



Winston-Salem / Forsyth County Housing Study and Needs Assessment

December 2018



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TABLE OF CONTENTS

Introduction	8
Executive Summary	9
Methodology and Geographic Definitions	11
Part I: Key Findings	16
Existing Conditions Assessment.....	16
Strategic Framework and Actions.....	25
Opportunities and Challenges	35
Community Participation	54
Part II: Housing Market Assessment	60
Demographic Profile.....	60
Cost-Burden Renter Households.....	72
Housing Stock Characteristics	78
Affordable and Available Units	82
Housing Quality and Preservation	89
Housing Market Trends	98
Part III: Measuring Housing Affordability, By Housing Price Points	116
Owner and Renter Households	117
Housing Affordability	117
Special Needs Populations (homeless, elderly and disabled)	147
Part IV: Housing Development Costs, Affordability and Government Programs	147
Development Cost Analysis	168
Government Housing Policy Evaluation	176
Part V: Access to Opportunity	180
Housing and Transportation Costs (H&T)	180
Public Housing and Transportation	195
Evidence the Downtown and East Winston are Changing	201
Appendices	
Appendix A: Notes from Public Engagement Meetings.....	208
Appendix B: Public Housing Programs and Waiting List Counts	226
Appendix C: Table 5a: Development Costs Supplement to Table 5	229
Appendix D: Housing Affordability Indices Methodological Notes.....	230
Appendix E: Detailed Gentrification Maps and Tables.....	232
Appendix F: Census Blocks for Geographic Boundaries.....	250

TABLE OF EXHIBITS

Exhibit 1: FY18 Budget Appropriations.....	35
Exhibit 2: Demographic Composition of Forsyth County.....	61
Exhibit 3: Demographic Composition of Winston-Salem.....	62
Exhibit 4: Demographics of Downtown Population.....	63
Exhibit 5: Demographics within the Neighborhood Reinvestment Strategy Area (NSRA).....	64
Exhibit 6: Household Composition of Forsyth County.....	65
Exhibit 7: Household Composition of City of Winston-Salem.....	66
Exhibit 8: Household Composition of Neighborhood Reinvestment Strategy Area (NRSA).....	67
Exhibit 9: Household Composition of Downtown.....	68
Exhibit 10: Household Type.....	69
Exhibit 11: Disability by Type.....	70
Exhibit 12: Family Income Range.....	71
Exhibit 13: Housing Cost Burden by Area Median Income, 2010-14.....	72
Exhibit 14: Number of Renter-Occupied Units by Housing Cost Burden and Income Group, 2015.....	74
Exhibit 15: Number of Owner-Occupied Units by Housing Cost Burden and Income Group, 2015.....	75
Exhibit 16: All Occupied Units by Housing Cost Burden and Income Group 2010-15 Percent Change.....	77
Exhibit 17: All Occupied Units by Housing Cost Burden and Income Group 2010-15 Total Change.....	77
<i>Exhibit 18: Inventory of Housing Supply in Winston-Salem.....</i>	80
Exhibit 19: Inventory of Housing Supply in Winston-Salem.....	81
Exhibit 20: Rental Occupancy by Income Group and Affordability 2010-14.....	83
Exhibit 21: Affordable & Available Rental Units by Income Threshold, 2010-14.....	85
Exhibit 22: Shortage of Affordable & Available Elderly Rental Units by Income Threshold, 2010-14.....	87
Exhibit 23: Shortage of Affordable Rental Units to Households with Disabilities (Hearing and Vision Impairment), 2010-14.....	88
Exhibit 24: Extremely Low-Income Households, Housing Problems by Race.....	90
Exhibit 25: Very Low-Income Households, Housing Problems by Race.....	91
Exhibit 26: Low-Income Households, Housing Problems by Race.....	92
Exhibit 27: Moderate-Income to Upper-Income Households, Housing Problems by Race.....	93
Exhibit 28: Forsyth County Population Projection by Age Group.....	99
Exhibit 29: Forsyth County Headship Rate by Age Group.....	100
Exhibit 30: Forsyth County Household Projection by Age Group.....	101
Exhibit 31: Forsyth County Homeowner Household Projection by Age Group.....	102
Exhibit 32: Forsyth County Renter Household Projection by Age Group.....	102
Exhibit 33: Total Growth of Households by Age Group, 2017-27.....	103
Exhibit 34: Growth in the Number of Homeowner Households by Age Group, 2017-27.....	103
Exhibit 35: Growth in the Number of Renter Households by Age Group, 2017-27.....	104

Exhibit 36: Housing Unit Building Permits for Forsyth County	105
Exhibit 37: Relationships Between Permits, Starts and Completions	106
Exhibit 38: Estimated Housing Unit Completions for Forsyth County	107
Exhibit 39: Demand for Owner Housing Units by Age Group, 2017-27	108
Exhibit 40: Demand for Rental Housing Units by Age Group, 2017-27.....	109
Exhibit 41: Total Demand for Housing Units by Age Group, 2017-27.....	109
Exhibit 42: Winston-Salem Building Permit Activity by Primary Structure Type	109
Exhibit 43: Winston-Salem Building Permit Activity by Primary Structure Type	110
Exhibit 44: Total Demand for Housing Units by Income Group, 2017-27	110
Exhibit 45: Demand for Owner Housing Units by Income Group, 2017-27.....	111
Exhibit 46: Demand for Rental Housing Units by Income Group, 2017-27	111
Exhibit 47: Total Demand for Housing Units by Household Size, 2017-27	115
Exhibit 48: Demand for Owner Housing Units by Household Size, 2017-27.....	115
Exhibit 49: Demand for Rental Housing Units by Household Size, 2017-27	116
Exhibit 50: Forsyth County Homebuyer Affordability, Lower Quartile House Value	118
Exhibit 51: Forsyth County Homebuyer Affordability, Median House Value.....	119
Exhibit 52: Forsyth County Homebuyer Affordability, Upper Quartile House Value.....	120
Exhibit 53: Forsyth County Homebuyer Affordability Index.....	121
Exhibit 54: Winston-Salem Homebuyer Affordability, Based on Lower Quartile House Value of \$115,756.....	126
Exhibit 55: Winston-Salem Homebuyer Affordability, Based on Median House Value of \$165,343.....	127
Exhibit 56: Winston-Salem Homebuyer Affordability, Based on Upper Quartile House Value of \$224,675.....	128
Exhibit 57: Winston-Salem Homebuyer Affordability Index.....	129
Exhibit 58: NRSA Homebuyer Affordability, Based on Lower Quartile House Value of \$85,772	130
Exhibit 59: NRSA Homebuyer Affordability, Based on Median House Value of \$124,056.....	131
Exhibit 60: NRSA Homebuyer Affordability, Based on Upper Quartile House Value of \$172,251	132
Exhibit 61: NRSA Homebuyer Affordability Index	133
Exhibit 62: Downtown Winston-Salem Homebuyer Affordability, Based on Lower Quartile House Value of \$152,461	134
Exhibit 63: Downtown Winston-Salem Homebuyer Affordability, Based on Median House Value of \$210,977.....	136
Exhibit 64: Downtown Winston-Salem Homebuyer Affordability, Based on Upper Quartile House Value of \$307,873	137
Exhibit 65: Downtown Homebuyer Affordability Index.....	138
Exhibit 66: Winston-Salem First-Time Homebuyer Affordability, Based on Lower Quartile Starter House Value of \$98,329.....	139
Exhibit 67: Winston-Salem First-Time Homebuyer Affordability, Based on Median Starter House Value of \$140,542	140

Exhibit 68: Winston-Salem First-Time Homebuyer Affordability, Based on Upper Quartile Starter House Value of \$190,974.....	141
Exhibit 69: Winston-Salem First-Time Homebuyer Affordability Index.....	142
Exhibit 70: Winston-Salem Elderly Homebuyer Affordability, Based on Lower Quartile House Value of \$115,756.....	143
Exhibit 71: Winston-Salem Elderly Homebuyer Affordability, Based on Median House Value of \$165,343.....	144
Exhibit 72: Winston-Salem Elderly Homebuyer Affordability, Based on Upper Quartile House Value of \$224,675.....	145
Exhibit 73: Winston-Salem Rental Housing Affordability, Based on Lower Quartile Contract Rent of \$461.....	146
Exhibit 74: Winston-Salem Rental Housing Affordability, Based on Median Contract Rent of \$593.....	146
Exhibit 75: Winston-Salem Rental Housing Affordability, Based on Upper Quartile Contract Rent of \$785.....	147
Exhibit 76: Winston-Salem Elderly Renter Affordability, Based on Lower Quartile Rent of \$461.....	148
Exhibit 77: Winston-Salem Elderly Renter Affordability, Based on Median Rent of \$593	148
Exhibit 78: Winston-Salem Elderly Renter Affordability, Based on Upper Quartile Rent of \$758.....	149
Exhibit 79: Winston-Salem Renter Affordability Index.....	150
Exhibit 80: Rapid Re-Housing (as of April 2017).....	151
Exhibit 81: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17	152
Exhibit 82: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17	153
Exhibit 83: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17	154
Exhibit 84: Values as a percentage of the overall Forsyth County Figures.....	157
Exhibit 85: Large Scale Development Opportunities	164
Exhibit 86: Select Vacant Parcels in CWS	166
Exhibit 87: Publicly-Owned Parcels	167
Exhibit 88: Unified Development Ordinance: Permitted Uses.....	174
Exhibit 89: Stages of Gentrification	205
Exhibit 90: Examples of Popular Gentrification Measures using Decennial Census Tract-Level Data.....	206
Exhibit 91: Summary of Gentrification Indicators in Selected Neighborhoods (2007-2011 to 2012-2016).....	207

TABLE OF FIGURES

Figure 1: Residents who Attended the First Public Engagement Meeting from Select Zip Codes	55
Figure 2: Renter Cost-Burdened Households in Winston-Salem	73
Figure 3: Percent of Renter-Occupied Units Paying 30% or More on Housing in Winston-Salem	74
Figure 4: Percent of Owner-Occupied Units Paying 30% or More on Housing in Winston-Salem	76
Figure 5: All Occupied Units by Housing Cost Burden and Income Group, 2010-15 Percent Change	78
Figure 6: Rental Units Affordable & Available to Families in Winston-Salem.....	84
Figure 7: Age of Housing by Zip Code in Winston-Salem	95
Figure 8: Age of Housing by Zip Code in Winston-Salem	96
Figure 9: Relationship of Parcel Size to Land Value.....	158
Figure 10: Relationship of Parcel Size to Land Value (Adjusted).....	159
Figure 11: Historical Cost Trends for Single-Family Construction for a 1,400 SQ 2-Story Home, 2000-17	170
Figure 12: Historical Cost Trends for Single-Family Construction for a 1,400 SQ 2-Story Home, 2011-17	170
Figure 13: Historical Cost Trends for Multifamily Housing for 1-3 Story, 22,500 SQ Multifamily Development, 2000-20.....	171
Figure 14: Historical Cost Trends for Multifamily Housing for 1-3 Story, 22,500 SQ Multifamily Development, 2011-20.....	171
Figure 15: How do Housing and Transportation Costs Compare to Other Cities?	183
Figure 16: How do Housing and Transportation Cost Burden Compare to Other Cities?	184
Figure 17: People Driving More is Driven by Land Use Patterns - Low Density and Limited Employment Access also Contribute to Higher Car Use.....	185
Figure 18: Absolute Transportation Costs are Average, but High Relative to Income	186

TABLE OF MAPS

Map 1: Definition of City of Winston-Salem Used in this Study Compared to City-defined Boundaries	13
Map 2: Definition of NRSA Used in this Study Compared to City-defined Boundaries	14
Map 3: Definition of Downtown Used in this Study Compared to City-defined Boundaries	15
Map 4: Shortage of Affordable & Available Rental Units	86
Map 5: Low-Income Concentration Share of Households at $\leq 50\%$ AMI in Winston-Salem	94
Map 6: Population Density of Residents 60+ in Forsyth County	97
Map 7: Projected Ten-Year Demand for All Housing Units, 2017-27	112
Map 8: Projected Ten-Year Demand for Owner Housing Units, 2017-27	113
Map 9: Projected Ten-Year Demand for Rental Housing Units, 2017-27	114
Map 10: Homeownership Affordability in Winston-Salem	123
Map 11: Renter Housing Affordability in Winston-Salem	125
Map 12: Percent of Income Spent on Housing and Transportation Costs for a Low-Income Household, 2016	188
Map 13: Percent of Income Spent on Transportation Costs for a Low-Income Household, 2016	189
Map 14: Percent of Income Spent on Housing Costs for a Low-Income Household, 2016	190
Map 15: H+T Affordable Neighborhoods are Concentrated Downtown and East of US 52	191
Map 16: Higher H+T Cost Neighborhoods Exist around the Periphery of the City and County	192
Map 17: Annual Vehicle Miles Traveled for a Low-Income Household, 2016	193
Map 18: The West Side of the City has some Outliers with Very High Housing Costs, but Moderate Transportation Costs	194
Map 19: Percent of Households for Which No Vehicle Access is Available 2012-16	196
Map 20: Bus Stops with Annual Transportation Costs, 2016	197
Map 21: Percent of Income Spent on H+T Costs for a Low-Income Household (2016) with Public Housing Developments	198
Map 22: Percent of Income Spent on H+T Costs for a Low-Income Household (2016) with Subsidized Housing Developments	199
Map 23: Percent of Income Spent on Transportation Costs for a Typical Retired Couple, 2014	200
Map 24: Neighborhood Boundaries Used in Gentrification Analysis (Based on Census Tracts)	232

Introduction

The City of Winston-Salem stands at the brink of change. Since 2010, the City has attracted more than 7,000 new residents; both young people and older adults have migrated to the South and settled on Winston-Salem as a place to call home. Similar patterns are emerging across Forsyth County. In fact, the County's population also grew by more than 11,000 people during the same period.

The City is growing rapidly, largely due to a dynamic economy that has led to increased demand and cost for both rental and owner properties. From an economic perspective, the City has experienced steady recovery since the economic downturn, posting increases in the number of jobs over the last five years. According to the U.S. Bureau of Labor Statistics, in 2016 the City's unemployment rate dropped by nearly six percentage points, hovering around 4.6 percent by year's end. Today, the housing market vacancy rate – particularly within the City's housing market area (HMA) – is experiencing a slight decline in vacancy rate and enjoying an increase in housing sales with expected demand. This trend is projected to continue over the next three years. This demand contributed to escalating housing costs and neighborhood change, particularly among low- to moderate-income households in search of affordable housing options. To address these challenges, Winston-Salem has implemented several policies, programs, and goals to produce and preserve affordable housing, but also commissioned this study to better understand the magnitude of housing needs in the City.

Executive Summary

Winston-Salem's recent growth – particularly in the downtown areas – created many opportunities for current residents while attracting new residents and businesses. In 2017, the City had \$279 million in new residential construction and \$378 million in non-residential construction, new construction, and redevelopment. Much of the growth is spurred by current population growth in both Winston-Salem and across Forsyth County. However, not all Winston-Salem residents have benefited from this growth or can access these opportunities.

A limited supply of affordable housing minimizes housing choices for many Winston-Salem residents, as well as their access to opportunity. Winston-Salem's housing constraints are also complicated by higher rents (particularly in Downtown Winston), an insufficient supply of affordable and available rental housing for low-income households, increased cost-burden, poor housing quality, and the overall need for preservation. The City's need for affordable housing coupled with emerging pressures of gentrification resemble national trends. Land use and development costs, coupled with the impact of housing and transportation costs on affordability, add to the challenge.

Notable is City Council and other housing officials' focus on addressing housing needs in recent years, which includes increasing the production of multifamily housing, and modifying selected zoning to accommodate housing types. As we look ahead, projected increases in population and households over the next ten years present an opportunity for the City to accelerate existing efforts and establish new approaches to make Winston-Salem a leader in managing change. This project can spur opportunities to confront historical patterns of segregation, as well as evoke a renewed focus on creating inclusive and equitable communities with respect to housing and economic opportunity. This housing assessment identifies current housing conditions and offers a strategic direction for the City to address future needs. It provides the context to understand what has happened over time and recommends strategies, actions, financing, and funding mechanisms to inform effective and appropriate decision-making to both sustain and advance efforts over time.

The City did not develop the housing study and assessment in isolation, but rather engaged local stakeholders to help inform the strategies, actions and content. A critical part of these community conversations has been the need for quality affordable housing for low-and moderate-income families, as well as workforce housing for “service workers.”

This study centers on a single goal: *Match current and projected need for production of affordable housing to the supply of stock – strategically integrating preservation, affordability and access throughout Winston-Salem.*

To meet this goal, the study outlines strategies and related actions that point to five main objectives:

1. Increase housing supply to help close current gap
2. Improve maintenance, quality, and overall preservation of housing
3. Create a better balance between housing units produced and actual size of households
4. Prevent displacement of low- and moderate-income residents
5. Increase access to opportunities that are tied to where residents live

The remaining sections discuss Winston-Salem’s housing needs in more detail, as well as highlight some of the local opportunities and challenges gathered through interviews with local stakeholders following a comprehensive assessment of existing programs. Subsequent sections also introduce citywide strategies and related actions.

Methodology

The Enterprise Team utilized a mixed-methods approach that blended quantitative and qualitative data to understand the diverse housing and neighborhood composition of the study area, as well as factors that drive local needs and conditions. To meet this objective our team: 1) identified the current and future housing needs in the City and County, 2) identified critical housing gaps and issues, and 3) identified possible financing opportunities and policies that address identified needs.

The analysis included an examination of existing programs, planning documents and policies such as the Legacy 2030 Comprehensive Plan, the 2014-18 Consolidated Plan, downtown and other area planning documents, the 2017 Assessment of Fair Housing, the 2017 Continuum of Care Strategic Plan, as well as other relevant national and local datasets, to ensure alignment in meeting the objectives.

Our methods also included analysis of existing housing conditions, and it identified housing gaps and cost-burden on households, the relationship between housing and transportation (H & T), and factors associated with overall housing costs. We conducted a comprehensive review of existing plans, policies and programs, capacity assessments, and survey questionnaires to obtain local stakeholder input.

Our project team consulted with the City's Community Development Department (CDD) staff as our primarily point of contact and engaged the Forsyth Housing Consortium and other community-based resources to help inform our work. We also facilitated public meetings, which involved guided discussions with local stakeholders, which subsequently was used to inform our assessment and recommendations. Our team also conducted interviews with approximately 25 stakeholders including city staff, representatives with the Forsyth County Housing Division, and local housing organizations and housing developers.

This study utilized local, state, and national datasets to arrive at its findings, which included the U.S. Census Bureau American Community Survey, U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy/CHAS tables, GIS, RS Means, the North Carolina Office of State Budget and Management (OSBM), the State of the Cities Data Systems of HUD (SOCDS) reports, property assessment data to quantify affordable housing needs throughout the City, Bureau of Labor Statistics (BLS) Occupational Employment Statistics for the Winston-Salem metropolitan area, and other relevant sources to support labor market conditions.

The aforementioned tools brought into focus critical housing gaps, conditions, and patterns that currently exist, which were used to inform our strategies and recommendations that encourage diverse housing types and affordability throughout the City. The research and assessments conducted in this study relied on currently available information and data.

Geographic Definitions

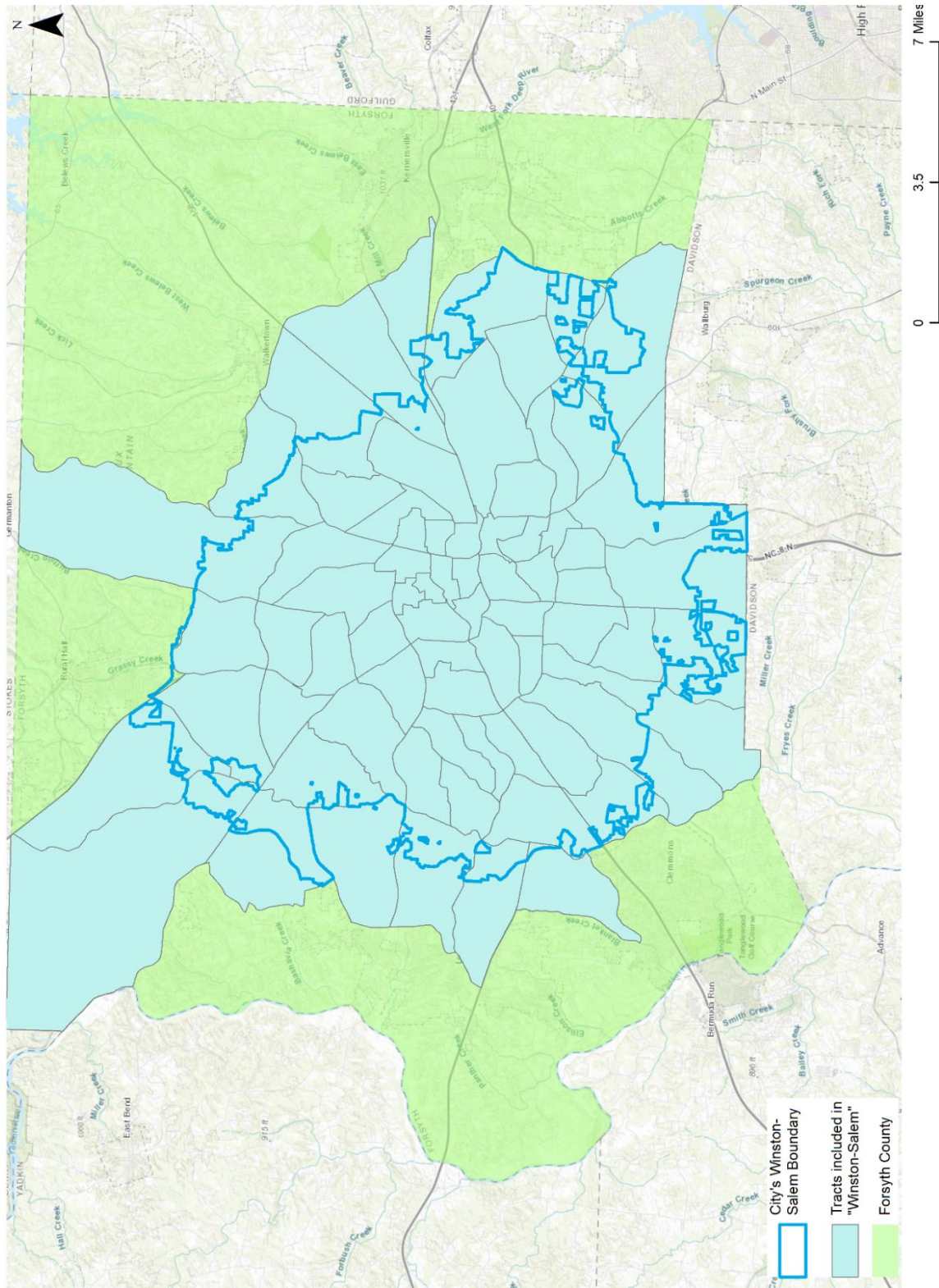
The analyses presented herein refer frequently to four geographies - Forsyth County, the City of Winston-Salem, the Neighborhood Revitalization Strategy Area (NRSA), and the Downtown area. The boundaries used for each are based on shapefiles provided by the city of Winston-Salem (also

noted in Appendix F). Because many components of our analyses involve demographic, socio-economic and other data from the U.S. Census Bureau, we approximate these geographies by using intersecting census tracts. Except where stated otherwise, these areas are defined as the set of tracts indicated in the text and Maps 1-3 below.

Tracts Included

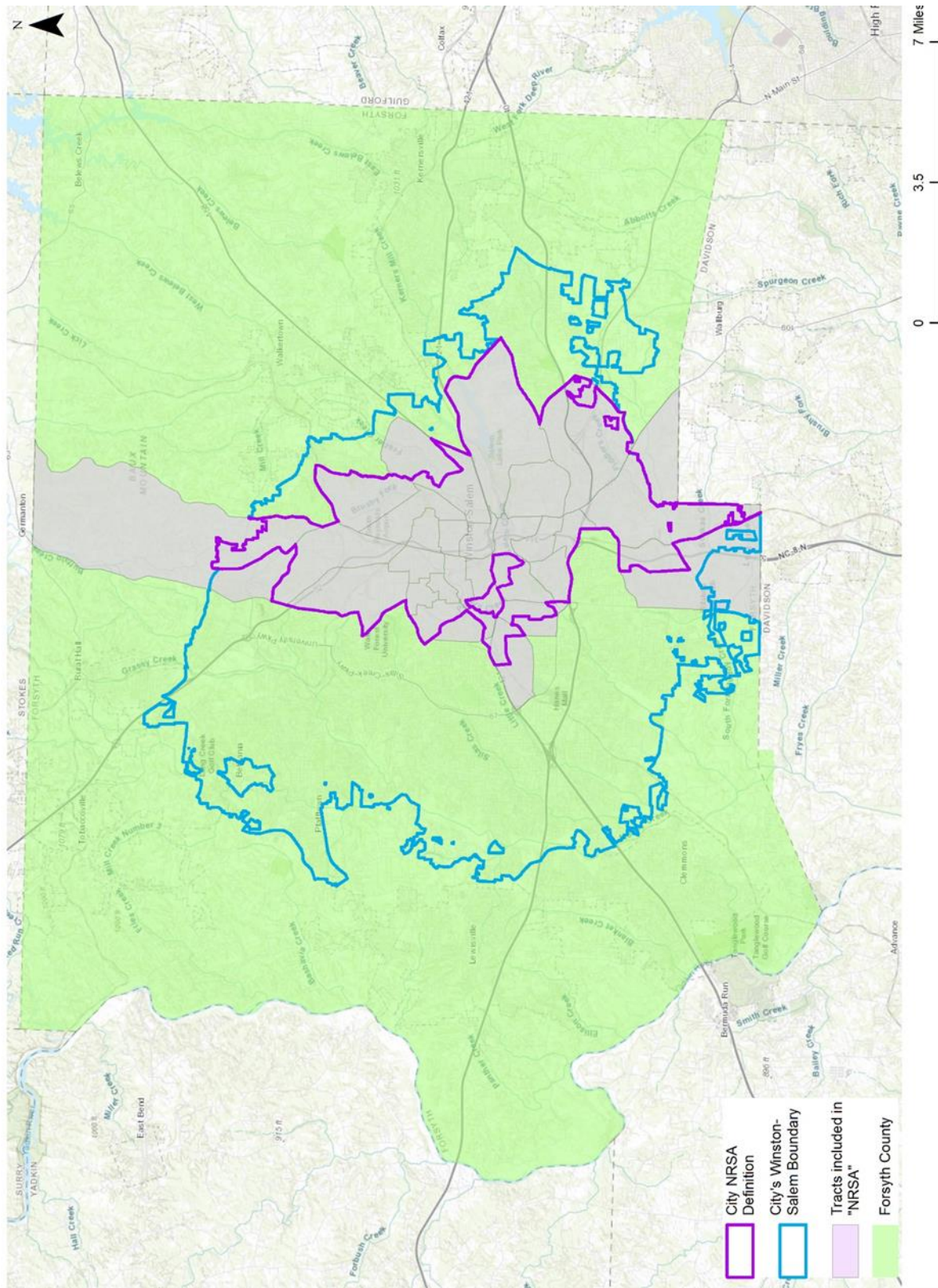
Downtown	37067000100, 37067000200, 37067000700, 37067001100
NRSA	37067000100, 37067000200, 37067000700, 37067001100, 37067000301, 37067000302, 37067000400, 37067000500, 37067000600, 37067000801, 37067000802, 37067000900, 37067001000, 37067001200, 37067001400, 37067001500, 37067001601, 37067001602, 37067001700, 37067001800, 37067001901, 37067001902, 37067002200, 37067002901, 37067003309, 37067003403, 37067003404, 37067003500, 37067003600
City	37067000100, 37067000200, 37067000700, 37067001100, 37067000301, 37067000302, 37067000400, 37067000500, 37067000600, 37067000801, 37067000802, 37067000900, 37067001000, 37067001200, 37067001300, 37067001400, 37067001500, 37067001601, 37067001602, 37067001700, 37067001800, 37067001901, 37067001902, 37067002001, 37067002002, 37067002100, 37067002200, 37067002501, 37067002502, 37067002601, 37067002603, 37067002604, 37067002701, 37067002702, 37067002703, 37067002801, 37067002804, 37067002806, 37067002809, 37067002901, 37067002903, 37067003002, 37067003003, 37067003004, 37067003308, 37067003309, 37067003310, 37067003311, 37067003402, 37067003403, 37067003404, 37067003500, 37067003600, 37067003701, 37067003702, 37067003703, 37067003803, 37067003804, 37067003805, 37067003806, 37067003903, 37067003904, 37067003905, 37067003906, 37067003908, 37067003909, 37067004010, 37067004011, 37067004012, 37067004103, 37067004104
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Definition of City of Winston-Salem Used in this Study Compared to City-defined Boundaries



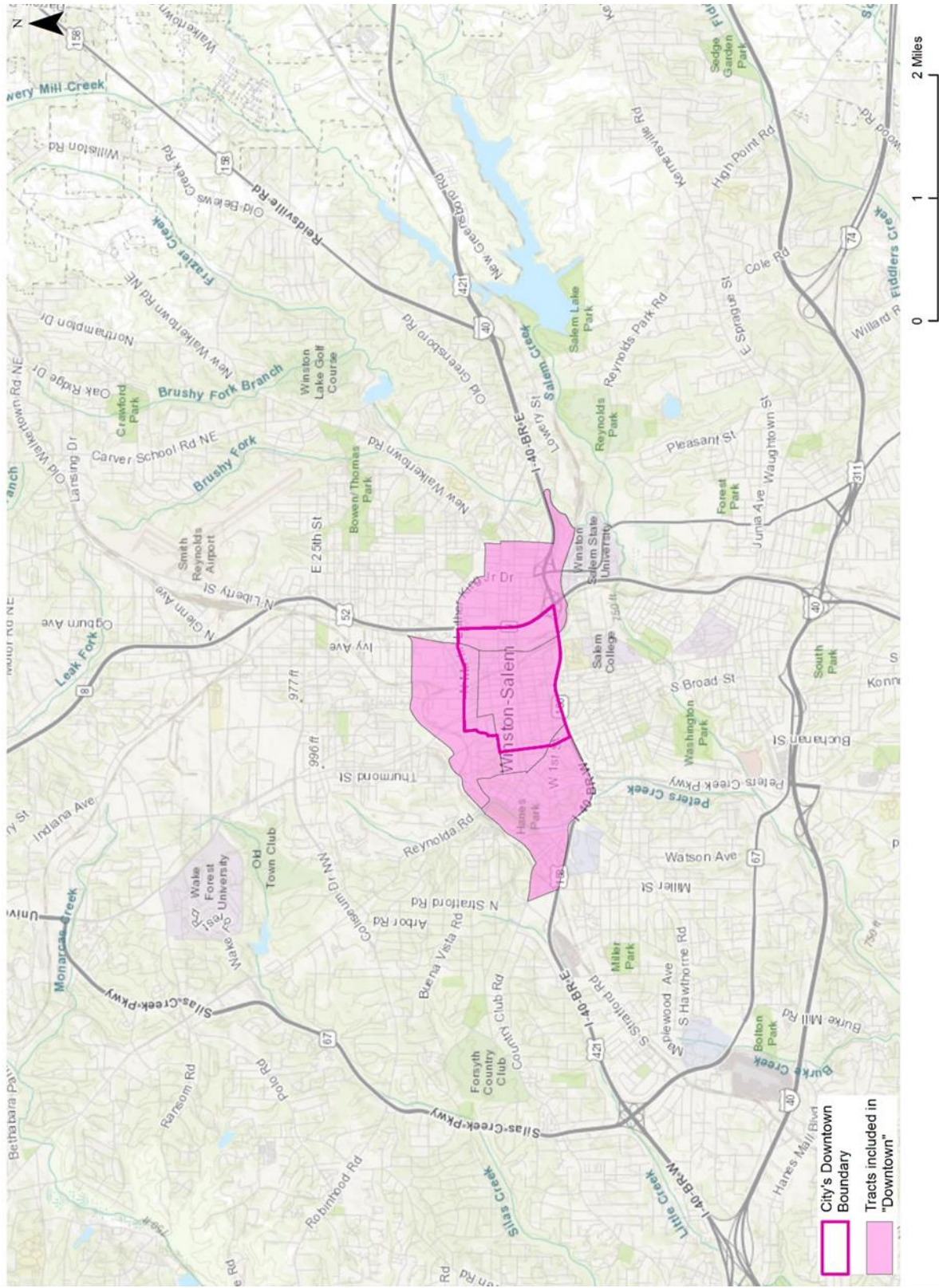
Map 1: Definition of City of Winston-Salem Used in this Study Compared to City-defined Boundaries

Definition of NRSA Used in this Study Compared to City-defined Boundaries



Map 2: Definition of NRSA Used in this Study Compared to City-defined Boundaries

Definition of Downtown Used in this Study Compared to City-defined Boundaries



Map 3: Definition of Downtown Used in this Study Compared to City-defined Boundaries

PART I: KEY FINDINGS

Existing Conditions Assessment

Demographic Trends: Growing Population and Households

- **Both the City of Winston-Salem and Forsyth County experienced population growth** from 2010-2015 (7,025 and 11,014 people, respectively). A disproportionate amount of that increase was among adults aged 65 and older. (Exhibit 2 and Exhibit 3)
- **The City grew by 5,088 households between 2010 and 2016, with one-and two-person households making up the largest share of family households.** Additionally, one-person non-family households represent 85 percent of all non-family groups in 2016, and two-person families are nearly half (about 44 percent) of the total. In fact, recent trends over the past five years show a decline in larger families in Winston-Salem, particularly with 3-person, 5-person and 7 person- non-family formations. (Exhibit 10)
- **Approximately 12.5 percent of Winston-Salem’s population are living with a disability (29,686 people).** The largest group of disabled are individuals with cognitive difficulty, as well as those who live with a disability but independently (33.7 percent and 32.9 percent, respectively). (Exhibit 11)
- **The City’s income levels are declining across several income groups.** Notably, between 2010 and 2016 income declined in the \$25,000-\$34,000; \$50,000-\$74,000; and \$75,000-\$99,000 income categories. Households in the \$35,000-\$74,999 income group represent 32.5 percent of all households. (Exhibit 12)
- **Both Forsyth County and Winston-Salem experienced household growth between 2010 and 2015.** Households in the county grew by 6,595 people, and Winston-Salem’s households grew by 4,723 during the same period. (Exhibit 6, Exhibit 7)
- **Forsyth County is less racially-ethnically diverse than the city of Winston-Salem.** Of the county’s approximately 350,000 residents, 58.7 percent are non-Latino. Black residents make up about one-quarter of the county’s population, and the Latino population comprises 11.9 percent. As for Winston-Salem racially or ethnically concentrated areas of poverty R/ECAPS (racially or ethnically concentrated areas of poverty), as of 2010 Winston-Salem contained eight contiguous R/ECAP census tracts. The RE/CAP areas comprise much of East Winston neighborhoods and the Winston-Salem State University campus.

- **Winston-Salem’s Downtown is Changing Racially and Ethnically**

Racial composition shows notable shifts (particularly among the White population). In 2010, Winston-Salem’s downtown comprised predominantly Black residents (about 1,210 households) and increased slightly to 1,253 by 2015, which is a 0.7 percent compound annual growth rate. White resident occupancy rose during the same period from 876 in 2010 to 1,047 households by 2015. This represents a 3.6 percent growth rate. Although downtown Winston-Salem continues to maintain a majority Black residency, the pace at which White households are moving downtown is much faster than Black households. In fact, White households are moving to downtown at about four times a faster rate than Black households. This pattern suggests that Whites are establishing residency in the downtown area at a faster rate, outpacing the rate of Black occupants. Although Asian populations represent a smaller racial make-up in the downtown area, trends show a steady increase between 2000 and 2015. (Exhibit 4)

Housing Trends

- **Many Winston-Salem’s non-family housing units are occupied by one-person households** – about 85 percent of all non-family occupants. However, three-bedroom units are most commonly-occupied, representing nearly 40 percent of all units in 2016. This may result in a mismatch between actual household size-to-actual unit size. (Exhibit 10, Exhibit 18). **Winston-Salem lacks “missing middle housing structures; small size units.”** When examining existing housing stock, single-family detached homes are the most common. Single family detached structures make up 62.2 percent of the City’s housing stock. Larger multi-family properties (properties with 10 units or more) comprise the second largest share of housing at 10.1 percent in 2015. Striking a balance between “types of housing” and “types of households” and filling the missing middle is critical, especially since demand for new housing is expected to grow by an additional 13,263 households citywide over the next ten years. About 61 percent of the demand will be older adults age 65 and over. The second highest demand will be from households in the 25 to 44 age group. Missing middle housing refers to structures in-between large and small; in this case 2–4-unit structures that may accommodate housing needs of both younger families and seniors. (Exhibit 18, Exhibit 29)
- **Total assessed housing value increased slightly by 2016, after declining three times in the last ten years.** Analysis of City/County property tax data indicates that housing values have fluctuated in recent years, which can have a direct impact on government’s ability to meet its financial obligations, provide adequate infrastructure and services, and offer programs to meet household and community needs. According to the 2016-17 Winston-Salem Comprehensive Annual Financial Report, real property assessed value declined by 10.2 percent between 2012 and 2013. Recent trends show a slight upward shift. Home values increased from \$141,200 to \$142,400 or 1.1 percent increase between 2010 and 2016. (Exhibit 84)

- **Winston-Salem lacks enough rental units affordable and available to low-income households.** According to 2010-2014 HUD Comprehensive Housing Affordability Strategy (CHAS) data, only 46.8 percent of all rental units are affordable and available to families earning less than 80 percent of Area Median Income. This is equal to 33,334 total units that are affordable for low income households, but only 15,632 units are available to them because they are occupied by renters in higher income groups. This pattern is especially true for households earning less than 80 percent AMI (0-30 percent AMI; 30–50 AMI and 50-80 percent AMI income ranges). This has resulted in a 16,244-unit shortage of affordable and available units for lower income households in Winston-Salem. (Exhibit 20, Exhibit 21; Figure 7: Age of Housing by Zip Code in Winston-Salem Figure 7, Map 1)

Similar patterns emerge with the elderly and persons with disabilities. For those groups, there is a housing shortage of 2,025 and 961 units, respectively. A surplus exists for those households with incomes at 80 percent and above at all geographical levels. (Exhibit 22)

A few trends explain why not enough rental options are available in Winston-Salem. First, according to the 2017 AFFH study, subsidized units are expiring each year, some moving to market rate housing and not keeping pace with needs of the 31,044 households earning less than 50 percent AMI. According to the Housing Authority of Winston-Salem, this is further complicated considering more than 4,500 families are currently on waiting lists for public housing; and based on HUD data from 2016 to 2017 there were 385 homeless households in the city. Rental options remain in short supply even taking into account efforts like construction of The Oaks at Tenth (50 units) in 2014, and Camden Station (30 units) in 2016. A limited supply of affordable and available rental options reinforces the importance of income-restricted housing in Winston-Salem, as well as an increased need for federal funding subsidies to meet this housing gap.

- **Lower income renter and owner Black households have more housing problems than any other races in Winston-Salem.** Of all renter units, more than half (52 percent or 21,340 units) had one or more housing problems; and of all owner-occupied units, 12,535 or 24 percent had housing problems. These are properties that have more than one person per room, lack complete kitchens, bathrooms, or plumbing. Zip code 27101 is one of the most vulnerable areas, maintaining the largest share of older properties in Winston-Salem (about 20 percent of all properties in the area). According to many local stakeholders, these challenges were primarily concentrated in the East End of Winston-Salem. Interviewees discussed the present condition of negative equity, inadequately maintained single-family housing (often used as rental housing), and several distressed multifamily properties without responsible, long-term focused ownership. (Exhibit 24, Exhibit 25, Exhibit 26, Exhibit 27; Figure 7, Figure 8; Map 2).

- **Recent data patterns show aging housing stock amid vacancy in Winston-Salem.** Nearly half of all housing units (47 percent) were built between 1960 and 1979, which represent the largest share of units across the city. Additionally, a total of 1,107 units were built before 1949. Although the city has seen a 2,247-unit reduction in vacant units between 2010 and 2016, more than 11,320 vacant units remain unoccupied. With a significant housing stock that is aging, explicit focus on rehabilitation of vacant, historic and aging units may present a strategic opportunity to help meet projected new housing demand over the next 10 years. (Exhibit 18)

Cost-burdened Households: Losses in Affordability

- **Many Winston-Salem renters at 30 percent of Area Median Income (AMI) cannot keep pace with housing costs and are extremely cost-burdened.** According to the most recent HUD CHAS (Comprehensive Housing Affordability Strategy) tabulation, nearly three quarters (71.0 percent) of extremely low-income households in Winston-Salem with incomes below 30 percent of AMI pay more than 50 percent of their income on housing costs. Similar trends hold true across Forsyth County (69.8 percent of extremely low-income cost-burdened households). (Exhibit 13; Figure 2).
- **Both renters and owners at lower income ranges experience cost burdens in selected submarkets in Winston-Salem. Families that earn less than \$20,000 per year, and renters are most acute.** Nearly two-thirds or 73 percent of homeowner families in this income group pay more than 30 percent of their income for housing. Similarly, 74 percent of families in the \$20,000 or less income group located in the Neighborhood Revitalization Strategy Area are cost burdened. Overall, this affects 13,778 units of housing across all occupied units. (Exhibit 14; Figure 3)
- **64 percent of renter households that earn less than \$20,000 a year pay more than 30 percent of their income on housing.** This impacts 14,437 households in Winston-Salem. Families living in both the NRSA and downtown Winston-Salem are experiencing similar cost issues, representing 73 percent or 7,656 families and 75 percent or 796 families, respectively. (Exhibit 18)

Measuring Affordability: What Price Points are Affordable for Workforce Housing?¹

- **Defining Workforce Housing:** For the purposes of this study, workforce is defined as persons working in the following occupations: community and social service occupations; kindergarten, elementary school, middle school, and secondary school teachers; registered nurses and nurse practitioners; firefighters; police and sheriff patrol officers; waiters and waitresses; cashiers; retail salespersons; and office and administrative support occupations. Data on annual wages for these occupations were compiled from the Bureau of Labor Statistics (BLS) Occupational Employment Statistics for the Winston-Salem metropolitan

¹ See Appendix D: Methodology

area. The weighted average annual wage across those occupations is \$35,597 as of May 2016. Therefore, this research allocates the typical workforce family to the \$35,000 to \$49,999 income group in the affordability analysis assessment and corresponding tables. (Part III: Measuring Housing Affordability)

- **An estimated 8,804 workforce homeowner households who earn between \$35,000 and \$49,999 per year can afford a lower-quartile house price of \$115,756.** This is equivalent to 97.3 percent of households in this income group. Only 246 workforce households or 2.7 percent of homeowner households in that income group cannot afford to purchase a lower-quartile-priced home in Winston-Salem. About 10 percent of all homeowner households across all income groups cannot afford a home in this price range in Winston-Salem. (Exhibit 54)
- **An estimated 8,273 workforce homeowner families who earn between \$35,000 and \$49,999 per year can afford a median-quartile house price of \$165,343.** This is equivalent to 91.4 percent of all homeowner households in this income group. Therefore, 777 workforce families or 8.6 percent of all homeowner households in that income group cannot afford to purchase a median-priced home in Winston-Salem. An estimated 16.4 percent of all homeowner households across all income groups cannot afford a home in this price range in Winston-Salem. (Exhibit 55)
- **An estimated 7,385 workforce homeowner households who earn between \$35,000 and \$49,999 per year can afford an upper-quartile price home of \$224,675.** This is equivalent to 81.6 percent of all households in this income group. Therefore, about 1,665 workforce households or 18.4 percent of all workforce households cannot afford to purchase an upper-quartile-priced home (\$224,675) in Winston-Salem. About 26 percent of all homeowner households across all income groups cannot afford a home in this price range in Winston-Salem. (Exhibit 56)

At what price points is housing affordable for lower income households in Winston-Salem?²

- **Households earning 50 percent AMI can barely afford a lower-quartile house priced at \$115,756. Households at 30 percent AMI cannot afford a home at this price point in the city.** Housing affordability indices for a typical lower-quartile house priced at \$115,756 is affordable for a family earning 80 percent AMI or higher, but unaffordable below 80 percent AMI.
- **Households earning below 50 percent AMI or lower cannot afford a median-quartile priced house at \$165,343 in the city.** Housing affordability indices for a typical median house priced at \$165,343 is only affordable for families earning above 80 percent AMI.

² See Exhibit 57 for tabulation details.

- **Households earning 80 percent AMI or lower cannot afford an upper-quartile priced house of \$224,675 in the city.** Housing affordability indices for a typical upper house priced at \$224,675 is only affordable for families earning 120 percent of AMI or higher.

Housing Affordability for Renter Households

- Based on the affordability indices measured at the census tract level, upper contract rent of \$758 a month in the city is affordable at 80 percent AMI, but not for households less than 80 percent AMI; median contract rent of \$593 is also affordable at 80 percent AMI but not for households earning less than 80 percent AMI; and the lower contract rent is affordable at 50 percent AMI or higher. Renting is least affordable downtown, as the median rent is affordable at 120 percent AMI and the lower quartile of \$461 is affordable between 50-80% AMI. (Exhibit 73)

Projected Future Conditions

Housing Demand over the next 10 years (2017 – 2027)

- 14,663 new units of housing will be demanded in Winston-Salem by 2027. Of these, more than half (62 percent or 8,941 units) will be demanded by older adults between the ages of 65 and 84. While many older residents will choose to age in place, this pattern suggests an emerging need for new housing for those choosing to relocate to the south, downsize to more suitable housing options, move closer to children, and make other decisions that support movement of aging populations. Additionally, reduced demand is forecasted in the 45 to 59 age group. (Exhibit 76)
- When examining demand by tenure, a significant share of older adults will demand more owner housing units than renter properties in Winston-Salem. A significant share of younger adults – ages 25 to 44 – are expected to demand more renter housing options than homeownership. In fact, more than half of rental units (59.8 percent of 3,231 units) will be demanded by a young adult in this age group. (Exhibit 35)
- Displayed by income group, over units will be demanded by households earning less than \$34,999 a year, and about 6,600 units demanded by individuals earning \$35,000 a year or more in Winston-Salem. (Exhibit 44)

Housing Development Costs

- **Winston-Salem neighborhoods and land parcels are considered valuable by most property value measures.** The analysis demonstrates that development potential exists even in the most disadvantaged areas of the County when examining average land value, average land value per acre, average assessed value, and average assessed value per acre. (Exhibit 84)
- **Downtown Winston-Salem is the most productive by a substantial margin in terms of assessed value per acre.** The assessed value per acre is 29 times that of the Forsyth County average, as denser development tends per parcel produce more value per parcel. Downtown assessed land value per acre is 12 times greater than the Forsyth County average. It is the most intensely developed, with an improvement-to-land value ratio of 7.2, compared to 2.4 for Forsyth County. (Exhibit 84; Table 1a: Appendix C for Neighborhood Level Comparisons).
- **East/Northeast and Southeast Winston have the lowest per-acre and per parcel values.** Southeast had below average levels of all indicators, while East/Northeast lagged County averages on a per parcel basis but was more productive on a per acre basis. East/Northeast neighborhoods also had the highest number of vacant residential parcels. Vacant parcels can have an impact on property values by reducing the value of the parcel itself and creating downward pressure on nearby property values. (Exhibit 84)
- When comparing development viability based on prevailing assessed values (parcel values by neighborhood to average parcel size), **smaller parcels tend to be more valuable on a per-acre basis.** (Figure 9, Figure 10)
- Based on current development patterns it is unlikely that the sites the city of Winston-Salem has identified for development opportunities can absorb the full amount of growth forecasted, particularly with expected household growth to reach 13,263 in the next ten years. (Exhibit 33)

Where are opportunities for vacant parcels under two acres located?

