



REVISED
CITY OF DURHAM
AFFORDABLE HOUSING
GOALS

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Process Overview

- Preparation of Durham Housing Profile and identification of critical housing needs to be addressed
 - ❖ City Council presentation 12/10/15
- Development of strategy options
- Preparation of draft housing goals
 - ❖ City Council presentation 3/10/16 and discussion 4/7/16
- Community meetings
 - Affordable Housing Developers (Golden Belt) – 5/18/16
 - Central (Golden Belt) – 5/21/16
 - Southside (Stanford Warren Library) – 5/23/16
 - NE Central Durham (Holton Center)- 5/24/16
- Preparation of revised housing goals
 - ❖ City Council presentation 6/2/16

Feedback - Highlights

- Need to preserve both affordability and recognize racial and ethnic character/history of neighborhoods
- Concern about ability of low-income neighbors to remain in the neighborhood
- Support for long-term affordability in appreciating neighborhoods
- Desire to build an inclusive downtown – but need a master plan to get us there
- Need to move beyond “us” and “them” – we’re one Durham, and we’re all in this together

DRAFT CITY GOALS

Goals

1. Preserve and expand supply of affordable rental units and vouchers, with a focus on households <50% AMI
2. Maintain affordability and protect very low-income households in neighborhoods experiencing significant housing cost increases
3. Engage the larger Durham community to make affordable housing a citywide priority

Goal 1: Preserve and Expand Rental Housing

Strategies

- a) Work with the Durham Housing Authority (DHA) to stabilize and improve existing housing and expand overall supply
- b) Strengthen the homeless housing system
- c) Produce green, affordable rental housing for households <50% AMI
- d) Preserve existing rental housing for households <50% AMI
- e) Engage market rate developers in producing affordable housing through an enhanced density bonus

Strategy 1(a): Increase Alignment with DHA

- Ensure continued stability of DHA portfolio and align DHA resources & redevelopment efforts with City goals
- Activities include:
 - Partnership with DHA to define and address capacity-building needs
 - Collaboration on large-scale redevelopment efforts on DHA sites
 - Strategic alignment of leadership teams

Strategy 1(b) Strengthen Homeless Housing System

- Target homeless households, particularly hardest to serve
- Activities include:
 - Build capacity of Continuum of Care (CoC) to meet HUD expectations and changing market conditions
 - Support rapid rehousing, including growing challenge of landlord recruitment and retention
 - Expand units for formerly homeless households
 - Evaluate option of becoming HUD Unified Funding Agency

Strategy 1(c): Produce Affordable Rental Housing

- Target cost-burdened renter households below < 50% AMI, with a focus on <30% AMI
- Activities include:
 - Build a pipeline of tax credit developments, leveraging both 9% and 4% credits
 - Finish rental component of Southside redevelopment
 - Leverage city-owned land and engage institutional landowners
 - Establish green building standard for City-funded housing

Strategy 1(d): Preserve Affordable Rental Housing

- Target units most at risk and/or serving most vulnerable populations
- Activities include:
 - Rehab with extension of affordability period
 - Sale to mission-driven owners
 - Purchase of 'market affordable' properties

Strategy 1(e): Consider an Enhanced Density Bonus

- Goal would be to leverage market-rate development to generate affordable units, most likely in the 60-80% AMI range
- Need to assess feasibility of modifying compact districts to include enhanced density bonus:
 - Economic viability
 - Applicability to commercial vs. residential properties
 - Geographic variation
 - Administrative requirements

Goal 2: Maintain Affordability in Appreciating Neighborhoods

Strategies

- a) Create affordable homeownership opportunities with long-term income restrictions
- b) Create smaller-scale, affordable rental options
- c) Support existing low-income homeowners, through rehabilitation and repair funds & expanded use of property tax relief programs
- d) Support neighborhood-led stabilization efforts

2(a): Affordable Homeownership in Appreciating Neighborhoods

- Focus on low-income homebuyers in appreciating neighborhoods (initially Southside and NECD)
- Activities include:
 - Construction/rehabilitation of affordable homes with long-term affordability commitment
 - Downpayment and closing cost assistance
 - Completion of homeownership work at Southside

2(b): Affordable Rental in Appreciating Neighborhoods

- Focus on preserving existing smaller-scale rental units (e.g. single family homes, duplexes etc.)
- Activities include:
 - Construction/rehabilitation of affordable rental homes
 - Outreach and support to landlords who accept rental vouchers
 - Potential pilots such as providing rehab financing to private landlords in return for affordability commitment

