provide convenient access to jobs, schools and services. The applicant may make the case for convenient access.



Points	5	10	15	20	30	40	50	60	70	80	90	100
10%+ Affordable				x								
20%+ Affordable					x							
30%+ Affordable						x						
40%+ Affordable							x					
50%+ Affordable								x				
60%+ Affordable									x			
70%+ Affordable										x		
80%+ Affordable											x	
90%+ Affordable												x
25%+ Workforce	x											
50%+ Workforce		x										
75%+ Workforce			x									
Location: .25 mile ½ hour transit stop		x										
Location: 1 mile from job center	x											
Location:.5 mile from transp. Amenity	x											
Tenant Affordability: 20 years		x										
Tenant Affordability: 30 years				x								



Smith Mill Place

- 72 units
- 36 units affordable at 60% AMI
- West Asheville, walking distance to grocery, bus
- Subsidy: Housing Trust Fund, \$520,000
- Subsidy: Land Use Incentive Grant, 9.5 years, est. value of \$450,000
- Conditional Zoning for increased density

Smith Mill Place



Smith Mill Place

- How LUIG score was determined:
 - 60 points: 50% of units affordable to households at 60% or less of median income, for the minimum affordability period of 15 years
 - 15 points: 50% of units (the remainder of the units) for households earning 100% or less of median income for a period of 20 years.
 - 10 points: Superior locational efficiency within .25 mile of an existing bus-stop served by one-half hour ART transit frequency.
 - 10 points: Long term affordability at the designated rental rates for a period of 20 years.

CDBG and HOME

Production Type/Performance measures			Achievements					
	Annual Targets	5 year Targets	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	5 Year Percentage
New construction (or rehab) for homeownership	15	75	16	39	27	21	30	177%
Rehabilitation or repair of owner-occupied units	40	200	50	72	91	59	33	153%
New construction for rental*	100	500	128	72	115	22	22	72%
Rehabilitation/Repair of rental units	25	125	0	6	0	0	0	5%
Homeownership Assistance (Down payment assistance)	10	50	24	8	10	7	10	118%
Rent or Relocation Assistance	50	250	179	221	159	233	100	357%
Total units	240	1200	397	419	402	342	195	146%

180 additional units are scheduled to be completed in 2016.





Density Bonus

Update to Residential Density in Commercial Areas

Ordinance No. 4374: Adopted December 9, 2014

Zoning District	PREVIOUS	CURRENT	
	Residential Density (units/acre)	Units/acre without affordable units	Units/acre with at least 20% affordable units
Office (OFF)	8	20	40
Office II (OFF II)	12	20	40
Office Business (OB)	12	20	40
Community Business I (CB I)	16	20	40
Community Business II (CBII)	16	25	50
Institutional (INST)	16	30	60
River (RIV)	16	30	60
Highway Business (HB)	32	35	70
Regional Business (RB)	32	35	70
Neighborhood Corridor (NCD)	32	35	70
Urban Residential (URD)	32	35	70
Commercial Industrial (CI)	16	8	N.A.

Housing: The Missing Middle



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Missingmiddlehousing.com

Small-Scale Infill Strategies

Possible Changes

- Cottage Developments
- Multi-Family Review
- Lot Standards Study
- Tiny House Zoning Study
- Higher Density Residential Buffer Zone
- Conservation Development
- Sustainable Development



More information

- <http://www.ashevillenc.gov/Departments/CommunityDevelopment/PlansReports.aspx>
- Jeff Staudinger
 - 828-259-5723
 - jstaudinger@ashevillenc.gov



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

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Teachers Assistants - \$24,740



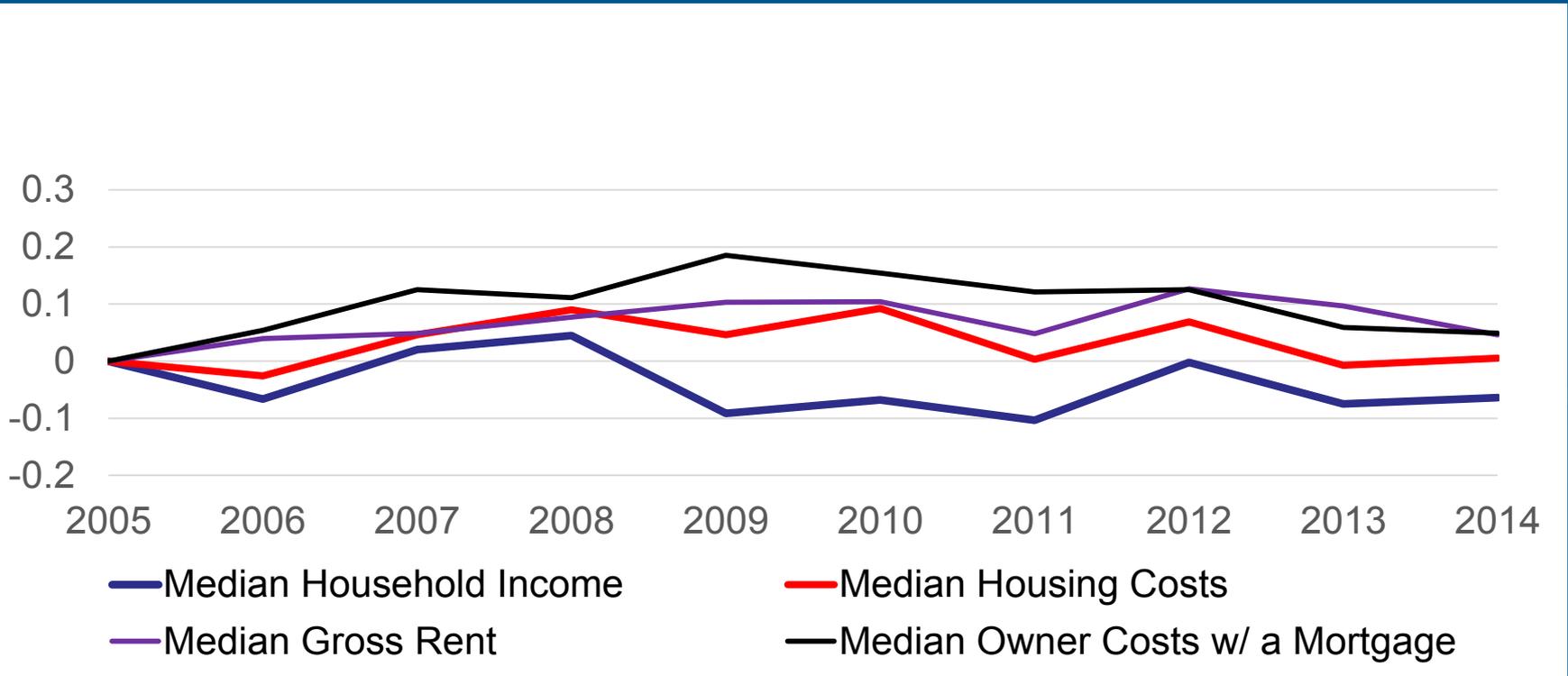
***US Bureau of Labor Statistics (BLS)**

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
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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 Intl 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

R/ECAP

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.](#)



City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee
January 17, 2017
Meeting Notes

Present: Robert Rosenberg, Steve Spain, Dave Spetrino, Jody Wainio, Will Bland, Katrina Redmon, Katrina Knight, Gloria Green

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

Absent: Elizabeth Dodson, Linda Smith, Paul D’Angelo, Phil Humphrey, 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 last meeting. She initiated discussion on two items from the past meeting 1) Establishing a Permanent Affordable/Workforce Housing Advisory Group, and 2) Hiring a Consultant to Prepare a Housing Study for NHC.

Discussion Topic: Should a Permanent Advisory Committee on Affordable/Workforce Housing be formed? What will this committee be responsible for? Who should serve on the advisory committee?

The Permanent Advisory Committee on Affordable/Workforce Housing will be responsible for overseeing the implementation of recommendations of the Joint Ad Hoc Committee on Affordable/Workforce Housing. The Advisory Committee will advise City Council and County Commission on Affordable/Workforce Housing strategies and policies that impact the production, preservation, and access to affordable/workforce housing. Members of the Affordable/Workforce Housing Advisory Committee should represent diverse stakeholders concerned with affordable/workforce housing and related economic and community development issues including, but not limited to, jobs creation and wage growth, integration, public safety, school proficiency, transit oriented development and access, taxes, fees, and land use policy.

In addition to the Advisory Committee, a staff position is recommended to support the efforts of the committee and others in fostering awareness of affordable/workforce housing and facilitating collaborations among stakeholders, policy makers and others interested in increasing affordable/workforce housing available in our community.

The staff position should be funded by New Hanover County and City of Wilmington, but employed by another organization that supports community development and housing initiatives. Examples of suitable organizations to host the Affordable/Workforce Housing Staff position are United Way of the Cape Fear or Cape Fear Council of Government. The staff member would report to the Advisory Board and be responsible for assisting the Board in implementing the Ad hoc Committee recommendations.

The Permanent Affordable/Workforce Housing Advisory Committee should include representatives from the following organizations and stakeholder groups:

1- City Council Member

1- NHC Commission Member

2- Representatives from Major Employers with a workforce that includes persons with wages 60%-120% AMI – NHRMC, UNCW staff, Verizon, etc. Representatives should be able to get time off for meetings if needed, HR/Benefit staff may be appropriate.

1- Homebuilders Association Representative

1- Cape Fear REALTORS Association Representative

2- Cape Fear Housing Coalition Chair and 1 additional representative selected by CFHC

1 – Member from City of Wilmington Loan Review Board

1- Affordable Housing Developer example non-profit or LIHTC developer

1 – For Profit Market Rate Housing Developer – Multifamily

1- Economic Development expert – example Chamber of Commerce

1 – Banker – Executive level mortgage banker or CRA banker

2- At-Large Representatives that reflects the geographic diversity of NHC

Other considerations:

- Add a State Legislator and 1 more At-Large for a total of 17 members;
- The group should reflect the community - race, gender, and neighborhoods and communities in urban, suburban, and exurban/rural areas of NHC; and
- Determine amount for salary for the staff person and associated costs by researching similar models, such as Ten Year Plan to End Homelessness and Continuum of Care.

Discussion Topic: Should a consultant be hired to conduct an in-depth Affordable/Workforce Housing demand and supply analysis? Should the Ad-hoc Committee wait for the results of this study to make recommendations to City Council and County Commission? Is there sufficient data to make recommendations before the study is completed?

There is sufficient data to validate the demand/need for affordable/workforce housing, as demonstrated by the following indicators for NHC: 32,000 households experiencing cost burden and 35,000 (41%) households earning below 80% area median income (AMI). Additionally, a look at supply indicators reveal the following: since 2013 over 7,500 new rental units are under construction or completed, 95.4%, rental occupancy rate, \$954 average rent, \$1,229 new apartments, up by 4.2%,. MLS data for single-family residential listing point to a limited supply of units in the \$75,000-\$225,000 range with a 2 month absorption rate. See attached PowerPoint.