- **The analysis identified 3,617 total parcels in Winston-Salem,** most of which are coded as vacant residential or vacant in a residential or mixed-use zone. Findings also show that, of the 3,617 parcels, the majority are in the East/Northeast and Southeast planning areas. (Exhibit 86)
- **In terms of acreage, the Southeast planning area has the most development opportunities, followed by the Northwest and East/Northeast planning areas.** The total assessed land value of these parcels is more than \$160 million. The majority (3,228, or 89 percent of the total) are one acre or smaller, with 183 parcels from 1 to 2 acres and 206 above two acres. The average parcel size across the sample is just over half an acre (0.66). (Exhibit 86)

- **Publicly-owned parcels provide opportunities for facilitating development.** Creative use of such sites can expand opportunities for affordability, especially in cases where mission-driven developers struggle to acquire sites against better-funded market-rate developers. In markets or neighborhoods with less competition for land, publicly owned parcels offer an important opportunity to catalyze development and seed revitalization. (Exhibit 87)
- **Local stakeholders stated that the City of Winston-Salem/Forsyth County have a favorable approach to development, with reasonable fees and entitlement/permitting processes.** They stated that the for-profit and nonprofit developers were able to advance projects by-right and without the need for zoning waivers, which can add direct and indirect costs related to delays and additional outreach. Density levels are relatively high, and developers have opportunities to acquire lower-cost sites to facilitate detached single-family housing. Some multifamily zoning classifications allow for unlimited density. However, some stakeholders suggested that there is not much small-scale multifamily (under 100 units) or “missing middle” housing outside of areas adjacent to downtown. Development costs impact the affordability of the overall housing market and the amount of capital subsidies needed to produce affordable housing. (Section: Development Capacity and Cost)

Access to Opportunity, Housing and Transportation

- **Winston-Salem has above-average combined housing and transportation costs relative to income levels in the city compared to other similarly-sized cities** (between 200,000 and 300,000 people). This is primarily due to transportation costs, which is high because of residents’ driving long distances to access jobs and services. This in turn is also attributed to regional land use and development patterns, low population density and the lack of transit service and utilization. (Section: Housing and Transportation in Winston-Salem).
- **Winston-Salem’s housing and transportation costs are lower in the center and eastern parts of the city.** According to the 2016 census, residents who reside closer to downtown and points east of the center of town spend less on combined housing and transportation, where total costs range from 25 to 52 percent of total income. Residents that live west of the central downtown are higher cost areas. West-central parts of the city also have higher transportation costs where housing costs are very high. Transportation costs follow a clear pattern of increasing with distance to the center of the city (due to greater distances traveled), while housing costs have a more varied geographic distribution. (Section: Housing and Transportation in Winston-Salem).

The Downtown and East Winston are changing and in the early stages of gentrification

- Various community stakeholders expressed concerns about gentrification and displacement during our public engagement meetings in Winston-Salem, including uncertainty that individuals currently living in neighborhoods undergoing development will be able to afford to remain in those neighborhoods. (Appendix A:11; Community Participation Discussion Themes).
- Winston-Salem is experiencing geographic and demographic change in selected neighborhoods based on characteristics commonly associated with gentrification. Such change affects housing affordability and increased risk of displacement for families that can no longer afford to live in an area. (Exhibit 91)

Winston-Salem Strategy Framework and Actions

Overarching Goal: Match current and projected need for production of affordable housing to the supply of stock – strategically integrating preservation, affordability and access throughout Winston-Salem.

Objective 1

Close the 16,244-unit housing supply gap between affordable and available rental units primarily impacting households earning less than 80 percent AMI. (Exhibit 21; Figure 7; Map 1).

Rationale:

Winston-Salem lacks enough rental units affordable and available to low-income households. According to 2010 -14 HUD Comprehensive Housing Affordability Strategy data (the most recent data available), only 46.8 percent of all rental units affordable to families earning less than 80 percent of AMI are available to them in the city. The greatest need for rental production is for households at 80 percent of AMI and below. Likewise, homeownership also continues to be out of reach for many lower income households in Winston-Salem. The number of severely cost-burdened renter households in the City rose over the period. According to the most recent HUD CHAS tabulation, nearly three quarters (71.0 percent) of extremely low-income households in Winston-Salem with incomes below 30 percent of AMI pay more than 50 percent of their income on housing costs. Without an affordable housing intervention, this income group will continue to be vulnerable to economic shifts, lessening their chances of becoming first-time homebuyers.

Recommended Strategy #1: Increase affordable housing stock to meet a demand for 13,263 new households.

Actions:

- Employ a multi-dimensional funding strategy to bridge the housing shortage (*amount noted in the above objective.*) We recommend re-examining previously submitted applications for County HFA housing programs to increase competitiveness for funding approval and identify ways to partner with Forsyth County to leverage available countywide funding opportunities, as well as 2) leverage a proportion of the proposed 2018 General Obligation Bond funding allocation.
- Target production for very low-income residents earning less than 50 percent of AMI – particularly in neighborhoods of opportunity.
- Target production particularly for the 4,500 individuals and families on public housing waiting lists, and people with special needs including elderly, homeless and disabled.
- Improve area median income (AMI) targeting of new and existing rental production programs not to exceed 80 percent AMI.
- Develop better data collection systems to quantify and track subsidized and expiring units to identify the magnitude of housing needs, manage affordability, and obtain a more

accurate picture of actual inventory of affordable housing stock for lower income households.

- Enhance ability of mission-driven and responsible developers to obtain site control
- Facilitate a wider range of development types and densities
- Address City/County regulations that drive up development costs
- Make the most of small parcels
- Increase the stock of affordable housing for people older adults, disabled and individuals experiencing homelessness using the following tools/resources:
 - a. Transit Oriented Community Program
 - b. Updated Density Bonus
 - c. Unpermitted Dwelling Unit Ordinance
 - d. Shallow Subsidy Program
 - e. Comprehensive Homeless Strategy

Recommended Strategy #2: Partner with locally-based community education and advocacy groups to increase resources available to support affordable housing in the City.

Action:

- Partner with North Carolina Housing Finance Agency to encourage collective action.
- Gear funding to assist homeowners particularly at the 50 percent of AMI or less.
- Explore options in Winston-Salem, including:
 - Second chance housing programs for returning citizens
 - North Carolina Housing Foundation
 - Habitat for Humanity
 - Neighbors for Better Neighborhoods
 - Revitalizing Urban Commercial Areas (RUCA)
 - Transforming Urban Residential Neighborhoods (TURN)
 - Minister’s Conference of Winston-Salem and Vicinity

Recommended Strategy #3: Establish a review committee to examine Winston-Salem’s (3-9) Bonus Density for Affordable Housing ordinance.

Actions:

- Propose near-term solutions to improve the ordinance’s applicability in the production of quality, affordable housing development for lower income households.
- Consider incentivizing mission-oriented developers by deferring development fees until temporary certificate of occupancy is issued.
- Consider applying linkage fees on development projects outside of high-need areas to encourage better development opportunities West of Downtown Winston. Linkage fees

can pay for all or a portion of the costs of producing public services to a new development – offsetting costs incurred by the city of Winston-Salem.

- Evaluate land use patterns in Winston-Salem to incentivize upselling, and up-zoning to enhance current practices for identifying the right places to develop.

Objective 2

- Improve maintenance, quality and overall preservation of both renter and owner housing for properties particularly located in older communities experiencing housing problems. (Exhibit 24 - 27; Figure 7, Figure 8; Map 2).

Rationale:

A preservation strategy that enhances existing code enforcement, and establishes accountability involving both tenants and landlords. Recent available data shows, of all renter units, more than half (52 percent or 21,340 units) had one or more housing problems; and of all owner-occupied units, 12,535 or 24 percent had housing problems. The lack of a coordinated, multi-faceted approach may result in increased risk of shutting down problematic rental properties, which can lead to increased vacancy and homelessness. East, Southeast and closely adjoining communities are most vulnerable to such patterns.

Recommended Strategy #1: Coordinate resources to stabilize housing stock to maximize impact.

Actions:

- Grow the city’s existing *Housing Finance Fund* or alternatively create a separate *Housing Reserve Fund* to generate local revenues.
- Consider employing steps outlined in the recommended toolkit, which includes hiring a Vacant Property Coordinator. Other recommended actions can be found by following this link:
http://www.bpichicago.org/documents/HowCanMunicipalitiesConfronttheVacantPropertyChallenge_AToolkit.pdf
 - Tax vacant properties to support housing preservation of aging and historic properties to improve overall housing quality.
 - Implement a *Vacant Structure Fee* plan to address property abandonment in support of housing preservation standards.
- Employ a coordinated approach that integrates code enforcement, the TURN program, and other community assets into a larger place-based revitalization vision.
- Partner with local lending institutions, aligning Community Reinvestment ACT (CRA) requirements to help fund housing maintenance and preservation located in selected CRA investment areas.

- Collaborate with major local and regional corporations in the real estate/building trade to spur investment in quality projects and leverage the relationship to foster equitable real estate development.
- Strategically invest HOME dollars into major structural conservation and maintenance projects, targeting property maintenance that ensures long-term sustainability (minimum 10 years standards such as roofing, HVAC, windows, etc.)

Recommended Strategy #2: Utilize Code Enforcement Activities to preserve naturally-occurring affordable housing stock.

Actions:

- Foster opportunities to improve Tenant - Landlord communications:
 - Provide Resident-based Technical Assistance to tenants by offering bi-annual courses that focus on tenant-landlord relationships, which includes explaining municipal code regulations and tenant protections. Offer online format that is accessible for residents at different times.
 - Offer a tenant mediation program to prevent and resolve disputes between tenants and their landlords.
 - Institute a permanent Code Enforcement Task Force to strengthen collaborations between residents, landlords and the city, while addressing “quality of life” issues in one roundtable.
 - Institute a Small Properties Landlord Program - Target landlords who own between 2 to 20-unit properties. Units owned by smaller-scale landlords tend to have lower cost outlay due fewer properties to manage, which improves chances for quicker maintenance upgrades.
 - Inform landlords about programs and services available through the city and Forsyth County, and assist them with understanding property improvement options.
 - Partner with trade organizations such as HVAC, window consultants, etc. to be a part of the program.
- Adopt a systematic approach to code enforcement designed to help ensure residents safety and support.
- Identify whether certain key landlords own a critical number of currently affordable units and target enforcement based on mass ownership.

Recommended Strategy #3: Define strategic preservation objectives that prioritize properties for preservation.

Actions:

- Explore feasibility of establishing a municipal Land Bank as an option to return vacant, abandoned, and possible tax foreclosed properties to productive use while strategically reducing further deterioration of vacant properties.

- Execute a project-specific plan that considers the project’s current financial viability, physical condition, location of opportunity and vulnerability, and the population served relative to competitiveness in the local market.
- Review Forsyth County’s Qualified Allocation Plan (QAP) and other policies regarding preservation of existing affordable housing to ensure that those policies are consistent with the city’s preservation (existing or future) objectives and eliminate any impediments to preservation.

Objective 3

Create a better balance between housing units produced and size of households – particularly for the growing elderly, young adult populations and disabled. (Exhibit 3, Exhibit 10, Exhibit 11, Exhibit 18, Exhibit 35)

Rationale:

The City of Winston-Salem experienced both population growth and household growth between 2010-2015, and a disproportionate amount of that increase was among adults aged 65 and older. As the City prepares for future growth, it must realign actual household size with actual unit size. Many Winston-Salem’s non-family housing units are occupied by one-person households – about 85 percent of all non-family occupants. However, three-bedroom units are most commonly-occupied, representing nearly 40 percent of all units in 2016. This may create a mismatch between actual household size-to-actual unit size in the future.

Recommended Strategy #1: Fill housing stock with “*missing middle housing structures*” and smaller-size units to meet current and future housing needs.

Actions:

- Explore the feasibility of co-housing units as an affordable housing option for older adults.
- Modify interior structural spaces of existing large-scale housing stock (from the inside out) to accommodate smaller-size spatial needs to also ease housing cost-burden associated with lower income older adult populations.
- Adopt funding and/or tax incentives to offset the cost of visitability and/or accessibility improvements that can facilitate aging in place.
- Allow more by-right housing that could accommodate the housing demands of older adults and address the limitations to accessory dwelling unit utilization.
- Explore options for establishing “Senior Villages,” which are place-based networks of community members, volunteers and social services staff that support older adults hoping to stay in their neighborhood and/or age in place.
- Expand housing choices in high-opportunity areas targeting young adult populations for the 25 – 44 age group.
- Upon approval, target the housing portion of the 2018 Bond Referendum funds (Municipal General Obligation Bond) to meet Objective 3 strategies.

Recommended Strategy #2: Balance land development and investment across Winston-Salem neighborhoods that lead to equitable outcomes for residents and generate City revenues.

Actions:

- Explore housing development opportunities on smaller parcels of land.
- Improve site access by giving mission-driven developers first opportunity to access publicly-owned and/or tax foreclosed properties.
- Facilitate a balanced-approach to affirmatively furthering fair housing and housing choices in high-opportunity neighborhoods.
- Promote ways to encourage property landlords to accept housing vouchers
- Facilitate a wider range of development types and densities, focusing on zoning incentives including up-zoning, adopting preemptive policies for selective sites, and proactively seeking opportunities to adopt pilot programs.
- Adopt policies to improve parking
- Revisit the 2004 state of North Carolina adoption of Tax Increment Financing (TIF) as a viable financing mechanism to support local job creation and private investment opportunities in areas of opportunity across the city.

Recommended Strategy #3: Increase resources for, and impact of, initiatives that maintain housing affordability and reduce cost-burden of renter and owner households.

Actions:

- Conduct a feasibility analysis on rent stabilization and its impact on housing affordability for households at different income levels – particularly its impact on mixed income, multifamily units.
- Work collaboratively with Forsyth County Housing and Community Development on regional housing strategies.
- Ensure homeowner affordability levels are met for those earning \$35,000 a year or less citywide.
- Utilizing the Affordability Index, review housing prices for workforce families at the lower, median and upper quartiles to determine qualifying income levels and affordability thresholds. Likewise, review the index of affordability at given contract rents for lower income families.
- Expand opportunities to advance household financial stability similar to the Forsyth County IDA program. Also, consider approaches like the Housing Authority of Winston-Salem Step-Up program to build household financial stability.

Objective 4: Prevent the threat of displacement of low-income households from Downtown Winston-Salem and other contiguous neighborhoods particularly in the Eastern portion of the city, which is beginning to show signs of gentrification. (Exhibit 72; Appendix E)

Rationale:

Some Winston-Salem neighborhoods like downtown have experienced significant development over the last few years; and others including communities East of U.S. 52 are beginning to show early signs of gentrification. While this change can lead to positive benefits for some residents, such conditions present increased economic pressures and risk of displacement for others. Demographically, people of color and low-income tenants make up a large share of renters in these neighborhoods. The Neighborhood Revitalization Strategy Area (NRSA) alone has 16,835 low income renter households and about 1,765 low income families living downtown. Unless steps are taken to mitigate the effects of development on low-income renters, the City's development in these neighborhoods could have unintended, negative consequences.

Recommended Strategy #1: Stabilize families and neighborhoods by increasing homeownership opportunities

Actions: Establish a City/County collaboration to increase the number of first-time homebuyers and repeat homebuyers by adopting the following:

- Pursuing funding sources such as the NCHFA Mortgage Credit Certificate and NC Home Advantage Mortgage Programs, target a portion of funds through 2018 Bond Referendum once approved
- Improving effectiveness in administering City homebuyer programs to ensure Department and Divisions reach intended goals and target populations. The City may consider one or all of the following approaches:
 - a. Undergo a full-scale organizational assessment to identify and adopt opportunities/methods that improve alignment between current and future staffing-to-program needs.³
 - b. Consider the utility in issuing a Request for Proposal (RFP) to contract private provider(s) who have the capacity to assist with implementation of homebuyer programs.
 - c. Explore benefits and drawbacks of partnering with the Forsyth County Department of Housing to administer citywide homebuyer programs.
 - d. Increase marketing and outreach efforts and better targeting key populations in need, including those vulnerable to displacement.
 - e. Partner with banks to provide homebuyer loans to low and moderate-income homebuyers; target these services to those vulnerable to displacement.
 - f. Expand homebuyer assistance training and support through the Center for Home Ownership to accommodate increased number of homebuyers.

³ See recently adopted organizational restructuring chart: Appendix E

Recommended Strategy #2: Prioritize affordable housing preservation and affordable housing options in neighborhoods experiencing early stages of gentrification.

Actions:

- Explore the creation of a Community Land Trust to enable community control over land, create community assets (including affordable housing), and prevent displacement in appreciating markets.
- Explore Shared Equity homeownership as an alternative option to renting and traditional homeownership to impose restrictions on the resale of subsidized housing units.
- Expand and strengthen support against unjust evictions.
- Develop and implement an acquisition and rehabilitation loan program for small multi-family properties located in areas experiencing displacement pressures.
- Explore the feasibility of a “Right to Counsel” Ordinance to protect tenants’ legal rights.

Recommended Strategy 3: Foster improving economic opportunities for low-and-moderate income residents in gentrifying and vulnerable neighborhoods by offering economic relief options.

Actions:

- Apart from the recently approved Zoning Regulation (UDO 267) on individual properties, broaden utilization of this zoning ordinance to enable developers to build smaller, accessory units in planned communities for older adults.
- Fully execute the Winston-Salem/Forsyth County Housing Consortium Displacement Policy by conducting a project feasibility assessment and implementation plan, as noted in the *Housing and Community Development Citizen Participation Plan, July 2016*.
- Develop concrete steps to build residents’ trust that neighborhood changes will benefit their communities well-before gentrification moves from the current early stage to late stage.
- Use incentives to support the production of jobs for lower income residents, particularly for unemployed and underemployed residents.

Recommended Strategy: #4: Provide operating funds for a local nonprofit organization to become a *Community Land Trust* in communities like East Winston and the Northeast sections of the city.

Actions:

- Establish homeownership programs with qualifying criteria for both first-time homebuyers (existing renters) and repeat homebuyers at specific lower income thresholds
- Direct the resale of units to subsequent qualifying homebuyers
- Work in partnership with Forsyth County to establish a right of first-refusal to ensure long-term affordability periods.

Objective 5: Increase access to opportunities that are tied to where residents live. (Part V: Access to Opportunity Section)

Rationale:

As redevelopment and overall downtown transformation occurs, factors involving housing and transportation costs and its impact on residents – especially lower income, disabled and elderly who live within this geographic area – are key considerations for decision-making. Communities often impacted by such change tend to have higher poverty, primarily racial/ethnic concentration (primarily African American and Hispanic), lower educational attainment, higher unemployment rates and rely more heavily on public transit access due to lack of vehicles. The City’s racially, ethnically concentrated areas (RE/CAP) comprise much of East Winston neighborhoods and the Winston-Salem State University campus, E. Northwest Boulevard to the north, Hanes Park to the west, and W. 8th Street to the south.

Actions:

Recommended Strategy # 1: Implement place-based community investment strategies and approaches that foster economic mobility to increase access to opportunities to maintain housing choice for residents.

Actions:

- Prioritize comprehensive revitalization projects (over one-off affordable housing development) that both create or preserve affordable housing as well as increase access to other opportunities, such as living wage jobs, expanded transportation, healthy environments, and proficient schools.
- Identify additional funding and financing opportunities for place-based community investment strategies. These may include:
 - a) Seek investment funding through the Community Reinvestment Act (CRA). (Key Bank recently signed a landmark \$16.5 billion community benefits agreement under the CRA).
 - b) Consider community benefits agreements with developers and other industries in the area (for example, from the Wake Forrest Innovation Quarter) in which diverse stakeholders come together to develop plans to make the greatest impact.
 - c) Explore the Transportation Infrastructure and Finance Innovation Act (TIFIA) program, which provides credit assistance for qualified projects of regional and national significance, to include projects to improve or construct public infrastructure that are located within walking distance of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility. These programs can incentivize private investors to implement transit-oriented development projects in low-income areas.
 - d) Explore investment opportunities through the EB-5 Immigrant Investor Visa Program, which provides a method for eligible Immigrant Investors to become lawful permanent residents.

Recommended Strategy #2: Increase mobility opportunities for low- to moderate-income residents

Actions:

- Support Housing Choice Voucher (HCV) holders and other households considering moves to communities of greater opportunity.
- Work closely with Winston-Salem Social Services and Human Services Divisions to assist residents in locating affordable units for which vouchers would be accepted.
- Create a “Mobility Counselor” position for the City, hired to assist residents in locating affordable units.
- Expand education, outreach and enforcement on fair housing to landlords, developers and the larger “receiving” community.
- Track and reserve publicly-owned land, especially in current and emerging neighborhoods of opportunity, for affordable housing.
- Partner with the Winston-Salem school district to explore ways to expand access to proficient schools through housing and community development programs and activities.
- Expand programs and resources for public housing residents to improve educational and employment outcomes.
- Advocate at the state level to revise the Qualified Allocation Plan to include additional incentives for developers to build in high-opportunity areas and increase the threshold basis limits to account for higher costs to build in areas of opportunity
- Use incentives to support job creation for lower income residents
- Incentives should be focused on improving the economic conditions of current lower income unemployed or underemployed residents.

OPPORTUNITIES AND CHALLENGES

Winston-Salem’s growth has created many opportunities and challenges for existing residents, while attracting new residents and businesses – particularly in the City’s downtown. However, constrained housing conditions increase risk of gentrification. The opportunities and challenges outlined below inform the proposed housing strategy for Winston-Salem and are categorized as: funding programs, transportation and development climate, community engagement, and economic mobility.

FUNDING PROGRAMS

The City of Winston-Salem Fiscal Year (FY) 2018 budget dedicates \$9,584,105 programmatic funds (federal, state, and local) primarily to housing.⁴ This budget, and the broader funding context in Winston-Salem, present key opportunities and challenges for the City to consider.

Exhibit 1: FY18 Budget Appropriations

FY 2018 Budget Appropriations⁵	
Funding Source	Amount
Community Development Block Grant	\$2,523,957 (includes \$550k in Program Income)
HOME Investment Partnership	\$1,068,881 (includes \$135k in Program Income)
Housing Finance Fund	\$599,615
Emergency Solutions Grant Program	\$179,756
Continuum of Care State ESG	\$2,755,616
Carryover Funds	
CDBG	\$341,280
HOME	\$690,000
Housing Finance Fund	\$225,000
G.O. Bonds	\$1,200,000

⁴ “Consolidated Housing and Community Development Plan 2017-2018 Annual Plan Winston-Salem/Forsyth County Housing Consortium.” August 16, 2017. Submitted July 20, 2017. <http://www.cityofws.org/Portals/0/pdf/1CBD/Planning/2018/Jan%202018/Con%20Plan%20FY18%20Final%2011-16-17.pdf?ver=2017-12-15-100406-203>

⁵ The FY 2018 funding appropriations noted in this assessment are based on information available as of December 2017. Strategies and recommendations noted in this document may be subject to change based on current approved budget.

Total FY 2018 Programmatic Resources	\$9,584,105
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FEDERAL FUNDING OPPORTUNITIES AND CHALLENGES

Most federal funding sources for housing have increased compared to five years ago. A summary of historic funding levels is below:

- **Community Development Block Grant (CDBG)** funds *increased* slightly from \$1,956,148 in Program Year (PY) 2013-2014 to \$1,973,957 in PY 2017-2018 (or by 0.9 percent), with the highest allocation in this five-year period occurring in PY 2016-2017 (\$1,996,684).
- **HOME** funds also *increased* slightly from \$922,457 in PY 2013-2014 to \$933,881 in PY 2017-2018 (or by 1.2 percent), with the highest allocation occurring in PY 2014-2015 (\$979,659).
- **Continuum of Care (CoC)** funds *increased* significantly from \$1,350,170 in PY 2013-2014 (known as Supportive Housing funds this year) to \$2,560,300 in PY 2017-2018 (or by 89.6 percent), with the highest allocation occurring in PY 2017-2018.
- **Emergency Solutions Grant (ESG)** funds allocated to Winston-Salem *increased* slightly from \$138,158 in PY 2013-2014 to \$179,756 in PY 2017-2018 (30.1 percent jump), with the highest allocation occurring in PY 2017-2018. The State of North Carolina also provides Winston-Salem with additional ESG funds; these funds *decreased* from \$316,937 in PY 2013-2014 to \$195,316 in PY 2017-2018. Overall, the combined City and State-provided ESG funds *decreased* from \$455,095 in PY 2013-2014 to \$375,072 in PY 2017-2018 (or by 17.6 percent).

Despite the largely positive trajectory of most federal funds for housing over the last five years, the future federal funding picture is much less predictable. The White House’s proposed budget for FY 2019 recommends reducing the Department of Housing and Urban Development’s (HUD) budget by \$8.8 billion, including zeroing out the Public Housing Capital Fund and eliminating CDBG, among other significant cuts.⁶ The resulting impact on Winston-Salem’s funding for housing—and for many cities across the nation—could be dramatic and require the City to identify alternate funding and financing opportunities to fill the gap left by reduced federal funding.

Based on the most recent CPD Cross-Program Funding Matrix,⁷ Winston-Salem received \$5,940,96 in CDBG funds from 2015 to 2017. Interviews conducted with local stakeholders

⁶ Office of Management and Budget. *Fiscal Year 2019 Efficient, Effective and Accountable: An American Budget*. <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

⁷ https://www.hudexchange.info/resource/reportmanagement/published/CPD_Funding_Grantee_Matrix_WINS-NC_NC_20180201.pdf

suggested that the regulations and requirements relating to federal funds have constrained City staff in using these funds efficiently.

One important federal funding opportunity that could help fill the federal funding gap is the Choice Neighborhoods Implementation Grant. The Housing Authority of Winston-Salem (HAWS) served as the Lead Agency for the grant application, which they submitted in November 2017 for a portion of the \$30,000,000 grant award. The City is partnering with HAWS on this grant and committed \$500,000 of CDBG per year for six years, should the grant be awarded.

The 2018 Tax Cuts and Jobs Act created the new Opportunity Zones Program, which is designed to drive long-term capital to rural and low-income urban communities throughout the nation, may also present an opportunity for low income communities in Winston-Salem. Along with other Governors, North Carolina Governor Cooper must submit recommendations for Opportunity Zone designations in their state to the Treasury Department by March 21, 2018 (unless they request a 30-day extension). Once approved, these designations will remain in place over the next decade. A sizable portion of Winston-Salem consists of qualified census tracts for this new program,⁸ representing potential investment opportunities over the next 10 years.

State and Local Funding

As reported in the *Winston-Salem Journal*,⁹ a key funding opportunity for the City is the \$122 million bond package, likely set to go before Winston-Salem voters in November 2018. The City Council voted unanimously to put the bond to voters. Public meetings on the bond package are set to begin in March 2018. The current package includes approximately \$10 million for neighborhood revitalization and \$1.7 million for targeted efforts in the East Ward.

This bond package is timely considering the reduction in the Housing Finance Fund (HFF). The HFF was originally funded by a half-cent sales tax. At its height, the HFF held \$20 million, but today has less than half remaining.

The State of North Carolina's funding support for some housing initiatives, such as commitments to Community Development Corporations (CDCs), has decreased in recent years. While CDCs have been a positive contributor to the housing market over the years, these reductions in funding have hampered their production level.

There are other opportunities to increase funding and resources to meet housing needs that could be explored or further leveraged; these include: Low-Income Housing Tax Credits (LIHTC), Tax-Increment Financing (TIF), Section 108 loans, federal¹⁰ and state¹¹ historic tax credit beginning in 2018-19, as well as public-private partnerships especially for workforce housing.

⁸ See Enterprise Community Partners mapping tool to identify which census tracts qualify:

<https://www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool>

⁹ Young, Wesley. "Council set to put \$122 million bond issue before voters." *Winston-Salem Journal*. February 27, 2018

http://www.journalnow.com/news/local/council-set-to-put-million-bond-issue-before-voters/article_02c8a1db-b8dd-556a-95f1-2bf5ff86eaa9.html

¹⁰ <https://www.nps.gov/tps/tax-incentives.htm>

¹¹ <http://www.hpo.ncdcr.gov/tchome.htm>

Private Funding

Some nonprofit, philanthropic and private sector support for affordable housing and community development also has been lost. Notably, the Winston-Salem Community Development Funders Collaborative, which ceased operation in 2015. In the Collaborative’s letter informing the City it was closing, the stated reason was inconsistency in sustaining funding levels specifically from the philanthropic community.” The Collaborative originally formed as a way for local foundations, government, and banks to pool resources and make collective decisions to support Community Development Corporations.

The banking community provides another potential funding and financing partner, whether by providing more homebuyer and rehabilitation loans directly to low and moderate income (LMI) families or by providing community development funding under the Community Reinvestment Act (CRA). KeyBank, which has branches in Winston-Salem, recently signed a landmark \$16.5 billion community benefits agreement under the CRA, which may produce funding opportunities for the area.

PUBLICALLY-SUPPORTED PROGRAMS

The City, County, and HAWS fund and implement a variety of programs designed to meet housing needs in Winston-Salem and throughout Forsyth County.¹² The City’s FY2018 budget allocated \$3,477,658 to housing rehabilitation programs, \$3,436,672 to homeless and transitional housing, and \$912,640 to housing production and homeownership.¹³

Opportunities and Challenges: Housing and Services for Homeless Persons

Winston-Salem’s Annual Action Plan describes two key strategies the City employs relating to homelessness:

1. Meet the housing and service needs of homeless persons; and
2. Coordinate city, county, state, federal, and private funds and activities to meet the needs of homeless persons, reduce poverty and prevent and end homelessness.

The City and County recently created the Commission on Ending Homelessness. This Commission presents a valuable opportunity to improve collaboration in planning and implementing efforts to end homelessness. It may also serve as an example on how multiple stakeholders can approach meeting other housing needs. However, one stakeholder interview referenced “collective impact fatigue” in Winston-Salem and the County—citing numerous collective impact platforms and collaboratives focused on several issues, many of which are broad and/or overlapping. Further, many of the same people, organizations, and agencies are asked to participate in the various collaborative efforts. If efforts were renewed to develop a housing collaborative, the City and other stakeholders would need to carefully consider how to add value without overburdening participants.

¹² For a complete list of programs, see Appendix A.

¹³ This does not include HAWS programming budget.

The North Carolina Housing Finance Agency (NCHFA) offers other programmatic opportunities relating to homelessness for the City to consider, namely: The Supportive Housing Development Program and the Key Rent Assistance Program (administered by the North Carolina Department of Health and Human Services). The Supportive Housing Development Program provides interest-free loans for developments that benefit target populations, which include homeless persons as well as persons representing other vulnerable populations. The Key Rent Assistance Program is available to properties participating in the Targeting Program, that is, properties developed using Low Income Housing Tax Credits (LIHTC). Key Rental Assistance makes the “targeted” apartments truly affordable to persons with extremely low incomes (including disabled and homelessness persons) and can help pay for rental assistance, security deposits, reimbursement of unpaid damages after tenants moves out, reimbursement of unpaid tenant-portion of rent and late fees, reimbursement for vacancy due to tenant abandonment of the unit, reimbursement for successful eviction costs, and holding fees.

Code Enforcement

The Code Enforcement Division is the largest of the three divisions within the City of Winston-Salem’s Community Development Department. The FY 2015-2016 Comprehensive Annual Financial Report (CAFR)¹⁴ shows ebbs and flows in the output of the City’s code enforcement program. Over the past ten years the City has worked with the county to correct an average of 2,740.1 housing code violations per year, with corrections declining since their peak in 2012.

A reduction in the number of violations can indicate that there are fewer violations occurring and that a code enforcement program is successful in reducing them. However, interviews suggest that this reduction may be the result of decreased staff capacity to perform inspections, instead of a reduction in the overall number of violations. Interviews also referenced a significant number of single- and multifamily properties with quality issues and suggested that the City would benefit from stricter enforcement. Further, attendees at the first public engagement meeting for this project voiced concerns about the City and County’s code enforcement program--that the City seemed reluctant in (or not proactive about) addressing the issue of abandoned properties. It is not possible to draw a firm conclusion about the reduction of violations based on available information, but it does seem that an assessment of the program would be valuable to determine to what extent it is meeting the housing needs.

One option that the City could explore to meet housing needs with its code enforcement efforts is a proactive rental inspection (PRI) program. Typically, and in Winston-Salem,¹⁵ code enforcement programs are complaint based, whereas PRI programs inspect properties on a periodic basis to ensure that they are safe and habitable, and that property values are maintained. ChangeLab Solutions “Guide to Proactive Rental Inspection Programs”¹⁶ details the numerous benefits of a

¹⁴ “Winston-Salem Comprehensive Annual Financial Report FY 2015-2016 (CAFR),” November 11, 2016. Page 218-219. <http://www.cityofws.org/Departments/Finance>.

¹⁵ <http://www.cityofws.org/portals/0/pdf/nservices/Housing%20Code%20Procedure081710.pdf>

¹⁶ ChangeLab Solutions. “A Guide to Proactive Rental Inspection Programs.” 2014. https://www.changelabsolutions.org/sites/default/files/Proactive-Rental-Inspection-Programs_Guide_FINAL_20140204.pdf

PRI program including, preserving safe and healthy rental housing, helping protect the most vulnerable tenants, and possibly preserving neighborhood property values (and a locality's property tax base). A key challenge that the City of Winston-Salem will face in instituting a PRI program is that the North Carolina state legislature has preempted the authority of localities to enact PRI programs. Several North Carolina cities had successful PRI programs until the legislature's preemptive action. Specifically, NC Gen Stat § 153A-364 (2013) limited the ability of inspection departments to periodically inspect properties to only those times when "there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure."¹⁷

The Forsyth County Department of Housing currently has only one staff member dedicated to both its code enforcement and housing rehabilitation programs. An interview with County staff suggests that one staff member does not have the capacity to implement both programs, causing the productivity of each to suffer. The County could explore charging municipalities a fee for code enforcement services, which would generate funding that the County could match to hire a full-time code enforcement staff person, thereby increasing the productivity of both its code enforcement and housing rehabilitation programs.

Housing Rehabilitation

Housing rehabilitation is a key need in Winston-Salem. In its recent Annual Action Plan, the City articulated two key strategies to meet this need:

1. Rehabilitate single-family homes owned by lower-income families to extend their useful life, preserve affordability, and make adaptive improvements to address the special needs of seniors and disabled persons; and
2. Rehabilitate multi-family and single-family substandard rental units to extend their useful economic life and preserve affordable rents.¹⁸

The City faced challenges in rehabilitating its planned number of housing units, rehabilitating only 20 out of 56 planned. Interviews suggest that these challenges may be due, in part, to the Housing Development Division's difficulty in retaining and attracting staff over the last three years. The resulting staff turnover may have contributed to a backlog in loan cases and a reduction in program outputs.

Since housing quality is such a significant housing need in Winston-Salem, it will be important for the City to consider large-scale solutions to tackle this issue. One option for the City to consider is establishing a Land Bank. The purpose of a municipal land bank is typically to "return vacant, abandoned, and tax foreclosed property to productive use...while reducing the harm of vacant

¹⁷ NC Gen Stat § 153A-364 (2013). The term "reasonable cause" means any of the following: (i) the landlord or owner has a history of more than two verified violations of the housing ordinances or codes within a 12-month period; (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected; (iii) the inspection department has actual knowledge of an unsafe condition within the building; or (iv) violations of the local ordinances or codes are visible from the outside of the property. <https://law.justia.com/codes/north-carolina/2013/chapter-153a/article-18/section-153a-364/>

¹⁸ 2017-2018 Annual Plan, page 12

properties.”¹⁹ It will also be important in the case of Winston-Salem (where private developers have been less likely to build in the neighborhoods with the greatest housing quality issues, vacancy, and blight) that the land bank identifies enough land to develop large projects, and in neighborhoods where private developers are hesitant to build in order to jump start investment.

The City has legal latitude to operate a land bank.²⁰ In his article, *How a North Carolina Local Government Can Operate a Land Bank for Redevelopment*, author Tyler Mulligan defines land banks as “a public authority created to acquire and redevelop vacant and abandoned properties.”²¹ He also notes that while North Carolina does not have explicit enabling legislation to support land banks, it does have existing statutory authorities that Winston-Salem can pull together so that they can perform the basic functions and major activities of a land bank. These authorities would allow a land bank to:

- Obtain property at low or no cost through the tax foreclosure process
- Hold land tax-free
- Clear title and/or extinguish back taxes
- Lease properties for temporary uses
- Negotiate sales based not only on the highest bid but also on the outcome that most closely aligns with community needs, such as workforce housing, a grocery store, or expanded recreational space

Land banks are generally funded through a variety of sources, ranging from foundation grants and local general fund appropriations, to revenue from the sale of properties, and federal and state grants. The upcoming bond referendum may provide an opportunity to capitalize a land bank. Also, local units of government, such as the Housing Development Division and the Code Enforcement Division, could provide in-kind assistance such as shared staffing.

Homebuyer Assistance Programs

Homeownership can help build wealth for the homebuyers as well as stabilize families and neighborhoods. A key strategy in Winston-Salem is to subsidize home ownership acquisition. Unfortunately, the City’s homebuyer assistance programs have produced few outputs (two out of seven planned homebuyers for PY 2017), far below the scale needed. Interviews suggest that the low output is due, in part, to the same staffing challenging noted above and relating to housing rehabilitation (the same City division administers both programs). Interviews also revealed that the City program could increase and better target its marketing of the program as well as develop a loan process, systems, and tools that are better geared toward the public-sector rather than the private sector. The City’s homebuyer loan programs are further challenged by negative equity in struggling neighborhoods, which are typically the neighborhoods the City homebuyer programs target for homeownership. Over the last two tax valuations, property values have decreased in low-

¹⁹ Shelterforce. “The Answer.” https://shelterforce.org/2014/10/02/answer_land_banks_land_trusts/

²⁰ For more information, see: Mulligan, Tyler. “How a North Carolina Local Government Can Operate a Land Bank for Redevelopment.” March 18, 2014.

²¹ Mulligan, Tyler. “How a North Carolina Local Government Can Operate a Land Bank for Redevelopment.” March 18, 2014.

income neighborhoods by 25 to 40 percent, meaning homeowners cannot build equity. Without equity, homeowners may not be able to secure the loans necessary for property upkeep and maintenance or build wealth.

The County homebuyer assistance programs have produced dozens of homebuyers in the last year. A notable feature of the County homebuyer assistance program is that participants can buy homes anywhere in Forsyth County, including Winston-Salem. Interviews suggest that in most cases, homebuyers utilizing the county program purchase homes in “better” neighborhoods than where they lived before. The program’s geographic flexibility allows the opportunity for homebuyers to build wealth and increase their access to assets like more proficient schools.

It will be important for the City to consider how it can target its homebuyer assistance program in a way that promotes housing choice while also helping homebuyers build wealth. This could mean either helping homebuyers buy housing units in high-opportunity areas (the mobility approach) or ensuring that homebuyer programs in struggling neighborhoods are part of a larger revitalization strategy that stems property depreciation (the place-based approach).

The City also has several opportunities to explore to increase the productivity of its program. These options can include: a) contracting private provider(s) who has/have the capacity to implement an effective homebuyer program, b) collaborating with the Forsyth County Department of Housing to administer the homebuyer program, or c) undergoing a more in-depth organizational assessment at the Department level to identify key opportunities to improve efficiency and effectiveness.

The City currently allocates just under \$1 million to both its homeownership *and* housing production programs. To improve and increase production of the homeownership program, the City will likely need to identify additional funding sources and financing mechanisms. Funding options for the City to consider include:

- The 2018 bond package (should it be approved by voters)
- The NCHFA Mortgage Credit Certificate²²
- The NC Home Advantage Mortgage²³
- Community development funding under and banking services for LMI residents under the Community Reinvestment Act, especially the KeyBank’s recently signed, landmark \$16.5 billion community benefits agreement under the CRA.

New Construction Programs

The City’s new construction programs focus on subsidizing single-family housing production and affordable rental housing. However, the City’s ability to meet the community’s housing needs mostly depends on the ability of the private sector to develop the preferred types of housing. The level of change necessary to transform suburban-style development patterns or reverse generational patterns of disinvestment is unlikely to be achieved through government programs or

²² <https://www.nchfa.com/home-buyers/buy-home/nc-home-advantage-tax-credit>

²³ <https://www.nchfa.com/home-buyers/buy-home/nc-home-advantage-mortgage>

funding sources alone. Even significant catalytic public investments (such as new transit lines) rely on private-sector actors to identify and leverage the value created for new development.

However, interviews suggest that for-profit developers are unwilling to build in neighborhoods suffering from disinvestment, citing the neighborhoods' lack of amenities, depreciating property values, poor-performing schools, and (real or perceived) high crime. In part because of the gap from for-profit developers, nonprofit developers build and rehabilitate homes primarily in low-income neighborhoods, where for-profit developers are unwilling to go. It is understandable that nonprofit developers concentrate construction and rehabilitation in low-income neighborhoods, especially if private, for-profit developers are unwilling to do so. However, this may have the unintended effect of concentrating poverty and perpetuating disparate access to vital opportunities, such as jobs, multi-modal transportation, healthy environments, high-performing schools, etc. if the construction is not tied to broader, place-based revitalization strategies. Moreover, the City lacks a large-scale nonprofit multifamily developer. The ability to develop such capacity may be limited by the state of North Carolina's 15% cap on 9 percent Housing Credits awarded to nonprofit developers, though this provision was not discussed in interviews.²⁴

The City can best encourage mixed-use, mixed-income development across a wide-range of neighborhoods by fostering a development climate²⁵ in which the market reaches as far down the income spectrum as possible, allowing scarce public resources to be focused on the greatest housing affordability and community development challenges. The City can then focus its new construction subsidies on developments that achieve a particularly important goal (such as spurring development in a disinvested community or providing deeper levels of affordability).

The City has attempted to focus its gap financing on projects designed to provide deeper levels of affordability for LMI renters for new construction by issuing an inclusionary zoning ordinance and workforce housing guidelines. However, the City faces challenges in leveraging inclusionary zoning for this purpose. North Carolina's General Assembly does not have enabling legislation for mandatory inclusionary zoning and rent controls are expressly prohibited.²⁶ The City has had a voluntary inclusionary zoning ordinance in place since 1994. The ordinance offers a 25 percent bonus density for duplex or multifamily units if 40 percent of the units are rented to families earning less than 60 percent AMI or if 20 percent of the units are rented to families earning less than 50 percent AMI. For single-family detached units, a 25 percent bonus density is offered if 25 percent of all units are sold to families earning less than 80 percent of AMI. The ordinance also allows developers to trade their density portion for a donation of land to the City. However, no one has taken advantage of this ordinance since its inception over 20 years ago.

²⁴ This provision was still in place as of the state's 2016 Qualified Allocation Plan; identified as part of research for: Spotts, Michael A. *Giving Due Credit: Balancing Priorities in State Low-Income Housing Tax Credit Allocation Policies*. Washington, DC: Enterprise Community Partners, June 2016. <http://www.enterprisecommunity.org/resources/giving-due-credit-balancing-priorities-state-low-income-housing-tax-credit-allocation?ID=0101093>.

²⁵ Discussed more in the Development Climate section below

²⁶ For much more information on the legal context relating to inclusionary zoning in North Carolina, see: "Local Government Authority to Enact Inclusionary Zoning in North Carolina." Staff Attorneys at Pisgah Legal Services. <https://www.slideshare.net/gordonsmithasheville/local-government-authority-to-enact-inclusionary-zoning-in-north-carolina>

The Affordable Workforce Housing Assisted with City Funds policy, sets out guidelines for the construction or rehabilitation of multifamily, rental developments when locally-derived funds are the only source of City funds. These guidelines include a requirement that at least five percent of total units must be leased to households whose incomes are 50 to 80 percent of AMI and at least five percent of total units must be leased to households whose incomes are 80 to 120 percent of AMI, which qualifies as middle income rather than low or moderate income. The guidelines stipulate that the time period for the income limit will not be less than 15 years.

To date, the City has provided gap financing to two developments downtown under this new policy. The City's provision of local funds required that 25 percent of the 115 total units in 757 North be affordable to households at 80 percent of AMI. The City required 5 percent of the total 166 units in the Chatham Mill Apartments be affordable to households at 80 percent of AMI and five percent of units be affordable to households at 70 percent of AMI.

Interviews suggest some challenges relating to the workforce policy. First, there was not a shared understanding among interviewees of what workforce housing is and who it should target. Because there is no shared definition, some interviewees did not think the developments were targeting the right people. For instance, one interviewee reported that a developer targeted the workforce housing units to medical students, which they felt did not reflect the intention of the policy or meet the housing needs it was designed to address.

Two additional opportunities that the City can explore include supporting the creation of a Community land trust and building the capacity of faith-based organizations to use their assets to create and sustain affordable and/or supportive housing. A community land trust enables communities to control land and create community assets such as affordable housing. Community land trusts, often managed by nonprofit members, retain ownership of the land, but sell the structures on it and offer long-term ground leases to the structures' owners. Community land trusts are particularly suited to preventing displacement in appreciating markets.²⁷ Should the City want to support the creation of a community land trust, it can tap resources like the National Community Land Trust Network. This network offers a library of trainings, tools, sample documents, research, manuals and other resources for communities considering the development of a community land trust and for those communities working to create one, the Network provides grants to members for capacity building and helps them find relevant external funding.²⁸

Several communities across the country like Alameda County, California have funded robust capacity building programs to develop affordable housing on their assets with bond measures, working particularly with faith-based organizations. The City of Winston-Salem could partner with faith-based organizations to identify their willingness and ability (including assets available) to engage in such a program. The 2018 bond package could provide a timely injection of funds to operationalize the program.

²⁷ Shelterforce. "The Answer." https://shelterforce.org/2014/10/02/answer_land_banks_land_trusts/

²⁸ <http://cltnetwork.org/>

There are additional public resources that developers can tap for new construction that are mentioned in the following section on Publicly Supported Housing.

