



COMMUNITY DEVELOPMENT

CITY OF DURHAM

Forever Home, Durham

Affordable Housing Implementation Committee | April 1, 2021

Introduction

On November 5, 2019, Durham residents voted overwhelmingly to approve a \$95 million affordable housing bond.

The bond funds are being combined with \$65 million in existing City and federal funding to make a \$160 million investment – now called ***Forever Home, Durham*** - in affordable housing and services for low income Durham residents.



Defining Affordable Housing



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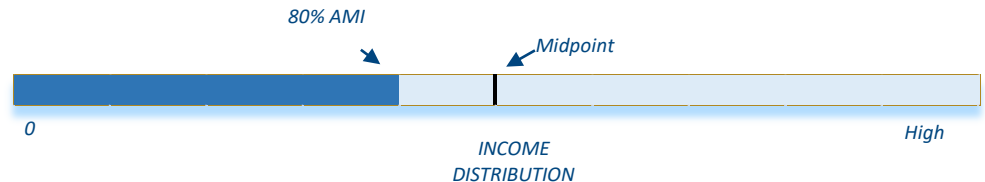
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Defining Affordable Housing

Affordable housing is safe, decent housing that is *affordable* to *low income* households

Affordable: Rule of thumb is that households should not spend more than 30% of gross income on housing related expenses.

Low Income: Income is at or below 80% of Area Median Income (AMI), adjusted by household size



What is 'Low Income'?

Durham-Orange 2020 AMI Levels by Household Size

Household Income as % of AMI	Household Size (# Persons)							
	1	2	3	4	5	6	7	8+
30% AMI	\$19,100	\$21,800	\$24,550	\$27,250	\$29,450	\$31,650	\$33,800	\$36,000
50% AMI	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000
80% AMI	\$50,900	\$58,200	\$65,450	\$72,700	\$78,550	\$84,350	\$90,150	\$96,000
100% AMI (median)	\$63,700	\$72,800	\$81,900	\$90,900	\$98,200	\$105,500	\$112,800	\$120,000



Forever Home, Durham

GOALS

- ✓ Build 1,600 new affordable rental homes
- ✓ Preserve 800 affordable rental homes
- ✓ Move 1,700 homeless persons into permanent housing
- ✓ Provide 400 affordable home ownership opportunities for first-time homebuyers



Forever Home, Durham

GOALS

- ✓ Help 3,000 low-income renters and homeowners remain in or improve their homes
- ✓ Create at least \$130 million in contracting opportunities for Minority and Women-Owned Business Enterprises (MWBEs)
- ✓ Support nearly 3,000 jobs as a result of construction, operations, and resident spending over the life of the housing created with *Forever Home, Durham* funding



How We're Counting

Included in *Forever Home, Durham* Reporting

- **Units:** Counting units associated with City funded contracts executed on or after July 1, 2019, which is the beginning of the first City fiscal year of the *Forever Home, Durham* Program
- **Services:** Services delivered on or after July 1, 2019 (services include programs such as eviction diversion, property tax assistance, minor repair and down payment assistance)

Not included in *Forever Home, Durham* Reporting

- Activities and funding associated with COVID-19 response and HUD Lead Remediation Program



Progress to Date

	GOAL	July 1, 2019 to Present				Balance Remaining
		<i>Pipeline</i>	<i>Under Contract</i>	<i>Completed</i>	<i>Total</i>	
Rental units created, total	1,600	466	-	82	548	1,052
<i>DHA</i>		<i>236</i>	<i>-</i>	<i>-</i>	<i>236</i>	
<i>Non-DHA</i>		<i>230</i>	<i>-</i>	<i>82</i>	<i>312</i>	
Rental units preserved, total	800	266	226	34	526	274
<i>DHA</i>		<i>224</i>	<i>178</i>	<i>30</i>	<i>432</i>	
<i>Non-DHA</i>		<i>42</i>	<i>48</i>	<i>4</i>	<i>94</i>	
Homeownership opportunities created	400	7	-	-	7	393
Homeless persons in permanent housing	1,700	-	-	562	562	1,138
Low income households stabilized	3,000	-	-	587	587	2,413

