2023 Affordable Housing Plan

Strategic Plan & Data Update

mhp
community development

Acknowledgements

Thank you to the individuals who invested time and energy into the Chatham County strategic planning efforts around affordable housing.

Contents

Introduction and Background

History of Addressing Affordable Housing in Chatham County

Chatham County has been engaged in addressing affordable housing challenges since the early 2000s but has been increasingly engaged since 2016. The Chatham County Affordable Housing Needs Assessment, released in 2002, and the Affordable Housing Needs Assessment Update, prepared in 2008, included a series of recommendations for staff. The County implemented various recommendations, but several were no longer relevant. In 2016, the County committed to a cross-county effort to reinvestigate affordable housing needs through a working group made up of appointed staff and elected officials. With the support of Central Pines Regional Council, formerly Triangle J Council of Governments, a new affordable housing report was created. The 2017 Affordable Rental Housing Report and Strategy Toolbox has guided the work of the Chatham Affordable Housing Advisory Committee (AHAC), staffed by a partnership between the County and Central Pines Regional Council.

Central Pines Regional Council, along with AHAC – a formalized County Advisory Committee comprised of County and municipal staff, elected officials, and community members, have worked to implement many of the recommendations included in the 2017 Strategy Toolbox. These strategies continue to remain relevant to the County but may need rethinking given the changing housing market and local economy. A list of current AHAC members and staff are shown in the table below. Each member of the Board of Commissioners has an appointment for their district as well as the town boards of Goldston, Pittsboro, Siler City.

AHAC Members, Role
Tiffany Stuflick, Chair
Sharon Taylor Gray, Vice Chair
Susan Levy
John Foley
Alirio Estevez
Gail Friedman
Gary Cox
Mary Gillogly
Stephanie Dixon
Kent Jones, representing the Town of Goldston
Kyle Shipp, Commissioner, representing the Town of Pittsboro
Donald Matthews, representing the Town of Siler City
Vacant, At Large Representative
Vacant, District 5 Representative

County Funding Strategies and Programs

A wide variety of programs and funding sources have been created since the creation of the 2017 Strategy Toolbox. An overview of these is provided below.

Housing Trust Fund

Established in 2018, the Chatham County Board of Commissioners approved an annual allocation of $200,000 from the general fund. The fund is intended to provide grants and low-interest loans to encourage development projects that preserve or create additional affordable and workforce housing within Chatham County with the overall goals of affirmatively furthering fair housing choice for all residents. The fund may also provide small grants for reimbursement of fees or for studies or other housing related projects if funding allows. Chatham's AHAC currently accepts applications for funding on an annual basis. Applications are scored based on County priorities for affordable housing projects, including:

1. Increasing the supply of affordable housing near resources like grocery stores, public transportation, schools, jobs, and healthcare.
2. Reducing and avoiding undue concentrations of poverty and subsidized housing.
3. Incentivizing development of affordable and workforce housing for low-and moderate-income households.
4. Promoting diversity and vitality of neighborhoods.

5. Preserving existing affordable housing through renovation, repair, and retrofitting.
6. Supporting high impact or innovative models of affordable housing.

To date, the Housing Trust Fund has received a total of $2,838,416 in requests. Of that, $1,357,562 has been awarded – approximately 48% of the total requested funding. A total of 373 affordable housing units have been supported or preserved with this funding.

Emergency Housing Fund
Established in 2019, the Chatham County Board of Commissioners approved an annual allocation of $50,000 from the general fund, to be contained as a subset of the Housing Trust Fund. The purpose of the Emergency Housing Fund is to provide support in case of mass displacement, homelessness or need of immediate shelter. Due to the consistent need for expedient access to funds for individuals or families who are displaced, at risk of being displaced, and in need of emergency shelter or housing, the emergency housing funds follow a separate administrative process from the Chatham County Affordable Housing Trust Fund.

Article 46 Sales Tax
In 2020, the County approved **a** referendum to increase the Sales Tax by One-Quarter (1/4) cent. In October 2020, the new Sales Tax rate and Article 46 went into effect. Commissioners expressed interest in allocating revenue from Article 46 into four (4) specific areas: affordable housing**,** agriculture preservation and enhancement, education, and parks & recreation. Funding received through this tax will be allocated to projects on an as needed basis, with priority given to projects considered innovative, high-impact, or that benefit the County or its partners in myriad ways. Review of applications will be completed by staff and AHAC, with funding recommendations provided for approval to the Board of County Commissioners.

Additional Funding Policies and Programs:
Affordable Housing Fee Reimbursement Policy
Eligible applicants may request impact fee reimbursement only if the project remains affordable for a minimum of ten years or longer, if required by applicable HUD policy. Housing may be owner-occupied or renter-occupied and must be affordable to households at or below 80% of the Area Median Income. This policy requires that applicants submit a reimbursement request as part of the annual budget process as a non-departmental funding request. Several affordable housing projects developed over the years have utilized this policy.

County Funding for Non-Profit Agencies
As of Fiscal Year 2020, Chatham County adopted a Request for Proposal (RFP) for services approach for the annual Human Services Nonprofit Allocation Process. The County Human Services Collaborative Impact Team (CIT) Nonprofit Subcommittee and Community Partners Analyst provide guidance on Human Services funding priorities and the application process. Applications are evaluated based on their program and service's demonstrated ability to efficiently, effectively and equitably address Board of Commissioners' goal and identified outcomes. The focus of the Commissioners' goals for the FY 2025 Nonprofit Allocation Process is to mitigate the impacts of poverty among individuals and households in the county through programs and services that promote stabilization and resiliency. For this FY, RFP's will be accepted for programs or services that support three outcomes within the goal of stabilization and resiliency. These include the outcomes of (1) improved economic stability for low- and moderate-income households, (2) improved outcomes for children and youth living in poverty, and improved access to comprehensive health care.

American Rescue Plan Act Funding and Housing

The American Rescue Plan Act (ARPA) Funds, also known as the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), provides state, local, territorial, and tribal governments with a one-time infusion of funds to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Chatham County created a three-phase planning process to launch the use of ARPA funds, including (1) information gathering, (2) project prioritization, and (3) implementation.

Goals and Outcomes: 2017 Strategy Toolbox

A set of goals are also outlined in the 2017 Strategy Toolbox. The County and AHAC continue to monitor progress toward these goals and provide an annual update to the Board of County Commissioners. These goals, strategies, and associated outcomes have led to substantive progress by the County and its partners in addressing affordable housing needs. However, the need for safe, affordable, and healthy housing has only continued to rise amidst the rapidly growing regional economy and shifts in the housing market. Goals and the implementation status of associated strategies are shown below.

Occasionally, a strategy was listed in more than one goal within the Toolbox report. For simplicity, strategies have only been listed in the first goal where they appear. All strategies were reviewed for progress to date as of summer 2023.

2017 Affordable Rental Housing Toolbox Strategies and Implementation Status		
Goal	**Strategy**	**Status and Notes**
1. increased Number and Diversity of Affordable Rental Options	Encourage Affordable Housing Provisions in Large Developments	In progress
	Establishing a Housing Trust Fund	Completed
	Establish a Location Policy	Started, paused due to competing policies in jurisdictions
	Reduce Parking Requirements	In progress, UDO update
	Utilize Property Tax Exemptions	Complete
	Identify Publicly Owned Developable Land and Issue RFPs for Development	In progress
	Support a Community Land Trust	In Progress
	Conduct Outreach to Landlords about the Section 8 (Voucher) Program	Started, paused due to difficulty engaging landlords
2. Preserve Existing Legally Binding Affordable Housing	Track Subsidized Affordable Housing Units	Complete, annual update
	Advocate for Renewal of Affordability Period	In progress, as needed
	Track Section 8 Voucher Usage	Started, paused due to challenges receiving data
3. Preserve Naturally Occurring Affordable Housing	Establish a Right of First Refusal Policy	Complete, in progress
	Encourage Developers to Utilize the 4% Housing Tax Credit	In progress, as needed
	Track Naturally Occurring Affordable Housing Units	Complete, annual update
4. Ensure Rental Quality	Strengthen the Minimum Housing Code	In progress, Siler City – otherwise not started
	Establish a Program of Periodic Inspections	Not started
	Offer Landlord Incentives	Complete with Chatham Housing Authority

	Conduct a Neighborhood Housing Assessment in Target Neighborhoods in Siler City	Complete
5. Support Low-Income Renters	Continue Partnering with Chatham County Housing Authority and Support Security Deposit Program	Complete, revisit
	Support Organizations that Provide Housing-Related Assistance and Education	Complete
	Develop a Housing Resources Website and Hard Copy Versions of Resource Information	Complete
	Engage Community Members in Need of Affordable Housing or Assistance Services	In progress, as needed
6. Foster Healthy Communities	Strengthen and Expand Weatherization Programs	Complete
	Offer Green Building Incentives	Not started
	Enhance Alternative Transportation Networks (walking, biking, bus, vanpool, carpool)	In progress, UDO
	Partner with Mobile Health Services	Not started
	Partner with Nonprofits and Government Agencies	Complete
	Continue Collaborative with Public Health Department to Address Affordable Housing as a Social Determinant of Health	Complete
7. Improve Economic Mobility and Equity	Establish and Strengthen Economic Development Policies and Programs	Not started
	Engage Elected Officials, Local Government Staff, and the Community at Large to Understand and Address Housing, Income, and Equity Issues	Complete, ongoing

The Current State of Housing in Chatham County

Housing Demand and Sociodemographic Trends

The tables and charts below depict the demographic changes for the County, with some breakdowns by municipality. Data and charts primarily come from the 2022 State of Chatham Databook, published by the Chatham Chamber of Commerce. The primary data source for statistics related to housing and sociodemographic trends is the American Community Survey 2016-2020 Estimates, unless otherwise noted.

Large changes in the overall economy, housing market, and demographic makeup of the County have continued over recent years. Growth experienced throughout Chatham is a result of both regional trends as well as County-specific economic activity and investment. This growth has led to some increase in wages, more jobs, and significant amounts of housing development. While the County and its residents have and will continue to benefit from this change, many are unable to continue to call Chatham County home due to rising housing costs and lack of sufficient housing supply to keep up with demand. A few trends that outline some of the biggest factors affecting the County income disparities for households depending on where they live and whether they rent or own, an increase in diversity in parts of the County, and an aging population with unique housing needs.

Incomes Rise, Household and Per Capita
Chatham has the highest per capita income in the state. Median household income continues to increase. Between 2019 and 2022, median income has increased by 26% (up $17,000).