Publicly Supported Housing

The primary administrator of publicly-supported housing programs is the Housing Authority of Winston-Salem. HAWS administers numerous publicly-supported housing programs with 130 staff. HAWS manages 1,459 housing units, 1,262 units subsidized by project-based Section 8, 4,482 housing choice vouchers (HCV), and approximately 2,200 landlords. Though the waiting list for HCV vouchers was up to 1,500 at one point, the current waiting list is nearly exhausted, and HAWS opened the waiting list for four days in February 2018, the first time since 2010 (see Appendix B for wait list by programs). Clearly, the demand for publicly-supported housing outpaces the supply. And the supply that is available is located primarily in segregated neighborhoods, including those in or adjacent to R/ECAPs, where residents of publicly supported housing also tend to face disparities in access to opportunity.²⁹

According to representatives with the Housing Authority of Winston-Salem, in response to these challenges the authority is advocating for the City to build single family houses that are indistinguishable from market rate and are built throughout the entire City, not just in R/ECAPs. Staff from HAWS are currently working with the State to identify funding sources for this effort.

Additionally, HAWS is piloting an innovative program called Step Up, which provides publicly-supported families the experience of living in market-rate-like housing units to incentivize them to increase their income and transition out of public housing. Out of the 1,459 housing units HAWS manages, 200 are set aside for the Step-Up program. Participants must be employed to enter and stay in the program. If a Step-Up household loses their employment, then they have up to 90 days to find new employment or they will be relocated back to traditional public housing. To date, only one family has returned to traditional public housing.

Despite HAWS housing development to bridge unmet housing needs, a waiting list of over 4,500 households remain unhoused. HAWS has undertaken a variety of other programs that offer services to empower its tenants and program participants. HAWS administers and partners with other organizations to implement several programs and host a series of regular events, to support tenants in educational, professional, and related matters.³⁰

In addition to its responsibility in managing its own publicly-supported housing units, HAWS has developed several other funding streams beyond those of a typical public housing authority, including: management information systems consulting, licensed general contracting services, property management (including fee for service management), and real estate development.

²⁹ Mosaic Community Planning. *City of Winston-Salem, Forsyth County, and Housing Authority of Winston-Salem Assessment of Fair Housing. DRAFT.* June 2017. Pages 103-114.
<http://www.cityofws.org/Portals/0/pdf/1CBD/Planning/AFH%20Draft%20for%20Public%20Review%20070617.pdf?ver=2017-07-06-111932-463>

³⁰ For more information on these programs, see the Assessment of Fair Housing Draft. Pages 114-15 and the 2016-2017 CAPER. Pages 21-22.

Despite identifying multiple income streams, HAWS is still struggling to keep its three high-rise buildings functioning.

HAWS is also a treasury-rated insurance company and general contractor. They could develop housing at a lower rate than private market contractors. However, to do so, and actualize other innovative ideas, HAWS would need the flexibility afforded by becoming a Moving to Work (MTW) public housing authority. The application for the next round of MTW designees should be opening in 2018, providing a timely opportunity for HAWS and the City of Winston-Salem to explore this option.

Low Income Housing Tax Credits and Qualified Allocation Plan (QAP)

Low Income Housing Tax Credits (LIHTC) provide another form of publicly supported housing. The LIHTC program offers tax credits to owners who agree to keep rents affordable for a period between 15 and 30 years for families and individuals with incomes at or below 60% of the local median income. There are 23 active LIHTC properties in Winston-Salem and 2,142 subsidized units in these properties. The subsidies for 628 of these units will expire within 10 years (169 of which will expire within five years).³¹

The Qualified Allocation Plan (QAP) is the mechanism by which a state housing finance agency (HFA) explains the basis upon which they distribute their LIHTC allocations. On April 20, 2012, HUD published a Federal Register Notice designating new Qualified Census Tracts (QCTs) for the Low-Income Housing Tax Credit (LIHTC) program to go into effect January 1, 2013. Under the LIHTC, affordable rental housing projects located in QCTs are eligible for up to 30 percent more tax credits than they otherwise would be. “QCTs are areas either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which have a poverty rate of at least 25 percent.”³² In addition, the North Carolina QAP emphasizes proximity to a grocery store, which puts all of East Winston off limits because there are no major chain grocery stores there.³³ These regulations and corresponding incentives often translate to the majority of affordable housing being built or rehabilitated in areas with high poverty and low opportunity, often contributing to segregation.

Currently, QAPs do not typically incentivize building affordable housing in high-income, high-opportunity areas, limiting LIHTCs as a tool for mobility. HFAs in several states are considering whether and how to amend their QAPs to allow for a more balanced approach to affirmatively furthering fair housing, which include both mobility and place-based strategies. At the same time, LIHTC financing is likely to have reduced availability and/or value to developers as a result of the recently passed tax reform bill. Further challenging the use of this tool to meet housing needs.

³¹ Number derived from a tabulation of National Housing Preservation Database. <http://preservationdatabase.org/> The database uses <https://www.huduser.gov/portal/datasets/lihtc.html> as its LIHTC data source. This data source was last updated 7/20/2017 and includes properties placed in service from 1997-2015.

³² https://www.huduser.gov/portal/publications/hsgfin/analysis_of_sqa_plans.html

³³ AFH page 22

Along with LIHTC, individual owners, developers and sponsors can also apply to the NCHFA for funding for their projects under Tax-Exempt Bonds, the Rental Production Program, Workforce Housing Loan Program, Supportive Housing Development Program, etc.

DEVELOPMENT AND TRANSPORTATION CLIMATE

Historically, single-family suburban-oriented development has been the primary approach in the City and County. In many ways, Winston-Salem is following the trajectory seen by many cities nationwide, in which decades of auto-oriented, low-density development has been followed by a market correction/shift in consumer preferences in favor of urban and/or mixed-use living.

As stated above, the City must foster a development climate in which the market reaches as far down the income spectrum as possible, allowing scarce public resources to be focused on the greatest housing affordability and community development challenges. This section analyzes the opportunities and challenges of the City's development climate based on several factors: site availability, development costs, relevant legislation, policy and regulation as well as transportation.

Site Availability Opportunities and Challenges

Winston-Salem has many sites—large and small, privately and publicly-owned—for development. An analysis of several Planning & Development Services Department reports³⁴ identified 77 parcels, totaling 1,726.6 acres. The reports included an assessment of three categories of potential development barriers: lack of appropriate zoning presently in place, multiple site owners requiring site aggregation, and environmental/site issues. Nearly all sites analyzed (75 out of 77) had at least one barrier cited. The need for rezoning was the most prevalent barrier, indicating the possible need for rezoning.

The East-Northeast planning area had the largest amount of identified land (nearly 400 acres) and the Northwest planning area having the least (51.39 acres). Most of the sites included in this analysis exceed two acres. This indicates that the East-Northeast planning area has a significant number of sites available for larger scale development. This type of development can be beneficial, having a catalytic effect and achieving economies of scale for development. However, an over-reliance on large-scale development can exacerbate boom-bust cycles. A healthy real estate market encourages development at various scales, including small-to-mid-sized development by small-to-mid-sized developers.

³⁴ Planning & Development Services Department. "Multifamily Development Opportunities Study." City of Winston-Salem, NC: City of Winston-Salem/Forsyth County, December 2015. http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/MultifamilyDvptOppStudy2015.pdf ; Planning & Development Services Department. "Development Opportunities Study Phase III: Infill and Redevelopment Sites." City of Winston-Salem, NC: Winston-Salem/Forsyth County, April 2017. http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/Dvpt_Opp_III_20170403.pdf ; Planning & Development Services Department. "Winston-Salem's Residential Opportunity Areas as Identified in Urban Neighborhoods Area Plans." Winston-Salem, NC: City of Winston-Salem/Forsyth County, December 2017. http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/WS_ResidentialOpportunityAreas_20171205.pdf?ver=2017-12-05-105157-237.

An analysis of vacant parcels from City/County property records was done to include parcels under two acres to accommodate small-to-mid-sized developments. The analysis found 3,617 total parcels, most of which were coded as vacant residential, or coded as vacant in a residential or mixed-use zone. Most of these smaller parcels are also in the East/Northeast as well as the Southeast planning areas.

City and County-owned sites were also analyzed and revealed 1002 parcels though many of these parcels do not presently constitute development opportunities. However, tracking publicly-owned parcels that could be used for development is vital. Utilizing publicly-owned land for affordable housing, whether as part of a land bank or otherwise, can “cut out the middleman,” avoiding a scenario in which one government department provides a subsidy for the acquisition of a parcel from another. The use of publicly-owned parcels for free land for developers can also help address some of the negative equity issues in disinvested communities by reducing costs. Enterprise analysis on publicly-owned parcels also found that, “In strong markets, creative use of these sites can expand opportunities for affordability, especially when mission-driven developers struggle to acquire sites against better-funded market-rate developers. In markets or neighborhoods with less competition for land, publicly owned parcels offer an important opportunity to catalyze development and seed revitalization.”³⁵

Development Costs

Development costs impact the affordability of the overall housing market. Construction costs, including labor and materials, are a primary driver of development costs, particularly for new construction. Proprietary RSMeans construction cost data was used to analyze the construction cost profile of development in the Winston-Salem metropolitan region.³⁶ Projected construction costs in Winston-Salem have been consistently lower than the national average over time. Currently, they are six percent lower than the national average for single-family construction and 15 percent below the national average for commercial construction, which includes multifamily housing.

Development costs are also influenced by the types of housing permitted to be built. Attached housing can be more cost-effective than detached housing on a per-unit basis. For multifamily housing, larger developments are generally more cost-effective on a per-square foot basis until they reach the point that steel-and-concrete construction must be utilized instead of wood-frame construction. Also, allowing the option of attached housing can make more efficient use of buildable space and lot coverage when responding to site constraints such as sloping or drainage

³⁵ Spotts, Michael A., Genevieve Hale-Case, and Ahmad Abu-Khalaf. “Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development.” Washington, DC: Enterprise Community Partners, June 5, 2017. <http://www.enterprisecommunity.org/resources/public-benefit-publicly-owned-parcels-19782>.

³⁶ Methodology note: RSMeans is a long-standing construction cost data source from Gordian. RSMeans data includes the cost of materials, labor and equipment and can be used for construction estimating. Data is available for different construction types and finishes and is available at the national level on a per-square foot basis with adjustments for various project characteristics. RSMeans also provides a City Cost Index, Location Factors, and Historical Cost Index that adjust national figures to account for local conditions, and conditions over time. Unless otherwise indicated, all subsequent construction cost analysis is based on Neighborhood Fundamentals, LLC tabulations of data from: Gordian. “Square Foot Costs with RSMeans Data 2018 (39th Annual Edition).” 2017.

that make it difficult to build separate structures. Attached housing could also potentially create opportunities for more contiguous and usable public open space.

Regardless of the housing type, most interviewees who addressed this topic stated that the cost profile of both market-rate and affordable rehabilitation/development is low enough that a high-quality product can be built at close to prevailing market rates without public subsidy. However, it can be more difficult to produce quality housing in the neighborhoods with the most severe negative equity issues, necessitating some level of public financing.

Interviewees also identified several factors that raised development costs or otherwise inhibited development in Winston-Salem, including:

- **Land acquisition costs**, particularly for mission-driven developers.
- **Construction and labor costs** are generally affordable but increasing. One developer stated that the national increase in multifamily construction is, in part, due to increasing materials costs, competition for subcontractors, as well as a reduction in the labor force represented by immigrant workers.
- **On-site parking**, both surface and structured, can be costly.

The following presents opportunities to advance development to meet housing needs:

Enhance ability of mission-driven and responsible developers to obtain site control

According to local stakeholders, developers and CDCs may struggle to compete for multifamily properties and sites for multifamily development against better capitalized market-rate entities. Given the significant number of properties with expiring subsidy restrictions in the next decade, the City should consider whether a portion of its HFF funding should be earmarked toward acquisition capital. The City can also improve site access by giving mission-driven developers the first opportunity to access publicly-owned and/or tax foreclosed properties.

Facilitate a wider range of development types and densities

As stated throughout this report, allowing a wider range of development types and densities across more zoning categories has the potential to improve development balance and provide a wider range of housing choices. Given the relatively low cost-profile of wood-framed, low-to-mid-rise multifamily construction in the City/County, expanding the areas where such development can occur could be particularly impactful. Sites along key transportation corridors and/or near existing infrastructure assets are particularly promising opportunities.

Traditional options include general up-zoning, neighborhood overlays and form-based codes. Each of these approaches can be controversial and generate a significant amount of disagreement within the community. Given other competing priorities for City/County staff time, it may be beneficial to take a more targeted approach. First, such provisions should be included as part of any ongoing neighborhood planning process. Second, the County should consider adopting preemptive policies for sites identified in the City/County development opportunity sites and for publicly-owned parcels. Ideally, such increases in density and flexibility in building form could be paired with provisions to encourage the inclusion of affordable housing. A third option could be to create “safe

harbors” that provide a certain level of flexibility without wholesale changes to the zoning and land use codes. For example, an infill ordinance could allow developments to proceed with a small incremental increase in density beyond neighboring parcels. For example, if a block is currently built out at 5 units per acre, an adjacent development could proceed by-right with a 50% increase over surrounding properties, allowing development at 7.5 units per acre.³⁷ Unless a neighborhood is undergoing large-scale redevelopment or under the control of a small number of property owners, this “relative density” approach (if utilized by developers) would result in the gradual evolution of a neighborhood, rather than the massive, rapid changes that existing residents fear. Finally, the City/County could consider adopting pilot programs, in which it offers quasi-by-right approval to a specified number of developments (or over a specified period of time) and uses information gathered from this process to inform permanent changes to policy.

Address City/County regulations that drive up development costs

Local stakeholder interviews and the development cost analysis suggest that the City/County creates a generally positive and cost-effective development environment. However, incremental improvements could still be made to make development more efficient. These changes can include better coordination across permit review/engineering/inspections/approvals to avoid mid-development changes and adopting more context-sensitive parking policies. For the latter, the City/County should ensure that housing units are not being sacrificed to accommodate peak-levels of parking demand, leaving spaces empty at other times. A first step to adopting improved parking policies is empirically establishing the need for spaces in different development contexts. This can be followed by the adoption of policies such as shared parking and/or transportation demand management.³⁸

Make the most of small parcels

The City has a non-trivial number of smaller parcels. While such parcels may seem insignificant, the impact can be outsized. Smaller parcels could represent an opportunity to pilot new building typologies (such as tiny homes) at a relatively low cost. If development is not an option, a policy framework that promotes positive, active uses (for example, pop-up parks or vendor space) is superior to negative alternatives, such as the accumulation of litter. Given the fluctuations in City/County-wide property values, making more productive use of small parcels can serve as an incremental step toward providing more resiliency. Small parcels are likely to play at most a niche role in meeting housing and community development needs, and therefore do not justify a significant investment of staff time and/or resources. However, the City/County could facilitate the use of such sites by establishing a range of lower-impact uses that require notification but not approval, while reserving the right to intervene if such uses create a legitimate nuisance.

³⁷ Though the provenance of this concept is not entirely clear, the nonprofit Strong Towns has been a prominent supporter of this regulatory idea.

³⁸ For examples of innovative parking policies, see: Hersey, John, and Michael A. Spotts. “Promoting Opportunity through Equitable Transit-Oriented Development (ETOD): Barriers to Success and Best Practices for Implementation.” Promoting Opportunity through ETOD. Washington, DC: Enterprise Community Partners, October 2015. <http://www.enterprisecommunity.org/resources/promoting-opportunity-through-equitable-transit-oriented-development-etod-barriers>.

Legislation, Policy, Regulation

The legal, policy, and regulatory environment can impact both site availability and development costs, as well as enable or inhibit the City of Winston-Salem in meeting housing needs in other ways.

The following legislations, policies and regulations present challenges to meeting the housing needs in Winston-Salem.

- **Zoning barriers to developing available sites/parcels.** As noted under the Site Availability section, the Planning & Development Services reports listed zoning as the most prevalent barrier to the available sites it identified in its reports.
- **Regulatory limitations on housing meant to serve special needs populations.** The Unified Development Ordinance (UDO) puts several stipulates in place, including: 1) Family Group Home A cannot be located within 1,200 feet of a similar home A; and 2) a Family Group Home C must maintain a distance of 2,500 feet. The 2,500 minimum also applies to shelters, with an occupancy limit of 100 residents and additional restrictions potentially being placed on buildings housing greater than 40 residents.
- **Regulatory limitations on attached Accessory Dwelling Units (ADUs):** Rules for ADUS limit occupancy to family members and adults over 55 and detached Accessory Dwellings limit occupancy to family members only. This reduces the viability of these units as a niche form of low-cost housing and/or supplementary income.
- **Parking requirement for multifamily properties.** These add to development costs and may make affordable units less viable.
- **Lack of enabling State legislation for a PRI program** hampers Winston-Salem's ability to enact such a program.
- **Lack of enabling State legislation for mandatory inclusionary zoning.** North Carolina's General Assembly does not have enabling legislation for mandatory inclusionary zoning
- **State legislation expressly prohibits rent controls.**

The following legislations, policies and regulations present opportunities to meeting the housing needs in Winston-Salem.

- **Existing zoning ordinances allow for relatively high-density levels**
- **There is by-right development for multifamily housing in commercial districts** and for-profit and non-profit developers are able to advance these projects without the need for zoning waiver.
- **There is legal latitude within the state to establish a Land Bank**
- **Voluntary inclusionary zoning and workforce housing policy** exist to support affordable housing, but they are limited in their impact.
- **City and County have favorable approach to development,** reasonable fees and entitlement/permitting processes.

The City could also explore several other regulatory options to meet housing needs:

- a) Expedite the rezoning process for affordable housing; saving time which could increase attractive for developers.
- b) Consider a housing overlay to layer zoning that would provide incentives—e.g. higher density, lower parking requirements, etc.—that would typically require variance or rezoning.
- c) Create a housing overlay rather than a new zoning designation or district also has the added benefit of avoiding legal restrictions imposed at the State level.
- d) Explore an administrative up-zone on its publicly owned parcels, and then release an RFP that requests types of development that meet vital housing needs, while bypassing the rezoning process. This would also allow the City to circumvent affordability restrictions from the State.

Housing and Transportation in Winston-Salem: Opportunities and Challenges

Winston-Salem has above-average combined housing and transportation costs – relative to income levels in the city – and compared to other similarly sized cities between 200,000 and 300,000 people. Although transit costs are lower closer to the city’s inner-core, the challenge is that transportation cost are high in absolute terms due to residents driving long distances to access jobs and services. Factors contributing to high cost include regional land use and development patterns in Forsyth County and low population density, limited transit service and utilization.^[1] Although the fixed route transit system, and Trans-AID of Forsyth County have seen slight increases in ridership in 2017 this recent pattern is not offset by any change in household income. This impact could be significant – largely affecting the City of Winston-Salem’s 31,044 renter households including 16,835 families currently living in the NRSA, and 1,765 families in the downtown area.

Foresight into the impact of gentrification present opportunities for the City to proactively address the impact of these conditions. Today’s housing and transportation costs are currently the lowest around the downtown and East/Northeast Winston areas and within good proximity to job centers and public transit. The downtown and East Winston populations are also most transit dependent. Due to the low H&T costs in these areas and the vulnerability of populations currently living either in or near the downtown area, populations living there may likely be subject to displacement pressures. As such, it will be important to take proactive actions in advance to minimize and prevent displacement. This begins with deciding where in the region families affected by neighborhood shifts might move if displaced, and effectively address their ability to afford transit.

^[1] Further transit demand research would be needed to determine whether it would be appropriate to propose increased transit service levels, given the low population density in the region – it may not prove to be a cost-effective way of lowering transportation costs.

COMMUNITY ENGAGEMENT OPPORTUNITIES AND CHALLENGES

Community opposition to, and support for, developments and programs to meet housing needs can play an important role in determining whether these developments and programs move forward or not.

Interviewees had mixed-responses on the impact of community opposition to development. Some stated that the amount of by-right development that occurs limits not-in-my-backyard (NIMBY) opposition. However, others stated that multifamily and affordable development can be the subject of community opposition, across a variety of neighborhoods.

Communities can also serve as advocates for needed development and programs. Participants in the first public meeting claimed that advocates are indeed required to ensure that the City is responsive to all community needs. Several groups could be enlisted to help mobilize citizens to work on housing issues. Groups might include Neighbors for Better Neighborhoods, the Minister's Conference of Winston-Salem and Vicinity, and others.

ECONOMIC MOBILITY OPPORTUNITIES AND CHALLENGES

Participants in the public engagement meeting reported challenges relating to stagnant wages, lack of jobs in the community, and lack of jobs that provide a living wage. They also noted that instability in the job market makes people fearful of being tied to housing in case they need to relocate for job opportunities, further limiting the likelihood they can build wealth by owning a home. Public engagement participants also voiced concern that while economic growth in some industries in the community could bring higher paying jobs, many current residents will not benefit from this growth since they are not qualified to fill these positions. What is more, they fear the increase in higher paying jobs from economic growth could further reduce the availability of affordable housing in the community.

The City of Winston-Salem has already made efforts to address these issues. For instance, the Winston-Salem Poverty Thought Force is a communitywide collaboration spearheaded by the city of Winston-Salem to identify steps both feasible and impactful to reduce the number of residents living in poverty. The Poverty Thought Force was formed in October 2015 and comprises 22 members representing a broad range of Winston-Salem's civic and academic institutions. The Poverty Thought Force has five subcommittees that focus on various aspects of poverty:

- Health and Wellness
- Housing and Homelessness
- Jobs and Workforce Development
- Education and Life Skills
- Hunger and Food Insecurity.

The Poverty Thought Force provides an excellent platform for the City to explore opportunities, such as workforce development programs among many other options, to change the calculus on the supply and demand of housing.

COMMUNITY PARTICIPATION

Public Engagement Feedback Results

Over 75 individuals from the local area attended public engagement meetings in Winston-Salem. The combined audiences included City of Winston-Salem employees, local residents and representatives from community stakeholder organizations. The organizations included: Housing Authority of Winston-Salem, Forsyth County, Goodwill Industries, Neighbors for Better Neighborhoods, Experiment in Self Reliance, City with Dwellings, and Habitat for Humanity. Most attendees learned about the public engagement meetings via word of mouth or direct emails/social media contact (95%); only one participant (5%) reported hearing about the meeting via the newspaper advertisement. This provides critical information about the most appropriate strategies for reaching individuals and disseminating information within the community.



Nineteen participants representing 41% of all attendees completed the Community Needs Survey online or in person during the meeting. An additional six community members provided responses to discussion questions online but did not attend the meeting, and two participants attended the meetings and later provided survey responses online.

Among the 27 individuals who provided demographic data in the Community Needs Survey or online survey information, 56% were female, 41% were male and 4% did not provide information about gender. Most (63%) respondents were employed; 52% of participants were White, 41% were Black, and 4% were Latino; 32% reported having children in the household. Participants who attended the public engagement meeting were representative of the general population for City of Winston-Salem regarding gender (53%) and employment status (63% of residents in the City currently in the civilian labor force)³⁹. The sample was overrepresented regarding Black residents (27% in the City) and underrepresented with regard to Latino residents (13%).

³⁹<https://www.census.gov/quickfacts/fact/table/winstonsalemcitynorthcarolina,forsythcountynorthcarolina/PST0452>
16

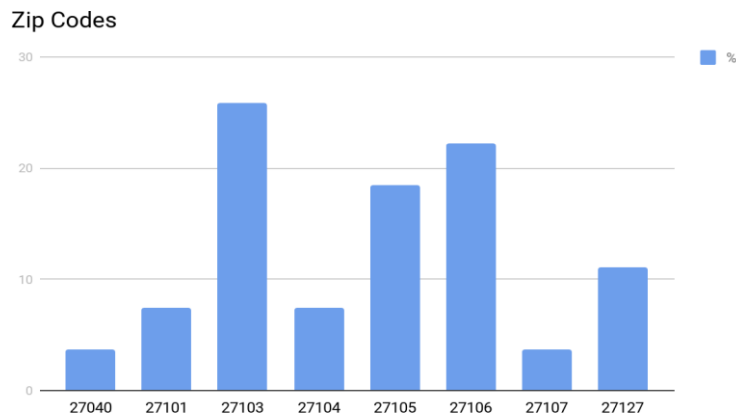


Figure 1: Residents who Attended the First Public Engagement Meeting from Select Zip Codes

Local Residents: There are 25 zip codes for the City of Winston-Salem.⁴⁰ Residents who lived in 8 of the 25 zip codes attended the first public engagement meeting (see Figure 1). Most attendees were longtime residents of the community (67% reported having lived here for ≥ 10 years). Most participants (74%) who reported that they lived in single-detached housing were homeowners (68%). Almost all had working appliances, and most homes were in good condition, requiring only regular maintenance or minor repairs (89%). Importantly,

most respondents (68%) had *not* experienced barriers to finding suitable housing in the community.

Community Stakeholder Organizations

While the general composition of attendees represented community residents, over one-third of participants were from stakeholder organizations, and therefore may not present a complete picture of the general population of residents. In addition, most participants reporting having no difficulty with finding suitable housing in the community. Given the number of issues that were raised around housing needs in the discussion below, there is concern that individuals who had directly experienced these issues were underrepresented in the discussion.

Discussion Themes

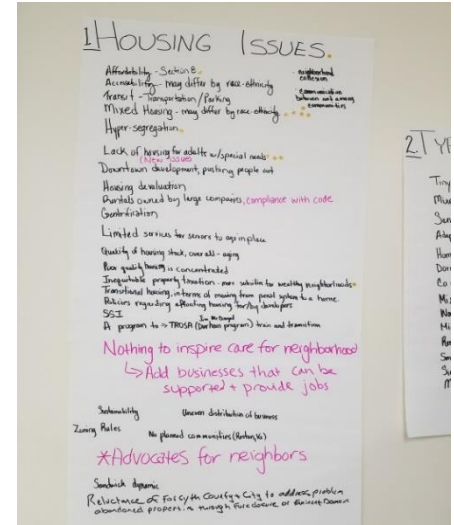
During the public engagement period several major themes emerged including affordability, accessibility, accountability, disparities, and development/gentrification. Full notes from each question are included in Appendix A.

AFFORDABILITY

- A critical housing issue that was identified was the lack of affordable housing, particularly for working class individuals.
- Many participants expressed concern about the cost of housing for rental or purchase. A common metric to define “affordable” housing was $\leq 30\%$ of household income.
- Workforce housing was mentioned in the definition of affordable housing; however, some participants expressed concern about the stigma associated with the term “workforce” housing or “affordable” housing which historically has had a negative connotation.
- Stagnant wages, lack of jobs in the community, and lack of jobs that provide a living wage limits opportunity for affordable housing.

⁴⁰ <https://www.zip-codes.com/city/nc-winston-salem.asp>

- Employment stability, or lack thereof, and low paying jobs makes it difficult for residents to purchase homes vs. renting.
- Instability in the job market makes people fearful of being “tied” to housing in case they need to relocate for job opportunities.
- Limited access to loans to purchase housing and long waiting list for vouchers for affordable rental housing were identified as barriers to affordable housing.
- Most housing that is being built caters to higher income brackets.
- Housing built by organizations like Habitat for Humanity is built in areas where property values do not increase; thus, homeowners may not be able to build the equity needed to move out of low income or poor housing situations. In addition, without equity, homeowners may not be able to secure loans necessary for property upkeep and maintenance.
- Maintenance of housing among homeowners, particularly individuals with older homes may have a direct impact on housing affordability.
- There is concern that local economic growth could bring higher paying jobs that many current residents may not be qualified to full. Higher paying jobs could lead to a need for additional housing in higher income brackets and could reduce availability of affordable housing in the community.



ACCESSIBILITY

- Participants described the need for access to a consistent and sufficient number of housing options:
 - For everyone in the community, regardless of personal characteristics (e.g., income, ability/disability status)
 - That meet basic safety and health codes
 - That is appropriate for the family size
 - With operating/functioning utilities
- Another housing issue that was raised was the lack of affordable, safe housing located near community resources (e.g., near transportation or walkable, quality childcare, schools, services, grocery stores, medical facilities, safe places to play/green space, etc.)
- A major theme related to accessibility for special populations was also identified. Specific populations mentioned included:
 - Senior citizens, particularly those desiring to “age in place” and, specifically, senior housing *communities*
 - Housing for special needs populations. Due to advancement in modern medicine, individuals with special needs are living longer, into adulthood, and desire independent living options. This is a relatively new issue and there is not adequate

accessible housing for adults with special needs, specifically special needs housing *communities*.

- Providing affordable housing for individuals with mental health concerns (e.g., dementia) was mentioned as a concern, along with the need to develop communities that are easy to navigate for disabled individuals.
 - Individuals with prior criminal histories often have limited access to adequate housing because of criteria for rental housing.
- Specific concerns about access to adequate housing was expressed for individuals who are homeless, particularly non-dormitory housing for homeless individuals.
 - Additional concern was raised about housing for single women or for women with children who were not victims of domestic abuse.
 - Aging housing in the community was raised as an issue regarding access to affordable and safe housing in general, as well as aging housing being unsuitable for individuals with special needs (e.g., older populations, individuals with disabilities, etc.).

ACCOUNTABILITY

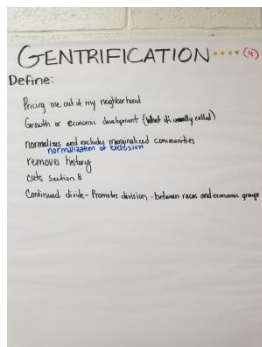
- Many individuals expressed concerns about rental property owners, particularly properties owned by large companies or by landlords outside the community. There was a perception that landlords, collectively, were noncompliant with housing codes, particularly for individuals in low income communities:
 - Concern about rental management companies that do not maintain livable standards for the properties they represent and/or own.
 - Concern for backlash against residents who complain about “slum lords.”
 - There was a call for advocates for neighbors who do not have, or do not perceive to have, a voice to advocate on their own behalf.
 - There was a call for education for renters and landlords about renters’ rights.
- Additional concern was expressed about the City of Winston-Salem and Forsyth County’s enforcement of codes related to housing violations. There was a perception that the City of Winston-Salem was reluctant to (or not proactive about) addressing the issue of abandoned properties within the City.
- There was concern that current zoning rules created an uneven distribution of businesses and impeded the ability for development in low-income communities. Zoning rules also impacted the ability of developers to create affordable housing in certain areas of the community.
- Lack of city ordinances that hold builders to a higher standard.
- Perception that specific decision makers in the community gain personal benefits from real estate deals that do not benefit the entire community.
- There was a concern that homeowners and renters are not accountable. Currently there is little in low income neighborhoods to inspire residents to “care”. Resources within communities could drive/inspire care for neighborhoods (businesses within neighborhoods could provide jobs for community members).

- Gentrification is good but if individuals in gentrified communities “...don’t know/learn what it means to have middle-class taste...” gentrification is not effective. There was a notion that gentrification needs to include renovation of housing *and* people.
- “People who don’t care about their living situations raise children to not care, but if we make them accountable, make them clean up their own neighborhoods, then maybe they can stop the cycle.”

DISPARITIES

- Respondents indicated that the current housing distribution in the community has resulted in hyper-segregation, with poor housing concentrated in lower income and racial/ethnic minority community groups.
- Participants raised concerns around the de-valuing of housing areas of the community, and with inequitable property taxation that was perceived as more subsidies provided for wealthy neighborhoods.
- Livability of dwellings directly correlates to income with less income.
- Concern was expressed about stigma/negative perceptions associated with specific areas of the community (e.g., East Winston) or individuals within communities (e.g., individuals with criminal backgrounds) that limit opportunities for development or access to safe and affordable housing.
- Redlining was identified as a source of disparities in housing in that individuals wishing to purchase homes were not always shown homes in desirable areas.
 - The reverse could also be true in that individuals wishing to invest may not be shown homes in areas in need of investments - which could help to increase home values within the community.

DEVELOPMENT/GENTRIFICATION



In general, gentrification was viewed through the lens of “displacement” Specifically, respondents felt that downtown development was “pushing people out” of the area.

Gentrification was viewed as a process that was raising housing prices, removing history, and making it less likely that individuals currently living in neighborhoods undergoing development will be able to afford to remain in those neighborhoods.

Other Discussion Points

A few other issues were raised that did not fit into the identified themes, but were important to discuss, as follows:

- There is a pressing need to address the needs of homeless men/women with children.

These comments suggest that there is a critical need for more transparency from community leaders and City officials to understand how and why decisions are made. For example, during the public engagement meeting there was a lengthy discussion about how decisions are made to determine which businesses are placed into communities. There was also discussion about housing codes, the process for enforcement, the length of time for enforcement, landlord responsibilities, and tenant's rights.

IMPACT OF HOUSING

Residents discussed the impact that housing conditions have on a variety of areas in the community including family, social, health, educational, and economic impacts. Overall, the perception was that the current housing conditions have resulted in segments of the community having limited/less or no access to critical resources (e.g., food, education, adequate housing, jobs paying living wages). The inequitable distribution of assets contributes to a cycle of low education, poverty, lack of jobs, and limited opportunities for upward mobility. Residents cope in unhealthy ways (e.g., “negative supplemental income” when jobs are not available) and suffer from consequences such as poor mental health and chronic disease. Some comments suggested that residents in poor communities were directly responsible for their conditions and should be held accountable.

SOLUTIONS

Types of Housing

Participants suggested several types of housing needed in the community including:

- Tiny homes or micro units
- Multi-family options (e.g., duplexes)
- Mixed housing type and mixed income housing communities
- Communities for special populations (e.g., seniors, adults with special needs)
- Housing options for multi-generational families
- Renovation of existing housing stock
- Single level housing (particularly for individuals who are aging or individuals with special needs)
- Housing specifically for low, middle income, and service workers
- Housing that incorporates new technology

STRATEGIES

Participants identified some strategies that may potentially address their housing needs in the community which included:

- Target programs to minimize the loss of property values particularly impacting Black homeowners in Winston-Salem
- The state needs to offer more support to meet needs statewide.

PART II: HOUSING MARKET ASSESSMENT⁴¹

EXISTING CONDITIONS

Demographic Profile of Forsyth County

Forsyth County (the fourth largest county in North Carolina by population) is in the Piedmont Triad area of North Carolina, which includes the cities of Greensboro, High Point and Winston-Salem. Forsyth County contains eight municipalities including Winston-Salem, which is the largest city in the county and the fourth largest city in North Carolina. According to US Census, Forsyth County comprised a population of 350,670 in 2010 and rose to 361,684 by 2015 which represents a 0.6 percent increase over the five-year period.

Exhibit 2 shows that in 2010 the County comprised 94,475 White households and 36,399 Black households with other racial groups encompassing far less residency in the county. Both White and Black households rose consistently in the county compared to past periods, reaching 99,735 and 36,914, respectively by 2015. Forsyth County's Hispanic population grew from 30,273 to 36,480 residents between 2010 and 2015, which represents a 20.5 percent rise. Asian households also steadily increased from 2,086 in 2010 to 2,294 by 2015.

Both gender and racial composition also shifted between 2010 and 2015. In 2010, females accounted for 184,251 residents and since that time rose to 190,022 – or 0.6 percent growth rate in the county over the same period. Males accounted for 166,419 in 2010 and rose to 171,662 over this period and represented a 0.6 percent compound annual growth rate. Likewise, racial composition shows notable shifts over the same period.

Persons of Limited English Proficiency

According to the 2017 Affirmatively Furthering Fair Housing study, Forsyth County is less diverse than the city of Winston-Salem. Of the county's approximately 350,000 residents, 58.7 percent are non-Latino white. African Americans make up about one-quarter of the county's population, and the Latino population comprises 11.9 percent. As with the city, other races, including foreign-born residents, make up a smaller share of the population. Nearly one-tenth of county residents were born outside the U.S. (9.3 percent) and one-in-fifteen speak limited English. Latin America (Mexico, El Salvador, Guatemala, Nicaragua, and Colombia) is the birthplace for most of the county's foreign-born population (62.1 percent).

⁴¹ Part II analysis was conducted at the census tract level across 4 geographies including Forsyth County, Winston-Salem, Neighborhood Reinvestment Strategy Area (NRSA) and Downtown (see Study Methodology – Geographic Definitions).

Exhibit 2: Demographic Composition of Forsyth County

Subject	Period				Compound Annual Growth Rate			
	2000	2005	2010	2015	2000-2005	2005-2010	2010-2015	2000-2015
Population	306,067	315,856	350,670	361,684	0.6%	2.1%	0.6%	1.1%
Male	146,181	151,586	166,419	171,662	0.7%	1.9%	0.6%	1.1%
Female	159,886	164,270	184,251	190,022	0.5%	2.3%	0.6%	1.2%
Race of Householder (Number)								
White	89,026	94,820	94,475	99,735	1.3%	-0.1%	1.1%	0.8%
Black	30,006	32,616	36,399	36,914	1.7%	2.2%	0.3%	1.4%
American Indian	322	443	528	359	6.6%	3.6%	-7.4%	0.7%
Hispanic	19,687	30,574	30,273	36,480	9.2%	-0.2%	3.8%	4.2%
Asian	1,084	1,509	2,086	2,294	6.8%	6.7%	1.9%	5.1%
Pacific Islander	24	0	43	79	-100.0%	n/a	12.9%	8.3%
Two or More Races	3,389	4,318	7,632	5,327	5.0%	12.1%	-6.9%	3.1%

Source: US Census Bureau 2000 – 2010; 2015 ACS – 5 yr. Estimates

Demographic Composition of Winston-Salem

Exhibit 3 shows the City of Winston-Salem population has steadily increased, showing an overall compound annual growth rate of 1.6 percent from 2000 to 2015. Since 2000, the city’s population grew from 185,776 individuals to 236,642 people by 2015 – an increase of 50,866 people over the fifteen-year period.

Racial composition also reflects an increase over time. In 2010, the city of Winston-Salem comprised 52,349 White households, while Black households accounted for 31,859 – with other racial groups comprising far less residency in the area. By 2015, the number of White households increased by 1.2 percent to a total of 55,597; and Black households increased to 32,745 over the five-year period. Notably, the Hispanic population grew significantly between 2000 and 2010, and continued to rise from 37,449 to 44,745 between 2010 and 2015. The Asian population also increased from 655 individuals in 2000 to 1,682 people by 2015, which is a 6.4 percent increase over the fifteen-year period. Other races comprise the remaining racial groups.

Similar patterns emerged across gender. Females accounted for 121,739 residents in 2010 and rose to 125,875 by 2015 – or a 0.6 percent growth rate over the five-year period. Males accounted for 107,878 people in 2010 and rose to 110,767 over the five-year period, representing about a 0.5 percent compound annual growth rate.

Additionally, more than one-tenth of Winston-Salem’s population is foreign-born (11.1 percent) and 1-in-8 have limited English proficiency (LEP). For the foreign-born population, the top three countries of origin are Mexico, El Salvador, and Guatemala. Mexico alone accounts for more than half of Winston-Salem’s immigrant population. Spanish is the language spoken by the majority of the city’s Limited English Proficiency (LEP) population (97.0 percent). Other common birth

counties for foreign-born residents include India, Nicaragua, Philippines, China, Nigeria, Honduras, and Peru.

Exhibit 3: Demographic Composition of Winston-Salem

Subject	Period			Compound Annual Growth Rate		
	2000	2010	2015	2000-2010	2010-2015	2000-2015
Population	185,776	229,617	236,642	2.14%	0.60%	1.63%
Male	87,345	107,878	110,767	2.13%	0.53%	1.60%
Female	98,431	121,739	125,875	2.15%	0.67%	1.65%
Race of Householder						
White	46,082	52,349	55,597	1.28%	1.21%	1.26%
Black	26,556	31,859	32,745	1.84%	0.55%	1.41%
American Indian	199	352	176	5.87%	-12.94%	-0.82%
Hispanic	16,043	37,449	44,745	8.85%	3.62%	7.08%
Asian	655	1,528	1,682	8.84%	1.94%	6.49%
Pacific Islander	14	32	31	8.62%	-0.63%	5.44%
Two or More Races	2,189	6,526	4,325	11.54%	-7.90%	4.64%

Source: US Census Bureau 2000 – 2010; 2015 ACS – 5 yr. Estimates

Downtown Winston-Salem

According to US Census, downtown Winston-Salem comprised a population of 4,057 residents in 2010 and rose to 4,958 by 2015, which represents an increase of 4.1 percent over the five-year period (Exhibit 4).

Racial composition also shows notable shifts over time. In 2010, Winston-Salem comprised predominantly Black residents (about 1,210 households) and increased slightly to 1,253 by 2015 (0.7 percent compound annual growth rate). White resident occupancy rose during the same period from 876 in 2010 to 1,047 households by 2015. This represents a 3.6 percent rate of growth. Although downtown Winston-Salem continues to maintain a majority Black residency, the pace at which White households are moving is much faster than Black households. In fact, White households are moving to downtown at about 4 times faster than Black households. The Hispanic population also increased from 1,022 to 1,232 between 2010 and 2015. Although Asian populations represent a smaller racial make-up in the downtown area, trends show a steady increase between 2000 and 2015 as well.

Both gender and racial composition shifted over the past 15 years from 2000 to 2015. In 2010, there were 1,392 females, which was a reduction of 538 females in the downtown area from 2000.

By 2015 female residency rose to 2,037 – representing a 7.9 percent growth rate between 2010 and 2015.

Exhibit 4: Demographics of Downtown Population⁴²

Subject	Period			Compound Annual Growth Rate		
	2000	2010	2015	2000-2010	2010-2015	2000-2015
Population	4,666	4,057	4,958	-1.4%	4.1%	0.4%
Male	2,736	2,665	2,921	-0.3%	1.9%	0.4%
Female	1,930	1,392	2,037	-3.2%	7.9%	0.4%
Race of Householder						
White	573	876	1,047	4.3%	3.6%	4.1%
Black	1,169	1,210	1,253	0.3%	0.7%	0.5%
American Indian	5	5	4	0.0%	n/a	-1.5%
Hispanic	958	1,022	1,232	0.6%	1.9%	1.7%
Asian	5	33	76	20.8%	18.2%	19.9%
Pacific Islander	0	0	0	n/a	n/a	n/a
Two or More Races	47	71	36	4.2%	n/a	n/a

Source: US Census Bureau 2000 – 2010; 2015 ACS – 5 yr. Estimates

Neighborhood Reinvestment Strategy Area (NRSA)

According to US Census, the Neighborhood Reinvestment Strategy Area (NRSA) comprised a population of 91,198 in 2010 (Exhibit 5). Since that time population rose to 97,242 by 2015, which represents an increase of 1.3 percent growth rate over the five-year period.

Both gender and racial composition shifted. In 2010, the NRSA comprised 17,905 Black residents; White residents represented 14,013 households and other racial groups encompassed far less residency in the area. However, racial composition is shifting. White residents are beginning to outnumber Black residents in the NRSA. Notably, White households rose to 16,067 by 2015 – while Black households declined from 17,905 to 17,855 over the five-year period. The Hispanic population rose from 11,837 to 14,837 between 2010 and 2015. The Asian population has steadily increased from 2000 to 2015, rising from 196 in 2000 to 379 by 2015.

In 2010, there were 47,674 female residents in the NRSS, which rose to 51,083 – or 1.4 percent growth rate by 2015. Males accounted for 43,524 residents in 2010 and rose to 46,159 by 2015, (a 1.2 percent compound annual growth rate).

⁴² This section of analysis defines Downtown by census tracts 1, 2, 7 and 11, and therefore, analyzed at the tract level.

Exhibit 5: Demographics within the Neighborhood Reinvestment Strategy Area (NSRA)

Subject	Period			Compound Annual Growth Rate		
	2000	2010	2015	2000-2010	2010-2015	2000-2015
Population	80,427	91,198	97,242	1.3%	1.3%	1.3%
Male	38,262	43,524	46,159	1.3%	1.2%	1.3%
Female	42,165	47,674	51,083	1.2%	1.4%	1.3%
Race of Householder						
White	13,546	14,013	16,067	0.3%	2.8%	1.1%
Black	16,321	17,905	17,855	0.9%	-0.1%	0.6%
American Indian	98	186	57	6.6%	-21.1%	-3.5%
Hispanic	9,238	11,837	14,837	2.5%	4.6%	3.2%
Asian	196	337	379	5.6%	2.4%	4.5%
Pacific Islander	6	13	31	8.0%	19.0%	11.6%
Two or More Races	1,338	3,362	1,951	9.7%	-10.3%	2.5%

Source: US Census Bureau 2000 – 2010; 2015 ACS – 5 yr. Estimates

HOUSEHOLD COMPOSITION

Forsyth County Households

Exhibit 6 shows the total number of households in Forsyth County increased between 2010 and 2015, rising from 136,612 to 143,207. When examined by tenure and age, homeownership declined while renter-occupied households increased during the period. In fact, renter household occupants rose at more than three times the growth rate as owner-occupied households (3.1 percent compared to -0.2 percent, respectively). All age groups declined with the exception of older adult renters between the ages of 55 and 65+ years. In fact, households in this category aged 55 and older increased by 4,533 households over the five-year period.

Exhibit 6: Household Composition of Forsyth County

Forsyth County			Compound Annual Growth Rate		
	2010	2015	% Change	2010-2015	2000-2015
Total Households	136,612	143,207	4.8%	0.9%	1.0%
Owner Occupied	90,028	88,917	-1.2%	-0.2%	0.6%
15-24 Years	840	493	-41.3%	-10.1%	-4.2%
25-34 Years	9,472	8,345	-11.9%	-2.5%	-1.2%
35-44 Years	16,745	15,046	-10.1%	-2.1%	-1.2%
45-54 Years	21,523	19,052	-11.5%	-2.4%	0.1%
55-64 Years	18,536	20,215	9.1%	1.7%	2.8%
65 Years+	22,912	25,766	12.5%	2.4%	1.7%
Renter Occupied	46,584	54,290	16.5%	3.1%	1.6%
15-24 Years	5,796	6,406	10.5%	2.0%	0.5%
25-34 Years	12,314	14,055	14.1%	2.7%	0.4%
35-44 Years	10,187	10,901	7.0%	1.4%	1.0%
45-54 Years	7,803	9,793	25.5%	4.6%	3.2%
55-64 Years	5,223	6,389	22.3%	4.1%	5.0%
65 Years+	5,261	6,746	28.2%	5.1%	2.0%

Source: US Census Bureau 2000 – 2010; 2015 ACS – 5 yr. Estimates

Winston-Salem Households

Exhibit 7 displays total households in Winston-Salem increased between 2010 and 2015, rising from 101,025 to 105,748 households. When examined by tenure and age, homeownership declined while renter-occupied households increased during the period (rising by nearly 15 percent). In fact, the pace at which renter households assumed occupancy in the city was over two times the rate of owner occupancy (2.8 percent compared to -0.4 percent, respectively). Renter households of all age groups increased between 2010 and 2015. Older adults aged 55 and over reflect the largest share of renter households. Reduction of owner-occupied households occurred across all age groups except households in the 55 and older age group.

Racial and Ethnic Distribution of Households

Examining racially or ethnically concentrated areas of poverty (R/ECAPS), as of 2010 Winston-Salem contained eight contiguous R/ECAP census tracts. They include tracts 2, 5, 6, 7, 8.01, 8.02, 16.02, and 19.01. These group of tracts bound US 52 from the Smith Reynolds Airport in the north, to I-40 in the south. They also slightly border the east near Martin Luther King, Jr. Boulevard and New Walkertown Road, and on the west by Main Street, Salem College, and US-52.

