



Housing and Neighborhoods

District A Town Hall

March 15, 2024



Raleigh



Agenda

I. Raleigh Housing Updates

II. Emerging Issues

III. How Raleigh Can Help

I. Direct rent assistance program

II. Flexible funding for homelessness prevention and diversion

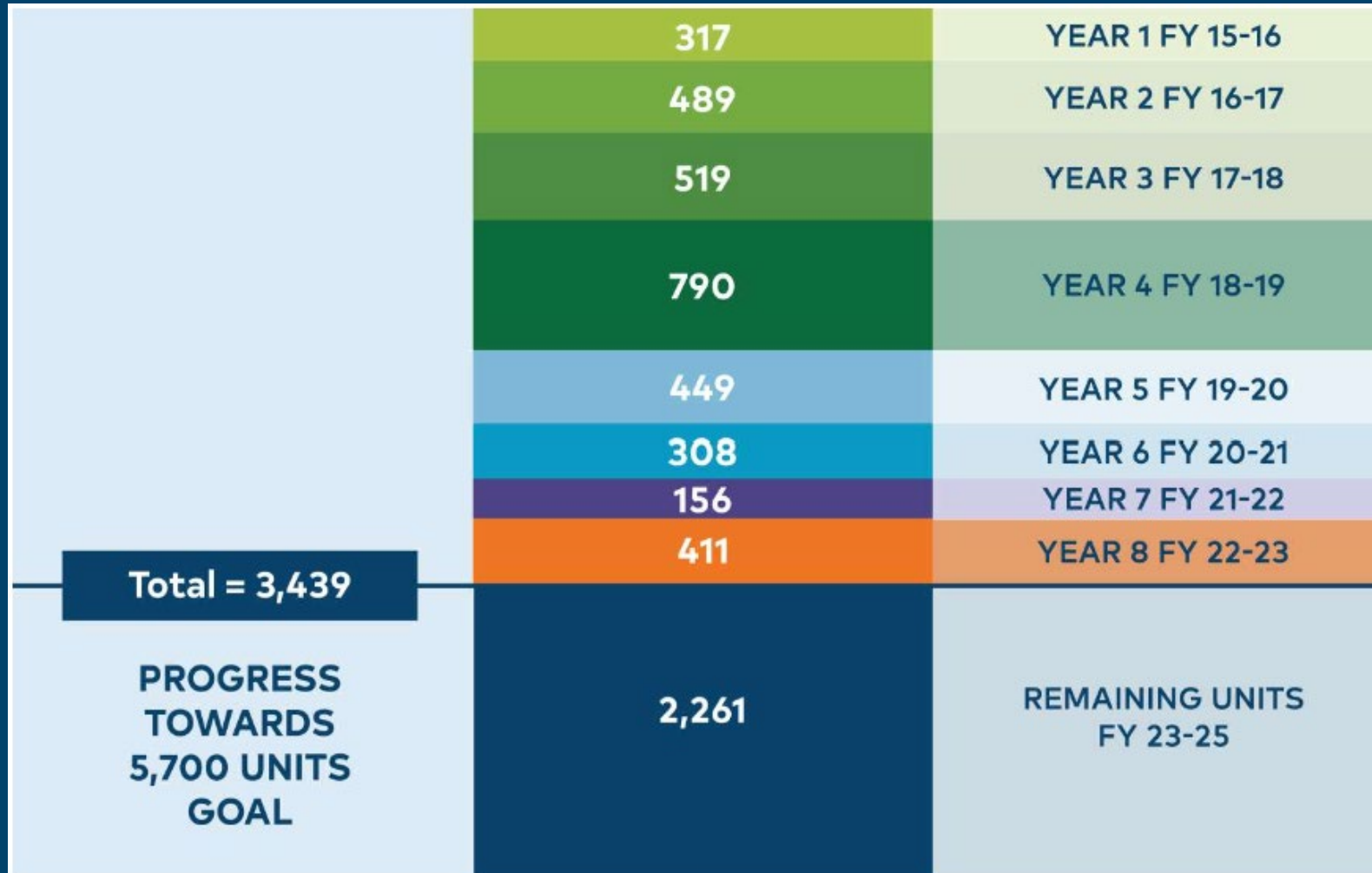
III. Encampment strategy for people living unsheltered

