

# NC Leadership Forum

## Regional Housing Report: Triangle 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 2023 Triangle Leadership Forum addressed the topic of housing, asking:

## **How can we increase access to adequate housing in the Triangle region of North Carolina?**

The Triangle region was selected for this program for a variety of reasons. The Triangle is one of the fastest growing regions in the country, with housing demands that dominate local news and politics. Stakeholders in the area, including local NCLF alumni, agreed that it would be helpful to bring adjacent counties together to compare how they were each approaching housing needs in their area and learn from each other or even explore ways to coordinate better. Further, the mix of political perspectives across the region and the changing urban, rural and suburban landscape, have all brought significant challenges and disputes to the table. Stakeholders agreed that increased dialogue between different perspectives would be valuable and that the program could offer local and regional leaders a chance to grow and develop their skills locally. Because most state leaders start out as local leaders, NCLF views this component as part of a long-term strategy to impact the political environment of the State.

In order to have a reasonably sized group that could have an effective dialogue and representation from each county that participated, NCLF focused on just four counties within the larger Triangle region, generally the Southeastern portion of the Triangle. The participating counties were: Johnston, Wake, Harnett, and Chatham. 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 Triangle Leadership Advisory Committee members were:

- **DeVan Barbour**, Co-Founder, Cornerstone Employee Benefits
- **Nicole Dozier**, Director Health Advocacy Project, NC Justice Center
- **Franklin Gomez Flores**, Commissioner, Chatham County
- **Brooks Matthews**, Commissioner, Harnett County & Deputy Superintendent Harnett County Schools
- **Richard Moore**, CEO, First Bancorp
- **\*Richard Stevens**, Attorney, Smith Anderson (Served on the Advisory Committee during the initial planning phase, but did not participate in the Forum.)

NCLF used a diverse team of facilitators to help plan and lead the program's four sessions, using the NCLF model. They were:

- **Tracey Greene-Washington**, President, Indigo Innovation Group & Co-founder of CoThinkk
- **John Hood**, President, John William Pope Foundation & Co-founder of NCLF
- **Brooke Medina**, VP of Communications, John Locke Foundation

The cohort of 32 distinguished policy leaders were intentionally balanced across political party, sector, and gender and reflected the region in terms of race, geography, and age. Members included county commissioners, mayors, housing advocates, developers, and others contributing in meaningful ways to the region's success. For a complete list of the 2023 Triangle Leadership Forum participants, see Appendix A.

The group gathered for three one-day and one two-day meetings between March and June of 2023. Meetings were rotated through the region and held in Smithfield (Johnston County), Cary (Wake County), Lillington (Harnett County), and Pittsboro (Chatham County). 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.***

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 Triangle region, and the core values participants hold in regard 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.

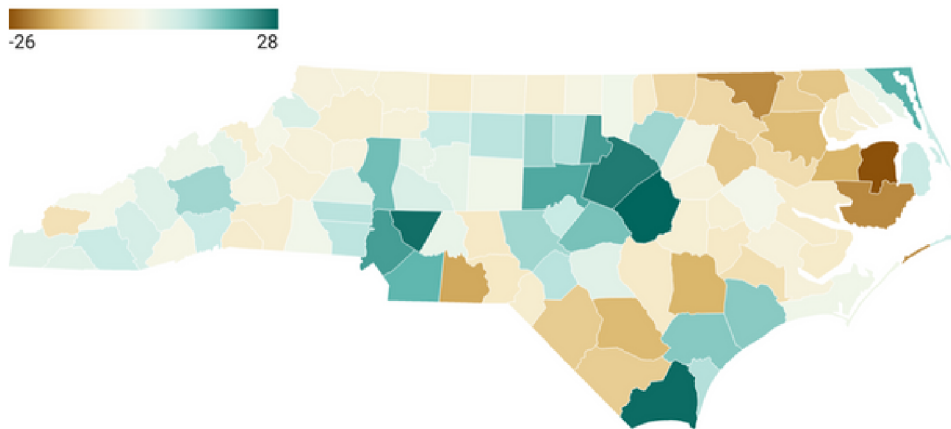
For a more detailed overview of the four meetings, see the [Regional Process Overview](#) on the [NCLF website](#).

## Context: Adequate Housing in the Triangle region

The Triangle region of North Carolina is a major driver of population growth in the State of North Carolina overall, particularly Wake and Johnston County. Johnston County is one of the fastest growing counties in the state, growing nearly three times the state growth rate. Because Wake County is also one of the most populated counties in the state, its growth is having an even more significant impact - Wake County is in fact one of the fastest growing areas in the entire US. All four counties that participated in the NCLF Triangle cohort - Wake, Johnston, Chatham, and Harnett—are growing at a rate that exceeds the rest of the state.

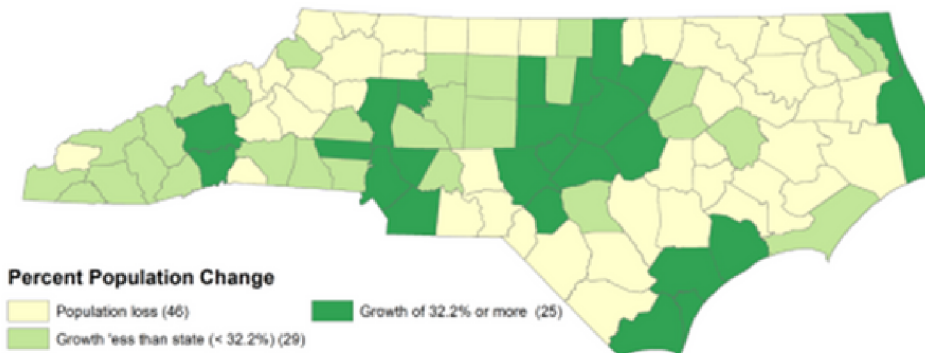
### Fastest growth in Triangle, Charlotte, Wilmington

Population growth rate (%) for NC counties, 2010-2020



Map: Carolina Demography • Source: U.S. Census Bureau • Created with Datawrapper

## Projected County Population Change 2021-2050



Source: NC Office of State Budget and Management, State Population Projections, Vintage 2021, available at <https://www.osbm.nc.gov/blog/2022/02/17/population-projections-provide-glimpse-our-future>

The four counties in the Triangle are very diverse already and becoming even more diverse as the population continues to grow. Unlike many other parts of North Carolina, Harnett, Johnston, and Wake County are all growing as a result of both in-migration and natural growth (more births than deaths), and the three counties skew younger than the state overall. Chatham’s growth, however, is driven by in-migration, both of a growing working adult population and retirees, and the county has a larger than average senior population.