Definitions

Pipeline – Funding recommendation made, contract not yet executed

Under contract – City-funded contract executed

Completed – For units, Certificate of Compliance received; for services, service delivered



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Highlights of Progress to Date



- Willard Street (DHIC-Self Help) – new construction of 82 rental units for families
- J J Henderson Tower (DHA-CCI) – Rehabilitation of 178 rental homes for seniors
- Ross Road (Reinvestment Partners) – Preservation of 42 rental homes for families
- Scrap Exchange – Land banking for 33 future units



- 504 households avoided eviction and preserved tenure
- 36 elderly and disabled homeowners received minor repair assistance
- 562 persons experiencing homelessness regained permanent housing
- Joint City/County funded unsheltered coordinating agency providing street outreach and encampment response

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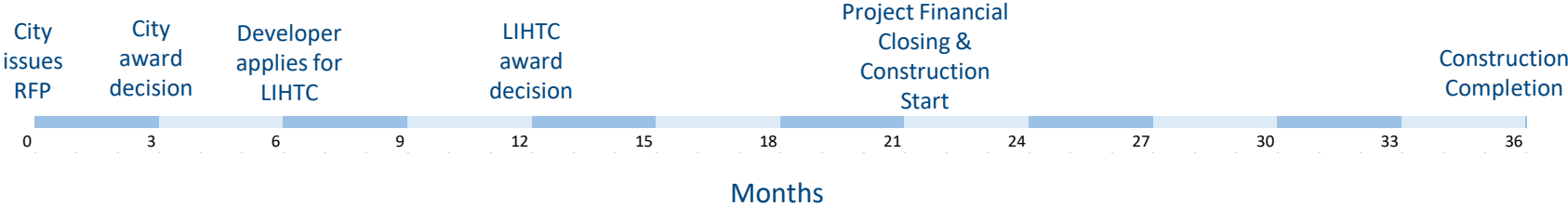
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FY21-22 PLANS



Rental Project Development Timeline

Example - Low Income Housing Tax Credit (LIHTC) Project



Create and Preserve Rental Homes

Durham Housing Authority (DHA)

Creation of New Units

- J J Henderson Apartments new construction – new construction of 80 rental homes for seniors, execute contract and begin construction
- Elizabeth Street Apartments (the first phase of 519 E Main/Liberty Street redevelopment) – new construction of 72 rental homes for families, execute contract and begin construction
- Commerce Street Apartments (second phase of 519 E Main/Liberty Street redevelopment) – new construction of 84 rental homes for families, secure financing and execute contract

Preservation of Affordable Units

- J J Henderson Tower rehab – rehabilitation of 178 rental homes for seniors, construction underway
- Morreene Road – complete improvements to sewer infrastructure for 224 rental homes for families

Create and Preserve Rental Homes

Other Developers

- **Construction to be completed in FY22**
 - Fitts Powell (ACRA) – Rehabilitation of 14 affordable rental homes
 - Ross Road (Reinvestment Partners) – Rehabilitation of 42 rental homes for families
- **Execute contracts in FY22, construction beginning in FY22 or early FY23:**
 - Harriet’s Place (Reinvestment Partners) – Adaptive reuse and creation of 16 affordable rental homes (FY22)
 - 2702 N Duke Street (CASA) – 16 new affordable rental homes (FY22)
 - Farrington Road (Laurel Street Residential) – 82 new rental homes for families (FY22/FY23)
 - Hardee Street (DHIC-Self Help) - 132 new rental homes for families (FY22/FY23)
 - East Durham Phase 2 (DCLT) – rehabilitation of 14 scattered site rental homes (FY22)
- **Issue RFP for new multifamily projects** with goal of securing 200 additional units



