

NC Leadership Forum

Regional Housing Report: Triad 2023



2023

Introduction

Although North Carolinians have always had significant political differences, they have historically exhibited a practical, problem-solving mindset to politics. However, the tenor of the times has become highly partisan, and like many other states, North Carolina finds itself sharply divided. Although some progress has been made in enabling constructive engagement across parties, progressive and conservative leaders often depend on different media and social media outlets, operate with different facts and beliefs, and don't often enough engage substantively with people with whom they disagree. Too often leaders assume the worst about the motives of members of the other party. For these reasons, our leaders are less willing and able to work together to create widely embraced solutions and opportunities for our state and its people. Our aim is to continue to help bridge this divide.

The North Carolina Leadership Forum (NCLF) seeks to create constructive engagement between North Carolina government, business, and non-profit policy leaders across party lines, ideologies, professional experiences, and regional perspectives. A program of Duke University, NCLF has been bringing together cohorts of NC leaders since 2015. Building on the success of our original statewide program, NCLF facilitated four regional programs on the topic of adequate housing, two in Spring 2022 and two in Spring 2023. Because many state leaders start out as local leaders, NCLF views expanding its regional offerings as part of a long-term strategy to impact the political environment of the State. The program also offers regional leaders a chance to grow and develop their skills to have a greater impact on local public policy needs.

The 2022 Triad North Carolina Leadership Forum addressed the topic of housing, asking:

How can we increase access to adequate housing in the Triad region of North Carolina?

The NCLF selected the Triad as a region ripe for this program for several reasons. Stakeholders from the region expressed an interest in hosting NCLF because of a strong need for addressing housing issues in the region and a lack of consensus amongst local organizations on a path forward. In addition, the larger region included leaders with strong potential to develop their skills locally and contribute in the long-term to statewide leadership. Finally, the region included a mix of political views, with both urban areas and rural areas that are changing and a need for increased dialogue amongst these different perspectives.

In order to maintain a group of 30-35 leaders, with representation of each county that participated, NCLF made the choice to focus on five counties in the region, rather than all of the counties typically viewed as part of the Triad. Counties included were Alamance, Davidson, Guilford, Randolph, and Rockingham. NCLF recruited an advisory committee to help identify and recruit participants, attend sessions, provide feedback in debrief sessions, and model participation in the program. The Triad NCLF Steering Committee members were:

- **Nancy Gottovi**, Executive Director, STARworks
- **Hank Henning**, Former Guilford County Commissioner
- **Omar Lugo**, Chair, Alamance County GOP
- **Harold Martin**, Chancellor, NC A&T State University
- **José Oliva**, Deputy Chief of Staff, Guilford County Schools
- **Jay Wagner**, Mayor, City of High Point
- **Ed Wilson**, Superior Court Judge

NCLF also recruited a diverse team of facilitators, who helped to plan and lead the program's five sessions, using the NCLF model:

- **Abdullah Antepi**, Associate Professor of Public Policy and Interfaith Relations, Duke University
- **Tracey Green-Washington**, President, Indigo Innovation Group
- **Dan Gurley**, Deputy Chief of Staff, Office of Speaker Tim Moore

33 people participated in the 2022 Triad NCLF program on adequate housing. The group included civic leaders from county and city governments, not-for-profit organizations including philanthropy and advocacy, and regional and local business leaders. NCLF purposefully set up the program to capture a range of people across the political spectrum and gather a critical mass of people who reflect the varied race, geography, and age of the Triad. Some of the participants are deeply engaged in housing and community development and some are more generally engaged in the Triad's success. For a complete list of the 2022 Triad NCLF participants, see Appendix A.

The group gathered for five one-day meetings between February and June of 2022. Meetings were rotated through the region and held in Greensboro, Asheboro, Graham, High Point, and Lexington.

The program progressed as follows:

- Establish ground rules for constructive engagement.
- Begin to build relationships and trust among members of the cohort.
- Identify the broad array of concerns related to housing in the Triad, and the core values participants hold in regards to housing issues.
- Develop a shared knowledge base by establishing basic facts and a greater understanding of where the complexities lie.
- Establish the overarching concerns related to the topic. Identify and discuss potential options to address each of these concerns, including benefits and drawbacks of each option.
- Determine the extent of agreement and disagreement about the proposed options and the levels of tolerance for their downsides.
- Identify the actions about which there is a consensus. For those actions that have substantial but not complete support, determine how they could be modified to broaden support. Dig deeper into the options that generated the greatest amount of disagreement to allow participants to articulate deeply held views, further understand others' viewpoints, and to practice skills in constructive engagement.

All NCLF meetings operate under the Chatham House Rule:

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

For a more detailed overview of the five meetings, see the [Regional Process Overview](#) on the NCLF website.

Context: Adequate Housing in the Triad Region

NCLF identified the Triad area of North Carolina as Alamance, Davidson, Guilford, Randolph, and Rockingham counties, an area of a little over a million people where it is common to live in one county and work in another and/or work and spend time in multiple counties.¹ While urban centers like Greensboro and High-Point are continuing to grow in population, rural areas like Randolph and Rockingham are different, with the latter decreasing in population in the last decade and Randolph growing at a slower pace-- until the recent announcement of the Toyota Mega-Plant and other economic development. Alamance County, sitting between the Triangle and Triad, has grown the most quickly, experiencing a 13.4% growth rate between 2010 and 2020, compared to 9.5% in the state overall. With new major economic development projects planned in the region, the population is expected to grow even more in the next five years, driving considerable increased housing demand.²

Demographically, the region is very diverse, with significant African American and Latino populations across the five counties. In the Greensboro metropolitan area in particular, the senior share of the population has been rising significantly compared to other age groups. There continues to be a stable and strong population of adults between the ages of 20-39, and a slightly reduced population of adults between the ages of 40 and 65. This change in the age of the region's population has suggested an increased demand for rental units compared to single-family homes, particularly in the metropolitan areas, but also somewhat in areas that were traditionally considered suburban or rural.

The region is largely considered a "sellers' market," with Greensboro home values increasing 19.7% from 2020 to 2021 and continuing increases expected for 2022.³ Over the past years, home values in Greensboro increased 63%, with the median value at \$215,309.⁴

County	Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Cost-Burdened Renters	Cost-Burdened Owners
North Carolina	4,215,474	\$55,916	\$175,782	\$979	43%	20%
Guilford	231,640	\$53,261	\$167,000	\$878	46%	20%
Randolph	56,541	\$47,288	\$124,100	\$703	40%	17%
Rockingham	44,422	\$43,579	\$112,800	\$672	40%	19%
Davidson	66,653	\$49,546	\$142,100	\$720	42%	17%
Alamance	64,439	\$49,688	\$154,800	\$813	46%	18%

Source: 2020 US Census, NC Housing Coalition

¹US Census Quickfacts

²A Heavy Lift Builders say housing is broken, and fixing it ahead of Toyota, Boom requires urgency <https://www.bizjournals.com/triad/news/2022/04/08/fixing-triad-housing-market.html> (April 28, 2022); Housing, industrial sites among areas Asheboro aims to address to maximize Toyota, VinFast potential <https://www.bizjournals.com/triad/news/2022/06/17/asheboro-housing-industrial-sites-toyota-vinfast.html> (June 17, 2022).