	Total population (2020)	Population by race/ethnicity	% <18 (2020)	% 19-64 (2020)	% 65+ (2020)
<b>NC</b>	10,439,388 <ul style="list-style-type: none"> <li>9.5% growth since 2010</li> </ul>	12.4% Black 18.7% Hispanic 10.2% Multiracial 61.6% White	21.4%	61.2%	17.4%
<b>Chatham</b>	76,285 <ul style="list-style-type: none"> <li>20% growth since 2010</li> <li>34% projected growth by 2040</li> </ul>	10% Black 14% Hispanic 4% Multiracial 70% White	19.3%	55.4%	25.3%
<b>Harnett</b>	133,568 <ul style="list-style-type: none"> <li>16% growth since 2010</li> <li>31% projected growth by 2040</li> </ul>	20% Black 14% Hispanic 5% Multiracial 58% White	25.5%	61.2%	13.3%
<b>Johnston</b>	215,999 <ul style="list-style-type: none"> <li>28% growth since 2010</li> <li>47% projected growth by 2040</li> </ul>	15% Black 16% Hispanic 4% Multiracial 63% White	25%	61.3%	13.7%
<b>Wake</b>	1,129,410 <ul style="list-style-type: none"> <li>25% growth since 2010</li> <li>46% projected growth by 2040</li> </ul>	18% Black 11% Hispanic 4% Multiracial 57% White	23.2%	64.2%	12.6%

The pace of growth, combined with the diversity of the population along many dimensions, creates not just a need for more housing, but a demand for a wide range of housing types—from multi-generational apartments to aging in place and senior care housing. All of this growth is also increasing density beyond the original urban core, into more historically rural parts of the four counties. Finally, as growth has outpaced development, housing prices and rental costs have risen rapidly, creating a housing affordability crisis in the region. Many employers are also raising alarms that their workers cannot find an affordable place to live in the Triangle, often moving further away from jobs and lengthening their commutes, or seeking employment elsewhere in exchange for lower cost housing options. Finally, those that already live in the area are concerned that they will not be able to remain in their homes - they are under pressure to sell, older homes are in need of repairs that residents cannot afford, and increased property values are making property taxes even more unaffordable.

# Discussion: Concerns, Options, and Findings

## Things Held Valuable

NCLF asked participants to share their ideas about values relating to housing and then consolidated the cohort's ideas into nine major categories. Noting that not all participants held all values or weighted them equally, here are the values the group identified:

1. Housing should be **affordable** to a wide array of households.
2. Access to housing should be **fair** and **equitable**.
3. Communities should be **diverse**.
4. Communities should have **access to amenities**.
5. Home ownership should build **home equity and wealth**.
6. New developments are better if they have **local developers**.
7. New development should sustain the **character** and **environmental health** of the region.
8. Housing and neighborhoods should be **healthy** and **safe**.
9. Local governments should be **visionary** and **transparent**.

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 others 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.

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

Most participants positioned themselves in the middle, with a cluster of people favoring a fully government role. This group believed it was the government's responsibility to make sure housing is distributed in the local area in a way that is fair and equitable and that if left to the market, that would not happen. Specifically, their concern was that the private market would ensure wealthier residents are clustered in desirable parts of town, while lower-income residents would only find affordable housing in less desirable locations (i.e., far from work, near pollutants or less greenery, where crime is concentrated, etc.). A person in the middle of the line disagreed, saying that the government should set safeguards or rules of the road, but the market should determine where housing is built. Another participant said there is a nuance to who participates in the housing market - it will take both the government and private developers, and many types of both, to create and sustain housing that suits the community. Many in the group agreed that builders must be at the table in order to bring the supply to market and deliver more housing. At the same time, many said that if the market dictates the housing supply, there would not be enough affordable housing. Instead, the government needs to step up to supply funds and incentives for housing. Builders could then respond by bringing supply to the market and setting pricing for housing in a way that meets the public's full need.

## **Developers should be required to include affordable housing units in large developments**

Participants were evenly distributed along the line on this question, with strong feelings on both ends. For those in support, requiring developers to include affordable housing units was the more equitably responsible way to contribute to the supply. On the opposing end, participants

felt strongly that the more government regulations, the higher the cost of housing. One participant summarized their view by saying that unregulated housing is the cheapest housing and if we want more affordability broadly speaking, not just more affordable housing units, then we should figure out how we can reduce regulations to allow more developers to build more housing. Another participant framed this choice in a hypothetical scenario – they imagined that if a developer is building 300 units, government might require 10 to be affordable. However, they thought that another deal might be possible where the requirements are not as explicit, but instead regulations could be waived and the builder allowed to build fewer units (or given other concessions, like fewer parking spots per unit). In this new situation, a builder might actually build a smaller development with 200 units, and use higher rents per unit to offset the cost, including 15 or 20 affordable units instead of the 10 proposed under the original plan.

### **There should be careful regulation of housing development to protect the environment and community character vs. Regulations should be relaxed to make it easier to build more new housing**

The majority of participants fell in the middle on this issue, taking the position that while the environment and community character should be taken into consideration, regulations should largely be eased to build more housing. There was a shared sense that a large number of regulations were unnecessary and overly burdensome. However, one participant on the other side of the issue cautioned against easing environmental regulations in favor of building more houses, noting that she has seen rivers and land destroyed as a result. Another participant noted that it's important to be clear about what "community character" means, because it could be used to exclude certain people or prevent more affordable housing options in a neighborhood. Other participants stated that in their view, North Carolina has too many old regulations that are outdated and counter-productive. They would like to see these regulations updated and modernized to keep up with modern housing needs and practices.

### **Localities should prioritize approving housing developments in under-served communities that are affordable for low-income households vs. Localities should prioritize more construction overall so that there are more overall housing units at a lower price across the region**

The cohort largely stood in the middle for this pair of statements, with small groups of participants at each end. One participant reminded the group that at the end of the day, housing is for people and that it is important to build housing that serves the real needs of local residents, so policy should take a human-centered approach rather than focus on what is most profitable in terms of housing development. Another participant said they are a realist and that it was rational for developers to build more expensive housing where wealthy people desire to live and to build affordable housing in less desirable areas, and that many people will need to balance where they want to live with what they can afford. The largest group of participants thought that public policy should balance these challenges, striving to make it possible for residents to afford housing that is both high quality and well-distributed across the region.

## **Localities should prioritize encouraging the construction of single-family units to help people build wealth through home equity vs. Localities should prioritize multifamily units so that there is more overall rental housing available at an affordable price**

The cohort was distributed across the spectrum on this pair of statements. On one end, a participant noted that it is the American dream to own our own home and pass the home onto your kids, transferring generational property and wealth. Someone else with a similar view noted that there are not enough single-family homes that are affordable - many first time homebuyers cannot afford a down payment on a single family home in the region given rapid appreciation and high home prices. A participant in the middle talked about the variety of family types in the local community and the extensive need for more multifamily homes or rentals to suit a range of family needs. Another person noted that it is cheaper to build multifamily rental developments and that multifamily units are more affordable, and more are needed. Finally, one participant noted that they may be an outlier, but that they believe people put too much money into their home as the only asset they have, and that it would be better for people to rent and put savings into the stock market as a way to build wealth and diversify their savings. Participants also debated whether and how tenants contribute to the tax base when they rent - they do not pay property taxes directly, but their rent does help pay a landlord's property taxes.