IV. Questions



Raleigh Housing Updates

Progress towards 10-year goal of 5,700 units



2,463 additional rental units in the pipeline

The City has also released several Requests for Proposals (RFPs) for affordable housing development on City-owned land

How We Fund Affordable Housing

FUNDING SOURCE	HOUSING ACTIVITY						
	Homebuyer Assistance	Home Rehab	Rental Unit Development	Site Aquisition	Grantmaking*	Rapid Rehousing**	Emergency Shelter
Federal							
Home Investment Partnerships Program	✓	✓	✓				
Emergency Solutions Grand (ESG)					✓	✓	✓
Community Development Block Grant (CDBG)	✓	✓		✓	✓	✓	✓
General Fund							
Penny for Housing			✓	✓			
Bond Funding							
2020 Affordable Housing Bond	✓	✓	✓	✓	✓		

Over \$30 million
for FY23-24

**Funding for public services administered by the Dept to non-profit organizations through a competitive RFP process annually.*

***Rent assistance and case management for people experiencing homelessness*

In FY23-24...



450
rental units
will be
developed



53
homes
will be
rehabilitated



28
households
will receive
down payment
assistance



1,265+
services for
people
experiencing
homelessness



1,969
individuals
will receive
public services

Public Education and Marketing

- Affordable Housing 101 video series, web content, and booklet
- Raleigh Housing newsletter
- Regular web updates
- Community outreach, surveys, and events

2024-2025 Affordable Housing and Community Needs Survey

Project Engagement

VIEWS	PARTICIPANTS	RESPONSES	COMMENTS
1,918	725	12,355	589



Affordable Housing 101 Video Series: Why is housing unaffordable and what is the City doing about it?



Emerging Issues

In Raleigh & Wake County...

- Over **6,000** individuals seeking homelessness support services¹
- **4,700** children in Wake County school system experiencing homelessness²
- Around **916** individuals experience literal homelessness on a given night, of which **463** are living unsheltered – a 200% increase since 2020 ³