A study will provide a more detailed analysis of market dynamics influencing housing and pinpoint gaps in supply. Further, it will offer a better understanding of the housing and economic conditions impacting production, preservation and availability of affordable housing so that strategies can be formulated to have the greatest impact in providing equitable access to affordable housing throughout the community.

While a study is recommended, work to implement the recommendations of the Ad hoc Affordable/Workforce Committee should not be held up while the study is underway.

Joint Committee on Affordable/Workforce Housing

Indicators of
Demand/Need
Supply

Local / Average Wages

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

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***US Bureau of Labor Statistics (BLS)**

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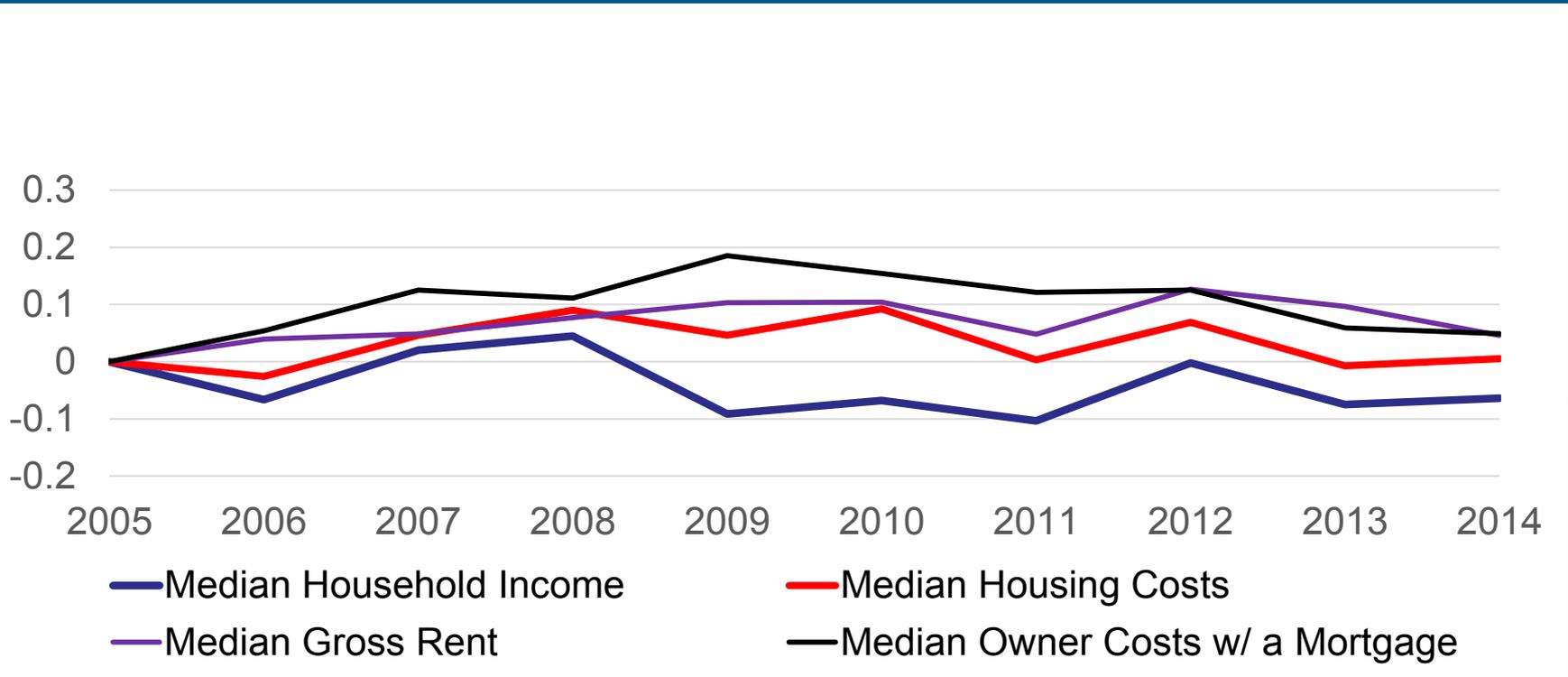
The value of a dollar

“...the minimum wage standard’s purchasing power has eroded over time because it has not kept up with inflation nor the increase in worker productivity. To have the same value it did in the 1960s, the minimum wage in North Carolina would have to be \$18.85 per hour today, rather than \$7.25.”

*NC Budget & Tax Center

# of Work Hours Needed to Rent a 1 BR Apartment in NHC		
	Hourly wage	Hours Per Week
Minimum Wage	\$7.25	97
Hairdresser	\$10.83	65
Childcare Worker	\$9.28	76
Retail Salesperson	\$11.88	59

Housing Costs vs. Incomes in New Hanover



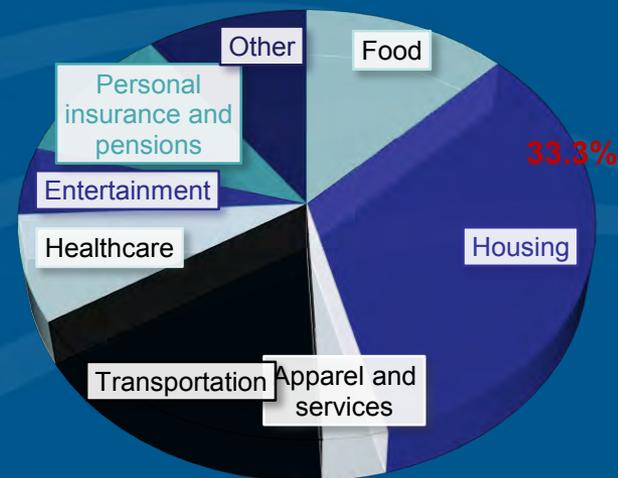
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Framing the message...

Housing that eats up no more than 30% of total household income, *because we have other things to worry about too.*

AVERAGE ANNUAL EXPENDITURES, US, 2014 (BLS)



Not Enough Affordable Housing for Lower Income Households

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Percentage of Households with income 0-80% HAMFI with housing cost burden	69%	68%	58%
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Cost Burden

Median Home Price \$ 250,912		Median Income \$ 48,700		Tax Rate for CoW & NHC \$1.059 per \$100			
Down Payment	Loan	Monthly loan payment	Monthly taxes	Monthly Insurance	Monthly Utilities	Monthly Housing Cost	Housing Cost as % of Income
25%	\$ 188,184	\$ 898	\$ 221	\$ 200	\$ 227	\$ 1,546	38%
20%	\$ 200,730	\$ 958	\$ 221	\$ 200	\$ 227	\$ 1,606	40%
15%	\$ 213,275	\$ 1,018	\$ 221	\$ 200	\$ 227	\$ 1,666	41%
10%	\$ 225,821	\$ 1,078	\$ 221	\$ 200	\$ 227	\$ 1,726	43%
5%	\$ 238,366	\$ 1,138	\$ 221	\$ 200	\$ 227	\$ 1,786	44%

Households < 80% HAMFI

35,075 Households income less than 80% HAMFI

Income	Total <80% HAMFI	% of Total HH	Total 80% + HAMFI	% of Total HH	Total HH
Total Households	35,075	41%	50,935	59%	86,010
Small Family Households*	10,535	31%	24,005	69%	34,540
Large Family Households*	1,330	37%	2,220	63%	3,550
Household contains at least one person 62-74 years of age	5,835	36%	10,555	64%	16,390
Household contains at least one person age 75 or older	4,615	53%	4,140	47%	8,755
Households with one or more children 6 years old or younger*	4,920	48%	5,404	52%	10,324

Rental Supply

New Apartments Under Construction 4,000

Completed 2013-16 – 3,554

Occupancy 2016- 95.4% up from 93.9% - 2015

Rent up 4.2% over past year

Average Rent \$954 or \$1.04 sq ft

New Apartments \$1,229 or \$1.17 sq ft

MLS for Wilmington/NHC on 1/16/17

- **\$75K-\$125k – 67 units – 2 mo supply**
- **\$125k-\$175k – 112 units – 1.5 mo supply**
- **\$175k - \$225k – 137 units - 2.4 mo supply**

**Total 316 units/2 month supply indicates
shortage of housing supply, sellers market**

Units include single-family detached, townhomes, condos

How Much House Can I Afford

	Family Size 80% AMI				
	1	2	3	4	5
Annual Gross Income	\$ 36,500	\$ 41,700	\$ 46,900	\$ 52,100	\$ 56,300
Monthly Gross Income	\$ 3,042	\$ 3,475	\$ 3,908	\$ 4,342	\$ 4,692
Affordable Mortgage w/ 5% downpayment	\$ 84,279.51	\$ 96,286.46	\$108,293.40	\$ 120,300.35	\$ 129,998.26

Assumptions: Taxes, Insurance, Utilities @\$3/100; 5% interest

How Much House Can I Afford

	Family Size 100% AMI				
	1	2	3	4	5
. Annual Gross Income	\$ 45,625	\$ 52,125	\$ 58,625	\$ 65,125	\$ 70,375
. Monthly Gross Income	\$ 3,802	\$ 4,344	\$ 4,885	\$ 5,427	\$ 5,865
Affordable Mortgage w/ 5% down payment	\$ 105,349.39	\$ 120,358.07	\$135,366.75	\$ 150,375.43	\$ 162,497.83

Assumptions: Taxes, Insurance, Utilities @\$3/100; 5% interest

How Much House Can I Afford

	Family Size 120% AMI				
	1	2	3	4	5
Annual Gross Income	\$ 54,750	\$ 62,550	\$ 70,350	\$ 78,150	\$ 84,450
Monthly Gross Income	\$ 4,563	\$ 5,213	\$ 5,863	\$ 6,513	\$ 7,038

Affordable Mortgage w/ 5% downpayment	\$ 126,419.27	\$ 144,429.69	\$162,440.10	\$ 180,450.52	\$ 194,997.40

Assumptions: Taxes, Insurance, Utilities @\$3/100; 5% interest



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

Background | AFFHT Maps

Wilmington Intl Airport

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Legend TOC

Dot Value: 1 dot = 5

RECAP

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Tables | Toggle Region/Jurisdiction

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

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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'Angelo, 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