Exhibit 7: Household Composition of City of Winston-Salem

	City of Winston-Salem		Compound Annual Growth Rate		
	2010	2015	% Change	2010-2015	2000-2015
Total Households	101,025	105,748	4.7%	0.9%	2.8%
<i>Owner Occupied</i>	61,810	60,699	-1.8%	-0.4%	2.9%
15-24 Years	550	322	-41.5%	-10.2%	-2.2%
25-34 Years	7,127	6,208	-12.9%	-2.7%	2.3%
35-44 Years	10,854	10,316	-5.0%	-1.0%	1.9%
45-54 Years	14,154	12,395	-12.4%	-2.6%	2.4%
55-64 Years	12,766	13,571	6.3%	1.2%	4.9%
65 Years+	16,359	17,887	9.3%	1.8%	2.8%
<i>Renter-Occupied</i>	39,215	45,049	14.9%	2.8%	2.8%
15-24 Years	5,119	5,872	14.7%	2.8%	2.2%
25-34 Years	10,343	11,912	15.2%	2.9%	1.8%
35-44 Years	8,575	8,889	3.7%	0.7%	2.3%
45-54 Years	6,547	7,940	21.3%	3.9%	4.3%
55-64 Years	4,154	5,251	26.4%	4.8%	6.0%
65 Years+	4,477	5,185	15.8%	3.0%	2.1%

Neighborhood Revitalization Strategy Area (NRSA)

As noted in Exhibit 8, total households in the Neighborhood Revitalization Strategy Area (NRSA) rose slightly between 2010 and 2015. Consistent with trends in the City, the NRSA also experienced decline in homeownership and a slight increase in renter occupied households. The largest reduction occurred in the 45 – 55 age group (a 11.6 percent reduction). The growth rate of homeownership slowed to -0.1 percent, while the growth rate of renter households increased (0.8 percent). The 15 – 24 and 45 – 54 age groups reflect the largest decline over the five-year period. Young adult homeowners – between the age 25 and 34 – steadily rose, in addition to households in the 35 – 44 age group. Notably, older adult renters age 55 to 64 rose from 1,962 to 2,569 households, or 31 percent, between 2010 and 2015.

Exhibit 8: Household Composition of Neighborhood Reinvestment Strategy Area (NRSA)

Neighborhood Reinvestment Strategy Area (NRSA)	Compound Annual Growth Rate				
	2010	2015	% Change	2010-2015	2000-2015
Total Households	35,408	35,994	1.7%	0.3%	0.9%
Owner Occupied	17,262	17,146	-0.7%	-0.1%	0.6%
15-24 Years	176	128	-27.3%	-6.2%	-3.8%
25-34 Years	1,967	2,073	5.4%	1.1%	1.1%
35-44 Years	2,632	2,786	5.9%	1.1%	-0.3%
45-54 Years	3,641	3,220	-11.6%	-2.4%	0.1%
55-64 Years	3,815	3,831	0.4%	0.1%	2.7%
65 Years+	5,031	5,108	1.5%	0.3%	0.3%
Renter-Occupied	18,146	18,848	3.9%	0.8%	1.1%
15-24 Years	1,953	2,079	6.5%	1.3%	0.2%
25-34 Years	4,498	4,834	7.5%	1.5%	0.6%
35-44 Years	4,355	3,600	-17.3%	-3.7%	0.1%
45-54 Years	3,185	3,655	14.8%	2.8%	2.8%
55-64 Years	1,962	2,569	30.9%	5.5%	4.2%
65 Years+	2,193	2,111	-3.7%	-0.8%	0.0%

Downtown Winston-Salem⁴³

Total households in downtown Winston-Salem rose by nearly one-third – from 1,802 to 2,398 from 2010 and 2015. The area shows sharp increases in renter-occupied households – up 46.2 percent (Exhibit 9). This rise primarily consists of renter households in the 15 to 34 and 35 to 54 age groups. Older adult renters declined in the 55 to 64 age group – with a minor jump in seniors 65 and older. The single exception is consistently older adults in the 65 and older age group where homeownership has increased. In contrast, homeownership declined by about 18 percent, with consistent decline across the 15 to 64 age groups.

⁴³ Downtown defined in this analysis is captured at the census tract level. This includes tracts 1, 2, 7 and 11.

Exhibit 9: Household Composition of Downtown

	Downtown		Compound Annual Growth Rate		
	2010	2015	% Change	2010-2015	2000-2015
Total Households	1,802	2,398	33.1%	5.9%	1.9%
Owner Occupied	366	298	-18.6%	-4.0%	1.0%
15-24 Years	0	0	n/a	0.0%	0.0%
25-34 Years	33	22	-33.3%	-7.8%	-2.3%
35-44 Years	71	56	-21.1%	-4.6%	1.9%
45-54 Years	80	48	-40.0%	-9.7%	-1.7%
55-64 Years	117	83	-29.1%	-6.6%	6.6%
65 Years+	65	89	36.9%	6.5%	0.2%
Renter-Occupied	1,436	2,100	46.2%	7.9%	2.1%
15-24 Years	122	245	100.8%	15.0%	3.7%
25-34 Years	196	513	161.7%	21.2%	2.4%
35-44 Years	240	296	23.3%	4.3%	-0.2%
45-54 Years	235	384	63.4%	10.3%	2.8%
55-64 Years	343	331	-3.5%	-0.7%	4.9%
65 Years+	300	331	10.3%	2.0%	0.1%

Household Type

As noted in Exhibit 10, a total of 5,088 new families formed in Winston-Salem between 2010 and 2016. One and two-person households made up the largest share of this household formation. Recent trends over the five-year period show a decline in larger families in Winston-Salem. In fact, three to seven-person households represent a smaller share of household composition – particularly in non-family formations when compared to bedroom size (Exhibit 19).

Because many of Winston-Salem’s units are occupied by one-person or two-person households, this created a mismatch between actual household size-to-actual unit size. As noted in the exhibit, two and three-bedroom units are most commonly represented, which consists of 71 percent of units. This pattern suggests that Winston-Salem lacks “missing middle housing structures; small size units.”

When examining existing housing stock, the most common across the city is single-family detached homes (Exhibit 18). Single-family detached structures make up 62.2 percent of Winston-Salem’s housing stock. Larger multi-family properties (properties with 10 units or more comprise the second largest share of housing-at 10.1 percent in 2015).

Striking a balance between “types of housing” and “types of households” and filling the missing middle is critical, especially since demand for new housing is expected to grow by an additional 13,263 households citywide over the next ten years. In particular, about 61 percent of the demand will be older adults age 65 and over. The second highest demand will be from households in the 25 to 44 age group. Missing middle housing refers to structures in-between large and small; in

this case 2 to 4-unit structures that may accommodate housing needs of both younger families and seniors.

Exhibit 10: Household Type

Winston-Salem				
Household Size				
	2010	2016	Total Diff (+/-)	% of Total 2016
Total:	89,315	94,403	5,088	
Family households:	54,334	55,759	1,425	59.1%
2-person household	24,322	24,478	156	43.9%
3-person household	13,372	13,372	0	24.0%
4-person household	9,228	10,388	1,160	18.6%
5-person household	4,952	4,992	40	9.0%
6-person household	1,669	1,722	53	3.1%
7-or-more person household	791	807	16	1.4%
Nonfamily households:	34,981	38,644	3,663	40.9%
1-person household	30,466	32,773	2,307	84.8%
2-person household	3,387	5,102	1,715	13.2%
3-person household	760	427	-333	1.1%
4-person household	254	305	51	0.8%
5-person household	114	26	-88	0.1%
6-person household	0	0	0	0.0%
7-or-more person household	0	11	11	0.0%
Source: U.S. Census Bureau, 2010; 2012-2016 American Community Survey 5-Year Estimates				

Individuals with a disability comprise 29,686 people or 12.5 percent of Winston-Salem’s population (Exhibit 11). Census data reports the largest group of disabled individuals have some form of cognitive difficulty, and those who live with a disability independently (33.65 percent and 32.89 percent, respectively). Individuals with a hearing difficulty comprise 18.3 percent, and individuals with a visual impairment are 15.0 percent of the remaining disabled.

Exhibit 11: Disability by Type

Winston-Salem			
2016	Total	With a disability	Percent with a disability (type)
DISABILITY BY TYPE			
Total	235,730	29,686	12.59%
With a hearing difficulty	(X)	5,452	18.37%
With a vision difficulty	(X)	4,481	15.09%
With a cognitive difficulty	(X)	9,989	33.65%
With an independent living difficulty	(X)	9,764	32.89%
Source: U.S. Census Bureau, 2016 ACS 5-yr Estimates			

Exhibit 12 illustrates income range of Winston-Salem households. Notably, income declined between 2010 and 2016 in the \$25,000 - \$34,000, \$50,000 - \$74,000 and \$75,000 - \$99,000 income groups. However, 2016 census data reveals that the single largest income group are households earning between \$50,000 - \$74,000 annually at 18.9 percent of all income earners. Since this representation is less than significant relative to all income groups, it is important to analyze larger groupings. The \$35,000 to \$74,999 income range represent the largest grouping at 32.5 percent of all income-earning households. As such, examined by two-income groups in combined groupings for the 2016-time period shows the following representation:

- Less than \$10,000 = \$14,999 = 12.1 percent combined
- \$15,000 - \$34,999 = 21.7 percent combined
- **\$35,000 - \$74,999 = 32.5 percent combined**
- \$75,000 - \$149,999 = 23.5 percent combined
- \$150,000 - \$200,000 or more = 10.3 percent

Exhibit 12: Family Income Range

Subject	# of Families	Percent	# of Families	Percent	(#) Change 2010 - 2016	% Change 2010 - 2016
	2010		2016			
Families	54,334					
Less than \$10,000	3,916	7.20%	4,108	7.40%	192	4.9%
\$10,000 to \$14,999	2,312	4.30%	2,647	4.70%	335	14.5%
\$15,000 to \$24,999	5,745	10.60%	6,386	11.50%	641	11.2%
\$25,000 to \$34,999	6,243	11.50%	5,683	10.20%	-560	-9.0%
\$35,000 to \$49,999	7,374	13.60%	7,560	13.60%	186	2.5%
\$50,000 to \$74,999	10,606	19.50%	10,528	18.90%	-78	-0.7%
\$75,000 to \$99,999	6,656	12.30%	6,569	11.80%	-87	-1.3%
\$100,000 to \$149,999	6,583	12.10%	6,525	11.70%	-58	-0.9%
\$150,000 to \$199,999	2,185	4.00%	2,143	3.80%	-42	-1.9%
\$200,000 or more	2,714	5.00%	3,610	6.50%	896	33.0%
Median family income (dollars)	53,364	(X)	53,105	(X)	(X)	
Mean family income (dollars)	73,707	(X)	77,012	(X)	(X)	
Per capita income (dollars)	24,472	(X)	25,852	(X)	(X)	
Nonfamily households	34,981	(X)	38,644	(X)	3,663	
Median nonfamily income (dollars)	27,711	(X)	27,889	(X)		

Source: U.S. Census Bureau 2010, 2016 ACS 5-yr Estimates - X denotes data unavailable for reporting year

Cost Burden Renter Households

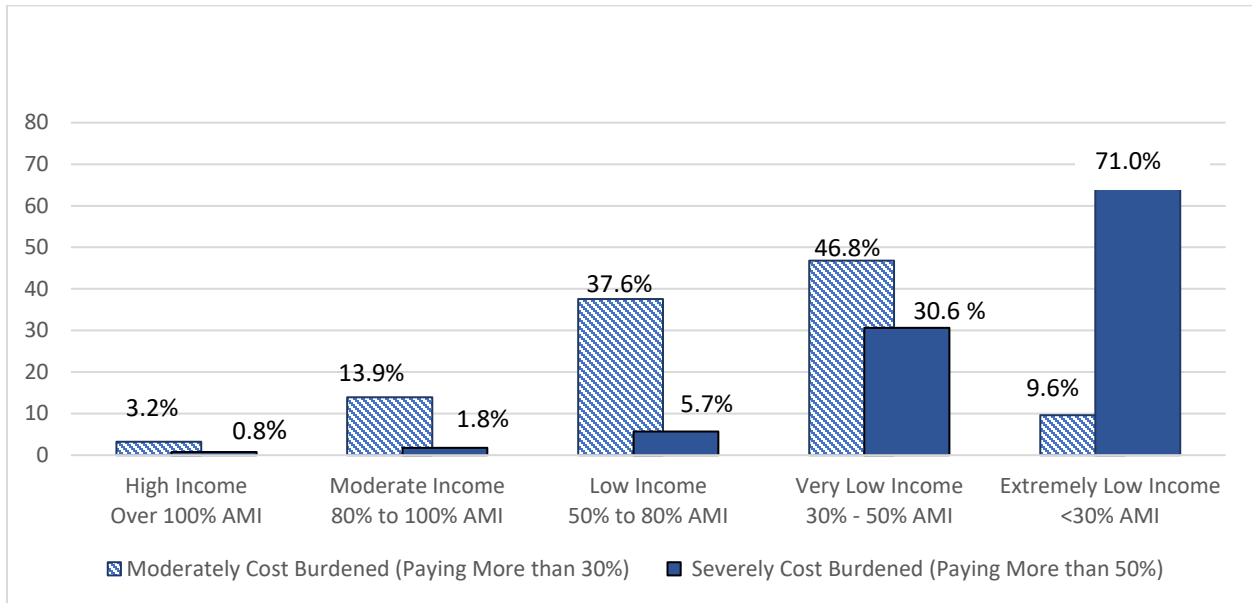
According to HUD, a household is considered cost burdened if their monthly housing costs (including mortgage/rent and utilities) exceeds 30 percent of monthly household income. The most recent tabulation of CHAS data, which represents the 2010 – 2014 time period, shows nearly three quarters (71.0%) of extremely low-income households in Winston-Salem with incomes below 30 percent of AMI paid more than 50 percent of their household income for rent and utilities. Among very low-income households with incomes between 30 to 50 percent of the AMI, more than one-third (30.6%) paid more than half their incomes on housing costs. Cost burden declines for households earning more than 80 percent of AMI (Exhibit 13; Figure 2).

Exhibit 13: Housing Cost Burden by Area Median Income, 2010-14

Income Group	Housing Cost Burden	Forsyth County	Winston-Salem	NRSA	Downtown
30% AMI	<=30%	10.0%	8.9%	11.2%	21.8%
	>30% and <=50%	9.7%	9.6%	14.1%	20.4%
	>50%	69.8%	71.0%	63.2%	47.2%
30% to 50% AMI	<=30%	21.7%	22.7%	26.5%	42.0%
	>30% and <=50%	45.0%	46.8%	46.1%	40.3%
	>50%	33.4%	30.6%	27.4%	18.8%
50% to 80% AMI	<=30%	55.9%	56.5%	63.0%	60.0%
	>30% and <=50%	38.7%	37.6%	32.6%	30.0%
	>50%	5.4%	5.7%	4.3%	11.6%
80% to 100% AMI	<=30%	83.3%	84.9%	83.0%	78.8%
	>30% and <=50%	15.1%	13.9%	14.7%	14.5%
	>50%	1.9%	1.8%	2.8%	6.1%
Over 100% AMI	<=30%	95.9%	96.1%	96.2%	92.1%
	>30% and <=50%	3.6%	3.2%	3.4%	6.7%
	>50%	0.6%	0.8%	0.4%	0.0%

Source: HUD, CHAS, 2010-14

Figure 2: Renter Cost-Burdened Households in Winston-Salem



Source: HUD, CHAS, 2010 – 2014

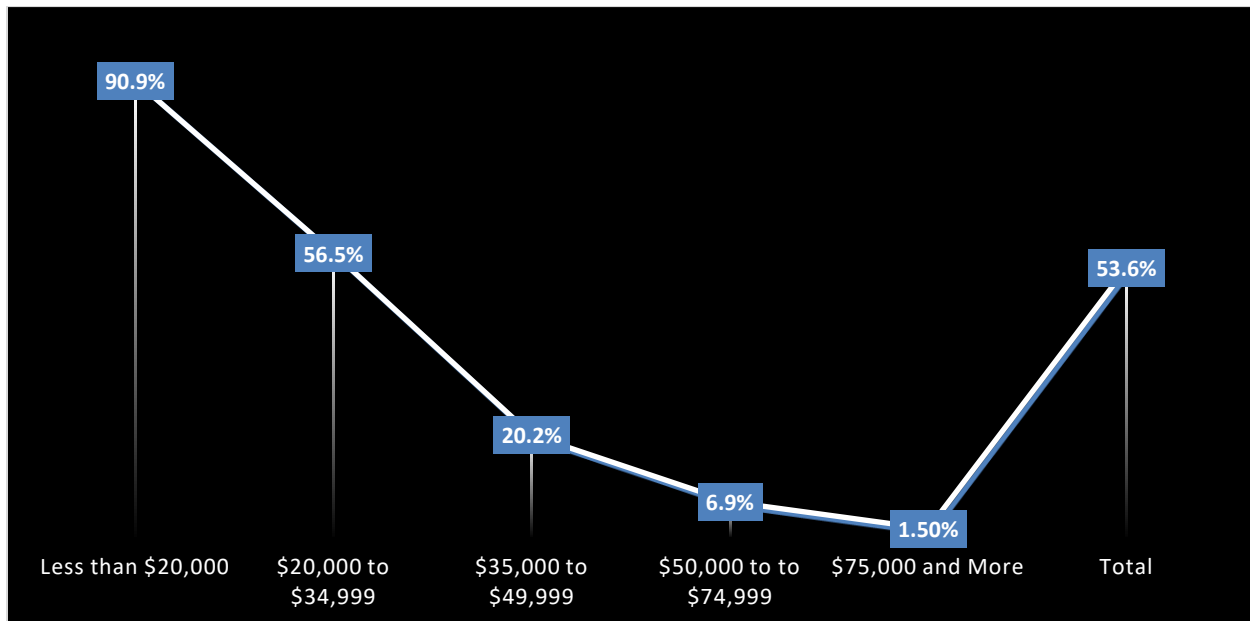
Exhibit 14 summarizes change in the number of renter occupied units, examining cost burden and income of residents. Findings show that of all renters in Winston-Salem that pay more than 30 percent of their income on housing (22,555), 20,965 or 93 percent of those families earn \$35,000 a year or less. Cost burden reduces proportionate to incomes rising above \$35,000 (Figure 3).

Exhibit 14: Number of Renter-Occupied Units by Housing Cost Burden and Income Group, 2015

Income Group	Housing Cost Burden	Forsyth County	Winston-Salem	NRSA	Downtown
Less than \$20,000	Less than 20%	404	385	293	16
	20%-29%	1,220	1,067	696	198
	30% or More	16,530	14,437	7,656	796
\$20,000 to \$34,999	Less than 20%	740	579	345	63
	20%-29%	5,223	4,437	1,681	73
	30% or More	7,939	6,528	2,168	208
\$35,000 to \$49,999	Less than 20%	2,235	1,710	506	80
	20%-29%	3,815	3,017	1,049	57
	30% or More	1,460	1,195	513	33
\$50,000 to \$74,999	Less than 20%	3,752	2,974	894	87
	20%-29%	1,953	1,577	387	55
	30% or More	441	338	125	24
\$75,000 and More	Less than 20%	4,548	3,557	974	261
	20%-29%	252	197	58	9
	30% or More	121	57	12	0
Total	Less than 20%	11,679	9,205	3,012	507
	20%-29%	12,463	10,295	3,871	392
	30% or More	26,491	22,555	10,474	1,061

Source: ACS, 2010 and 2015, 5-Year Estimate

Figure 3: Percent of Renter-Occupied Units Paying 30% or More on Housing in Winston-Salem



Cost Burden Owner Households

Exhibit 15 shows the distribution of occupied housing units by housing costs (as a percentage of income) for various income groups. The data also serves as an aid in the development of housing programs to meet the needs of people at different income levels. Findings show that overall, homeowner households that pay more than 30 percent of their income for housing represent approximately 22 percent of all owner units in Forsyth County (19,181 units); 23 percent of units in Winston-Salem (13,778 units); 28 percent of units in NRSA district (4,806 units); and over 29 percent of units in downtown Winston-Salem (86 units).

Similar data broken down by income groups produce a starkly different picture of housing affordability in the above-referenced jurisdictions. Among Forsyth County families that earn less than \$20,000 per annum, over 72 percent pay more than 30 percent of their income for housing, which represents 6,449 units. The corresponding figures for Winston-Salem, NRSA district and downtown communities of Winston-Salem are 73 percent, 74 percent and 76 percent, respectively. Similarly, a majority of the households that earn between \$20,000 and \$34,999 per annum pay more than 30 percent of their income for housing. The data also show that housing affordability improves as annual household income rises above \$35,000, which makes housing costs below this income threshold unaffordable (Figure 4).

Exhibit 15: Number of Owner-Occupied Units by Housing Cost Burden and Income Group, 2015

Income Group	Housing Cost Burden	Forsyth County	Winston-Salem	NRSA	Downtown
Less than \$20,000	Less than 20%	889	583	280	0
	20%-29%	1,608	1,166	501	5
	30% or More	6,449	4,810	2,228	16
\$20,000 to \$34,999	Less than 20%	4,134	2,858	1,079	5
	20%-29%	2,460	1,713	567	15
	30% or More	5,639	4,125	1,369	43
\$35,000 to \$49,999	Less than 20%	5,109	3,620	1,148	4
	20%-29%	3,850	2,791	1,154	8
	30% or More	3,537	2,639	704	10
\$50,000 to \$74,999	Less than 20%	9,389	6,573	1,843	24
	20%-29%	6,289	4,470	1,345	0
	30% or More	2,382	1,544	416	5
\$75,000 and More	Less than 20%	29,806	19,419	3,581	119
	20%-29%	5,572	3,278	685	26
	30% or More	1,174	660	89	12
Total	Less than 20%	49,327	33,053	7,931	152
	20%-29%	19,779	13,418	4,252	54
	30% or More	19,181	13,778	4,806	86

Figure 4: Percent of Owner-Occupied Units Paying 30% or More on Housing in Winston-Salem

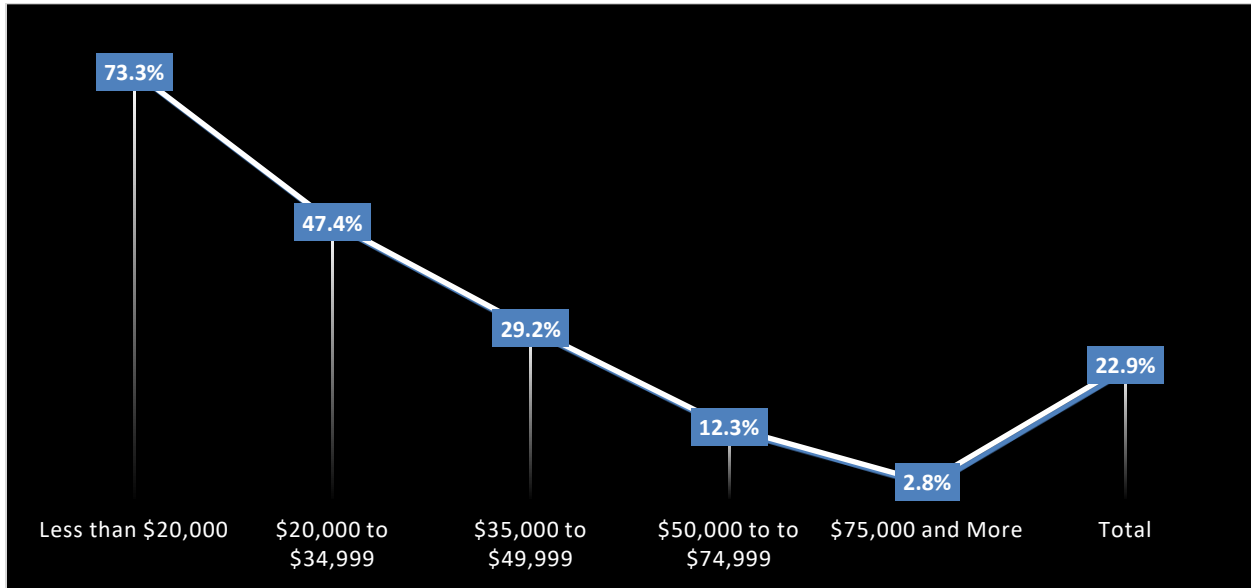


Exhibit 16 and Exhibit 17 summarize the change in the number of all occupied housing units by cost burden and income group between 2010 and 2015. Across all income groups, the number of all housing units occupied by families that pay more than 30 percent of their income for housing increased by about six percent or 2,438 units in Forsyth County. However, the rise in the number of unaffordable units was more than offset by a 7 percent increase in the number of affordable units or 3,841 units. A similar trend can be observed in Winston-Salem. However, in downtown Winston-Salem, the growth in the number of unaffordable housing units far outweighs the growth in the number of affordable units. The number of units occupied by families that pay over 30 percent of their income for housing increased in all income groups in downtown Winston-Salem (Figure 5).

Exhibit 16: All Occupied Units by Housing Cost Burden and Income Group 2010-15 Percent Change

Income Group	Housing Cost Burden	Forsyth County	Winston-Salem	NRSA	Downtown
Less than \$20,000	Less than 20%	-14.8%	-6.7%	3.8%	-54.3%
	20%-29%	1.1%	2.5%	5.0%	2.0%
	30% or More	13.7%	14.1%	10.9%	21.2%
\$20,000 to \$34,999	Less than 20%	-12.2%	-15.1%	-10.0%	-43.8%
	20%-29%	10.2%	11.0%	0.7%	-38.9%
	30% or More	16.7%	11.7%	-11.9%	167.0%
\$35,000 to \$49,999	Less than 20%	-6.5%	-3.6%	-21.9%	-8.7%
	20%-29%	11.4%	2.0%	21.8%	75.7%
	30% or More	-9.8%	-3.6%	21.8%	22.9%
\$50,000 to \$74,999	Less than 20%	0.8%	4.4%	-5.1%	46.1%
	20%-29%	-0.8%	1.2%	7.0%	-19.1%
	30% or More	-30.5%	-31.9%	5.0%	93.3%
\$75,000 and More	Less than 20%	17.7%	15.5%	4.2%	143.6%
	20%-29%	-22.1%	-24.8%	-22.8%	0.0%
	30% or More	-27.7%	-40.3%	-21.7%	20.0%
Total	Less than 20%	6.7%	6.6%	-4.9%	37.3%
	20%-29%	-0.6%	-1.2%	4.7%	-0.4%
	30% or More	5.6%	5.8%	4.9%	39.2%

Source: ACS, 2010 and 2015, 5-Year Estimate

Exhibit 17: All Occupied Units by Housing Cost Burden and Income Group 2010-15 Total Change

Income Group	Housing Cost	Forsyth County	Winston-Salem	NRSA	Downtown
Less than \$20,000	Less than 20%	-224	-69	21	-19
	20%-29%	30	54	57	4
	30% or More	2,771	2,385	974	142
\$20,000 to \$34,999	Less than 20%	-678	-609	-159	-53
	20%-29%	712	611	16	-56
	30% or More	1,944	1,119	-476	157
\$35,000 to \$49,999	Less than 20%	-514	-197	-464	-8
	20%-29%	782	115	395	28
	30% or More	-544	-145	218	8
\$50,000 to \$74,999	Less than 20%	100	402	-148	35
	20%-29%	-65	69	113	-13
	30% or More	-1,236	-881	26	14
\$75,000 and More	Less than 20%	5,157	3,077	184	224
	20%-29%	-1,655	-1,147	-219	35
	30% or More	-497	-484	-28	2
Total	Less than 20%	3,841	2,604	-566	179
	20%-29%	-196	-298	362	-2
	30% or More	2,438	1,994	714	323

Figure 5: All Occupied Units by Housing Cost Burden and Income Group, 2010-15 Percent Change



Housing Stock Characteristics

Inventory of Housing Supply

Exhibits 18 & 19 Summary

As illustrated in Exhibit 18, the number of housing units increased from 102,882 in 2010 to 105,723 by 2016 – a 2.8 percent rise. The number of vacant units declined over the period – down by 5.7 percent. The rental vacancy rate far exceeds homeowner vacancy rates from 2010 to 2016. Although the city has seen a 2,247-unit reduction in vacant units between 2010 and 2016, over 11,320 vacant units remain unoccupied. Explicit focus on rehab of vacant, historic and generally aging units may present a strategic opportunity to help meet projected demand over the next 10 years.

Room Size

Between 2010 to 2016 trends show development of primarily four to seven room housing structures. In fact, nearly half (42.4 percent) of total housing units are 4 to 5 room structures. Construction of these room sizes have increased between 3 to 4 percent over the period, with also a slight reduction in the 5-bedroom structure. There is a notable increase in 9-unit structures over the past five years.



Units in Structure

Approximately 62 percent of all housing units are single family one-unit detached structures. This represents an increase between 2010 – 2015 from 63,645 to 65,808 units. The second largest share of units are 10 to 19-unit structures. These larger unit-size structures account for 11,221 units in 2016 – a drop from 12,147 in 2010.

Historic Properties and, Year Structure Built

The largest share of housing units was built between 1960 and 1979, with nearly half (47 percent) built during the 1980 to 1999 period. A total of 1,107 units were built before 1949.

Bedrooms and Housing Value

U.S. Census data reports that two to three bedrooms represent the largest share of units between 2010 and 2016. The largest share of homes is valued between \$100,000 and \$199,999, which comprise nearly half (46 percent) of all units in the City. The overall median value increased between 2010 and 2016 from \$141,200 to \$142,400.

Exhibit 18: Inventory of Housing Supply in Winston-Salem

Winston-Salem					
	2010	2016	% of Total Units	Tot Diff (+/-) 2010 - 2016	% Change 2010-2016
Housing Occupancy					
	# of Units	# of Units			
Total housing units	102,882	105,723		2,841	2.8%
Occupied housing units	89,315	94,403	89.3%	5,088	5.7%
Vacant housing units	13,567	11,320	12.0%	-2,247	-16.6%
Homeowner vacancy rate	4.2	2.4	n/a	n/a	n/a
Rental vacancy rate	17	9.1			
ROOMS					
	2010	2016	% of Total Units	Tot Diff (+/-) 2010 - 2016	% Change 2010-2016
Total housing units	102,882	105,723	n/a	n/a	n/a
1 room	761	1,102	1.0%	341	44.8%
2 rooms	2,374	1,819	1.7%	-555	-23.4%
3 rooms	9,612	9,403	8.9%	-209	-2.2%
4 rooms	21,719	22,398	21.2%	679	3.1%
5 rooms	24,013	23,287	21.2%	-726	-3.0%
6 rooms	17,119	17,775	16.8%	656	3.8%
7 rooms	11,612	12,049	11.4%	437	3.8%
8 rooms	7,161	7,620	7.2%	459	6.4%
9 rooms or more	8,511	10,270	9.7%	1,759	20.7%
Median rooms	5.2	5.3			
Units in Structure					
	2010	2016	% Total Units	Tot Diff (+/-) 2010 - 2016	% Change 2010-2016
Total housing units	102,882	105,723			
1-unit, detached	63,645	65,808	62.2%	2,163	3.4%
1-unit, attached	3,947	4,719	4.5%	772	19.6%
2 units	1,883	1,663	1.6%	-220	-11.7%
3 or 4 units	4,343	5,167	4.9%	824	19.0%
5 to 9 units	8,627	8,125	7.7%	-502	-5.8%
10 to 19 units	12,147	11,221	10.6%	-926	-7.6%
20 or more units	5,985	6,538	6.2%	553	9.2%
Mobile home	2,305	2,411	2.3%	106	4.6%
Boat, RV, van, etc.	0	71	0.1%	71	0.0%
Source: U.S. Census Bureau 2010; 2016 ACS 5-yr Estimates (Housing by Units, Tenure, Age, Structure)					

Exhibit 19: Inventory of Housing Supply in Winston-Salem

Winston-Salem					
Year Structure Built	2010	2016	% Total Units		Unit Change (2010 - 2016)
Total housing units	102,882	105,723			
Built 2014 or later	n/a	424	n/a	n/a	n/a
Built 2010 to 2013	n/a	2,172	n/a	n/a	n/a
Built 2000 to 2009	14,992	15,883	n/a	n/a	891
Built 1990 to 1999	12,720	12,224	11.6%	n/a	-496
Built 1980 to 1989	15,031	14,321	13.5%	n/a	-710
Built 1970 to 1979	15,912	16,473	15.6%	n/a	561
Built 1960 to 1969	15,095	16,217	15.6%	n/a	1,122
Built 1950 to 1959	13,818	13,802	13.1%	n/a	-16
Built 1940 to 1949	6,212	5,407	5.1%	n/a	-805
Built 1939 or earlier	9,102	8,800	8.3%	n/a	-302
Bedrooms	2010	2016	% of Total	Tot Diff (+/-) 2010 - 2016	% Change 2010-2016
Total housing units	102,882	105,723			
No bedroom	908	1,218	1.2%	310	34.1%
1 bedroom	12,302	11,971	11.3%	-331	-2.7%
2 bedrooms	33,662	33,524	31.7%	-138	-0.4%
3 bedrooms	41,811	41,633	39.4%	-178	-0.4%
4 bedrooms	11,595	14,180	13.4%	2,585	22.3%
5 or more bedrooms	2,604	3,197	3.0%	593	22.8%
Housing Value	2010	2016		Tot Diff (+/-) 2010 - 2016	% Change 2010-2016
Owner-occupied units	52,199	51,109	% of Total		
Less than \$50,000	2,001	3,782	7.4%	1,781	89.0%
\$50,000 to \$99,999	11,186	10,242	20.0%	-944	-8.4%
\$100,000 to \$149,999	15,652	13,645	26.7%	-2,007	-12.8%
\$150,000 to \$199,999	10,926	10,223	20.0%	-703	-6.4%
\$200,000 to \$299,999	6,228	6,393	12.5%	165	2.6%
\$300,000 to \$499,999	3,768	4,212	8.2%	444	11.8%
\$500,000 to \$999,999	2,120	2,082	14.0%	-38	-1.8%
\$1,000,000 or more	318	530	14.0%	212	66.7%
Median (dollars)	141,200	142,400			
Source: U.S. Census Bureau, 2010, 2016 American Community Survey 5-yr Estimates					

Affordable and Available Units for Renter Households in Winston-Salem

Exhibit 20 describes the number of rental housing units that are occupied by various income groups in each affordability range, as well as the number of vacant units by income group, as reported by U.S. HUD, CHAS data from 2010 to 2014. The data identifies the number of *affordable* units that are *available* to a specific income group and the number of affordable units that are not available to them because they are occupied by renters of other income groups. According to HUD, a unit is considered *available* at a given income level if it is affordable at that level, occupied by a renter either at that income level, a lower income level, or it's a vacant unit.

The findings below show that 46.8 percent of all rental units affordable to families earning less than 80 percent of AMI were not available to them in Winston-Salem.

Families Earning Less than 30 percent AMI

- A total of 11,308 rental units, consisting of 10,954 occupied units and 354 vacant units were affordable to families earning less than 30 percent of AMI in Winston-Salem. However, only 2,787 units, including 2,433 occupied units and 354 vacant units, or about 25 percent of all affordable units were available to those households. The remaining 75 percent of all units affordable to families earning less than 30 percent of AMI were not available to them as they were occupied by higher income renter households.

Families Earning between 30 and 50 percent AMI

- A total of 11,273 rental units, consisting of 8,473 occupied units and 2,800 vacant units were affordable to families earning between 30 and 50 percent AMI in Winston-Salem. However, only 5,673 units, including 2,873 occupied units and 2,800 vacant units, or 50.3 percent of all affordable units were available to those households. The remaining 49.7 percent of all units affordable to families earning between 30 and 50 percent AMI were not available to them as they were occupied by higher income renter households.

Families Earning between 50.1 and 80 percent AMI

- A total of 10,753 rental units, consisting of 9,044 occupied units and 1,709 vacant units were affordable to families earning between 50.1 and 80 percent AMI in Winston-Salem. However, only 7,172 units, including 5,463 occupied units and 1,709 vacant units, or about 66.6 percent of all affordable units were available to those households. The remaining 33.4 percent of all units affordable to families earning between 50.1 and 80 percent AMI were not available to them as they were occupied by higher income renter households.⁴⁴

⁴⁴ The City of Winston-Salem reflects a combined total, which includes the NRSA and downtown to represent the city as a whole.

Exhibit 20: Rental Occupancy by Income Group and Affordability 2010-14

Occupied by	Affordable to	Forsyth County	Winston-Salem	NRSA	Downtown
<=30.0% AMI	<=30.0% AMI	2,733	2,433	1,780	310
	30.1% -50.0% AMI	3,123	2,755	1,729	180
	50.1% -80.0% AMI	5,033	4,536	2,084	140
	Over 80% AMI	1,304	1,230	423	79
30.1% -50.0% AMI	<=30.0% AMI	987	798	462	45
	30.1% -50.0% AMI	3,337	2,873	1,734	200
	50.1% -80.0% AMI	4,971	4,186	2,038	90
	Over 80% AMI	766	616	254	10
50.1% -80.0% AMI	<=30.0% AMI	539	427	235	4
	30.1% -50.0% AMI	2,915	2,508	1,084	105
	50.1% -80.0% AMI	6,768	5,463	1,844	79
	Over 80% AMI	836	646	223	10
>80.0% AMI	<=30.0% AMI	932	705	237	19
	30.1% -50.0% AMI	2,133	1,673	789	94
	50.1% -80.0% AMI	10,461	8,403	1,948	180
	Over 80% AMI	4,390	3,336	1,009	294
All Occupied Units	<=30.0% AMI	12,193	10,954	6,016	709
	30.1% -50.0% AMI	10,061	8,473	4,488	345
	50.1% -80.0% AMI	11,058	9,044	3,386	198
	Over 80% AMI	17,916	14,117	3,983	587
All Vacant Units	<=30.0% AMI	389	354	279	50
	30.1% -50.0% AMI	3,415	2,800	1,535	95
	50.1% -80.0% AMI	2,084	1,709	319	65
	Over 80% AMI	330	245	20	20
All Units	<=30.0% AMI	12,582	11,308	6,295	759
	30.1% -50.0% AMI	13,476	11,273	6,023	440
	50.1% -80.0% AMI	13,142	10,753	3,705	263
	Over 80% AMI	18,246	14,362	4,003	607

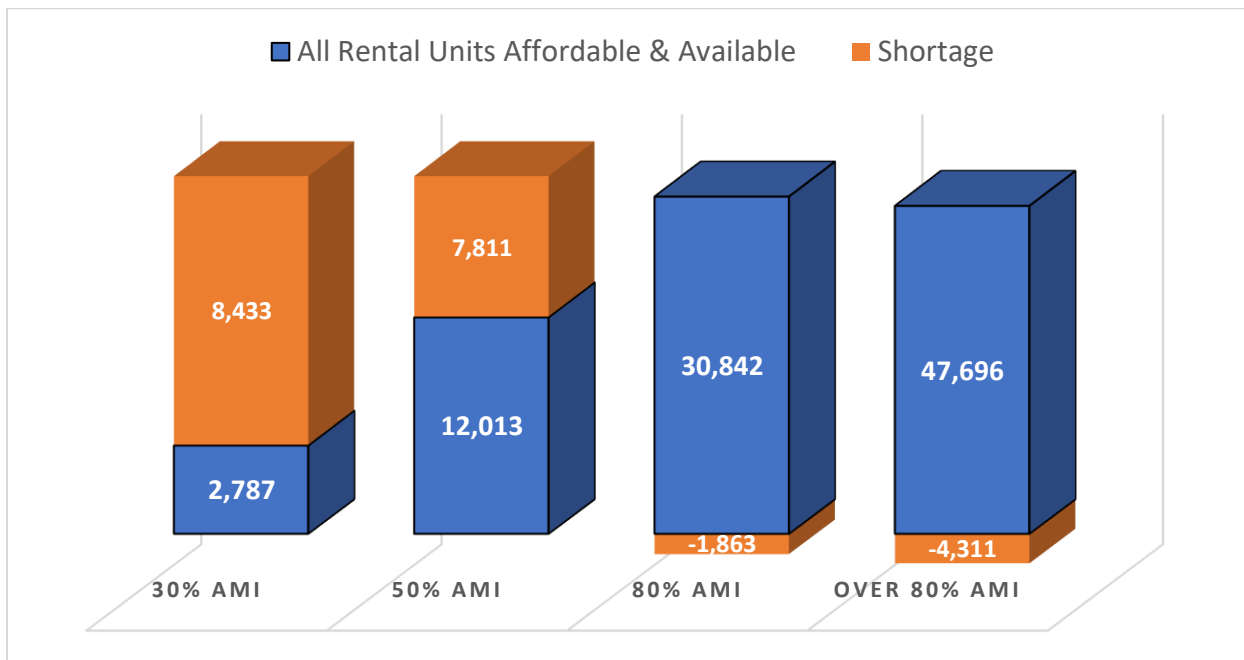
Source: HUD, CHAS, 2010-14

Shortage of Affordable and Available Rental Housing Units in Winston-Salem

Exhibit 21 shows rental units that are affordable and available to households at each income threshold. A total of 2,787 rental units were affordable and available to families with incomes less than or equal to 30 percent of AMI in Winston-Salem. The number of affordable and available units increase to 12,013 at 50 percent of AMI threshold, 30,842 at 80 percent of AMI threshold and increasing higher above 80 percent AMI.⁴⁵

The shortage of affordable and available rental housing units at various income thresholds is also shown in Figure 6. The shortage of affordable rental housing units (and unavailable to families at 30 percent of AMI) is 8,433 units in Winston-Salem. The shortage declines to 7,811 units as income threshold rises to 50 percent of AMI, and to -1,863 units or a surplus at 80 percent of AMI and higher. Such patterns suggest a significant impact on lower income families not only securing affordable places to live, but also challenges to gaining access to housing within their income range.

Figure 6: Rental Units Affordable & Available to Families in Winston-Salem



⁴⁵ The shortage is simply the difference between the number of renter households at each income threshold and the total number of units affordable and available at the applicable threshold.

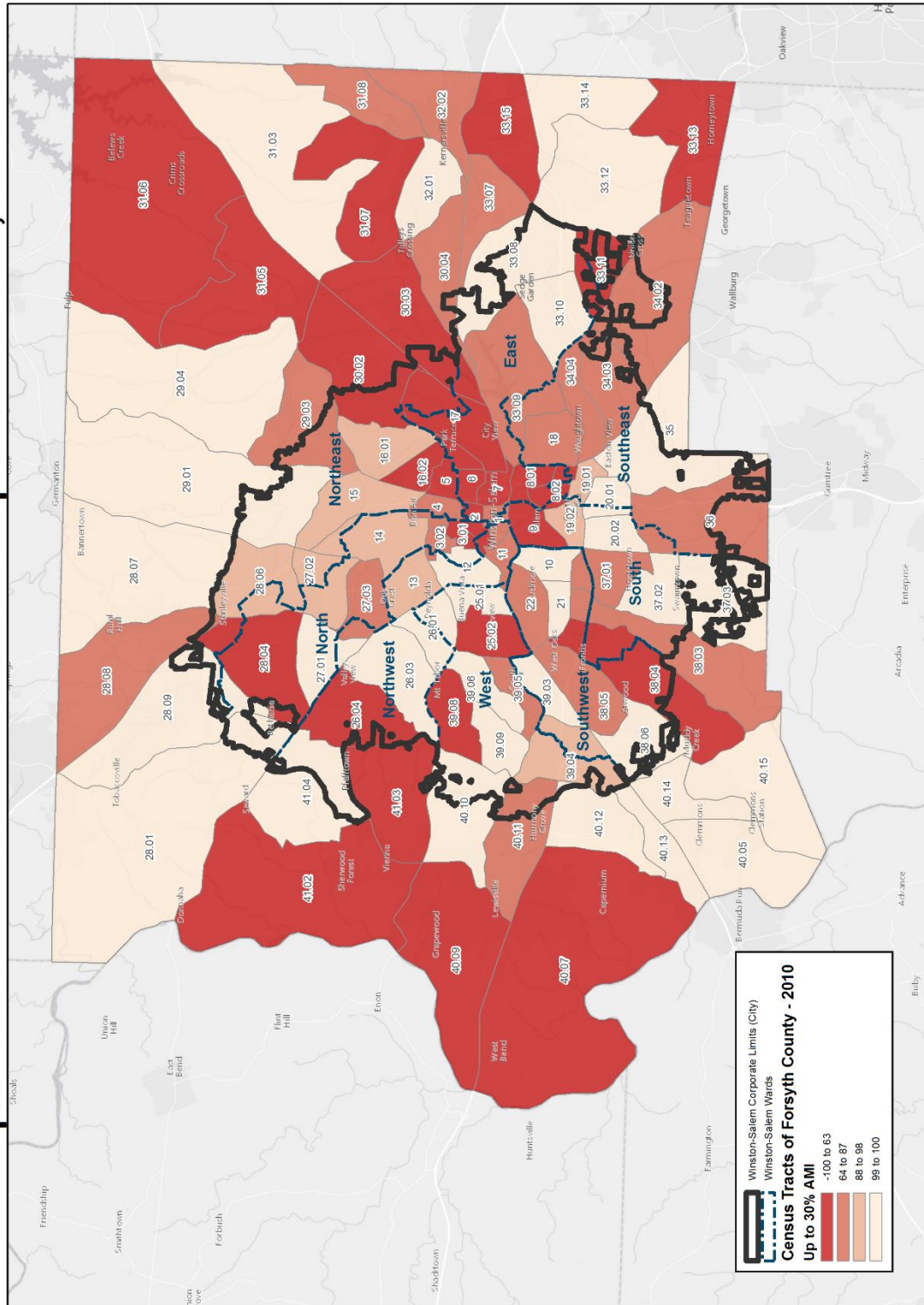
Additionally, for every 100 renter households at 30 percent of AMI in Winston-Salem, there were 25 housing units affordable and available to them. As a result, there was a shortage of 75 affordable and available units per 100 renter households for that income group. The number of affordable and available units per 100 renter households increases to 61 for families at 50 percent of AMI threshold and to 106 for those at 80 percent of AMI. The results show a sizeable shortage of available rental housing units affordable to low income families – particularly those with incomes between 0 – 30 percent and 0 – 50 percent AMI. Map 4 diagrams shortage across Forsyth County. The greatest housing shortages are West end of the City, South and along the outer fringe from the City.