³Roofstock, Zillow

⁴US Census Quickfacts

Housing inventory in the region has not kept up with population changes, so housing demand has been strong. The rising price of owning a home and rapid sale of homes, as well as the younger working population, has increased the demand for rentals. In the Spring of 2022, when the cohort convened, real estate investors were reporting an all-time high for rental price increases as units experienced turnover, as well as a high rate of retention for tenants generally. While some new apartment construction was underway, almost double the number of units were proposed, with more construction anticipated to start in 2022 and a better ability to meet demand in late 2023 or 2024. One key observation of investors was that higher-cost units were more likely to be under construction, with limited availability of rental units for lower-income families, and a very limited number of high-rise apartments compared to smaller scale apartment units in the region.⁵

In addition, the Triad region is heavily invested in ameliorating blighted units; Greensboro spent \$1.5 million to rehab 250 homes in 2019 with the program continuing.⁶ However, older homes which are disproportionately owned by minorities and older adults are prone to having asbestos, lead-based paint, and/or poor insulation, which continues to need attention.⁷

Discussion: Concerns, Options, and Findings

Things Held Valuable

NCLF asked participants to share what they valued about housing or would like to see in a housing market and then consolidated the cohort's ideas into eight major categories. Noting that not all participants held all values or weighted them equally, here are the values the group identified:

- **Individual rights should be paramount**, such as safety, the free market, and the right to do what you prefer with property you own.
- Homes should be **shelter, providing health and comfort and a home-base** for families.
- Homes should help individuals to **build wealth and pass it on to subsequent generations**.
- People should have **equitable opportunities in terms of choice of housing**.
- There should be **safety nets for people with respect to housing needs**.
- **Existing communities** should be **respected**.
- Change should be **transparent and highly visible** to outsiders.
- People should be flexible, recognizing each other and **willing to try new ways of doing**.
- **Housing should be of good quality**, not just adequate or substandard.

In a subsequent exercise, participants were asked to discuss their values as a group by taking a position along a continuum on a range of paired statements and then sharing their individual perspectives. This exercise helps participants visualize that other people with different views are not necessarily as extreme as imagined and shows that people might move on a political continuum depending on the value at stake. Below are examples of the participants discussions.

⁵ See, e.g. RealPage/Real Capital Analytics in March 2022 (<https://www.realpage.com/analytics/>). See also US Department of Housing and Urban Development, Comprehensive Housing Market Analysis, Greensboro-High Point, NC (January 1, 2020) <https://www.huduser.gov/portal/publications/pdf/Greensboro-HighPointNC-CHMA-20.pdf>.

⁶ City of Greensboro Government

⁷ Piedmont Together Regional Plan

The government has an important role in increasing the housing supply vs. Increasing the housing supply should be left to private housing developers

Most participants positioned themselves in the middle for this question, with a few people strongly favoring a fully government role. When asked to clarify why they took their position, one person in the middle stated that government has the responsibility to level the playing field, but that it could not solve the housing crisis without developers having incentives to build needed houses. Several people agreed that there is a need for collaboration and a need to fill the gap that government could not successfully address on its own. At the same time, many agreed that the private market could invest and build, but that government needed to set standards, maintain roads, and create incentives to encourage housing. One participant represented the view that government has the largest role by saying, "Adequate housing is a human right. It shouldn't be up to the market demand to address basic human needs." The participant also noted that communities bear the cost of crime and other issues, not the developers who build housing.

Approval of infill development and redevelopment of existing housing stock should be prioritized ahead of exurban and suburban development

Participants were sharply divided on this topic, with strong preferences for both ends of the continuum. Some participants pointed out the community desire for infill development and affordable housing near current amenities. Others expressed concern that sprawl would harm existing retail and communities in the center of the city. On the other hand, some participants stated that the market drives what is being developed and that people prefer to live in the suburbs. Much of the discussion focused on whether it is the role of government to incentivize one type of development over the other. Some noted that it is easier for the government to provide services in a dense urban environment and that suburban sprawl generates less tax revenue, while others noted the need to find ways to pay for infrastructure to support growth in the suburbs.

Require private developers to include data regarding anticipated demand for housing in the community in their development plans and how their plan would best meet that demand vs. Require local governments to prioritize those development applications that propose to meet anticipated demand for housing in the community in previously marginalized areas within the community

In general, participants largely rejected both statements, expressing concern that these requirements would not work or would bog down efforts to build housing. Several participants stated that the market would drive development and that housing would be built in response to demand. Participants favored government incentives to build more housing, but expressed concerns about a process that would punish developers or slow down approval of projects.

There should be careful regulation of housing development to protect neighborhoods and communities vs. Regulations should be relaxed to make it easier to build new housing

Participants largely favored relaxing zoning processes in order to allow housing to be built. Several cited examples of ways zoning had been used to add cost to a developer's project, at risk of the developer building elsewhere. One participant spoke to a specific project where a neighborhood wanted new supportive housing and regulations were relaxed to allow them to protect the neighborhood and proceed.

Another participant emphasized that when zoning is used to prevent incompatible uses next to each other, he was supportive, but he thought it was now misused to inappropriately prevent apartments from being located near single-family homes. Another participant talked about how he might not like what his neighbor is building, but as a strong proponent of property rights, he believed that if a neighbor met minimum safety code requirements, the construction should be approved. Finally, a participant noted that developers can do outreach to obtain community buy-in, and recommended partnering with local community organizations to mobilize support for new housing development.

Eviction should be constrained to provide stability for households and families vs. Landlords should have broad leeway to evict tenants to protect their investments

Participants talked through the tensions in this pair of statements and highlighted ways they prioritized their concerns differently. For example, one participant who led a nonprofit organization noted that when their clients were evicted, they often had nowhere else to go and the organization had no remaining way to support the tenant. Another talked about the need for housing stability. A third person acknowledged the risk landlords take in leasing property, but also thought that there is a role for educating tenants and making sure tenants are supported the whole time they rent. Those speaking for the other point of view highlighted that when tenants cannot pay their rent, the landlord could lose the house. They cited the need for recourse and a way to hold onto the investment. Another participant made the point that while many people imagine wealthy landlords with many properties and profits, a larger proportion of landlords are people that own one or two homes and use the revenue for their retirement income. The consequences of tenants not paying in those circumstances could be a loss of critical income.

Concerns

At the start of the program, participants were asked to interview colleagues and neighbors about their concerns about housing and share the results with the cohort. The following categories of concerns emerged about housing in the region:

- The supply of housing is not adequate at all levels.
- Housing is too expensive to purchase.
- Escalating costs and other barriers make it hard for developers to build housing.
- Developers and individuals lack access to capital, which makes it difficult to build housing or purchase a home.
- There are constraints on the availability, affordability and quality of rental housing.
- Special populations lack access to housing (e.g. formerly incarcerated individuals, those with mental illness).
- Racial segregation and other inequities affect access to affordable housing and where it is located.
- Communities and neighborhoods oppose housing that is not single-family.
- Housing has an impact on the larger community (i.e., affects safety, determines financial stability, tradeoff of more homes versus nature and loss of countryside, people that work in a community but live elsewhere, reliance on cars versus walkability).