## **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 the region:

1. The supply of housing is not adequate for homeowners or renters.
2. Households, especially workforce households, cannot afford adequate housing.
3. Rural rental housing is dilapidated.
4. It is difficult for homeowners to retain housing as local housing prices rise.
5. Access to adequate housing is not equitable.
6. The region lacks the infrastructure necessary to support rapid growth and development.
7. The region lacks the collective capacity to address housing market dynamics effectively.
8. The development of housing is endangering the current culture and character of local communities.
9. Housing development is prevented by NIMBYism and public misperceptions.

## **Actions to Address Concerns**

Ultimately, the group selected four concerns for further discussion, brainstormed actions that could address the concern, and explored the benefits and downsides of selected actions in each category. 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 were selected by the group as the most important to be considered further.

- **Households, especially workforce households, cannot afford adequate housing.**
- **It is difficult for homeowners to retain housing.**



- The region lacks the infrastructure necessary to support rapid growth and development.
- The region lacks the collective capacity to address housing market dynamics effectively.

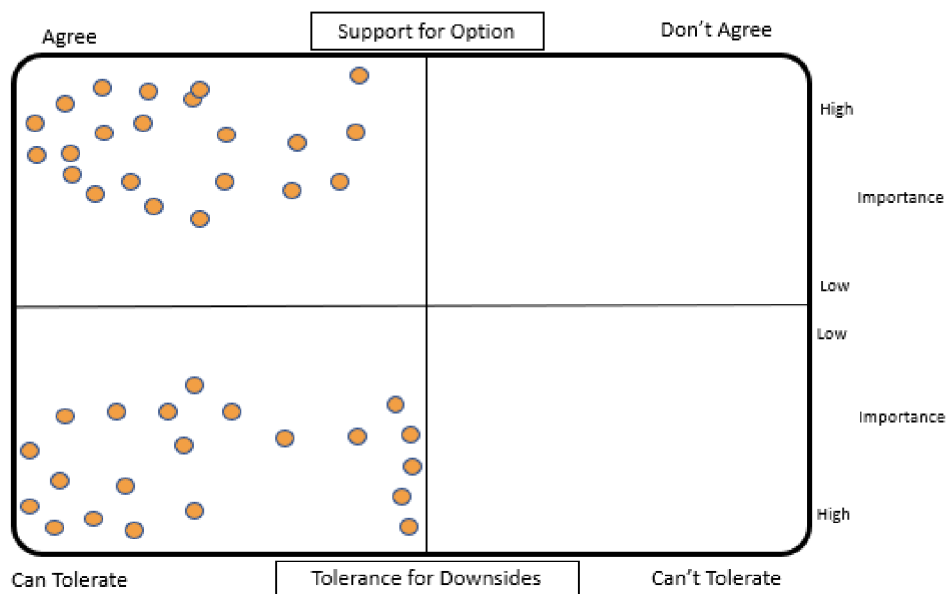
	Households especially workforce households, cannot afford adequate housing	It is difficult for homeowners to retain housing	The region lacks the infrastructure necessary to support rapid growth and development	The region lacks collective capacity to address housing market dynamics effectively
<b>Actions with broad support</b>	Local government encourage high density that includes affordable units through financial incentives.	<p><b>Expand eligibility criteria for tax-relief programs.</b></p> <p>Increase support of programs and create policies that preserve existing homes.</p> <p><b>County/City government educate public about existing relief programs and how to access them by providing funding to nonprofits to educate and liaison with communities.</b></p>	<p>Government officials and staff organize and convene, regional, open, and spacious conversations for shared interests, challenges, and leveraging collective resources and expertise.</p> <p><b>Grassroots organizations, including nonprofit, faith-based and other community stakeholders join together across the region and invite decision-makers to listen to their shared concerns and ideas</b></p>	<p><b>Regionalization – share water and sewer across counties.</b></p> <p>Form a joint task force of elected officials, community leaders, nonprofits, and other stakeholders within neighboring counties to share ideas/plans for growth.</p>
<b>Actions with varying degrees of support</b>	Local governments use available tools to increase living wages of local workers: raise government employee wages, incent businesses to raise wages, support state raising minimum wage.			
<b>Actions with least support</b>	Local government encourage high density that includes affordable units through inclusionary zoning requirements.	<b>Government provides resources to those who have been displaced through code enforcement or foreclosure.</b>		

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

### Households, especially workforce households, cannot afford adequate housing

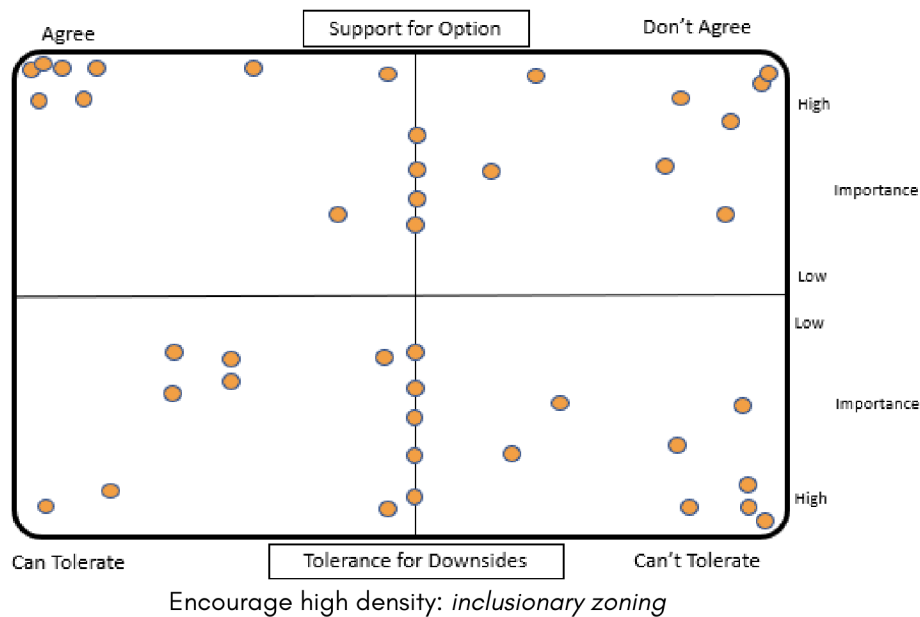
Local government should use financial incentives and/or inclusionary zoning requirements to encourage high density that includes affordable units



Encourage High Density: *financial incentives*

For the most part, forum participants agreed that encouraging high density would be beneficial to increasing the supply of available housing, including affordable housing. They also thought higher density development would use local land more efficiently. One subset of participants emphasized that they favored this action because including affordable housing in higher density developments would favor more inclusive, socio-economically diverse neighborhoods, in contrast to concentrating wealth and poverty in separate parts of the county or region. Finally, some cohort members thought the proposal would foster a sense of partnership between the public and private sectors, who would essentially be sharing the costs of developing affordable housing.

The two biggest concerns about encouraging higher density housing were raised with respect to the resources required - participants asked whether local governments have the resources to provide these incentives, as well as whether the counties or region have the required infrastructure to support high-density developments.



