

# City of Fayetteville Housing Study Work Session

November 2, 2020





Mid-Carolina Council of Governments

## Mid-Carolina Council of Governments

(MCCOG) functions as a multi-county, planning, development, and human services organization, whose mission is to provide creative regional solutions to relevant and emerging issues in **Cumberland, Harnett, and Sampson Counties, North Carolina** while providing a standard of excellence in the delivery of federal, state, and regional services for our communities.

## MCCOG & Triangle J COG Partnership

- ▶ Mid Carolina and City of Fayetteville staff to provide local knowledge and connections to community stakeholders.
- ▶ Triangle J COG has expertise in conducting housing studies and creating affordable housing plans.

# Triangle J COG Overview

Triangle J COG is a 45-member governmental organization that provides regional planning expertise and houses the Area Agency on Aging.

We've provided technical assistance for housing projects across the region:

- Chatham County
- Durham County
- Johnston County
- Orange County
- Wake County

## *Triangle J COG's Role*



# Overview

- ▶ Who is Triangle J COG?
- ▶ What is Housing Affordability and “Affordable” Housing?
- ▶ Why Is This an Issue Now?
- ▶ Defining Fayetteville’s Housing Challenges
- ▶ What Can Local Governments Do?
- ▶ Next Steps & Facilitated Discussion



# What is Housing Affordability?



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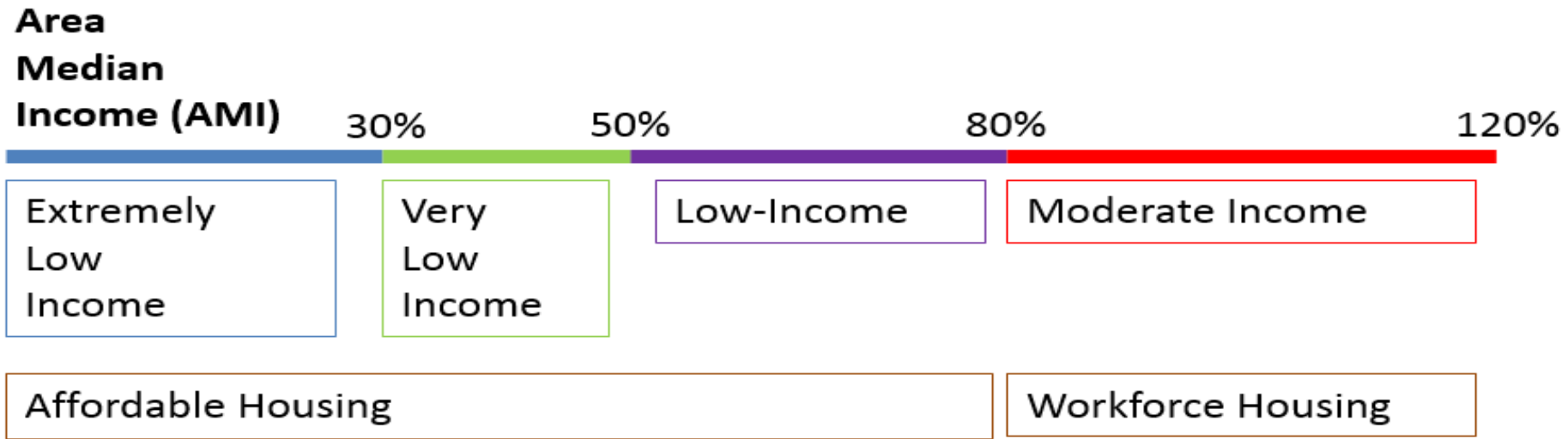
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# What is Affordable Housing?



Area Median Income (100% for Family of 4)	FY2020 Income Limit	Persons in Family			
		1	2	3	4
<b>\$58,000</b>	30% of AMI (Extremely Low-Income)	\$12,760	\$17,240	\$21,720	\$26,200
	50% of AMI (Very Low-Income)	\$20,350	\$23,250	\$26,150	\$29,050
	80% of AMI (Low-Income)	\$32,550	\$37,200	\$41,850	\$46,500

# Types of Affordable Housing

**Legally-binding Affordability Restricted (LBAR) Housing:** housing with a legally binding affordability restriction attached to a property or housing structure that restricts the cost to a defined income level for a defined period of time.



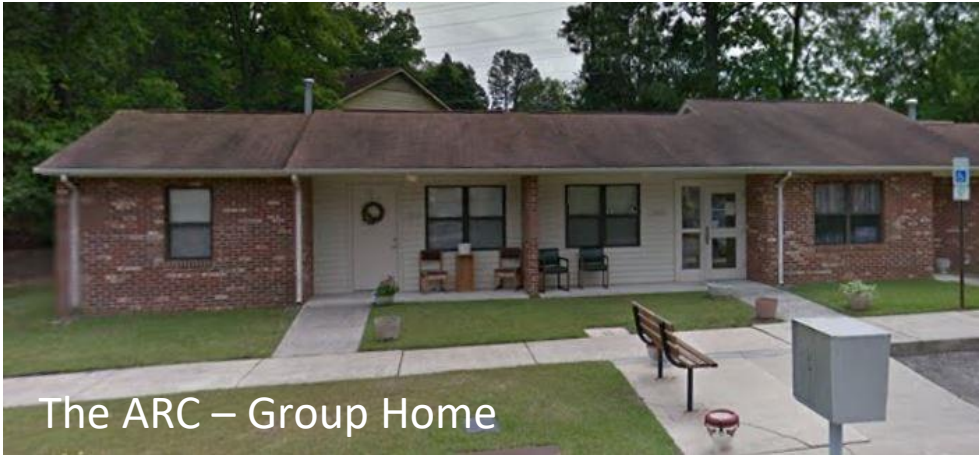
**Naturally Occurring Affordable Housing (NOAH):** market rate housing where the quality, size, location, or amenities of the housing result in rent low enough for low-income households to reasonably afford them.



