

Chatham County Housing Needs Assessment Update Executive Summary

The planning effort reflected in this document is a continuation of an on-going initiative by affordable housing organizations to address the deepening problem of housing for low and moderate income/workforce families in Chatham County. The Chatham County Affordable Housing Task Force, with financial assistance from the Chatham County Board of Commissioners and technical assistance by The Wooten Company, presents this update of a needs assessment prepared in 2002 in hopes that decision makers in all organizations that impact affordable housing will understand the scope of the problem and the various tools and strategies available to address the situation. To that end, this summary of observations cited in the body of this document is provided.

Key Observations:

- Housing values have increased 62 percent between 2002 and 2007.
- Between 2006 and 2007, 80 percent of homes sold for more than \$200,000.
- Average building permit values in Chatham County increased 32 percent between 2002 and 2007.
- However, 62.6 percent of households in Chatham make at or less than the HUD median income limit for the County of \$60,100 and almost half of these households make less than \$30,000 per year.
- The need for housing for low and moderate income families increased by 27 percent between 2002 and 2007.

Demographics and Economy:

- Chatham County will continue to demonstrate population growth above the state average through 2009.
- The County will continue to experience net in-migration through at least 2020.
- The local economy shows signs of strength: unemployment at 4 percent or less and an increase of 1000 jobs in the study period.
- Following national trends, the County's population is aging. Retired social security recipients have increased 30 percent during the study period. The median income for persons age 65-74 is \$37,965 and \$24,090 for those 75 and older (compared to the median household income of \$60,100).

Growth Management Policies and Land Use Ordinances

- Current County growth management initiatives encouraging rural preservation and water quality result in lower density development which does not support affordable housing production.
- Current land use ordinances are not favorable to affordable housing.
 - Large minimum lot requirement.

- Segregation of housing types and densities.
- Limited integration of housing and commercial uses.
- With the exception of a voluntary compact communities ordinance inclusionary zoning requirements do not exist.
- There is no mechanism to insure the preservation of standard housing (no minimum housing code).

Infrastructure

- Public water supply is provided or planned for a large portion of the county.
- While the towns of Siler City and Pittsboro have wastewater treatment facilities to serve their jurisdictions, no public wastewater collection and treatment is available in areas that fall under County jurisdiction.

Demand

- Demand is high for upscale housing in the northeast sector due to proximity to RDU, housing appreciation, highway improvements, low mortgage rates, destination status for out-of-state retirees.
- Land values are increasing particularly in the northeast sector of the county.
- Based on focus group and stakeholder interviews, standard rental housing is difficult to find; waiting lists exist in multi-family developments and the housing voucher program is operating at 105 percent capacity.

Supply

- According to County 911 data, 80 percent of dwellings are single-family, 14 percent multifamily, 6 percent are manufactured housing.
- 152 units of multi-family housing were constructed during the study period.
- Homeownership opportunities and support services for lower income families are being provided by Chatham Habitat for Humanity, EmPOWERment, Inc., and the Chatham County Housing Authority.
- Special needs housing is limited to primary tax credit communities (139 units) for elderly and 81 group home units.

Analysis of Affordability

- A family of four earning area median income (\$46,824 in 2002 and \$61,700 in 2006) could afford a \$160,900 home in 2002 and a \$216,900 home in 2006. However, because housing prices have appreciated greatly and outpaced wage increases, the 2006 family is worse off in terms of the number of homes available for purchase and the size, location, and amenities of these homes.

- Workers employed in private industry have experienced changes in housing choice from an increase of 1 percent to a decrease of 18 percent depending on wage classification.
- County government employees' reduction in housing choice ranged from 9 percent to 26 percent, depending on wage classification.

Quantification of Need to Affordable Housing

- In addition to an increase in the need for affordable housing units from 2002 to 2007, a greater proportion of the need is borne by lower-income households in 2007 than in 2002.

Tools and Strategies to Address the Identified Need

There exists an array of tools and strategies to address affordable housing aimed at both the supply and demand side of the market equation. Some of these tools and strategies are regulatory in nature and others are targeted towards housing consumers and providers. The extent to which these mechanisms are suitable for Chatham should depend upon their relationship to the identified housing needs and articulated goals for affordable housing. Based on feedback and comments from affordable housing stakeholders in coming months, the Task Force will be developing a series of recommendations to present to the Chatham County Board of Commissioners. These recommendations will likely be based upon an evaluation of such factors as the impact on articulated affordable housing goals, implementation costs, time and current legal authority.