A few participants also noted the potential for pushback from local homeowners who believe high density will harm the look and character of their neighborhoods. However, across the board, participants agreed that a tradeoff in this regard was inevitable due to the influx of industry to the area and the subsequent housing that will be required to support that workforce. They saw high-density development as the best option to meet housing demand in the region.

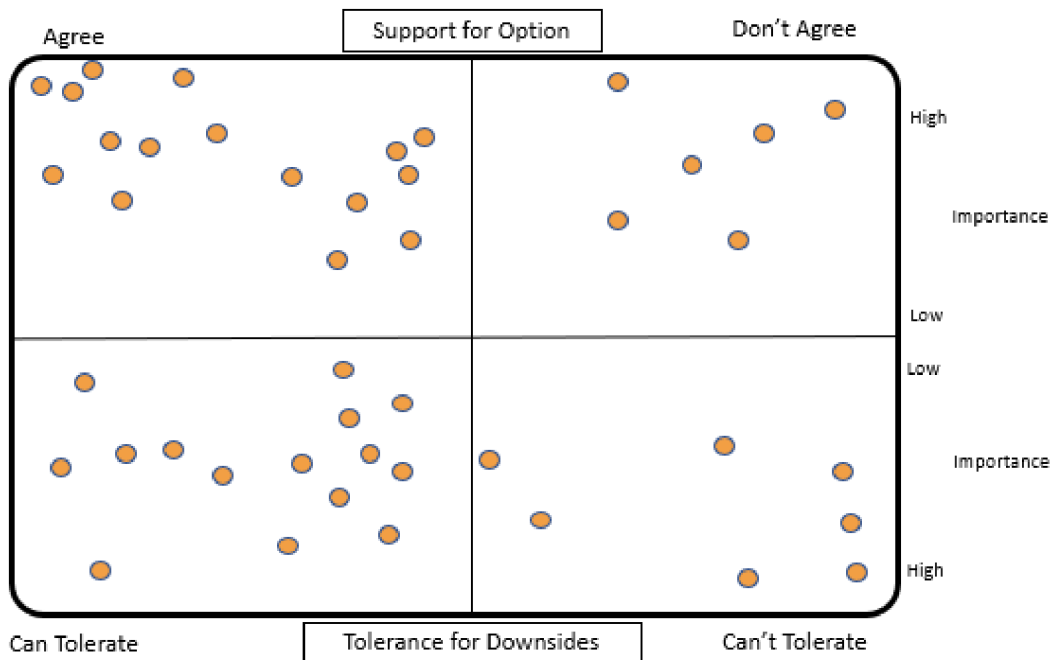
Where forum participants were in greatest disagreement was on the question of how local governments would encourage high density – either through a carrot (financial incentives) or a stick (requirements that all developments include affordable housing). When structured as incentives, participants were supportive and mostly tolerable of the downsides, with those who raised concerns about cost and infrastructure saying it was harder to tolerate the downsides, but that they were still not fully opposed. As an example, participants thought that financial incentives would reduce the cost of development, making it easier for developers to include affordable housing in already planned developments. Those in favor of financial incentives argued that the private market was already leaning towards building higher density projects and that such incentives were the push needed to speed up development of much needed housing and make it affordable for the private market to maximize the number of affordable units built. They noted that as more units were built overall, housing prices would stabilize and units would be more affordable for everyone.

In contrast, when considering inclusionary zoning as a requirement for all developments, some participants were strongly in support, an equal amount strongly opposed, and the rest were in the middle. Those who were in strong support thought incentives alone would not be enough to encourage change on what they viewed as an inevitable, yet controversial, necessity. Sharing examples from their own experience, they argued that the only way the private market will include the number of affordable units needed would be to mandate it – otherwise the market will continue to favor building higher priced units and market pressures will push lower-income people out of the market.

Participants in the middle believed the best approach was to start with a “stick” and then add the “carrot” to encourage and sustain the change. Those who disagreed with mandating inclusionary zoning described it as unfair, asserting that “carrots” attract desired behavior and “sticks” do the opposite. From their point of view, having a mandate would lead more developers to choose to build elsewhere, find workarounds, or raise prices for any units that are not “affordable.” They argued that developers would build the minimum number of affordable units required, whereas financial incentive could be used to leverage a wider array of medium- and lower-priced units. This group thought offering financial incentives would be the best and most effective way to reach the desired goal of affordability for the most people.

*The cohort also discussed a third action, increasing living wages for residents, for the purpose of making it possible for residents to better afford local housing options. While the topic was somewhat broader than housing, the cohort briefly explored several variations: raising government employee wages, incenting businesses to raise wages, and encouraging the state to raise the statewide minimum wage.*

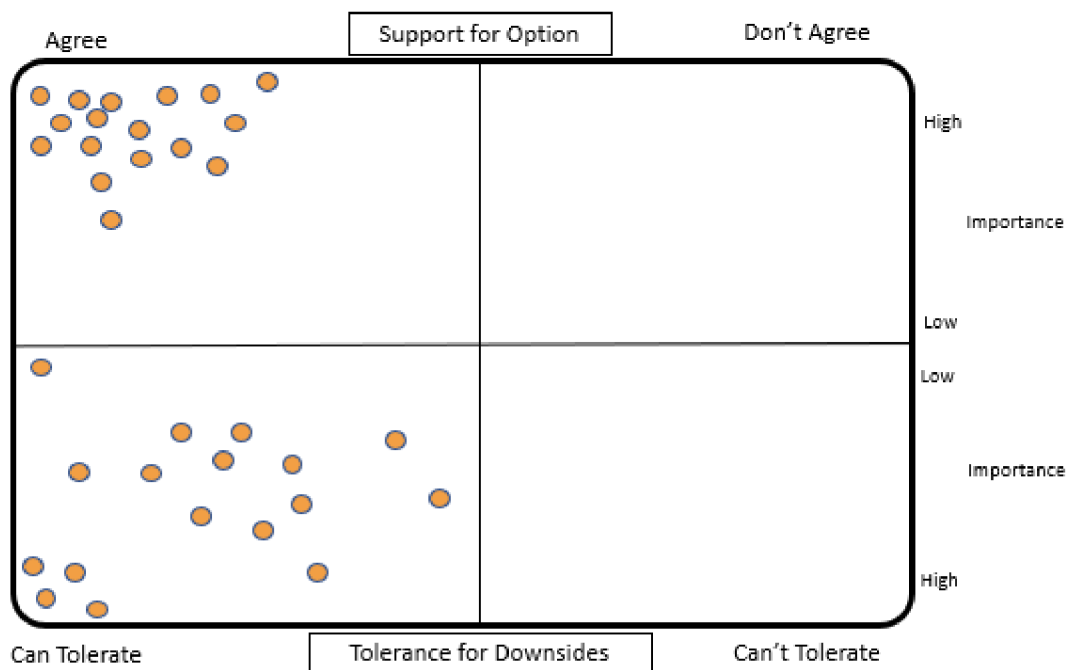
Local governments use available tools to increase living wages of local workers: raise government employee wages, incent businesses to raise wages, support state raising minimum wage.