Actions to Address Concerns

Ultimately, the group selected three concerns for further discussion, brainstormed actions that could address the concern, and explored the benefits and downsides of selected actions in each category. It is important to note that not all forum members agreed that each of these concerns should be addressed with policy actions. Rather, among all the issues discussed, these concerns attracted substantial attention from the group to be considered further. An underlying theme throughout the discussion of all three concerns was *“How do we attract investment in housing and also ensure current communities/neighborhoods are able to thrive?”*

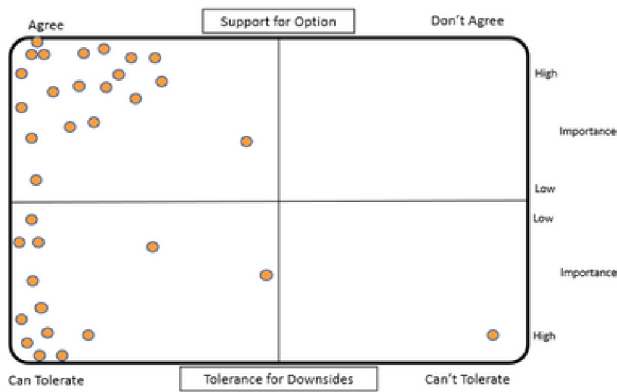
	Increase supply of housing	Address lack of access to capital for developers and individuals	Improve availability, affordability, and quality of rental housing
Actions with broad support	<p>Encourage more mixed-income, mixed-use residential housing where people can live where they work, by:</p> <ul style="list-style-type: none"> • Offering tax credits and technical assistance to encourage development and reuse of existing buildings for income-based housing in urban areas. • Changing zoning, for example, to allow additional density in exchange for providing a community benefit (affordable housing). <p>Expand the workforce for construction and skilled trades via career and technical education (CTE) and alternative adult education.</p>	<p>Use public/private partnerships with banks and developers to lower the bar to entry for redeveloping foreclosed and government-owned property.</p> <p>Use a rent-to-own model or down payment assistance to help buyers purchase a home.</p>	<p>Allow cities to be more aggressive to remove and rehabilitate abandoned homes (with private partners).</p> <p>Allow accessory dwelling units (ADUs) in single-family neighborhoods.</p>

	Increase supply of housing	Address lack of access to capital for developers and individuals	Improve availability, affordability, and quality of rental housing
Actions with varying degrees of support	<p>Decrease regulations to make it easier to build (zoning, permit process, city review of residential plans) and make zoning interpretations consistent across each county.</p> <p>Extend water and sewer lines to increase capacity for building in suburban/rural areas.</p>	<p>Create a fund to pay upfront rental costs for tenants.</p> <p>Subsidize transaction costs for small developers or offer micro-loans to encourage entry to the field.</p>	Change zoning codes to allow non-related people to live in student-style housing.
Actions with least support			<p>Require any municipality getting federal community development block grant (CDBG) funds to report how they removed barriers to housing.</p> <p>Do nothing and let the market self-correct (or change tax incentives to allow market correction).</p>

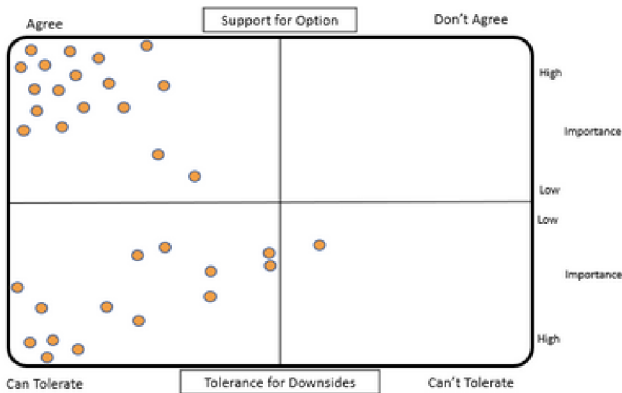
NCLF asked participants to discuss the benefits and downsides of each proposal separately. Once they had talked through the tradeoffs, participants were asked to vote on “polarity” charts to determine the level of agreement in the cohort for each proposal. Participants placed two “votes” on a polarity chart for that option. For the first vote, a participant indicated his or her level of support for the option by placing a sticker above the x axis, on the spectrum of “agree” to “don’t agree,” while also taking into account the intensity of that viewpoint. The second vote shows the extent to which someone can tolerate the downsides of an option and also the intensity of that opinion. Taken in aggregate, these votes provided a visual snapshot of the level of agreement on particular options.

Benefits and Downsides of Selected Actions

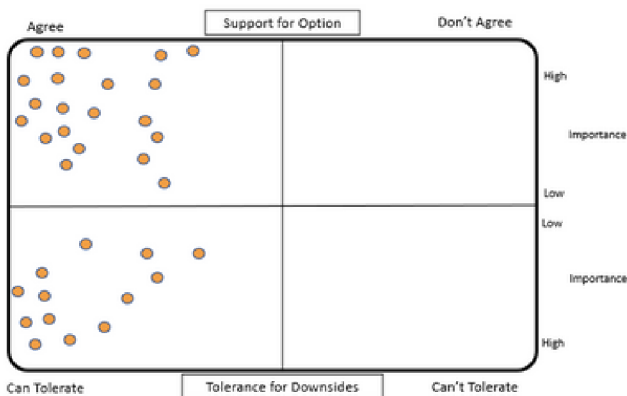
Participants proposed and discussed five actions that could increase the supply of housing. There was particularly strong support for the first three, and the group ultimately focused on how to further carry out those actions, see discussion below in Areas of Strongest Interest for Further Effort.



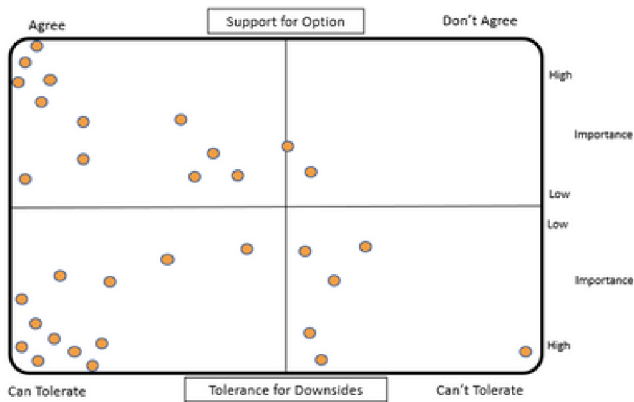
Encourage more mixed-income, mixed-use residential housing where people live where they work by changing zoning (for example allow additional density in exchange for community benefit)



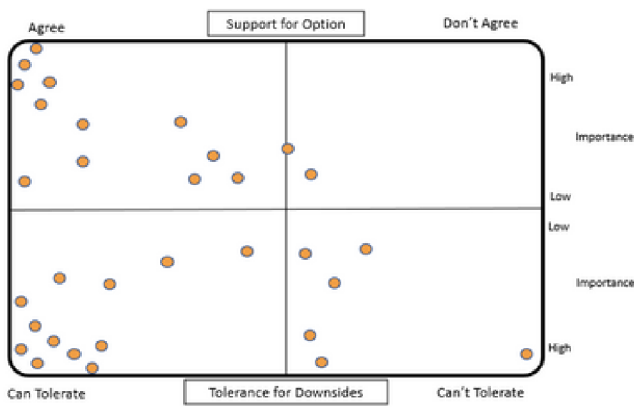
Expand workforce for construction and skilled trades via career and technical education (CTE) and alternative adult education



