

Forever Home, Durham

Progress Update – March 2021



Background

In November 2019, City of Durham voters overwhelmingly approved a \$95 million affordable housing bond referendum to preserve and increase affordable housing in our city. The \$95 million bond funds are combined with \$65 million in local and federal funding to create a \$160 million investment program now called “Forever Home, Durham.”

Goals

Working alongside multiple partners including the Durham Housing Authority, the City will achieve the following over the multi-year period of the \$160 million investment:

- ★ Build 1,600 new affordable rental homes and preserve 800 affordable rental homes.
- ★ Provide 400 affordable home ownership opportunities for first-time homebuyers.
- ★ Move 1,700 homeless individuals and households into permanent housing.
- ★ Help 3,000 low-income renters and homeowners remain in or improve their homes.
- ★ Leverage over \$400 million in funding from other sources and create at least \$130 million in contracting opportunities for minority and women owned business enterprises (MWBs).
- ★ Support nearly 3,000 jobs as a result of construction, operations, and resident spending over the life of the housing created.

Bond specifics

The timing and amount of tax rate increases for Affordable Housing Bond debt service will be determined year to year by City Council. At this time, City Council budget guidelines indicate that the property tax rate increase will be 1.38 cents per \$100 of assessed property value; however, the final amount will be determined during the FY22 budget process.

Progress on Forever Home, Durham affordable housing goals

	GOAL	July 1, 2019 to Present			Total	Balance Remaining
		Pipeline	Under Contract	Completed		
Rental homes created, total	1,600	466	115	-	581	1,019
<i>DHA</i>		236	-	-	236	
<i>Non-DHA</i>		230	115	-	345	
Rental homes preserved, total	800	266	226	34	526	274
<i>DHA</i>		224	178	30	432	
<i>Non-DHA</i>		42	48	4	94	
Homeownership opportunities created	400	7	-	-	7	393
Homeless persons in permanent housing	1,700	-	-	278	278	1,422
Low income households stabilized	3,000	-	-	587	587	2,413

Pipeline: funding recommendation made, contract not yet executed.

Under contract: City funding contract executed.

Completed: for units, certificate of compliance received; for services, service delivered.

★ Build 1,600 new affordable rental homes and preserve 800 affordable rental homes.

Examples of Durham Housing Authority (DHA) redevelopment projects

- JJ Henderson Tower Rehabilitation – Complete update of 178 rental homes serving extremely low-income elderly households. Residents will be accommodated on site while their units are being rehabbed. Total development cost: \$31.2 million, City investment: \$2.9 million.
- JJ Henderson Apartments New Construction – New construction of 80 affordable rental homes for elderly households expected to begin in spring 2021. Total development cost: \$16.2 million, City investment \$3 million.
- Elizabeth Street Apartments: 72 new affordable rental homes for families. This is the first of five phases in the redevelopment of the combined 519 E. Main (formerly Oldham Tower) and Liberty Street Apartments sites. Total development cost: \$15 million, City investment \$1.1 million.

Examples of Other Multifamily Projects

- Willard Street Apartments (Developer: DHIC/Self Help) – New construction of 82 apartment homes for families on former City owned site downtown. Project completed in March 2021 and lease up is underway.
- As a result of a Request for Proposals (RFP) issued in 2020, Durham has committed close to \$13M in funding to five multifamily projects, which will create almost 240 affordable rental homes and preserve 14 existing units over the next two to three years.
 - » Farrington Road Apartments (Developer: Laurel Street Residential) – 80 unit new construction for families
 - » Hardee Street Apartments (Developer: DHIC-Self Help) – 132 unit new construction for families
 - » 2702 N. Duke (Developer: CASA) – 16 unit new construction serving low income and formerly homeless individuals
 - » Harriet’s Place (Developer: Reinvestment Partners), 16 unit adaptive reuse of former Harriet Tubman YWCA to provide housing for low income and formerly homeless individuals
 - » Fitts-Powell Apartments (Developer: ACRA), 14 unit preservation of rental homes for people living with HIV/AIDS

★ Provide 400 affordable home ownership opportunities for first-time homebuyers.

- In March 2021, the City issued an RFP for a Program Administrator to operate the City’s down payment assistance program, which will provide second mortgages of up to \$20,000 to home buyers with incomes below 80% AMI. See [here](#).
- The City is making seven City owned lots available to Habitat for Humanity and DCLT for the construction new affordable homes for sale.

★ Move 1,700 homeless individuals and households into permanent housing.

The City of Durham, in coordination with the Durham Homelessness Continuum of Care (CoC), provides over \$1 million annual to support a range of homeless system activities, including:

- [Entry Point Durham](#) - A trained team that helps people facing homelessness resolve their housing crisis by connecting them to housing resources and service providers. This program is provided by Volunteers of America (VOA) in partnership with Durham County Social Services.
- Emergency Shelter - The City supports [Urban Ministries of Durham](#) and [Families Moving Forward](#) to provide shelter to single individuals and families in need.
- Rapid Re-housing – Short-term rental assistance designed to move people from homelessness to stable housing. Services are currently provided by [Housing for New Hope](#) and [Project Access](#).
- Street Outreach–Unsheltered individuals and families are being connected with appropriate services and housing through City funding of outreach services provided by [Housing for New Hope](#).

- Funding for case management, short term emergency rental assistance and tenant-based rental assistance (vouchers) for persons living with HIV/AIDS, made possible by the efforts of the [Durham County Department of Social Services](#) and the [Durham Housing Authority](#).

★ Help 3,000 low-income renters and homeowners remain in or improve their homes.

- The City is in the process of making an award to an organization to operate a City-funded minor repair program serving low-income elderly and disabled homeowners. Approximately \$950,000 in funding will be awarded (including \$700,000 in City funds and \$250,000 in County funds) to support at least 80 minor repairs over a two-year period.
- The City is funding Legal Aid of NC to provide dedicated staffing that will offer legal assistance for households facing evictions. \$500,000 in funding annually will allow Legal Aid of NC to help 800 households each year.

Progress on Forever Home, Durham economic development goals

★ Leverage over \$400 million in funding from other sources, and create at least \$130 million in contracting opportunities for minority and women owned business enterprises (MWBES).

- The City is in the process of selecting a consulting firm to provide technical assistance, training and monitoring of City funded developers to ensure MWBE goals are met. The City expects to begin quarterly reporting of MWBE activity by the fall of 2021.

★ Support nearly 3,000 jobs as a result of construction, operations, and resident spending over the life of the housing created.

- This progress will begin to be tracked using an economic model in the coming months.
- The City is prioritizing job creation for low-income residents, and will also roll out a job training program for DHA residents in partnership with the City’s Office of Economic and Workforce Development.

COVID-19 relief funding beyond Forever Home, Durham

- The City has already deployed almost \$1.1M in federal emergency funding for emergency rental assistance for low-income renters impacted by COVID-related income losses and is now working with Durham County to launch a new \$9.6 million countywide emergency rental assistance program funded with federal relief funds.
- The City is also deploying \$2.6 million in federal emergency funding to address COVID-related impacts on homeless individuals and families.
- The City has provided over \$300,000 in emergency operating assistance to nonprofit affordable housing developers to help them weather the economic fallout of the pandemic.