

INTRODUCTION

Hello, this is Michael Eure, and I'd like to invite you to the Michael Eure Show, featuring student hosts and very special guests talking about a variety of interesting topics. You can find us on the Eagle Stream YouTube channel.

MICHAEL EURE: Good afternoon. This is Michael Eure, and I'd like to welcome you to the Michael Eure Show. Today, we have some very special guests. Yvette Holmes, Rachel Zeitler – she's gonna correct me if I got that wrong – and Asa Fleming. And we're gonna talk about affordable housing in Raleigh and particularly the upcoming Raleigh housing bond. And I'm gonna start and just ask each of them to introduce themselves briefly and talk about organizations they're affiliated with, starting with Yvette.

YVETTE HOLMES: Good afternoon, Michael, and all those who are tuning in today. Thank you for having us on to talk more about the Raleigh affordable housing bond. Again, my name is Yvette Holmes. I'm the vice president of resource and development at DHIC. We're the largest nonprofit developer of affordable housing here in the Triangle, and our mission simply is to create and preserve affordable housing opportunities for those of low to moderate income. We do that primarily through our real estate development activities, through our homeownership center, counseling and education that we do, helping individuals get mortgage ready to purchase their first home through asset management because they're in this for the long haul, and through our resident services program. So, I look forward to sharing more about the work that we do as we move through this conversation.

EURE: Rachel, let's hear about you.

RACHEL ZEITLER: Sure. Thanks, Michael. Hi, everyone, my name is Rachel Zeitler. I'm the director of advocacy at Habitat for Humanity of Wake County, and our organization is also an affordable housing organization. And we focus on that by partnering with the community and volunteers and homebuyer families to build affordable homes that can be purchased with affordable mortgages. So, we're in the home ownership business, and we do this it both in Wake County and in Johnston County.

EURE: And Asa, please.

ASA FLEMING: Yes. My name is Asa Fleming. I'm a realtor with Allen Tate here in Raleigh, and I am a former, the past president, president for NC Realtors, and been working with home buyers and sellers for about years, a little over years. And, you know, just really love to help people find homes and love to watch them go well through that same process. So, that's a little bit about me.

EURE: So, now, what we're gonna do is I'm gonna pivot a little bit – you know, these are buzzwords, independent pivots. So, I'm gonna pivot to Yvette and Rachel and Asa and let y'all kinda go forward with your presentations, and I guess, Yvette, you're somewhat kind of moderating this portion, and y'all have pretty much outlined how do you want to do this. So, I'm turning that over to y'all right now. Thank you again for participating, and I'll be back with questions, and for the audience, if you have any questions, you can ask them in your chat window and will interrupt if we can and get the guests to answer them. Thank you.

HOLMES: Thank you, Michael.

FLEMING: I guess that I'll start off. I mean, you know, when they came to me and they asked me, did I wanna be a co-chair of the citizens supporting the affordable housing bond here in Raleigh? Absolutely. I mean, we need affordable housing here in Raleigh like none other. Now, when you look at, you know, Maslow's hierarchy of needs, you know, the very foundation of that pyramid is physiological needs, one of which is shelter. And you know, during this whole pandemic year, you know, there a lot of people who have had to, as Michael said, pivot, and their house has become their office, their school for virtual schooling. And I just want you to imagine for one second that you didn't have a home to pivot like that. Well, this is the situation that we're trying to address.

The other thing is, with 64 people a day moving to our county, the demand for housing and the low inventory that we have is gonna create more houses that are just unaffordable for people. And so, what we're trying to do is address this need. Now, we're not out in front; we're obviously playing from behind, but to do what we can right now to, oh to, try to allay, you know, what's gonna happen in the future if we don't, which is a lot of people are gonna be displaced. They're gonna have to come them outside the county to work here, live and play, to work and play here in Raleigh. And so, one of the things I really liked about the bond is that it went into five areas that it, that the bond, with the funding from the bond would actually affect, and so, I'll pass that over, I guess, to Yvette so that she can talk to you a little bit about those five areas. Thanks.

HOLMES: Thank you, Asa. As Asa has mentioned, there is an \$80 million affordable housing bond upon this year's general election ballot, and people are voting even now as we speak through the early voting process. And so, the affordable housing bond, it started, really, last year. City Council wanted to address the need or identify ways to generate more resources to address the pressing need for affordable housing. We know what the challenges are, as Asa has already expressed. There is a need from those who had very little to no income to those who have just a modest income, and for those who are listening in, you know what the cost of rent is, the cost of buying a home is. And so, this bond really is gonna create more resources and make it available for the City of Raleigh to help support those developers and those partners – nonprofit and for-profit – to help create more choices here in the city of Raleigh.