Offer tax credits and technical assistance to encourage development and reuse of existing buildings for income-based housing in urban areas



Decrease regulations to make it easier to build (zoning, permit process, city review of residential plans) and make zoning interpretations consistent across each county



Extend water and sewer lines to increase capacity for building in suburban/rural areas

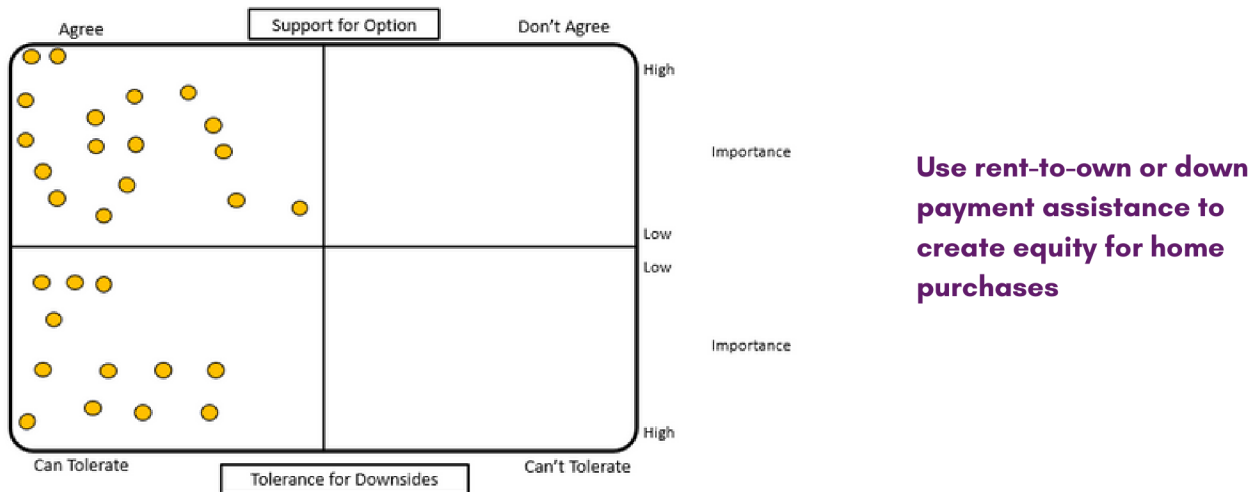
Use public/private partnerships to redevelop foreclosed and other government-owned property



Forum participants thought that the proposed benefits of the proposal to redevelop foreclosed and government-owned properties would help stabilize neighborhoods and increase curb appeal, would benefit the ability to do other projects in the area, and would speed up the process of adding the property base to the tax rolls. They also thought the proposal would provide more workforce housing and add more jobs locally. They saw the opportunity as one

that could benefit minority and women-owned businesses and small developers. They also thought it could lead to additional affordable development of new properties, including in-fill not attractive to other developers. Finally, forum members thought such partnerships could support homeowner education.

However, participants pointed to potential neighborhood pushback on development. They emphasized the importance of the clarity of rules and responsibilities in public-private partnership. Participants said that any process needs to be open, otherwise it could reinforce the perception that certain insiders benefit from the program (an appearance of a “good old boys’ network”). They also brought up the loss to the property owner of any foreclosed property. Further, they were concerned about the sustainability of such a program. Finally, they considered the reality of tax liens holding properties back from progressing through the redevelopment process.



There was general agreement on this proposal, although some support was stronger while some was towards the middle. The proposed forms of assistance could help people obtain housing they would not often be able to obtain and help them build assets. In the aggregate, the program would increase homeownership rates overall, while individuals would be able to improve their credit history. Conditional subsidies were seen as a benefit, resulting in personal improvement for impacted individuals. Neighborhood stabilization and improvement could also result. Non-profits were seen as able to help manage this effort.

On the other hand, participants were concerned that the program could put families at risk of foreclosure by putting them into homes they could not afford. Participants expressed concern about misuse of funds and people could take advantage of the program, and also noted additional risk for actors with good-intentions as a result of changing property values or just miscommunication. The guidelines or restrictions of property management companies or the misunderstandings with legal language in the arrangements was seen as a risk. Non-profits might not have the capacity to deal with landlord issues in general, and scaling could be a challenge. Funding and housing inventory were also seen as limits on the success of the approach.

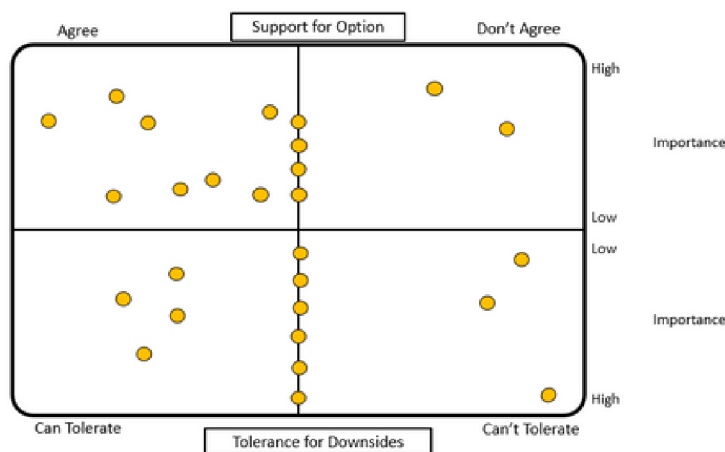
Create a fund to help tenants pay for upfront rental costs



Participants disagreed somewhat over this option. Forum members liked that this fund could help with housing stability and create better impacts for families, including in upward mobility. In addition to providing almost immediate access to housing, advocates saw it simultaneously reducing emergency services and use of the court system. They believed the proposal would benefit the landlords by bringing in more stable tenants, which could help the relationship between tenants and landlords. Participants noted the potential for renter education as a component of this program.

The downsides discussed focused largely on the costs and sustainability of the proposed program. With higher subsidy, the program might be less sustainable, but lower subsidy would leave higher rents. Choosing the right organizer of such an effort was deemed key. Landlords might worry that tenants would not be trustworthy, and the concern was raised about how to qualify the renter. One thought was to allow a co-signed agreement to mitigate some concerns.

Subsidize transaction costs for small developers or offer micro-loans to encourage entry to the field

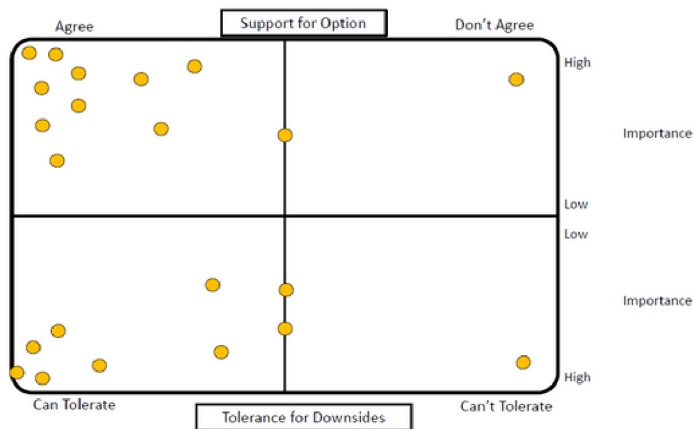


Although forum members were divided on this policy proposal, the advantages of increasing the number of developers who could contribute to increasing housing stock and potentially lower the cost of housing were important to proponents. By removing barriers to participating in development, some saw an 'opening of the market,' including to diverse and historically excluded communities.