Chatham County Highest Per Capita Income in State

Per Capita Income is the total income earned in an area divided by the total number of the residents in that area

(1) Chatham, $45,036

(2) Orange, $42,872

(3) Wake, $42,721

(6) Durham, $36,759

(38) Alamance, $27,944

(60) Lee, $25,502

(100) Hyde, $17,942

Source: American Community Survey 5-Year Estimates, 2016-20

Chatham
CHAMBER *of* COMMERCE

Chatham County Highest Increase in Median Household Income

	2019	2020	2021	2022
Chatham	$67,031			$84,222
Orange	$71,723			$85,785
Wake	$80,591			$96,734

Increasing Diversity

Chatham's Hispanic population has grown at a faster rate than any other race or ethnicity, including Black, Asian, and all other races, over the last 30 years. Diversity is most concentrated in Siler City, however, with nearly one half of the City's residents considered Hispanic.

Pittsboro Minority Population Composition Changing
Changes in racial/ethnic makeup by decade

Note: "All Other Races" includes American Indian, other race, and multiracial. The Census changed their way of measuring race and ethnicity in the 2020 Census. This likely drives part of the increase in "All Other Races"

Source: U.S. Census Bureau Decennial Census

Chatham Municipal Minority Make-Up (2020)

Note: "All Other Races" includes American Indian, other race, and multiracial. The Census changed their way of measuring race and ethnicity in the 2020 Census. This likely drives part of the increase in "All Other Races"

Source: U.S. Census Bureau Decennial Census

A Growing Aging Population

The increase in the proportion of older adults aged 65 or older occurred at a faster rate in Chatham County than it did in Orange, Durham, Alamance, and Wake Counties (7% increase). As of 2021, adults aged 65 or older make up one quarter of the population in Chatham County.
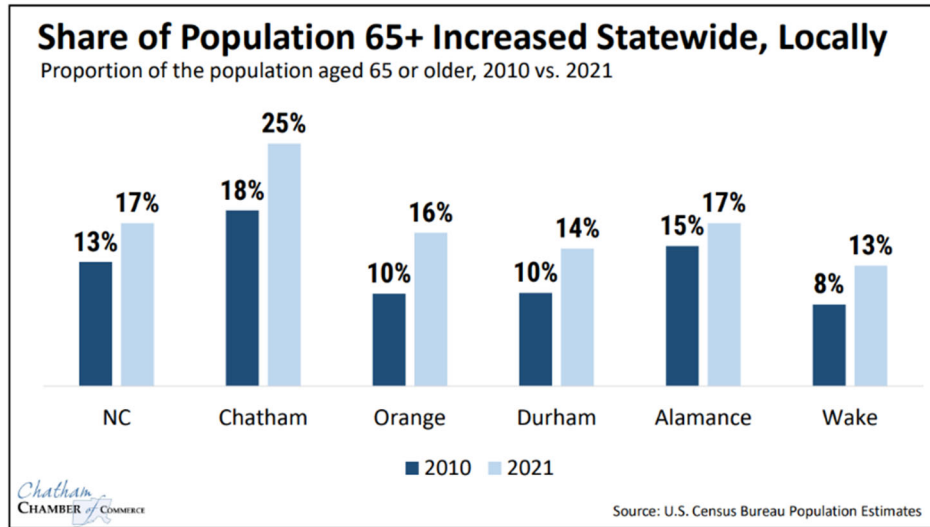
Wages and Housing Cost

Large employers also continue to flock to Chatham County, increasing jobs and wages. The County experienced a net gain of 1,000 jobs across all sectors in 2021 alone, with companies like VinFast planning to offer more than 7,500 jobs at an average salary of $51,096. One way to understand how local employment and housing cost intersect is to assess how a household's income compares to the median income for an area and whether a household would be eligible to qualify for subsidized housing units or programs. This can be done by determining the Area Median Income (AMI). The U.S. Department of Housing and Urban Development (HUD) calculates and publishes this information based on the Median Family Income estimates and Fair Market Rent area definitions for various geographies on an annual basis.[i]

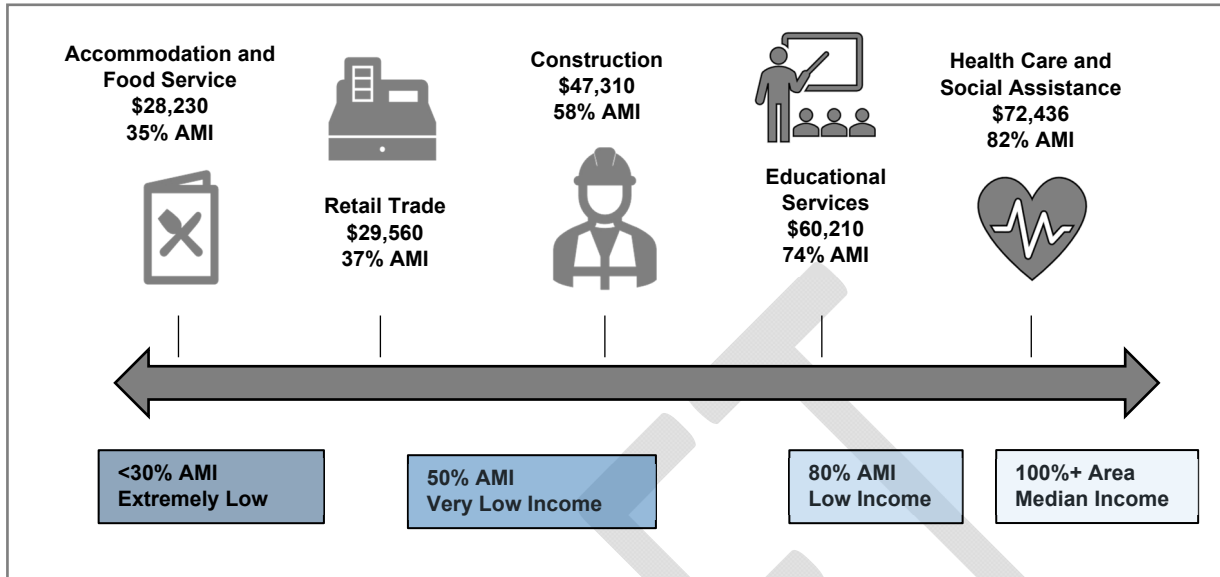Chatham County is included in the Durham-Chapel Hill Metropolitan Statistical Area, meaning that the income limits for HUD programs are based on incomes for a broader region than just the County. This may skew the income limits to be higher than they would otherwise normally be for Chatham County alone. This shift would allow more households to be eligible for HUD programs, or affordable housing. Programs that provide subsidized housing or reduced rental rates typically serve households at 80% of AMI or below. Some housing programs are focused on creating workforce housing and may allow eligibility up to 120% of AMI.

2023 HUD Income Limits				
People in Household	**1-person**	**2-person**	**3-person**	**4-person**
30% of AMI	$21,250	$24,300	$27,350	$30,350
50% of AMI	$35,400	$40,450	$45,500	$50,550
60% of AMI	$42,500	$48,600	$54,700	$60,700
80% of AMI	$56,650	$64,750	$72,850	$80,900
100% of AMI	$70,800	$80,900	$91,000	$101,100
120% of AMI	$84,960	$97,080	$109,200	$121,320

Based on the AMI and income limits for a household size of two, many of the County's largest employment sectors would qualify for a form of subsidized or rent restricted housing, a few of which are listed below.

Accommodation and Food Service
$28,230
35% AMI

Retail Trade
$29,560
37% AMI

Construction
$47,310
58% AMI

Educational Services
$60,210
74% AMI

Health Care and Social Assistance
$72,436
82% AMI

<30% AMI Extremely Low	50% AMI Very Low Income	80% AMI Low Income	100%+ Area Median Income

Source: Calculation based on HUD 2022 Income Limits, Bureau of Labor Statistics Employment Data

To put this in perspective, an individual earning minimum wage would need to work more than 100 hours per week to afford a studio, or efficiency, rental unit that is considered Fair Market Rate.[ii] The term "affordable" here is used as a proxy for an individual or household paying no more than 30% of their gross monthly income on housing costs. Inversely, to afford a studio Fair Market Rent, an individual must earn an hourly wage of at least $22 per hour. The need for employers to pay a wage that is competitive with the current housing market is ever more important, given the demand for housing continues to increase.