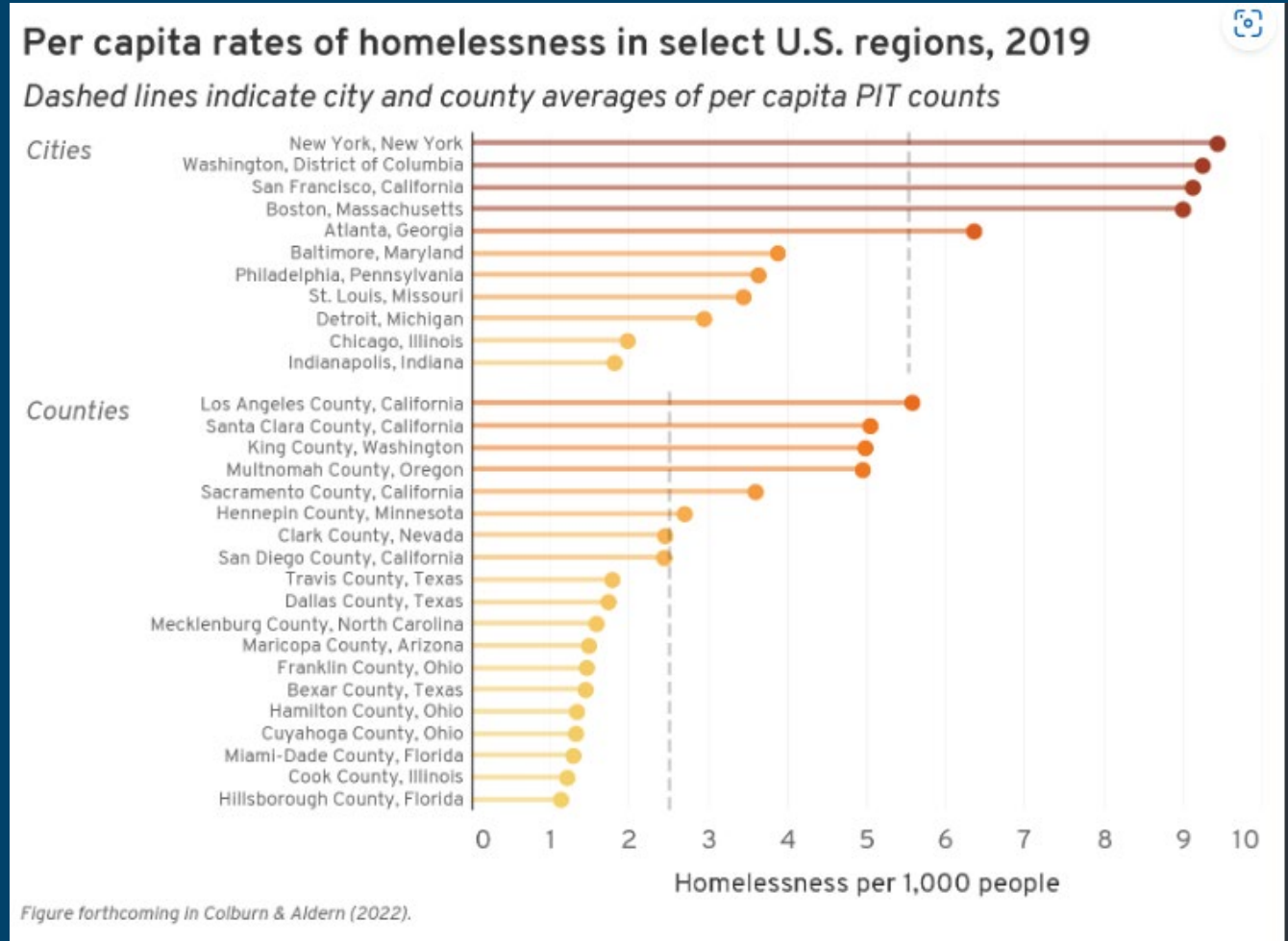
¹Raleigh Rescue Mission

²Wake County Public School System (note: not HUD definition of homelessness/literal homelessness)

³Wake County CoC 2023 Point in Time Count

Homelessness is a Housing Problem

- Homelessness rates are driven by **market conditions** not individual behaviors
- Homelessness rates decrease when:
 - **More housing units and types are available**
 - **Rents are lower**
- Rates of homelessness tend to be lower where poverty rates are higher



Housing Policy is Homelessness Policy

- Homelessness is about **affordability**
- Rates of homelessness are higher where rents are high and vacancies are low
- Those with lower AMI (<30-40%) don't have enough income to **afford housing in the private market**
 - In Raleigh, a full-time worker needs to earn **\$27.15/hr** to afford a 2-bedroom apartment at fair market rent
- End homelessness by either **reducing housing costs** or increasing income
- To prevent: **targeted prevention and diversion** for those at highest risk

Encampments Overview

- All 50 states saw a **1,342% increase** in the number of unique encampments between 2007 and 2017¹
- In addition to the lack of affordable housing, shortcomings in the shelter system may contribute to people living in encampments, which can offer a sense of privacy, community, and safety
- Sweeps don't end homelessness, but create unnecessary costs for local communities, and can cause additional harm
- Failing to address now can mean increased costs tomorrow