And so, the bond, as they move through the process, conducted a community engagement process earlier this year, put out in the era of COVID-19 an electronic or e-survey to solicit the input from Raleigh residents to gauge their interest in supporting an affordable housing bond. They got over 4,800 responses, overwhelmingly support for a bond at all levels. We ultimately made a recommendation back to City Council to go forward with an \$80 million bond. Council did so and approved our moving forward, and in their deliberation, came up with kind of these five areas of emphasis. And so, we'll talk a little bit about what we call the buckets – maybe not the best terminology, but it's the best way that we can refer to them.

The first one being that of transit-oriented development. So, this \$80 million bond, if it passes in November, the proceeds will not be available until July of 2021. It will impact property taxes for those who own property. An average home value of about \$255,000 will see an increase in their property tax

of about \$20. And it's a small price to pay to help meet the needs of all of our, the entire community. But once the proceeds are available, it is estimated that the bond will support and help preserve or create over 1,700 units of affordable housing over the next five to seven years, again starting in 2021. One of the five areas of focus would be that of transit-oriented development, as you see there on your screen. We know how important it is to situate affordable housing communities along transit corridors. We know that land along those transit corridors is not getting any cheaper and that this particular emphasis will allow for partners to acquire property for the sole purpose of preserving it for affordable housing.

Also, the other bucket, or area of emphasis, is gap financing for those developers, and DHIC being one of them, that actually we produce tax credits or make use of the low-income housing tax credit tool that's at our disposal to develop affordable housing. It's a great way to raise the dollars needed to offset the cost of development, and it will allow for this bucket to the city to allow gap financing for funding for that activity. Then, public-private partnerships where we are incentivizing partnerships that will not only help with serving those who are chronically homeless, but also to incentivize partners to maybe pursue smaller-scale affordable housing projects, those projects that don't qualify for the low-income housing tax credit, which are the larger-scale.

And then, the homeowner rehab program, which is an activity that the city does now, is really to assist seniors or persons with disability, with a disability, of low to moderate income to help renovate and improve their homes so that they can maintain and age in place and stay in their homes, homeowners that is, as long as they desire and are able to do so.

And then, finally, the down payment assistance program. Again, an activity that the city already pursues is to really assist first-time home buyers who have very modest incomes access homeownership, as Asa's mentioned and others, and Rachel will tell you more. So, a great way to build wealth and to stabilize communities. Oftentimes, homeownership is out of reach of a lot of individuals, particularly with home prices rising. So, this will offer down payment assistance to assist those individuals achieve the American dream.

So, with that, I will turn it over to Rachel, and she can tell more about how individual in the community and how our organization, especially, will benefit and how they make use and will make use of these, some of these resources. Thank you.

ZEITLER: Thanks, Yvette. So, I think the biggest thing that I like to share at least with our network at Habitat is that this bond is really going to be a significant amount of resources that'll be coming to our community, specifically focused on affordable housing. So, we haven't had this amount of money in the past that has been available to us and nonprofits in the community to be able to address the issue, and so, this is really a big step for Raleigh and really moves us closer towards addressing the issue. It's not a silver bullet, so it's not gonna solve all of the problems, but it is a very big step in the right direction.

And Yvette, was mentioning the different buckets, or the focus areas, that the funding will go toward, and these areas are really, I won't go through all of them, but I'll just give you a couple of examples. They're really important areas that maybe, you know, we often take for granted, things that are super-necessary for our community and our neighbors.

One example, the first bucket that Yvette talked about was the transit-oriented development bucket. So, she mentioned this would be to acquire land near transit sites, and really housing and transportation, on average, together make up the biggest expense that most families have. Those two things together, so if we can make sure that affordable housing is located near public transportation, then that that really the combination making those two things affordable can really help families with economic mobility and making sure people are able to easily get to work, maybe without a car and that sort of thing. So, that's, that's one big area that this bond will focus on that is really exciting.

Yvette also mentioned the down payment assistance. This is the something that Habitat Wake is really focused on, and we, you know, support and advocate for more of this throughout Wake County and Johnson County. But the down payment is often the biggest barrier to people who are trying to buy their first home and enter the market. And so, if we can assist people with that and, you know, if the assistance allows them to enter the market and then be in the market and, and go forward from there, it's much easier to sell that first home, buy the next home. But that down payment can really be a large barrier.