Hours of Work/Week at Min Wage Needed to Afford a FMR Unit

	Efficiency	1 Bed	2 Bed	3 Bed	4+ Bed
Hours	120	120	140	177	215

Source: HUD Fair Market Rates, Bureau of Labor Statistics Employment Data

Hourly Wage Needed to Afford a FMR Unit

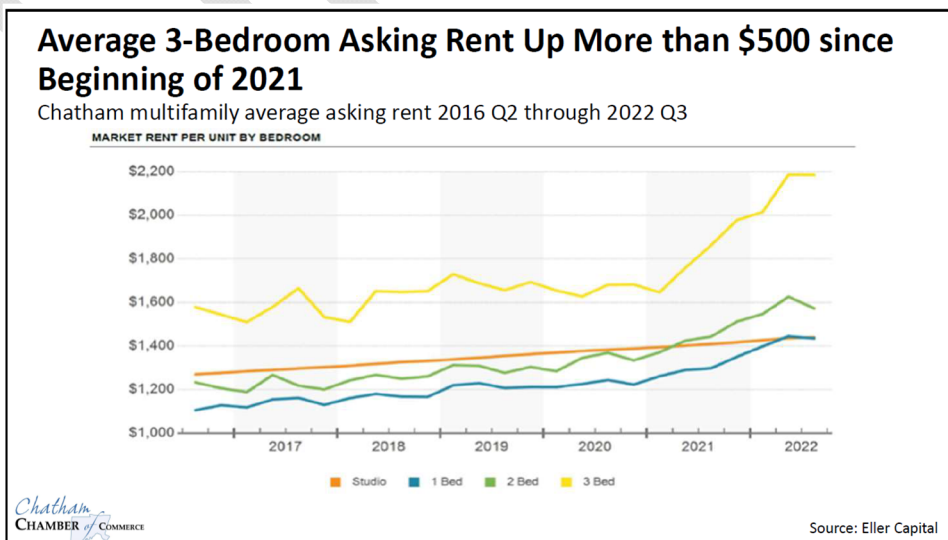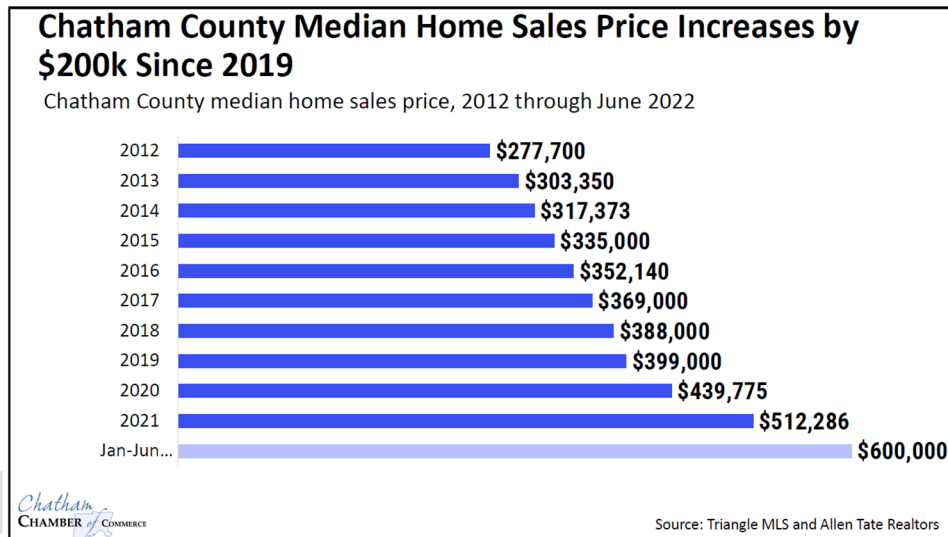|	Efficiency	1 Bed	2 Bed	3 Bed	4+ Bed
Wage	$22	$22	$25	$32	$39
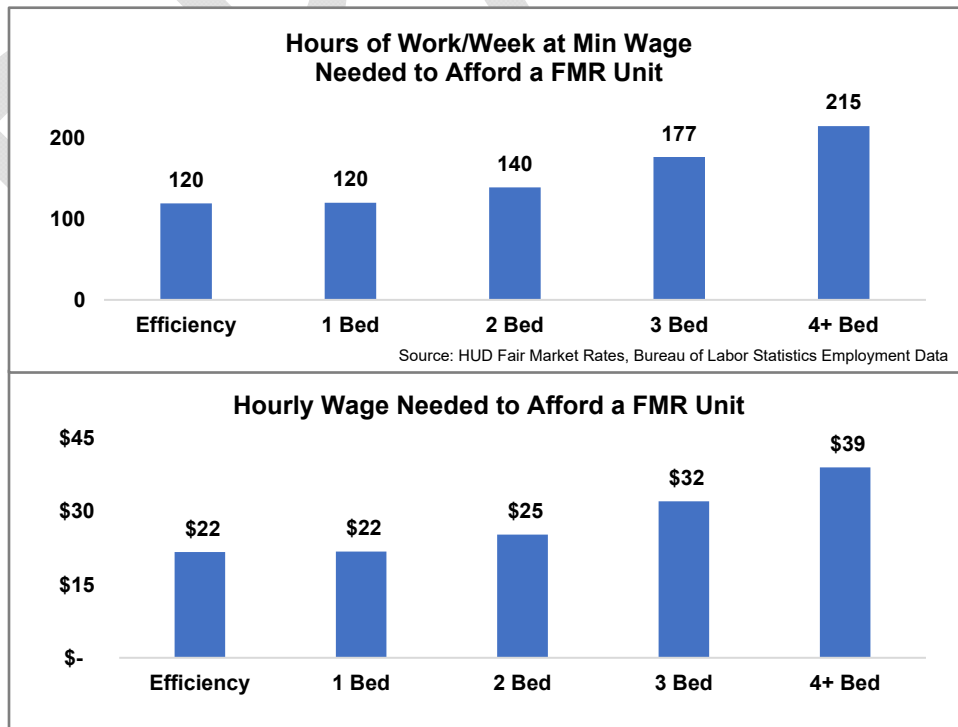
Housing Supply, Affordability Trends, and Quality Improvements

Hot Housing Market and Price Increases

In addition to socioeconomic changes, housing prices have also risen in recent years. Some highlights from the Chamber's State of Chatham County Data Book include:
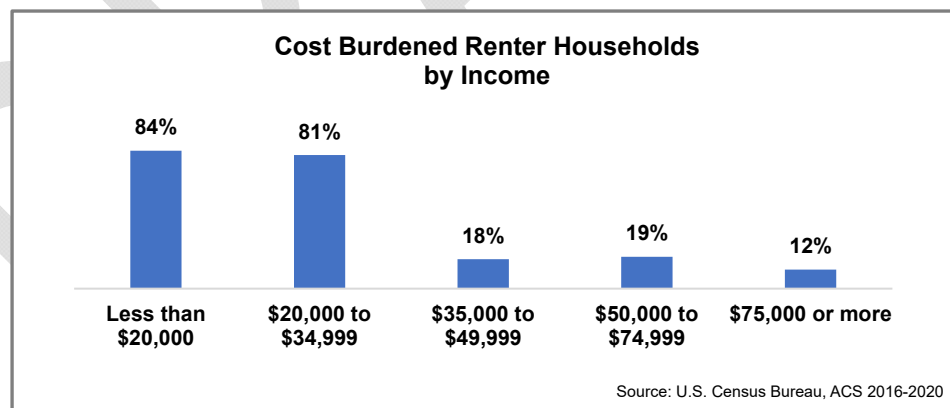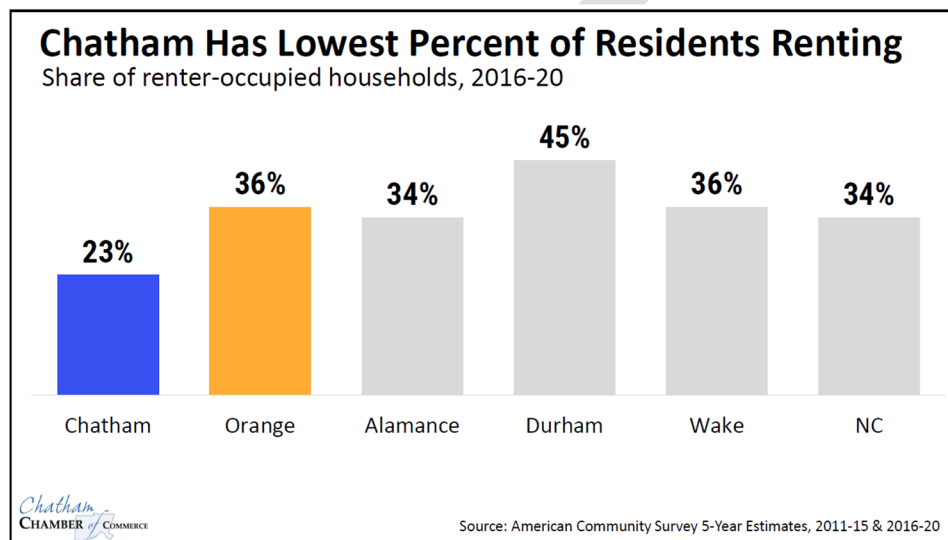
- Median Sale price of single-family homes has increased by $200,000 since 2019. While many homeowners have experienced increases in their home value, and home equity, renters have missed out on this opportunity.
- Chatham County has the least amount of rental housing stock by county in the region, and asking prices for rents went up more than $500 since 2021.
- Approximately 25%, or 7,351, of all households in Chatham County are housing cost burdened, meaning they pay more than 30% of their gross monthly income on housing costs.
- The Housing and Transportation Index estimates that the typical household in Chatham spends 29% of their income on housing and 25% on transportation, totaling 54%. The recommended threshold is 45%.[iii]

Chatham County Median Home Sales Price Increases by $200k Since 2019

Chatham County median home sales price, 2012 through June 2022

Year	Median Home Sales Price
2012	$277,700
2013	$303,350
2014	$317,373
2015	$335,000
2016	$352,140
2017	$369,000
2018	$388,000
2019	$399,000
2020	$439,775
2021	$512,286
Jan-Jun...	$600,000

Chatham Chamber of Commerce

Source: Triangle MLS and Allen Tate Realtors

Average 3-Bedroom Asking Rent Up More than $500 since Beginning of 2021

Chatham multifamily average asking rent 2016 Q2 through 2022 Q3

MARKET RENT PER UNIT BY BEDROOM

Studio   1 Bed   2 Bed   3 Bed

Chatham Chamber of Commerce

Source: Eller Capital

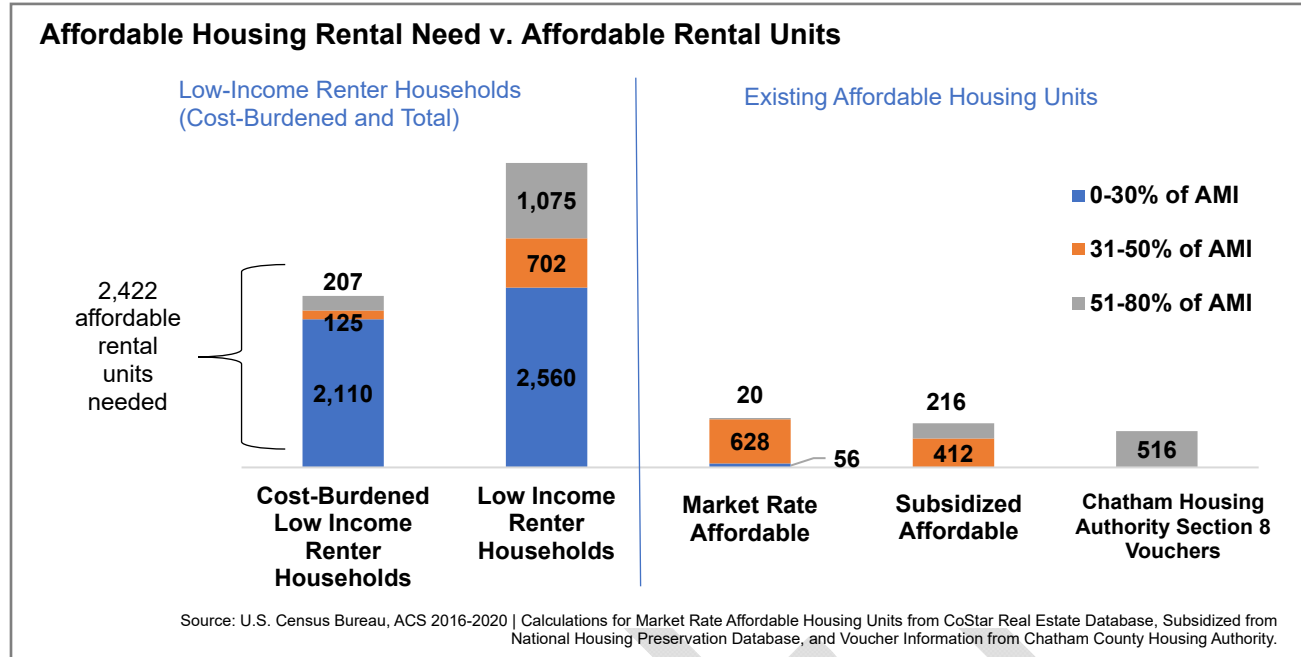**Housing Market Effects on Low-Income Renter Households**

Additionally, the below statistics help illustrate particular challenges renter households are experiencing in the housing market.