# What Affordable Housing Looks Like in Fayetteville



Carlson Bay Apartments



The ARC – Group Home



Oak Run Apartments



Dogwood Manor



Northumberland Apartments

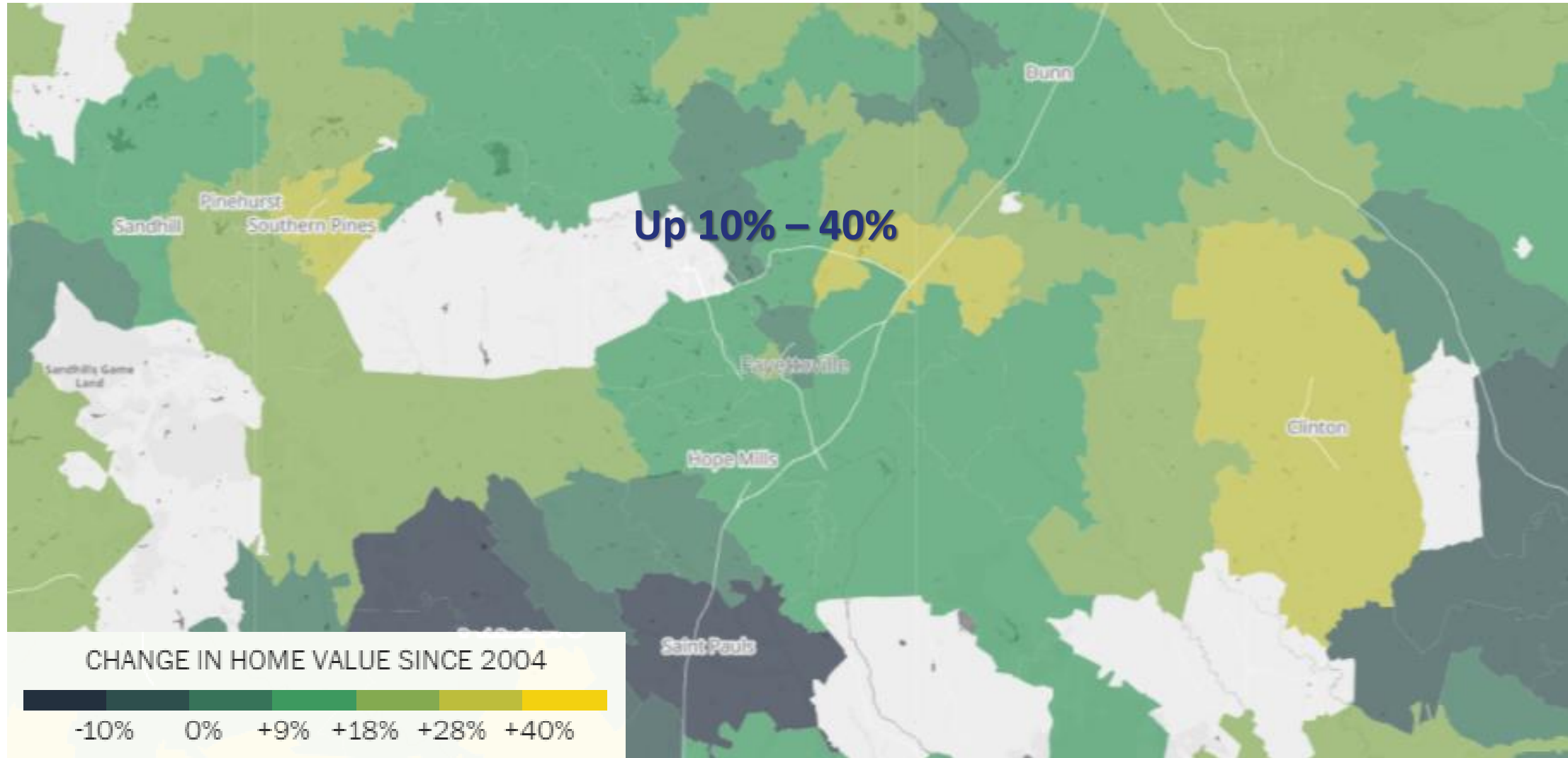
Image Source: Google Image Search



# Why Is This An Issue?

## Key Trends

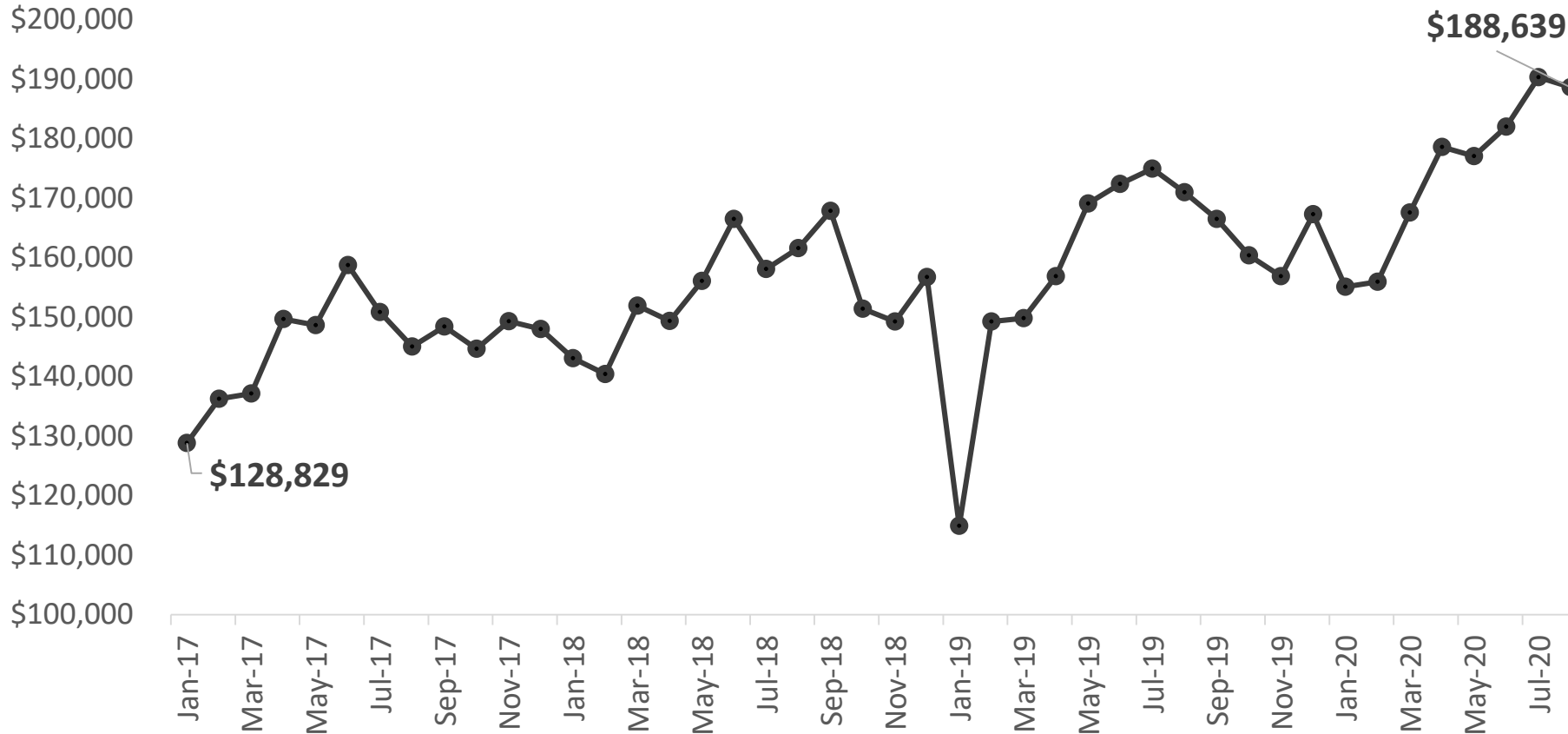
# Rapid Increase in Housing Values



Source: Washington Post, <https://www.washingtonpost.com/graphics/business/wonk/housing/overview/>