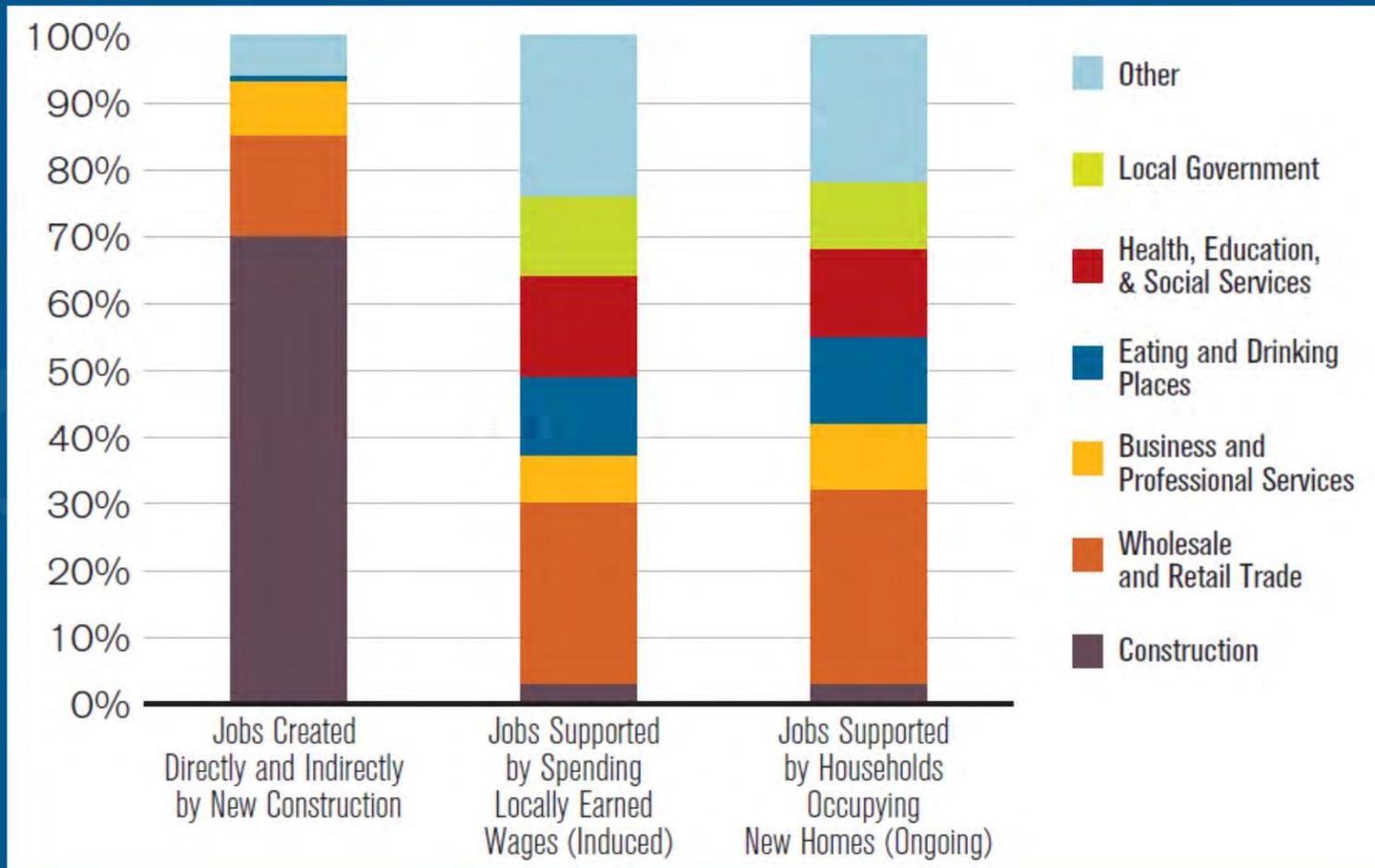
Number of Jobs Created During and After the Construction of a 100-Unit Low-Income Housing Tax Credit (LIHTC) Multi-Family Property

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)

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee
February 14, 2017
Meeting Notes

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

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

Absent: Elizabeth Dodson

Resigned: David Barnes, Carlos Braxton

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

Jennifer Rigby reviewed the submittals from the committee members statements of Why Housing that's Affordable is important.

Jody referred to the brainstorm list from 12/13/16 meeting and the group discussed the following.

Discussion Topic: How can zoning and other development regulations be used to encourage more affordable housing?

The committee discussed and recommended the following:

- 1) As each jurisdiction updates their respective zoning ordinances, the following recommendations are encouraged.
 - a) Allow Accessory Dwelling Units:
 - i. For the City's ordinance, the existing standards need to be improved with a focus on affordability.
 - ii. For the County's ordinance, standards need to be created that are similar to the City.
 - b) Each jurisdiction is encouraged to look for ways in which the zoning ordinances can increase density and height limitations to encourage more efficient and affordable development.
 - c) Density Bonuses and a reduction in parking requirements is encouraged. Density Bonuses should be available for projects providing affordable units for households up to 120% of Area Median Income.
 - d) Once both ordinances are complete, preemptive rezoning are encouraged to better align zoning with long range planning efforts. The desired result will be a reduction in rezoning requests needed for affordable housing projects (as well as others) and will better implement the visions set forth in the long range planning efforts.

- 2) The City and County look for ways to streamline/ expedite the permitting process.

- 3) Explore ways to encourage CFPUA to defer fees, offer payment plans, and rebates.
- 4) In addition to other roles, the Permanent Affordable Housing taskforce should:
 - a) Serve as an ombudsman for new affordable housing projects.
 - b) Act as a liaison between Permanent Affordable Housing committee and Planning staff, consultants, and Planning Commissions to facilitate communication and inclusion of affordable/workforce housing issues in review and revisions of Land Use Ordinances, as well as project review and recommendations.
- 5) Each jurisdiction utilize synthetic Tax Increment Financing (TIF) as a means of supporting the development of housing that is affordable.
- 6) City Council and Board of Commissioners encourage the use of the 4% Low Income Housing Tax Credit bond program, with bonds to be issued by the Housing Authority. This would require no financial backing by either governing body.

City of Wilmington/New Hanover County
Workforce/Affordable Housing Ad hoc Committee
February 28, 2017
Meeting Notes

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

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

Absent: Elizabeth Dodson, Katrina Knight; Resigned: David Barnes, Carlos Braxton

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

Suzanne Rogers reviewed funding mechanism utilized by other jurisdictions to support affordable housing.

Jody referred to the brainstorm list from 12/13/16 meeting and the group discussed the following.

Discussion Topic: What funding mechanism(s) are most appropriate to accomplish the objectives set forth by this Committee? How should funds be used?

The Committee recommends the City and County establish a Housing Trust Fund (HTF) to receive public funding to support the production, preservation and access to housing that is affordable for families and individuals experiencing cost burden and/or a limited supply of appropriate safe, decent, housing in New Hanover County and the City of Wilmington.

Furthermore, several options are available to fund the HTF including, but not limited to, general fund appropriation, designated property tax, general obligation bond, and revenues from sale of real property. Taking this into consideration the committee recommends:

- Designate a penny of property tax revenue for the HTF, “penny for housing” ;
- Invest 10% of proceeds from the sale of City or County Surplus Real Property to the HTF;

Existing and new housing programs were identified to receive funding through the HTF. The committee recommends the HTF be used to:

- Increase funding for the Home Ownership Program (HOP) for workforce housing loans to eligible borrowers earning >80%-120% Area Median Income (AMI);
- Expand the HOP workforce loans (>80-120% AMI) to the unincorporated County (dependent upon NHC funding);
- Provide Low Interest Loans for developers producing housing that is affordable;
- Provide Down-payment Assistance funding;
- Create a Security Deposit Guarantee for landlords, similar to Rapid Rehousing Program model;
- Provide funds for Dilapidated Housing Rehabilitation, including the City’s Owner-Occupied Housing Rehabilitation Program; and

- Fund an on-going public awareness campaign efforts to continue to build awareness and support for housing that is affordable throughout the community.

The committee also recognizes other strategies and sources of revenue that should be supported to foster the production of housing that is affordable for households with incomes below 80 percent AMI. To that end the committee recommends:

- The Permanent Housing Advisory Board research the use of Limited Participation Bonds to support development of affordable housing. Winston Salem has successfully utilized this bond.
- City Council and County Commission should encourage and support, when appropriate, the use of Affordable Housing Bonds issued by the Wilmington Housing Authority as part of the 4% Low Income Housing Tax Credit program.
- Develop an incentive program using density bonuses in return for including affordable units in a development.
- City and County owned property identified for redevelopment should include an affordable housing requirement and an option for payment in-lieu to the HTF if the requirement is not met.

Prepared by: Julia Moeller, Rebecca Roth, Jennifer Rigby and Suzanne Rogers

Dollars and Sense



Best Practices

Housing Trust Fund

Distinct Fund to receive ongoing public financial support for the preservation and production of affordable housing and increase opportunities for families and individuals to access decent housing that is affordable.

Examples:

City of Asheville, est. 2000

City of Charlotte, est. 2001

Nussbaum Housing Partnership Fund, Greensboro, NC

Funding Tools- State & Federal

NC Housing Finance Agency (NCHFA) via Federal & State Government

- NC Housing Trust Fund: \$6.8m recurring in 2015; \$183m since 1987
- HOME: \$21.2m annual entitlement from HUD to be used in NC
- Mortgage Revenue Bonds: up to \$90 per capita; tax-exempt
- LIHTC: \$22.6m federal tax credits for NC
- Workforce Housing Loan Program: 2014 NC \$
- National Housing Trust Fund: 2015 \$ (Funded by Fannie Mae & Freddie Mac)

Funding Tools

Local Government

- Housing Bonds: Raleigh, Charlotte, Asheville, Greensboro
- Dedicated Property Tax: Durham 1¢; Greensboro .06¢
- CDBG/HOME/General Fund: City of Wilmington
- Land Use Incentive Grant: Asheville
- Synthetic TIF: Charlotte

Housing Bonds

On November 8th, voters supported:

- \$5 million dollars - Orange County. The referendum passed with 65% of the vote.
- \$25 million dollars -Greensboro. The referendum passed with 68% of the vote.
- \$25 million dollars -City of Asheville. The referendum passed with 71% vote.
- \$15 million dollars - Charlotte. The referendum passed with 70% vote.

Investments this large show not only that local elected officials recognize the needs of their communities, but also that there is statewide support among residents to do their part in housing this critical population

(source: Housing Matters Newsletter NCHC)

Dedicated Property Tax

- .06¢ Greensboro
- 1¢ Durham
- 1¢ Raleigh
- 1¢ Chapel Hill

Land Use Incentive Grant- Asheville, NC

The project must have at least three units, and all projects must have a minimum of 10% of total units affordable to households earning 80% or less of area median income (AMI), for a minimum of 15 years.

According to the September 2015 amended Land Use Incentive Grant Policy, the incentive is that for every 10 points earned, the developer can receive:

- One year of economic incentive (equivalent to city property taxes in excess of currently assessed taxes of one year annually).
- A 10% reduction in zoning, building, driveway, and grading permit fees as well as plan review and water service connection fees.