Exhibit 21: Affordable & Available Rental Units by Income Threshold, 2010-14

	Affordable to	Forsyth County	Winston-Salem	NRSA	Downtown
Occupied by	30%	2,733	2,433	1,780	310
	50.00%	10,180	8,859	5,705	735
	80.00%	30,406	25,979	12,990	1,153
	Over 80%	51,228	42,588	17,873	1,839
Vacant Units	30%	389	354	279	50
	50.00%	3,804	3,154	1,814	145
	80.00%	5,888	4,863	2,133	210
	Over 80%	6,218	5,108	2,153	230
All Units Affordable and Available	30%	3,122	2,787	2,059	360
	50.00%	13,984	12,013	7,519	880
	80.00%	36,294	30,842	15,123	1,363
	Over 80%	57,446	47,696	20,026	2,069
All Renter Households	30%	12,540	11,220	6,165	710
	50.00%	22,924	19,824	10,670	1,055
	80.00%	34,118	28,979	14,135	1,305
	Over 80%	52,388	43,385	18,203	1,915
Shortage	30%	9,418	8,433	4,106	350
	50.00%	8,940	7,811	3,151	175
	80.00%	-2,176	-1,863	-988	-58
	Over 80%	-5,058	-4,311	-1,823	-154
Affordable and Available Units per 100 Renter Households	30%	25	25	33	51
	50.00%	61	61	70	83
	80.00%	106	106	107	104
	Over 80%	110	110	110	108
Shortage of Affordable and Available Units per 100 Renter Households	30%	75	75	67	49
	50.00%	39	39	30	17
	80.00%	-6	-6	-7	-4
	Over 80%	-10	-10	-10	-8

Source: HUD, CHAS, 2010-14 and Strategic Impact Advisors

Shortage of Affordable and Available Rental Housing Units per 100 Renter Households at 30 percent of AMI, 2010-14



Map 4: Shortage of Affordable & Available Rental Units

Elderly Households

Exhibit 22 shows the shortage of affordable units available to elderly renter households by geography. Elderly households include families consisting of two persons with either or both age 62 years or over, as well as one or two-person non-family households with either person age 62 years or over. The shortage of affordable units available to this age cohort is estimated by applying the overall shortage per 100 renter households by selected geographies to the number of elderly households at each income threshold. The shortage of affordable rental housing units available to elderly households at 30 percent of AMI is 1,305 units in Forsyth County. The shortage declines to 720 units as income threshold rises to 50 percent of AMI. Our analysis shows a surplus of 99 elderly units at 80 percent of AMI and a surplus of 212 for elderly households earning over 80 percent of AMI.

Exhibit 22: Shortage of Affordable & Available Elderly Rental Units by Income Threshold, 2010-14

	Income Group	Forsyth County	Winston-Salem	NRSA	Downtown
Households	30.0% AMI	1,738	1,425	906	160
	50.0% AMI	1,847	1,338	743	169
	80.0% AMI	1,548	1,259	414	27
	Over 80.0% AMI	2,198	1,751	407	85
Affordable Units Available to the Elderly	30.0% AMI	433	354	303	81
	50.0% AMI	1,127	811	524	141
	80.0% AMI	1,647	1,340	443	28
	Over 80.0% AMI	2,410	1,925	448	92
Shortage of Affordable and Available Units	30.0% AMI	1,305	1,071	603	79
	50.0% AMI	720	527	219	28
	80.0% AMI	-99	-81	-29	-1
	Over 80.0% AMI	-212	-174	-41	-7

Source: HUD, CHAS, 2010-14 and Strategic Impact Advisors

Households with Disabilities

The estimates of housing tenure for families with disabilities are "independent," which means they are not mutually exclusive. A household with two different types of disability would be counted in both locations. The CHAS table identifies the number of rental housing units that are occupied by renter households with disabilities in various income groups. Four distinct disability conditions are included in the CHAS table: 1) hearing or vision impairment; 2) ambulatory limitation; 3) cognitive limitation; and 4) self-care or independent living limitation.

Similar to the shortage of rental units for elderly households, the shortage of affordable units available to households with disabilities is estimated by applying the overall shortage per 100 renter households to the number of disabled households at each income threshold (Exhibit 23). For example, the shortage of affordable units available to households with hearing and vision impairment at 30 percent of AMI is 698 units in Forsyth County. The shortage declines to 263 units as income threshold rises to 50 percent of AMI. However, there would be surplus of 45 affordable units available to families with hearing and vision impairment at 80 percent of AMI, and a surplus of 80 units for families earning over 80 percent of AMI.

Exhibit 23: Shortage of Affordable Rental Units to Households with Disabilities (Hearing and Vision Impairment), 2010-14

	Income Group	Forsyth County	Winston-Salem	NRSA	Downtown
Households	30.0% AMI	929	865	414	49
	50.0% AMI	674	516	273	10
	80.0% AMI	706	563	289	4
	Over 80.0% AMI	829	561	161	14
Affordable Units Available to Households	30.0% AMI	231	215	138	25
	50.0% AMI	411	313	192	8
	80.0% AMI	751	599	309	4
	Over 80.0% AMI	909	617	177	15
Shortage of Affordable and Available Units	30.0% AMI	698	650	276	24
	50.0% AMI	263	203	81	2
	80.0% AMI	-45	-36	-20	0
	Over 80.0% AMI	-80	-56	-16	-1

Source: HUD, CHAS, 2010-14 and Strategic Impact Advisors

Color Code: Red highlight denotes shortage of affordable and available units for lower income disabled households

Housing Quality and Preservation

Housing Problems by Race and Income Status

The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households. This analysis shows the impact of housing problems when examined by race, income and cost-burden for households living in housing units. HUD defines housing problems as households with one or more of the following housing problems: more than one person per room (potential overcrowding), lacking a complete kitchen, bathroom or plumbing, or households that pay more than 30 percent of their income on rent or mortgage. Of all renter units, more than half (52 percent or 21,340 units) had one or more housing problems. Of all owner-occupied units, 12,535 or 24 percent had housing problems. HUD data does not report the degree or percent to which households experience any combination of problems at a given time.

As illustrated in Exhibits 24 -27, trends show extremely low income, very low income, low-income and moderate renter households experience housing problems more than other income groups. When examined by race, more Black/African American low-income owner and renter households have more housing problems than other races. (also see Map 5).

Extremely Low-Income Households

According to 2010 to 2014 CHAS, there are a total of 10,960 extremely low-income households with housing problems in the City – representing approximately one-third or 32.3 percent of all households with problems (Exhibit 24). Divided by tenure, extremely low-income renter-occupied units with housing problems comprise 8,910 or 41.8 percent of all renter units with housing problems; and owner-occupied units represent 2,050 or 16.3 percent of households that experienced housing problems during the same period.

Differences by race among extremely low-income households

An analysis of differences in housing problems by race reveals more extremely low-income Black/African American renter households tend to have renter units with housing problems than other races including White, Hispanic and others. Exhibit 24 shows all extremely low-income households with housing problems, and Black/African Americans represented nearly 60 percent of all households in this income category, while White households comprise the second largest.

Exhibit 24: Extremely Low-Income Households, Housing Problems by Race

Extremely Low Income Households - Housing Problems by Race	White Renter Households	Black/African American Households	Hispanic (any race)	Other	All Extremely Low Income Households w/ Housing Problems	All Renter Units w/ Housing Problems	All Renter Units
<i>Renters</i>							
Number of Units	2,175	5,320	1,160	255	8,910	21,340	40,995
% With Housing Problems	24.4%	59.7%	13.0%	2.9%			
						All Owner Units w/ Housing Problems	
<i>Owners</i>							
Number of Units	1,110	710	155	75	2,050	12,535	51,575
% With Housing Problems	54.1%	34.6%	7.6%	3.7%			
Total	3,285	6,030	1,315	330			

Source: U.S. HUD, CHAS data, 2010-2014

Very Low-Income Households

HUD defines very low-income as households that earn greater than 30 percent but less than or equal to 50 percent of area median income in Winston-Salem. According to 2010 – 2014 CHAS, there are a total of 9,419 low-income households with housing problems in the City – equal to more than a quarter or 27.8 percent of all households with problems in this income category (Exhibit 25). Divided by tenure, very low-income renter-occupied units with housing problems comprise 6,720 or 31.4 percent of all renter units with housing problems; and owner-occupied units represent 2,700 or 21.5 percent of households that experienced housing problems during the same period.

Differences by race among very low-income households

An analysis of differences in housing problems by race reveal that more very low-income Black/African American renter households tend to have renter units with housing problems than other races including White, Hispanic and other groups. Exhibit 25 shows all very low-income households with housing problems (renter and owner), and Black/African Americans represented nearly half (48.9 percent) of all households in this income category; White households comprise the second largest share at 22.5 percent. However, White owner households have more housing problems than other races, which represented 51 percent of homeowners.

Exhibit 25: Very Low-Income Households, Housing Problems by Race

Very Low Income Households - Housing Problems by Race	White Renter Households	Black/African American Households	Hispanic (any race)	Other	All Very Low Income Households w/ Housing Problems	All Renter Units w/ Housing Problems	All Renter Units
Renters							
Number of Units	1,510	3,285	1,595	330	6,720	21,340	40,995
% With Housing Problems	22.5%	48.9%		4.9%			
						All Owner Units w/ Housing Problems	
Owners							
Number of Units	1,390	870	425	14	2,700	12,535	51,575
% With Housing Problems	51.5%	32.2%	15.7%	0.5%			
Total Units	2,900	4,155	2,020	344	9,419		

Source: U.S. HUD, CHAS data, 2010-2014

Low-Income Households

HUD defines low-income as households that earn greater than 50 percent but less than 80 percent of area median income in Winston-Salem. According to 2010 – 2014 CHAS, there are a total of 7,879 low-income households with housing problems in the City – equal to nearly one quarter (or 23.2 percent) of all households with problems in this income category (Exhibit 26). Divided by tenure, low-income renter-occupied units with housing problems comprise 4,325 or 12.7 percent of all renter units with housing problems; and owner-occupied units represent 3,554 or 10.4 percent of households that experienced housing problems during the same period.

Differences by race among low-income households

Exhibit 26 also shows differences in housing problems by race, which reveals an rather equal share of low-income renter households with housing problems – Black/African American (2,150 units) and White (1,495 units). Hispanic households with housing problems comprise a total of 525 units.

Exhibit 26: Low-Income Households, Housing Problems by Race

Low Income Households - Housing Problems by Race	White Renter Households	Black/African American Households	Hispanic (any race)	Other	All Low Income Households w/ Housing Problems	All Renter Units w/ Housing Problems	All Renter Units
Renters							
Number of Units	1,495	2,150	525	155	4,325	21,340	40,995
% With Housing Problems	34.6%	49.7%	12.1%	3.6%			
						All Owner Units w/ Housing Problems	All Owner Units
Owners							
Number of Units	1,845	1,235	440	34	3,554	12,535	51,575
% With Housing Problems	51.9%	34.7%	12.4%	1.0%			
Total Units	3,340	3,385	965	189	7,879		

Source: U.S. HUD, CHAS data, 2010-2014

Moderate-Income Households

HUD defines moderate income as households that earn greater than 80 percent but less than or equal to 100 percent of area median income. Upper income households earn greater than 100 percent of area median income. There is a total of 5,630 moderate to upper income households with housing problems in the City – equal to 16.7 percent of all households with housing problems (Exhibit 27). Divided by tenure, moderate to upper income renter-occupied units with housing problems comprise 1,390 or 6.5 percent of all renter units with housing problems; and owner-occupied units represent 4,240 or 33.8 percent of households that experienced housing problems during the same period.

Differences by race among moderate income households

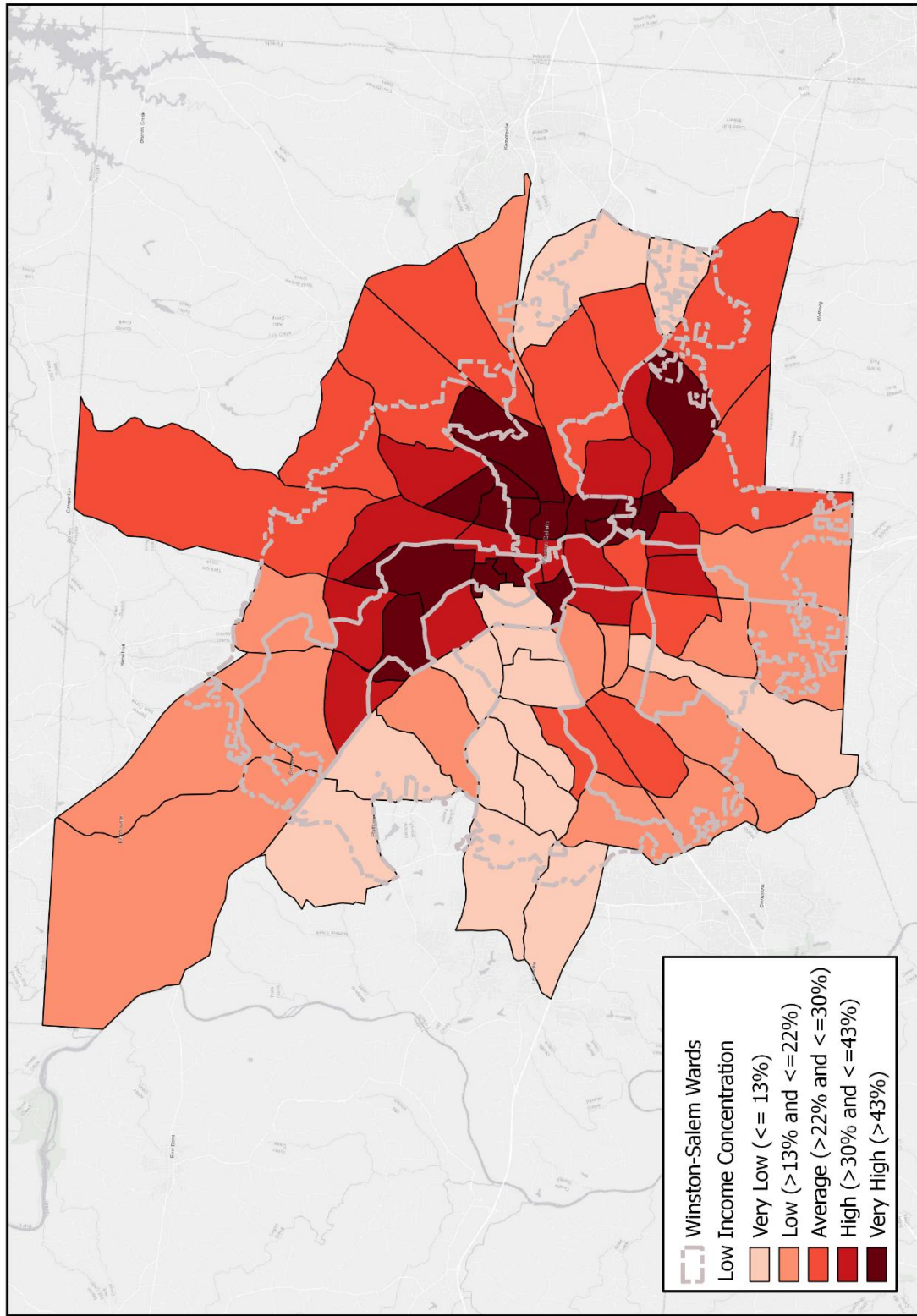
Differences in housing problems by race reveal a greater share of White owner and renter-occupied households with housing problems than other races including Black/African American, Hispanic and other groups. Exhibit 27 shows of all moderate to upper-income households with housing problems, White households represented more than half (3,675 units or 60.2 percent) of all households in this income category, while Black/African America households comprised the second largest share of 1,415 units or 25.1 percent.

Exhibit 27: Moderate-Income to Upper-Income Households, Housing Problems by Race

Moderate and Greater Income Households - Housing Problems by Race	White Renter Households	Black/African American Households	Hispanic (any race)	Other	All Moderate Income Households w/ Housing Problems	All Renter Units w/ Housing Problems	All Renter Units
<i>Renters</i>							
Number of Units	835	335	205	10	1,390	21,340	40,995
% With Housing Problems	60.1%	24.1%	14.7%	0.7%			
						All Owner Units w/ Housing Problems	
<i>Owners</i>							
Number of Units	2,840	1,080	190	135	4,240	12,535	51,575
% With Housing Problems	67.0%	25.5%	4.5%	3.2%			
Total Units	3,675	1,415	395	145	5,630		

Source: U.S. HUD, CHAS data, 2010-2014

**Low Income Concentration
Share of Households at <=50% of AMI
in Winston Salem**



Map 5: Low-Income Concentration Share of Households at <=50% AMI in Winston-Salem

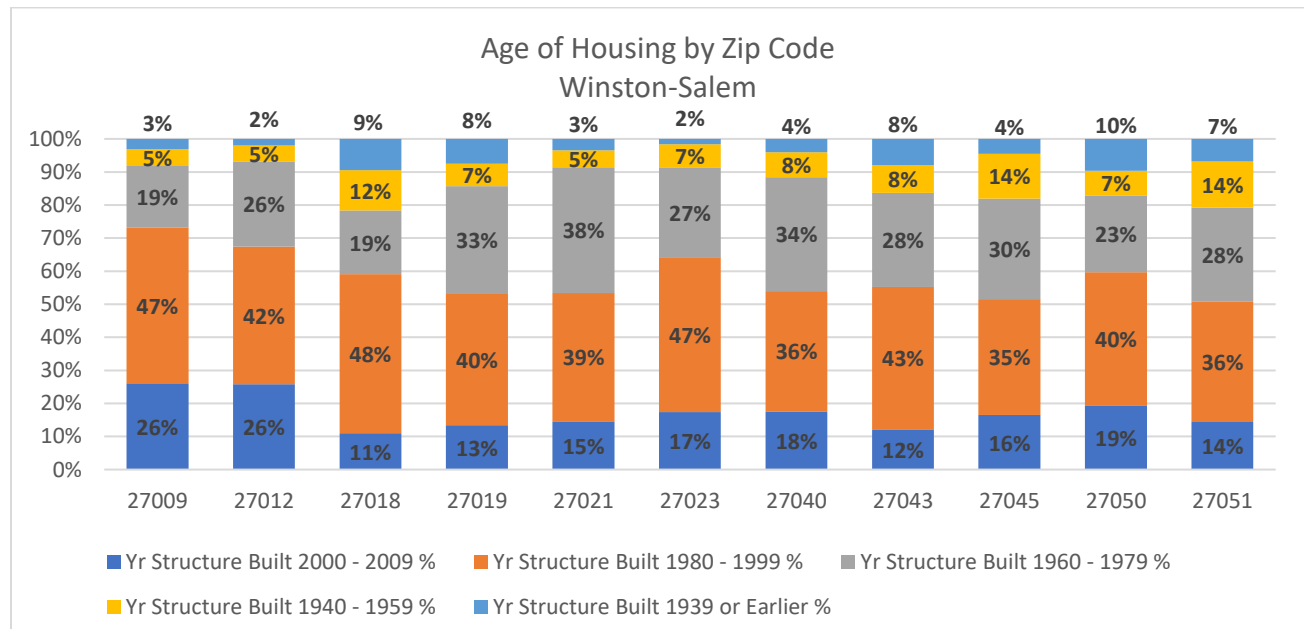
Housing Problems by Zip Code

For the period between 2010 and 2014, CHAS data reported a total of 40,995 renter-occupied units and 51,575 owner-occupied units in the City of Winston-Salem. As illustrated in Figure 7 and Figure 8, the largest share of properties was built between 1960 to 1979, and 1980 to 1999 era. Zip codes 27106 and 27021 comprise the largest share of properties built during these periods (38.7 percent and 38.0 percent of units, respectively). Structures built during 1980 to 1999 represent nearly half (47 percent) of the housing stock; and nearly half (44.5 percent) of all properties located in the 27052-zip code have housing problems.

Examining across geography, zip code 27101 maintains the largest share of older properties in Winston-Salem, comprising 20 percent of all properties with problems in the area (Figure 7). Map 5 displays the concentration of low income households who earn less than or equal to 50 percent of the area median income based on where they live across the city of Winston-Salem and countywide.⁴⁶ Overlaying the City’s Ward boundaries reveals very high concentrations of lower income people live in the East Ward, North Ward, portions of the Southeast Ward, Northeast and Downtown. As such, these Wards are likely areas with the most significant housing problems.

Figure 7 and Figure 8 also show that about 61 percent of properties in the zip code area were built between 1940 and 1959 (26 percent) and over one-third (35 percent) were built between 1960 and 1970.

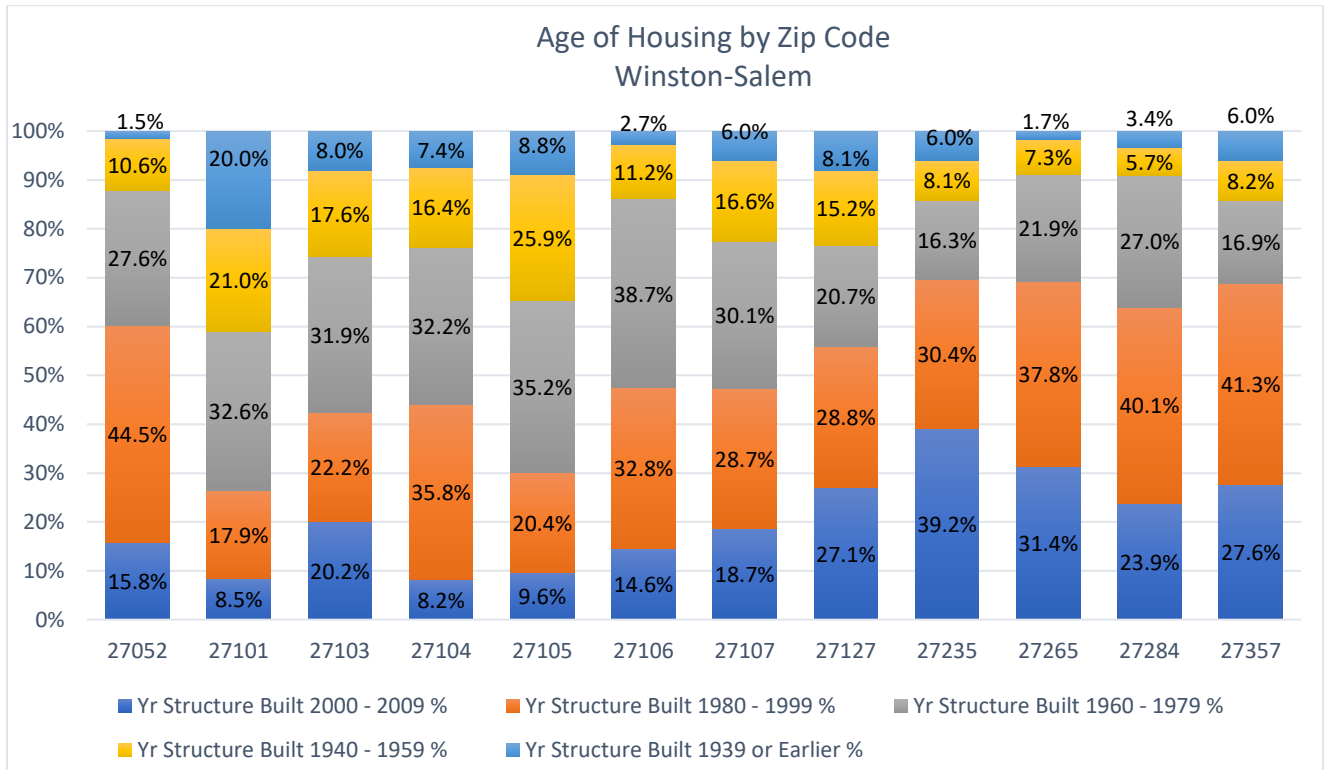
Figure 7: Age of Housing by Zip Code in Winston-Salem



Source: U.S. Census Bureau: 2012-2016 ACS, 5-yr Estimates

⁴⁶ The ranges for low income concentration (e.g.: share of households that earn less than or equal to area median income in all households within a census tract, are based on the percentile distribution.) The table on the map essentially shows the ratios. The higher the shares (percentages), the higher the concentration of low income families in a certain tract.

Figure 8: Age of Housing by Zip Code in Winston-Salem

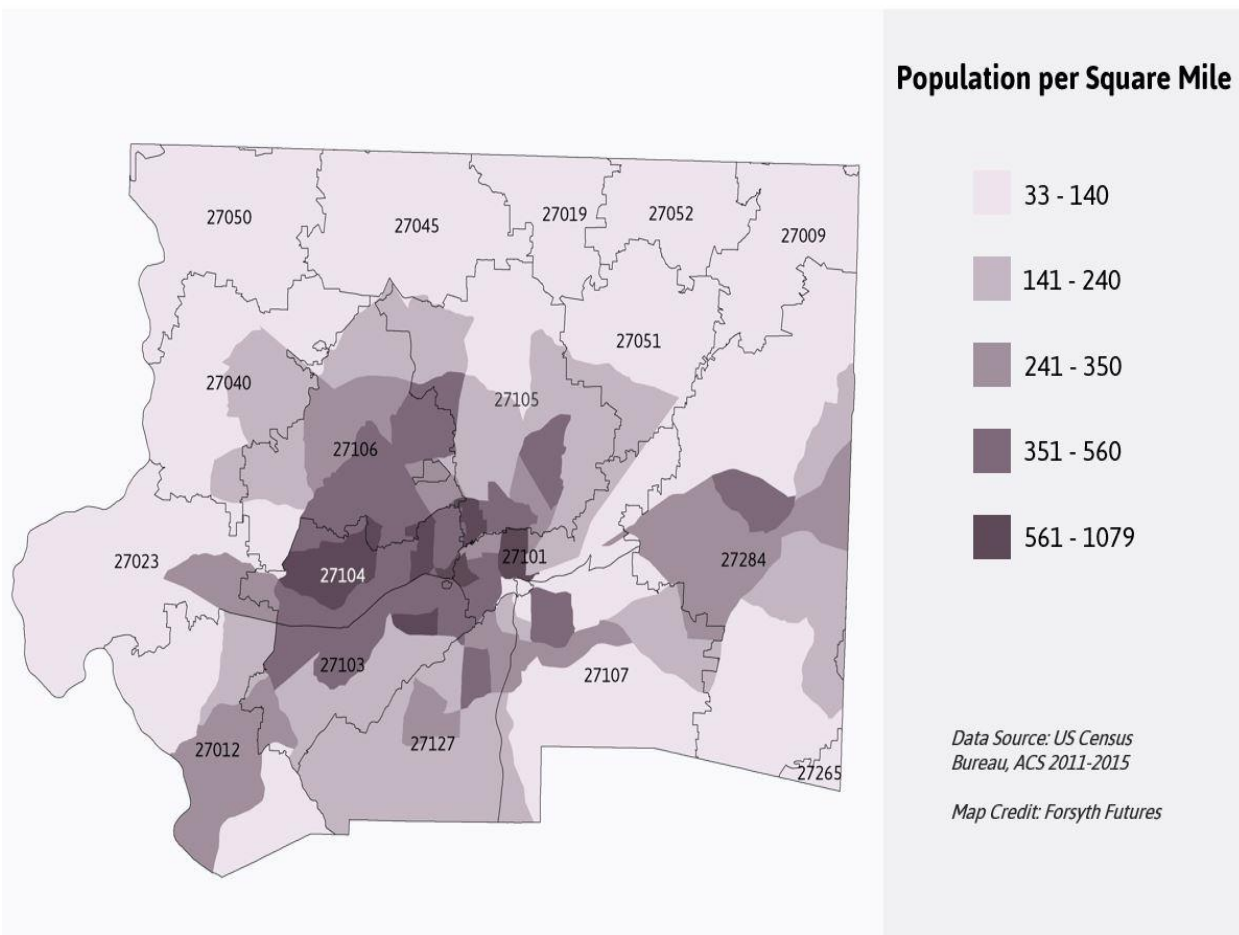


Source: U.S. Census Bureau: 2012-2016 ACS, 5-yr Estimates

Moreover, lower income residents with limited financial resources often struggle to make ends meet, stretching the budget to address often emergency housing problems and property upkeep. This is especially true for the older populations living on a fixed income and in neighborhoods with deteriorating housing and maintenance concerns. According to a 2016-17 Forsyth Futures survey of approximately 1,002 older adults (60 years of age and older), about 24 percent of older adults expressed the need for more senior and affordable housing. Zip code 27105 has the most older adult residents where a significant amount of older properties is also located. In addition to having the largest share of older properties, zip code 27101 maintains a large share of older adults (Map 6).

Forsyth County, North Carolina

Population Density of Residents Age 60+



Map 6: Population Density of Residents 60+ in Forsyth County⁴⁷

Code Enforcement and Property Assessment

When evaluating housing stock, property inspections are an important but an imperfect indicator of housing quality. According to the 2016–2017 Winston-Salem Comprehensive Annual Financial Report, the City and County corrected an average of 2,740.1 housing code violations per year from 2007-2016. However, corrections have been declining from a 2012 peak, which causes a lack of stability in property values, property tax base and a weakening of the local real estate market. Analysis of City/County property tax data indicates that values have fluctuated in recent years, which can have a direct impact on the government’s ability to meet its financial obligations, provide adequate infrastructure and services, and provide programming to meet household and/or community needs. The most recent year saw a 1.88 percent increase in total assessed value,

⁴⁷ Adapted from: 2016-17 Forsyth Futures, AdvantAge Forsyth County Survey and Study; Age-Friendly Initiative; Forsyth County, North Carolina (Maps 5 and 6).

including a 1.13 percent increase in real property assessed value. According to the report, from 2012 – 2013, real property assessed value declined by 10.18 percent. Total assessed value declined three times in the last ten years. Over the past decade, the City/County had to raise property tax rates multiple times. Rates now stand 16.49 percent higher than in 2007. Revenues have increased by 28.17 percent over the same period based on rate increases and increases in real property and total assessed values of 8.22 percent and 7.98 percent, respectively.

Housing Market Trends



Housing Demand Projections 2017-2027

This section forecasts housing demand covering the geographic boundaries of Forsyth County, City of Winston-Salem, Downtown Winston-Salem, and the Neighborhood Revitalization Strategy Area (NRSA). The projections are made over a ten-year period (2017-2027) by age, income, and household size delineated further by housing tenure.

The baseline for projections is the 5-year estimates (2011-15) of the American Community Survey (ACS), covering housing tenure by age, income and household size groupings at the 2010 block group level. The analysis is based on the population projections by standard age groups for Forsyth County for the period 2017-2027, conducted by the North Carolina Office of State Budget and Management (OSBM), as shown in Exhibit 28. Overall, Forsyth County population is expected to increase over the ten-year period, rising from 300,881 to 336,792 people by 2027. When examining the increase by age, projections for the county show population growth across all standard age groups except for individuals in the 45 to 54 and 55 to 59 age grouping. These age groups are expected to reduce by 2,224 and 788 people, respectively. The county should expect to observe a noticeable increase in the number of younger adults ages 25 to 44 as well as older individuals ages 65 and over. To project the number of households for selected geographies, the OSBM population estimates to headship rates by age groups was applied. The headship rates are computed from the ACS 2015, 5-year estimate of housing tenure and population by age groups (Exhibit 29).

Exhibit 28: Forsyth County Population Projection by Age Group

Year	All Age Groups	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over
2017	300,881	51,414	50,129	45,401	49,003	25,269	22,437	33,553	16,472	7,203
2018	304,254	51,767	51,038	45,590	48,446	25,465	22,908	34,670	17,072	7,298
2019	307,788	52,380	51,921	45,869	47,808	25,550	23,381	35,854	17,654	7,371
2020	311,458	53,218	52,477	46,363	47,519	25,206	23,868	37,140	18,170	7,497
2021	315,104	54,000	53,163	46,911	47,264	24,769	24,249	38,263	18,860	7,625
2022	318,899	54,910	53,801	47,379	47,223	24,346	24,502	38,853	20,208	7,677
2023	322,647	55,664	54,349	48,064	47,192	23,964	24,707	39,506	21,401	7,800
2024	326,310	56,293	54,802	48,932	47,046	23,764	24,795	40,301	22,463	7,914
2025	329,893	56,618	55,132	49,900	46,975	24,038	24,483	41,250	23,450	8,047
2026	333,364	56,844	55,395	51,209	46,747	24,409	24,067	42,113	24,356	8,224
2027	336,792	57,194	55,803	52,288	46,779	24,481	23,668	42,749	25,302	8,528

Source: North Carolina Office of State Budget and Management

Note: Color grid: Blue highlights the increase in projected population between 2017 and 2027; Red highlights a reduction in projected population between 2017 and 2027.

Exhibit 29: Forsyth County Headship Rate by Age Group

Age Group	Population 2015-5Yr	Households 2015-5Yr	Headship Rate
15 to 24 years	50,041	6,899	7.2534
25 to 34 years	46,176	22,400	2.0614
35 to 44 years	46,343	25,947	1.7860
45 to 54 years	50,816	28,845	1.7617
55 to 59 years	24,180	14,380	1.6815
60 to 64 years	21,086	12,224	1.7250
65 to 74 years	28,459	17,939	1.5864
75 to 84 years	15,564	10,277	1.5145
85 years and over	6,606	4,296	1.5377

Source: American Community Survey, 2015, 5-year estimate

Note: Headship rate identifies the percentage of an age-specific population category that represents a type of household

Methodological Note: Exhibit 30 highlights household projections by age group for Forsyth County. The estimate of households by age group is divided further between owner and renter households, using the ACS 2015, 5-year estimate of housing tenure by age group (Exhibits 30 and 31). Implicit in this analysis is the assumption that the housing tenure remains unchanged during the forecast period. This assumption is reasonable, as the baseline data are derived from the longer term, American Community Survey’s five-year estimates. Using longer term data helps smooth the data series by reducing the volatility associated with annual changes. Forecasts are generated at the block group level using the ACS 2015 household data delineated by age group and housing tenure. This analysis assumes that households in a specific age group within individual block group will grow at the same rate as the county’s household growth rate in that age group. All forecast tables are then balanced using county level household projections by tenure (also Exhibits 31 and 32) as control totals. The balancing procedure was based on a RAS or bi-proportional balancing technique. The RAS procedure is a well-known method for data reconciliation. It allows consistent estimates of household forecast across various cohorts using pre-specified row and column totals.

Explanation of Exhibits 30-32: As such, Exhibit 30 shows an overall projected increase in the number of households in Forsyth County by 2027; rising from 149,387 to 168,263 by 2027. As with population growth, projections show rise in households across all standard age groups except for those in the 45 to 54 and 55 to 59 age grouping. These age groups are expected to shrink by 1,263 and 468 households, respectively. In fact, younger adult households will climb between the ages of 25 and 44, as will older adult households ages 65 and older.

Exhibit 30: Forsyth County Household Projection by Age Group

Year	All Age Groups	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over
2017	149,387	7,088	24,317	25,420	27,816	15,027	13,007	21,150	10,876	4,684
2018	151,218	7,137	24,758	25,526	27,500	15,144	13,280	21,854	11,272	4,746
2019	153,027	7,221	25,187	25,682	27,138	15,194	13,555	22,600	11,657	4,793
2020	154,836	7,337	25,457	25,958	26,974	14,990	13,837	23,411	11,997	4,875
2021	156,647	7,445	25,789	26,265	26,829	14,730	14,058	24,119	12,453	4,959
2022	158,511	7,570	26,099	26,527	26,805	14,478	14,204	24,491	13,343	4,992
2023	160,418	7,674	26,365	26,911	26,788	14,251	14,323	24,902	14,131	5,072
2024	162,336	7,761	26,584	27,397	26,705	14,132	14,374	25,404	14,832	5,147
2025	164,361	7,806	26,744	27,939	26,665	14,295	14,193	26,002	15,484	5,233
2026	166,360	7,837	26,872	28,672	26,535	14,516	13,952	26,546	16,082	5,348
2027	168,263	7,885	27,070	29,276	26,553	14,559	13,721	26,947	16,707	5,546

Source: North Carolina Office of State Budget and Management, and Strategic Impact Advisors

Note: Color grid: Blue highlights the increase in projected population between 2017 and 2027; Red highlights a reduction in projected population between 2017 and 2027.

Forsyth County Projections by Tenure

Homeowner households is expected to increase by 12,680 between 2017 and 2027. Patterns reveal growth across all standard age groups excluding the 45 to 54 and 55 to 59 age categories – where projected decline is expected (Exhibit 31). This shrinkage is consistent with projected population shifts in Forsyth County over the next ten years. Notable are growth in homeownership for both younger adults, and at the same time, older adult households between the ages of 65 to 74. The sharpest rise is in older adult homeowners age 65 and over – which is projected to jump to nearly 10,000 households over the period. These observations are consistent with Forsyth County’s increasingly aging population patterns.

As shown in Exhibit 32, overall, renter households are expected to increase countywide by 6,191 between 2017 and 2027. Patterns reveal growth across all standard age groups excluding the 45 to 54 and 55 to 59 age categories – where projected decline is expected. This shrinkage is consistent with projected population shifts in Forsyth County over the next ten years. Notable are growth in both young adult renters and older adult renter households.

Exhibit 31: Forsyth County Homeowner Household Projection by Age Group

Year	All Age Groups	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over
2017	93,087	507	9,059	14,740	18,372	11,051	10,258	16,919	8,803	3,378
2018	94,337	510	9,224	14,802	18,163	11,137	10,473	17,482	9,124	3,423
2019	95,549	516	9,383	14,892	17,924	11,174	10,689	18,079	9,435	3,457
2020	96,766	524	9,484	15,053	17,816	11,024	10,912	18,727	9,710	3,516
2021	97,958	532	9,608	15,231	17,720	10,832	11,086	19,294	10,079	3,576
2022	99,191	541	9,723	15,382	17,705	10,647	11,202	19,591	10,800	3,600
2023	100,460	548	9,822	15,605	17,693	10,480	11,296	19,920	11,437	3,658
2024	101,750	555	9,904	15,887	17,639	10,393	11,336	20,321	12,005	3,711
2025	103,146	558	9,963	16,201	17,612	10,513	11,193	20,800	12,532	3,774
2026	104,509	560	10,011	16,626	17,526	10,675	11,003	21,235	13,016	3,857
2027	105,767	563	10,085	16,976	17,538	10,706	10,821	21,556	13,522	3,999

Source: Strategic Impact Advisors

Note: Color grid: Blue highlights the increase in projected population between 2017 and 2027; Red highlights a reduction in projected population between 2017 and 2027.

Exhibit 32: Forsyth County Renter Household Projection by Age Group

Year	All Age Groups	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over
2017	56,300	6,582	15,258	10,680	9,444	3,976	2,750	4,231	2,073	1,306
2018	56,881	6,627	15,535	10,724	9,336	4,007	2,807	4,372	2,149	1,323
2019	57,478	6,705	15,804	10,790	9,213	4,021	2,865	4,522	2,222	1,337
2020	58,071	6,813	15,973	10,906	9,158	3,966	2,925	4,684	2,287	1,360
2021	58,689	6,913	16,182	11,035	9,108	3,898	2,972	4,825	2,374	1,383
2022	59,320	7,029	16,376	11,145	9,101	3,831	3,003	4,900	2,543	1,392
2023	59,958	7,126	16,543	11,306	9,095	3,771	3,028	4,982	2,694	1,415
2024	60,586	7,206	16,681	11,510	9,066	3,739	3,039	5,082	2,827	1,435
2025	61,215	7,248	16,781	11,738	9,053	3,783	3,000	5,202	2,952	1,459
2026	61,851	7,277	16,861	12,046	9,009	3,841	2,949	5,311	3,066	1,491
2027	62,496	7,322	16,985	12,300	9,015	3,852	2,900	5,391	3,185	1,547

Source: Strategic Impact Advisors

Note: Color grid: Blue highlights the increase in projected population between 2017 and 2027; Red highlights a reduction in projected population between 2017 and 2027.

Exhibit 33, Exhibit 34, and Exhibit 35 show the results of projections by census tract, grouped for four specific geographies (County, City of Winston-Salem, NRSA and downtown). The grouping is based on the shape files provided by the City of Winston-Salem, which define geographic boundaries and census tracts for each geography.⁴⁸ By 2027, each geographic area will see a rise in total households. Winston-Salem is expected to have an additional 13,263 new households over the next ten years. About 61 percent of the projected growth will be those 65 and over. Reductions are reflected in the 45 to 59 age group. Examined by tenure, growth in homeownership and renter households is expected to occur across all age groups except for the 45 to 59 group. Overall, Winston-Salem is projected to capture a net total increase of 8,379 new homeowner households and 4,884 new renter households.

Exhibit 33: Total Growth of Households by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	438	2,901	3,574	-1,266	-454	581	6,001	6,136	965	18,877
Winston-Salem	357	2,292	2,592	-844	-302	394	3,982	4,105	685	13,263
NRSA	95	703	727	-250	-91	119	1,014	1,119	133	3,569
Downtown	1	73	55	-19	-8	10	72	63	2	249

Source: Strategic Impact Advisors

Exhibit 34: Growth in the Number of Homeowner Households by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	58	1,050	1,858	-809	-309	411	4,761	4,949	710	12,680
Winston-Salem	39	737	1,226	-486	-184	260	3,069	3,222	496	8,379
NRSA	10	146	190	-97	-34	58	621	780	96	1,770
Downtown	1	4	8	-3	-1	2	16	14	0	40

⁴⁸ Totals reflected in Winston-Salem capture counts from the Neighborhood Revitalization Strategy Area (NRSA) and Downtown, as both geographies are within Winston-Salem geographic boundaries. Therefore, figures noted in both the Neighborhood Revitalization Strategy Area (NRSA) and Downtown have been extracted from the overall Winston-Salem and illustrated separately to show clearer growth patterns in selected sub-markets.

Exhibit 35: Growth in the Number of Renter Households by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	380	1,851	1,717	-457	-145	170	1,239	1,187	255	6,197
Winston-Salem	318	1,555	1,366	-358	-117	134	914	882	189	4,884
NRSA	85	557	537	-152	-57	61	392	339	37	1,799
Downtown	0	69	48	-16	-6	8	56	49	2	209

Projections of Housing Completions and Housing Demand

Methodological Note: To project demand for new housing, a commonly applied method of computing a stable and consistent ratio of housing completions to household formation was utilized. This ratio was applied to the projection of household formation in order to project housing demand. This approach is appealing since it involves the two most reliable estimates available in the housing demand estimation (i.e., household formation and housing completions).

Housing completions data are estimated from Forsyth County’s housing permits issued between 2011 and 2015. This period is selected for two reasons: 1) housing markets in North Carolina and throughout the country have stabilized since 2010, following the foreclosure crisis of 2008-2010 which was caused by an unrestrained credit market and the corresponding housing boom of 2004-2007; and 2) the period coincides with the most recent ACS, 5-year estimate of households.

As such, The State of the Cities Data Systems of HUD (SOCDS) reports that between 2011 and 2015, Forsyth County issued a cumulative total of 6,702 residential building permits (as illustrated in Exhibit 36). To estimate housing completions, the analysis involved converting permits to housing starts and subsequently housing starts to completions. Exhibit 37 summarizes the data relationships between permits, starts, and completions as reported by the U.S. Census Bureau. Applying the data relationships to Forsyth County’s permits data, arrived at a cumulative total of 5,983 housing completions during the 2011 to 2015 period (Exhibit 38). According to the ACS, 5-year estimates of households, between 2011 and 2015, a total of 5,525 new households were added to Forsyth County. As a result, the ratio of housing completions to household formation for the 2011 to 2015 period is 1.1. This ratio represents a conservative estimate of the completions to household growth.

Housing completions data are estimated from Forsyth County’s housing permits issued between 2011 and 2015. This period is selected for two reasons: 1) housing markets in North Carolina and throughout the country have stabilized since 2011, following the foreclosure crisis of 2008-2010 which was caused by an unrestrained credit market and the corresponding housing boom of 2004-2007; and 2) the period coincides with the most recent ACS, 5-year estimate of households.

Winston-Salem’s continued growth and development – as envisioned in the Legacy 2030 and corresponding goals set forth in Area Plans – largely depends on balancing adequate levels of

housing supply compared to projected demand to meet an adequate amount of housing as well as the type of housing needed over the time period.

Exhibit 36: Housing Unit Building Permits for Forsyth County

Year	Total Units	Units in Single-Family Structures	Units in All Multi-Family Structures	Units in 2-unit Multi-Family Structures	Units in 3- and 4-unit Multi-Family Structures	Units in 5+ Unit Multi-Family Structures
2000	2,875	2,191	684	0	0	684
2001	2,263	1,953	310	0	4	306
2002	2,931	2,392	539	0	24	515
2003	2,752	2,296	456	0	8	448
2004	3,235	2,568	667	0	15	652
2005	3,138	2,838	300	10	12	278
2006	3,012	2,793	219	0	0	219
2007	2,951	2,774	177	0	0	177
2008	1,677	1,566	111	0	0	111
2009	973	653	320	0	3	317
2010	1,033	755	278	0	0	278
2011	1,288	802	486	0	8	478
2012	1,136	686	450	0	17	433
2013	1,353	851	502	0	0	502
2014	1,542	961	581	0	4	577
2015	1,383	1,029	354	0	4	350
2011-2015	6,702	4,329	2,373	0	33	2,340

Source: The State of the Cities Data Systems of HUD (SOCDS)

Exhibit 37: Relationships Between Permits, Starts and Completions

Starts versus Permits	
Total Units: Starts were 2.5 percent less than Permits	
Housing starts in non-permit areas	2.50%
Permits abandoned before start	-1.50%
Design change and misclassification	-1.00%
Permit revisions not applied to starts	-1.50%
Change in inventory of authorized but not started	-1.00%
Single-family units: Starts were 2.5 percent greater than Permits	
Housing starts in non-permit areas	3.00%
Reclassification of units from multifamily	4.00%
Permits abandoned before start	-2.00%
Design change and misclassification	-1.00%
Permit revisions not applied to starts	-1.00%
Change in inventory of authorized but not started	-0.50%
Multifamily Units: Starts were 22.5 percent less than Permits	
Housing starts in non-permit areas	0.50%
Reclassification of units to single-family	-15.50%
Permits abandoned before start	-1.50%
Design change and misclassification	-3.00%
Permit revisions not applied to starts	-2.00%
Change in inventory of authorized but not started	-1.00%
Completions versus Starts	
Total Units: Completions were 4.0 percent less than Starts	
Units abandoned after start	-0.50%
Difference in number of units counted as a start	-1.00%
Change in inventory of units under construction	-2.50%
Single-family units: Completions were 3.5 percent less than Starts	
Units abandoned after start	-0.50%
Difference in number of units counted as a start	-0.50%
Change in inventory of units under construction	-2.50%
Multifamily Units: Completions were 7.5 percent less than Starts	
Units abandoned after start	-0.50%
Difference in number of units counted as a start	-3.00%
Change in inventory of units under construction	-4.00%

Source: U.S. Census Bureau

Exhibit 38: Estimated Housing Unit Completions for Forsyth County

Year	Units in Single-Family Structures	Units in All Multi-Family Structures	Total
2000	2,167	490	2,658
2001	1,932	222	2,154
2002	2,366	386	2,752
2003	2,271	327	2,598
2004	2,540	478	3,018
2005	2,807	215	3,022
2006	2,763	157	2,920
2007	2,744	127	2,871
2008	1,549	80	1,629
2009	646	229	875
2010	747	199	946
2011	793	348	1,142
2012	679	323	1,001
2013	842	360	1,202
2014	951	417	1,367
2015	1,018	254	1,272
2011-2015	4,282	1,701	5,983

Source: U.S. Census Bureau; and Strategic Impact Advisors

Demand for New Housing Units: How many units of new housing will be demanded in Winston-Salem over the next ten years?