# Rapid Increase in Housing Prices

## Average Home Sales Price, Fayetteville



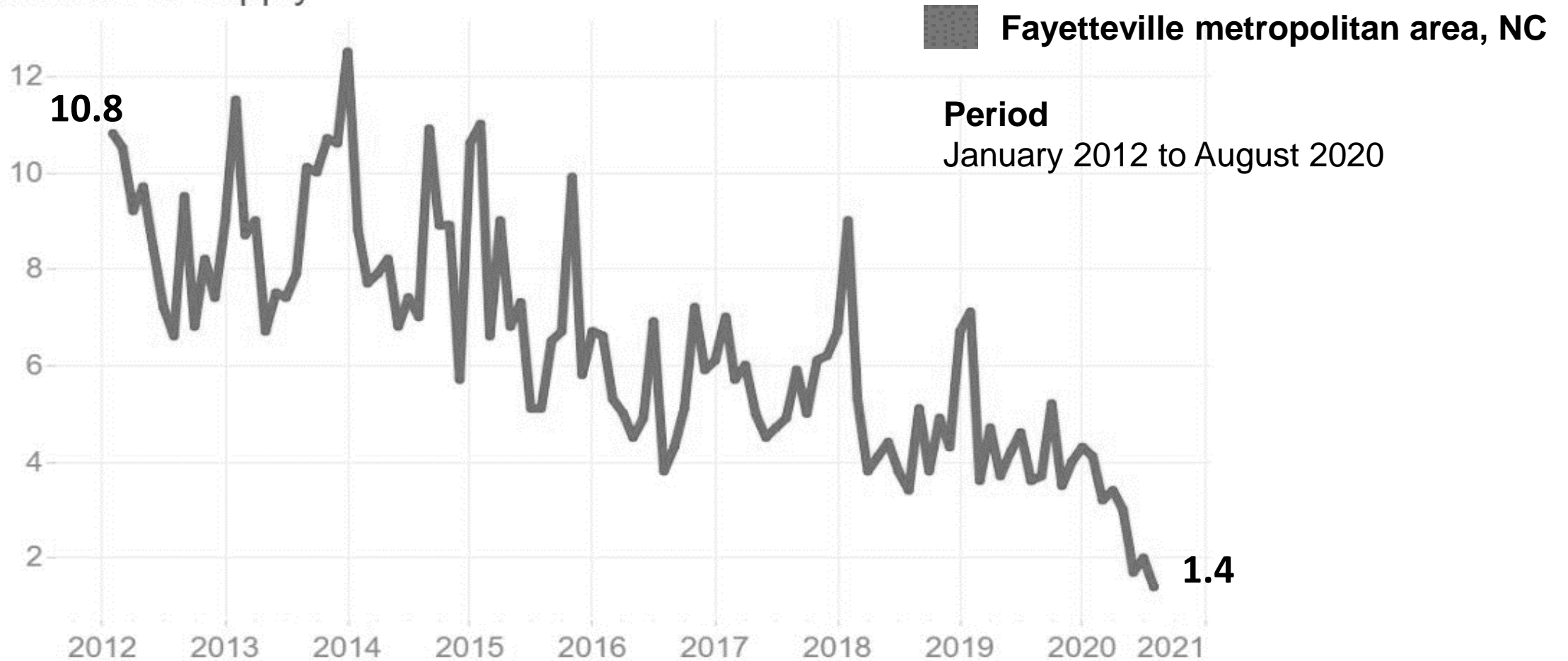
Average sales price up **more than 40%** since January 2017.

August 2020, average sales price of \$188,639 is *affordable to households at or above 50% AMI.*