Synthetic TIF: Charlotte

- TIFs and Synthetic TIFs work by incentivizing and paying for the construction of new buildings and public resources that will improve property values and tax revenues in the specified area, then using those increased revenues to pay for the project.
- May be used for the funding of affordable housing developments, among others. In terms of affordable housing, TIFs may pay for costs directly related to the project, such as construction costs, or costs related to the expected need for new infrastructure, such as new roads and utilities. Importantly, because TIF uses public dollars to support private developments, the projects must show that the development would not have occurred *but for* the utilization of TIF.

CDBG/HOME/General Fund: City of Wilmington

- Community Development Block Grant- < 80% AMI (\$600,000)
 - HOP Mortgage Program
 - Down payment Assistance
 - Gap financing PSH
 - Rehabilitation Owner-Occupied Housing
 - Emergency Shelter for Homeless & Homeless Services
 - Public Services
 - Land Acquisition
- HOME Investment Partnership - < 80% AMI (\$500,000)
 - Housing Production SF & Rental
 - Gap Financing LIHTC, PSH
 - Down payment Assistance
 - Rehabilitation
- General Fund (\$300,000)
 - Owner-Occupied Housing Rehabilitation Loans 50%-80% AMI
 - Owner-Occupied Housing Rehabilitation Loans <50% AMI Forgivable Loans
 - HOP Loans 80%-120% AMI

Best Practice Durham, NC

Before



After



Southside
Neighborhood
Revitalization
Strategy Area



Southside
Neighborhood
Revitalization
Strategy Area

Leveraging





Washington Terrace was **built in 1950** and is located east of downtown Raleigh only a few blocks from rapidly gentrifying neighborhoods.

Adjacent to St. Augustine's University, this property sits on **25-acres** and features **245 rental units**.

About Washington Terrace





- on-site childcare and possibly a charter school.

138 Garden Apartments in 8 buildings

- 54 one-bedrooms
- 54 two-bedrooms
- 30 three-bedrooms

24 Townhouses in 6 buildings

- 24 two-bedrooms



Community Housing Capital	\$3,000,000
City of Raleigh (bond funds)	\$2,100,000
DHIC	101,000
<hr/>	
	\$5,200,000



City of Wilmington Use of HOME Funds

Lockwood Village

60, one and two bedroom rental units for low to moderate income households



Started construction spring 2014 at 4900 South College Road



City of Wilmington Use of HOME Funds

Lockwood Village

- CASA (Community Alternatives for Supportive Abodes) non-profit affordable housing developer



*City of Wilmington Use of HOME Funds
Lockwood Village*

Leverage:

City of Wilmington HOME Funds	\$650,000
NC Tax Credit Loan	\$749,445
North Carolina Housing Finance Agency Rental Production Program	\$800,000
Bank Loan	\$217,685
US Low Income Housing Tax Credit (NCHFA)	\$5,129,287

City of Wilmington Homeownership Opportunities Program (HOP)

- 84 loans previous 7 years; 400 + loans since 1991

- 2 Partner Banks

- FY15: \$501,100
CBDG/HOME and Gen Fund Expended

- FY15: \$861,900
Other Funds Expended

- 100% Financing @
current interest rate 1st
and 0% second

- 620 Minimum Credit
Score

- Maximum Loan
\$225,000



Summary

- There **ARE** Affordable Housing tools available that have been successfully used in other municipalities
- Partnerships are important / Public & Private
- Win Win works Best!

Public Policy Paves the Way



Long Range Planning Initiatives to bring action for Affordable Housing:

FOCUS – A comprehensive plan for a sustainable region

Plan NHC – New Hanover County's first Comprehensive Plan

Create Wilmington – City of Wilmington's first Comprehensive Plan

Public Input

- Integrate a mixture of ages in a neighborhood
- Gently increase density through garage apartments, carriage homes
- Mix housing price points to ensure schools are diverse
- Provide a variety of housing types and price points

Regional Goal:

Create more housing choices and opportunities for all segments of the population.

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 experienced in providing Affordable Housing

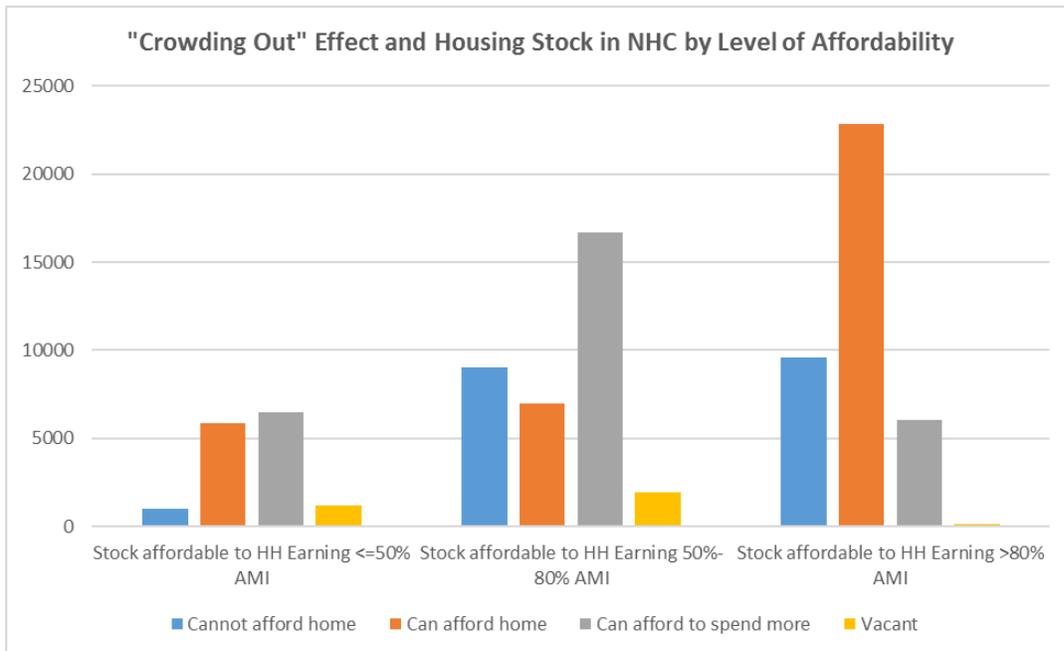
City of Wilmington Comprehensive Plan Draft Housing Policies

- Promote Diversity of Housing Options
- Affordability
- Fair Housing

Public Input

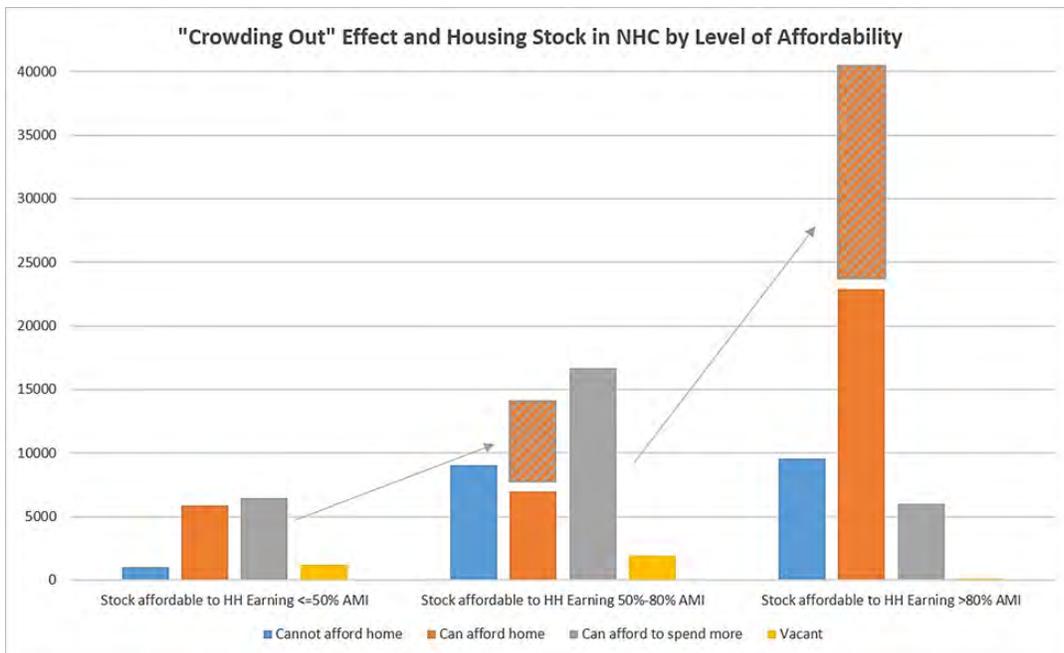
- Integrate a mixture of ages in a neighborhood
- Gently increase density through garage apartments, carriage homes
- Mix housing price points to ensure schools are diverse
- Provide a variety of housing types and price points

Crowding Out “What If” Scenario

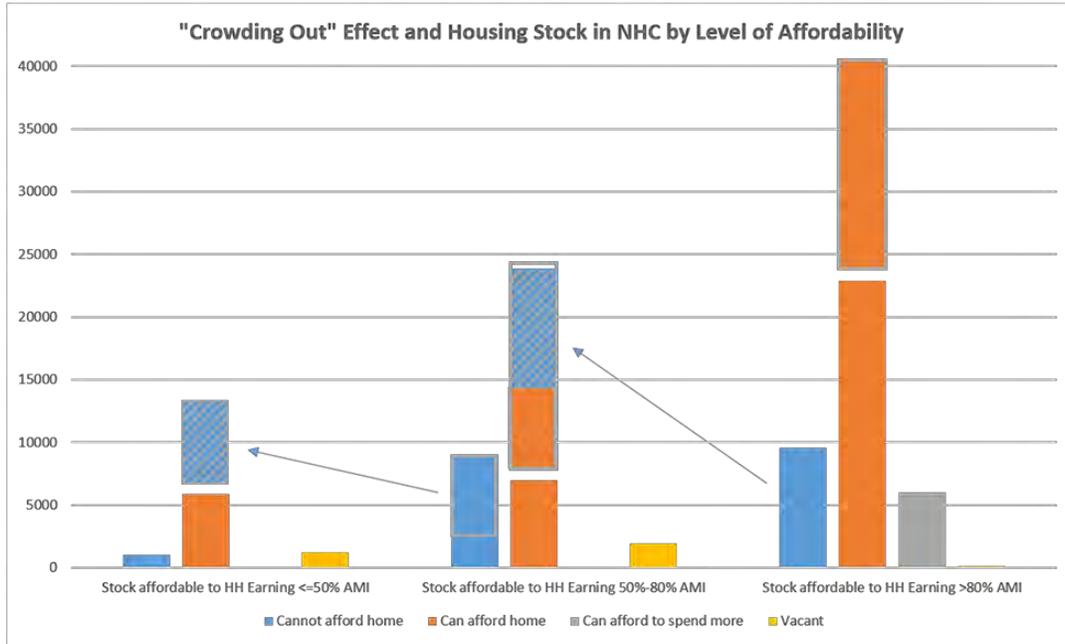


Source: Comprehensive Housing Affordability Strategy, 2009-2013 5-Year Tabulation