¹ National League of Cities

² National Health Care for the Homeless Council

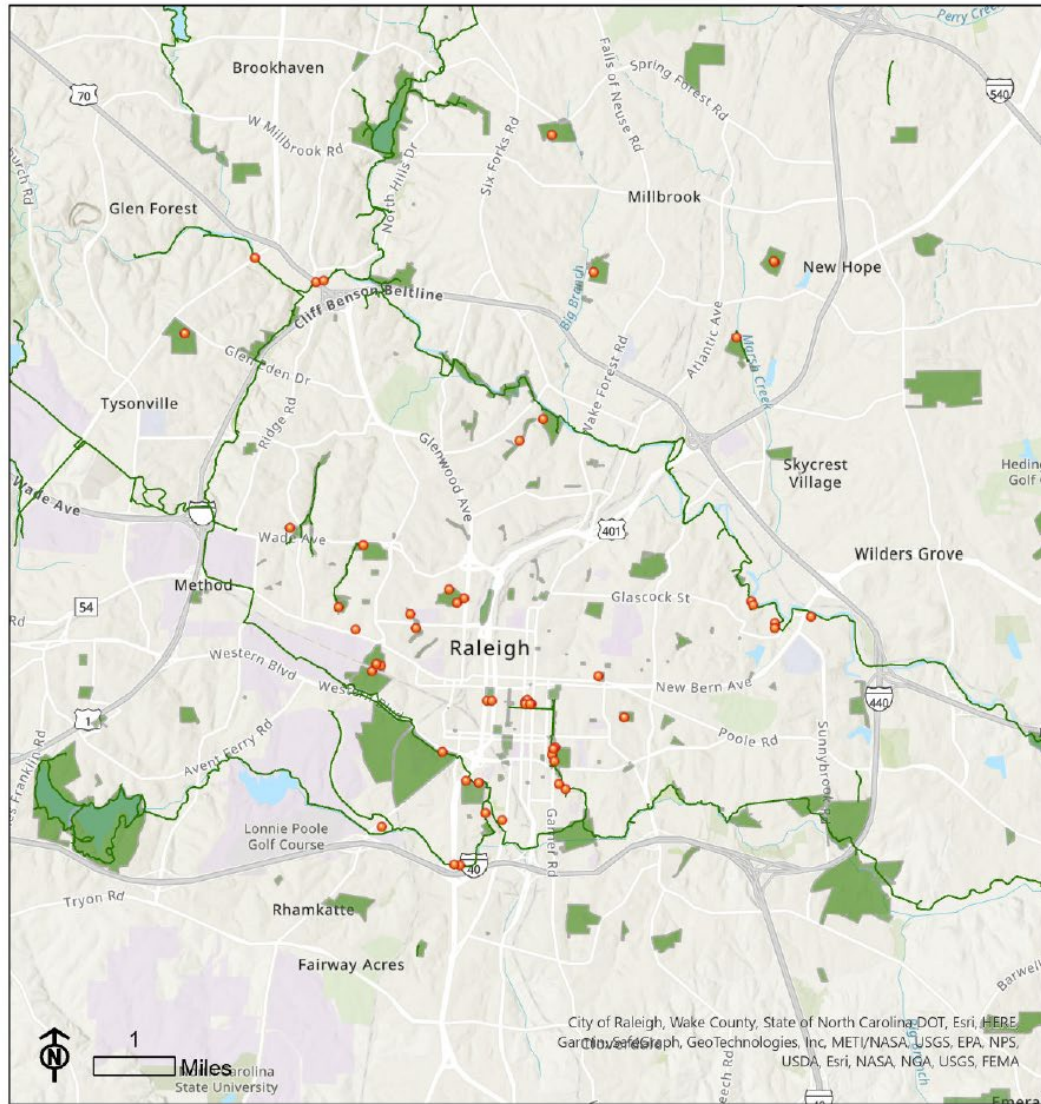
Encampments Increasing in Raleigh



Unsheltered Camp Locations along Parks and Greenways



LOCATION	COUNT
Crabtree Creek Trail	8
Moore Square	5
Walnut Creek Trail	5
Chavis	4
Fred Fletcher	3
Pullen Park	3
Green Road	2
Little Rock Trail	2
Milburnie	2
Nash Square	2
Rocky Branch Trail	2
Brentwood	1
Cedar Hills	1
Compiegne	1
Eastgate	1
Edna Metz Wells	1
Fallon	1
Hymettus Woods	1
Jaycee	1
Kiwanis	1
Laurel Hills	1
Mount Hope Cemetery	1
Raleigh Rose Garden	1
Roberts	1
Smallwood	1
Tarboro Road	1