Source: Fayetteville Realtors Association

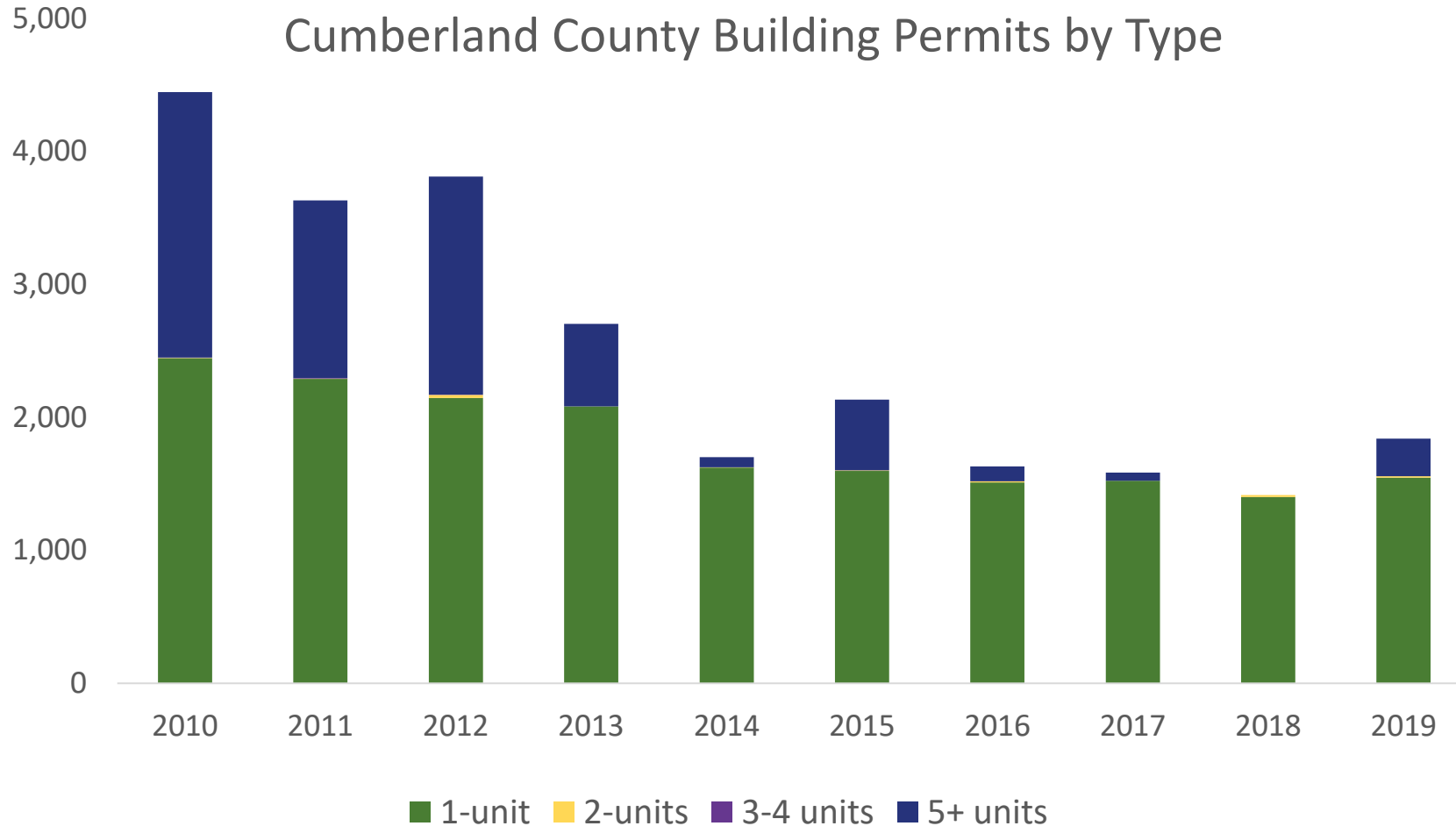
# Constrained Housing Supply

Months of Supply



Source: Redfin

# Housing Diversity for Newly Permitted Units



## In Cumberland County,

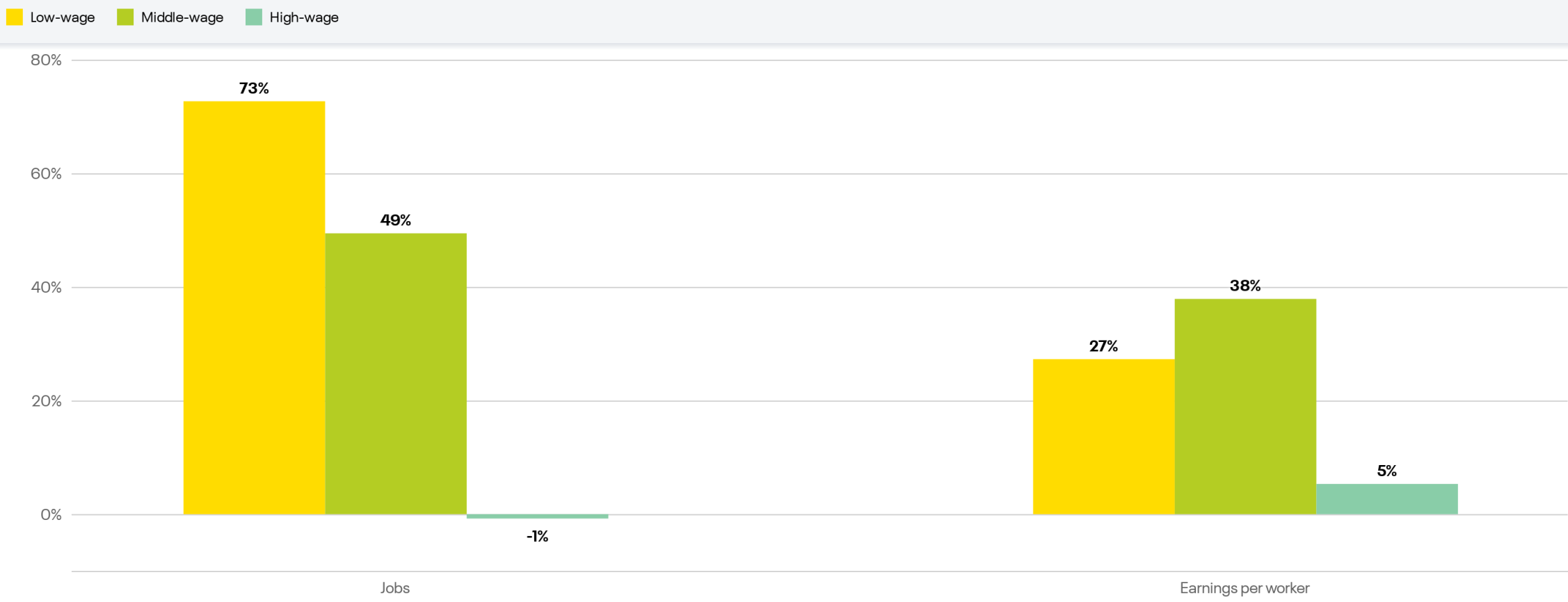
- ▶ 2-4 unit developments are **0.3%** of all new units developed
- ▶ 5+ unit developments have been on average about **27%** of all new units built.

Source: ACS Building Permit Survey

# Growth Effects on Wages

The region has seen high growth in low-paying jobs, but low wage gains in those low-paying jobs.

Growth in jobs and earnings by wage level: Fayetteville, NC; 1990-2018

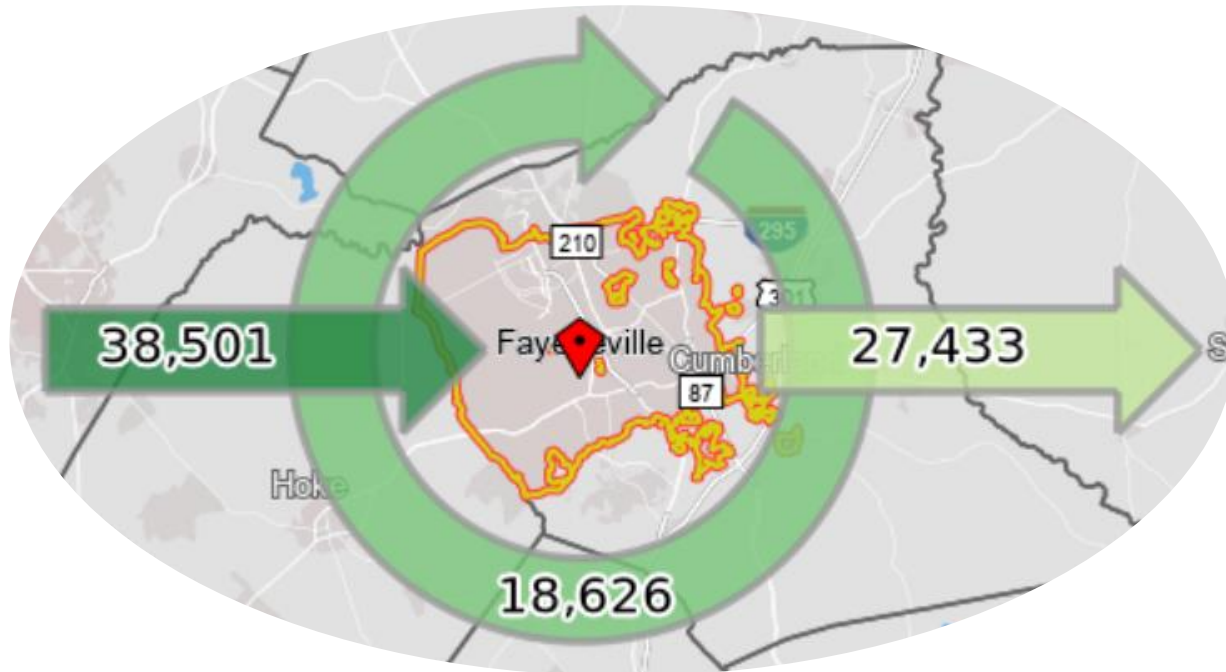


Source: PolicyLink's National Equity Atlas, U.S. Bureau of Labor Statistics, Woods & Poole Economics, Inc.

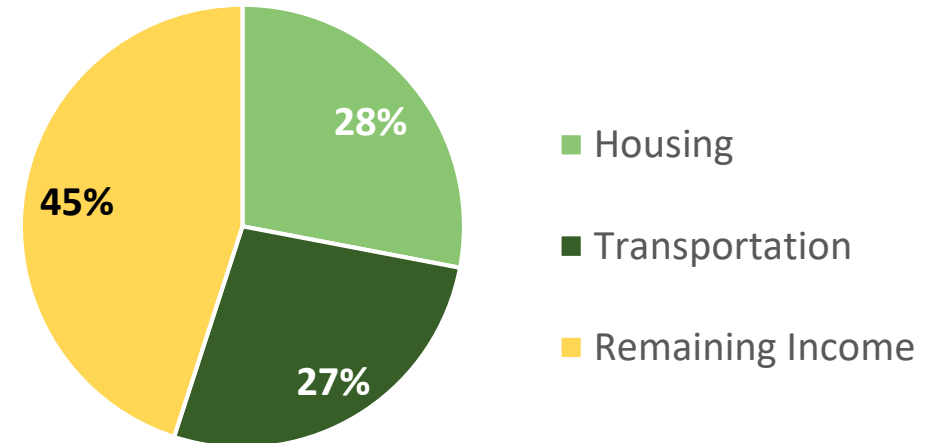
# Commuting Trends and Cost

There are 38,501 people who commute into Fayetteville to work and do not live there, making the City a net importer of jobs.