Exhibit 39, Exhibit 40, and Exhibit 41 summarize the ten-year housing demand projections for the four selected geographies. It is important to note that our projections of housing demand represent sustainable, long-run demand for newly built homes based on the housing market fundamentals. The Joint Center for Housing Studies at Harvard University has applied a similar methodology to assess the demand for new housing units in the U.S. These projections do not necessarily represent forecasts of actual completions in a given year or over the ten-year period. The projected demand for new housing does not necessarily translate into the amount of new construction that occurs during the forecast period because housing markets often enter or exit periods oversupplied or undersupplied. The actual level of new housing production will depend on the magnitudes of oversupply and undersupply at the start or the end of the period. More importantly, housing demand projections are not a blueprint for housing production by a specific geography. The demand projections show the number of units that will be needed to satisfy the future housing needs of households. These units can be produced within a reasonable commuting distance of households. For example, projections show a total of 14,663 housing units that will be needed to satisfy the growing housing demand of Winston-Salem residents during the 2017-2027 period (Exhibit 41). Of these, more than half (62 percent or 8,941 units) will be demanded by older adults between the ages of 65 and 84. While many older residents

will choose to age-in-place, this pattern suggests an emerging need for new housing for those choosing to relocate to Winston, downsize to more suitable housing options, move closer to children and other decisions that support movement of aging populations. Additionally, reduced demand is forecasted in the 45 to 59 age group. The second highest demand will be with younger adults – equivalent to about 5,400 new units needed to satisfy their demand. A significant share of older adults will want more owner housing units than renter properties; and a significant share of younger adults – ages 25 to 44 – are expected to demand more renter housing options rather than homeownership (59.8 percent or 3,231 units demanded). These units can be produced anywhere in Winston-Salem, including the downtown area. Therefore, depending on the “availability of land, market location preferences, adopted plans, or household preferences”, developers may choose to produce far more housing units in the downtown area than what is needed to satisfy the future housing needs of the existing downtown residents. Those additional units in the downtown area will help satisfy the growing housing demand of the greater Winston-Salem and/or Forsyth County residents, in addition to meeting the future housing needs of the existing downtown residents. A review of actual production, Exhibit 42 and Exhibit 43 provides a snapshot of the City’s building permit activity by structure type to show how close or far away the City is from actual production needed to fill the housing gap.⁴⁹

Exhibit 39: Demand for Owner Housing Units by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	64	1,161	2,054	-894	-342	455	5,264	5,472	786	14,019
Winston-Salem	43	815	1,355	-537	-204	288	3,393	3,563	548	9,264
NRSA	11	161	210	-108	-37	64	687	862	106	1,957
Downtown	1	5	9	-3	-1	2	18	16	0	44

Source: Strategic Impact Advisors

⁴⁹ These exhibits show half year data for 2016 from June through December, and 2017 which represents a full-year of permit activity. The City permitted at 1,133 new units of residential housing between June 2016 and December 2017. Conclusions cannot be draw because available data does not represent a full year for 2016; however, much more affordable residential units will be needed to reach the projected 14,663 shortfall.

Exhibit 40: Demand for Rental Housing Units by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	420	2,047	1,898	-506	-160	188	1,370	1,313	282	6,851
Winston-Salem	352	1,720	1,511	-396	-130	148	1,010	976	209	5,400
NRSA	94	616	594	-168	-63	67	434	375	40	1,989
Downtown	0	76	53	-18	-7	8	62	54	2	231

Source: Strategic Impact Advisors

Exhibit 41: Total Demand for Housing Units by Age Group, 2017-27

Geography	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 59 years	60 to 64 years	65 to 74 years	75 to 84 years	85 years and over	Total
Forsyth County	484	3,207	3,952	-1,400	-502	643	6,634	6,784	1,067	20,870
Winston-Salem	395	2,535	2,866	-933	-333	436	4,403	4,538	758	14,663
NRSA	105	777	804	-276	-100	132	1,121	1,237	147	3,946
Downtown	1	81	61	-21	-9	11	79	70	2	276

Source: Strategic Impact Advisors

Exhibit 42: Winston-Salem Building Permit Activity by Primary Structure Type

Winston-Salem Building Permit Activity by Primary Structure Type					
June - December 2016 New Construction					
Total Permits	Total Units	Total Value	Single family	Multi-family	Other types
280	357	\$53,347,964.80	201	24	89
2016 Total Additions, Alternations, & Repairs					
Total Permits	Tot Units	Total Value	Repair	Demolition	
457	457	\$19,466,497.00	822	32	

Source: 2016 Report to the Building Official, Winston-Salem Department of Planning and Development Services

Exhibit 43: Winston-Salem Building Permit Activity by Primary Structure Type

Winston-Salem Building Permit Activity by Primary Structure Type					
January - December 2017 New Construction					
Total Permits	Total Units	Tot Value	Single family	Multi-family	Other Unit types
782	776	\$143,727,628.67	580	8	122
2017 Total Additions, Alternations, & Repairs					
Total Permits	Tot Units	Total Value	Repair	Demolition	
1,103	1,103	\$42,951,113.71	1,023	80	

Source: 2017 Report to the Building Official, Winston-Salem Department of Planning and Development Services

What income range will drive demand for homeownership vs. rental housing in Winston-Salem over the next ten years?

Findings displayed in Exhibit 44, Exhibit 45, and Exhibit 46 show demand for housing by income group. Over 5,600 units will be demanded by households earning less than \$34,999 a year, and about 6,600 units demanded by individuals who earn more than \$35,000 a year.

Map 7, Map 8, and Map 9 reveal the geographic disposition of projected future demand for new housing units countywide and within the City of Winston-Salem by 2027. The greatest demand is expected to impact the western quadrant and points north in Forsyth County, and, the North, Northeast, Southwest and portions of the South and West Wards in Winston-Salem.

Exhibit 44: Total Demand for Housing Units by Income Group, 2017-27

Geography	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more	Total
Forsyth County	1,691	620	1,416	1,234	2,563	3,001	3,708	2,428	2,442	1,767	20,870
Winston-Salem	1,387	450	1,055	932	1,871	2,149	2,583	1,541	1,489	1,206	14,663
NRSA	670	142	490	310	548	593	566	296	195	134	3,946
Downtown	84	2	28	17	41	26	25	22	10	20	276

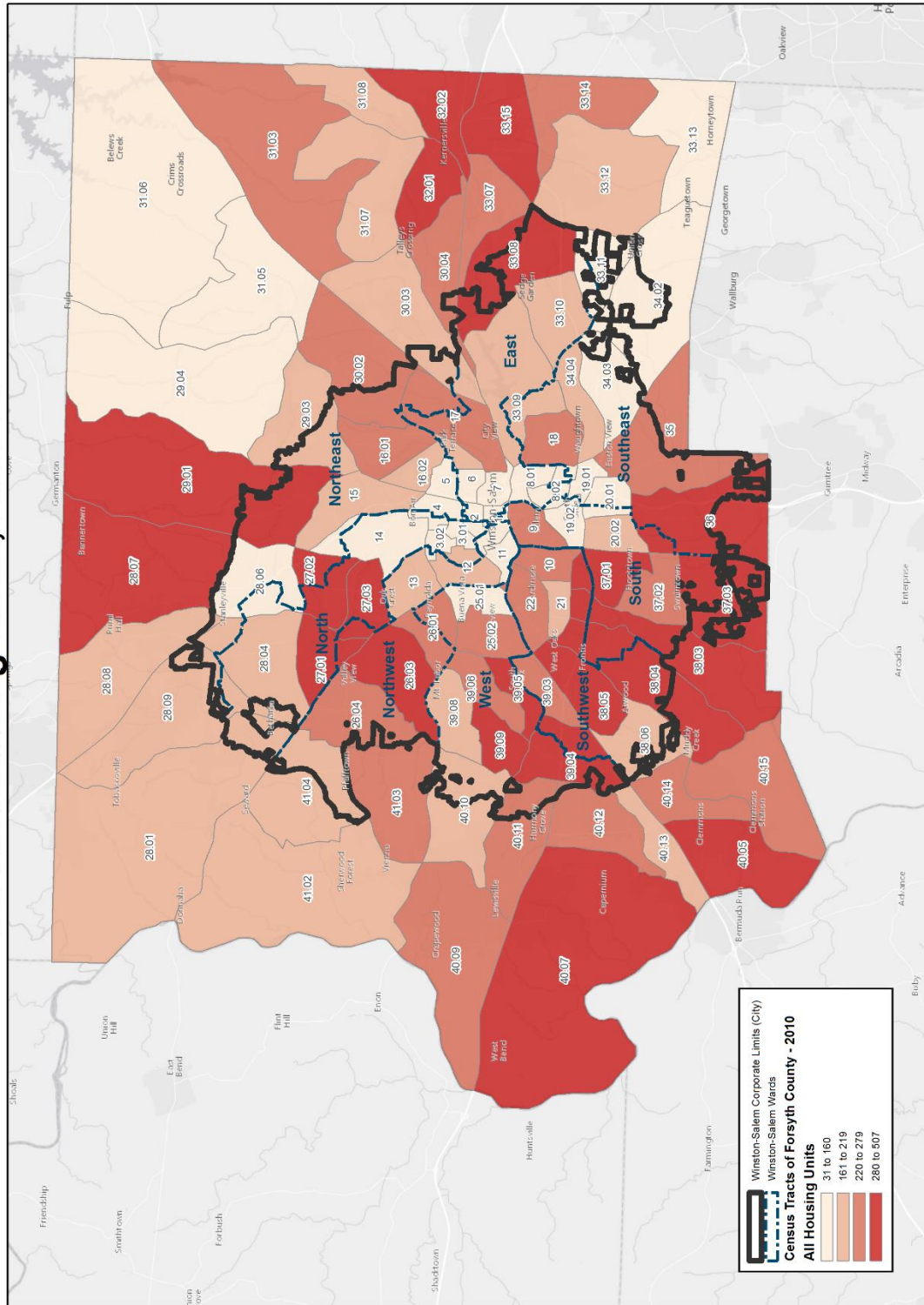
Exhibit 45: Demand for Owner Housing Units by Income Group, 2017-27

Geography	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more	Total
Forsyth County	444	429	589	549	1,355	1,932	2,813	2,016	2,205	1,686	14,019
Winston-Salem	309	317	402	373	927	1,348	1,894	1,236	1,318	1,140	9,264
NRSA	104	100	164	95	256	340	401	221	163	114	1,957
Downtown	2	2	1	1	9	4	5	10	1	9	44

Exhibit 46: Demand for Rental Housing Units by Income Group, 2017-27

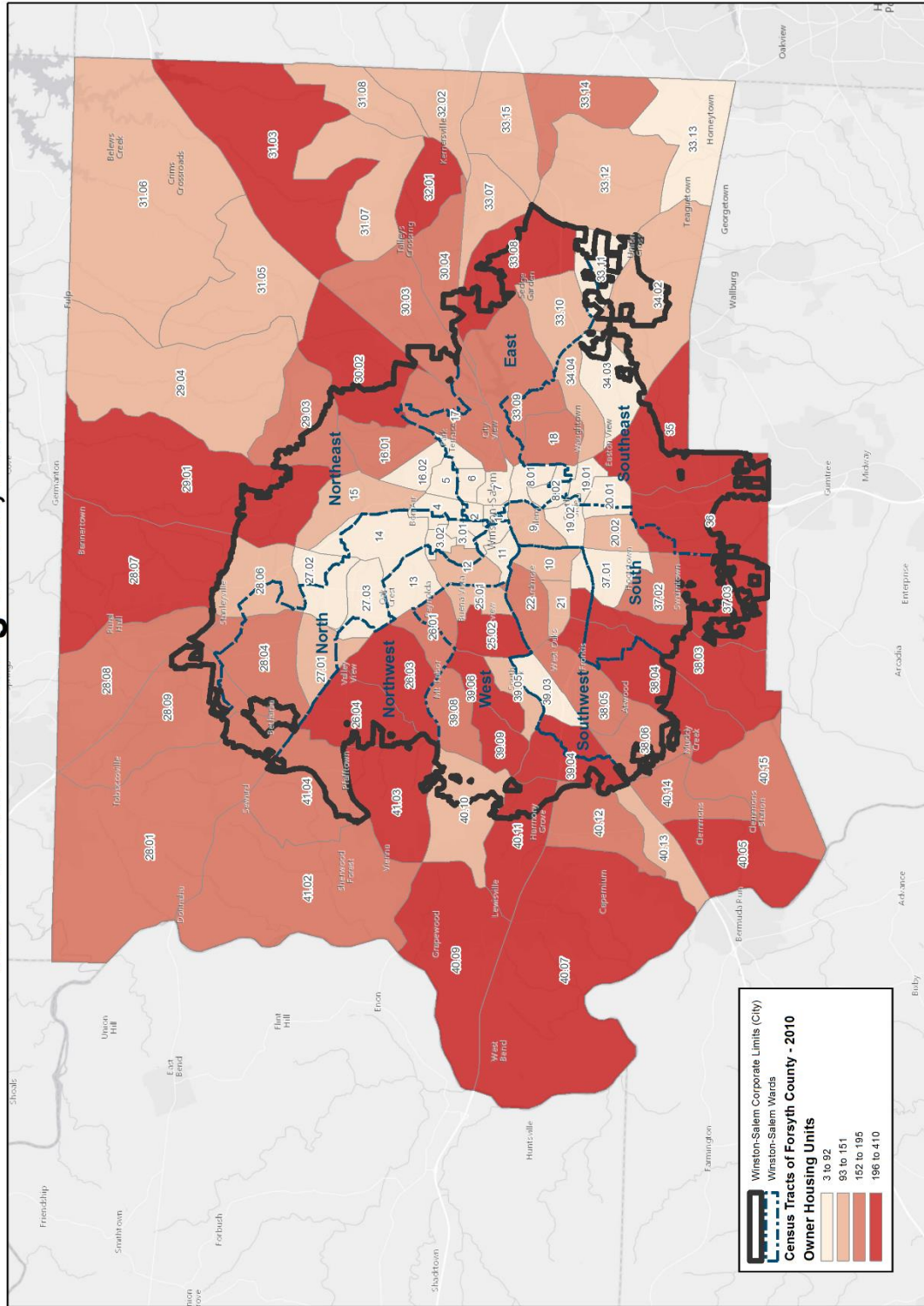
Geography	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more	Total
Forsyth County	1,247	191	827	685	1,208	1,069	896	412	237	81	6,851
Winston-Salem	1,077	133	654	559	944	801	689	305	171	65	5,400
NRSA	566	42	326	216	292	253	166	75	32	20	1,989
Downtown	82	0	27	16	32	23	21	12	9	11	231

Projected Ten-Year Demand for All Housing Units, 2017-27



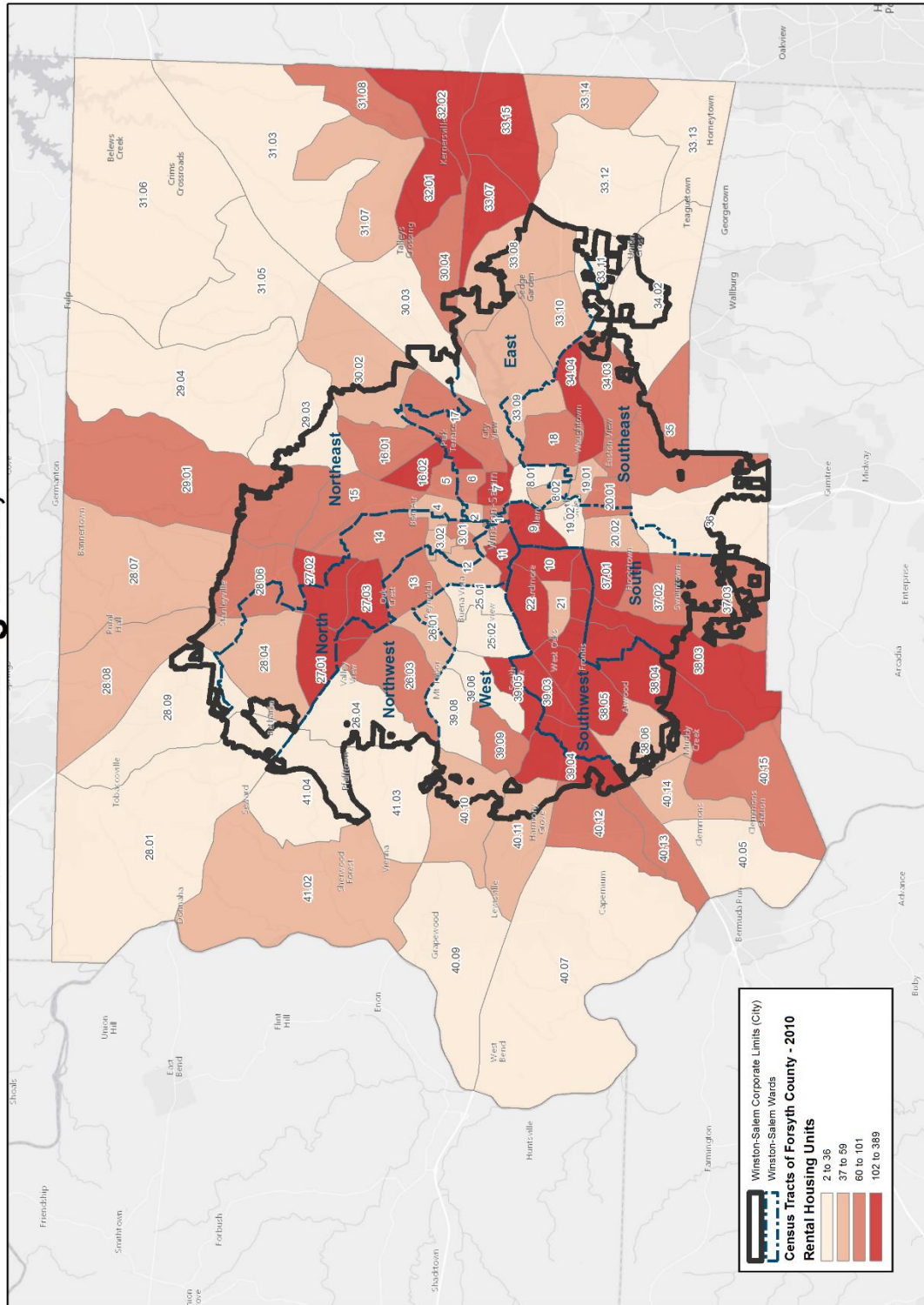
Map 7: Projected Ten-Year Demand for All Housing Units, 2017-27

Projected Ten-Year Demand for Owner Housing Units, 2017-27



Map 8: Projected Ten-Year Demand for Owner Housing Units, 2017-27

Projected Ten-Year Demand for Rental Housing Units, 2017-27



Map 9: Projected Ten-Year Demand for Rental Housing Units, 2017-27

The following table series (Exhibit 47, Exhibit 48 and Exhibit 49) display expected growth by household size and compares change across four geographic areas based on location. The geographic comparisons illustrated are: Forsyth County, Winston-Salem, the Neighborhood Revitalization Area (NRSA) and Downtown.⁵⁰ By 2027, each geographic area will see a rise in demand for housing units. Winston-Salem will need to be prepared to add an additional 14,663 new units of housing over the next ten years. A significant share of the demand (9,812 units, 67 percent of total demand) will likely come from smaller families/households who comprise one to two-person households. The second largest share of demand are three to four-person households, which represent 3,750 or 25.5 percent of young families. Examined by tenure, demand for both owner and renter units for these identified households could reach 2,542 owners demand, and 5,400 renter demand.

Exhibit 47: Total Demand for Housing Units by Household Size, 2017-27

Geography	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household	7 or more Person Household	Total
Forsyth County	6,422	7,501	3,072	2,337	991	406	142	20,870
Winston-Salem	4,962	4,850	2,163	1,587	670	314	117	14,663
NRSA	1,478	1,066	572	419	236	100	74	3,946
Downtown	204	16	32	13	5	4	1	276

Note: Red color highlights the largest share of per person households

Exhibit 48: Demand for Owner Housing Units by Household Size, 2017-27

Geography	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household	7 or more Person Household	Total
Forsyth County	3,542	5,522	2,185	1,777	682	244	66	3,542
Winston-Salem	2,542	3,550	1,414	1,103	430	174	49	2,542
NRSA	585	727	274	209	103	41	18	585
Downtown	16	13	6	1	4	4	0	16

Note: Red color highlights the largest share of per person households

⁵⁰ Totals reflected in Winston-Salem capture counts from the Neighborhood Revitalization Strategy Area (NRSA) and Downtown, as both geographies are within Winston-Salem geographic boundaries. Therefore, figures noted for both the Neighborhood Revitalization Strategy Area (NRSA) and Downtown have been extracted from the Winston-Salem figures and illustrated separately to show clearer growth patterns in selected sub-markets.

Exhibit 49: Demand for Rental Housing Units by Household Size, 2017-27

Geography	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household	7 or more Person Household	Total
Forsyth County	2,880	1,978	886	560	309	162	76	6,851
Winston-Salem	2,421	1,300	749	483	240	140	68	5,400
NRSA	893	339	298	211	133	59	56	1,989
Downtown	188	3	26	13	1	0	1	231

Note: Red color highlights the largest share of per person households

Part III: Measuring Housing Affordability

Owning a home remains part of the American dream and is a vehicle to building wealth and economic opportunity. However, access to homeownership has eluded many low and moderate-income families, placing significant pressures on family stability. Further, sustaining a home also can present challenges for families with limited financial resources. The following affordability index gauges affordability for households at different housing price points and provides a general guide to determining at which price points homes become both affordable and unaffordable based on family income.

The series of exhibits to follow show the number of homeowner households by income group allocated to the affordability index buckets of equal to or *greater than 100 (affordable)*, and *less than 100 (unaffordable)*. All affordability indices are measured at the census tract level, but aggregated up to four geographies: Forsyth County, Winston-Salem, NRSA district and downtown Winston-Salem. The typical family income is assumed to be the mid-point of each income group, while the typical house price – lower quartile, median and upper quartile – varies by geography.⁵¹

Defining Workforce Housing

Workforce is defined as persons working in the following occupations: community and social service occupations; kindergarten, elementary school, middle school, and secondary school teachers; registered nurses and nurse practitioners; firefighters; police and sheriff's patrol officers; waiters and waitresses; cashiers; retail salespersons; and office and administrative support occupations. Local stakeholders identified "service workers" specific to housing needs for this group. Service workers are considered in the context of workforce occupations.

⁵¹ See Appendix D for further explanation on methodology.

Data on annual wages for these occupations were compiled from the BLS, Occupational Employment Statistics for Winston-Salem metropolitan area. The weighted average annual wage across those occupations is \$35,597 as of May 2016. Therefore, this study allocates the typical workforce family to the \$35,000 to \$49,999 income group in the following affordability analysis tables. The following exhibits can be used to highlight housing affordability for a typical workforce family.

Forsyth County Housing Affordability (Owner and Renter)

An index value of 100 indicates that the household has exactly enough income to qualify for a mortgage on a “typical” home. An index value of above 100 signifies that the household has more than enough income to qualify for a mortgage loan on a “typical” home. Consider the following explanation:

An index of 120 means a “typical” family has 20 percent more financial resources that are needed to qualify for a conventional loan covering 80 percent of an existing “typical” single-family home. On the other hand, an index value of 80 indicates that a “typical family” needs to augment its financial resources by 20 percent in order to qualify for a mortgage loan on a “typical” home.

Renter Affordability

Similarly, the renter affordability index of 100 indicates that the contract rent is exactly 30 percent of a “typical” family’s income. An index of above 100 signifies that the contract rent is less than 30 percent of the family income. All indices below 100 measure the extent to which the “typical” family income falls below the affordability threshold of 30 percent of the contract rent. For example, an index of 140 indicates that the typical household has 40 percent more income than needed to afford the typical rent. On the other hand, an index of 70 implies that the typical family has 30 percent less income than what is needed to afford the typical rent.

Exhibit 50 shows the repeat homebuyer affordability data for a typical lower quartile house price (\$104,400) in Forsyth County by income group. Key takeaways at this price point are:

- The bulk of the prospective repeat homebuyers, or 63.6 percent with annual incomes of less than \$25,000 (*more than half is the benchmark*), cannot afford to purchase a lower-quartile-priced home priced at \$104,400 throughout the county. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 10.3 percent of current homeowners cannot afford to purchase a lower quartile house price in Forsyth County.
- Cumulatively, about one-quarter or 26.5 percent of all working families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$104,400. This represents 9,087 households.
- Cumulatively, 73.5 percent of all workforce families who earn less than \$49,999 **can** afford to purchase a home priced at \$104,400. This represents 25,215 households.
- 98.0 percent of workforce families, which represents 12,250 households in the \$35,000 - \$49,999 income range can afford to purchase a home priced at \$104,400. Therefore, only 2.0 percent of workforce homeowners cannot afford to purchase a lower-quartile-priced home in Forsyth County.

Exhibit 50: Forsyth County Homebuyer Affordability, Lower Quartile House Value

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	93	3.3%	93	3.3%	2,765	96.7%	2,765	96.7%
\$10,000 to \$14,999	453	15.9%	546	9.6%	2,388	84.1%	5,153	90.4%
\$15,000 to \$19,999	2,013	51.9%	2,559	26.7%	1,864	48.1%	7,017	73.3%
\$20,000 to \$24,999	2,215	62.7%	4,774	36.4%	1,315	37.3%	8,332	63.6%
\$25,000 to \$34,999	8,194	94.2%	12,968	59.5%	509	5.8%	8,841	40.5%
\$35,000 to \$49,999	12,250	98.0%	25,218	73.5%	246	2.0%	9,087	26.5%
\$50,000 to \$74,999	17,972	99.5%	43,190	82.5%	88	0.5%	9,175	17.5%
\$75,000 to \$99,999	12,889	100.0%	56,079	85.9%	0	0.0%	9,175	14.1%
\$100,000 to \$149,999	13,643	100.0%	69,722	88.4%	0	0.0%	9,175	11.6%
\$150,000 or more	10,020	100.0%	79,742	89.7%	0	0.0%	9,175	10.3%
Total	79,742	89.7%	<i>Affordable</i>		9,175	10.3%	<i>Unaffordable</i>	

Similarly, Exhibit 51 shows the repeat homebuyer affordability data for a typical median quartile house price (**\$151,100**) in Forsyth County by income group. Key takeaways at this price point are:

- The bulk of the prospective repeat homebuyers, or 61.5 percent with annual incomes of less than \$35,000 (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$151,100 throughout the county. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 16.7 percent of repeat homebuyers **cannot** afford to purchase a median-quartile house price in Forsyth County.
- Cumulatively, 42.2 percent of all workforce families who earn less than \$49,900 **cannot** afford to purchase a home priced at \$151,100. This represents 14,479 households.
- Cumulatively, 57.8 percent of all workforce families who earn less than \$49,999 **can** afford to purchase a home priced at \$151,100. This represents 19,826 households.
- 91.5 percent of workforce families, which represents 11,428 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$151,100. Therefore, only 8.5 percent of workforce homeowners cannot afford to purchase a median-quartile-priced home in Forsyth County.

Exhibit 51: Forsyth County Homebuyer Affordability, Median House Value

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	4	0.1%	4	0.1%	2,854	99.9%	2,854	99.9%
\$10,000 to \$14,999	77	2.7%	81	1.4%	2,764	97.3%	5,618	98.6%
\$15,000 to \$19,999	880	22.7%	961	10.0%	2,997	77.3%	8,615	90.0%
\$20,000 to \$24,999	1,059	30.0%	2,020	15.4%	2,471	70.0%	11,086	84.6%
\$25,000 to \$34,999	6,378	73.3%	8,398	38.5%	2,325	26.7%	13,411	61.5%
\$35,000 to \$49,999	11,428	91.5%	19,826	57.8%	1,068	8.5%	14,479	42.2%
\$50,000 to \$74,999	17,762	98.3%	37,588	71.8%	298	1.7%	14,777	28.2%
\$75,000 to \$99,999	12,815	99.4%	50,403	77.2%	74	0.6%	14,851	22.8%
\$100,000 to \$149,999	13,643	100.0%	64,046	81.2%	0	0.0%	14,851	18.8%
\$150,000 or more	10,020	100.0%	74,066	83.3%	0	0.0%	14,851	16.7%
Total	74,066	83.3%	<i>Affordable</i>		14,851	16.7%	<i>Unaffordable</i>	

Exhibit 52 shows the repeat homebuyer affordability data for a typical upper quartile house price (**\$220,500**) in Forsyth County by income group. Key takeaways at this price point are:

- The bulk of the repeat homebuyers, or 61.1 percent of with annual incomes of less than \$49,999 (*more than half is the benchmark*), **cannot** afford to purchase an upper-quartile-priced home priced at \$220,500 throughout the county. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 26.6 percent of repeat homebuyers **cannot** afford to purchase an upper-quartile house price in Forsyth County.
- Cumulatively, about 61.1 percent of all workforce families who earn less than \$49,900 **cannot** afford to purchase a home priced at \$220,500. This represents 20,973 households.
- Cumulatively, 38.9 percent of all workforce families who earn less than \$49,999 **can** afford to purchase a home priced at \$220,500. This represents 13,332 households.
- 72.0 percent of workforce families, which represents 8,995 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$220,500. Therefore, 28.0 percent of workforce homeowners cannot afford to purchase an upper-quartile-priced home in Forsyth County.

Exhibit 52: Forsyth County Homebuyer Affordability, Upper Quartile House Value

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	2,858	100.0%	2,858	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	2,841	100.0%	5,699	100.0%
\$15,000 to \$19,999	387	10.0%	387	4.0%	3,490	90.0%	9,189	96.0%
\$20,000 to \$24,999	454	12.9%	841	6.4%	3,076	87.1%	12,265	93.6%
\$25,000 to \$34,999	3,496	40.2%	4,337	19.9%	5,207	59.8%	17,472	80.1%
\$35,000 to \$49,999	8,995	72.0%	13,332	38.9%	3,501	28.0%	20,973	61.1%
\$50,000 to \$74,999	16,128	89.3%	29,460	56.3%	1,932	10.7%	22,905	43.7%
\$75,000 to \$99,999	12,582	97.6%	42,042	64.4%	307	2.4%	23,212	35.6%
\$100,000 to \$149,999	13,217	96.9%	55,259	70.0%	426	3.1%	23,638	30.0%
\$150,000 or more	10,020	100.0%	65,279	73.4%	0	0.0%	23,638	26.6%
Total	65,279	73.4%	<i>Affordable</i>		23,638	26.6%	<i>Unaffordable</i>	

Homeownership Affordability for Lower Income Families

As with the examples noted above, an index value of 100 indicates that the lower income household has exactly enough income to qualify for a mortgage on a “typical” home. An index value of above 100 signifies that the household has more than enough income to qualify for a mortgage loan on a “typical” home.

Forsyth County: Exhibit 53 highlights housing affordability indices by income range and by three typical house prices in Forsyth County. Housing affordability indices for the lower-quartile house price of \$104,400 reflects affordability indices ranging from 70.8 to 353.9. The table reveals that housing affordability deteriorates as home prices rise.

The affordability index for low income households is summarized as follows:

- A home price is **not** affordable to families earning below the upper income of \$45,471 at the upper quartile house price of \$220,500.
- The typical workforce family **can** afford to purchase a median priced home in Forsyth County, as shown by the affordability index of **130.4**, if their household income is above 80 percent of AMI.
- A median house price of \$151,100 is unaffordable for families if their income is below 50 percent AMI, as shown by the affordability index of less than 100 (indices of 81.5 and 48.9). The financial resources of a typical workforce family would have to be augmented by 10.6 percent in order to qualify for an upper-quartile priced home of \$220,500 in Forsyth County.

Exhibit 53: Forsyth County Homebuyer Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$45,471	\$13,641	\$22,736	\$36,377	\$54,565	\$68,207
Lower Quartile House Price: \$104,400						
Qualifying Income	\$19,271	\$19,271	\$19,271	\$19,271	\$19,271	\$19,271
Affordability Index	236.0	70.8	118.0	188.8	283.1	353.9
Median House Price: \$151,100						
Qualifying Income	\$27,892	\$27,892	\$27,892	\$27,892	\$27,892	\$27,892
Affordability Index	163.0	48.9	81.5	130.4	195.6	244.5
Upper Quartile House Price: \$220,500						
Qualifying Income	\$40,702	\$40,702	\$40,702	\$40,702	\$40,702	\$40,702
Affordability Index	111.7	33.5	55.9	89.4	134.1	167.6

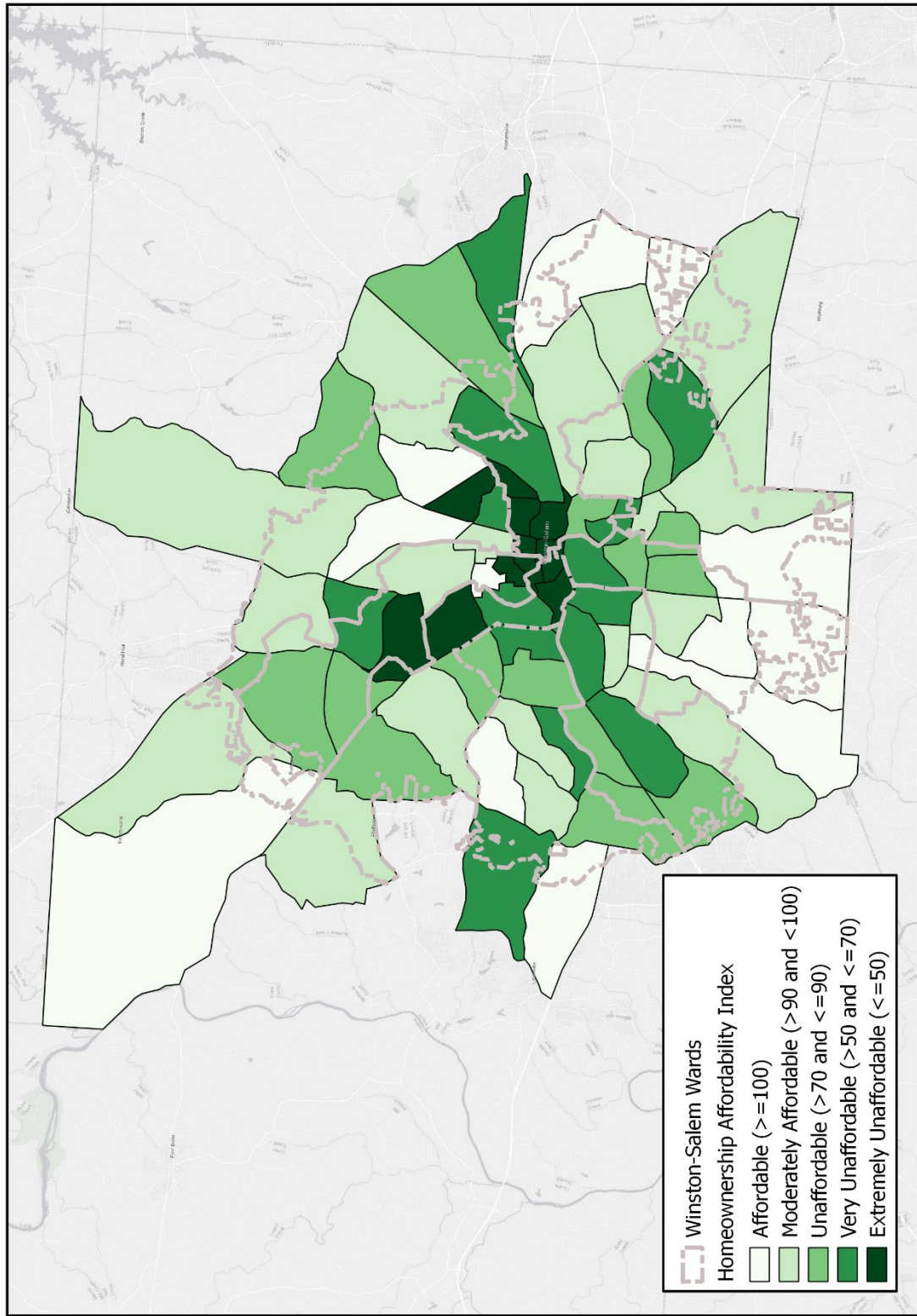
Source: ACS 2015, 5-Year Estimate, and Strategic Impact Advisors⁵²

⁵² Development of methodology and analysis conducted on all housing affordability indices by Strategic Impact Advisors, LLC in this series.

Winston-Salem

Affording a home in Winston-Salem may be challenging for lower income families, depending on geographic location, as displayed in Map 10. Most Wards across the City are experiencing various levels of unaffordable housing for households at 50 percent AMI. Notable are central portions of the City including downtown, the Neighborhood Revitalization Strategy Area and points east and north. These areas are extremely unaffordable for lower income families. Homeownership affordability improves furthest away from the downtown areas toward the outer fringes of the City.

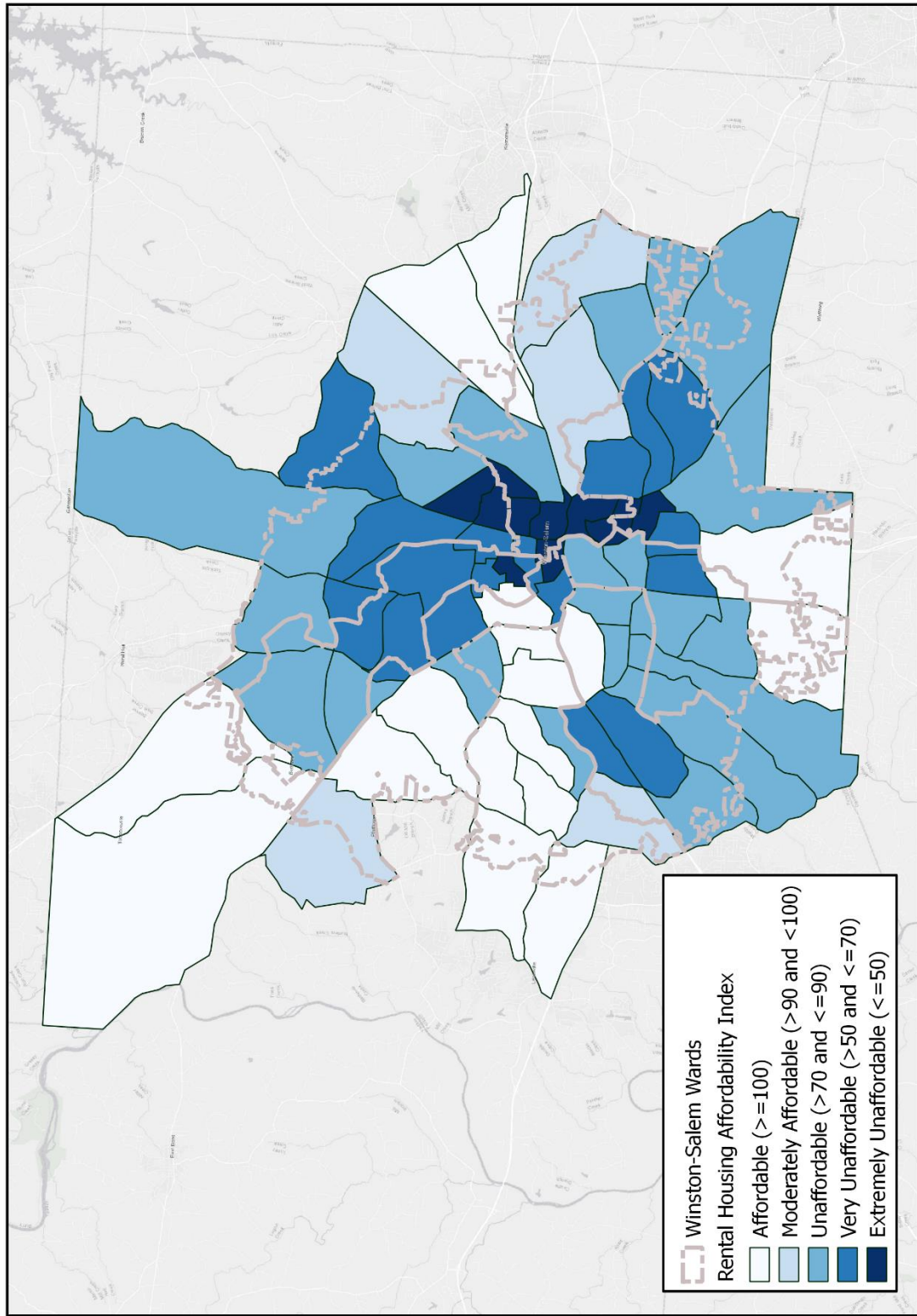
Homeownership Affordability in Winston Salem



Map 10: Homeownership Affordability in Winston-Salem

Rental housing in Winston-Salem may be challenging for lower income families, depending on geographic location, as displayed in Map 11. Most Wards across the City are experiencing levels of unaffordable rental housing for households at 50 percent AMI. Notable are central portions of the City – East of US 52, downtown, and the Neighborhood Revitalization Strategy Area. These areas are extremely unaffordable for low income families. Points north, south, southwest and north-east and surrounding areas are considered very unaffordable for households at 50 percent AMI. Rental housing affordability improves furthest away from the downtown areas toward the outer fringes of the City.

Renter Housing Affordability in Winston Salem



Map 11: Renter Housing Affordability in Winston-Salem

Exhibit 54 shows homebuyer affordability for a typical lower-quartile house price (**\$115,756**) in Winston-Salem by income group.

Housing Affordability in Winston-Salem - Key takeaways at this price point are:

- The bulk of homeowner households, or 56.7 percent with annual incomes of less than \$25,000 (*more than half is the benchmark*), **cannot** afford to purchase a lower-quartile-priced home priced at \$115,756 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 9.9 percent of current homeowners **cannot** afford to purchase a lower quartile house price in Winston-Salem.
- Cumulatively, about one-quarter or 24.0 percent of all workforce families who earn less than \$49,999 a year **cannot** afford to purchase a home priced at \$115,756. This represents 5,932 households.
- Cumulatively, 76.0 percent of all workforce families who earn less than \$49,999 **can** afford to purchase a home priced at \$115,756. This represents 18,823 households.
- 97.3 percent of workforce families, which represents 8,804 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$115,756. Therefore, only 2.7 percent of workforce homeowners cannot afford to purchase a lower-quartile-priced home in Winston-Salem.

Exhibit 54: Winston-Salem Homebuyer Affordability, Based on Lower Quartile House Value of \$115,756

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	93	4.5%	93	4.5%	1,971	95.5%	1,971	95.5%
\$10,000 to \$14,999	453	20.9%	546	12.9%	1,713	79.1%	3,684	87.1%
\$15,000 to \$19,999	1,779	64.0%	2,325	33.2%	1,000	36.0%	4,684	66.8%
\$20,000 to \$24,999	1,795	71.7%	4,120	43.3%	710	28.3%	5,394	56.7%
\$25,000 to \$34,999	5,899	95.3%	10,019	63.8%	292	4.7%	5,686	36.2%
\$35,000 to \$49,999	8,804	97.3%	18,823	76.0%	246	2.7%	5,932	24.0%
\$50,000 to \$74,999	12,499	99.3%	31,322	83.9%	88	0.7%	6,020	16.1%
\$75,000 to \$99,999	8,175	100.0%	39,497	86.8%	0	0.0%	6,020	13.2%
\$100,000 to \$149,999	8,353	100.0%	47,850	88.8%	0	0.0%	6,020	11.2%
\$150,000 or more	6,829	100.0%	54,679	90.1%	0	0.0%	6,020	9.9%
Total	54,679	90.1%	<i>Affordable</i>		6,020	9.9%	<i>Unaffordable</i>	

Exhibit 55 shows homebuyer affordability for a typical median-quartile house price (**\$165,343**) in Winston-Salem by income group.

Key takeaways at this price point are:

- The bulk of homeowner households, or 56.1 percent with annual incomes of less than \$35,000 (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$165,343 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 16.4 percent of current homeowners **cannot** afford to purchase a median quartile house price in Winston-Salem.
- Cumulatively, over one-third of all workforce families (38.7 percent) who earn less than \$49,000 **cannot** afford to purchase a home priced at \$165,343. This represents 9,580 households.
- Cumulatively, 61.3 percent of all workforce families who earn less than \$49,999 **can** afford to purchase a home priced at \$165,343. This represents 15,175 households.
- 91.4 percent of workforce families, which represents 8,273 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$165,343. Therefore, 8.6 percent of workforce homeowners cannot afford to purchase a median-quartile-priced home in Winston-Salem.

Exhibit 55: Winston-Salem Homebuyer Affordability, Based on Median House Value of \$165,343

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	4	0.2%	4	0.2%	2,060	99.8%	2,060	99.8%
\$10,000 to \$14,999	77	3.6%	81	1.9%	2,089	96.4%	4,149	98.1%
\$15,000 to \$19,999	880	31.7%	961	13.7%	1,899	68.3%	6,048	86.3%
\$20,000 to \$24,999	975	38.9%	1,936	20.3%	1,530	61.1%	7,578	79.7%
\$25,000 to \$34,999	4,966	80.2%	6,902	43.9%	1,225	19.8%	8,803	56.1%
\$35,000 to \$49,999	8,273	91.4%	15,175	61.3%	777	8.6%	9,580	38.7%
\$50,000 to \$74,999	12,289	97.6%	27,464	73.5%	298	2.4%	9,878	26.5%
\$75,000 to \$99,999	8,101	99.1%	35,565	78.1%	74	0.9%	9,952	21.9%
\$100,000 to \$149,999	8,353	100.0%	43,918	81.5%	0	0.0%	9,952	18.5%
\$150,000 or more	6,829	100.0%	50,747	83.6%	0	0.0%	9,952	16.4%
Total	50,747	83.6%	Affordable		9,952	16.4%	Unaffordable	

Exhibit 56 shows homebuyer affordability for a typical upper-quartile house price (**\$224,675**) in Winston-Salem by income group.

Key takeaways at this price point are:

- The bulk of homeowner households, or 54.5 percent with annual incomes of less than \$49,999 (*more than half is the benchmark*), **cannot** afford to purchase an upper-quartile-priced home priced at \$224,675 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 25.8 percent of current homeowners **cannot** afford to purchase an upper quartile house price in Winston-Salem.
- Cumulatively, nearly one-quarter or 18.45 percent of all workforce families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$224,675. This represents 1,665 households.
- Cumulatively, the bulk of all workforce families who earn less than \$49,999 (45.5 percent) **can** afford to purchase a home priced at \$224,675. This represents 11,270 households.
- 81.6 percent of workforce families, which represents 7,385 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$224,675. Significantly fewer households in the workforce income range of \$35,000 - \$49,000 can afford a house price in the \$224,600 range.