Triad leaders also saw more competition for builders and contractors and the encouragement of responsible behaviors amongst those actors. They thought this policy action could get people into working neighborhoods and expand the local workforce. Concurrently, it could create attractive possibilities for larger organizations in need of subcontractors and a workforce. Combined, participants thought this proposal would result in economic benefit to the community. Some noted the importance of drawing a distinction between funding to obtain the project and funding to participate in an in-progress project. They also commented on the distinction between one-off private developer opportunities and special purpose nonprofit initiatives.

The potential downsides included putting small developers at risk given the risks of the current market, including supply chain issues. Small actors could be hurt by lack of diversification, and the program could be slow to pay. Relatedly, administrative costs and the sustainability of the program overall were brought up. On the other hand, some worried that if jurisdictions pursued this policy, everyone becomes a developer, risking lower quality work as businesses with less expertise enter the field. The program could also increase the load on government planning staff resources and general building resources in the area.

Allow Accessory Dwelling Units (ADUs) in order to increase the number of available rental properties



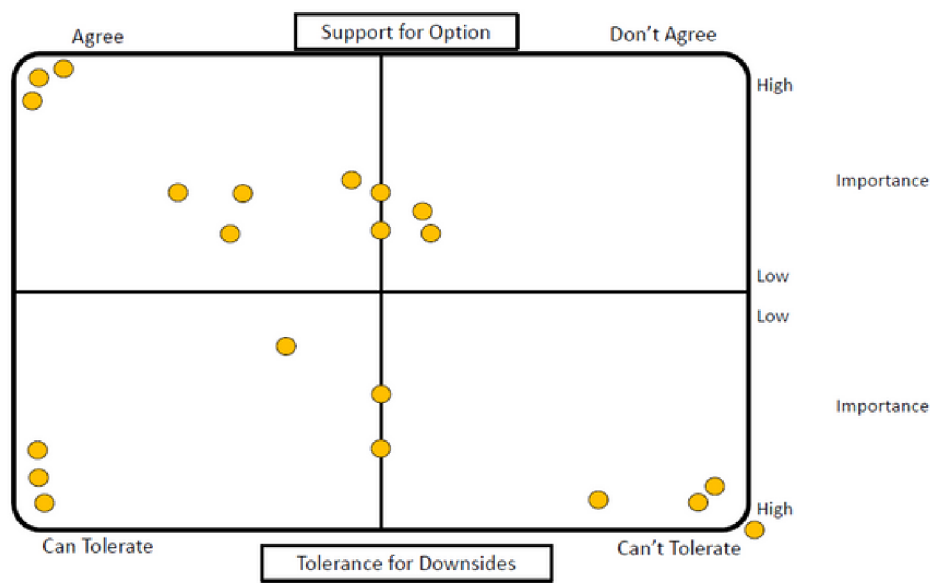
A majority of forum participants supported the idea of allowing accessory dwelling units (ADUs) in residential neighborhoods, though support was not universal. Proponents pointed to how the construction of ADUs could increase the availability of rental housing and provide extra income for homeowners. They thought this policy would increase density without overburdening infrastructure. Adding ADUs could also allow access to neighborhoods otherwise out of financial reach, while decreasing rental demand in the overall market. Forum members liked

the idea that ADUs can help keep family close, since there are examples of homeowners renting to family members. Finally, participants liked that the local jurisdiction could realize increased tax revenue from new ADUs.

On the downside, Triad leaders worried about additional density and crowding especially as it related to parking and traffic issues in neighborhoods. Participants were concerned the units might be used as AirBnBs rather than longer-term housing.

They pointed to a potential inconsistency of unit upkeep and of landlord personality types. It was noted that HOAs would not be in favor of this change because the restrictive covenants might need to be amended. Although use of existing infrastructure was seen by some as a benefit, an accompanying downside is the stress on those utility systems. In addition, there was a concern that these accessory units could be harder to regulate or could face housing code barriers, yet would require strong oversight and regulation to protect the communities. Finally, there was some concern that allowing ADUs could increase property values, making housing more unaffordable over time.

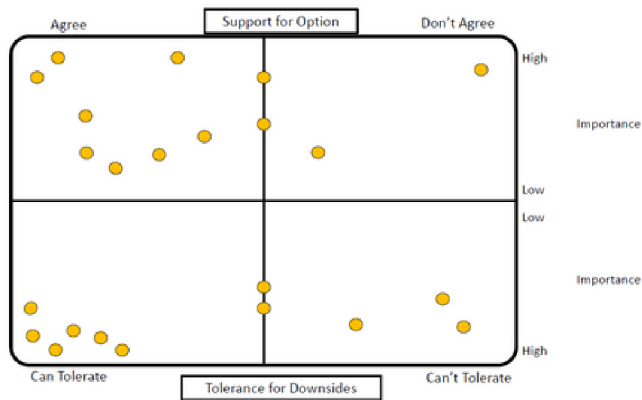
Require any municipality getting federal community development block grant (CDBG) funds to report how they removed barriers to housing (federal YIMBY proposal)



Forum members were divided about this proposal, with supporters seeing increased accountability for federal investments in housing. In particular, participants noted that the proposal would create more density in development. It could also create more housing options including single-room occupancy buildings and small multifamily units such as duplexes or triplexes. The policy could help define measurable impacts and lead to positive results. Support was not unqualified, however, with participants asking what challenges would be overcome by the proposal and noting that such a policy was limited in impact.

The downsides suggested by participants included the possibility of poor reporting, or reporting becoming the purpose of the activity, rather than the results themselves. The cost of reporting could also increase, and the flexibility of federal funds would decrease. People worried that this proposal would lead to loss of local control and federal overreach. Some thought it would not be better than what is currently done.

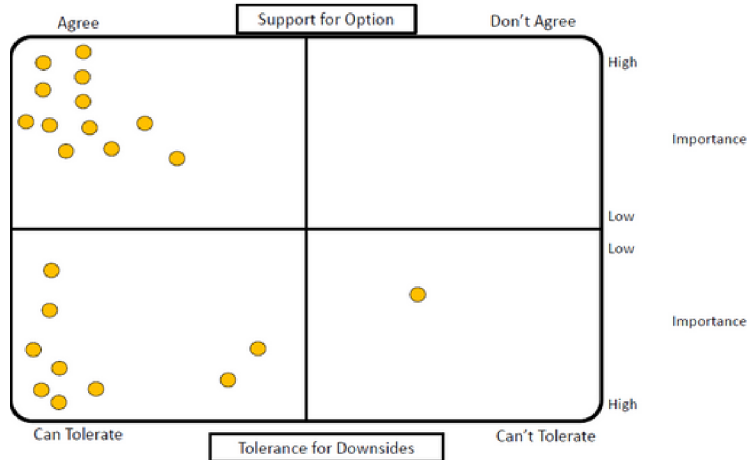
Allow Student-Style Multifamily Housing



Forum members divided over the proposal to allow student style multi-family housing. Advocates liked its potential for seniors, young professionals, and transient workers. It would be a lower cost option that could foster a sense of community and could even serve multigenerational families. Overall, it offered additional opportunities and the flexibility to deal with changing circumstances of the tenant.