- Renter households tend to have lower incomes – 79% of renter households are making less than 80% of AMI (less than $76,400, as of 2022 HUD Income Limits).
- Approximately 47% of renter households in Chatham County have difficulty affording their homes.
- The vast majority of extremely low-income households (more than 80%), or those making less than $35,000 annually, are cost burdened.
- The estimated average hourly renter wage is $10.48 per hour, or $21,798 per year, in Chatham County. With this income, that renter could afford to pay $545 per month in housing costs.

Chatham Has Lowest Percent of Residents Renting
Share of renter-occupied households, 2016-20

Chatham 23% | Orange 36% | Alamance 34% | Durham 45% | Wake 36% | NC 34%

Source: American Community Survey 5-Year Estimates, 2011-15 & 2016-20

Cost Burdened Renter Households by Income

Less than $20,000: 84% | $20,000 to $34,999: 81% | $35,000 to $49,999: 18% | $50,000 to $74,999: 19% | $75,000 or more: 12%

Source: U.S. Census Bureau, ACS 2016-2020

The Need for More Affordable Housing

Since the last report in 2017, the need for affordable rental and homeownership housing has continued to increase. There were a number of affordable units developed in that time, but demand has also grown. A need of 2,288 units was needed in 2018 when the most recent affordable housing gap analysis was completed. That number has since increased, and as of 2023, there is a need for 2,422 affordable rental units for low-income households.

Affordable Housing Rental Need v. Affordable Rental Units

Low-Income Renter Households
(Cost-Burdened and Total)

Existing Affordable Housing Units

- 0-30% of AMI
- 31-50% of AMI
- 51-80% of AMI

2,422 affordable rental units needed

207		
125		
2,110		

Cost-Burdened Low Income Renter Households

1,075
702
2,560

Low Income Renter Households

20
628
56

Market Rate Affordable

216
412

Subsidized Affordable

516

Chatham Housing Authority Section 8 Vouchers

Source: U.S. Census Bureau, ACS 2016-2020 | Calculations for Market Rate Affordable Housing Units from CoStar Real Estate Database, Subsidized from National Housing Preservation Database, and Voucher Information from Chatham County Housing Authority.

Housing Quality Improvements

The 2017 Strategy Toolbox outlined specific challenges related to housing quality across the County and its municipalities, with a particular focus on Siler City. Since then, updates have been made to address housing quality issues leading to some improvement.

- Siler City has since increased enforcement of the minimum housing code, contracting with an outside agency for assistance.
- The County has also had success in working with non-profit organizations to provide resources to low-income households in making repairs to their homes or undergoing more substantial rehabilitation, also with a focus in Siler City.
- Pittsboro still has a minimum housing code, but it was not actively enforced as of the time of this report.
- The County does not have a minimum housing code or an enforcement mechanism.

Provided on the following page are updated maps identifying housing quality ratings for properties as well as counts of rental properties with fair, poor, very poor, and unsound/very poor-quality ratings. Information was obtained through Chatham County Tax Assessor property records.
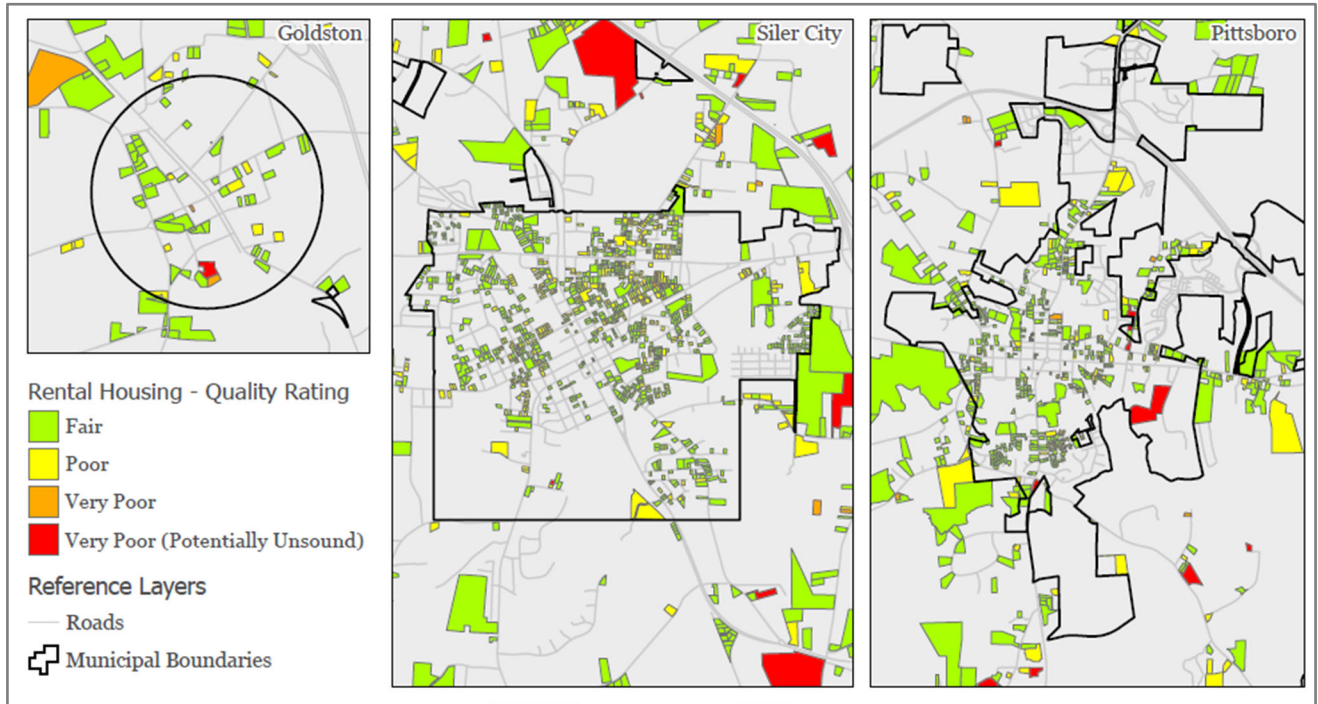
| Municipality	Pittsboro		Siler City		Goldston	
	Count	**Percent**	**Count**	**Percent**	**Count**	**Percent**
Total Rental Properties (All Quality Ratings)	832	100%	1,118	100%	101	100%
Fair Quality Properties	382	46%	662	59%	44	44%
Poor Quality Properties	87	11%	301	27%	7	7%
Very Poor-Quality Properties	1	0.1%	4	0.4%	2	2%
Unsound/Very Poor Properties	4	0.5%	1	0.1%	1	1%

The Strategic Planning Process

The County worked with MHP to conduct the strategic planning process. The group utilized a "River Trip" white-water rafting metaphor developed by Growth Management Center specifically for non-profit organizations and local governments for this process. This metaphor provides natural guidance for each of the outlined phases which include Describe, Conclude, Commit, Create, and Integrate – all while emphasizing a collaborative approach for the team to grow effectively.

MHP and Chatham County Manager's Office worked with a wide variety of community stakeholders, including the Affordable Housing Advisory Committee, over a 3-day strategic planning workshop in August 2023. The resulting strategic plan and the follow-up work will guide the County and their partners in housing activities for the next several years. Chatham County and AHAC were able to build on progress made with a 2017 Affordable Rental Housing Strategy Toolbox. The following is an outline of the River Trip process for Chatham County.

The Growth Management Center "River Trip" Overview
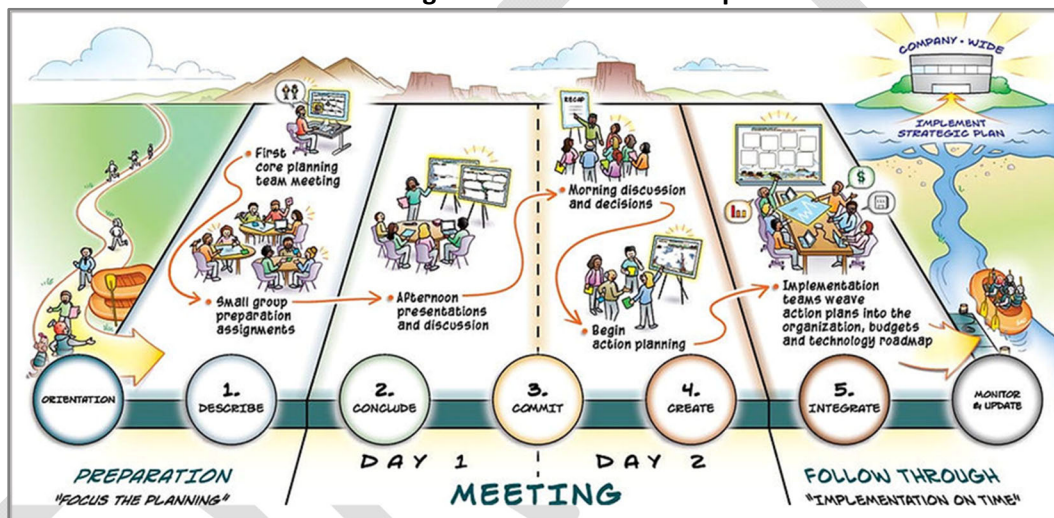
GMC River Trip: The Five Phases Summary