Exhibit 56: Winston-Salem Homebuyer Affordability, Based on Upper Quartile House Value of \$224,675

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	2,064	100.0%	2,064	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	2,166	100.0%	4,230	100.0%
\$15,000 to \$19,999	387	13.9%	387	5.5%	2,392	86.1%	6,622	94.5%
\$20,000 to \$24,999	454	18.1%	841	8.8%	2,051	81.9%	8,673	91.2%
\$25,000 to \$34,999	3,044	49.2%	3,885	24.7%	3,147	50.8%	11,820	75.3%
\$35,000 to \$49,999	7,385	81.6%	11,270	45.5%	1,665	18.4%	13,485	54.5%
\$50,000 to \$74,999	11,141	88.5%	22,411	60.0%	1,446	11.5%	14,931	40.0%
\$75,000 to \$99,999	7,868	96.2%	30,279	66.5%	307	3.8%	15,238	33.5%
\$100,000 to \$149,999	7,927	94.9%	38,206	70.9%	426	5.1%	15,664	29.1%
\$150,000 or more	6,829	100.0%	45,035	74.2%	0	0.0%	15,664	25.8%
Total	45,035	74.2%	Affordable		15,664	25.8%	Unaffordable	

Winston-Salem Homeownership Affordability for Lower Income Families

Exhibit 57 highlights housing affordability indices by income range and by three typical house prices in Winston-Salem. The affordability index for low income households reveals the following:

- The lower quartile house price of \$115,756 is **not** affordable to families earning below 30 percent of area median income (as indicated by an index of 64.9). The financial resources of a typical family would have to be augmented by 35.4 percent in order to qualify for a home priced in the \$115,756 range. Housing affordability deteriorates as home prices rise.
- The lower quartile house price of \$115,756 is **barely** affordable to families earning 50 percent of area median income (as indicated by an index of 108.1). A family in this income group would likely manage a very tight budget to afford a house at this price point.
- The median quartile house price of \$165,343 is **not** affordable to families earning below 50 percent of area median income (as indicated by an index of 75.7). The financial resources of a typical family would have to be augmented by 24.3 percent in order to qualify for a home priced in the \$165,343 range.
- The typical workforce family can afford an upper priced home at \$224,675 if their income is above 80 percent AMI. This is shown by the affordability index of 121.1 (21.1 percent over the index of 100). This price point is not affordable to families earning less than 80 percent AMI.

Exhibit 57: Winston-Salem Homebuyer Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$46,212	\$13,863	\$23,106	\$36,969	\$55,454	\$69,317
Lower Quartile House Price: \$115,756						
Qualifying Income	\$21,367	\$21,367	\$21,367	\$21,367	\$21,367	\$21,367
Affordability Index	216.3	64.9	108.1	173.0	259.5	324.4
Median House Price: \$165,343						
Qualifying Income	\$30,521	\$30,521	\$30,521	\$30,521	\$30,521	\$30,521
Affordability Index	151.4	45.4	75.7	121.1	181.7	227.1
Upper Quartile House Price: \$224,675						
Qualifying Income	\$41,473	\$41,473	\$41,473	\$41,473	\$41,473	\$41,473
Affordability Index	111.4	33.4	55.7	89.1	133.7	167.1

Housing Affordability in the NRSA District

Exhibit 58 shows homebuyer affordability for a typical lower-quartile house price (\$85,772) in NRSA district by income group. Key takeaways at this price point are:

- Nearly half (44.6 percent) of homeowner households earning \$20,000 or less, **cannot** afford to purchase a lower-quartile-priced home priced at \$85,772 in the NRSA. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, only 1,623 current homeowners **cannot** afford to purchase a lower-quartile house price in the NRSA. This is equal to 9.5 percent.
- Cumulatively, 17.7 percent of all workforce families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$85,772. This represents 1,623 households.
- Cumulatively, a significant share of families (82.3 percent) who earn less than \$49,999 **can** afford to purchase a home priced at \$85,772. This represents 7,564 households.
- Almost all workforce families (97.4 percent), which represents 2,928 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$85,772. Therefore, only 2.6 percent of workforce homeowners cannot afford to purchase a lower-quartile-priced home in the NRSA.

Exhibit 58: NRSA Homebuyer Affordability, Based on Lower Quartile House Value of \$85,772

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	93	10.4%	93	10.4%	800	89.6%	800	89.6%
\$10,000 to \$14,999	381	43.6%	474	26.8%	493	56.4%	1,293	73.2%
\$15,000 to \$19,999	1,280	91.5%	1,754	55.4%	119	8.5%	1,412	44.6%
\$20,000 to \$24,999	752	93.2%	2,506	63.1%	55	6.8%	1,467	36.9%
\$25,000 to \$34,999	2,130	96.5%	4,636	75.0%	78	3.5%	1,545	25.0%
\$35,000 to \$49,999	2,928	97.4%	7,564	82.3%	78	2.6%	1,623	17.7%
\$50,000 to \$74,999	3,604	100.0%	11,168	87.3%	0	0.0%	1,623	12.7%
\$75,000 to \$99,999	1,956	100.0%	13,124	89.0%	0	0.0%	1,623	11.0%
\$100,000 to \$149,999	1,458	100.0%	14,582	90.0%	0	0.0%	1,623	10.0%
\$150,000 or more	941	100.0%	15,523	90.5%	0	0.0%	1,623	9.5%
Total	15,523	90.5%		Affordable	1,623	9.5%		Unaffordable

Exhibit 59 shows homebuyer affordability for a typical median-quartile house price (\$124,056) in NRSA district by income group. Key takeaways at this price point are:

- About 64.6 percent of homeowner households earning less than \$25,000 a year (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$124,056 in the NRSA. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, only 2,881 current homeowners **cannot** afford to purchase a median-quartile house price in the NRSA. This is equal to 16.8 percent.
- Cumulatively, nearly one-third of all workforce families (30.6 percent) who earn less than \$49,000 **cannot** afford to purchase a home priced at \$124,056. This represents 2,809 households.
- Cumulatively, a significant share of families (69.4 percent) who earn less than \$49,999 **can** afford to purchase a home priced at \$124,056. This represents 6,378 households.
- Almost all workforce families (96.9 percent), which represents 2,914 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$124,056. Therefore, only 3.1 percent of workforce homeowners cannot afford to purchase a median-quartile-priced home in the NRSA.

Exhibit 59: NRSA Homebuyer Affordability, Based on Median House Value of \$124,056

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	4	0.4%	4	0.4%	889	99.6%	889	99.6%
\$10,000 to \$14,999	77	8.8%	81	4.6%	797	91.2%	1,686	95.4%
\$15,000 to \$19,999	758	54.2%	839	26.5%	641	45.8%	2,327	73.5%
\$20,000 to \$24,999	567	70.3%	1,406	35.4%	240	29.7%	2,567	64.6%
\$25,000 to \$34,999	2,058	93.2%	3,464	56.0%	150	6.8%	2,717	44.0%
\$35,000 to \$49,999	2,914	96.9%	6,378	69.4%	92	3.1%	2,809	30.6%
\$50,000 to \$74,999	3,532	98.0%	9,910	77.5%	72	2.0%	2,881	22.5%
\$75,000 to \$99,999	1,956	100.0%	11,866	80.5%	0	0.0%	2,881	19.5%
\$100,000 to \$149,999	1,458	100.0%	13,324	82.2%	0	0.0%	2,881	17.8%
\$150,000 or more	941	100.0%	14,265	83.2%	0	0.0%	2,881	16.8%
Total	14,265	83.2%	<i>Affordable</i>		2,881	16.8%	<i>Unaffordable</i>	

Exhibit 60 shows homebuyer affordability for a typical upper-quartile house price (\$172,251) in NRSA district by income group. Key takeaways at this price point are:

- About 61.8 percent of homeowner households earning less than \$35,000 a year (*more than half is the benchmark*), **cannot** afford to purchase an upper-quartile-priced home priced at \$172,251 in the NRSA. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, only 4,403 current homeowners **cannot** afford to purchase a upper-quartile house price in the NRSA. This is equal to 25.7 percent.
- Cumulatively, a significant share of all workforce families (44.3 percent) who earn less than \$49,000 **cannot** afford to purchase a home priced at \$172,251. This represents 4,067 households.
- Cumulatively, slightly more than half of workforce families (55.7 percent) who earn less than \$49,999 **can** afford to purchase a home priced at \$172,251. This represents 5,120 households.
- Almost all workforce families (91.8 percent), which represents 2,761 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$172,251. Therefore, 8.2 percent of workforce homeowners cannot afford to purchase a upper-quartile-priced home in the NRSA.

Exhibit 60: NRSA Homebuyer Affordability, Based on Upper Quartile House Value of \$172,251

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	893	100.0%	893	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	874	100.0%	1,767	100.0%
\$15,000 to \$19,999	387	27.7%	387	12.2%	1,012	72.3%	2,779	87.8%
\$20,000 to \$24,999	313	38.8%	700	17.6%	494	61.2%	3,273	82.4%
\$25,000 to \$34,999	1,659	75.1%	2,359	38.2%	549	24.9%	3,822	61.8%
\$35,000 to \$49,999	2,761	91.8%	5,120	55.7%	245	8.2%	4,067	44.3%
\$50,000 to \$74,999	3,423	95.0%	8,543	66.8%	181	5.0%	4,248	33.2%
\$75,000 to \$99,999	1,898	97.0%	10,441	70.8%	58	3.0%	4,306	29.2%
\$100,000 to \$149,999	1,361	93.3%	11,802	72.8%	97	6.7%	4,403	27.2%
\$150,000 or more	941	100.0%	12,743	74.3%	0	0.0%	4,403	25.7%
Total	12,743	74.3%	<i>Affordable</i>		4,403	25.7%	<i>Unaffordable</i>	

Homeownership Affordability for Lower Income Families in the NRSA

The following shows the weighted average housing affordability indices across various census tracts in the NRSA. Typical family income is assumed to be the median income as well as 30 percent, 50 percent, 80 percent, 120 percent, and 150 percent of the median. Typical house prices represented by lower quartile, median and upper quartile are weighted averages (by geography). Housing affordability for a typical workforce family – earning \$35,597 per year – can be evaluated by focusing on housing affordability indices in three ranges (lower, median and upper). Affordability indices measure the magnitude of financial shortfall/excess of a homebuyer to purchase a typical home.

Exhibit 61 highlights housing affordability indices by income range and by three typical house prices in the NRSA.

The affordability index for low income households reveals the following:

- The lower quartile house price of \$85,772 is not affordable to families earning below 50 percent of area median income (as indicated by an index of 97.8). The financial resources of a typical family would have to be augmented by 2.2 percent in order to qualify for a home priced in the \$85,772 range.
- The median quartile house price of \$124,056 is barely affordable to families earning 80 percent of area median income (as indicated by an index of 108.1). A family in this income group would likely manage a very tight budget to afford a house at this price point. This price point is not affordable for families earning 50 percent or below AMI.
- The upper quartile house price of \$172,251 is not affordable to families earning below 80 percent of area median income (as indicated by an index of 77.9 and lower). The financial resources of a typical family would have to be augmented by 22.1 percent in order to qualify for a home priced in the \$172,251 range.

Exhibit 61: NRSA Homebuyer Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$30,956	\$9,287	\$15,478	\$24,765	\$37,147	\$46,434
Lower Quartile House Price: \$85,772						
Qualifying Income	\$15,833	\$15,833	\$15,833	\$15,833	\$15,833	\$15,833
Affordability Index	195.5	58.7	97.8	156.4	234.6	293.3
Median House Price: \$124,056						
Qualifying Income	\$22,899	\$22,899	\$22,899	\$22,899	\$22,899	\$22,899
Affordability Index	135.2	40.6	67.6	108.1	162.2	202.8
Upper Quartile House Price: \$172,251						
Qualifying Income	\$31,796	\$31,796	\$31,796	\$31,796	\$31,796	\$31,796
Affordability Index	97.4	29.2	48.7	77.9	116.8	146.0

Downtown Winston-Salem

Exhibit 62 shows homebuyer affordability for a typical lower-quartile house price (**\$152,461**) in Downtown Winston-Salem by income group.

Key takeaways at this price point are:

- The bulk of homeowner households, or 58.9 percent with annual incomes of less than \$34,999 (*more than half is the benchmark*), **cannot** afford to purchase a lower-quartile-priced home priced at \$152,461 in Downtown Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 17.8 percent of current homeowners **cannot** afford to purchase a lower quartile house price in the Downtown Winston-Salem. This represents 53 households.
- Cumulatively, more than half (52.8 percent) of all workforce families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$152,461. This represents 28 households.
- Cumulatively, the bulk of all families who earn less than \$49,999 (41.1 percent) can afford to purchase a home priced at \$152,461. This represents 37 households.
- 47.2 percent of workforce families, which represents 25 households in the \$35,000 - \$49,999 income range **can** afford to purchase a home priced at \$152,461.

Exhibit 62: Downtown Winston-Salem Homebuyer Affordability, Based on Lower Quartile House Value of \$152,461

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	15	100.0%	15	100.0%
\$10,000 to \$14,999	7	100.0%	7	31.8%	0	0.0%	15	68.2%
\$15,000 to \$19,999	5	100.0%	12	44.4%	0	0.0%	15	55.6%
\$20,000 to \$24,999	0	0.0%	12	32.4%	10	100.0%	25	67.6%
\$25,000 to \$34,999	25	47.2%	37	41.1%	28	52.8%	53	58.9%
\$35,000 to \$49,999	22	100.0%	59	52.7%	0	0.0%	53	47.3%
\$50,000 to \$74,999	29	100.0%	88	62.4%	0	0.0%	53	37.6%
\$75,000 to \$99,999	74	100.0%	162	75.3%	0	0.0%	53	24.7%
\$100,000 to \$149,999	11	100.0%	173	76.5%	0	0.0%	53	23.5%
\$150,000 or more	72	100.0%	245	82.2%	0	0.0%	53	17.8%
Total	245	82.2%		<i>Affordable</i>	53	17.8%		<i>Unaffordable</i>




Exhibit 63 shows homebuyer affordability for a typical median-quartile house price **\$210,977** in Downtown Winston-Salem by income group.

Key takeaways at this price point are:

- More than half of homeowner households, or 52.5 percent with annual incomes of less than \$74,999 (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$210,977 in Downtown Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, nearly one-quarter, or an estimated 24.8 percent, of current homeowners **cannot** afford to purchase a median quartile house price in the Downtown Winston-Salem.
- Cumulatively, more than half (63.6 percent) of all workforce families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$210,977. This represents only 74 households.
- Cumulatively, only about one-third of all workforce families who earn less than \$49,999 (33.9 percent) **can** afford to purchase a home priced at \$152,461. This represents only 38 households.
- About one third of workforce families (36.4 percent), which represents only 8 households in the \$35,000 - \$49,999 income range can afford to purchase a home priced at \$210,977. Almost no workforce families in the \$35,000 - \$49,000 income range can afford a house price in the \$210,977 range.

Exhibit 63: Downtown Winston-Salem Homebuyer Affordability, Based on Median House Value of \$210,977

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	15	100.0%	15	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	7	100.0%	22	100.0%
\$15,000 to \$19,999	5	100.0%	5	18.5%	0	0.0%	22	81.5%
\$20,000 to \$24,999	0	0.0%	5	13.5%	10	100.0%	32	86.5%
\$25,000 to \$34,999	25	47.2%	30	33.3%	28	52.8%	60	66.7%
\$35,000 to \$49,999	8	36.4%	38	33.9%	14	63.6%	74	66.1%
\$50,000 to \$74,999	29	100.0%	67	47.5%	0	0.0%	74	52.5%
\$75,000 to \$99,999	74	100.0%	141	65.6%	0	0.0%	74	34.4%
\$100,000 to \$149,999	11	100.0%	152	67.3%	0	0.0%	74	32.7%
\$150,000 or more	72	100.0%	224	75.2%	0	0.0%	74	24.8%
Total	224	75.2%	<i>Affordable</i>		74	24.8%	<i>Unaffordable</i>	

Exhibit 64 shows homebuyer affordability for a typical upper-quartile house price of **\$307,873** in Downtown Winston-Salem by income group.

Key takeaways at this price point are:

- 68.8 percent of homeowner households with annual incomes of less than \$74,999 (*more than half is the benchmark*), **cannot** afford to purchase an upper-quartile-priced home priced at \$307,873 in Downtown Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, nearly one-third (an estimated 32.6 percent) of current homeowners **cannot** afford to purchase an upper quartile house price in the Downtown Winston-Salem.
- Cumulatively, more than half (63.6 percent) of all workforce families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$310,873. This represents only 14 households.
- Cumulatively, only about one-third of all workforce families who earn less than \$49,999 (29.5 percent) **can** afford to purchase a home priced at \$307,873. This represents only 33 households.
- About one third (36.4%) of workforce families, which represents only 8 households in the \$35,000 - \$49,999 income range can afford to purchase a home priced at \$307,873. Very

few workforce families in the \$35,000 - \$49,000 income range can afford a house price in the \$307,873 range.

Exhibit 64: Downtown Winston-Salem Homebuyer Affordability, Based on Upper Quartile House Value of \$307,873

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	15	100.0%	15	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	7	100.0%	22	100.0%
\$15,000 to \$19,999	0	0.0%	0	0.0%	5	100.0%	27	100.0%
\$20,000 to \$24,999	0	0.0%	0	0.0%	10	100.0%	37	100.0%
\$25,000 to \$34,999	25	47.2%	25	27.8%	28	52.8%	65	72.2%
\$35,000 to \$49,999	8	36.4%	33	29.5%	14	63.6%	79	70.5%
\$50,000 to \$74,999	11	37.9%	44	31.2%	18	62.1%	97	68.8%
\$75,000 to \$99,999	74	100.0%	118	54.9%	0	0.0%	97	45.1%
\$100,000 to \$149,999	11	100.0%	129	57.1%	0	0.0%	97	42.9%
\$150,000 or more	72	100.0%	201	67.4%	0	0.0%	97	32.6%
Total	201	67.4%		<i>Affordable</i>	97	32.6%		<i>Unaffordable</i>

Homeownership Affordability for Lower Income Families in Downtown Winston

The following series of exhibits shows the weighted average housing affordability indices across various census tracts in Downtown. Typical family income is assumed to be the median income as well as 30 percent, 50 percent, 80 percent, 120 percent, and 150 percent of the median. Typical houses prices – lower quartile, median and upper quartile – represent weighted averaged by geography. Housing affordability for a typical workforce family – earning \$35,597 per year – can be evaluated by focusing on housing affordability indices across three ranges (lower, median and upper). Affordability indices measure the magnitude of financial shortfall/excess of a homebuyer to purchase a typical home.

Exhibit 65 highlights housing affordability indices by income range and by three typical house prices in the Downtown. Housing affordability deteriorates as home prices rise. Very few families can afford house prices in the median and upper income range – (\$210,977 and \$307,873, respectively).

The affordability index for low income households reveals the following:

- The lower quartile house price of \$152,461 is **not** affordable to families earning below 80 percent of area median income (as indicated by an index of 70.4). The financial resources of a typical family would have to be augmented by 29.6 percent in order to qualify for a home priced in the \$152,461 range.

- The median quartile house price of \$210,977 is **not** affordable to families earning 150 percent of area median income (as indicated by an index of 95.3). The financial resources of a typical family would have to be augmented by 4.7 percent in order to qualify for a home priced in the \$172,251 range.
- The upper quartile house price of \$307,873 is **not** affordable to families earning at 150 AMI and below (as indicated by an index of 65.3). The financial resources of a typical family would have to be augmented by 34.7 percent in order to qualify for a home priced in the \$307,873 range.

Exhibit 65: Downtown Homebuyer Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$24,755	\$7,426	\$12,377	\$19,804	\$29,706	\$37,132
Lower Quartile House Price: \$152,461						
Qualifying Income	\$28,143	\$28,143	\$28,143	\$28,143	\$28,143	\$28,143
Affordability Index	88.0	26.4	44.0	70.4	105.6	131.9
Median House Price: \$210,977						
Qualifying Income	\$38,944	\$38,944	\$38,944	\$38,944	\$38,944	\$38,944
Affordability Index	63.6	19.1	31.8	50.9	76.3	95.3
Upper Quartile House Price: \$307,873						
Qualifying Income	\$56,830	\$56,830	\$56,830	\$56,830	\$56,830	\$56,830
Affordability Index	43.6	13.1	21.8	34.8	52.3	65.3

Winston-Salem First-Time Homebuyer Affordability

Exhibit 66 shows the first-time homebuyer affordability data for a typical lower quartile starter house price (\$98,392) in Winston-Salem by income group. Key takeaways at this price point are:

- The bulk of renter households, or 62.7 percent with annual incomes of less than \$25,000 (*more than half is the benchmark*), **cannot** afford to purchase a lower-quartile-priced home priced at \$98,392 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 32.1 percent of renter homeowners **cannot** afford to purchase a lower quartile house price in Winston-Salem.
- Cumulatively, 40.2 percent of renter families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$98,392. This represents 14,444 households.

- Cumulatively, 59.8 percent of all families who earn less than \$49,999 **can** afford to purchase a home priced at \$98,392. This represents 21,525 households.
- 98.3 percent of first-time homebuyers who earn between \$35,000 - \$49,000 annually **can** afford to purchase a home priced at \$98,392. This represents 6,033 families. Therefore, 1.7 percent of workforce homeowners cannot afford to purchase a lower-quartile-priced home in Winston-Salem.

Exhibit 66: Winston-Salem First-Time Homebuyer Affordability, Based on Lower Quartile Starter House Value of \$98,329

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	555	6.9%	555	6.9%	7,515	93.1%	7,515	93.1%
\$10,000 to \$14,999	835	17.6%	1,390	10.8%	3,918	82.4%	11,433	89.2%
\$15,000 to \$19,999	3,578	69.0%	4,968	27.6%	1,610	31.0%	13,043	72.4%
\$20,000 to \$24,999	3,407	77.1%	8,375	37.3%	1,014	22.9%	14,057	62.7%
\$25,000 to \$34,999	7,117	96.1%	15,492	51.9%	285	3.9%	14,342	48.1%
\$35,000 to \$49,999	6,033	98.3%	21,525	59.8%	102	1.7%	14,444	40.2%
\$50,000 to \$74,999	5,089	99.5%	26,614	64.8%	24	0.5%	14,468	35.2%
\$75,000 to \$99,999	2,256	100.0%	28,870	66.6%	0	0.0%	14,468	33.4%
\$100,000 to \$149,999	1,224	100.0%	30,094	67.5%	0	0.0%	14,468	32.5%
\$150,000 or more	487	100.0%	30,581	67.9%	0	0.0%	14,468	32.1%
Total	30,581	67.9%	<i>Affordable</i>			14,468	32.1%	<i>Unaffordable</i>

Exhibit 67 shows the first-time homebuyer affordability data for a typical median quartile starter house price (\$140,542) in Winston-Salem by income group. Key takeaways at this price point are:

- The bulk of renter households, or 50.3 percent with annual incomes of less than \$75,000 (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$140,542 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 45.9 percent of renter homeowners **cannot** afford to purchase a median quartile house price in Winston-Salem. This represents 20,674 households
- Cumulatively, 10.9 percent of renter working families who earn less than \$49,000 **cannot** afford to purchase a home priced at \$140,542. This represents 668 households.

- Cumulatively, 43.3 percent of all working families who earn less than \$49,999 **can** afford to purchase a home priced at \$140,542. This represents 15,569 households.
- 89.1 percent of renter families in the workforce category, which represents 5,467 households in the \$35,000 - \$49,999 income range can afford to purchase a home priced at \$140,542. Therefore, 10.9 percent of renter households cannot afford to purchase a median-quartile-priced home in Winston-Salem.

Exhibit 67: Winston-Salem First-Time Homebuyer Affordability, Based on Median Starter House Value of \$140,542

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	133	1.6%	133	1.6%	7,937	98.4%	7,937	98.4%
\$10,000 to \$14,999	306	6.4%	439	3.4%	4,447	93.6%	12,384	96.6%
\$15,000 to \$19,999	1,463	28.2%	1,902	10.6%	3,725	71.8%	16,109	89.4%
\$20,000 to \$24,999	1,976	44.7%	3,878	17.3%	2,445	55.3%	18,554	82.7%
\$25,000 to \$34,999	6,224	84.1%	10,102	33.9%	1,178	15.9%	19,732	66.1%
\$35,000 to \$49,999	5,467	89.1%	15,569	43.3%	668	10.9%	20,400	56.7%
\$50,000 to \$74,999	4,852	94.9%	20,421	49.7%	261	5.1%	20,661	50.3%
\$75,000 to \$99,999	2,243	99.4%	22,664	52.3%	13	0.6%	20,674	47.7%
\$100,000 to \$149,999	1,224	100.0%	23,888	53.6%	0	0.0%	20,674	46.4%
\$150,000 or more	487	100.0%	24,375	54.1%	0	0.0%	20,674	45.9%
Total	24,375	54.1%	<i>Affordable</i>		20,674	45.9%	<i>Unaffordable</i>	

Exhibit 68 shows the first-time homebuyer affordability data for a typical upper quartile starter house price (\$190,974) in Winston-Salem by income group.

Key takeaways at this price point are:

- The bulk of renter households in the \$35,000 to \$49,999, which represents 73.3 percent, **cannot** afford to purchase an upper-quartile-priced home priced at \$190,974 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, more than half or 60.6 percent of renter homeowners **cannot** afford to purchase an upper quartile house price in Winston-Salem. This represents 27,299 households.
- Cumulatively, 26.6 percent of renter working families who earn less than \$49,999 **cannot** afford to purchase a home priced at \$190,974. This represents 1,621 households.

- Cumulatively, 26.7 percent of all working families who earn less than \$49,999 **can** afford to purchase a home priced at \$190,974. This represents 9,593 households.
- 73.4 percent of workforce families, which represents 4,504 households in the \$35,000 - \$49,999 income range can afford to purchase a home priced at \$190,974. Therefore, 26.6 percent of workforce homeowners cannot afford to purchase an upper-quartile-priced home in Winston-Salem.

Exhibit 68: Winston-Salem First-Time Homebuyer Affordability, Based on Upper Quartile Starter House Value of \$190,974

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	8,070	100.0%	8,070	100.0%
\$10,000 to \$14,999	31	0.7%	31	0.2%	4,722	99.3%	12,792	99.8%
\$15,000 to \$19,999	635	12.2%	666	3.7%	4,553	87.8%	17,345	96.3%
\$20,000 to \$24,999	820	18.5%	1,486	6.6%	3,601	81.5%	20,946	93.4%
\$25,000 to \$34,999	3,603	48.7%	5,089	17.1%	3,799	51.3%	24,745	82.9%
\$35,000 to \$49,999	4,504	73.4%	9,593	26.7%	1,631	26.6%	26,376	73.3%
\$50,000 to \$74,999	4,461	87.2%	14,054	34.2%	652	12.8%	27,028	65.8%
\$75,000 to \$99,999	2,058	91.2%	16,112	37.2%	198	8.8%	27,226	62.8%
\$100,000 to \$149,999	1,151	94.0%	17,263	38.7%	73	6.0%	27,299	61.3%
\$150,000 or more	487	100.0%	17,750	39.4%	0	0.0%	27,299	60.6%
Total	17,750	39.4%	Affordable		27,299	60.6%	Unaffordable	

Homeownership Affordability for Lower Income First-Time Homebuyers in Winston-Salem

Exhibit 69 highlights housing affordability indices by income range and by three typical house prices in Winston-Salem. Housing affordability deteriorates as home prices rise. Very few families can afford house prices in the median and upper income range – (\$210,977 and \$307,873, respectively).

The affordability index for renter households reveals the following:

- The lower quartile house price of \$98,392 is **not** affordable to families earning below 50 percent of area median income (as indicated by an index of 73.5). The financial resources of a typical family would have to be augmented by 26.5 percent in order to qualify for a home priced in the \$98,392 range.
- The median quartile house price of \$140,542 is **not** affordable to families earning 80 percent of AMI or lower (as indicated by an index of 82.3). The financial resources of a

typical family would have to be augmented by 17.7 percent in order to qualify for a home priced in the \$140,542 range.

- The upper quartile house price of \$190,974 is **not** affordable to families earning at 120 AMI and below (as indicated by an index of 90.8). The financial resources of a typical family would have to be augmented by 9.2 percent in order to qualify for a home priced in the \$190,974 range.

Exhibit 69: Winston-Salem First-Time Homebuyer Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$30,038	\$9,011	\$15,019	\$24,030	\$36,045	\$45,056
<i>Lower Quartile House Price: \$98,392</i>						
Qualifying Income	\$20,441	\$20,441	\$20,441	\$20,441	\$20,441	\$20,441
Affordability Index	146.9	44.1	73.5	117.6	176.3	220.4
<i>Median House Price: \$140,542</i>						
Qualifying Income	\$29,198	\$29,198	\$29,198	\$29,198	\$29,198	\$29,198
Affordability Index	102.9	30.9	51.4	82.3	123.4	154.3
<i>Upper Quartile House Price: \$190,974</i>						
Qualifying Income	\$39,676	\$39,676	\$39,676	\$39,676	\$39,676	\$39,676
Affordability Index	75.7	22.7	37.9	60.6	90.8	113.6

The affordability index for elderly households reveals the following:

Exhibit 70 shows key takeaways at the lower-quartile home price point of \$115,756:

- The bulk of elderly homebuyer households, or 61.6 percent with annual incomes of less than \$25,000, **cannot** afford to purchase a lower-quartile-priced home priced at \$115,756 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 21.3 percent of current homeowners **cannot** afford to purchase a lower quartile house price in the City. This represents 4,921 elderly households.
- Cumulatively, nearly one-third (29.7 percent) of all elderly families who earn less than \$25,000 **cannot** afford to purchase a home priced at \$115,756. This represents 457 households.

- Cumulatively, the bulk of all elderly families who earn less than \$25,000 (38.4 percent) **can** afford to purchase a home priced at \$115,756. This represents 2,867 households.
- 70.3 percent of elderly families, which represents 1,081 elderly families in the \$20,000 - \$25,000 income range can afford to purchase a home priced at \$115,756.

Exhibit 70: Winston-Salem Elderly Homebuyer Affordability, Based on Lower Quartile House Value of \$115,756

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	110	7.2%	110	7.2%	1,423	92.8%	1,423	92.8%
\$10,000 to \$14,999	423	18.7%	533	14.0%	1,843	81.3%	3,266	86.0%
\$15,000 to \$19,999	1,253	58.8%	1,786	30.1%	878	41.2%	4,144	69.9%
\$20,000 to \$24,999	1,081	70.3%	2,867	38.4%	457	29.7%	4,601	61.6%
\$25,000 to \$29,999	1,537	93.1%	4,404	48.3%	114	6.9%	4,715	51.7%
\$30,000 to \$34,999	1,632	95.3%	6,036	55.7%	81	4.7%	4,796	44.3%
\$35,000 to \$39,999	1,462	96.6%	7,498	60.7%	51	3.4%	4,847	39.3%
\$40,000 to \$44,999	1,172	96.7%	8,670	64.0%	40	3.3%	4,887	36.0%
\$45,000 to \$49,999	887	98.3%	9,557	66.1%	15	1.7%	4,902	33.9%
\$50,000 to \$59,999	1,836	99.0%	11,393	69.8%	19	1.0%	4,921	30.2%
\$60,000 to \$74,999	1,721	100.0%	13,114	72.7%	0	0.0%	4,921	27.3%
\$75,000 to \$99,999	2,211	100.0%	15,325	75.7%	0	0.0%	4,921	24.3%
\$100,000 to \$124,999	928	100.0%	16,253	76.8%	0	0.0%	4,921	23.2%
\$125,000 to \$149,999	552	100.0%	16,805	77.3%	0	0.0%	4,921	22.7%
\$150,000 to \$199,999	700	100.0%	17,505	78.1%	0	0.0%	4,921	21.9%
\$200,000 or more	646	100.0%	18,151	78.7%	0	0.0%	4,921	21.3%
Total	18,151	78.7%	Affordable		4,921	21.3%	Unaffordable	

Exhibit 71 shows key takeaways at the medium home price point of \$165,343:

- The bulk of elderly homebuyer households, or 51.3 percent with annual incomes of less than \$39,999 (*more than half is the benchmark*), **cannot** afford to purchase a median-quartile-priced home priced at \$165,343 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 29.2 percent of current homeowners **cannot** afford to purchase a medium quartile house price in the City.
- Cumulatively, 11.2 of all elderly families who earn less than \$39,999 **cannot** afford to purchase a home priced at \$165,343. This represents 170 households.
- Cumulatively, the bulk of all elderly families who earn less than \$39,999 (48.7 percent) **can** afford to purchase a home priced at \$165,343. This represents 6,013 households.
- 88.8 percent of elderly families, which represents 1,343 elderly families in the \$35,000 - \$39,999 income range **can** afford to purchase a home priced at \$165,343.

Exhibit 71: Winston-Salem Elderly Homebuyer Affordability, Based on Median House Value of \$165,343

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	68	4.4%	68	4.4%	1,465	95.6%	1,465	95.6%
\$10,000 to \$14,999	197	8.7%	265	7.0%	2,069	91.3%	3,534	93.0%
\$15,000 to \$19,999	760	35.7%	1,025	17.3%	1,371	64.3%	4,905	82.7%
\$20,000 to \$24,999	832	54.1%	1,857	24.9%	706	45.9%	5,611	75.1%
\$25,000 to \$29,999	1,319	79.9%	3,176	34.8%	332	20.1%	5,943	65.2%
\$30,000 to \$34,999	1,494	87.2%	4,670	43.1%	219	12.8%	6,162	56.9%
\$35,000 to \$39,999	1,343	88.8%	6,013	48.7%	170	11.2%	6,332	51.3%
\$40,000 to \$44,999	1,084	89.4%	7,097	52.3%	128	10.6%	6,460	47.7%
\$45,000 to \$49,999	766	84.9%	7,863	54.4%	136	15.1%	6,596	45.6%
\$50,000 to \$59,999	1,736	93.6%	9,599	58.8%	119	6.4%	6,715	41.2%
\$60,000 to \$74,999	1,709	99.3%	11,308	62.7%	12	0.7%	6,727	37.3%
\$75,000 to \$99,999	2,193	99.2%	13,501	66.7%	18	0.8%	6,745	33.3%
\$100,000 to \$124,999	928	100.0%	14,429	68.1%	0	0.0%	6,745	31.9%
\$125,000 to \$149,999	552	100.0%	14,981	69.0%	0	0.0%	6,745	31.0%
\$150,000 to \$199,999	700	100.0%	15,681	69.9%	0	0.0%	6,745	30.1%
\$200,000 or more	646	100.0%	16,327	70.8%	0	0.0%	6,745	29.2%
Total	16,327	70.8%	<i>Affordable</i>		6,745	29.2%	<i>Unaffordable</i>	

Exhibit 72 shows key takeaways at the upper-quartile home price point of \$224,675:

- The bulk of elderly homebuyer households, or 53.1 percent with annual incomes of less than \$74,999 (*more than half is the benchmark*), **cannot** afford to purchase an upper-quartile-priced home priced at \$224,675 in Winston-Salem. This is indicated by affordability indices of less than 100. House purchase affordability improves as household income rises.
- Across all income groups, an estimated 42.1 percent of current homeowners **cannot** afford to purchase an upper quartile house price in the City.
- Cumulatively, 10.6 of all elderly families who earn less than \$74,999 **cannot** afford to purchase a home priced at \$224,675. This represents 183 households.
- Cumulatively, the bulk of all elderly families who earn less than \$74,999 (46.9 percent) **can** afford to purchase a home priced at \$224,675. This represents 8,451 households.
- 89.4 percent of elderly families, which represents 1,538 elderly families in the \$60,000 - \$74,999 income range **can** afford to purchase a home priced at \$224,675.

Exhibit 72: Winston-Salem Elderly Homebuyer Affordability, Based on Upper Quartile House Value of \$224,675

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	11	0.7%	11	0.7%	1,522	99.3%	1,522	99.3%
\$10,000 to \$14,999	56	2.5%	67	1.8%	2,210	97.5%	3,732	98.2%
\$15,000 to \$19,999	420	19.7%	487	8.2%	1,711	80.3%	5,443	91.8%
\$20,000 to \$24,999	326	21.2%	813	10.9%	1,212	78.8%	6,655	89.1%
\$25,000 to \$29,999	785	47.5%	1,598	17.5%	866	52.5%	7,521	82.5%
\$30,000 to \$34,999	1,117	65.2%	2,715	25.1%	596	34.8%	8,117	74.9%
\$35,000 to \$39,999	1,036	68.5%	3,751	30.4%	477	31.5%	8,594	69.6%
\$40,000 to \$44,999	901	74.3%	4,652	34.3%	311	25.7%	8,905	65.7%
\$45,000 to \$49,999	688	76.3%	5,340	36.9%	214	23.7%	9,119	63.1%
\$50,000 to \$59,999	1,573	84.8%	6,913	42.4%	282	15.2%	9,401	57.6%
\$60,000 to \$74,999	1,538	89.4%	8,451	46.9%	183	10.6%	9,584	53.1%
\$75,000 to \$99,999	2,159	97.6%	10,610	52.4%	52	2.4%	9,636	47.6%
\$100,000 to \$124,999	861	92.8%	11,471	54.2%	67	7.2%	9,703	45.8%
\$125,000 to \$149,999	552	100.0%	12,023	55.3%	0	0.0%	9,703	44.7%
\$150,000 to \$199,999	700	100.0%	12,723	56.7%	0	0.0%	9,703	43.3%
\$200,000 or more	646	100.0%	13,369	57.9%	0	0.0%	9,703	42.1%
Total	13,369	57.9%	<i>Affordable</i>		9,703	42.1%	<i>Unaffordable</i>	

Rental Affordability by Income Range

Exhibit 73, Exhibit 74, and Exhibit 75 show the number of renter households by income group allocated to the rental affordability index buckets of equal to or greater than 100 (affordable), and less than 100 (unaffordable). All affordability indices are measured at the census tract level in Winston-Salem. The typical family income is assumed to be the mid-point of each income group, while the rent is assumed to be the ACS-reported lower quartile, median and upper quartile contract rent in each census tract.

Exhibit 73 shows that an estimated 33.8 percent of all families, or 15,225 renter households, would pay more than 30 percent of their incomes on a lower quartile rent of \$461 in Winston-Salem. This represents 15,225 households.

Exhibit 73: Winston-Salem Rental Housing Affordability, Based on Lower Quartile Contract Rent of \$461

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	272	3.4%	272	3.4%	7,798	96.6%	7,798	96.6%
\$10,000 to \$14,999	975	20.5%	1,247	9.7%	3,778	79.5%	11,576	90.3%
\$15,000 to \$19,999	2,029	39.1%	3,276	18.2%	3,159	60.9%	14,735	81.8%
\$20,000 to \$24,999	4,048	91.6%	7,324	32.6%	373	8.4%	15,108	67.4%
\$25,000 to \$34,999	7,285	98.4%	14,609	49.0%	117	1.6%	15,225	51.0%
\$35,000 to \$49,999	6,135	100.0%	20,744	57.7%	0	0.0%	15,225	42.3%
\$50,000 to \$74,999	5,113	100.0%	25,857	62.9%	0	0.0%	15,225	37.1%
\$75,000 to \$99,999	2,256	100.0%	28,113	64.9%	0	0.0%	15,225	35.1%
\$100,000 to \$149,999	1,224	100.0%	29,337	65.8%	0	0.0%	15,225	34.2%
\$150,000 or more	487	100.0%	29,824	66.2%	0	0.0%	15,225	33.8%
Total	29,824	66.2%	Affordable		15,225	33.8%	Unaffordable	

Source: Source: ACS 2015, 5-Year Estimate and Strategic Impact Advisors⁵³

Exhibit 74 shows that over 45 percent of the renter households in Winston-Salem would pay more than 30 percent of their incomes on the median rent of \$593. This represents 20,367 households.

Exhibit 74: Winston-Salem Rental Housing Affordability, Based on Median Contract Rent of \$593

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	8,070	100.0%	8,070	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	4,753	100.0%	12,823	100.0%
\$15,000 to \$19,999	695	13.4%	695	3.9%	4,493	86.6%	17,316	96.1%
\$20,000 to \$24,999	1,899	43.0%	2,594	11.6%	2,522	57.0%	19,838	88.4%
\$25,000 to \$34,999	6,904	93.3%	9,498	31.8%	498	6.7%	20,336	68.2%
\$35,000 to \$49,999	6,104	99.5%	15,602	43.4%	31	0.5%	20,367	56.6%
\$50,000 to \$74,999	5,113	100.0%	20,715	50.4%	0	0.0%	20,367	49.6%
\$75,000 to \$99,999	2,256	100.0%	22,971	53.0%	0	0.0%	20,367	47.0%
\$100,000 to \$149,999	1,224	100.0%	24,195	54.3%	0	0.0%	20,367	45.7%
\$150,000 or more	487	100.0%	24,682	54.8%	0	0.0%	20,367	45.2%
Total	24,682	54.8%	Affordable		20,367	45.2%	Unaffordable	

⁵³ Methodology and all analysis on all housing affordability indices in this series was conducted by Strategic Impact Advisors, LLC.

Exhibit 75 shows that about 72 percent of the renter households with annual incomes below \$50,000 cannot afford the upper quartile rent of \$758 in Winston-Salem. This represents 25,828 households.

Exhibit 75: Winston-Salem Rental Housing Affordability, Based on Upper Quartile Contract Rent of \$785

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
<\$10,000	0	0.0%	0	0.0%	8,070	100.0%	8,070	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	4,753	100.0%	12,823	100.0%
\$15,000 to \$19,999	0	0.0%	0	0.0%	5,188	100.0%	18,011	100.0%
\$20,000 to \$24,999	341	7.7%	341	1.5%	4,080	92.3%	22,091	98.5%
\$25,000 to \$34,999	4,289	57.9%	4,630	15.5%	3,113	42.1%	25,204	84.5%
\$35,000 to \$49,999	5,511	89.8%	10,141	28.2%	624	10.2%	25,828	71.8%
\$50,000 to \$74,999	5,113	100.0%	15,254	37.1%	0	0.0%	25,828	62.9%
\$75,000 to \$99,999	2,256	100.0%	17,510	40.4%	0	0.0%	25,828	59.6%
\$100,000 to \$149,999	1,224	100.0%	18,734	42.0%	0	0.0%	25,828	58.0%
\$150,000 or more	487	100.0%	19,221	42.7%	0	0.0%	25,828	57.3%
Total	19,221	42.7%	<i>Affordable</i>		25,828	57.3%	<i>Unaffordable</i>	

SPECIAL NEEDS POPULATIONS

Exhibit 76 shows that an estimated 23.4 percent of all elderly households, or 5,389 households, cannot afford the lower quartile rent of \$461 in Winston-Salem. About 59 percent of elderly families with annual incomes of below \$30,000 (5,369 families) cannot afford this rent payment in the City.

Exhibit 76: Winston-Salem Elderly Renter Affordability, Based on Lower Quartile Rent of \$461

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	23	1.5%	23	1.5%	1,510	98.5%	1,510	98.5%
\$10,000 to \$14,999	376	16.6%	399	10.5%	1,890	83.4%	3,400	89.5%
\$15,000 to \$19,999	619	29.0%	1,018	17.2%	1,512	71.0%	4,912	82.8%
\$20,000 to \$24,999	1,133	73.7%	2,151	28.8%	405	26.3%	5,317	71.2%
\$25,000 to \$29,999	1,599	96.9%	3,750	41.1%	52	3.1%	5,369	58.9%
\$30,000 to \$34,999	1,693	98.8%	5,443	50.2%	20	1.2%	5,389	49.8%
\$35,000 to \$39,999	1,513	100.0%	6,956	56.3%	0	0.0%	5,389	43.7%
\$40,000 to \$44,999	1,212	100.0%	8,168	60.2%	0	0.0%	5,389	39.8%
\$45,000 to \$49,999	902	100.0%	9,070	62.7%	0	0.0%	5,389	37.3%
\$50,000 to \$59,999	1,855	100.0%	10,925	67.0%	0	0.0%	5,389	33.0%
\$60,000 to \$74,999	1,721	100.0%	12,646	70.1%	0	0.0%	5,389	29.9%
\$75,000 to \$99,999	2,211	100.0%	14,857	73.4%	0	0.0%	5,389	26.6%
\$100,000 to \$124,999	928	100.0%	15,785	74.5%	0	0.0%	5,389	25.5%
\$125,000 to \$149,999	552	100.0%	16,337	75.2%	0	0.0%	5,389	24.8%
\$150,000 to \$199,999	700	100.0%	17,037	76.0%	0	0.0%	5,389	24.0%
\$200,000 or more	646	100.0%	17,683	76.6%	0	0.0%	5,389	23.4%
Total	17,683	76.6%	<i>Affordable</i>		5,389	23.4%	<i>Unaffordable</i>	

Source: ACS 2015, 5-Year Estimate

Exhibit 77 shows that over 54 percent of the elderly families (6,688 households) with annual incomes of less than \$40,000 cannot afford the median rent of \$593.

Exhibit 77: Winston-Salem Elderly Renter Affordability, Based on Median Rent of \$593

Annual Income Range	Affordability Indices >=100				Affordability Indices <100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	0	0.0%	0	0.0%	1,533	100.0%	1,533	100.0%
\$10,000 to \$14,999	57	2.5%	57	1.5%	2,209	97.5%	3,742	98.5%
\$15,000 to \$19,999	345	16.2%	402	6.8%	1,786	83.8%	5,528	93.2%
\$20,000 to \$24,999	828	53.8%	1,230	16.5%	710	46.2%	6,238	83.5%
\$25,000 to \$29,999	1,364	82.6%	2,594	28.4%	287	17.4%	6,525	71.6%
\$30,000 to \$34,999	1,595	93.1%	4,189	38.7%	118	6.9%	6,643	61.3%
\$35,000 to \$39,999	1,468	97.0%	5,657	45.8%	45	3.0%	6,688	54.2%
\$40,000 to \$44,999	1,212	100.0%	6,869	50.7%	0	0.0%	6,688	49.3%
\$45,000 to \$49,999	902	100.0%	7,771	53.7%	0	0.0%	6,688	46.3%
\$50,000 to \$59,999	1,855	100.0%	9,626	59.0%	0	0.0%	6,688	41.0%
\$60,000 to \$74,999	1,721	100.0%	11,347	62.9%	0	0.0%	6,688	37.1%
\$75,000 to \$99,999	2,211	100.0%	13,558	67.0%	0	0.0%	6,688	33.0%
\$100,000 to \$124,999	928	100.0%	14,486	68.4%	0	0.0%	6,688	31.6%
\$125,000 to \$149,999	552	100.0%	15,038	69.2%	0	0.0%	6,688	30.8%
\$150,000 to \$199,999	700	100.0%	15,738	70.2%	0	0.0%	6,688	29.8%
\$200,000 or more	646	100.0%	16,384	71.0%	0	0.0%	6,688	29.0%
Total	16,384	71.0%	<i>Affordable</i>		6,688	29.0%	<i>Unaffordable</i>	

Exhibit 78 indicate that more than half (51.6 percent) of the elderly households with annual incomes below \$60,000 (8,426 households) cannot afford the upper quartile rent of \$758 in Winston-Salem.