The negative aspects of this proposal questioned whether the structure set up potential health risks whether the style of housing was suitable for families. Moreover, there was no guarantee that such units would be affordable. Participants also lifted up concerns with management and maintenance of the properties. Tenant conflict was a concern as well.

Allow cities to be more aggressive to remove and rehabilitate abandoned homes (in partnership with private partners)



Many but not all participants agreed on the importance of renewing abandoned property, with supporters seeing options for increasing the stock of affordable housing, removing blight, and taking advantage of under-utilized space in already developed areas (infill). Existing infrastructure and services could serve the renewed developments, and such renewal could potentially come online faster than new development. Advocates saw an opportunity to target affordable rental to tenants who would benefit, noting that there should be a restricted period of time before the landlord could flip the development to market rate. Alternatively, it was suggested that local government could condition subsidies of renewal projects on below-market rental rates.

However, some participants questioned whether encouraging development of abandoned properties could lead to gentrification. Cohort members also expressed concern about the potential difficulty of dealing with multiple owners and how the process overall might not be cost effective. A potential downside included the perception that the city would be buying and then profiting off the development or renewal of distressed property, or doing so in a manner that appeared inequitable. Some participants noted that administration of such a program could be difficult, although potentially local housing authorities could help operate. Skeptics of this policy also thought that setting below-market rates could make some people dependent on depressed rentals.

Overarching theme: Tension between change and community preservation amid development

Throughout the conversation, Forum participants also returned frequently to issues that related to many of the proposals, such as how to take regional equity into account and the need to support both small towns and bigger urban towns, but in different ways. Cohort members considered how a more regionally-focused attitude could help ease this tension. The example of regional support for an anticipated Randolph County mega-site underscored that sentiment, based on the interest in additional investment in the region. The group also talked about a more intra-community concept of equity, as the tension around gentrification or residents being pushed out emerged.

Participants identified a tension between progress and sustainability, with people questioning the definition of progress and what benefits that supposed progress brings. For example, sewer was equated with sprawl -- it might be progress, but it also may not be sustainable in the long-term for the community. On the other hand, sewer extension can reduce waste from failed septic systems. Relatedly, participants were concerned about how to best balance the interests related to housing against agricultural interests in debates over infrastructure planning. Finally, participants discussed the idea of listening to local priorities versus being open to outsider ideas. They wanted to retain their existing communities and young people and also saw that bringing in new opportunities could help communities thrive and encourage young people to stay.

Areas of Strongest Interest for Further Effort: Next Steps

In the final sessions of the program, the cohort selected several proposed actions that seemed to show agreement despite limited progress in the region to date and discussed strategies for implementation. Participants were asked: What are the next steps this group can take to make this happen? Who needs to be involved to move this plan forward? What additional resources

are needed? Is there anything already happening that should be incorporated into the workplan? Who in the group was willing to ensure further collaboration on the topic? The actions below are those that emerged from this process.

1. Use zoning reform and incentives for developers to promote mixed-income and mixed-size units in the same development (i.e., mix of cottages and larger homes)

Participants largely focused on how to address resistance to housing development and particularly to housing for low-income residents, as well as the varying need for infrastructure improvements to support development in some towns. They framed this topic as a “tug between progress and sustainability” and who benefits from development.

Forum members said developers needed to reach out to organizations to help educate the community and build trust early on. Strategies that were seen as effective included highlighting good design, learning what the community perceives as its needs, and educating local leaders. The group also thought that as local leaders better understood housing needs and options for development, they could better help organize neighborhoods to achieve their goals around housing. Participants advocated starting with smaller coalitions and local conversations, involving a local elected to champion housing goals, and involving community organizations, government leaders, and developers in discussions. Securing resources for a vehicle to educate all stakeholders about local housing needs would be important, as well.

In addition to educating local communities early on to counteract any assumptions about the stigma of housing aimed at lower-income populations, the group thought that tax incentives or other incentives that allow extra density would encourage developers to build needed housing. Local governments offering down payment assistance and increasing access to more developers to do projects were offered as strategies that could make a difference. Finally, the group suggested rezoning undeveloped areas for mixed use to attract desired development.

Finally, participants noted that housing development is limited by impediments around water and sewer infrastructure. Some towns such as former textile towns have high capacity and limited usage, while other towns have insufficient infrastructure. The cost of infrastructure can affect different communities differently depending on the finances of the entity. In less urban areas, there have been issues with maintenance of existing septic systems, leading to failures, leaving residents concerned about the additional demand on septic if new housing is built.

Another participant shared an example where some residents favored growth and others did not, largely based on their current sewer and water sources. Participants noted the need to overcome narrow local focus and encourage people to think about “helping your neighbors.” They cited the importance of investing in economic development and growth, even in adjacent counties, arguing that growth ultimately benefits the whole area.

2. Cultivate public/private partnerships with banks and developers to lower barriers to entry for redeveloping foreclosed and government-owned property

Participants noted that most would favor taking further steps here, with the exception of those worried about gentrification. They emphasized the need for scale with this approach, because if scale is not achieved benefits will remain marginal. Participants thought that more banks and builders were needed and that currently, capacity issues hindered the ability to move forward with redeveloping housing in this way. Land control needed to be achieved to move forward, and some thought a grant or loan fund for rehabilitation of low-income housing would be helpful. Forum members also pointed out that proactive action such as increased investment in inspections might be a preferred long-term solution to avoid the need to rehabilitate housing at the same scale in the future. Some wanted an aggressive stance and increased enforcement from local governments on properties that need attention, are in disrepair, or suffer blight.

In the context of existing organizational and logistical challenges, participants thought a third party taking the lead could be helpful in next steps. The group thought that local governments – including enforcement – as well as banks, nonprofits, and area community foundations all need to be involved to successfully redevelop existing properties. Some advocated that local governments apply for receivership programs, which would allow the local government to go to court, appoint a receiver, improve the property, and then sell for redevelopment, a model that has been successful in some parts of the region already.

3. Use tax credits and technical assistance to encourage development and reuse of existing buildings for income-based housing in urban areas

Participants praised public-private partnerships to redevelop existing buildings and cited the Revolution Mills project in Greensboro as a great example of this kind of project. To move projects forward, participants recommended finding the right developer who has experience with tax credits and having the North Carolina Department of Natural and Cultural Resources (NCDNCR) involved as well. Other valuable parties included banks, local government, developers, citizens and community groups, and technical assistance organizations such as the Center for Community Progress.

Forum members suggested developing a resource hub for parties interested in this kind of development, where they could learn more about how to go about planning a project and identify opportunities. The group recommended changing zoning to increase opportunities for development, as tax credits go to the communities that have zoning in place already. A further suggestion was to create messaging that encouraged development in areas with economic opportunity.

Cohort members said that they hoped to encourage communities to create a vision, using technical assistance to educate involved parties and local residents. They suggested communities could create a plan and use that plan to approach or solicit developers. This could be a part of more general good land use planning, which was an important underlying factor of progress in housing work. They noted that with infill growth, and for growth more generally, capacity of the local government was very important. The cohort also highlighted the concern for the elderly, who cannot often afford as much, and hoped that these action steps could help protect the elderly and could lower potential homelessness among this population.

One additional concern raised was that the selection of participants on local boards was inhibiting new ideas and leadership development. Participants desired more accountability for local officials and for those that engage in public private partnerships to ensure the community's interests are served.