14
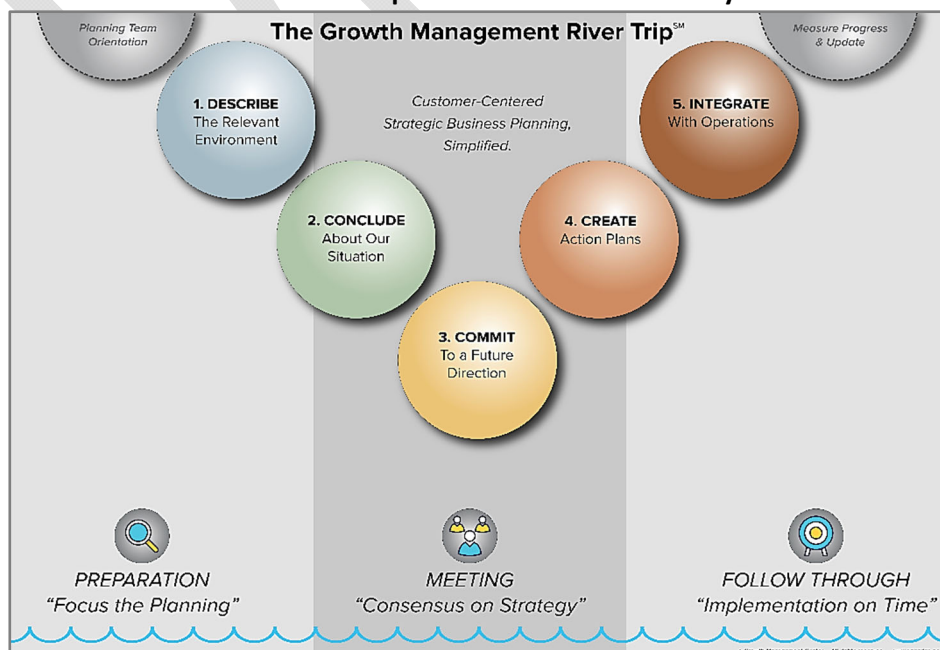
Pre-Strategic Planning: Surveying Housing Needs and Opportunities

In preparation for the County to undertake this planning process, many thought partners participated the environmental scan survey. The survey gathered information on external and internal environmental factors affecting housing in Chatham County. The goal of Phase 1 of the planning process is to identify areas of growth and matters of concern which are strategic, timely to discuss, and can be best explored through collaborative planning. MHP staff supported the County and partners to develop the survey questions, create an online survey tool, and collect and analyze results from a wide base of key community stakeholders. The survey tool is included in Appendix A, along with a summary of responses.

The results of the survey included 28 complete responses from staff of various County departments, elected officials, advisory boards, community organizations, and other government agencies.

Overall, participants indicated what they believed to be the basis of Chatham County's impetus to support affordable housing. Words such as "transparency" and "integrity" were used, as well as the County's duty to support responsible growth, while balancing development with the rural-centered values of its residents. These responses directly correlate to some of the goals and values outlined in PlanChatham, the County's most recent comprehensive plan. More than anything, however, participants felt that the County's housing programs were based on the belief that all citizens should have a healthy, safe, quality, affordable home. These beliefs were shared across participant responses and underly the work of the strategic planning retreat and the plan itself.

Listed below are the key themes that emerged from the environmental scan survey, including a high level summary of responses. This information was presented to participants prior to beginning the strategic planning process. Participants were asked to review this data as they began to prioritize which factors most heavily influenced affordable housing in Chatham County.

Detailed Summaries of Environmental Scan Survey Themes

Limitations Given Development Capacity and Processes

Despite market forces driving demand for new residential development, limitations exist given existing development processes and capacity. Respondents offered examples of the development process challenges such as lack of infrastructure to adequately support development, lengthy development process, and need for more coordination between staff handling approvals of residential developments. Others offered suggestions for improvement including increasing development incentives for affordable housing, revising the zoning to reduce development barriers, and engaging the private developers to build more affordable housing as part of proposed developments.

Growing Internal Staff Capacity

The County continues to increase staff capacity for housing programs, though this takes time and resources. Some staff turnover also creates challenges. More specifically, respondents noted a need for additional staff capacity to increase communication with external organizations. Staff retention can be challenging, given the pull of human resources to larger cities and communities. As part of this growth, clarity regarding various partners' roles is needed to reduce duplicity on service provision.

Capacity Building for Community Partners

The many happenings of community and service provider partners makes collaboration difficult. Responses on ways to improve this challenge included working with the incorporated local governments in Chatham to build their support their affordable housing efforts, a need to align and coordinate services

and data collection to reduce duplication, and to improve training to increase capacity for local service providers in the housing field.

Lack of Streamlined Collaboration and Communication Among Partners
Challenges with communication between departments, service providers, and the broader community increase difficulty in streamlining processes and creating community buy-in for the issue. This includes a need for sharing more information about new or major developments with the public, more citizen engagement around the issue, and increasing representation of those with lived experience.

Additional Internal and External Factors
Some additional factors internal to the County government, such as limited capacity of wastewater and utility expansion, also pose threats to addressing affordable housing. External factors include limitations of state regulations, large employers' impact on high rates of migration to the region, increasing costs to construct housing and the cost of land, and market demand for higher end housing. While these are not in the purview of the County, they must be considered as large factors affecting housing supply and demand.

Planning Phase 1: Describe
Describe the critical factors affecting the environment
MHP staff spent time sharing the results gathered from the Community Environmental Survey on the first day of the strategic planning retreat before the team delved into defining the major "Crossroad Issues." During the first exercise as a group, these "Crossroads Issues" were created by dividing into several small groups and discussing the major barriers highlighted in the quantitative data and surveys. MHP staff facilitated five small groups and each team outlined ways in which the county can be investing resources and staffing to affect change and fulfill its mission of supporting opportunities for healthy, safe, affordable housing in partnership with governmental and community partners.
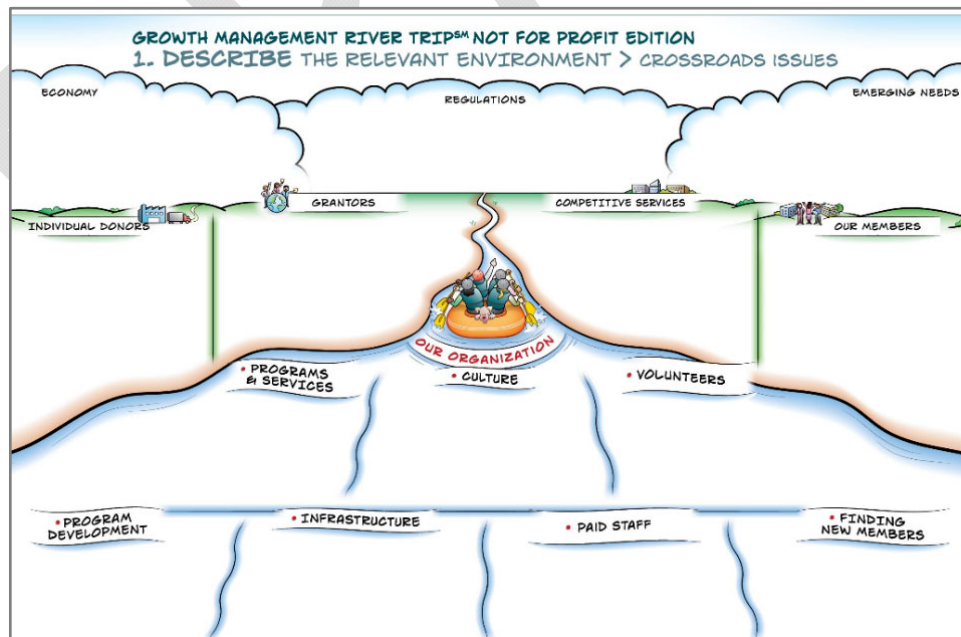
Map of Phase 1 – Describing the Relevant environment using Crossroads Issues.

The six Crossroads Issues identified include:
1. Revenue mapping and diversification,
2. Creating programs to serve vulnerable populations,
3. Improving and streamlining communications between stakeholders,
4. Improving processes for development regulations and infrastructure,
5. Increased staff and partner capacity for housing, and
6. Education and outreach work for sharing housing needs with the broader community.
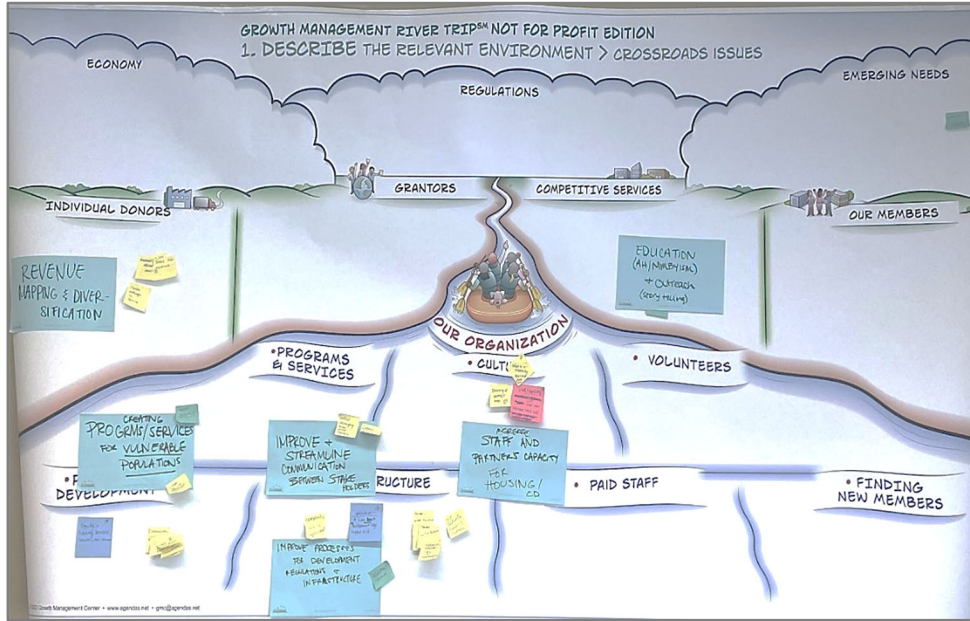

Image of the completed Phase 1 defining the six crossroads issues outlined by the housing teams.

Participants from each team discussing crossroads issues during Day 1 of the 2023 Strategic Planning retreat

Planning Phase 2: Conclude
Analyze and refine influencing factors and select Crossroad Issues.

MHP staff alongside Chatham County and AHAC groups worked through Phase 2 to draw conclusions for each of the Crossroads Issues identified in Phase 1. A "PESTLE" analysis was completed first to identify environmental factors affecting each of the Crossroad Issues, including Political, Economic, Social, Technological, Legal, and Environmental influences. For example, how would the political environment influence the Crossroad Issue: "Revenue Mapping and Diversification"?
Participants were asked to consider a list of questions to help identify influences for each of the Crossroad Issues.

- Political: How may government (state and local) and other political factors impact our work?
- Economic: What economic trends could have an impact on our work?
- Social: What are emerging social and demographic trends that affect housing?
- Technological: What technological innovations could affect our market?
- Legal: What changes in legislation could impact addressing housing needs in our community?
- Environmental: What ecological aspects influence our business environment?