While the County has historically been the lead in addressing homelessness, most people experiencing homelessness live in Raleigh



How Raleigh is Helping

Existing Infrastructure to Address Homelessness

- A Continuum of Care (CoC) is a regional or local planning body that coordinates housing and services for people experiencing homelessness
- Made up of diverse group of partners to including housing providers, service providers, public housing agencies, local government, philanthropy, and the private sector
- CoCs are required in order to apply for federal funding from the U.S. Department of Housing and Urban Development (HUD)
- Provides coordinated assessment and response for people experiencing homelessness with the goal of greater efficacy and efficiency.
- Conducts the annual Point in Time Count, tracks data related to homelessness, applies for competitive federal funds each year



Existing Infrastructure to Address Homelessness

- City and County are members of the NC-507 Wake County Continuum of Care (CoC)
- NC-507 supports a **Housing First** approach to ending homelessness
- Most funds to address homelessness are federal and non-flexible (exceptions: County B2H, City prevention & diversion)
- NC-507 awarded \$4,593,951 for FY23*

*Could be eligible for more if housing more people quickly, e.g. Dallas (\$27m & 23% increase after housing ~2,800 people in 2 yrs. from street to home)

Existing Infrastructure to Address Homelessness

County investments:

- Emergency Shelter
- Permanent Supportive Housing
- Veterans Homeless Services
- Rapid Rehousing
- Landlord Incentives & Engagement: Lease 2 Home
- Rental Assistance Housing Program (~300 vouchers)
- Bridge 2 Home (prevention, diversion, capacity building)
- Street Outreach



South Wilmington Street Center

Current City Funding

Intervention	CDBG ¹ \$460k/y	ESG \$255k/y	HOME \$1.6m/y	Penny \$7.9m/y	Bond ² \$11.8m/y
Homelessness Prevention	x	x			
Diversion ³					
Street Outreach	x	x			
Emergency Housing and Services	x	x			
Rapid Rehousing		x			
Rental Assistance			x	x ⁴	
Affordable Housing			x	x	x

x = eligible for funding **x = currently funded in FY23-24**

¹ HUD allows 15% of CDBG (~\$460k of \$2.8m) to fund public services, which can cover certain elements – with some limitations (e.g., 3 months of rental assistance)

² \$23.6m remaining for Fiscal Years 2024-25 and 2025-26

³ While CDBG and ESG can cover certain elements of diversion, limited in scope

⁴ With Council direction

Additional Investment Highlights

- **\$3 million (2020 Housing Bond)** to Healing Transitions to renovate the Men's Campus, including addition of 110 emergency shelter beds
- **\$4.5 million (ESG-CV)** for emergency shelter upgrades, homelessness prevention, rapid rehousing, and street outreach to people experiencing or at risk of homelessness
- **\$10 million (ARPA)** to acquire an extended-stay hotel to provide stable housing for residents with significant barriers to housing (e.g., eviction history, poor credit)
- **\$10 million (combined federal funds and 2020 Housing Bond)** to CASA to develop King's Ridge, a 100-unit apartment community for very low-income households and those exiting homelessness
- **\$4 million (2020 Housing Bond)** to preserve existing affordable housing in partnership with Wake County and Self-Help Ventures Fund



Gap Financing

- Reminder...homelessness is a housing problem
- Gap financing for new affordable housing provides upstream prevention and downstream solution
- Currently, the City provides a steady mechanism for gap financing and affordable housing development leveraging the 4% LIHTC program
- \$24 million funded through Joint Venture Rental Development
- \$2 million funded through Small-Scale Rental Development