## It is difficult for homeowners to retain housing

### Expand eligibility criteria for tax-relief programs

The group strongly supported this action as a way to help more people stay in their homes when the rising price of homes in the area could force home sales or foreclosure, leading residents to move further out of the area to find an affordable place to live or even face homelessness. Participants were particularly concerned about long-time, fixed-income residents (often seniors or veterans) living in areas with unprecedented growth who have seen a huge jump in their property taxes and home maintenance costs.

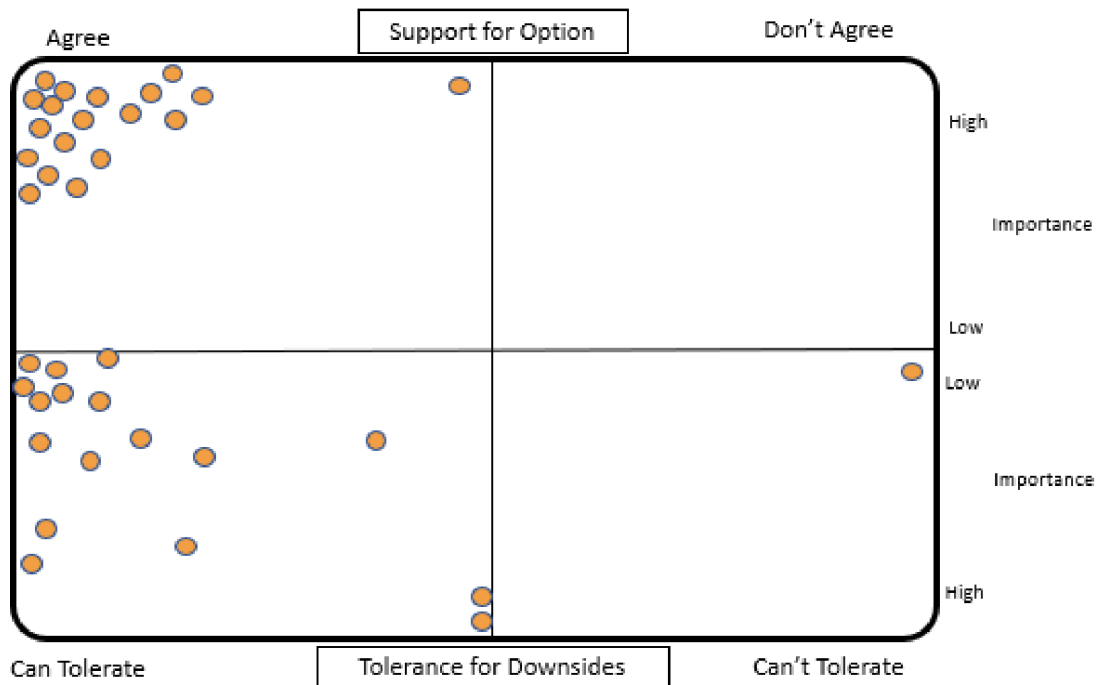


In those cases, participants thought it would be less expensive for local governments to expand the eligibility criteria for tax-relief programs than providing services should the residents lose their homes and become homeless.

However, for those communities not experiencing such intense rapid growth, there was a concern that the proposal would be expensive and hurt communities by eroding much needed revenue for local governments. To account for these distinct contexts, participants advised asking the NC General Assembly to allow differing criteria for tax relief in different parts of the state.

In addition, some participants thought changing the eligibility for proposed tax relief was providing "artificial" support rather than addressing the issue at the root cause - the number of affordable housing options for such residents. Others wondered if expanding tax relief would really help make housing more affordable. Despite these downsides, participants largely favored this proposal.

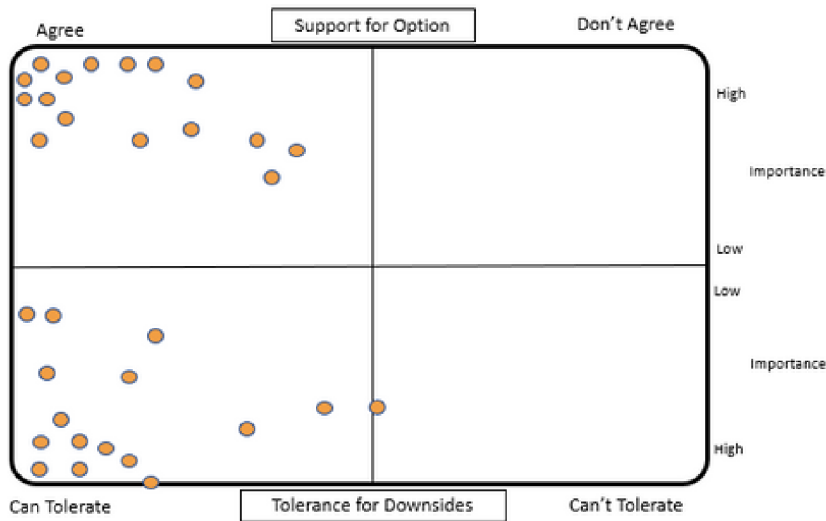
County/City government educate public about existing relief programs and how to access them by providing funding to nonprofits to educate and liaison with communities



There was broad agreement among participants that this proposal had merit given nonprofits' close proximity and access to community. Due to the nature of their work, nonprofits understand the communities they serve and have built trusting relationships with them, allowing them to reach a broader audience and target specific populations that would benefit from existing relief programs. For many participants, increasing awareness of these programs was key to helping the public take advantage of them and thus remain in their homes. A few participants also saw this proposal as an opportunity to coordinate various efforts and create a more collaborative network of support between the nonprofits.

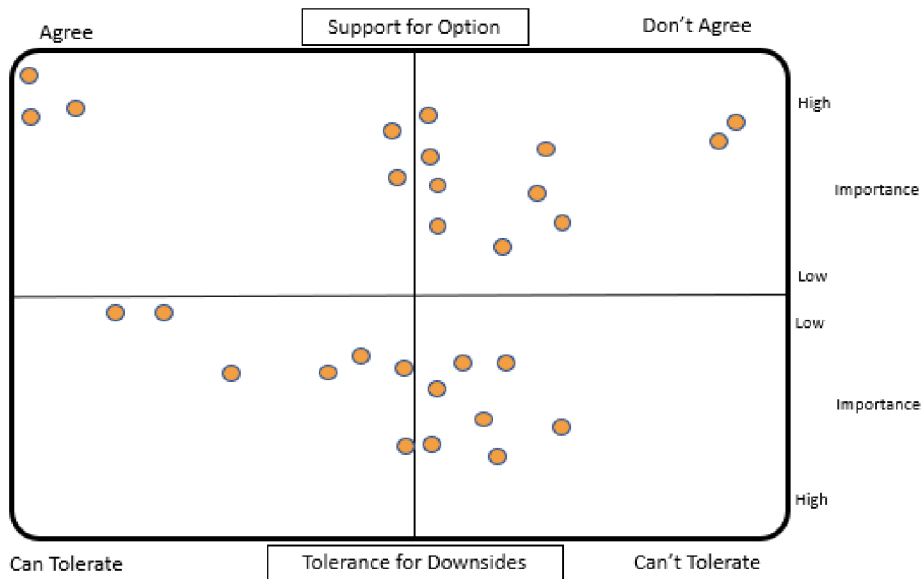
Several participants raised concerns about how the program would be funded and sustained, especially with changing priorities of future governments. Further, they questioned whether nonprofits had both the capacity and the expertise to be able to take this on. Some participants were concerned about the potential administrative burden on government staff already stretched thin. Other questions included: who would provide oversight, how to avoid redundancy of services, how to ensure efforts were accessible to everyone, and what is the metric for success. These downsides were mostly tolerable to the group, with only a couple showing moderate uncertainty. However, one participant expressed the concern that existing relief programs were inadequate in addressing the problem and could not tolerate this as a downside.