All five groups identified potential PESTLE factors for each Crossroads Issue. Some examples include funding requirements and capacity barriers, communications breakdowns and redundancies, advocacy and program overlap or gaps, political and regulatory hurdles and more. Next, the groups each completed a "SPOT" analysis, reviewing the Strengths, Problems, Opportunities, and Threats for each of the Crossroads Issues presented and various environmental factors affecting them.
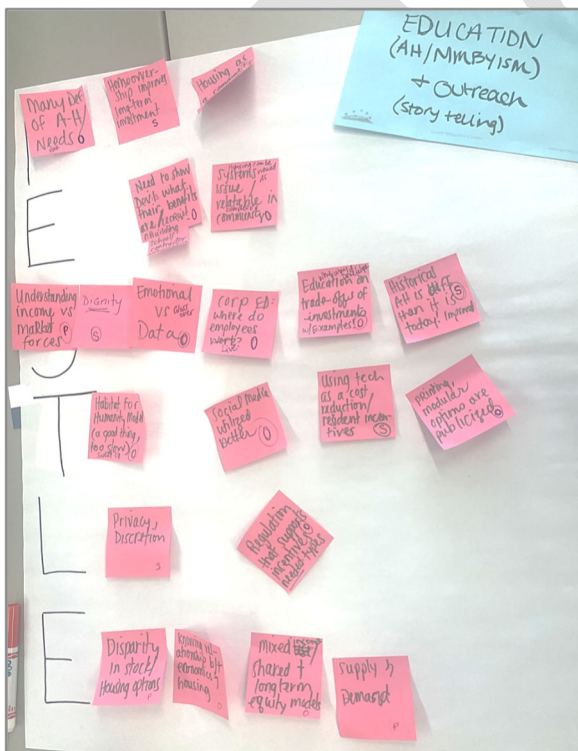

Example of PESLTE analysis for "Education and Outreach" Crossroads Issue
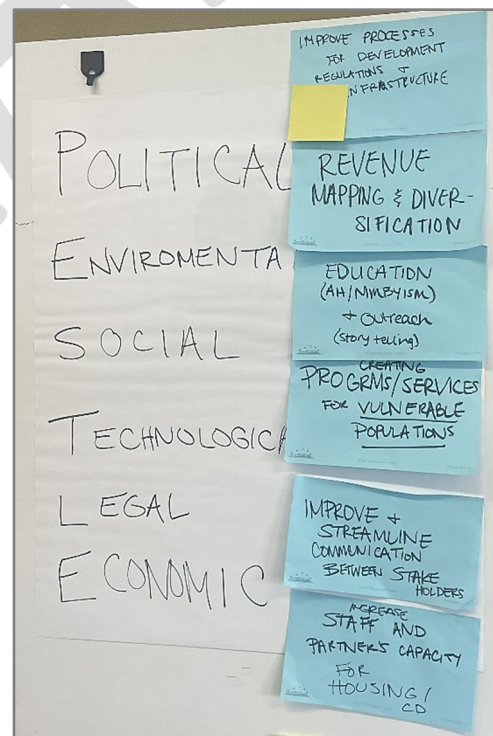
The final Six Priority Objectives pictured alongside the PESTLE analysis

The second analysis is a more common way to better understand the issue at hand, or in the case of the strategic plan, the Crossroad Issues. A SPOT analysis stands for analyzing the Strengths, Problems, Opportunities, and Threats for each of the Issues. Strengths and Problems are best thought of as factors influencing the issue in the present moment, whereas Opportunities and Threats are factors that may influence the issue in the future.
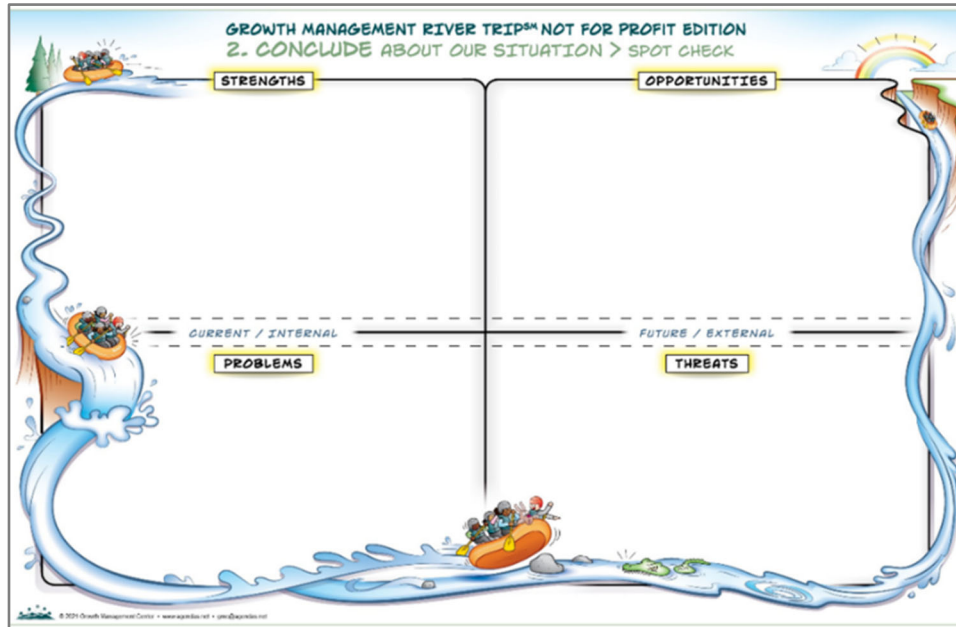
The Phase 2 two map defining the SPOT check –identifying Strengths and Problems, Opportunities and Threats.

The team looked at the conclusions gathered through this process from various stakeholder perspectives including funders, recipients of the County and nonprofit housing programs. From there, all participants worked together to move from identifying Crossroads Issues to reworking them as Priority Objectives. By this point participants have completed Phase 1 and Phase 2 of the River Trip. In Phase 3 the direction of the strategic growth plan becomes clear and aligned with more specific strategic objectives.
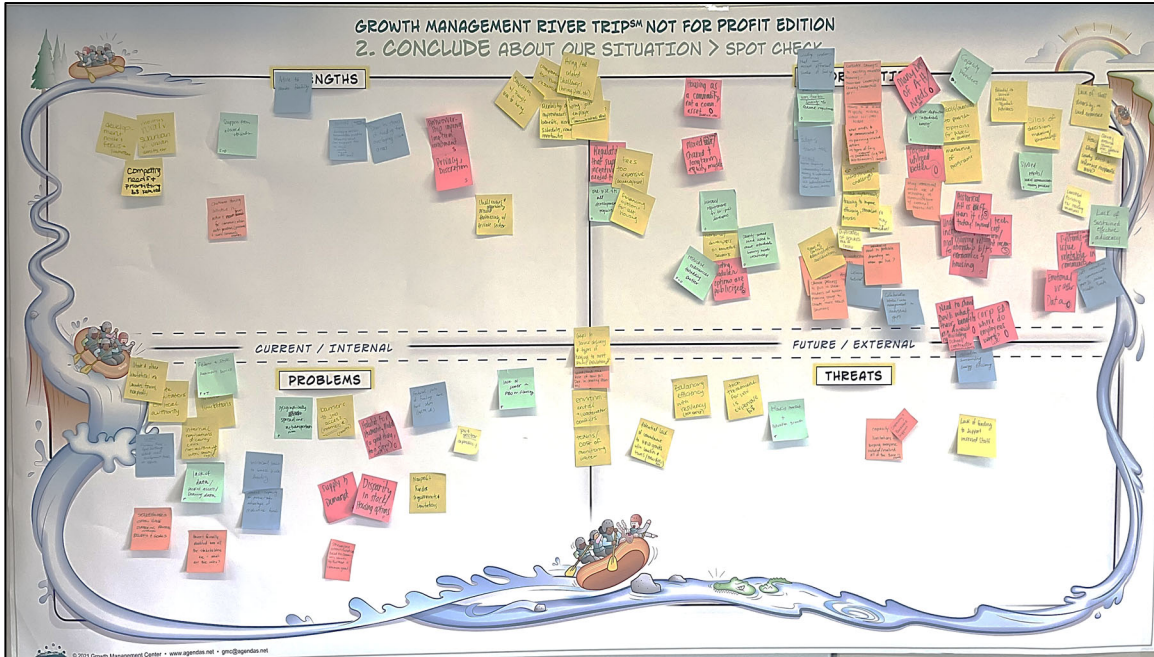
Image representing the Strengths, Problems, Opportunities and Threats (SPOT) check for each of the six "Crossroads Issues". Each cluster from the SPOT check becomes a Priority Objective in Phase 3 of the trip, Commit.

Planning Phase 3: Commit
Define or rework Strategic Priority Objectives

Phase 3 is about developing a commitment to a future direction and prioritizing work by identifying desired outcomes, timing, and measures of success. Through large group discussion, previously identified Priority Objectives were reworded to achieve a more concise, goal-oriented title. One example of a Priority Objective was a focus on human resources but rewording the Objective as "Hire and Retain Adequate and Appropriate Staff."
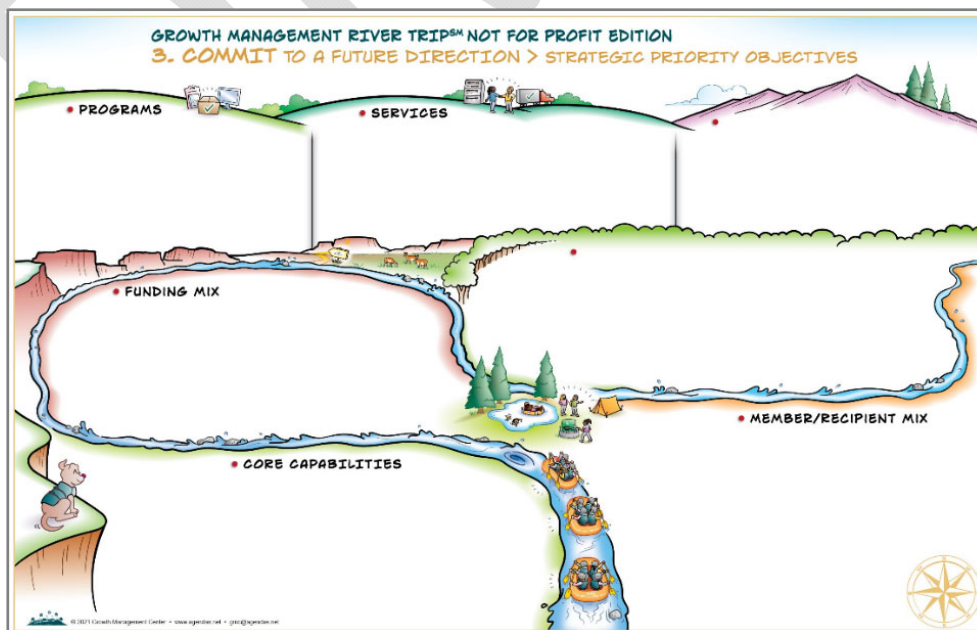
This group of objectives, when taken together, expresses the County's growth strategy for the next several years. The completed set of Priority Objectives becomes an intentional strategic direction and will give implementors clarity on what must be achieved.