Washington Terrace, a City-funded affordable rental development



How Raleigh Can Help

Gaps in the System

Housing 	Emergency Housing & Services 	Services – Connections 
Increase access to market rate units – flexible rent assistance and rapid exits from homelessness	Year-round low-barrier drop in shelter	Enhanced Coordinated Entry System
Increased landlord incentives and housing location assistance	Additional support for and coordinated street outreach	Increased prevention and diversion
Move-in assistance: furniture, transition support, household goods		Case management (not a service funded by Medicaid)
Targeted permanent housing placement efforts for people living unsheltered		Connections to Primary Care

Additional Investments in Permanent Solutions

Shelter Beds & Services
(\$\$\$\$)

Rapid Rehousing



Permanent Housing*

Flexible Rent Assistance

Flexible Funds for Prevention
& Diversion

Enhanced Eviction Prevention



* Includes permanent supportive housing for persons with follow-along service needs

Targeted solutions to address root causes: systemic inequity, low incomes, lack of affordable low-barrier housing

Use Proven Strategies to End Homelessness: Housing First

- Permanent housing ends homelessness – not shelter, not services alone
- Housing First, not Housing Only
- Decades of practice and research
- Most recent long-term study on Housing First found that it can be successfully adapted to different context and populations
 - People receiving Housing First interventions achieved **better housing outcomes and more rapid improvements in community functioning and quality of life** than those receiving treatment as usual

Source: Housing First for People With Severe Mental Illness Who Are Homeless: A Review of the Research and Findings From the At Home–Chez soi Demonstration Project.

WE CAN END
HOMELESSNESS!

Flexible Rent Assistance

Need for Flexible Rent Assistance

- Affordable housing development takes time, and the **need is now**
- **Directly** addresses affordability issues, allows people to access units **otherwise not available**
- Only about 25% of people who are eligible for federally funded housing vouchers receive them and only 60-70% of people with vouchers **get to use them**

Displacement Preference

- Offers stability for tenants who are low-income displaced from housing along rapid transit corridors displaced due to:
 - no-fault eviction,
 - expiring affordability restrictions,
 - rent increases due to neighborhood changes
- Gives preference for people experiencing unsheltered homelessness – directly addressing increasing unsheltered homelessness, encampments, and stress on shelters

Related Neighboring Examples

- Orange County (flexible funds to fit needs of household to access PH)
 - Administered successful voucher program connecting people directly from homelessness to permanent housing via Housing Choice Vouchers
 - Ended homelessness for 100+ households within first year of operation
 - Cost: Leveraged HCV, utilized federal funds for a transition case manager, purchased cell phones for use at shelter and Street Outreach, shelter and SO assisted with apps
- Wake County Lease 2 Home Program (landlord engagement and incentives)
 - Up to \$1000 Risk Mitigation Funds
 - \$500-\$750 signing bonus
 - \$1000 stability renewal bonus
 - Up to two months rental payments if unit vacant for at least 30 days

Community Benefits

- Allows people to compete in the open market and afford housing anywhere in the City (**neighborhood mobility benefits***)
- Provides **guaranteed access** to units coming online, City-wide
- **Racial equity**: BIPOC households are more likely to experience homelessness or be burdened by the cost of housing
- **Cost savings**: A person who is exp. chronic homelessness costs the taxpayer an average of \$35,578 per year** (or more)

**source: Neighborhood Mobility Programs as a Remedy to the Legacy of Racial and Economic Segregation, Urban Institute*

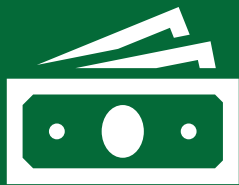
***source: National Alliance to End Homelessness, NYT Million Dollar Murray*



Additional Flexible Funds for Homelessness Prevention and Diversion

Services Offered Through Prevention & Diversion

Short-term financial assistance
(rent/utilities, hotels, moving costs, transit)