A household is considered housing and transportation cost burdened if it **spends more than 45% of its income on housing and transportation costs combined.**



City of Fayetteville Households  
(on average)



On average, Fayetteville households spend **55% of their income on housing and transportation.**

Sources: LEHD On the Map, Center for Neighborhood Technology H + T Affordability Index

# Affordable Housing is an Investment in your Community



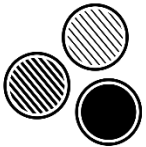


# What Housing Challenges Is Fayetteville Experiencing?

# Spectrum of Housing Challenges



- ▶ **Housing Supply:** Not enough housing units generally, and not enough housing at affordable price points specifically



- ▶ **Housing Diversity:** Not enough choice in housing types, sizes, and/or price points



- ▶ **Housing Quality:** There are a number of houses that are vacant or distressed and don't provide safe and healthy living conditions for their occupants. This can be especially true for low-income older homeowners and low-income renters



- ▶ **Housing Displacement:** Long-time homeowners and renters have difficulty staying in their homes and neighborhoods as housing costs rise.



- ▶ **Homelessness:** There are individuals who need supportive services to help them be housed successfully

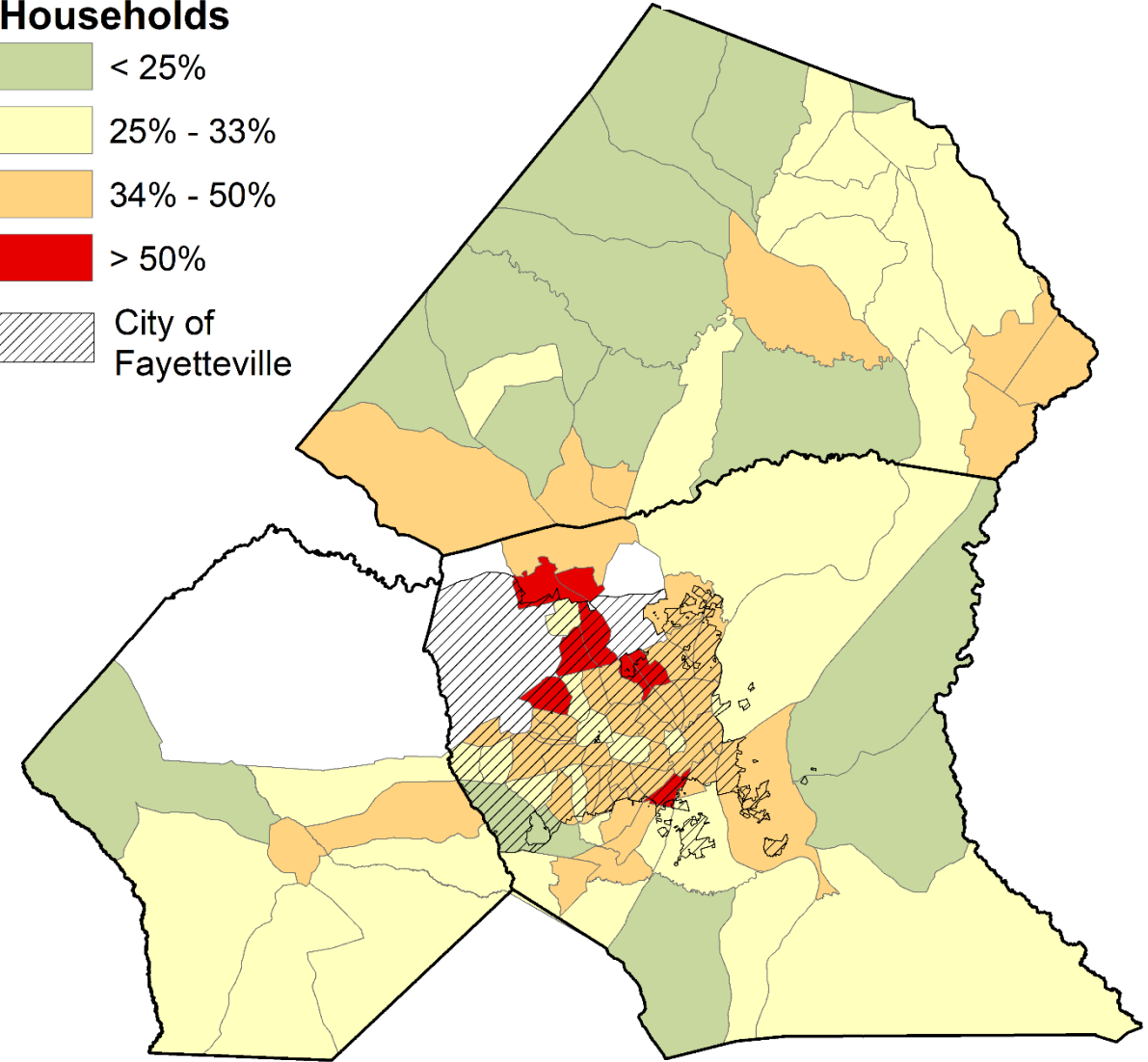
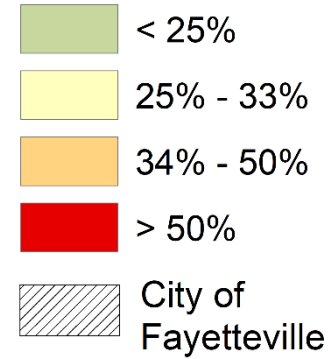
# Housing Cost-Burden

In Fayetteville, households making less than \$50,000 per year, 69% are housing cost-burdened.

**For renter households its even higher: 75% are housing cost-burdened.**

There are over **95,000** homes in Fayetteville, **47%** of which are rented.