During the Commit Phase, small groups selected one of the six Priority Objectives and began to identify desired outcomes and associated strategies. Next, each strategy was further refined through identifying individual activities. These strategies will be further detailed in the next phase of the process where the sequence and timing of activities will be clarified.

At this step in the process, participants begin to see the breadth of potential activities needed to achieve their Priority Objectives. However, the need for further clarity around timing, resources, and responsible parties will be critical for the development of an action plan and future implementation. Rather than spreading limited resources across too many different approaches at the same time, a more focused and staggered approach will be key to future growth and sustainability. In addition, identified Priority Objectives typically require collaboration and resources from across the organization as well as from other collaborating organizations for successful implementation. This will be further discussed in the next Phase.
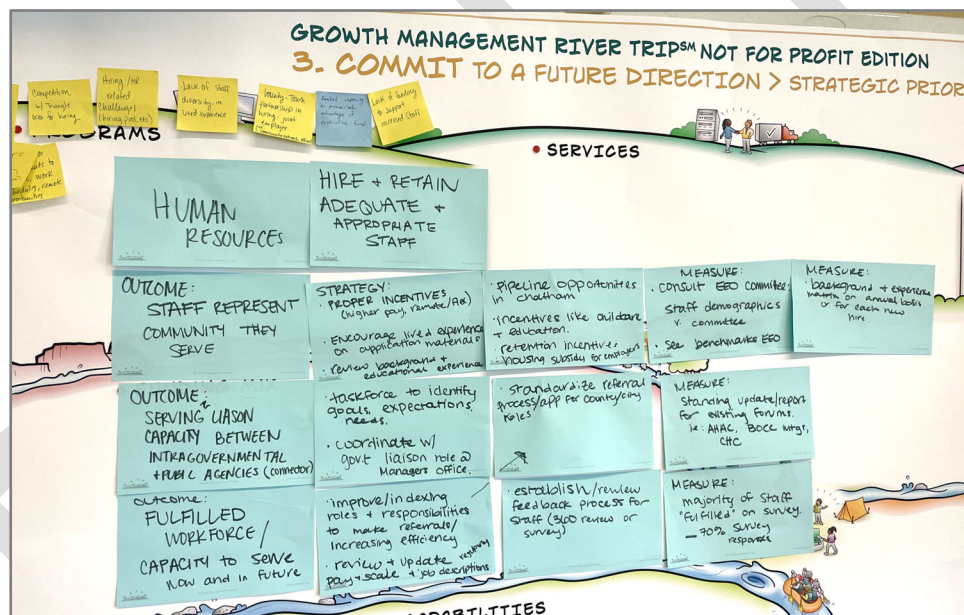

Pictured above is the Priority Objective: Human Resources. At this phase, the team is beginning to commit to a future direction by creating desired outcomes, strategies to achieve them, and associated activities.

Planning Phase 4: Create
Define Strategic Priority Objectives and develop action plans

Phase 4: Create aims to establish a phased action plan for each Priority Objective. MHP staff demonstrated this process using one Priority Objective to start the day. Individuals brainstorm all potential activities associated with a particular Priority Objective and place them on the below map. The group determines which activities must happen before or after the others, and place sequence them accordingly, left to right. Potential barriers to completing activities should also be written and can be placed on the rocks or log, as obstacles to avoid. Addressing potential barriers at the same time as the associated activity, or before, if necessary, will be key to achieving the identified activities, strategies, and goals.

Two of the Strategic Priority Objectives identified in earlier phases of the River Trip – Funding and Communications – are shown below, listing their desired outcomes, strategies, and associated activities. The strategies and activities were sequenced by timing. The timing of the activities and overall goal as well as roles and responsibilities of partners involved must still be mapped out.
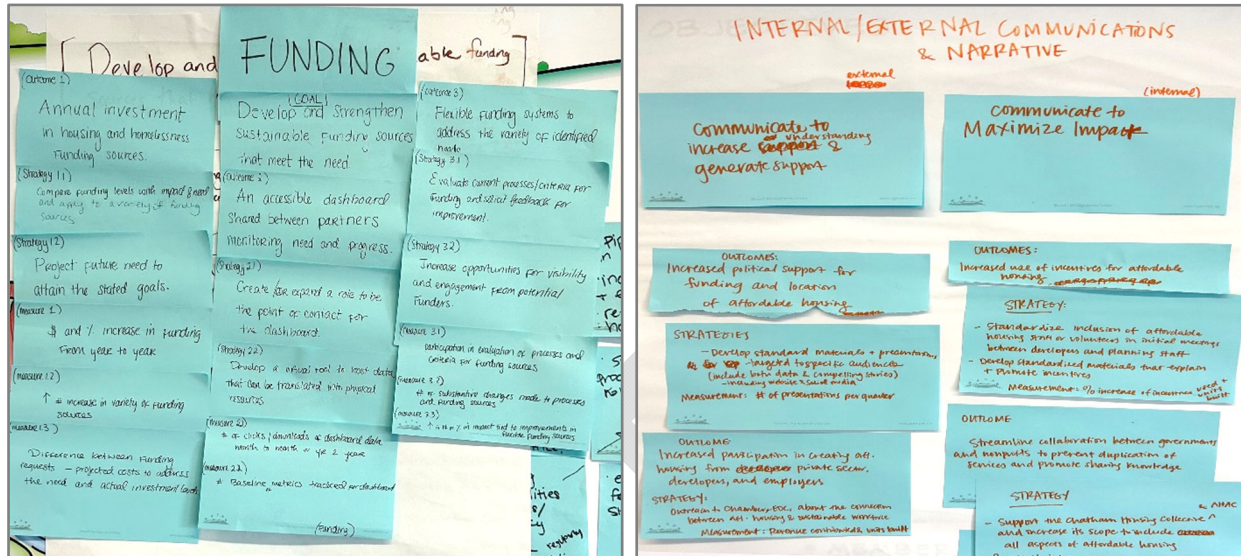

Photos of completed "Create" Phase for two Strategic Priority Objectives – Funding and Communications.

Planning Phase 5: Integrate
Assess the resources needed for each Priority Strategic Objective

The Fifth and final phase is Integrate, or identifying resources needed to successfully implement the action plan. Resources needed include financial, human, and technological. The Integrate process map may be used to identify resources at the overall Strategic Priority level, or through a more detailed look at individual strategies or activities. The groups considered barriers previously identified in the action planning process as items to address through an operational lens.
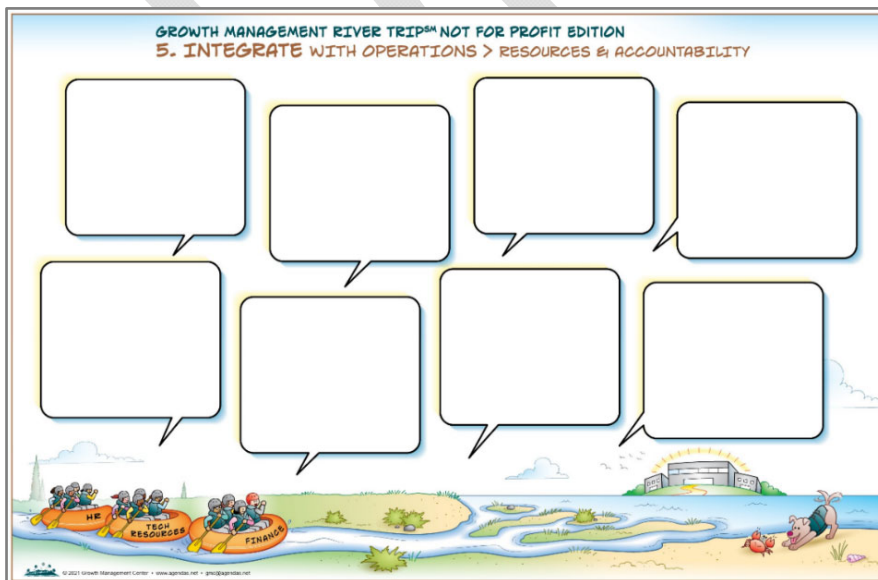
This phase was completed by Chatham County staff and partners in the months following the retreat. The planning team was provided the tools to complete this action, with support from MHP staff. Once all phases of the strategic planning process were completed, County staff, MHP, and participants worked together to create the Strategic Action Plan, outlined on the following page.

Strategic Housing Action Plan

The plan below details each of the six goals identified early on as Priority Objectives. Outcomes, strategies, and associated activities are also clearly stated, along with the anticipated timeline, strategy or task champions, and ways to measure future success. County staff and partners will remain committed to updating and adjusting this Action Plan as needed in the coming years. Many activities will commence in spring 2024 and continue on into the future as regular practice. This Plan should be seen as a starting point, a living document, or an outline to address the County's main challenges with the need for affordable housing.

Goal 1: Reduce Development Barriers and Increase Usable Incentives					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
More diverse and dense housing stock	Create or expand broader zoning districts.	1. County will be expand zoning districts that allow for more housing types where utilities are available. 2. Develop and implement ADU strategy, including outreach, financial instruments to facilitate, streamlining of process.	Winter 2024 (ongoing)	County staff, Central Pines Regional Council (CPRC), planning departments	Track types of housing developed, including ADUs.
Increase rates of affordable housing through developer participation	Engage developers to identify usable incentives.	1. Diversify funding streams that can be used to incentivize and support development of diverse affordable housing. 2. Work with Planning staff to develop non-cash incentives.	Winter 2024 (ongoing)	County staff, CPRC, planning departments	Number of approved affordable units over the next five years Track amount of funding dedicated to affordable housing development.
	Increase communication with developers around available incentives through marketing and other efforts.	1. County housing staff to attend relevant pre-development meetings. 2. Ensure accurate and up-to-date information is shared regarding incentives and that messaging is consistent.	Winter 2024 (ongoing)	County staff, planning departments	Track amount and change in utilization of incentives by developers.