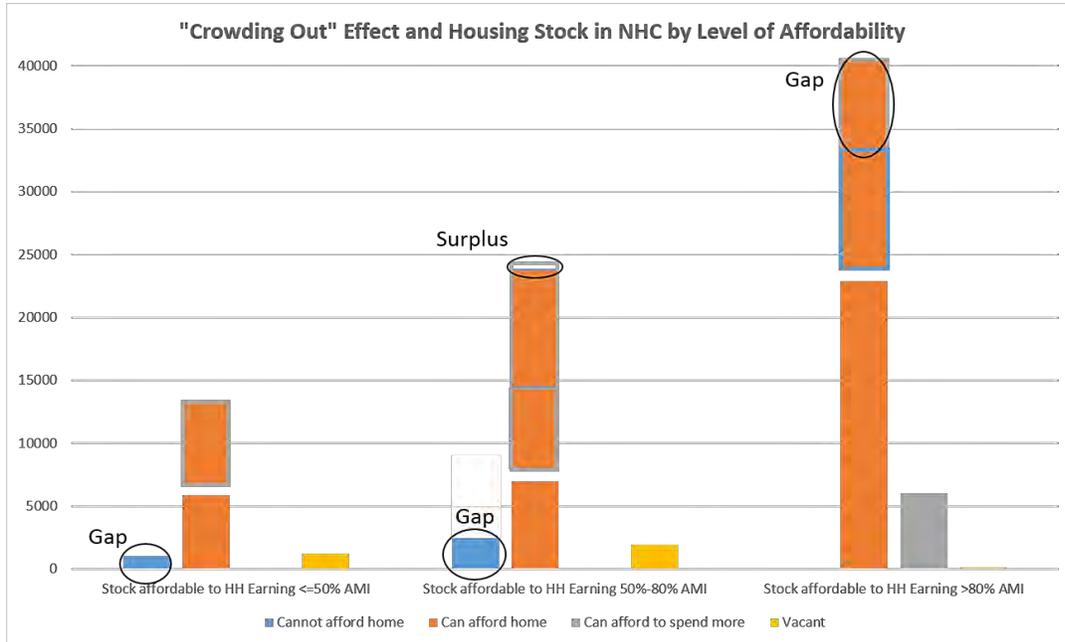
The chart above is what the housing stock currently looks like in New Hanover County. Many households are residing in housing that does not match their income. The following series of charts will explain what the graph would look like if all households attempted to own or rent only from the appropriately priced stock. The series of charts are based on a hypothetical “what if” scenario.



The households represented by the grey bars are currently spending less than HUD indicates they can afford to be spending on housing. As more housing stock becomes available in the >80% AMI category, households in the <=50% and the 50%-80% category, **ascend** to higher cost housing that more accurately reflects their earnings.



The stock made available by the households who moved **up** to their appropriate category, can now be filled by the households who are currently living in housing that is unaffordable to them (by moving **down** one category).



Even with these adjustments to optimize the number of households in the appropriate housing stock, there are still gaps. The new affordable housing gap is close to 10,695. Notice that most of this gap is in the stock affordable to households earning >80% AMI. This indicates that more stock is needed at the 80%-120% AMI affordability level. As stated previously, households earning above 120% of AMI are likely not having a major impact on the crowding out problem. They can usually pay more than 30% of their income for housing and still afford other necessities.

INSIGHTful DISCUSSIONS

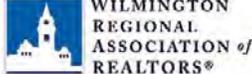
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MAYOR'S ROUNDTABLE on HOUSING AFFORDABILITY



PANELISTS JENNIFER H. ADAMS, Corning
JONATHAN BARFIELD, JR., New Hanover
County Commissioners • MARY ELLEN
BONCZEK, New Hanover Regional
Medical Center • JUDGE JAMES FAISON, III, District
Court Judge • DR. AMANDA LEE, Cape Fear Community
College • DR. TIM MARKLEY, New Hanover County Schools

BRETT MARTIN, CastleBranch • CHARLIE
MATTOX, Branch Banking and Trust Company
KATRINA H. REDMON, Wilmington
Housing Authority • BILL SAFFO,
City of Wilmington • ZITO SARTARELLI, UNCW
LINDA SMITH, AMEZ Housing Community Development
Corporation • W. CHRIS STEPHENS, Landmark Companies



INSIGHTful DISCUSSIONS

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A panel of business, government, education, non-profit and other community leaders devoted a recent morning to talk about the challenges and potential solutions to creating enough affordable housing in the Wilmington region. The Mayor's Roundtable on Housing Affordability, which was held on Nov. 10 at The Terraces on Sir Tyler, was moderated by UNCW professor Tom Barth. Below are edited comments from each participant. To watch the entire discussion, visit MayorsRoundtable.com.



BILL SAFO
Mayor, City of Wilmington

"It's been a perplexing and tough problem not only for the City of Wilmington, but for the entire country. The availability of land is dwindling, and the land that is available is extremely expensive. The environmental impacts of that property may be even more expensive.

If we're really serious about this and we want to bring in some affordable housing, you're going to have to somehow try to play a partnership role between government and the development community.

It's going to take a significant amount of public investment to make it. Not only on the investment side with water and sewer, and maybe even road work, but also public transportation, which is also going to play a very important role because some people can't have an affordable house and a car in many cases.

I want to remind the folks that our biggest developers of housing in '08, '09 and 2010 were the Wilmington Housing Authority and Habitat for Humanity. It was not the private sector. They play a significant role in the affordable housing component. I think to marry the different partnerships that are out there from the non-profits to the for-profits, you're going to need incentives of some sort. Low interest financing tools, possibly cash subsidies or even grants. Density bonuses, tax



abatement programs. I think that's something that our state legislature can probably embrace as opposed to inclusive zoning issues.

Rehabilitation assistance — it's a crime when you are sitting there at council meetings and you see week after week houses that are coming to the city of Wilmington, and we are having to tear them down. To not be able to restore these homes or help the homeowner restore these homes is a tragedy.

If you are going to put some affordable housing into your development, you should have a reduction in your fees.

The population of this region is going to double in size in the next 20 years. How we keep affordable housing in our market is going to be one of the top issues going forward.

But I think it's doable. I think that we can put a certain percentage of affordable housing in our community, and do it tastefully and do it right. I think that we've got some great strategies."



JONATHAN BARFIELD, JR.
Chairman, New Hanover County Commissioners

//The county's going to play a major role in this. Right now we're updating our comprehensive land use plan. That's something we haven't done in quite a few years to determine how we're going to use land in the unincorporated parts of the county.

Many in the inner city live in what we call "food deserts." You may have affordable housing there, but at the same time you have no access to affordable, quality foods. They'll go to the local convenience store at the corner and spend double what things would cost at a Walmart or a grocery store, and nowhere near as healthy as well. It

makes those homes even less affordable, especially when you're trying to depend on public transportation.

We have to educate people on what affordable housing really means and turn it away from a racial stereotype when you say "affordable housing," to the fact that it really goes toward your teacher, toward your police officer, toward your sheriff's deputies. These folks work for the county and the city, and it's very hard for them to afford housing in our community. A couple years ago we changed the term to workforce housing.

New Hanover County several years ago came up with a new zoning mechanism. We haven't used it much, but it's called the Exceptional Design Zoning District. If a developer does certain things, builds a home that's close to public transportation and certain types of stores, they can get increased density base. We've not seen it done much, but it's something we put out there several years ago trying to encourage greater density."



W. CHRIS STEPHENS
President, Landmark Organization

//What we already know in affordable housing is that the best values of single family housing just simply always sell in this area.

Our secret has always been finding property that was at rural land prices and being able somehow to

INSIGHTful DISCUSSIONS

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figure out how to get utilities to those to get the density. We always felt that a single family, affordable home gave a different quality of life to growing families.

It used to be a pretty good bridge between the apartment rental market to the single family home. Now we're seeing that the difference between apartment rents to single family housing, there's a great diversity. There's nothing that's filling that gap, certainly in single family. I don't know what's going to replace it without going way out to other counties to do that. Certainly, that's a big challenge.

Recently I was looking at about five very large subdivisions that we did in this area that were all affordable. The problem is, they're no longer affordable. They're affordable to the first buyers, and then you get price increases.

Affordable housing customers are paying the price of what happened with some gambling with real estate back in the mid-2005 era. It has changed how banks lend money.

For developers/builders to serve the affordable housing market, they need 30 to 50 units a year to make it work with the margins they have to work with. That takes sizeable land pieces. You can't do that on five acres, it takes 20, 30 acres minimum to do.

There's about three to four families, prominent families in this area that own the rest of the land. What they do with their land for development and housing is going to be key. Those land owners plus our vibrant utility

authority need to be at the table. I think they are key in what's going to happen in affordable housing unless we are going to do a redevelopment, and a lot of redevelopment is expensive."



DR. TIM MARKLEY
Superintendent, New Hanover County Schools

// If you look at New Hanover as a whole, we outperformed just about every large city except for probably Wake and Raleigh. When you dig down into the numbers, we run two separate school systems. We run a suburban county school system that the performance are tops in the state, and we run an inner city school system that comes with the challenges of an inner city school. I don't think the teachers at my downtown schools work any less hard than those in my suburban schools. When you add poverty into the mix, it becomes another obstacle to overcome.

We have 700 students in our schools who are classified as homeless. That's over two elementary school's worth of students who don't have a stable place to put their head at night. They are in all of our schools. They are downtown, and they are in some of our beach schools. It's a huge issue.

If I want to predict the success of a child, the education level of the mother is the number one predictor of student success. In a stable home where the mom is educated, she's reading to that child and there are the magnetic letters on the refrigerator.

If I'm a single mom, my first priority is not reading to my child, but making sure that there's a meal on the table for that child. I'm working two jobs to try to put that meal there. Her criteria is taking care of that child, roof over the head, food on the table, and then if I'm not worn out maybe I can read you a book before you go to bed, if there's one in the house.

It's critical that we invest in early education. Kids are amazing learning machines from zero to about 10. If you look at fifth grade in any one of my high-poverty schools, probably less than 20 percent of those kids were there in kindergarten. Some of them have been to, not just a different school every year, but three or four schools every year. There are four downtown schools and one across the river in Brunswick County, but we're swapping students probably twice a year. They're moving from one place or the other because of housing costs. Their rent's due here, I can't afford it, so I'm going to skip the rent and move over here and that enrolls my student in another place.

There's some great partnership opportunities out there. Some districts are building housing for teachers in cooperation between the school board and developers. Those are some options that can be there, but I would caution some. Denser development puts more of a pressure on infrastructure such as schools."



KATRINA H. REDMON
Chief Executive Officer,
Wilmington Housing Authority

// I really believe that the concentration of poverty is

more of a community issue than it is a housing issue. It really does expand to every facet of our community as a whole — from retail to transportation to housing.