4. Expand workforce for construction and skilled trades via career and technical education (CTE) and alternative adult education

Forum members noted that because of worker shortages, there is bipartisan support for career and technical education (CTE) around construction and related skilled trades. Participants thought that a key next step was to motivate students to pursue work in trades earlier, such as by bringing back Shop Class in high school and fostering more partnerships between high schools and community college training programs. Exposure to 3D printing, coding, and other technological innovations were among the skills participants identified as needed for skilled workers. Further, the group thought that efforts should be made to change the perception around construction, solar construction, plumbing, HVAC technicians, waste management, and the like, so that people would have an interest in pursuing these careers.

Participants thought that if people were better informed about the type of work involved and the potential for good pay, more people would be enticed to enter the trades. The group thought that apprenticeship pay was not sufficient to motivate people, so encouraged further work to clarify licensing and degree needs for trade jobs. Expanding design and technical work at the university level could also open up more pathways.

Finally, the group saw several barriers to entry, requiring more resources to make it possible for people to train for skilled construction and trade jobs. Fees for training and the time required for training when a person is not earning wages is a challenge. Transportation is often an issue. Criminal histories can be a barrier for entering the trades, as can job licensing hurdles. Reducing those hurdles' impact, modernizing licensing, and revisiting licensing's purpose was recommended. Participants also suggested community-driven solutions to address some of these concerns.

5. Encourage cities to conduct more aggressive removal and rehabilitation of abandoned homes

The group discussed an example from High Point, NC, which used CDBG funding to address abandoned properties. High Point made a commitment to be proactive instead of reactive, increased code enforcement, and collaborated with nonprofits and private development partners, as well as elected officials, to execute the program. In addition, High Point created a relocation program to assist any property residents who needed it. Forum members were interested in replicating the model in other parts of the region, noting that the program required involvement from a range of government, nonprofit, property managers, and other neighborhood interests to succeed. They wanted additional funding, knowledge, and commitment to try similar efforts elsewhere.

What We Learned

NCLF provides policy leaders both the opportunity to learn about a topic of importance to the state and the chance to build the capacity to work more constructively with a wide range of leaders going forward. In 2022, NCLF participants in the Triad engaged each other about how housing could work for people and their communities, to provide more opportunity and quality of life to area residents.

What Participants Gained and Valued About the Process

Immediately following each cohort program, NCLF surveys participants about their experience. 89% of Triad participants completing the survey agreed that they had formed new or deeper relationships that they otherwise would not have formed, both from a different political party or ideology (78%) and from a different sector (89%). 85% also reported increased confidence in their ability to engage constructively with people from different political parties or ideologies, and a similar percentage reported an increased willingness or likelihood to work with someone from a different political party or ideology.

In discussions at the conclusion of the program, participants pointed to the usefulness of having a cross sector of industries in the room to discuss housing issues. This allowed for the mixing of people in various conversations over the five-county region and led to some new professional relationships that were likely to enhance future efforts by participants. The region size itself, of five counties, was also viewed as a positive. Forum members did have concerns that the region did not include important viewpoints from Forsyth County, which has a significant impact on the region both for work and housing. However, they acknowledged that it was valuable to maintain a small group and representing the smaller counties in discussion, which would have been difficult to accomplish with the participation of an additional larger county. Participants also flagged challenges with attending full-day meetings and the travel needed for each session.

What NCLF Learned

The Triad regional cohort was the first program in which the NC Leadership Forum took its statewide model and applied it in a regional, multi-county format. This change required developing buy-in from local leaders who helped us identify and recruit participants, identifying new facilitators for the meetings, and testing our model in a smaller region. We learned several key lessons:

- There is an appetite for constructive engagement on critical policy issues at the regional and county level. When we first approached local leaders, several welcomed us eagerly, expressing frustration at the barriers to addressing housing needs in the area. These leaders also played a critical role in identifying participants, convincing them to attend forum meetings, and setting the tone for engagement at the meetings. In addition, we learned that while the participants live within an hour's drive of each other, many had never met and did not previously see each other as resources. Since the program, the participants have shared several examples of new collaborations that grew out of the forum.
- The NCLF model can be replicated with trained facilitators. While at the state level, our steering committee designs the program, invites participants, and facilitates the program, we separated the facilitation role for regional programs. A key ingredient of success was developing a diverse team of facilitators that brought different political perspectives to the table and different areas of expertise, from policy to group dynamics. We provided training to the facilitators and moved from a volunteer facilitation team to a paid team, with significant success. In addition to the facilitators, we were able to recruit a local advisory committee that helped with selecting and recruiting participants, and this advisory committee played an essential role in setting the tone for the group and in providing feedback throughout the program.

- We saw value in selecting a region of about 4-5 counties, which allowed us to identify a very diverse range of leadership perspectives, both in terms of urban-rural, racial and ethnic diversity, and political views. The difference in urban and rural perspectives is particularly noteworthy at the regional level, and we saw leaders learn a great deal about neighboring views that they had previously not considered. We made it a priority to use the Forum as an opportunity for participants to learn about each county, rotating the program to each represented county, and making an effort to incorporate speakers, presentations, or tours that showed off at least a piece of each area. Participants valued this component of the program and have continued to think more expansively about the region since the program. The Triad program revealed a challenge of this approach, which is that some NC regions are much larger and cannot easily be represented in a 36-member forum. NCLF made choices (with local input) on how to limit a region to some counties within it, and hopes to return to the region for future programs with different leaders and different counties. However, with a topic like housing, these choices do have some impact on the breadth of discussion.
- A new exercise that was implemented in regional sessions was “Where do you stand?” In this cohort, participants demonstrated their stance on values and concerns by physically moving to a spot in the room that represented their viewpoint on the question presented. Participants engaged in this exercise with more energy than they had engaged in the previous method of polling, as they were able to see and engage with other cohort members during the exercise more freely. At the Triad program, NCLF also tested a “fishbowl” discussion, in which participants could tag in and out of answering a question while observing their colleagues in conversation. Participants enjoyed this method immensely and it allowed them to “warm up” to speaking and also carefully listen to others. We will continue to incorporate these exercises and other opportunities for participants to move around and engage actively going forward.
- One challenge of moving from the statewide to regional/multi-county level was calibrating the right amount of time for meetings and the right level of policy education to incorporate. Because our statewide participants travel from across the state, we typically conduct meetings across two-day periods, starting late one day and ending early the other. Since participants in the Triad forum lived within an hour of each other, we planned five full-day meetings. Some participants expressed a preference for shorter meetings so that they could also work part of the day. The tighter full-day meetings also limited the time available to supplement participants’ proposed ideas with external research or information.

A third-party evaluator conducted some semi-structured interviews and focus groups with participants after the program. Participants shared the following:

- There was overwhelming praise for the program, particularly highlighting increased courage and confidence to take action after the forum concluded.
- They appreciated the importance of building relationships in their region and connecting with people on a personal level.
- They also noted being inspired and hopeful after seeing people with genuinely different perspectives engage in good faith conversations about housing in the region.
- Many asserted that the program gave them increased self-confidence in their own leadership and perspective, including in their ability to talk with elected officials and speak about housing.