I'm trying to remember the other buckets off the top of my head. Sarah, can we bring that slide back up? Thank you. Perfect.

OK, the homeowner rehabilitation program, so this is another thing that Habitat Wake works on pretty frequently. And so what this really is is critical repairs. So, if existing homeowners have some, you know, it could be safety improvements, it could be someone who would like to age in their home and not have to, not have to leave and maintain independence for a little while longer. If there are repairs that we can make to increase safety, bring something up to code in a home or, you know, install ramps or bars that make it easier for folks to live there, to stay there longer, that's really what that bucket, is an example of what that bucket will do. And so, that's really helping existing homeowners.

And then, you know, Yvette covered the public-private partnership bucket pretty well. Now, that bucket will go to the whole host of things, including supporting a variety of different nonprofit organizations and making sure that they have the funding to, to do their work. So, organizations like DHIC, like Habitat and those types of groups.

EURE: Right. And we're just stopping briefly to ask a few questions that the audience has posed or make a comment. Raneshia Stewart, she said this is amazing and will be helpful for many. So, thank you, Raneshia, she's a Raleigh resident, but lives in Chapel Hill right now. Y'all might help her move back.

The next one from Dr. Chris O'Riordan-Adjah. He's the head of the engineering department at Wake Tech. He wants to know what is an example or prototype of an affordable house. What was the criteria? Location, size, costs, et cetera. And what are the qualifications? I don't know which one of you wanna act.

ZEITLER: It might be different for each, so I will share for the Habitat perspective, and then I'll turn it over to Yvette for DHIC. So, for us, the qualifications – I might get into a little bit of, a little jargony – but so, at

Habitat, we serve households who earn between 25% of the area median income all the way up to 80% of the area median income. And so, people, people will apply, and we'll look at that along with a whole host of other, you know, financial-related things. But really, if they're falling in that in that kind of income range and then also being able to pay a mortgage, those are really the main things.

So, in terms of, I think another part of the question was location. We build throughout Wake and Johnston counties, and we have someone on our staff who goes out and, and looks for different land deals and those types of things. So, we try to build, you know, throughout both counties, but often it's where we can purchase land.

HOLMES: Thanks, Rachel. And for affordable rental, primarily because affordable housing, as we call it, so let me maybe explain what affordable housing is, the term that we typically use when we talk about affordable housing. According to HUD, Housing and Urban Development, HUD is a federal agency, affordable housing is when a household is not paying any more than 30% of their household income on rent or mortgage, plus utilities. And if you're paying more than 30% of that, then you are considered to be cost-burdened, right? Or if you're paying more than 50%, you're considered to be extremely cost-burdened. So, we have a lot of families who are currently housed who are extremely cost-burdened, which is again to say that they're paying more of their income, upwards of 50% or more of their income, on their household costs. And that means they have very little left to pay for all the other essentials, like transportation, health care, food and the like.

And so, for affordable housing, particularly those communities that are funded through the tax cut credit programming, program, primarily we serve those at 60% of the AMI, area median income and below. So, 60%, 50%, 40%, 30% AMI. And so, in affordable housing, again, the housing that we develop, the rents are already predetermined. You just, someone applying, would have to just show where you have the income to afford the rent, and in that case, again, we have seniors who have fixed incomes or living on Social Security, individuals who are living on disability, people who have earned income like our service workers, our teacher aides and assistants, preschool workers, just to give you an idea of who typically qualifies. People who work in customer service are first line or frontline people, who work in banking and the like, first responders, just, again, to give you an example.

And so, the qualifications, they're a little, I wouldn't say complex, but maybe too much to get into now. But just to give you an idea of what might go about applying in terms of having some source or form of income to show where you can afford the rent. An example of one of the DHIC's most recent community to that of Washington Terrace, which is in east Raleigh, along Raleigh Boulevard. There's 120 apartment homes for families, and then there's a companion community, Booker Park South at Washington Terrace, for seniors. We have communities along Tryon Road. We have some along Capital Boulevard, as example. You could visit our website at dhic.org, and you see a whole library or menu of properties that we have to give you some example of the quality of work that we do.

EURE: We will probably come back later and ask, you told us what affordable housing is, but I talked to your friend Dietrick Clark, who works with you at Washington Terrace. He suggested maybe we would talk about what it is not, at some point.