Provide Permanent Housing for Homeless Persons

Key Homelessness System Performance Metrics

- 350 persons will exit homelessness to permanent housing
- 25% of people experiencing homelessness who contact Entry Point Durham will exit homelessness without entering an emergency shelter
- Emergency shelters will reduce the average length of stay by 10% to 65 days

Homelessness System Planning: Community Development Department (CDD) will lead data driven planning and resource allocation discussions with the goal of building system-wide consensus on funding priorities

Technical Assistance: CDD will identify technical assistance (TA) providers and expand TA to homeless service providers to help implement best practices



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Create Homeownership Opportunities

- Execute contracts and begin construction of 7 affordable for sale homes on City-owned single-family lots (Habitat for Humanity and DCLT)
- Launch down payment assistance program with goal of assisting 40 homebuyers during FY22
 - RFP for program administrator issued in March 2021



Stabilize Low Income Owners and Renters

- **Repair and rehabilitation:** 30 minor repairs and 5 substantial rehabs completed for elderly and disabled homeowners
- **Eviction Diversion:** City-funded eviction diversion program serves 800 households.
- **Property Taxes:** Long Time Homeowner Grant Program for tax years 2019 and 2020 completed



Create Contracting Opportunities for MWBEs

- MWBE Consulting firm to be in place by the end of FY21, and will be responsible for:
 - Education and technical assistance for City-funded developers on MWBE requirements (including DHA and non-DHA projects)
 - Outreach and support for MWBEs and Section 3 Businesses
 - Monitoring and reporting
- Begin providing regular updates on MWBE activities in FY22, posted on website and included in quarterly reporting



Support Employment Opportunities

- Track and report progress towards goal of supporting 3,000 jobs as a result of City investment (using economic model available at <https://weareapartments.org/calculator>)
- Prioritize hiring of low income and Section 3 eligible individuals for any new construction-related positions resulting from this work
- Implement workforce pilot program in partnership with DHA and Office of Economic and Workforce Development



Improve Transparency and Communications

- Support work of Affordable Housing Implementation Committee, appointed by City Council, to advise and provide feedback on the implementation of the *Forever Home, Durham* Program
- Increase public communication and enhance transparency around the implementation of *Forever Home, Durham* and the use of public funds
 - Maintain a *Forever Home, Durham* website as an information hub about the program
 - Circulate quarterly updates on program implementation
 - Outreach and presentations to community organizations and residents



Forever Home, Durham

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CHALLENGES



Challenges

- **Competing priorities and capacity limitations:** COVID 19 response and the launch of HUD funded lead remediation program have taken up significant staff capacity, contributing to delay in launch of new programs, particularly in areas of homeownership, accessory dwelling units and resident stabilization
- **Evolving timelines for large multiphase projects:** Large multifamily projects are reliant on Low Income Housing Tax Credits (LIHTCs); changes in financing strategies (including success – or not - in securing LIHTCs) can impact timing and structure of multiphase redevelopment projects



COVID-19 Response

COVID response, including the need to deploy federal emergency funding with short spending timelines, became the priority in FY21:

- COVID completely transformed homeless activities, shifting the focus on developing and supporting non-congregate housing options and service delivery for residents experiencing homelessness
- Emergency rental assistance emerged as a major new area of activity, first with CDBG-CV funded program and now with a new Treasury-funded program
- CDD provided operating funding for nonprofit housing partners to preserve essential affordable housing development capacity



Implementation Time Frame

The impact of the COVID 19 pandemic on both CDD and external partners has affected the implementation of *Forever Home, Durham* program. CDD anticipates that it will take an additional year to fully implement the Program, through FY25

- For construction projects, final funding commitments will be made no later than FY25, with construction completion occurring in some cases after FY25
- Services will be delivered by the end of FY25



For More Information

For an update on the progress on the *Forever Home, Durham* Program, visit <https://durhamnc.gov/3932/Affordable-Housing-Bond>

A new website for *Forever Home, Durham* will be launched by the end of FY21



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