Most of our folks that work make between \$8,000 and \$12,000 a year. They have choices to make. Do I get a job when the daycare cost for my child will exceed my take-home pay? There's a lot of choices. There's a lot of juggling of finances. There's a lot of how do I spread my dollar to make it work?

Right now we have 1,300 people on our public housing waiting list. When we opened the housing choice voucher waiting list last year, we had 5,500 sent in the mail to us.

Most of our folks, when they move along that economic continuum they reach a certain point where they would like to move out, but they have nowhere to go. Particularly if someone reaches that 80 percent of area median income for their family size. Between there and about 120 percent



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to 140 percent there is a limited supply of homes in this area whether it be rental single family homes, apartments or condominiums. There's nowhere for them to go.

There is a big gap where federal funding is not allowed to be spent, but the private market has a hard time making that financially feasible in the marketplace.

We need to look at the definition of an affordable home and change it up just a little bit, because sometimes affordable homes have been synonymous with public housing and housing choice vouchers. It truly is a home that's affordable to you whatever your income might be."

Families rising out of poverty need a stable place so they can continue to grow. About 30 percent of my population is senior and disabled. They need the peace of mind to know I have a roof over my head. I can survive. I can deal with my medical issues because I have a stable place to be. After all, isn't home the platform from which we all can meet our full potential."



JOSE V. "ZITO" SARTARELLI
Chancellor, UNCW

"There's no solution to this issue unless we accelerate economic development.

In America, we're used to very comfortable surroundings in general. We kind of like big stuff, like McMansions. We have a structural desire to have larger places to live. I can tell you from the developer's standpoint, it's like, do we want to sell a Mercedes 550 or do we want to sell a small car where your margin's much smaller? The developers probably don't want to develop very small homes because they won't make a lot of money, and I understand it.

This is very complex. We cannot solve it unless we start addressing how do we become more attractive

to investment coming in? Obviously preferably, clean sources. We don't want people to come in and pollute our water and our land and everything else. We have to be a lot more aggressive on the supply side.

What can we do as a community, as a region to make this the most attractive place so they don't go to Raleigh or Charlotte? I just came up from Charlotte. Charlotte's booming. They've got a lot of problems, but I can tell you, they've got problems that I'd like to have.



DR. AMANDA K. LEE
President, CFCC

// We are very fortunate that the community college system is a relatively affordable way to get your education. We are training this skilled

workforce, whether they are going to go to the hospital, Corning, GE, Vertex, ACME Smoked Fish or some place in the technology world.

Two thirds of our students qualified for financial aid. We offer loans to students to get a community college education here in Wilmington. That sometimes is the only way that it's going to happen. You don't have enough money to go to school so you don't have enough to get a car so you live close to our campus downtown or North Campus. A one-bedroom apartment is going to cost around \$700 to \$900 a month. That's a lot of money if you don't have it to begin with.

We want to be sure that we are advising our students carefully. We talk to these students before they take their financial aid out, before they take their loans. What does that mean? How do you pay that back? What kind of commitment is that? It's hard. These are very abstract conversations.

We try to be flexible, we try to make sure that we are educating them in all aspects of their life and we try to make it as easy as possible to get an education. There are some barriers that as a community I think we need to work hard to overcome."

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BRETT MARTIN
CEO, CastleBranch

// I can't make housing less expensive, but we have been focused and we are focused at Castle Branch on making incomes higher. As I did my research, I was glad to see that Castle Branch comes in with an average salary of \$38,000, which is good for call centers. The national average is \$28,900 so we are \$10,000 over that.

When you hear about our economic development and the strategies and the companies that we are trying to bring to Wilmington, we often hear, "We need all kind of jobs, we need every kind of job." That's great, but if you need people to be able to afford a house and that amount can't be less than or more than 30 percent of their income. What you really need are jobs in excess of \$35,000.

You could do everything else. You can do the other 48 things on one size of this coin, but if you don't have income that supports it, this doesn't work.

If we want this change, we have to start fishing. We have to choose an industry. We have to get really specific. We have to get on board with our universities to say, "These are the jobs we need. They are probably in technology."

The average developer salary starts at \$70,000 and goes in excess of six figures. Those are tremendous jobs. Now I know it doesn't fix the whole problem, but it fixes those small pieces of the economic puzzle that I see.

In summary, it really is time that as a community we get focused on one species of fish, on one industry and we go after those."



CHARLIE MATTOX
Market President,
Branch Banking and Trust
Company

// The biggest barrier to home ownership that we see today is the ability to qualify for a mortgage. I really believe that barriers are eliminated with education targeted at responsible financial choices. That's begun at the middle school level, reinforced at the high school level and the college level.

We need to address the supply side of housing, but the demand side is challenging too.

The statistics I saw last week on the average savings rate of American households is 5 percent of gross monthly income. That's the average. Previously that statistic was actually negative. We were spending more than we were making. Today that's 5 percent. By comparison, the Chinese are at 41 percent. Now there's a difference in standards of living, but that's a big difference.

How many folks in this room truly have a budget that they sit down with every month? I see heads nodding, and I know you are saying, "I know it's not funny. You busted me there." That is the real key because if you have a firm understanding of how to make responsible financial choices, then you can make decisions that are right for you.

Take a look at the numbers as bankers do. Let me give you a good example. A young teacher and a young police officer get married. They are madly in love. They have hopes and dreams for where they are and what they want to accomplish as a family. In New Hanover County, based on the average salaries and the average home price of \$227,000, if they are able to save 5 percent, how long would it take for them to save for a down payment of 20 percent on the average price home? Thirteen years."

THE NEXT STEP

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

Members of the Task Force were discussed to include representatives from the banking, real estate, residential housing development, multi-family development and management, homebuilders, business and corporate sector, education, Cape Fear Housing Coalition, and others advocates for affordable housing and community and economic development.

An Affordable Housing Task Force may consider:

- Create a public education campaign to continue ongoing efforts to explain housing affordability as a community-wide issue impacting everyone regardless of income. The PR effort would work to dispel negative myths about affordable housing by addressing common misconceptions about affordable housing.
- Examine recent planning efforts, such as the City of Wilmington Comprehensive Plan, New Hanover County Comprehensive Plan, and FOCUS Regional Plan, to identify housing needs, barriers and community input. Additional data and input would be sought to augment these and other existing plans.
- Identify and research best practices from around the state and nation for application in Wilmington, New Hanover County and the surrounding region.
- Seek consensus among various stakeholders for solutions that meet the needs of working households and the community at large.
- Create a plan with strategies and recommendations for public policy action and community and business initiatives to foster an increase in affordable housing opportunities for working households.

For more information, go to www.MayorsRoundtable.com.

MAYOR'S ROUNDTABLE ON HOUSING AFFORDABILITY - STEERING COMMITTEE MEMBERS

DR. EARL SHERIDAN, Wilmington City Council	JODY WAINO Buyers Choice Realty; 2014 WRAR President	STEVE SPAIN, Cape Fear Habitat for Humanity
STEVEN L. HARRELL, City of Wilmington	BOBBY JEAN HARVEY RE/MAX Essential, Scott Gregory Group; Chairperson WRAR Community Affairs	GLEN HARBECK, City of Wilmington
PAUL E. D'ANGELO, Cape Fear Housing Coalition	SHANE T. JOHNSON, Wilmington Regional Association of REALTORS®	SUZANNE ROGERS, City of Wilmington
CAMERON MOORE, Wilmington Cape Fear Home Builders Association	JENNIFER RIGBY, New Hanover County	RACHEL LACOE, City of Wilmington
		DAWN COLEMAN, City of Wilmington
		ROB KAISER, Greater Wilmington Business Journal

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JUDGE JAMES FAISON, III
District Court Judge

// As a pastor and a judge, I hope they listen to me very carefully on Sunday so I don't have to see them on Monday.

From the segment of the population that I encounter on a daily basis, having affordable housing or having a place where the individual can call their home is critical to formulating their perception of who they are in the community. Having affordable housing empowers this individual to become one who is able to thrive in the community and not just survive in the community.

Often when a person is placed on probation, one of the first considerations that we have to determine is whether they have a place to live or an identifiable address. If they don't have an identifiable address, then it will be difficult for the probation officer to keep track of their movements. That's critical to effective community-based sentencing, or community-based punishment.

Having stable housing empowers them in so many ways in terms of self-esteem and being able to become productive members of the community and also follow through with what's required of them by the courts. Just meeting the conditions, and then again just developing a sense of value and contribution to the community."



MARY ELLEN BONCZEK
Senior VP Chief Nurse Executive,
New Hanover Regional
Medical Center

// We are challenged with our middle class positions. They are looking in Pender County and Brunswick County. They want the biggest value they can to their dollar. Is that a bad thing? Not necessarily, but as an employer when we have floods, or the bridge is closed, or ice storms or we need someone to be on call. Those distances play a burden.

Eighty percent of my workforce is female and a very large percentage of them are single moms. Trying to manage affordable homes means different things to different people.

It's not about building homes, it's about building communities that are affordable to the people that we need in our community.

It's not just about our employees but our patients. I need to send a patient home to an environment where they can be cared for. At times, what was the affordable home before the illness is no longer the affordable home after the illness.

To be able to remain home and to be cared for by a community or family, is significant in the overall picture of high readmission rates."



LINDA SMITH
Retired Executive Director,
AMEZ Housing Community
Development Corporation

// The first challenge that we as developers are facing is to recognize that there is the need. In order to meet that need, the first thing that we need to realize is that we have to have it in our heart, that we have to address that need. If we don't see the need, then we can't do anything about it.

The rising cost of development is not just limited to the materials, labor and equipment. That's just a small segment of it. It's also the challenge of the tightening of the standards and the market. Green building has come along and it has caused some headaches for most of us developers. It's a good thing to know that we are taking care of our environment, but it's also adding a lot of limitations to as developers.

Investor purchasing has also caused a challenge to us as we have cuts from all levels of government and private funders and a loss of qualified laborers in this area because the recession caused a lot of our builders and contractors to seek employment elsewhere.

It's hard to plan for senior developments, and all of a sudden you can't build a senior housing project because my neighbor said, "I don't want those people in my backyard." What's wrong with having me sit next door to

you? Because I make \$20,000 and you make \$80,000?

We need to look at the word affordable and redefine it, change the name and make it more appealing to everybody. What's affordable for you may not be affordable to me."



JENNIFER H. ADAMS
Facilities & Maintenance
Department Head,
Corning

// This is a fabulous area for manufacturing. I have been here 25 years, and as I was telling somebody earlier, I will never leave. You don't want to go to New Jersey, you don't want to go to Texas. This is a fabulous location for manufacturing. Luckily we can recruit nationally and internationally, and that is a great factor here compared to the other areas where there's significant manufacturing. This is a reasonable cost of living, housing. It is very attractive.

Conversely, however, when we talk about demographics locally, it is getting harder and harder when you talk about that brain drain to hire technically trained, very qualified individuals. We're finding that our local employees are now not just in New Hanover County, but we're drawing from the five counties around the area so it's difficult to find very technically qualified employees."