But this question is from Michael Woods, and I know Asa you didn't get to answer, but you can start with this one: How can members of the community get in contact with your organization for assistance? So, I think this is for all of you.

FLEMING: Knowing that, do you want me to take that, or you? OK, well, you know, we have voteyesraleigh.com, right? And, and we, we want you to just go to that website get involved. You can donate, you can make a donation, you can, you know, get a board, you know, get a sign. You'll help us advocate for this. You can contact the Chamber of Commerce and, you know, ask them how to get involved. But more importantly, you know, well, social media as well, right? But more importantly, what we are asking people to do is to spread the word, you know. Find out and educate yourself as much as possible about this bond and make sure that you spread the word to your friends and family that we need to get this passed. Now, the broad, you know, impact that this is gonna have on our city, you know, it is just something that we just can't turn our eyes away from and not do.

EURE: Anybody else wanna add to that? If not, I think we have another question or comment, but if you wanna add to that, go ahead. How do we get in touch?

HOLMES: I already provided information about DHIC directly where you can go and get more information, not only about just the rental. I will tell you that all of our communities have a wait list, just to give you some indication of the need. We also, if you're interested in getting financial education or home buyer education, we do offer those services as well. So, you can go to our website, again, dhic.org, and learn more about the services that we provide more directly. And Rachel, did you want to provide your website address as well?

ZEITLER: Sure. So, for Habitat Wake, the web address is habitatwake.org, and you can learn more about our program there. And if you're interested in affordable home ownership, you can actually see what the qualifications are and get started on the application from our website.

FLEMING: OK, yeah, anyone can call me, 919-454-6480, but, you know, I obviously I work with Alan Tate. I am a realtor. I sell homes, that's the organization I'm in. If you wanna get in contact with your realtor organization, which I told you I was the president of, they are very heavily involved in affordable housing and making sure that they advocate for it not only in the general public but also now in the General Assembly, OK? So, you know these are things that we're we are absolutely committed to being a part of and would welcome any help that comes our way.

EURE: We'll come back to you and get that phone number later on, and I think we may have another comment or question. OK, from Renita Stewart, credit score and income minimums have also been a barrier to homeownership. Any news on that, any of you?

ZEITLER: I don't know if I have any news, per se, but I just I'll say that I agree. Yes, like that's, that's definitely true. And so, that's one of the reasons that Habitat Wake is working to provide affordable home ownership options throughout the community. And so, our goal is really to be able to provide options where it might not be possible for a family to qualify for a mortgage on, on the market.

HOLMES: And I will add, I agree with that. It is true that, yeah, you know, credit scores with anything, whether you're buying a home or getting a credit card or anytime you're taking out a loan, credit scores will factor in. Which is really important, the work that Habitat does, that we do at DHIC, in terms of the education, financial education piece. Income limits, oftentimes you'll see most people impacted by the fact of their debt-to-income ratio. So, sometimes people have too much debt to assume a mortgage, right? So, if you have a car payment, you got student loans and you have credit cards and you have all these things, and when you go into get ready to, you know, apply for the mortgage, they're gonna determine that you can't really, you don't have enough income available to afford a mortgage. And so it's really good to get the education of both of our organizations, and Asa would know this in the work that he does, that we are really big on responsible ownership, that it's not just about getting in a home, but it's also getting in a home and being able to stay in your home. So, you know, do the front end work, we do the front end work and making sure that we do the education piece, as you kind of navigate through that process, you'll have better outcomes.

EURE: Well, thank you. That was really, really good. Dietrick Clark, that's who we just called out, right? For those who may not know, could someone talk about what affordable housing is and what it is not? And I think Yvette already talked about what he is. But what is it not? Go ahead.

HOLMES: Well, it's all relative. You know it's, you know, it's interchangeable. We use the word or term affordable housing, and what does that mean? It means something different to everyone. But what I mentioned earlier about when, when we talk about affordable housing in this space, what we're aiming for is creating those opportunities for individuals where they're not spending any more than 30% of their household income on the cost of rent or mortgage, plus utilities. Now, that's really challenging these days, but that's really the goal because we know there are other basic essential needs that have to be met.