Increase support of programs and create policies that preserve existing homes



There was also significant support for a third proposal, where local governments could supplement existing funds to increase their support of existing programs that help local residents stay in their homes.

Government provides resources to those who have been displaced through code enforcement or foreclosure

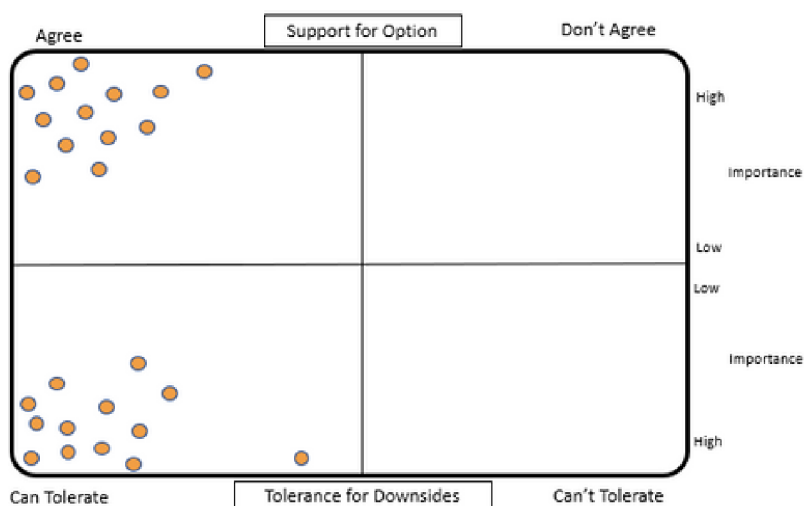


The group was divided on this action with most moderately or strongly opposed and a small number in strong support. The majority was opposed because they did not think this action addressed the concern of keeping people in their homes. Instead, it was a response that came after the displacement occurred. Those who were in support countered that as long as the intervention prevented people from homelessness, it addressed the concern, regardless of whether it kept them in the original home. Another subset who opposed needed more information on what kind of resources were being provided before they could consider supporting it. They were worried that the resources would be too costly and that they might not

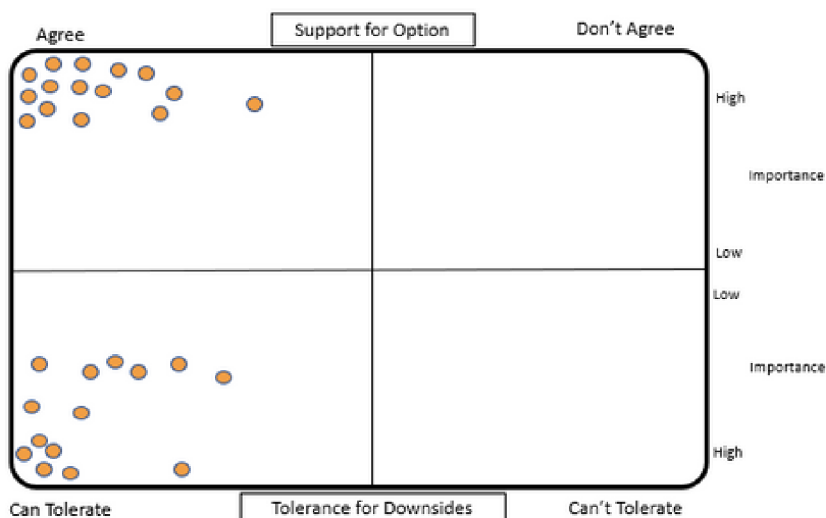
be warranted or appropriate to the situation. Further dialogue revealed the underlying concern was a disagreement over the question of “who is responsible” when homeowners are displaced as a result of growth and potentially gentrification. For most of the group, if the homeowner was responsible for the displacement either because they were unable to pay their mortgage or because their neighborhood is changing and they no longer can or want to live there, then the government should not intervene.

## The region lacks the infrastructure necessary to support rapid growth and development

Government officials and staff organize and convene, regional, open, and spacious conversations for shared interests, challenges, and leveraging collective resources and expertise.



Grassroots organizations, including nonprofit, faith-based and other community stakeholders join together across the region and invite decision-makers to listen to their shared concerns and ideas





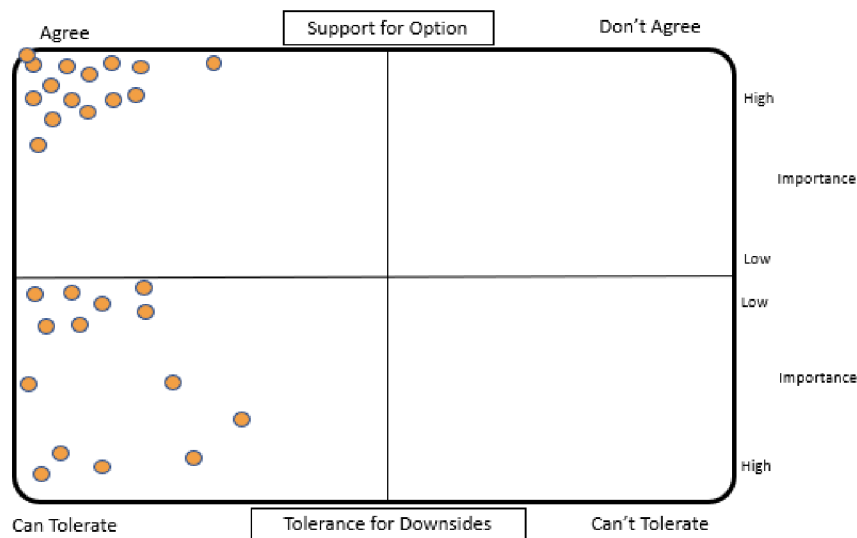
Participants agreed that there was a need for more regional planning around infrastructure, and suggested two approaches—one where government convened stakeholders and another grassroots-driven approach that gathered community concerns and invited government decisionmakers to learn from stakeholders. Although forum participants saw pros and cons for both above actions, they agreed each proposal had value and were willing to tolerate the downsides. For example, many participants believed that trust in government is low, and that government is not known for being inclusive, good at listening, or incorporating feedback. However, they also stated that government does have influence in bringing necessary stakeholders to the table. Moreover, not only do government bodies have resources available for such an initiative, but the initiative also falls within their mission and purpose. Finally, should this effort expose problems shared across a region, participants noted that it will likely take government to approve and implement any solutions.

