



**COMMUNITY DEVELOPMENT**

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CITY OF DURHAM

# Forever Home, Durham

Joint City Council-Planning Commission Meeting | March 1, 2023

Reginald J. Johnson, Director

# 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.



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# Overview of Investment Program

CATEGORY		ACTIVITIES	
Name	Amount	Name	Amount
Homelessness	\$10,455,835	Emergency Shelter and Rapid Rehousing	\$3,463,610
		Homeless System Investments	\$4,850,000
		Technical assistance and capacity building	\$300,000
		HOPWA Assistance	\$1,842,225
Multifamily Rental	DHA \$58,905,847	Downtown Revitalization Plan/DHA	\$58,905,847
	Other \$41,360,000	Downtown Plan Acceleration/New 4% LIHTC	\$16,000,000
Neighborhood Stabilization	\$23,918,000	Multifamily Production/Preservation	\$25,000,000
		Preservation outreach	\$360,000
		Small Scale Production/Preservation	\$7,500,000
		Home repair and rehabilitation	\$4,600,000
		Property tax outreach/homeowner education	\$650,000
		Downpayment Assistance/IDAs/HO Counseling	\$6,350,000
Financing Pilots	\$5,000,000	Eviction Diversion	\$2,350,000
		Employment and Training Pilot	\$2,468,000
Program Operations	\$20,316,346	Durham Affordable Housing Loan Fund P2	\$1,500,000
		NOAH preservation/ADUs	\$3,500,000
		Salaries and Operating Expenses	\$16,449,743
		Bond issuance costs	\$1,000,000
		Section 108 Loan	\$2,866,603
<b>TOTAL</b>	<b>\$159,956,028</b>		<b>\$159,956,028</b>

# Defining Affordable Housing



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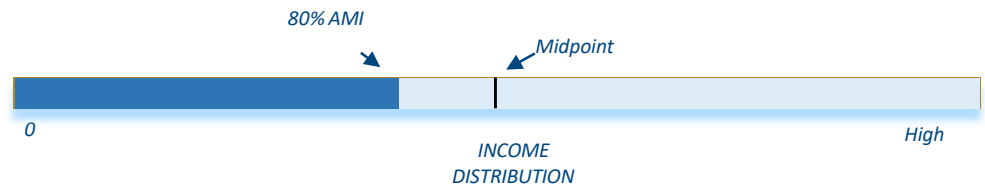
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# Defining Affordable Housing

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



# 2022 Durham-Chapel Hill Metro FMR Limits

Household Income as % of AMI	Household Size (# Persons)							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>30% AMI</b>	\$20,100	\$22,950	\$25,800	\$28,650	\$30,950	\$33,250	\$35,550	\$37,850
<b>50% AMI</b>	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050
<b>60% AMI</b>	\$40,140	\$45,840	\$51,600	\$57,300	\$61,920	\$66,480	\$71,100	\$75,660
<b>80% AMI</b>	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850

Source: U.S. Department of Housing and Urban Development, Income Limits for HOME Investment Partnership Program, <https://www.hudexchange.info/programs/home/home-income-limits/>

HUD defines households with incomes below 80% Area Median Income (AMI) as **‘low-income.’**

- Households below 50% AMI are considered ‘very low-income.’
- Households below 30% AMI are considered ‘extremely low-income.’



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# 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 homeownership opportunities for first-time homebuyers



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# 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
- City/County jointly funded unsheltered coordinating agency that provides street outreach and encampment response

# Forever Home, Durham

*Affordable. Livable. Inclusive.*

## FY23-24 PLANS



# Neighborhood Stabilization

- Phase 2 of the Durham Community Land Trustees (DCLT) East Durham Rehabilitation Project will be underway in July 2023.
- Construction of 10 new affordable homes on City-owned surplus lots awarded to DCLT and Habitat for Humanity will be underway.
- Issue a Request for Proposal (RFP) to select builders to complete homeownership units on approximately 20 City-owned surplus lots.
- The City's new Down Payment Assistance Program will be launched, with the goal of providing assistance to homebuyers.



# Multifamily Production

- The following developments will be under construction:
  - Elizabeth Street Apartments (72 units)
  - Commerce Street Apartments (Family and Seniors)(129 affordable units)
  - Hardee Street Apartments (132 units)
  - Bryan Place Apartments (16 units)
  - Ashton Place (51 units)
- The follow developments are expected to be completed:
  - JFK Towers Rehabilitation (178 units)
  - Ross Road Apartments (42 units)
  - Fitts-Powell Apartments Rehabilitation (14 units)



# Homelessness Housing System

- Lead the transition of the Homeless System back to pre-pandemic funding levels.
- 350 or at least 25% people will exit homelessness to permanent housing.
- 25% of people experiencing homelessness who contact Entry Point Durham will exit homelessness without entering an emergency shelter.
- Assist emergency shelters in continuing to reduce the average length of stay comply with the Continuum of Care approved benchmark of 60 days for those who exit.
- Lead data driven planning and resource allocation discussions for system-wide consensus on funding priorities



# For More Information

For an update on the progress on the *Forever Home, Durham* Program, visit <https://www.durhamnc.gov/4593/Forever-Home-Durham>



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# THANK YOU!



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