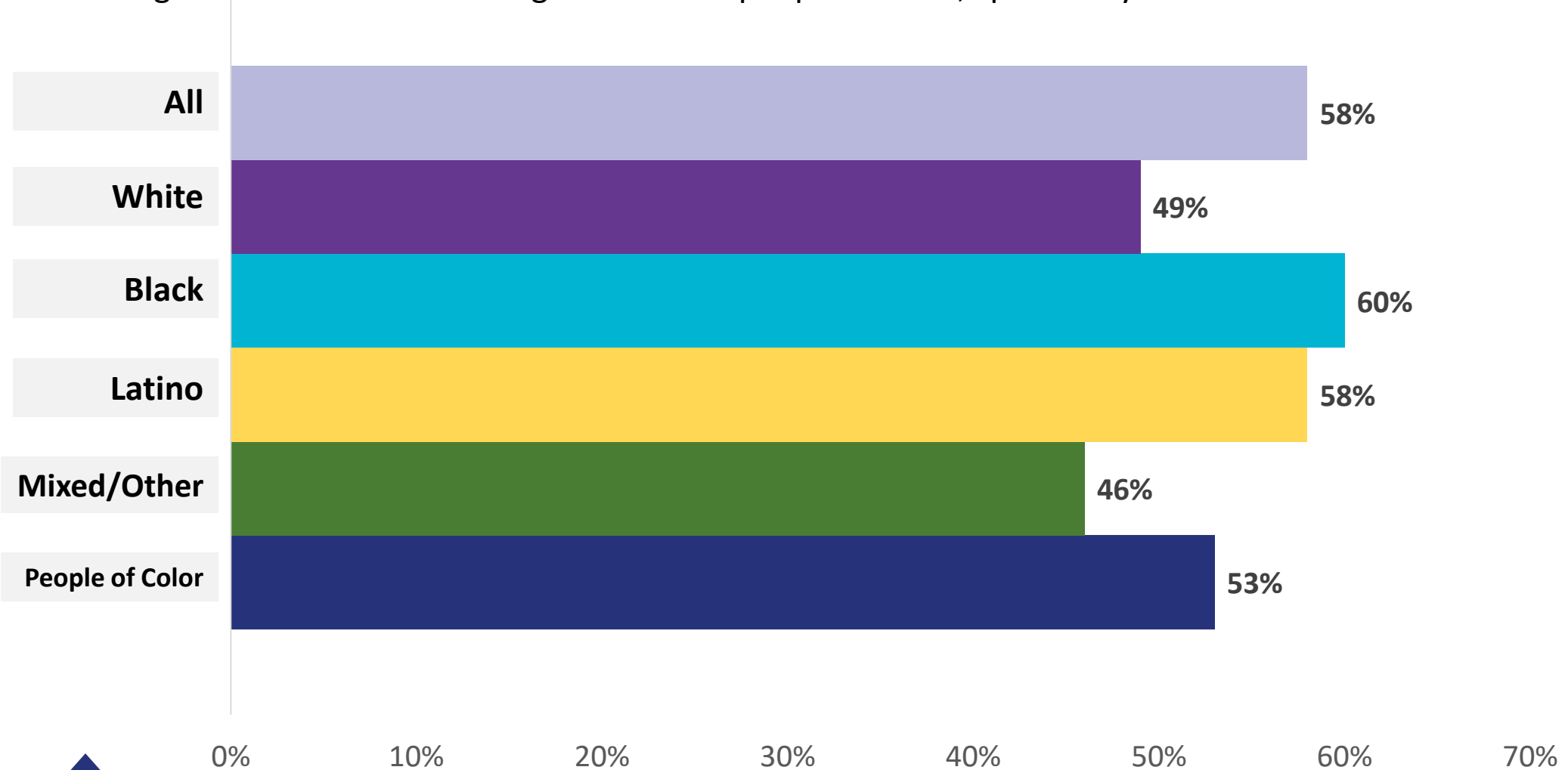
## Cost Burdened Households



Source: 2014-2018 American Community Survey

# Cost Burden for Renters by Race

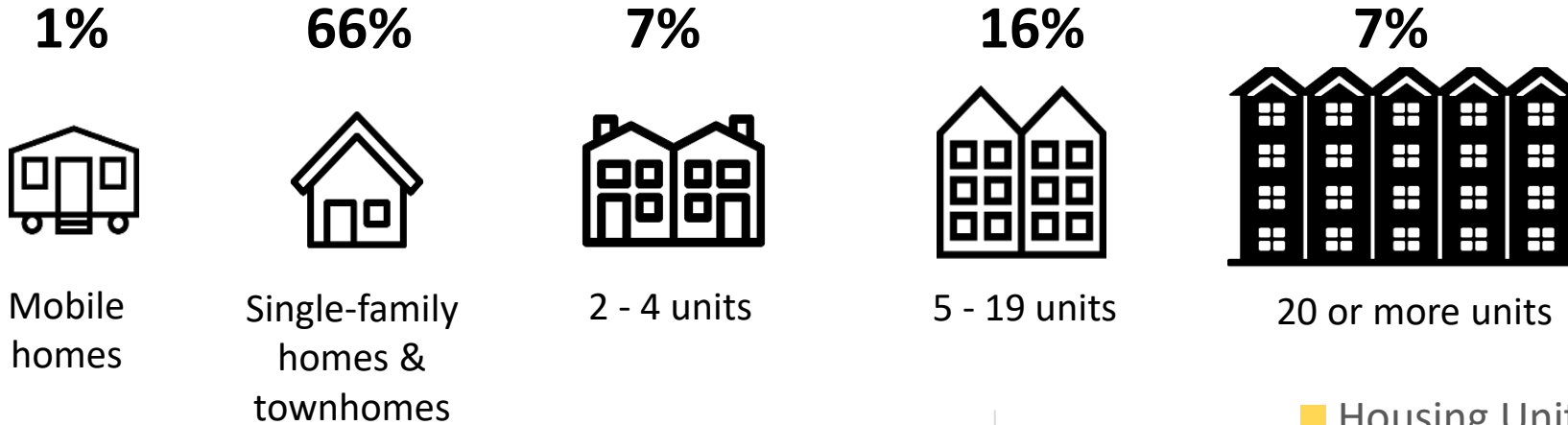
Housing cost-burden is overall higher rates for people of color, specifically Black and Latino households.



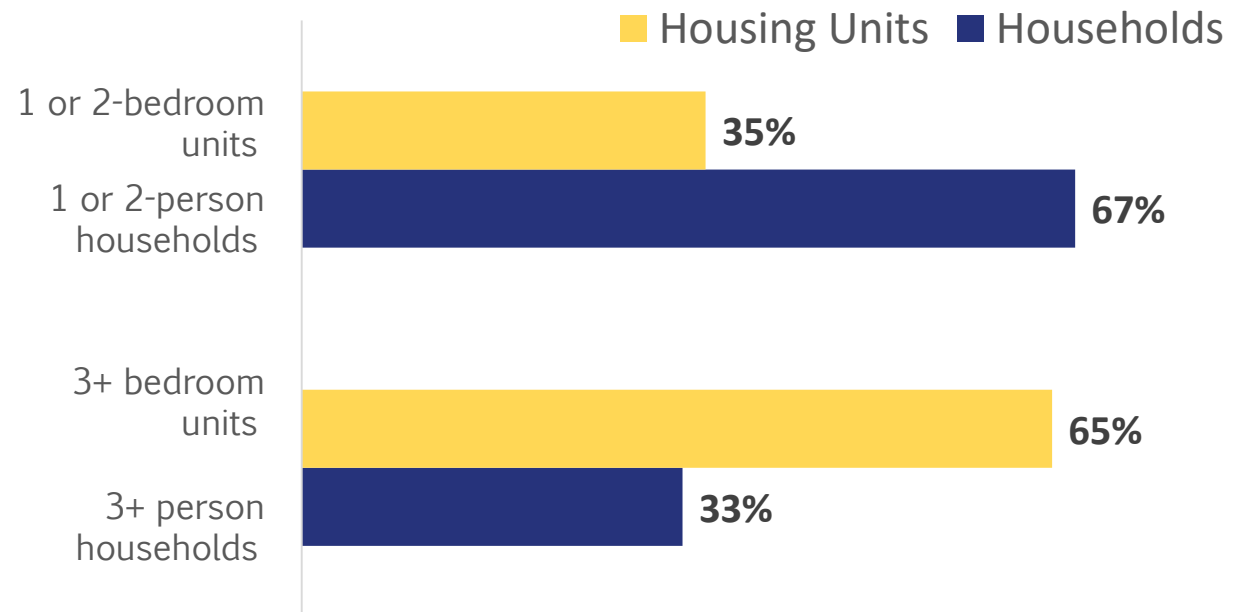
Source: PolicyLink's National Equity Atlas, Fayetteville Metropolitan Statistical Area 2017

# Limited Housing Diversity

City of Fayetteville



**67% of households are 1- and-2-person households, yet just 35% of housing units are 1- and 2-bedroom units.** There are limited options for those who want smaller homes.