2(c): Protect Existing Homeowners

- Focus on stabilizing existing very low income homeowners (<50% AMI)
- Activities include:
 - Rehabilitation of owner-occupied homes in appreciating neighborhoods
 - Minor repair program for owner-occupied homes citywide
 - Outreach to increase use of existing property tax relief programs citywide

2(d): Support Neighborhood-Led Stabilization Efforts

- Support broader neighborhood stabilization efforts that reflect resident priorities
- Activities include:
 - Coordinate City engagement at the neighborhood level (DCD, OEWD, NIS, Planning etc.)
 - Reflect neighborhood priorities in housing program
 - If appropriate, serve as facilitator/convener to build common vision and goals for various stabilization efforts

Goal 3: Engage Large Durham Community

- Leverage high levels of community and political support
- Potential strategies:
 - Create community advisory group
 - Explore community-based fundraising
 - Engage faith community and/or other institutional players (e.g. colleges, hospitals)
 - Enlist volunteer support for housing organizations and projects
 - Other?

Geographic Target Areas

- Appreciating neighborhoods: Northeast Central Durham, Southside, possibly others TBD
- Downtown, east of Roxboro
- Future light-rail station areas
- DHA sites
- Citywide, as opportunities arise

Geographic Target Areas

GOAL AND STRATEGY	GEOGRAPHIC TARGET AREA				
	Appreciating Neighborhoods	Light Rail Station Areas	Downtown	DHA Sites	Citywide
1. PRESERVE AND EXPAND AFFORDABLE RENTAL HOUSING UNITS AND VOUCHERS					
1(a): Alignment with DHA	★	★	★ ★	★ ★	★
1(b): Strengthen homeless housing	★	★	★	★	★
1(c): Produce affordable rental	★ ★	★ ★	★	★ ★	★
1(d): Preserve affordable rental	★ ★	★ ★	★	★ ★	★
1(e): Enhanced density bonus	★	★ ★			★

Key:

Two stars: Primary geographic focus

One star: As opportunities arise

Geographic Target Areas

GOAL AND STRATEGY	GEOGRAPHIC TARGET AREA				
	Appreciating Neighbor-hoods	Light Rail Station Areas	Downtown	DHA Sites	Citywide
2. MAINTAIN AFFORDABILITY IN APPRECIATING NEIGHBORHOODS					
2(a): Create neighborhood homeownership	★ ★	★			
2(b): Create neighborhood rental	★ ★	★			
2(c): Protect existing homeowners (rehab)	★ ★	★			
2(c): Protect existing homeowners (minor repair, property tax)					★ ★
2(d): Support neighborhood-led stabilization efforts	★ ★				
3. ENGAGE DURHAM COMMUNITY					
Engage Durham community					★ ★

Anticipated Result: Housing Production & Preservation

Goal 1

- ✓ 375 green, affordable rental homes created or in production
- ✓ 350 affordable rental homes preserved (exc. DHA)

Goal 2

- ✓ 75 rental and 150 homeownership opportunities created
- ✓ 50 owner-occupied homes rehabbed
- ✓ 150 owner-occupied homes improved through minor repairs (*citywide*)

Anticipated Result: Stronger Housing System

Success measure: Improved capacity to address critical housing needs of Durham residents, using resources for greatest impact and enhancing effectiveness by building strong partnerships across communities and sectors

- City
- DHA
- Housing developers and service providers
- Durham institutions and community

Estimated City Subsidy Required

GOAL	TOTAL 5 YEARS		
	Low	Moderate	High
Goal 1: Preserve and expand affordable rental housing units and vouchers, with a focus <50% AMI	12,750,000	25,625,000	38,500,000
Goal 2: Maintain Affordability and Protect Low-Income Residents in Appreciating Neighborhoods	13,475,000	18,262,500	23,050,000
Goal 3: Engage Durham Community to Make Affordable Housing a Citywide Priority	-	-	-
TOTAL EXPENSES	26,225,000	43,887,500	61,550,000
AVAILABLE RESOURCES	20,626,260	21,553,093	22,479,925
<i>Variance (gap)</i>	<i>(5,598,740)</i>	<i>(22,334,408)</i>	<i>(39,070,075)</i>

Conclusion

- Questions
- Next Steps