Conclusion

With recent economic development projects announced for the Triad region and a changing population that is both aging and includes a younger workforce, there is expected to be both increased housing demand and dynamic change throughout the five counties included in the Triad Leadership Forum. Regardless of political ideology, urban or rural residence, or sector of engagement, the participants in the Triad attended the program with a strong interest in identifying strategies for increasing the housing supply in the region. While they had different interests and views on the best path forward, participants listened with curiosity and good faith, and emerged with a deeper understanding of each other and ideas for addressing the region's housing needs. Numerous new relationships were formed that will enhance networks and opportunities moving forward, making collaboration more likely and increasing the willingness of the participants to recommit to improving access to adequate housing in the region.

Acknowledgements

NCLF was founded at Duke's Sanford School of Public Policy and is now housed within the Office of the Provost at Duke University. The Community Foundation for Greater Greensboro and Guilford County generously supported the NCLF Triad program and the Guilford County Manager's office played an essential role in helping the program become established. The Duke Endowment, the John William Pope Foundation, the Z. Smith Reynolds Foundation, the Hewlett Foundation, and the Bank of America also provide general support to all of NCLF's programming.

Thank you to the NCLF Steering Committee for their continued leadership, to the Triad advisory committee for their work throughout the program, including hosting us at several locations around the region, and to our Triad facilitators for their attention to the excellence of the program and encouraging constructive and meaningful conversation. Research support was provided by Joey Rauch and Morgan Robertson, undergraduate students at Duke University.

Appendix A

Triad NCLF 2022 Participant List

1. **Daniel Briggs**, President, Davidson Funeral Homes
2. **Linda Brown**, Asheboro Chamber of Commerce
3. **Eddie Burks**, Asheboro City Council
4. **Algenon Cash**, Wharton Gladden & Co*
5. **Kay Cashion**, Guilford County Commissioner
6. **Newell Clark**, Mayor of Lexington
7. **Greg Cox**, Triad Bank of America President
8. **Jason Ewing**, Mungo Homes
9. **Michael Fox**, Chair of the NC Board of Transportation
10. **Yazmin Rico Garcia**, Director of Latino Policy and Strategy at NCDHHS,
11. **Nancy Gottovi**, Executive Director STARworks*
12. **Patrick Harman**, Executive Director, Hayden-Harman Foundation
13. **Deena Hayes-Greene**, Racial Equity Institute; Guilford County Board of Education
14. **Hank Henning**, Former Guilford County Commissioner*
15. **Merald Holloway**, Executive Director, NC 100
16. **Melanie Jennings**, Communications Consultant; Former McCrory and Burr staff
17. **Jon Lowder**, President, TREBIC; former ED Piedmont Triad Apartment Association
18. **Omar Lugo**, Chair, Alamance County GOP*
19. **Harold Martin**, Chancellor NC A&T State University*
20. **Joel McClosky**, Owner Four Saints Brewing
21. **Jose Oliva**, Deputy Chief of Staff, Guilford County Schools*
22. **Robert Powell**, NC A&T Architecture Professor; fChair, Community Foundation of Greater Greensboro Housing Committee
23. **Kristen Powers**, Executive Director, Benevolence Farm
24. **Paula Rakestraw**, Rockingham School Board
25. **Jason Ramey**, District Attorney, Rockingham County
26. **LeAndra Ratliff**, Director, Program Services Burlington Housing Authority; Chair, Burlington Chamber of Commerce
27. **Jennifer Talley**, Mayor of Graham
28. **Jay Wagner**, Mayor of High Point*
29. **Goldie Wells**, Greensboro City Council
30. **Josie Williams**, Executive Director, GSO Housing Coalition
31. **Ed Wilson**, Superior Court Judge*

*Denotes Steering Committee Member

Appendix B

Full List of Adequate Housing Concerns, as Identified by Participants

During our initial meeting, NCLF staff recorded the concerns of each participant. Later, the issues were grouped by theme so that they could be more easily navigated. Facilitators narrowed the list to a select set of concerns for discussion. The original list included the following:

Supply of housing is not adequate at all levels

- Few middle- and upper-priced homes gives little ability to attract high-paying businesses
- People cannot afford to enter the housing market due to prices
- As people are aging-in-place, there are not enough small homes available
- As people age, there is not enough senior housing
- Little inventory for people in rural areas; Leads to long commutes for farmworkers
- Tax credits expiring; Displaces large groups of people

Housing is too expensive to buy

- Many populations fear they will never be able to become homeowners, become a part of the community
- The cost of living is higher than the wages of the essential working-class including teachers, police, firefighters
- Bidding wars on the small supply inflate prices even higher
- Large corporations are out-buying residents
- No wealth-building if there is no ability to buy a home
- Income disparities make people unable to buy homes

Escalating costs and other barriers make it hard to build housing

- Government has high barriers to development; Development already a high-barrier job
- City and county staff are short-handed and underfunded
- Suburbs and rural areas lack the infrastructure necessary for development
- Lack of skilled labor who can build homes and infrastructure
- Construction and development costs are rising exorbitantly
- Various zoning issues including single-family restrictions, minimum lot sizes

Lack of access to capital limits developers' and individuals' ability to build/access housing

- Banks undermine new and minority loanees, developers, builders
- Sub-prime loans hurt communities long-terms
- Federal funding hard to navigate and difficult to procure

Rental Housing: Constraints on availability, affordability, quality

- Wage bands for subsidized housing feel off
- Affordable housing only subsidized for a period before expires
- People turned away from rental housing because of background
- Property owners rejecting Section 8 Vouchers, evicting to “clean the slate”
- Minimum housing code discourages landlords from complying with Section 8
- Housing prices rising above fixed incomes, including social security
- Renters lack infrastructure, proximity to social services
- Lack of “healthy homes” – too much asbestos, lead paint, poor quality weather

Lack of access for special populations (formerly incarcerated, mentally ill)

- Lack of transitional housing, wrap-around services for people leaving prison
- Criminal records make difficult to get housing—quality and location of housing limited.
- Hard to find transitional housing
- Few programs to assist mobile homes
- Lack of options for homeless people
- Seniors can't afford to stay in their homes on a fixed income

Racial and other inequities/ segregation

- Exclusionary zoning – Product of redlining. Creates barrier to new affordable housing in areas beyond where already concentrated.
- Affordable housing concentrated in certain areas, concentrates income-restricted properties, lack of amenities nearby
- Histories of redlining
- Historic and racially segregating aspects
- How poverty is concentrated by race
- Schools – districts make it connected to housing where some people get advantage

Community and neighborhood opposition to housing that is not single-family

- Proximity Impact of developments – polarizing in the community
- No county-wide zoning creates strange bedfellows (ex. sewage plants next to homes), infringes on individual liberties
- Where to locate affordable housing and impact of location
- Neighborhood rights to protect nature of area
- Resistance to higher density

Impacts on communities

- Cycles of poverty
- Communities are losing amenities
- People not incentivized to move into poorer neighborhoods

- Housing one of few ways to stabilize
- Safety and security needed
- Lack of (feeling of) safety a disincentive to investments
- Thinking about what a 'city' means - Less car reliance, less need to expend odd costs
- Cities are segmented too much
- Neighborhoods friendly to walking, biking, families
- Losing the countryside and views around their homes
- Tradeoff of more homes v. losing nature; Losing environment around homes as growth
- People choosing to live outside of their community but work there
- Stigma of low-income housing; Stigma of "the projects" associated with crime and drugs
- Presence of crime
- Impact of new developments on current housing developments—changes home values.