Goal 1: Reduce Development Barriers and Increase Usable Incentives					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
Increase efficiency for development review process	Coordinate County-Municipal strategies.	1. Collaborate with Legislative Relations Liaison. 2. Follow progress of Lean Government review/study and provide suggestions for coordination.	Winter 2024 (ongoing)	County staff, planning departments	Compare length of time through development review process (i.e. submission of plan to approval of plan). Document process improvements and revisit on a regular basis to determine efficiency.
	Consider hiring dedicated staff for expedited review, potentially as an interlocal liaison.	1. Collaborate with Legislative Relations Liaison to improve understanding of role and gaps in coordination, if any. 2. Follow progress of Lean Government review/study.	Winter 2024 (ongoing)	County staff, planning departments	
	Provide training for Planning Boards.	1. Offer training to Planning Board members at time of appointment and/or at regular intervals of service. 2. Coordinate trainings annually <u>at minimum</u> from County Attorney and/or through the School of Government; on demand training videos are also available.	Winter 2024 (ongoing)	Planning departments and advisory boards	

Goal 2: Develop a Framework for Collaboration					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
Create a shared understanding and definition of the size and scope of housing challenges	Assess existing process for communications with partners	1. Routinely and consistently capture data outputs from individual programs and providers, including reporting out on numbers served per agency, through HMIS or otherwise. One CHC meeting per month is dedicated to data sharing. 2. Develop and launch data dashboard (see Goal 5). Implement process to collect input from individuals with lived experience.	Spring 2024 (ongoing)	United Way of Chatham County (UWCC), Chatham Department of Social Services (DSS), and Chatham Housing Collective (CHC)	Measure number of clicks and downloads of dashboard data to monitor month- to-month or year-to-year.

Goal 2: Develop a Framework for Collaboration					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
		Develop a resource hub (physical or virtual) or establish a space for those with lived experience to learn about and access resources in Chatham. 1. Implement collaborative outreach campaign, building on existing street outreach work and provider and resource guides.			
Develop a shared community action plan that informs future investments	Build a communications strategy to share housing data and resources	1. Complete activities around data collection associated with above outcome. Determine how best to share information with community members and document process, responsible parties, etc. This will inform the community action plan and where resources should be invested.	Upon completion of other related tasks.	UWCC, DSS, CHC	Increased number of individuals with knowledge of services and resources.

Goal 3: Communicate to Increase Understanding and Generate Support					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
Increase political support for funding and location of affordable housing	Develop standard marketing and educational materials for target audiences.	1. Partner with a diverse set of organizations to coordinate efforts related to messaging and identifying needs unique to different populations and demographics. 2. Establish consistent messaging using clearly defined terminology for a variety of audiences. 3. Ensure availability and accessibility of clear information regarding relevant public meetings to attend and how to participate. 4. Increase opportunities for community-wide engagement to encourage acceptance and support for affordable housing.	Winter 2024 (ongoing)	County staff; CPRC, AHAC	Number of presentations and press release per year and on what topics.

Goal 3: Communicate to Increase Understanding and Generate Support					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
		5. Collaboration with United Way's efforts to maximize partnership with 211. 6. Increase number of press releases regarding housing needs, services, and community engagement opportunities.			
Increase participation from housing developers and employers in creation of affordable housing	Increase communication and collaboration between employers regarding need for workforce housing.	1. Partner with Chamber of Commerce and Economic Development Corporation regarding pre-existing strategies to engage the development and business community and to request their assistance identifying potential partners in the private sector. 2. Utilize consistent messaging and strategy specific to this audience: messaging may be framed around "workforce" housing as opposed to "affordable" housing. 3. Begin collaboration/conversations with businesses/corporations in Chatham. 4. Identify "champions" within Chatham County who are established within the business sector. 5. Identify commercial development opportunities where affordable housing development may occur. 6. Assess feasibility of increased regional approach, and specifically Rep. Rieves district or other surrounding Counties with shared interests.	Spring 2024 (ongoing)	County PIO; CHO; CPRC, AHAC (Gail, Mary, Alirio, Susan), Chamber, EDC	Track revenue contributed and number of housing units built.

Goal 4: Improve Efficiencies and Effectiveness of Existing and New Services and Programs.					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
Determine inefficiencies and gaps in existing housing programs and services with a focus on continuous improvement.	Map existing housing services and programs to identify gaps	1. Compile document detailing all services and programs and relevant information. Incorporate regional services, if available. 2. Utilize provider data on needs and opportunities to determine gaps in services. 3. Identify inefficiencies or duplication of existing programs and services.	Summer 2024	County staff, CHC	Utilize resource mapping and gap identification process on an annual basis.
	Engage community and non-profit organizations to determine priority needs and opportunities.	1. Utilize the most recent community and public health surveys regarding satisfaction and needs of residents (next survey in 2024). 2. Consider alternative engagement options: community conversations, focus groups with service providers, housing-centered story circle.	Summer 2024	County staff, including Public Health, CHC	Receive feedback on surveys and increase the response rate. Conduct an annual community forum to gather information on needs and services.
	Address overlap or gaps in service, incorporate changes.	1. Determine partners/stakeholders to meet on issue. 2. Identify the need, review existing programs, determine overlap or gap (see strategy 4.1). 3. Craft recommendations for budget changes and program changes to meet the identified needs.	Summer 2024	County staff, CHC	Annual/biannual review and update.
Increase access to services and programs through outreach.	Regular dissemination of information on programs and services	1. Create basic outreach materials to share information on available resources. 2. Clarify information with law enforcement, businesses, and other partners. 3. Ensure accessibility of materials for non-English speakers, all language levels, etc. 4. Include non-traditional partners in existing meetings/forums to share information and answer questions.	Summer 2024 (ongoing)	County staff, CHC, other services providers, faith-based community	Information updated and shared on annual basis or as needed. Online and hard copies of information available in Spanish and English.

Goal 4: Improve Efficiencies and Effectiveness of Existing and New Services and Programs.					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
		5. Provide updates to partners on changes to programs and services on regular basis, as needed.			

Goal 5: Develop and Strengthen Sustainable Funding Sources that Meet the Need					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
Increase and diversify funding sources for housing and homelessness prevention.	Compare funding levels with impact and need.	1. Document existing funding levels. Review previous funding requests to County. 2. Conduct an affordable housing gap analysis, including funding availability and client waitlists. 3. Assign estimate of housing cost based on needs. 4. Compare the amount of funding needed to gap identified. This should include both County and service provider funds and needs.	Summer 2024 (ongoing)	County staff, CHC, CPRC	Increase in funding from year to year. Difference between funding requests and projected costs to address the need.
	Apply to a variety of funding sources.	1. Identify existing and new funding sources that meet the need and timing for funding. 2. Create and meet with working group to develop funding applications.	Summer 2024 (ongoing)	County staff, CHC, CPRC	Increase in the number and variety of funding sources.
Develop and launch an accessible dashboard shared between partners that monitors need and progress.	Create and/or expand a role to be the point of contact for the dashboard.	1. Coordinate on dashboard between DSS, CPRC, and County Housing Officer. 2. Document methodology and create platform for dashboard not reliant on subscription. Ensure ease of use to encourage continuity.	Winter 2024 (ongoing)	County staff, CHC, CPRC	Number of clicks/downloads of data dashboard, month-to-month, or year-to-year.
	Develop a virtual tool to host data that can be translated into	1. Publish dashboard and create marketing and educational materials (focused on accessibility for all).	Summer and Winter 2024	County staff, CHC, CPRC, AHAC	

Goal 5: Develop and Strengthen Sustainable Funding Sources that Meet the Need					
Outcome	Strategy	Activities	Timeline	Champion(s)	Measures
	physical resources.	2. Incorporate information into other communication materials.			
Establish flexible funding systems to address the variety of identified needs.	Evaluate current processes and criteria for funding and solicit feedback for improvement.	1. Evaluate process and criteria for all local housing funding. 2. Incorporate feedback from application process. 3. Share info with municipal partners as model process.	Winter 2024 (ongoing)	County staff, AHAC, CHC	Participation in evaluation of process and criteria for funding sources.
	Increase opportunities for visibility and engagement from potential funders.	1. Use existing collaborative efforts (CHC, AHAC, County) to engage funders with comprehensive data and information.	Summer 2024 (ongoing)	County staff, AHAC, CHC	Increase in engaging funders tied to improvements in flexible funding sources.

Goal 6: Hire and Retain Adequate and Appropriate Staff					
Outcome	Strategy	Activities	Timeline	Champion(s)	Measures
Staff represent the community they serve	Encourage applicants with a broad range of backgrounds and experiences .	1. Review background, education, and experience requirements for those working in housing and community development. 2. Consult EEO committee, staff demographics versus community. 3. Encourage individuals with lived experience to apply.	Unknown at this time	County staff	Background and experience matrix or annual basis for each new hire.
	Develop robust pipeline of opportunities in Chatham.	1. Identify and develop opportunities for internships within housing and community development work within the County. 2. Work with Chatham Schools and local community colleges to assess interest and	Unknown at this time	County staff, community partners	Increase in number of partners with internship opportunities.

Goal 6: Hire and Retain Adequate and Appropriate Staff					
Outcome	**Strategy**	**Activities**	**Timeline**	**Champion(s)**	**Measures**
		create pool of interested individuals for internships in local government and/or nonprofits.			
***Support* a workforce that is fulfilled and has capacity to serve the community now and in the future.**	Create high quality incentives to attract and retain workers.	1. Review and create appropriate incentives to hire and retain skilled staff within the County. 2. Review current feedback process for staff reviews and explore options to incorporate a 360-reviewer survey. 3. Provide support for nonprofit staff working within community organizations.	Unknown at this time	County staff	Measure majority of staff fulfilled on survey 70% of survey responses are favorable
	Improve indexing roles and responsibilities to make referrals and increase efficiency.	1. Create a directory of staff/positions relevant to housing and community development work at the County and municipal level. Update as needed and disseminate to staff to ensure understanding of different roles and responsibilities.	Unknown at this time	County and municipal staff	Unknown at this time

References

References for data are provided throughout the document. The primary data source for identifying sociodemographic trends within the State of Housing in Chatham County section of this report is the American Community Survey 2016-2020 Estimates, unless otherwise noted.

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[i] The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. For Chatham County, estimates are based off of the Durham-Chapel Hill Metropolitan Statistical Area.

[ii] FMRs are HUD-established estimates of gross rent, taking into account both rent and the cost of necessary utilities. They are based on a standard calculation, updated annually and are published online on https://www.HUDUser.gov https://www.huduser.gov/portal/datasets/fmr.html

[iii] Center for Neighborhood Technology. Housing and Transportation Index. https://htaindex.cnt.org/