People sometimes get, and Asa might be to speak to this more so, when we talk about market rents. Now, for those who are out there in the market, shopping for a rental, you know, apartment or what have you or a rental home, for that matter, I mean, you know what the rents are, \$1,200, \$1,500, north of that. Those are the, that's the market rate. We're trying to create something far less than that, and those opportunities, because we know most people can't afford \$1,200 and \$1,500 for rent or mortgage, for that matter. So, when we talk about what it is not, it certainly is not what we consider to be market rents or mortgages; it's something far less than that. Hopefully, that answers Dietrick's question.

FLEMING: Yeah, I think that, I think I agree 100% with what she says, and I, you know, in this space, you want to concentrate on the percentage of income, right? You know you wanna make sure that, you know, you're not house-poor, as they call it, so that that's affordable housing. You wanna leave enough discretionary income that you can live and pay for other things in your life.

What you hear are people like, "Oh, you know, that's the projects." You know, we're helping people. "It's a handout," you know, that's not true. I think what it does is it, it helps out, while we're assisting them, true, it does help them get put in and positions them to be able to not only live, but have an opportunity to maybe gain some wealth and, and go on through their life little bit more as successfully. So, you know,

I think, you know, what affordable housing is not is, you know, just a lot of people look at it as just a handout and we're just giving it away, but we actually, everyone benefits from affordable housing.

EURE: Thank you, Asa. And Rachel, Yvette and Asa, we're winding this down, but we're gonna go a little bit over because people are interested. So, but at this particular point, I wanna see if each of you might have some closing statements that you can make and make sure you share your contact information again. Thank you.

FLEMING: We did that already.

EURE: Rachel? All right, thank you.

ZEITLER: Sure, OK, I'll go, I'll go first. So, I guess my closing comment would be, please, if you live in Raleigh, vote yes on the affordable housing bond this election. That is the main takeaway. It's a, it's a way for our community to all come together to support affordable housing is, is, is by voting and, and making your voice heard on the ballot this year. So, and thank you, and as Asa mentioned, talk with your friends and family about it. Get the word out, make sure people understand that this is something that's, that's really important to the community. And again, I'm Rachel Zeitler. I'm with Habitat Wake.

HOLMES: And I, I echo everything that Rachel has said, and I, we know how important housing is. It's where it all starts, and without having that quality, affordable place to live, it's really hard to achieve the desired outcomes that we want for ourselves and our families, and this bond really, essentially, is to create opportunities for people who have fewer resources than others, who want to remain a part of this community, who want to work here, who want to raise their families here, who are just looking for some affordable options in housing. And so, keep in mind, we talk a lot of numbers, a lot of percentages, but really, these are our neighbors, these are our grandmothers, our, you know, our parents. It's us, you know, for those of us, you know, who started out and kind of worked your way up as, as Asa has said. One, one time, it was me, you know, that had need for affordable housing. So, just think about the people who will be served by supporting this affordable housing bond. And we ask that you tell your friends and that you make sure you turn your ballots over and vote yes for the affordable housing bond. And again, my name is Yvette Holmes, and I'm the VP of resource development and partnerships at DHIC. Thank you for your time.

EURE: OK, Asa, before you jump in, I just want to announce that, for the faculty and students, I think this is such important information, and we'll try to bring each of these individuals back to interact with you. But this is very important, especially as we have so many, as you talked about, I think you gave the number, Asa – was it 64? – whatever number of people moving to Wake County every day or every week, a lot of those people wind up at Wake Tech. So, I think that us connecting our students, particularly single parents as well as just standard families, to all these resources that Wake County has is, is just fabulous.

So, I'm gonna be quiet and let Asa have the final word, and we will be back on the third Thursday and every first and third Thursday of the month from 12 to 12:30. Go ahead, Asa.

FLEMING: So yes, I mean, I echo everything Rachel and Yvette have said, you know, you know, a lot of community organizations, corporations, have endorsed and are supporting this bond. In order for it to have a broad impact, right, we have to include many, many members from across the broad spectrum in this community and, you know, have you ever heard of the WIIFM – what's in it for me? – we've included these five areas so that each of these areas can touch a broad spectrum of people and, and can directly affect what they do so that they can pay attention to it and vote for it. Voting yes, you know, means we're gonna build a stronger Raleigh, a stronger tomorrow for Raleigh and for generations to come. Our future here in Raleigh depends that residents, depends on that residents have, yeah, access to affordable housing so they can pursue life, liberty and, you know, happiness. So, thank you so much for the opportunity to speak today. Please vote yes on November 3rd. Flip the ballot. Pay attention to the down ballot issues and, you know, let's get some affordable housing going here in Raleigh. Thank you very much.