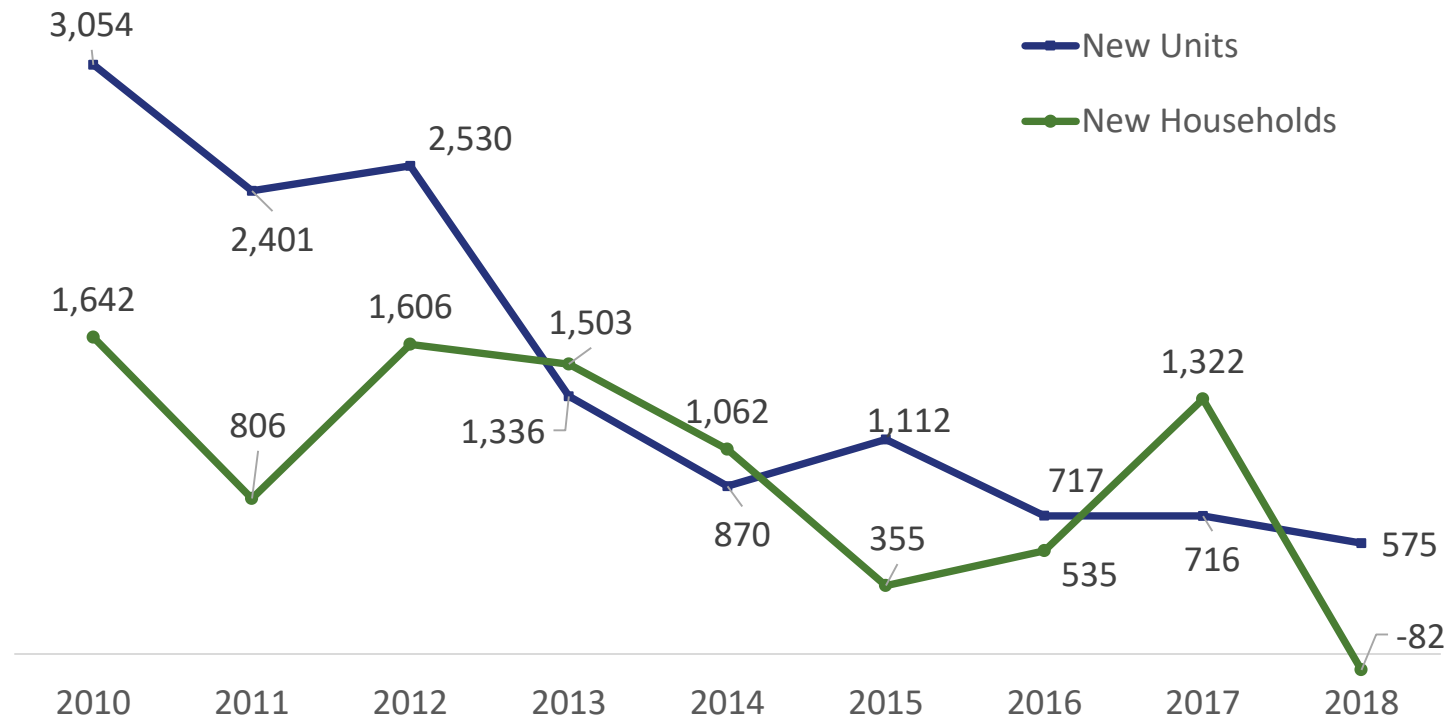


Source: 2014-2018 American Community Survey

# New Housing Supply and Demand

## Population Growth vs. Building Permits

Cumberland County



**New units permitted are keeping up with the number of new households, though the market continues to be constrained.**

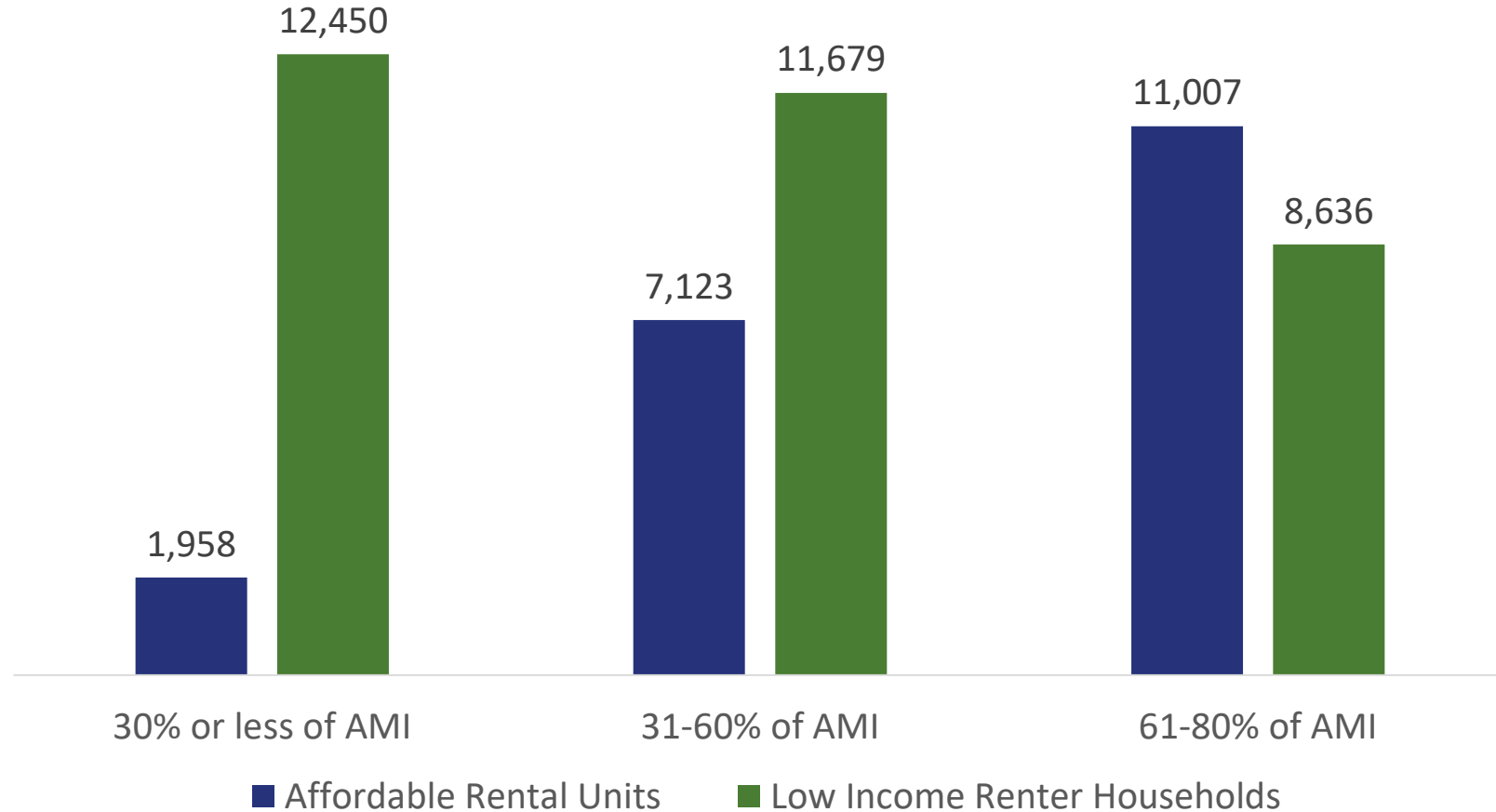
Without much excess housing stock created, there are fewer housing choices for households to choose from. There are even fewer affordable choices for low- and moderate-income households.