Myths About Affordable Housing

Earl Sheridan - Councilman, City of Wilmington

Start a conversation with the words “affordable housing” and many people assume you are talking about outdated, poorly designed, densely packed public housing located in the inner-city. In Wilmington and New Hanover County, the Wilmington Housing Authority owns and manages housing developments and provides rental assistance for low-income people; however, these residents are not the only citizens in need of affordable housing.

In this Insights, I’m going to go over several myths about affordable housing and answer them with facts.

Myth: Affordable housing is public housing.

Fact: Housing is affordable at 30 percent of income.

Affordable housing is an issue for everyone, regardless of income and is especially important for working families in our community. For housing to be considered affordable, the cost of the housing should align with the average wages generated from the local economy. Ideally a household should pay no more than 30 percent of its gross income on housing costs, including utilities. Using this as a standard, in Wilmington a median income household earning \$41,573 should expect to pay about \$125,000 for a home based (U.S. Census 2009-13 ACS). According to the Wilmington Regional Association of Realtors (WRAR) statistics for single-family homes, the median sales price for January 2015 through May 2015 was \$194,140.

Renters face the same challenge finding affordable housing. The National Low Income Housing Coalition reports that in the Wilmington market area, a rent of \$787 (including utilities) is affordable to a median income household, yet the Fair Market Rent in the Wilmington area for a two bedroom unit is \$847 (HUD 2015 FMR). Housing costs, both ownership and rental, are not aligned with the prevailing wages earned, which causes an affordability issue for many households, especially working families, in this region.

Our calculation of affordable housing price assumes mortgage at 4.125 percent, good credit, taxes and insurance at \$250 a month and utilities at \$287 a month. Many variables impact the mortgage and purchase price.

Myth: Affordable housing lowers neighboring property values.

Fact: Research shows that affordable housing development does not lower property values.

A study conducted by Wayne State (Michigan) University tracked property values before and after affordable housing was built and found that affordable housing has an insignificant impact on property values. In the Wilmington area, property values in general were impacted by the great recession and have been increasing over the last several years. Property values are primarily determined by the condition of a particular property along with the overall development and prosperity in an area, according to a [research study](#) on the topic.

In Wilmington, contemporary affordable housing developments are indistinguishable from market rate projects and designed to fit in the character, quality and value of the surrounding neighborhood. An example is the Lake Ridge Senior Housing project on Lake Avenue. This project was developed with public and private financing. The project is attractive and serves lower income senior citizens. This area has not experienced any negative impacts in quality of life or property value as a result of this project.

Myth: Affordable housing will look like cheap housing.

Fact: Affordable housing must comply with the same building and zoning codes and restrictions, and design standards as market-rate housing.

Most contemporary affordable housing is in the same style as, and often the same building materials as, surrounding homes. As mentioned, most people are unaware of which projects are affordable housing because they blend in with the surrounding neighborhood, or in some cases improve the aesthetic character of the neighborhood. Affordable housing is not “affordable” because it is cheaply built or operated. It is “affordable” because it is supported by financing from the public and private sector for the purpose of providing decent housing options for working families, disabled individuals and senior citizens at a cost they can afford.

Myth: Affordable housing creates more traffic and overburdens schools and infrastructure.

Fact: Affordable housing helps reduce the number of cars on the streets by allowing working people to live near their jobs.

Building affordable housing near job centers can help alleviate traffic congestion and support increased use of public transportation. This is especially true for multi-family and infill development in more densely zoned neighborhoods. In fact, studies have shown that affordable housing residents own fewer cars and drive less often than residents in market-rate homes. Development of affordable housing in appropriately sized multifamily buildings and in-fill lots maximizes infrastructure like roads, water and sewer, and other public investments, according to a survey from the U.S. Department of Transportation.

When families don't have access to affordable housing they are often forced to move frequently, and their children's academic performance is disrupted when they change schools. Furthermore, affordable housing [helps attract and retain good teachers](#) in the school district where they teach.

According to the 2010 U.S. Census, average households in rental apartments have fewer children than those living in owner-occupied, single family homes. Neighborhoods offering a mix of market-rate and affordable rental and single-family housing options help ensure diversity and more even distribution of school-age population across school districts.

Myth: Affordable housing increases crime.

Fact: Affordable housing is a deterrent to crime.

Studies show that community disinvestment and overcrowding, as well as lack of jobs and community services, are indicators for crime and other socioeconomic troubles. Failure to build or maintain affordable housing leads to blight and slum conditions, absentee landlords, and ongoing

disinvestment and flight of working families according to the National Crime Prevention Council.

The National Crime Prevention Council calls for the construction of affordable housing to reduce crime because “neighborhood cohesion and economic stability are enhanced in areas where the continuing supply of dispersed, affordable housing is assured.”

A local example of the importance of quality, well-designed and well-managed affordable housing is the WHA’s Taylor Homes, New Brooklyn Homes project. Before this public housing development was redeveloped into affordable senior housing, workforce rental housing, and 48 units of public housing the average number of crimes reported annually was 38; after the redevelopment this number fell to 13, based on crime data from the City of Wilmington Police Department.

Myth: Affordable housing is a government handout with little return on investment.
Fact: Affordable housing is an important component for economic development and sustainability.

Employers experience lower turn-over rates in workforce in communities with an [adequate stock of affordable housing options](#). The Garner Report, a report on the economic development needs of New Hanover County and Wilmington revealed that wages in the region are below average for comparable communities. The Cape Fear region has a vibrant tourist and service industry, which employs many lower wage workers. Access to low-wage workers is important to this industry and the local economy. Available affordable housing reduces the likelihood that low-paid workers will experience homelessness and the need for public benefits. Affordable housing facilitates a stable lifestyle providing more opportunity for individuals to pursue education and job advancement in the community. The lack of affordable housing can lead to a drain of workforce-age individuals who leave the community in search of high wages and more affordable housing. High housing costs are an impediment to business recruitment. To read more, click [here](#).

Homeowners may choose to benefit from the Mortgage Interest Deduction (MID), a provision in the U.S. tax code that allows homeowners to deduct from their taxable income the interest paid for mortgages on homes they occupy. In 2010, the MID cost the U.S. Treasury \$79 billion, almost twice the amount (\$41 billion) spent on all housing programs serving low income renters. Housing is an integral component of the economy and is subsidized at every income level.

Earl Sheridan, Ph.D., is a native of Wilmington, North Carolina, and a Councilman for the City of Wilmington. He is currently serving his third term in office. For more information about the city’s efforts for affordable housing, visit <https://www.facebook.com/wilmingtonhousing> or go to http://www.wilmingtonnc.gov/community_services/housing.

Perceptions About Housing Affordability And Potential Solutions

[Earl Sheridan](#) - Councilman, City of Wilmington

There's a saying that perception is reality. The North Carolina Housing Coalition (NCHC) is hosting a series of listening sessions throughout the state to better understand local realities concerning housing, particularly affordable housing. As part of this effort, NCHC staff met with interested citizens from New Hanover County, Wilmington and surrounding areas to hear issues of concern regarding housing.

Participants at the Cape Fear area listening session raised these issues:

- Substandard quality of housing, especially rental
- High cost of housing, especially rental
- Lack of housing options, especially for disabled, those with criminal histories, and others
- Barriers to securing housing, such as application fees and deposits
- High cost of utilities and insurance
- The low wages relative to the cost of housing

Perceptions of the problem reflect the gamut of people and institutions impacted by housing. From the perspective of advocates for low-wage households living in substandard housing, the problem is a lack of code enforcement. They suggest that government should be doing a better job of addressing housing quality and supply. Economic development and business community representatives propose that the solution lies in improving the area wages by attracting better paying jobs. Law enforcement representatives point out that blighted housing attracts crime, and concentrating poor people in public housing creates an environment that can lead to more crime. Others say low-income people need to take responsibility for their lives; they suggest that adults are accountable for their economic situations. Still others say that the market responds to the needs of a community by producing an appropriate supply of housing to meet the demand.

What is the answer? There were many suggestions on how to tackle the problems raised at the listening session. The solutions tend to fall into two categories: public intervention with increased regulation and resources, or market intervention with the public sector fostering private development of housing by eliminating barriers to development. On the public-intervention side, participants called for an increase in the enforcement of minimum housing codes, especially on landlords who repeatedly violate these codes. Additional resources for housing the homeless and disabled were advocated. Continuation or reinstatement of low-income housing tax credits and state and federal-funded housing programs was named as important. These programs have been used for the development of privately held multifamily housing with lower rents.

Some proponents of private market-driven solutions see these developments as warehousing the poor and contributing to social ills, and suggest that changing zoning codes to allow for accessory dwelling units on large lots in existing neighborhoods will increase the housing supply. Further, it

is suggested that the resurgence of residential construction, especially market rate multifamily, will increase the supply of housing and eventually older units will be available at lower rents. One participant offered that the lack of safe, decent affordable housing is in fact a market failure. Affordable multifamily rental housing is not being produced by the private sector and must be subsidized if lower-income working households are to have opportunities for decent housing.

The divergent opinions on how to best address the need for affordable housing raise even more questions about the past success or failure of the proposed solutions, such as, “If the market economy addresses demand, then why are communities across the nation, including Wilmington and Asheville, N.C., currently facing a shortage of affordable housing?” When does market correction occur in an area experiencing rapid population growth like the Cape Fear region? Will enough existing homeowners decide to add garage apartments and “granny flats” to meet all the demand for affordable housing? Will a neighborhood with larger lots want a community filled with accessory housing and the parking that could come along with it? Is the best use of taxpayer funds a subsidy for housing versus improving education and jobs, or reducing taxes? Will privately held subsidized multifamily projects concentrate poverty the way public housing has? These are only a short list of questions that arise when examining the complex topic of housing affordability. Clearly the varying perceptions of the problem and solutions will require those with differing opinions to come together with an open mind to find answers to the many questions raised, and to make meaningful recommendations based on a thorough examination of the data and best practices available.

All of these affordable housing issues and possible solutions deserve examination. Moreover, these potential remedies are not and should not be viewed as mutually exclusive. We need to explore a combination of public and private sector solutions to meet the challenge of securing sufficient affordable housing.

An ad-hoc committee has been created by the City of Wilmington to continue work on improving workforce affordable housing. The committee will recommend best practices for increasing available workforce housing in the region and is a follow-up to one of the recommendations that came out of the Mayor’s Roundtable on Affordable Housing. As this group convenes, it is important that it takes the variety of opinions about affordable housing into consideration.

Earl Sheridan, Ph.D., is a native of Wilmington, North Carolina, and a Councilman for the City of Wilmington. He is currently serving his third term in office. For more information about the city’s efforts for affordable housing, visit <https://www.facebook.com/wilmingtonhousing> or go to http://www.wilmingtonnc.gov/community_services/housing.