Similarly, some participants pointed out that while grassroots organizations were often limited in resources and capacity, they were very good at including and engaging a diverse community because they were seen as trustworthy and non-partisan. In addition, participants saw the solution-oriented nature of grassroots organizations as a plus in respect to the the action making an impact.

Regardless of whether it is government or grassroots organizations taking the lead on convening, participants asserted that a regional approach was both difficult to successfully do and essential given growth and demands for housing.

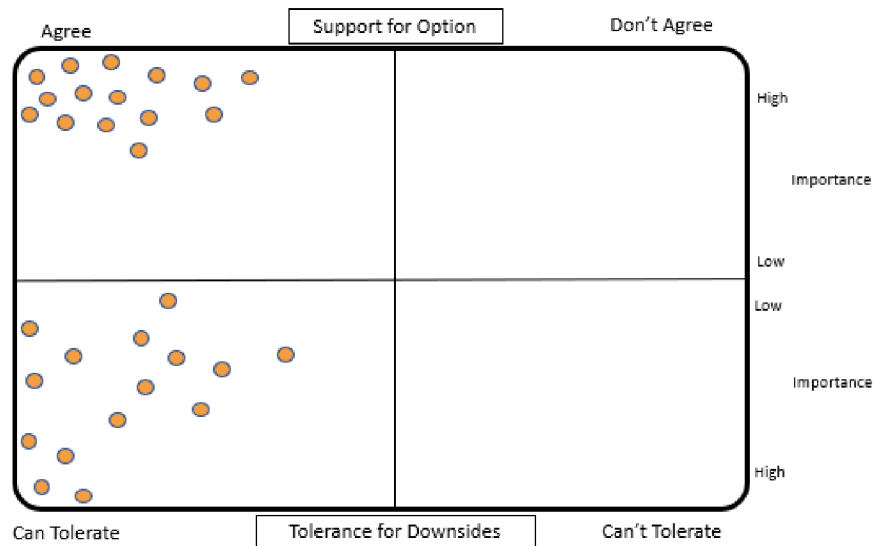
## The region lacks collective capacity to address housing market dynamics effectively

Regionalization - share water and sewer across counties



The group strongly supported additional sharing of water and sewer at a regional level. The group believed that regionalization was the smart, efficient choice for communities. They cited the interconnectivity of resources, broader infrastructure access across communities, and better distribution and use of resources as benefits that would build community resiliency. More specifically, they believed that shared infrastructure would mean that those with a critical need would have their needs met, while those with capacity would gain more customers. The group did name some downsides of shared infrastructure, namely the cost for smaller communities, determining which areas would comprise the "region," a tradition of competition across counties and municipalities, and a fear of losing autonomy. However, they were clear that they could tolerate the downsides in light of the benefits of the action.

Ultimately, the group also favored another proposal, to form a joint task force of elected officials, community leaders, nonprofits, and other stakeholders within neighboring counties to share ideas and plans for growth (polarity chart below). This proposal is discussed in the next section, *Areas of Strongest Interest for Further Effort*.



## 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.

*Form a joint task force of elected officials, community leaders, nonprofits, and other stakeholders within neighboring counties to explore regionalization options, including sharing water and sewer.*

Forum participants began by discussing the importance of taking a regional approach to infrastructure resource management, especially water and sewer. They thought that the neighboring counties of the Triangle area were large enough to warrant regionalization, and still small enough for regionalization to be feasible. There was a shared understanding that the compartmentalized, siloed approach of the past was no longer serving communities. Participants argued that communities are more interdependent on one another than they have been in the past and that to be successful in meeting the current and future demands of growth, counties and smaller municipalities and towns would need regional dialogue and partnerships that fostered sharing ideas and expertise.

Participants did acknowledge some challenges to regional collaboration, such as the difficulty defining who to include in a particular region, a history of competition rather than collaboration, and the difference in cost for small towns. Additional concerns were seen as tolerable, including: discord in political ideologies impeding the task force's work, municipalities unwilling to put aside their own agendas, municipalities that lack capacity/expertise to engage, and municipalities losing their identity or uniqueness.

Because any changes the led to counties sharing water and sewer would require the approval of the North Carolina General Assembly, the group saw the primary purpose of a regional joint task force as shepherding an iterative, inclusive process that would build a case for regionalization representing the collective voice of the neighboring counties. To form the task force, the group suggested recruiting representatives from government, business, academic, nonprofit, and community groups. They recommended organizing a process that would engage and listen to stakeholders, identify resources and applicable players, ensure interest and willingness, identify opportunities and challenges, and determine doables and next steps.

After synthesizing this information, the group advised reengaging stakeholders to reach consensus on recommendations to take to the NC General Assembly. Along with business and government, the group named Chambers of Commerce, community colleges, and representatives from the community as important voices to the process. Resources needed to get started with the proposal included time, willingness of those involved, and a devotion to the cause.

Additionally, participants cautioned the process should incorporate lessons from past attempts, consult current groups doing similar or adjacent work, and make sure they were not creating redundancies that might potentially undermine all efforts.

### *Increase support of programs and create policies that preserve existing homes.*

The group broadly supported increasing support of programs and policies that preserve existing homes because such programs utilize infrastructure already in place, relieve the stress of creating more affordable housing in the future, and overall increase available housing options. There was little discussion of any downsides. Programs like this are often referred to as preserving “Naturally Occurring Affordable Housing.”

Participants recommended first funding the programs already in place before creating new policies, noting that a lack of funding and other resources limited their accessibility. Participants noted that currently, some residents are losing their homes to either condemnation (due to code violations) or foreclosure (inability to pay mortgage or taxes), with little to no warning due to a lack of communication. Along with increasing funding and staffing for current programs, participants suggested the following support measures: recruit more contractors to participate in existing repair programs (including partnering with community colleges on training programs and service-learning opportunities for trade professions), educate the public on available programs through different channels and directly communicate with those who are in the process of an adverse action (i.e. foreclosure), and adding a financial literacy component into the existing process. However, participants thought the first step would be to inventory existing programs, their funding and use, and revisit the codes and regulations to ensure that they are appropriate for old homes and do not increase rehabilitation and renovation costs unnecessarily.

While the majority of existing programs are aimed at keeping individuals in single-family homes, participants identified a lack of programs aimed at preserving the affordability of existing larger multifamily projects, including Low-Income Housing Tax Credit projects. In these cases, participants saw an opportunity for government intervention before the tax credits expired to assist owners with assessing their options and creating a plan to preserve affordability when the tax credit obligation runs out. For example, they recommended that government could work with owners to ensure they communicate in a clear and timely manner with tenants about their plans to raise rents or sell a property. The options for consideration might include using local government and federal funds to buy the property or offer incentives to make up for lost profits, master-leasing to preserve some affordable units, or partnering with a new buyer to purchase the property and maintain affordable rents.

If the property is a LIHTC project, participants recommended that local government participate in closing the funding gap on the front-end when a development started, and write an extra 10 years into the deed on top of the 30-year LIHTC requirement. Another idea was to drive LIHTC to be on public property and land bank so that the public purpose was written into the land conveyance and deed. In order to put this proposal into action, a first step would be to inventory and track existing projects and their LIHTC expiration deadlines.