Diversion: Serves people who have lost housing and are facing **IMMINENT** entry into shelter or sleeping outside; lowers demand for shelter beds & shortens wait lists

Prevention: Serves extremely vulnerable people who are about to lose housing, only effective when **targeted**

Problem solving and solution focused case management
(mediation, referrals to legal help)



Diversion has been identified as a top priority by the Wake County Continuum of Care

Examples

Homelessness Prevention & Diversion Pilot Program – funded with \$500,000 in American Rescue Plan Act (ARPA) and \$25,000 in City-funds

- Projected to serve 145 households; 108 served through December 2023
- Program to end March 31, 2024

Wake County's Bridge 2 Home – funded with ARPA

- Provides flexible funding to nonprofits
- Data suggests program participants see a **17% increase** to exits to permanent housing

Expanding Homelessness Prevention & Diversion

- Currently an ARPA-funded pilot program
- Additional funding would deepen program and impact
- Evidence-based, best-practice, cost-effective intervention identified as priority by CoC
- Include eviction prevention services and right to counsel for eviction prevention program



Eviction Prevention

- City of Raleigh Housing Justice Project (Campbell Law School) – awarded \$300,000 in ARPA funding (\$100,000 per year for three years, FY22 - FY25)
- Legal services provided by Campbell Law students under supervision of Clinic Director
- Funding provides advice, counsel, and legal representation to eligible Raleigh residents in eviction proceedings
- Additional program funding and flexible funds for arrears would deepen program and impact and reduce in-flow into homelessness
- Potential enhancement to program: Right to Counsel model
 - Orange County – evictions steadily at half of pre-pandemic numbers, partnership with Legal Aid NC
 - Philadelphia – found that **every \$1 invested reaped a \$12 benefit**

Why Flexible Funds?

- Need to address homelessness **before it begins** with evidence-based targeted prevention and diversion efforts
- Majority of City's funding towards addressing homelessness is federal (CDBG and ESG) which has eligibility requirements and is **limited** to certain activities
- Flexible funding in the form of diversion or rapid-exit provides for **cost-effective solutions** to preventing people from becoming homeless and quickly resolving housing crises
- Every household has **different needs**, ex: utility arrears, legal services, short term rent asst., funds to return to family, security dep., etc.



Encampment Strategy for People Living Unsheltered

Encampment Response Strategy

Successful response requires:

- **Data-driven** collective action,
- Public and private **alignment**,
- Closing encampments with long term solutions/Permanent Housing exits,
- Creating **access** to needed services,
- Creating pathways and access to permanent housing;
- and a **Coordinated, disciplined approach.**



Best Practices in Encampment Response

The Wall Street Journal reported that the national homeless count has spiked to a record high following a 12% increase. It also reported that a few communities — including Dallas — have reduced homelessness.

Dallas:

- The REAL Time Rapid Rehousing initiative channeled more than **\$70 million** toward helping over **2,800 neighbors** rapidly and permanently exit homelessness in two years.
- Focused on long-term, permanent solutions: permanent housing and voluntary follow-along services
- ***Over 95% of the neighbors we connect with at homeless encampments say yes to housing, dispelling a common myth that most are “service resistant.”***

Now or Later?

- The **costs and consequences of not addressing homelessness are profound and far-reaching**, exacting a heavy toll upon individuals, communities, and society at large.
- Evidence demonstrates that **effective solutions to homelessness can lead to substantial savings** across sectors such as healthcare, criminal justice, and emergency systems. (Also, providing emergency shelter is \$\$\$\$!)
- Placing stable, **affordable housing above all else**, and providing a continuum of supportive, medical, and social services can improve the livelihoods and wellbeing of individuals and families, and also alleviate strains on public budgets over the long term.

Source: Community Solutions: *The Costs and Harm of Homelessness*



Questions?

BOOKER PARK
NORTH
WASHINGTON TERRACE

