

ADDRESSING AFFORDABLE HOUSING



While Wake County has been fortunate to experience a great deal of growth and prosperity, that good fortune has not extended to every resident in our county. In 2015, across Wake County, more than 100,000 households, which is more than one-quarter of the county's households, were

identified as being cost-burdened, meaning they spend 30 percent or more of their income on housing. While the number of people and families who need affordable housing is increasing, the supply of affordable housing in Wake County is not growing fast enough to meet the demand.



What is affordable housing?

As a general rule, households should not pay more than 30 percent of their gross annual income for housing costs. These costs include rent or mortgage, insurance, taxes and utilities. Keeping housing costs at or below 30 percent of income ensures households have enough money left over to pay for important needs such as food, transportation, child care, and medical costs.

Affordable housing helps make sure families keep their housing payments within their means. It is not free to residents. Instead, residents contribute what they can afford, while housing assistance programs provide the difference between that amount and the full rent or mortgage payment. Affordable housing does not consist of a single type of housing. Instead, affordable housing covers a broad spectrum of housing and housing assistance for people at different stages of life.

Average monthly expenses for a single parent and one child in Wake County:

Category	Cost
Housing	\$947
Food	\$376
Child care	\$503
Medical	\$524
Transportation	\$697
Miscellaneous	\$334
Annual taxes	\$650
Required monthly income before taxes	\$4,030.25
Required hourly wage	\$23.25

*Source: MIT Living Wage Calculator

Why do we need affordable housing?

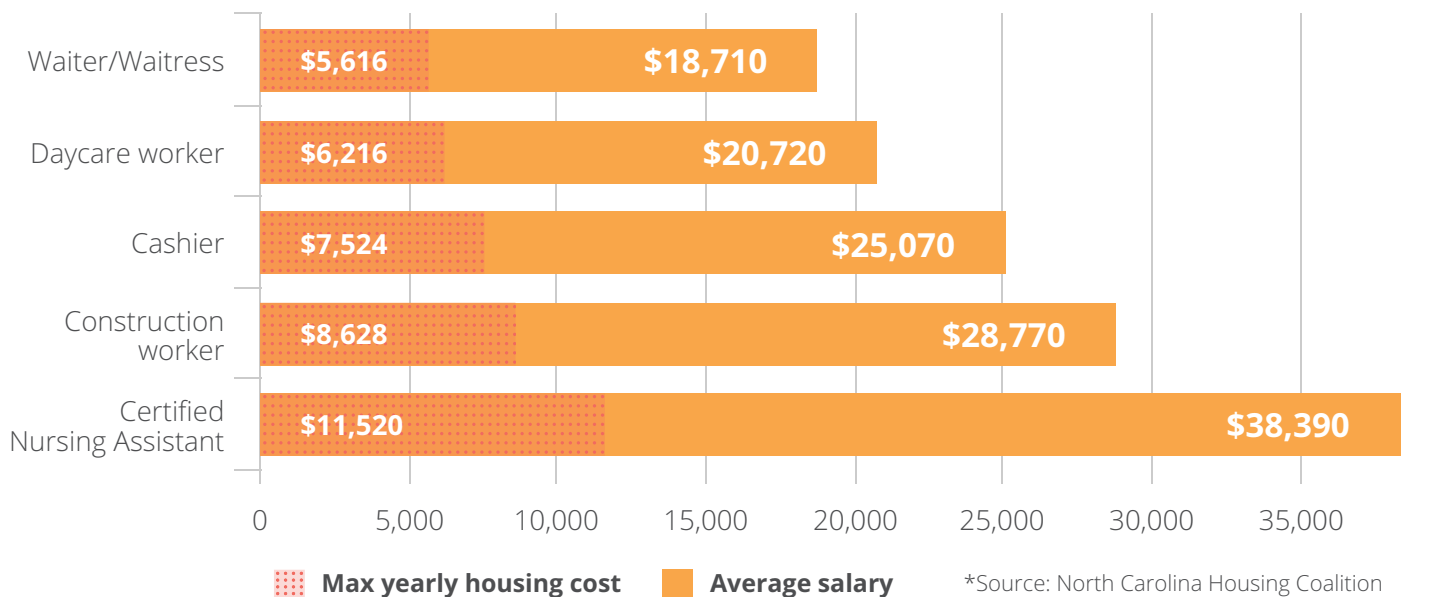
Household incomes are not keeping pace with escalating housing costs, especially for the lowest-income households. Wake County's rapid population growth is adding pressure to both the rental and ownership markets, with low-income households among the fastest-growing populations in Wake County. Wake County is losing existing naturally occurring affordable housing and subsidized housing due to redevelopment and conversion. While Wake County has experienced substantial housing production in response to rapid growth, the development of affordable housing has been modest compared to overall development. In other words, while the number of people and families who need affordable housing is increasing, the supply of affordable housing in Wake County is not growing fast enough to meet the demand.

Who does affordable housing serve?

Affordable housing can help newly-graduated students just entering the workforce, low-income families with children, and seniors living on modest fixed incomes. Each of these groups has different income levels and different housing needs, and there are various types of affordable housing available to serve them.

According to the [North Carolina Housing Coalition](#), the market rate for a two-bedroom apartment in Wake County is \$918. To afford that rent, a family needs to earn \$33,378 per year. Consider the waiter or waitress who serves meals at your favorite restaurant. The average salary for this profession is \$18,710. To avoid spending more than 30 percent of his or her income on housing, a waiter or waitress would need to pay no more than \$468 per month on rent.

Housing cost per profession



How can we address this issue?

In March 2016, Wake County leaders were briefed on the state of affordable housing across the community. The momentum generated in that meeting led to the September 2016 recommendation of a 20-year, countywide affordable housing plan.

The plan will provide analysis of current housing needs and strategies to prepare for continued growth, ultimately improving access to affordable housing.

The following week, during its Sept. 19, 2016, meeting, the Wake County Board of Commissioners **established** the Wake County Affordable Housing Steering Committee to provide guidance and engage the public during the development of the Affordable Housing Plan.

To learn more about this process, visit wakegov.com/housingwake.