The Economic Impact Of Housing Affordability

[Earl Sheridan](#) - Councilman, City of Wilmington

Affordable housing /housing affordability is not only a hot topic here in Wilmington, New Hanover County, and the Cape Fear region Just type those two words into any Internet search engine and you will see that high housing costs are a topic of discussion in nearly every city and town, big or small, across the nation. It's right up there with the many reports on rising rents, increased construction of rental apartments, high developer costs, stagnating wages and decreasing homeownership, all of which are connected to the topic of affordable housing.

While the reports and discussions themselves can be somewhat depressing, there is a positive side to the talk: with increased discussion comes increased understanding. Readers and community members who are not as familiar with this cost struggle are learning that affordable housing is not all public housing or subsidized housing, but housing where costs must be managed on a modest income, such as those earned by our police officers, nurses, retail workers, baristas, restaurant managers, hotel staff ... the majority of our neighbors and friends who make up our community. The trick is taking the increased understanding and turning it into action to maintain the character and diversity of our community, as well as maintain and build an economy and quality of place for all residents. Frankly, knowing the problems of affordable housing, "What are we as a community going to do about it?"

When it comes to housing costs, the benchmark recommended by Department of Housing and Urban Development (HUD) is that your costs to live in your home should be less than or equal to 30 percent of your gross income. This includes all costs associated with housing – taxes, insurance, HOA dues and home utilities, rent or own. If you spend more than 30 percent of your income on housing, you are considered ***housing-cost burdened*** and may have difficulty affording necessities such as food, clothing, transportation and medical care. If you spend more than 50 percent of your income on housing, you are considered ***severely housing-cost burdened***.

According to HUD, an estimated 40 million renter and homeowner households across the country are paying more than 30 percent of their income on housing costs, while 12 million of those pay more than 50 percent of their income for housing. That's nearly one in three of all households (123.2 million in 2014) that are ***cost burdened***, and nearly one in 10 of all households that are ***severely cost burdened***.

These national trends are confirmed by [The Joint Center for Housing Studies of Harvard University](#), which releases its annual benchmark State of the Nation's Housing report every summer and is an essential resource to both public and private policy makers. The study's most disturbing finding: A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.

Here are other additional key facts in the report:

- More than one in four homeowners paid more than 30 percent of income for housing.

- The share of renters aged 25 to 34 with *cost burdens* increased from 40 percent to 46 percent from 2003 to 2013, while the share with *severe burdens* rose from 19 percent to 23 percent.
- Twenty-six percent of black households, 23 percent of Hispanic homes, and 20 percent of Asian homes were *severely burdened* in 2013, compared with just 14 percent of white households.
- Nearly a third of single-parent families were *severely burdened* in 2013, compared with a tenth of married couples with children.
- *Cost burdens* are climbing the income ladder.
- *Rents rose* at a 3.2 percent rate last year – twice the pace of overall inflation.
- Locally, the statistics are similar, if not worse, according to the City of Wilmington’s “Consolidate Annual Performance and Evaluation Report (CAPER)” and backed up by New Hanover County’s “Garner Report/Pathways to Prosperity.”
- In the Wilmington region, 38.6 percent of homeowners are *housing-cost burdened* and 54.2 percent of all renters are *cost-burdened*.
- At least 5,500 families are in need of affordable housing assistance in New Hanover County.
- In 2011, the Wilmington Housing Authority received 2,887 applications for housing assistance. In 2014, 4,080 applications were received.
- Median Household Income in Wilmington Metro: \$48,128
- Median House Price in Wilmington Metro: \$200,500 (est. mortgage of \$1,000)
- Fair Market Rent 2015 per HUD (Wilmington/New Hanover)*
 - 1 bedroom : \$685
 - 2 bedrooms: \$847
 - 3 bedrooms: \$1,117
 -

**Please note that these are HUD guidelines. New apartments in Wilmington are averaging higher: One Midtown Apartments off of Oleander Drive rents for \$995 to \$1,745 a month here, while City Block Apartments downtown rent for \$995 to \$1,600 a month, for one and two bedrooms.*

Understanding some of these national trends, and looking at what is happening locally, it is easy to see that our region is more housing cost-burdened than the national averages.

To pay for these burdening housing costs, a family and household relies on its salary and take-home pay. The better paying your job, the easier your housing costs should be. But according to the FOCUS Regional Planning Consortium, in 2009 the Wilmington Metropolitan Statistical Area (MSA) contained 58 percent of our local jobs as low-paying sales and service jobs, making \$18,000 to \$32,000 per year, where it is estimated that it takes between \$50,000 to \$62,000 to live on average, per household. Similar data is found in the Garner Report, where employment growth is shown as slow and sporadic, and our average weekly local wage is nearly \$200 below the national average, and housing costs are rising.

Here are some typical average salaries in our area:

- Nursing assistants: \$23,320
- Police officers: \$30,460
- Cooks: \$23,980
- Tellers: \$29,470
- Childcare workers: - \$19,310

- Hair dressers: \$22,520
- Retail salespersons: \$24,700
- Office clerks: \$26,520

It is easy to see that wages earned by a majority of our local community residents don't provide enough income to afford the housing available. Families are working to live on just the basic necessities such as housing, food, transportation and health care, with little if any discretionary income to put back into our local economy and enjoy the quality of life that Wilmington can provide.

The Garner Report reported on this disconnect, as did the focus groups they engaged and the survey responses, identifying our strengths of "Quality of Place and Recreational Amenities," while recognizing our challenges to "Economic Development with a Lack of Broad Employment Opportunities," "Poor Worker Quality," and "Increasing Housing Costs."

So in answering our question, "what are we going to do about affordable housing" here in Wilmington, the solution could be higher wages, attracting higher wage jobs, achieving lower housing costs, and increasing the education of our local workforce. The Garner Report recognized that companies moving to Wilmington would look for the availability of skilled labor, while also being concerned about moderate housing costs and housing availability. We must strengthen our existing business sectors and identify emerging ones to increase private investment, job creation and wage growth, as well as provide housing that is affordable to all, from the local retail worker at Mayfaire, to the recent UNCW graduate who wants to stay in Wilmington, to the Wilmington police officer, to the EMT and nursing staff at New Hanover Regional Medical Center, and the new teacher at Hoggard High School.

These are our neighbors, our friends ... the community that we interact with every day. A majority of our workforce, perhaps up to the 58 percent, are most likely having difficulty making ends meet. Not only are they not contributing to the local economy as their wage goes completely to life's necessities, but they are also in danger of making trade-offs for other life essentials, such as food, medical care, education and child care.

The next time you see one of the many articles or discussions about affordable housing, remember that the discussion is about every community, including ours. It's about the people that live on our block, in our neighborhood, in our community, that work in our city, in our county and in our region. We are all asked to contribute back to our community, but unfortunately a majority of us just don't have the cash to do so. We know the problems, and together, we can find the solutions!

Earl Sheridan, Ph.D., is a native of Wilmington, North Carolina, and a Councilman for the City of Wilmington. He is currently serving his third term in office. For more information about the city's efforts for affordable housing, visit <https://www.facebook.com/wilmingtonhousing> or go to http://www.wilmingtonnc.gov/community_services/housing.

What Makes Up The Costs Of Housing?

[Earl Sheridan](#) - Councilman, City of Wilmington

When thinking about affordable housing, it is important to remember all the elements that make up housing costs. The generally accepted definition of affordable housing is that a household pay no more than 30 percent of its gross income toward the cost of housing. Often this definition is only applied to the rent or mortgage payment and does not factor in the cost of utilities or full cost of insurance associated with home ownership or rent.

A report sponsored by the Wilmington Regional Association of Realtors and the Wilmington-Cape Fear Home Builders Association offers some interesting statistics. According to the Cape Fear Area Housing and Economic Climate Report 2015-2016, a household earning \$48,700, the Wilmington MSA median household income, can afford a single family home at the 2015 average price of \$250,912. A closer look at the report is required to recognize some important caveats to meeting the affordability standard, such as having a down payment of up to 25 percent or exceptionally low utility costs of no more than \$80 a month.

I would argue that neither of these scenarios represents the average or typical median-income home buyer. Although, someone selling a previous home or receiving an inheritance, gift or other windfall may have a large down payment, it is more likely that coming up with a 10 percent down payment of \$25,100 is a monumental task.

It's likely even more difficult for first-time homebuyers, given the median net worth, excluding home equity, for a married household less than 35 years old is \$10,226. A single householder age 35 to 44 has a [median net worth of \\$14,226](#). Older married households, age 35 to 54, are in a better position, with a median net worth of \$43,493. Similarly, single households in the 55 to 64 age range have a median net worth of \$45,447. (data source: [U.S. Census 2011](#)).

Clearly, some homebuyers with the ability to make a large down payment may not exceed the 30 percent affordability standard. If they do, paying more for housing does not cause them to sacrifice life's other necessities. For those households earning \$48,700, with limited savings, having affordable housing is important to acquiring and keeping housing.

Now consider the average costs of basic utilities, water/wastewater and electricity, in the equation. Below is a table prepared by Steve Spain, executive director Cape Fear Habitat for Humanity, that includes the costs of taxes, insurance and utilities in the computation of affordable housing using the 30 percent definition.

Median Home Price		Median Income		Tax Rate for CoW & NHC			
\$ 250,912		\$ 48,700		\$1.059 per \$100			
Down Payment	Loan	Monthly loan payment	Monthly taxes	Monthly Insurance	Monthly Utilities	Monthly Housing Cost	Housing Cost as % of Income
25%	\$ 188,184	\$ 898	\$ 221	\$ 200	\$ 227	\$ 1,546	38%
20%	\$ 200,730	\$ 958	\$ 221	\$ 200	\$ 227	\$ 1,606	40%
15%	\$ 213,275	\$ 1,018	\$ 221	\$ 200	\$ 227	\$ 1,666	41%
10%	\$ 225,821	\$ 1,078	\$ 221	\$ 200	\$ 227	\$ 1,726	43%
5%	\$ 238,366	\$ 1,138	\$ 221	\$ 200	\$ 227	\$ 1,786	44%

Insurance estimate based on median home with hazard and wind/hail coverage not in flood zone.

Utilities estimated at \$110 per month CFPUA (average per CFPUA) and \$117 per month for electric (N.C. average)

The table above shows that even with a 25 percent down payment, monthly housing costs exceed 30 percent for the median household living in the median priced home.

When considering housing affordability, it is important to think through all the costs associated with housing and to seek solutions to high insurance rates and to find energy and water savings (green solutions). Along with keeping utility and insurance costs down, median income families may need help with down payment or financing to lower mortgage costs.

Developers may be able to bring down the costs of housing with tools such as lowered permitting fees, increased density, or access to lower cost capital. As has been pointed out before, the answers to our affordable housing needs will require cooperation among all the stakeholders and a shared understanding of the many factors contributing to the problem.

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