## 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 the spring of 2023, NCLF participants in the Triangle region engaged each other about how to better provide access to adequate housing in the region, particularly in light of the rapid growth of the area.

### What Participants Gained and Valued About the Process

At the conclusion of the program, NCLF surveys participants on their experience:

- 89% strongly agreed that they learned more about adequate housing;
- 83% strongly agreed they better understood the concerns, opinions, and priorities of those who disagreed with them;
- 88% said they had formed relationships with one or more people of differing views that they would likely not have formed otherwise; and
- 78% better understood their own values, opinions, and priorities.

When asked to share how their views may have been modified as a result of participating in the program, several named that they now were more aware and understanding of developer's perspectives and concerns. Other comments included, "I'm more open minded," "Listening more," "I am less likely to make assumptions about people who view issues differently than me," and "Definitely more willing to engage with people outside my ideological circles." These sentiments of listening more and seeking to better understand others were repeated over and over during the final meeting of the program when participants were asked how their leadership would change as a result of the program. As one participant put it, they planned to, "listen with intention and connect through story" to uncover people's motivations and understand them better.

In terms of which aspects of the program enabled them to modify their views, participants particularly named the process of deliberation that was used in the program to slow down discussion of proposed actions and consider different views. Participants valued small group discussions and participatory visual exercises, active listening, the program's "baby step structure," and "having to dig into my why and hear others why's [sic]." Other aspects that participants named as beneficial to their experience included the composition of the cohort's diversity and quality, the intentionality behind the mixed group seating assignments, an engaging format for the full-day meetings, and rotating the program to each represented county.

## **CONCLUSION**

Intense population growth and economic development in the Triangle has created a tremendous pressure for housing development across the region, particularly in Wake, Chatham, Harnett, and Johnston counties. Regardless of political ideology, urban, suburban, or rural residence, or sector of engagement, the participants in the Triangle NCLF cohort 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**

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# Appendix A

## Triangle NCLF 2023 Participant List

1. **Travis Bailey**, SVP Regional Executive, First Bank
2. **DeVan Barbour**, Co-Founder, Cornerstone Employee Benefits\*
3. **Flint Benson**, Political Strategist, State Employees Association of NC
4. **Lori Bush**, Council Member, Town of Cary
5. **Adam Caldwell**, Regional Representative, Office of U.S. Senator Thom Tillis
6. **Lisa Chapman**, President, Central Carolina Community College
7. **Debra Derr**, Director Government Affairs, NC Chamber
8. **Nicole Dozier**, Director Health Advocacy Project, NC Justice Center\*
9. **Ilana Dubester**, Executive Director, El Vinculo Hispano
10. **Jessica Holmes**, Deputy Commissioner, NC Industrial Commission
11. **Tara Fish**, Executive Director, Harnett County Partnership for Children
12. **Bonner Gaylord**, COO, Kane Realty Corporation
13. **Franklin Gomez Flores**, Commissioner, Chatham County\*
14. **Karen Howard**, Chair, Chatham County Commissioners
15. **Vanessa Jenkins**, Executive Vice President, Preston Development Company
16. **Chris Johnson**, Director, Johnston County Economic Development Office
17. **Katrusia (Kay) Johnson**, Executive Director, Harbor Inc.
18. **Paul Kane**, Exec. VP/CEO, Home Builders Association of Raleigh-Wake County
19. **Chavi Khanna Koneru**, Co-Founder & Executive Director, NC Asian Americans Together
20. **Johnnie Larrie**, Managing Attorney, Legal Aid
21. **Brooks Matthews**, Commissioner, Harnett County & Deputy Superintendent Harnett County Schools\*
22. **Richard Moore**, CEO, First Bancorp\*
23. **Lorena Patterson**, CEO, Connecta Corp LLC
24. **Virginia Parker**, SVP, Bank of America
25. **John Saffold**, Executive Director, Zebulon Chamber of Commerce
26. **Iliana Santillan**, Executive Director, El Pueblo
27. **Reid Smith**, Founder/CEO, RiverWild
28. **April Stephens**, Commissioner, Johnston County
29. **Yolanda Taylor**, Lead Attorney, Center for Community Law and Equity
30. **Shinica Thomas**, Chair, Wake County Commissioners
31. **Bryan Thompson**, Assistant County Manager, Chatham County
32. **Yolanda Winstead**, President, DHIC
33. **Christie Yarbrough**, Real Estate Associate, RE/MAX United

\*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:

### **The supply of housing is not adequate for home owners or renters**

- Inadequate supply of housing
- There aren't enough housing options at any price point
- The distance between adequate housing and jobs is too far
- Economics of the supply side need to be better understood, or in other words, it is too expensive to develop housing
- Impact fees drive up prices
- Don't value construction as a trade and don't have training for these trades
- Need more rental units
- The Supply of housing has not kept up with rapid growth in population

### **Households, especially workforce households, cannot afford adequate housing**

- The next generation cannot afford the lifestyles their parents had
- Affordability exists, but not where the jobs are.
- The location of adequate housing and the location of economic drivers do not overlap
- Lack of good paying jobs
- Wages aren't keeping up with costs
- Public essential workers can't afford housing (even with raises)
- Equity and equitable development are missing for essential workers
- Pricing ourselves out of a workforce
- Workforce development is needed to close the gap between costs and wages

### **Rural rental housing is dilapidated**

Insufficient inspection process for dilapidated housing stock in rural communities

### **It is difficult for homeowners to retain housing**

- Quality of new construction
- Property value increases for aging population
- Hard for homeowners to keep homes (e.g., rising taxes)
- Out of state takeovers of mobile home parks displace mobile home owners

### **Access to adequate housing is not equitable**

- Vulnerable populations not connected to resources
- "Trickle down" approach to increasing access to affordable housing will not get to lower income people



- Natural disasters disproportionately affect disadvantaged communities
- Undocumented immigrants can't title mobile homes without driver's license or ID
- Mobile home parks don't have the advantages and rights of being in cities

### **The region lacks the infrastructure necessary to support rapid growth and development**

- Lack of infrastructure: water lines, broadband, sewer vs septic
- Lack of broadband
- Lack of public transportation
- Lack of access to government services: water, schools, transportation
- Need roads, schools, water, transportation
- Traffic concerns

### **The region lacks the collective capacity to address the issue effectively**

- The region needs more elected officials who have the fortitude to do the right thing in the face of opposition
- Lack of courage to do what is right by elected officials
- Housing access is a cumulative effect of different individual transactions

### **The development of housing is endangering the culture nature of our communities**

- Housing development is threatening agricultural areas
- Residents want to maintain the current rural nature of their communities and neighborhoods.
- Investors target lower price land to build affordable communities
- Development of housing is decreasing green space

### **NIMBY**

- People don't want density
- Stereotypes and lack of understanding of what affordable housing is
- Pushback from citizens who oppose "affordable housing" near them
- Exclusionary zoning - NIMBYism sentiments
- People don't want multi-family housing near them