Data Sources: U.S. Census Bureau: 5-Year American Community Survey, Building Permits Survey  
 Note: These numbers are estimates only.

# Supply and Demand for Low-Income Renters

In the Cumberland County, there are an estimated 20,200 affordable rental units and 23,800 low-income renter households.

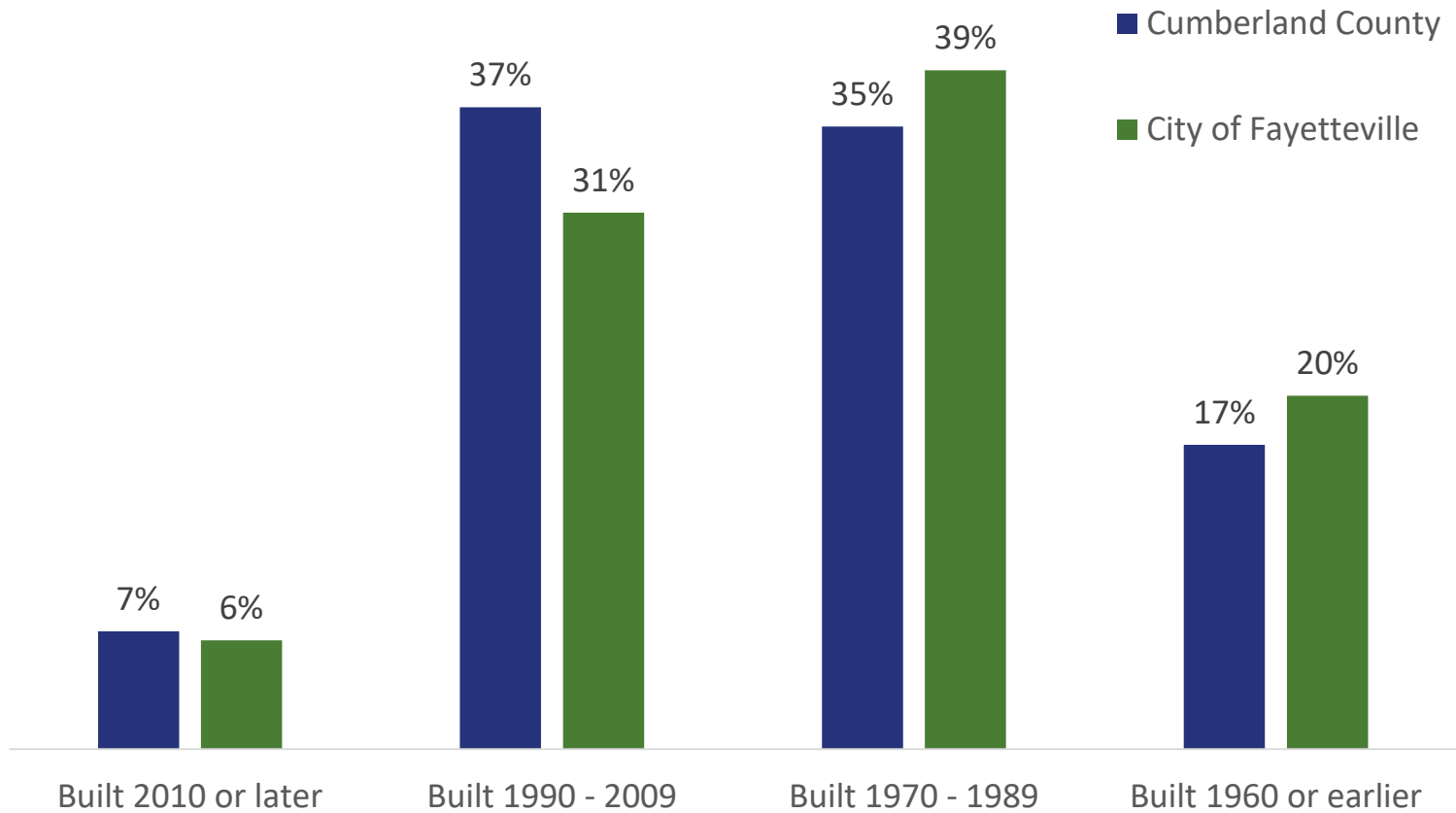
**There is a severe lack of rental units affordable to households that make 30% of AMI or less.**



Sources: ACS 2014-2018 5-year estimates, National Preservation Database, CoStar Real Estate Database

# Age of Housing Stock and Naturally Occurring Affordable Housing

Cumberland County & City of Fayetteville



Much of Cumberland County and the City of Fayetteville’s housing stock is aging –**nearly 20% of units were built before 1960.**

While there may be many naturally occurring affordable housing units due to aging housing stock – many may also need **health and safety repairs** to remain on the market.

Data Source: Table DPO4: ACS 5YR 2014-2018



# Why Can Local Governments Do?

# What Can Local Governments Do?

- ▶ **Educate:** Inform citizens, businesses, developers and public bodies about benefits and consequences of different types of development.
- ▶ **Facilitate:** Encourage submittals/support Low Income Housing Tax Credit applications.
- ▶ **Stimulate:** Provide supportive infrastructure, streamline the development review process, etc.
- ▶ **Allocate:** Provide land, subsidies, etc. to address funding gaps.
- ▶ **Regulate:** Set standards for site zoning and layout, parking, quality, etc. that help produce and maintain quality affordable housing



**Next Steps:**  
Community Engagement,  
Defining Needs,  
& Goal Setting

# Engaging the Community

**Experts already exist within your community!**

Community Engagement will consist of:

## **1. Council and Stakeholder discussions**

- ▶ Housing needs, existing resources, and priority areas

## **2. Community-wide survey**

- ▶ Refine understanding of challenges and community goals

## **3. Ongoing staff and City Council feedback**



# Identifying Challenges

**In your opinion, what are the most pressing challenges people are facing in your community related to housing, and why?**

Some suggestions could include:

- ▶ housing for vulnerable populations (those at risk for displacement or homelessness),
- ▶ quality of housing,
- ▶ lack of diversity in housing type,
- ▶ cost of rent or homeownership too high for those who live in city,
- ▶ Lack of available land for development of affordable housing,
- ▶ Insufficient social services for vulnerable populations, etc.)

## Consider the Question:

**“What should the City of Fayetteville *Affordable Housing Plan* accomplish in the next 10 years?”**

- ▶ Your collective thoughts will help us create goals for this plan. They will be incorporated into stakeholder discussions and will generate a community input survey.
- ▶ The needs assessment and your personal experiences should inform your response.

# Thank You!

## Questions?



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Resources: [www.tjcog.org/housing.aspx](http://www.tjcog.org/housing.aspx)