Exhibit 78: Winston-Salem Elderly Renter Affordability, Based on Upper Quartile Rent of \$758

Annual Income Range	Affordability Indices ≥ 100				Affordability Indices < 100			
	Number	Percent of Income Range	Cumulative Number	Percent of All Households	Number	Percent of Income Range	Cumulative Number	Percent of All Households
Less than \$10000	0	0.0%	0	0.0%	1,533	100.0%	1,533	100.0%
\$10,000 to \$14,999	0	0.0%	0	0.0%	2,266	100.0%	3,799	100.0%
\$15,000 to \$19,999	94	4.4%	94	1.6%	2,037	95.6%	5,836	98.4%
\$20,000 to \$24,999	187	12.2%	281	3.8%	1,351	87.8%	7,187	96.2%
\$25,000 to \$29,999	1,006	60.9%	1,287	14.1%	645	39.1%	7,832	85.9%
\$30,000 to \$34,999	1,313	76.6%	2,600	24.0%	400	23.4%	8,232	76.0%
\$35,000 to \$39,999	1,381	91.3%	3,981	32.2%	132	8.7%	8,364	67.8%
\$40,000 to \$44,999	1,175	96.9%	5,156	38.0%	37	3.1%	8,401	62.0%
\$45,000 to \$49,999	877	97.2%	6,033	41.7%	25	2.8%	8,426	58.3%
\$50,000 to \$59,999	1,855	100.0%	7,888	48.4%	0	0.0%	8,426	51.6%
\$60,000 to \$74,999	1,721	100.0%	9,609	53.3%	0	0.0%	8,426	46.7%
\$75,000 to \$99,999	2,211	100.0%	11,820	58.4%	0	0.0%	8,426	41.6%
\$100,000 to \$124,999	928	100.0%	12,748	60.2%	0	0.0%	8,426	39.8%
\$125,000 to \$149,999	552	100.0%	13,300	61.2%	0	0.0%	8,426	38.8%
\$150,000 to \$199,999	700	100.0%	14,000	62.4%	0	0.0%	8,426	37.6%
\$200,000 or more	646	100.0%	14,646	63.5%	0	0.0%	8,426	36.5%
Total	14,646	63.5%	<i>Affordable</i>		8,426	36.5%	<i>Unaffordable</i>	

Exhibit 79 represents weighted average rental housing affordability indices for households across various census tracts in each of the four geographies. Typical family income is assumed to be the median income as well as 30 percent, 50 percent, 80 percent, 120 percent, or 150 percent of the median. The typical rent is assumed to be the ACS-reported lower quartile, median and upper quartile contract rent in each census tract. Rental housing is not affordable if the affordability index falls below 100. Affordability indices measure the magnitude of financial shortfall/excess of a prospective household to rent a housing unit. For example, in Winston-Salem, the rental housing affordability index corresponding to the median contract rent (\$593) exceeds 100 only if the household's income reaches 80 percent of the median or \$36,969. On the other hand, the income of a household earning 50 percent of the median (\$23,106) would have to be augmented by 2.6 percent in order to afford the median contract rent.

Exhibit 79: Winston-Salem Renter Affordability Index

Indicator	Median	30% of Median	50% of Median	80% of Median	120% of Median	150% of Median
Household Income	\$46,212	\$13,863	\$23,106	\$36,969	\$55,454	\$69,317
<i>Lower Quartile Contract Rent: \$461</i>						
Qualifying Income	\$18,428	\$18,428	\$18,428	\$18,428	\$18,428	\$18,428
Affordability Index	250.8	75.2	125.4	200.6	300.9	376.1
<i>Median Contract Rent: \$593</i>						
Qualifying Income	\$23,734	\$23,734	\$23,734	\$23,734	\$23,734	\$23,734
Affordability Index	194.7	58.4	97.4	155.8	233.7	292.1
<i>Upper Quartile Contract Rent: \$758</i>						
Qualifying Income	\$30,302	\$30,302	\$30,302	\$30,302	\$30,302	\$30,302
Affordability Index	152.5	45.8	76.3	122.0	183.0	228.8

Homeless Populations

The following exhibit series summarizes the nature and extent of unsheltered and sheltered homelessness in Winston-Salem between 2016 and 2017. Demonstrated in Exhibit 80, Exhibit 81, Exhibit 82, and Exhibit 83, Winston-Salem made penetrable impact on housing and serving needs of homeless. The city shows decline in homelessness across all standard HUD categories over the past year from 2016 to 2017. Total homeless households reduced by about 14 percent; total homeless persons declined by approximately 17 percent, and similar reductions are seen across race and gender. While progress is being made, many homeless families and individuals remain in need. The 2017 Rapid-Rehousing report reveals about 50 percent of homeless received shelter in 2017; however, a reported 346 homeless remain in need of housing (as of 2017 point-in-time).

Exhibit 80: Rapid Re-Housing (as of April 2017)

Number of Persons Served	Total	Without Children	With Children and Adults	With Only Children	Unknown Household Type
Adults	220	149	68	0	3
Children	124	0	121	1	2
Client Doesn't Know/Client Refused	0	0	0	0	0
Data not Collected	4	0	0	0	4
Total	348	149	189	1	9
Point in Time Counts by Quarter 2017 (Persons on the Last Wednesday)					
January	164	49	107	1	8
April	134	50	76	1	7
July	206	86	114	1	5
October	190	57	125	1	7
Total	694	242	422	4	27
Number of Persons Remaining (To be Served)					
	346	93	233	3	18
Number of Households Served					
Point in Time Counts by Quarter 2017 (Persons on the Last Wednesday)					
January	77	46	28	0	3
April	66	46	18	0	2
July	120	83	36	0	1
October	92	54	36	0	2
Source: Continuum of Care April 2017 Report Results					

Exhibit 81: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17

Point-in Time Date:	January 27, 2016				January 25, 2017				% Total Change 2016-2017
	Sheltered		Unsheltered	Total Population	Sheltered		Unsheltered	Total Population	
	Emergency Shelter	Transition al Housing			Emergency Shelter	Transition al Housing			
Summary by Household Type Reported:									
Households without children	292	70	38	400	271	55	25	351	-12.3%
Households with at least one adult and one child	43	6	0	49	29	5	0	34	-30.6%
Households with only children	0	0	0	0	0	0	0	0	0.0%
Total Homeless Households	335	76	38	449	300	60	25	385	-14.3%
Summary of Persons in each Households Type:									
Persons in households without children	292	70	38	400	271	55	25	351	-12.3%
Pesons Age 18 to 24	17	3	2	22	14	1	2	17	-22.7%
Persons Over Age 24	275	67	36	378	257	54	23	334	-11.6%
Persons in households with at least one adult and one child	121	23	0	144	82	20	0	102	-29.2%
Children Unver Age 18	77	13	0	90	49	10	0	59	-34.4%
Persons Age 18 to 24	12	0	0	12	10	1	0	11	-8.3%
Persons Over Age 24	32	10	0	42	23	9	0	32	-23.8%
Persons in households with only children	0	0	0	0	0	0	0	0	0.0%
Total Homeless Persons	413	93	38	544	353	75	25	453	-16.7%
Source: U.S. HUD Continuum of Care, 2016-2017									

Exhibit 82: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17

Point-in Time Date:	January 27, 2016				January 25, 2017				% Total Change 2016-2017
	Sheltered			Total Population	Sheltered			Total Population	
	Emergency Shelter	Transitional Housing	Unsheltered			Emergency Shelter	Transitional Housing		Unsheltered
Persons Over Age 24	275	67	36	378	257	54	23	334	-11.6%
Persons in households with at least one adult and one child	121	23	0	144	82	20	0	102	-29.2%
Children Unver Age 18	77	13	0	90	49	10	0	59	-34.4%
Persons Age 18 to 24	12	0	0	12	10	1	0	11	-8.3%
Persons Over Age 24	32	10	0	42	23	9	0	32	-23.8%
Persons in households with only children	0	0	0	0	0	0	0	0	0.0%
Total Homeless Persons	413	93	38	544	353	75	25	453	-16.7%
Demographic Summary by Ethnicity:									
Hispanic / Latino	11	9	2	22	14	5	2	21	-4.5%
Non-Hispanic / Non-Latino	402	84	36	522	339	70	23	432	-17.2%
Total	413	93	38	544	353	75	25	453	-16.7%
Demographic Summary by Gender:									
Female	142	24	5	171	108	15	4	127	-25.7%
Male	271	69	33	373	245	60	21	326	-12.6%
Transgender	0	0	0	0	0	0	0	0	0.0%
Total	413	93	38	544	353	75	25	453	-16.7%
<i>Source: U.S. HUD Continuum of Care, 2016-2017</i>									

Exhibit 83: HUD Continuum of Care Homeless Populations and Subpopulations, 2016-17

Point-in Time Date:	January 27, 2016				January 25, 2017				% Total Change 2016-2017
	Sheltered			Total Population	Sheltered			Total Population	
	Emergency Shelter	Transitional Housing	Unsheltered		Emergency Shelter	Transitional Housing	Unsheltered		Total Population
Summary of Homeless Persons by Subpopulations Reported:									
Chronically Homeless	78	17	n/a	95	58	0	2	60	-36.8%
Chronically Homeless Individuals	78	17	n/a	95	0	0	0	0	-100.0%
Persons in Chronically Homeless Families	0	0	n/a	0	0	0	2	60	n/a
Severely Mentally Ill	119	12	n/a	131	57	7	14	78	-40.5%
Chronic Substance Abuse	120	8	n/a	128	47	11	5	63	-50.8%
Veterans	61	6	n/a	67	27	28	5	60	-10.4%
HIV/AIDS	11	2	n/a	13	2	4	0	6	-53.8%
Victims of Domestic Violence	51	6	n/a	57	62	12	6	80	40.4%
Unaccompanied Youth	20	2	n/a	22	14	1	2	17	-22.7%
Unaccompanied Youth Under 18	0	0	n/a	0	0	0	0	0	0.0%
Unaccompanied Youth 18-24	20	2	n/a	22	14	1	2	17	-22.7%
Parenting Youth	12	0	n/a	12	10	0	0	10	-16.7%
Parenting Youth Under 18	0	0	n/a	0	0	0	0	0	0.0%
Parenting Youth 18 - 24	12	0	n/a	12	10	0	0	10	-16.7%
Children of Parenting Youth	17	0	n/a	17	9	0	0	9	-47.1%
*Safe Haven programs are included in the Transitional Housing category									

Source: U.S. HUD Continuum of Care, 2016-2017

Part IV: Housing Development Costs, Affordability and Government Programs⁵⁴

The Housing Cost Factors and Affordability Assessment takes a closer look at housing stock through the development lens, and costs associated with land assembly. It further explores the efficiency and effectiveness of existing government housing programs that support housing production in Winston-Salem. The examination includes land costs, site improvements and design across housing product types relevant to the city of Winston-Salem. It considers various impacts on the availability, or new development of, certain housing opportunities throughout the city.

Housing Affordability and Local Development Context: Evaluation of Plans and Policies

Findings derived from various parts of this study, including current housing and population conditions, market trends, demographic shifts, and housing demand projections are important considerations in assessing the health of the local housing market and effectiveness of government programs. Additionally, data sources and interviews with local stakeholders reveal perspectives that contribute to the possibility that Winston-Salem is struggling with imbalanced development, limited investment in select communities, and poor housing quality. According to many local stakeholders, these challenges were primarily concentrated on the East End of Winston-Salem. Interviewees discussed the present condition of negative equity, inadequately maintained single-family housing (primarily rental housing), and several distressed multifamily properties without responsible, long-term focused ownership.⁵⁵ These factors must be placed within the context of plans and policies that guide development and have an impact on housing affordability. The following sections address these local contextual factors in more detail.

A range of factors can contribute to the conditions, including longer-run historical production rates, the balance of housing typologies – balancing owner and renter housing production – and the policies that either encourage or discourage development in different neighborhoods. Also, addressing historical issues of segregation may help understand the underpinnings of housing patterns. In fact, the City/County *Legacy 2030* planning report also acknowledges the importance of addressing segregation, stating that “Forsyth County’s population is still relatively segregated by race and ethnicity;” that low-density development and sprawling growth have the “tendency to segregate our citizens by race and income” and that the City/County envisions “reducing segregated housing patterns and enhancing interaction” through more diverse housing types.⁵⁶

⁵⁴ Neighborhood Fundamentals, LLC developed and conducted all data analysis in this section, including tabulation of City of Winston-Salem/Forsyth County parcel data for the Development Costs, Affordability and Government Sections portion of this study.

⁵⁵ Telephone interviews were conducted with key stakeholders regarding the development process, including discussions with city of Winston-Salem housing and community development officials as well as Forsyth County housing staff.

⁵⁶ City-County Planning Board; Forsyth County & Winston-Salem. “The Legacy 2030 Update: The Comprehensive Plan for Winston-Salem, Forsyth County and its Towns,” August 2013. Pages 23, 18 and 11.

According to the 2017 City of Winston-Salem, Forsyth County, and Housing Authority of Winston-Salem Assessment of Fair Housing:⁵⁷

The City of Winston-Salem and Forsyth County have “moderate” levels of segregation across most racial and ethnic groups, particularly with the pairing of African-Americans and Whites and Latinos has increased. All of Forsyth County’s racially and ethnically concentrated areas of poverty (R/ECAP) are contiguous and in downtown Winston-Salem or East Winston-Salem. African-Americans are 7.3 times more likely than Whites to live in a R/ECAP; Latinos are 5.5 times as likely as whites to live in a R/ECAP.”

Further, the assessment found that most subsidized affordable housing units are in segregated communities, and interviewees confirmed that the majority of public housing is in East Winston.

“Low-Income Housing Tax Credit (Housing Credit) properties are somewhat more evenly distributed, as five of Forsyth County’s 22 developments are in R/ECAPs, three are in racially segregated areas adjacent to R/ECAPs, and the remainder are in “relatively diverse census tracts.”

Central Winston-Salem (CWS) Area Plans⁵⁸

An analysis of area-level assessment values illustrated in Exhibit 84 shows that development potential exists even in the most disadvantaged areas of the County.⁵⁹ Despite evidence of disinvestment predominantly located within both City and County neighborhood boundaries, CWS neighborhoods and parcels are more valuable by most property value measures, including based on average land value, average land value per acre, average assessed value, and average assessed value per acre. Taken together, the rest of Forsyth County’s neighborhoods are larger than the County average but have lower per acre and per parcel assessed values. *(See supporting detail in Table 5a: Neighborhood-level summary statistics in Appendix C, which shows land values as a percentage of Forsyth County).*

Exhibit 84 also shows the Downtown area is the most productive by a substantial margin, maintaining an assessed value of 29.38. This suggests that the assessed value per acre is 29 times that of the Forsyth County average, as denser development tends to produce more value. Downtown assessed land value per acre is 12 times greater than the Forsyth County average. It is the most intensely developed, with an improvement-to-land value ratio of 7.22, compared to 2.42 for Forsyth County.⁶⁰ However, it can constitute an outlier that skews the comparisons between

⁵⁷ Mosaic Community Planning, 2017.

⁵⁸ Central Winston-Salem (CWS) is defined as the neighborhoods covered by seven Area Plans: Downtown, East/Northeast, North Central, Northwest, South Central, Southeast, and Southwest. For this section of the study, downtown refers to the area defined by the Winston-Salem Downtown Area Plans.

Methodological Note: City/County staff provided parcel-level data that could be aggregated to the area planning level. This data included a range of factors, including assessment values, location, and use type, among others. The database included 160,239 parcel records. It was outside the scope of this analysis to cross-check the accuracy of individual fields. As such, the level of accuracy of this analysis should be consistent with the level of accuracy of the City/County database.

⁶⁰See Appendix: Refer to Table 5a: Neighborhood Level Summary Statistics for cited ratios that accompany Table 5 findings.

other CWS areas and the balance of the County. The second most productive area is the Southwest, with an assessed value per acre of 9.4, 8.3 land value per acre and 2.8, respectively.⁶¹

The six remaining CWS neighborhoods had higher per parcel and per acre land and overall assessed values than the Forsyth County averages. However, all other Forsyth County areas had a higher investment-to-land value ratio (2.41 vs. 2.15). East/Northeast and Southeast had the lowest per-acre and per parcel values. Southeast had below average levels of all indicators, while East/Northeast lagged County averages on a per parcel basis but was more productive on a per acre basis. These two neighborhoods also had the highest number of vacant residential parcels. Vacant parcels can have an impact on property values, by reducing the value of the parcel itself and creating downward pressure on nearby property values.

One potential conclusion that can be drawn from this analysis is that despite these neighborhoods’ challenges, significant benefits could be gained both from a social equity and tax base perspective by advancing their revitalization.

Exhibit 84: Values as a percentage of the overall Forsyth County Figures

Neighborhood	Downtown	East/ Northeast	North Central	Northwest	Southeast	South Central	Southwest	All Other	Central WS	CWS (outside downtown)
Average Parcel Size	0.21	0.47	0.28	0.47	0.38	0.24	0.23	1.14	0.35	0.35
Average Land Value	2.55	0.55	0.81	3.13	0.37	1.08	1.91	0.93	1.31	1.27
Land Value per Acre	12.24	1.18	2.85	6.70	0.99	4.44	8.30	0.81	3.80	3.63
Average Assessed Value	6.13	0.50	0.76	2.34	0.33	1.08	2.16	0.93	1.33	1.17
Assessed Value per Acre	29.38	1.07	2.69	5.01	0.88	4.45	9.41	0.81	3.86	3.34

Source: RS Means⁶²

Despite the relative tax base efficiency of Central Winston-Salem properties, significant challenges remain. Using development cost data from RSMeans (see description of this analysis below), it is possible to compare development viability based on prevailing assessed values. In most cases, development reaches its optimal investment point when the sale of a parcel covers the cost of land acquisition, development, financing and profit.

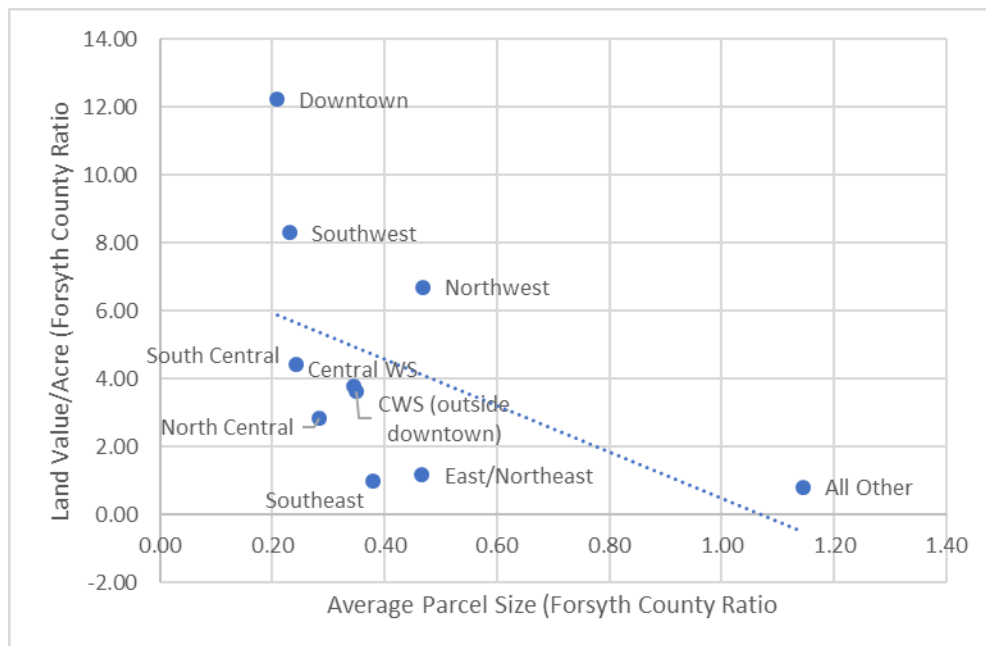
⁶¹ One similar trait between these two areas is that they are the two areas with the smallest average parcel sizes. Even considering per parcel value however, downtown remains most productive, and Southwest is surpassed only by Northwest. Also, to make a more meaningful comparison between areas with more similar characteristics, these figures were also calculated excluding Downtown parcels from both the CWS and “All Other” categories. After excluding Downtown, the general relationships still stand, but at smaller magnitudes. Given the perceptions of value on the East End, informed by legacies of segregation and disinvestment as cited in interviews and *Legacy 2030*, it is important to note that on a per acre basis, even the two most struggling center-city neighborhoods outperform all non-center city neighborhoods.

⁶² RS Means is a division of Reed Business Information that provides cost information to the construction industry so contractors in the industry can provide accurate estimates and projections for their project costs.

For example, production costs (which do not include land, entitlements, or developer profits) for a lower-cost new construction home (\$131,032) exceed the average assessed parcel value in East/Northeast (\$102,101) and Southeast (\$68,369), and approach that level in North Central (\$155,959,83).⁶³

When examining parcel values by neighborhood to average parcel size in Forsyth County (Figure 9 and Figure 10), smaller parcels tend to be more valuable on a per-acre basis. It was outside the scope of this research to determine what level of correlation/causation exists, if any. This trend exists but is less pronounced when excluding the areas with the smallest (Downtown) and largest (all neighborhoods outside central city) parcel sizes.

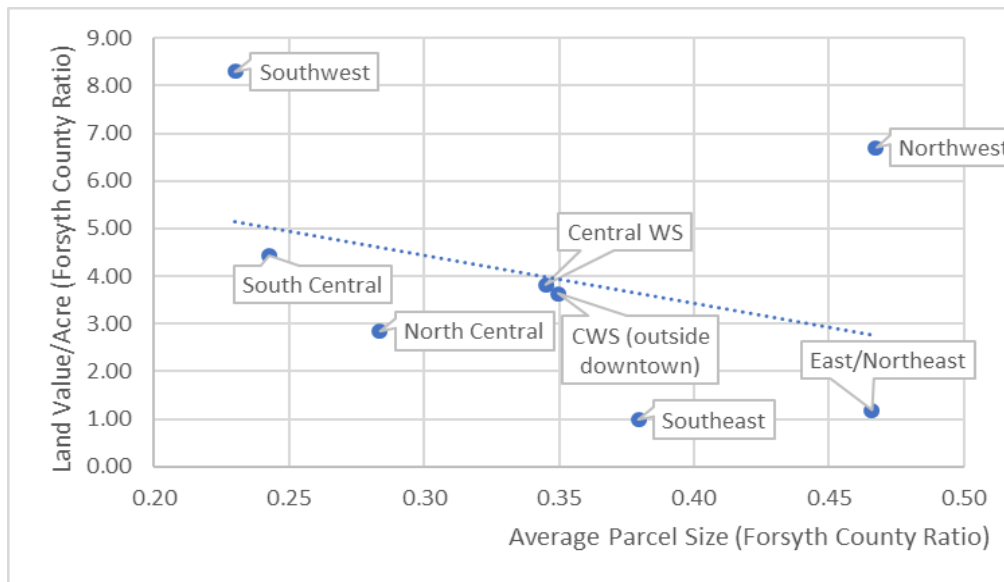
Figure 9: Relationship of Parcel Size to Land Value



Source: RS Means (2017)

⁶³ Methodology note: For the purpose of this analysis, a lower-cost new construction home was defined as a structure having an “economy” construction level, one-story, 1,200 square feet, with stucco siding.

Figure 10: Relationship of Parcel Size to Land Value (Adjusted)



Source: RS Means (2017)

Development of Winston-Salem, Local Planning and Priorities

As reported by the 2017 Annual Review of new residential construction, permit values were \$279 million in 2017, which included 595 multifamily units, (a 20 percent decrease in units from 2016) and 1,255 single-family residences, (an increase of 180 single-family residences over permitted residences in 2016).⁶⁴

Additionally, new development continues to occur Downtown and in adjacent neighborhoods (including areas on the East End, according to interviewees). While local interviewees are positively disposed to Downtown development, there was some sentiment that Downtown has reached a saturation point for larger scale development. There may be the possibility of smaller-scale (10-20 unit) high-end market condominiums. Interviewees also discussed development reaching other areas, including existing commercial corridors and around anchor institutions such as the Baptist Medical Center.

Historically, single-family suburban-oriented development has been the primary approach in the City and County. In many ways, Winston-Salem is following the trajectory seen by many cities nationwide, in which decades of auto-oriented, low-density development has been followed by a market correction/shift in consumer preferences in favor of urban and/or mixed-use living. Passage of the 2012 City of Winston-Salem and Forsyth County Legacy 2030 Plan signaled the intent to shift away from the region’s sprawling development patterns, noting that with expected population growth Forsyth County and Winston-Salem will run out of developable land in a little more than 20 years if the low-density development trends of the last several decades continue.

⁶⁴ Development Dashboard: <http://www.cityofws.org/Departments/Planning/Publications-and-Maps/Development-Dashboard, 2017 report>

Legacy 2030 Priorities

Despite these challenges, certain portions of the Legacy 2030 vision are being realized, including investment in the Downtown area. Other notable goals in the plan include proposed land use changes, which call for an increase in the amount of land designated for medium-to-higher densities. Specifically, the plan calls for an increase from the formerly 1.66 percent of land area dedicated to duplex/triplex/quadruplex & multifamily, to 2.71 percent for moderate/intermediate/high density. In addition to plans to increase from 0.01 percent to 1.2 percent for various forms of mixed-use classifications,⁶⁵ several City and County planning areas have updated their neighborhood/area plans, and anecdotally these plans adhere to a more walkable, mixed-use vision.

Unified Development Code Priorities

Furthermore, the City and County updated its Unified Development Code to encourage infill development, through Supplementary Standards for Residential Development.⁶⁶ The goal of these standards is to “encourage the development of single-family structures on scattered sites, infill sub-divisions, and multifamily developments that are compatible with the surrounding character of the urban areas of Winston-Salem where adequate public facilities and infrastructure are available.”⁶⁷ Associated provisions include standards for setbacks, garages, and parking, and for subdivisions less than five acres in size.

The Legacy 2030 (2014-2015) suggest a number of regulatory issues had yet to be addressed, including the authorization of accessory dwelling units without approval, incentives for housing for older adults and the disabled, and a transfer of development rights program.⁶⁸ A brief review of the Unified Development Organization suggests that those issues have still not been addressed.

East End Master Plan

In addition to individual area plans, the East End is currently in the process of developing a multi-neighborhood master plan. As with other plans, preliminary proposals support walkability, mixed-use and mixed-income development, increases in rental housing opportunities, and improved neighborhood commercial corridors. The plan seeks to advance several catalytic projects, including “Main Street”-style streetscape improvements and mixed-use development on Fifth Street. A final plan is expected in 2018.

⁶⁵ Legacy 2030 Update, August 2013.

⁶⁶Forsyth County, North Carolina. Unified Development Ordinance: Chapter B; Article III; 3-8 Supplementary Standards for Residential Development in GMA 2. [https://library.municode.com/nc/forsyth_county/codes/-_winston-salem_unified_development_ordinance_\(udo\)?nodeId=UNIFIED_DEVELOPMENT_CODE_CHBZOR_ARTIII_OTDEST_3-8SUSTREDEGM2W](https://library.municode.com/nc/forsyth_county/codes/-_winston-salem_unified_development_ordinance_(udo)?nodeId=UNIFIED_DEVELOPMENT_CODE_CHBZOR_ARTIII_OTDEST_3-8SUSTREDEGM2W)

⁶⁷ Unified Development Ordinance.

⁶⁸ City-County Planning Board; Forsyth County & Winston-Salem, North Carolina. “The Legacy 2030 Update: The Comprehensive Plan for Winston-Salem, Forsyth County and Its Towns: Status Update,” 2015 2014. <http://www.cityofws.org/Departments/Planning/Legacy-Comprehensive-Plan/Legacy-2030>.

Development Capacity and Cost Trends

The City's ability to achieve the vision and goals set forth in *Legacy 2030*, and other planning documents, largely depends on the ability of the private sector to develop the preferred types of housing. The level of change necessary to transform suburban-style development patterns or reverse generational patterns of disinvestment is unlikely to be achieved through government programs or funding sources alone. Even significant catalytic public investments (such as new transit lines) rely on private-sector actors to identify and leverage the value created for new development.

Therefore, the City can best encourage mixed-use, mixed-income development across a wide-range of neighborhoods by ensuring that the policy and regulatory framework does not stand in the way. Facilitating a development climate in which the market reaches as far down the income spectrum as possible allows scarce public resources to be focused on the greatest housing affordability and community development challenges.

Land and Site Capacity/Availability in Meeting Housing Needs

This section analyzes Winston-Salem's development climate in several ways. It first considers the unmet and projected needs as identified in the previous sections. Next, it analyzes the opportunities for meeting those needs from the perspective of land and site capacity/availability, the capacity of the development sector, and the cost of development for different types of housing.

To ensure that housing affordability, community development, and social equity outcomes are achieved, the following will need to be addressed:

- **Increase in the housing supply to accommodate population growth.** This includes a mix of typologies and tenures to accommodate various income levels and household needs.
- **More housing options appropriate for older adults.** The City of Winston-Salem housing stock is predominantly detached single-family housing, which is most commonly associated with families with children. However, over the next ten years, middle-aged cohorts are expected to experience population loss, while senior age groups are expected to increase.
- **More housing options for renters below 80 percent of AMI and lower-income homeowners.** To illustrate the scale of the housing gap for low-income renters, at current housing completion rates, it would take 11 years to meet the county-wide demand for rental units affordable and available at 80 percent AMI and below (all other factors held constant).⁶⁹ This means that addressing the gap would require both higher rates of development (and associated subsidy) and substantially more time, which compromises the

⁶⁹ Methodological Note: this figure was calculated by dividing the current below 80% of AMI gap of 16,244 units and dividing by the annualized number of housing completions (7,291 from 2011-2015; or 1458.2 per year). This assumes the fictional scenario in which no housing units affordable and available at that income level are lost over the time period, the number of households at this income level does not increase, and each and every new unit produced was made available to a low-income household at an affordable rate.

current severe need for affordable, subsidized housing of the 4,500 families on public housing waiting lists.⁷⁰

- **Better balance of development across neighborhoods.** Increasing development in a wider range of CWS neighborhoods would improve conditions in disinvested neighborhoods and potentially alleviate problems related to negative equity. A more balanced development climate could also provide more stability in assessed values/property tax revenues as well as mitigate the “boom/bust” nature of the real estate cycle.
- **Manage concerns about gentrification.** If neighborhoods revitalize as is intended, lower-income residents, and renters, could face increased cost burden and potential displacement. Equitable growth would strive to ensure that people who experienced the downsides of the real estate cycle can also benefit from the upswing.
- **Affirmatively further fair housing.** The City and County feature “moderate” but significant amounts of segregation, which can be addressed by both revitalization and mobility strategies.

A range of barriers can inhibit the efficient production of housing at a range of price points. These barriers include but are not limited to: site availability, density restrictions, development type restrictions, fees, parking requirements, building code provisions, inefficient approval processes, construction and labor costs, and financing availability.⁷¹

This analysis of development capacity begins with an analysis of site availability and permitted uses, based on data produced by the City and County. It is followed by an analysis of development costs to determine what types of development may be feasible given market conditions. This section will conclude with a discussion of development barriers identified by local interviewees as the most impactful in the City and County.

Land and Site Development Opportunities

As a starting point, this analysis focuses on development opportunities explicitly identified by the Planning and Development Services Department for the City of Winston-Salem/Forsyth County, as follows:

- **Multifamily Development Opportunities Study** (December 2015).⁷² This study identified sites as potential options for multifamily development based on existing zoning and development levels. Identified sites must have had either a legacy land use or current

⁷⁰ Mosaic Community Development. Page 103.

⁷¹ Jakobovics, Andrew, Lynn M. Ross, Molly Simpson, and Michael A. Spotts. “Bending the Cost Curve: Solutions to Expand the Supply of Affordable Rentals.” Washington, DC: Enterprise Community Partners & ULI Terwilliger Center for Housing, January 2014. <http://www.enterprisecommunity.org/resources/bending-cost-curve-solutions-expand-supply-affordable-rentals-13127>.

⁷² Planning & Development Services Department. “Multifamily Development Opportunities Study.” City of Winston-Salem, NC: City of Winston-Salem/Forsyth County, December 2015. http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/MultifamilyDvptOppStudy2015.pdf.

zoning status classified as commercial, industrial, or multifamily residential. Lots were included if they were considered either “undeveloped or underdeveloped.” This report identified 1642 total acres with multifamily/mixed-use development potential, two-thirds of which would require rezoning (1096.8 vs. 545.2).

- ***Development Opportunities Study Phase III: Infill and Redevelopment Sites*** (April 2017)⁷³ This report identified 67 parcels based on City/County tax data and made suggestions based on eventual potential use. This analysis included sites designated for eventual use as industrial and/or commercial property.
- ***Winston-Salem’s Residential Opportunity Areas as Identified in Urban Neighborhoods Area Plans*** (December 2017)⁷⁴ This most recent analysis narrowed the geographic scope to Urban Neighborhoods Growth Management Areas (GMAs) within the City of Winston-Salem. All parcels included in this report were identified as “Residential Opportunity Areas in relevant area plans. The plan suggested eventual uses ranging from low-density single-family detached housing to high-density multifamily housing. The report identified 24 residential opportunity areas comprising 261 acres of land.⁷⁵ Of the 24 parcels, 17 were identified as appropriate for low-density attached or moderate density housing.

The City of Winston-Salem/Forsyth County’s blueprint for site utilization reports notable efforts to document land use priorities. However, evaluation results show a predominant focus on larger parcels (above 2 or 2.5 acres, depending on the individual report methodologies).

The analysis conducted as part of this study aggregated parcels (identified in the reports as appropriate for either housing or mixed-use) into a single database in order to further examine opportunities for larger-scale residential development (Exhibit 85). To account for any overlaps in the respective reports, data from the 2015 report was excluded from the analysis, as it was assumed that it was superseded by more recent data.⁷⁶ Reporting on downtown sites were also excluded, as the entire area is considered an opportunity-area for development. Results of an aggregate report evaluation identified 77 parcels, totaling 1726.6 acres, as follows:

⁷³ Planning & Development Services Department. “Development Opportunities Study Phase III: Infill and Redevelopment Sites.” City of Winston-Salem, NC: Winston-Salem/Forsyth County, April 2017.

http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/Dvpt_Opp_III_20170403.pdf

⁷⁴ Planning & Development Services Department. “Winston-Salem’s Residential Opportunity Areas as Identified in Urban Neighborhoods Area Plans.” Winston-Salem, NC: City of Winston-Salem/Forsyth County, December 2017. http://www.cityofws.org/Portals/0/pdf/planning/publications/Development_Reports/WS_ResidentialOpportunityAreas_20171205.pdf?ver=2017-12-05-105157-237.

⁷⁵ Source: Winston-Salem’s Residential Opportunity Areas as Identified in Urban Neighborhoods Area Plans.

⁷⁶ Additional methodology notes: Data verification was conducted to remove duplicates resulting from a site being listed in multiple reports. However, given the slightly different standards applied in each report, and the fact that the reports aggregated multiple parcels into larger development opportunities, the possibility of a small number of parcels being listed as part of two separate development opportunities cannot be entirely ruled out. In addition, the database captures potential development barriers as identified by the reports. If the report did not include information on the existence of a potential barrier, it was assumed that there was no barrier. Finally, for sites which the report does not indicate whether a rezoning is necessary, this analysis assumes that no rezoning is required if the site in its entirety is zoned for residential and/or mixed-use development.

- Non-downtown parcels in CWS total 942.79 acres, while 783.81 acres were in Growth Management Area (GMAs) in other parts of the County.
- The East-Northeast planning area has the largest amount of identified land (nearly 400 acres, or 8.78 percent of the area’s total developable land)
- Northwest planning area has the least (51.39 acres; 1.4 percent of total).
- South Central planning area has the most available land as a percentage of total developable area (1978.07 acres, 9.35 percent of total).

Exhibit 85: Large Scale Development Opportunities

Area Plan	Total Identified Acreage	Total Area Plan Acreage	% of Area Plan Identified	Total Identified Acreage, Barriers	Total Identified Acreage, No Barriers	Identified Acreage, Rezoning Required	Total Identified Acreage, No Rezone	% Requiring Rezone
East-Northeast	398.89	4543.92	8.78%	398.89	0.0	292.80	106.09	73.40%
North Central	88.69	1796.24	4.94%	86.29	2.4	82.89	5.80	93.46%
Northwest	51.39	3663.78	1.40%	51.39	0.0	38.19	13.20	74.31%
South Central	184.94	1978.07	9.35%	157.94	27.0	157.94	27.00	85.40%
Southeast	115.57	3642.35	3.17%	115.57	0.0	57.76	57.81	49.98%
Southwest	103.31	1996.65	5.17%	103.31	0.0	55.86	47.45	54.07%
Total CWS (not including Downtown)	942.79	17621.01	5.35%	913.39	29.4	685.44	257.35	72.70%
All Other (not including CWS)	783.81	271071.43	0.29%	783.81	0.0	631.59	152.22	80.58%
TOTAL (not including Downtown)	1726.6			1697.2	29.4	1317.03	409.57	76.28%
Total Parcels	77	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Parcels with at least 1 barrier	75	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Parcels - multiple owners	46	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Parcels - rezoning	58	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Parcels - environmental/site issues	31	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Source: RS Means		n/a	n/a	n/a	n/a	n/a	n/a	n/a

Observed Development and Zoning Barriers

The above-referenced development reports included an assessment of three categories of potential development barriers: 1) lack of appropriate zoning presently in place, 2) multiple site owners requiring site aggregation, and 3) environmental/site issues (such as slopes, contamination, or infrastructure barriers). Nearly all sites analyzed (75 of 77) had at least one barrier cited.

Thirty-one sites featured various degrees of environmental issues, 46 had multiple owners, and 58 required some form of rezoning. Note that these numbers may overstate or understate the challenges associated with any given site. For example, some of the sites under multiple ownership are sufficiently large that development could occur on part of a site, even if some of the efficiency of a fully aggregated site was sacrificed. On the other hand, predevelopment efforts could identify additional site-related challenges beyond what this high-level review could ascertain.

Based on this analysis, the City of Winston-Salem/Forsyth County’s attention to the issue of zoning would be warranted, as the need for rezoning was the most prevalent barrier. The evaluation also assumes that the number of sites requiring rezoning may be understated rather than overstated

because this assessment excludes parcels that Forsyth County staff did not count or self-identify as a zoning barrier for residential or mixed-use development. However, development could potentially proceed at a higher density (using a different form) under current zoning.

For smaller sites with challenges other than zoning, or sites located in neighborhoods perceived as posing a greater investment risk, rezoning would be the barrier removal option mostly under government control. The East/Northeast planning area could be most impacted due to current property values.

Approaches to Facilitate Housing Development

Larger-scale development can be beneficial, having a catalytic effect and achieving economies of scale for development. However, an over-reliance on large-scale development can exacerbate boom-bust cycles. A healthy real estate market encourages development at various scales, including small-to-mid-sized development by small-to-mid-sized developers. To ascertain a portion of development opportunities for mid-sized development, we analyzed vacant parcels through 2017 from City/County property records to approximate development opportunities that can include parcels under 2 acres. For this analysis, only jurisdictions coded with a CWS area plan were considered. Parcels with land use or zoning codes that could be problematic were excluded.⁷⁷ The analysis also excluded parcels currently zoned for industrial use, unless a proposed land use code was applied for intermediate density residential, high density residential, or mixed use. Finally, non-residential vacant parcels were included if proposed land use was compatible with residential development.⁷⁸ Parcels were not removed based on size, as innovative housing typologies such as “tiny homes” take up a minimal amount of space, and smaller sites may be aggregated into more functional parcels. The resulting figures should be considered an approximation due to limited knowledge of the development viability of these parcels. Site visits to these parcels would provide better estimations of actual site conditions.

Location of smaller size vacant parcels (less than two acres)

The analysis identified 3,617 total parcels, most of which were coded as vacant residential, or coded as vacant in a residential or mixed-use zone. Findings also show of the 3,617 parcels the majority are in the East/Northeast and Southeast planning areas (Exhibit 86). In terms of acreage, the Southeast planning area has the most opportunities, followed by the Northwest and East/Northeast planning areas. The total assessed land value of these parcels is over \$160 million. The majority (3228, or 89 percent of the total) are one acre or smaller, with 183 parcels from 1.01-2 acres and 206 above 2 acres. The average parcel size across the sample was 0.66 acres.

⁷⁷ Methodology note: excluded categories - cropland, mining & excavation, orchards/groves/vineyards, retention or sediment ponds, unknown uses, utilities, schools, rural preservation, private recreation, private open space.

⁷⁸ Methodology note: included uses - activity center, commercial (unless presently zoned as agricultural), office and institutional.

Exhibit 86: Select Vacant Parcels in CWS

Neighborhood	Parcels	Area	Land Value of Vacant Land	Average Vacant Parcel Size	Value/Parcel	Value/Acre
Downtown	210.00	124.47	\$ 31,716,790	0.59	\$ 151,032	\$ 254,815
East/Northeast	1083.00	482.59	\$ 10,298,176	0.45	\$ 9,509	\$ 21,339
North Central	466.00	161.46	\$ 13,001,669	0.35	\$ 27,901	\$ 80,526
Northwest	197.00	566.24	\$ 39,918,525	2.87	\$ 202,632	\$ 70,498
Southeast	797.00	606.81	\$ 11,689,241	0.76	\$ 14,667	\$ 19,263
South Central	682.00	340.19	\$ 39,060,721	0.50	\$ 57,274	\$ 114,820
Southwest	182.00	95.88	\$ 14,346,147	0.53	\$ 78,825	\$ 149,626
TOTAL	3617.00	2377.64	\$ 160,031,269	0.66	\$ 44,244	\$ 67,307
Source: RS Means						

Source: Winston-Salem/Forsyth County Real Estate Property Records

Publicly-owned Parcels

Another opportunity for facilitating development was found in utilization of publicly-owned parcels. Creative use of such sites can expand opportunities for affordability, especially when mission-driven developers struggle to acquire sites against better-funded market-rate developers. In markets or neighborhoods with less competition for land, publicly owned parcels offer an important opportunity to catalyze development and seed revitalization.”⁷⁹

According to data downloaded from the City of Winston-Salem/Forsyth County’s Geo-Data Explorer and analyzed for this study, there are 1002 parcels owned by the City of Winston-Salem and Forsyth County, totaling 3,595 acres and over \$316.5 million in assessed value (Exhibit 87). A significant number of these parcels do not presently constitute development opportunities. The parcels include school and administrative buildings, utility rights-of-way, vehicle storage, and any number of critical uses. Furthermore, others currently not in active use, may be considered to meet capital needs such as new schools to accommodate population growth, for example. However, other sites may constitute an opportunity for release into the private sector, where it can be used to accommodate the need for housing. Indeed, some of the parcels identified in the development opportunities reported are under city ownership.

Another option is to consider is co-location, which would manifest in a more intensive use of sites by matching complimentary uses such as a senior center and housing for older adults. Such activities have multiple benefits, including defraying the cost of public facility investment and providing “captive” land to developers that are looking to meet community needs. In some cases, particularly when a government entity subsidizes the acquisition and development of affordable

⁷⁹ Spotts, Michael A., Genevieve Hale-Case, and Ahmad Abu-Khalaf. “Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development.” Washington, DC: Enterprise Community Partners, June 5, 2017. <http://www.enterprisecommunity.org/resources/public-benefit-publicly-owned-parcels-19782>.

housing, utilizing publicly owned parcels “cuts out the middleman,” avoiding a scenario in which one government department provides a subsidy for the acquisition of a parcel from another. The use of publicly owned parcels for free land for developers can also help address any geographic areas dealing with negative equity issues in disinvested communities by reducing costs.

The use of publicly owned parcels should be the result of a clear process that identifies future public facility needs, community goals, and suitable properties. Conducting such an analysis is outside the scope of this project; however, a cursory review of the data show that there are 536 City/County-owned parcels in residential or mixed-use zones, totaling 797.48 acres and approximately \$24.7 million in value. The average parcel size is 1.49 acres, though the median of 0.21 indicates that there are a larger number of smaller parcels in the portfolio, some of which may not be large enough to accommodate development. Similarly, the median value of \$5,300 per parcel is much lower than the average of \$46,201. Given this information, the city should not necessarily assume that smaller parcels are undevelopable – they can serve as pilots for creative building typologies or community-serving space.

Exhibit 87: Publicly-Owned Parcels

	All Parcels	Parcels in Residential or Mixed-Use Zones
Total Parcels	1002	536
Total Acreage	3595.14	797.48
Total Value	\$ 316,557,700.00	\$ 24,671,500.00
Average Acreage	3.59	1.49
Median Acreage	0.26	0.21
Average Value	\$ 316,557.70	\$ 46,201.31
Median Value	\$ 13,450.00	\$ 5,300.00
Value/Acre	\$ 88,051.56	\$ 30,936.83
Source: RS Means		

Development Cost Analysis

Development costs impact affordability of the overall housing market and the amount of capital subsidies needed for the production of affordable housing. This section focuses on market-rate development, as many of the components that feed into development budgets are determined by broader market pressures.

The direct impact of development costs on affordability is not always straightforward. Housing prices are set by the relative balance of supply and demand. Since developers/property managers will typically charge market rates, reductions in development costs will not automatically be passed along in the form of lower purchase prices or rents. If development costs are low and supply is inelastic, a greater share of the benefit is likely to be captured in the form of developer/owner profits. However, when supply is allowed to respond to demand, lower development costs (and the allure of larger profits) should bring more developers into the market, theoretically leading to increased supply and lower housing costs. In areas where land costs are sufficiently inexpensive, lower development costs can allow developers to compete at different price points, rather than targeting new construction to the highest-end of the market.

However, a market-level reduction in development costs is not necessarily synonymous with parcel or neighborhood level affordability. The combination of high-demand, low costs, and relatively inexpensive land can lead to recapitalization of properties and gentrification at the neighborhood level. The same forces that are necessary to keep housing costs stable at the regional level can have perverse consequences for households in neighborhoods undergoing change (*see Housing and Transportation analysis section of this study*). Future development planning particularly in vulnerable communities provide both social and economic opportunities for families. For example, the Winston-Salem: East End Master Plan envisions a “*vibrant neighborhood that has strong and diverse residential communities, lively commercial areas, and economic opportunities.*” Future development decisions involving land assembly in areas of low cost and ripe for change like East Winston will require managing the resulting long-term impact and implications of neighborhood change.

A lower development cost profile can be beneficial because it opens more options for responding to demand and affordability pressures. Lower development costs can translate to lower upfront outlays and associated risks, which can increase the likelihood that developers can produce different housing typologies.

Moreover, construction costs, including labor and materials, are a primary driver of development costs, particularly for new construction. Proprietary RSMeans construction cost data was used to analyze the construction cost profile of development in the Winston-Salem metropolitan region.⁸⁰

⁸⁰ Methodology note: RSMeans is a long-standing construction cost data source from Gordian. RSMeans data includes the cost of materials, labor and equipment and can be used for construction estimating. Data is available for different construction types and finishes and is available at the national level on a per-square foot basis with adjustments for various project characteristics. RSMeans also provides a City Cost Index, Location Factors, and Historical Cost Index that adjust national figures to account for local conditions, and conditions over time. Unless otherwise indicated, all

Illustrated in Figure 11 and Figure 12, projected construction costs in Winston-Salem (minus financing, site acquisition and builder profit) are 6 percent lower than the national average for single-family construction and 15 percent below the national average for commercial construction. This includes multifamily housing. For example, a 1,400-square foot, 2-bedroom 1.5 bath ranch-style home with an “economy” level of construction can be produced for \$150,327.90 (minus land, developer profit and entitlements). An “average” home with the same characteristics would cost \$175,075.50 to produce.⁸¹ Construction costs for commercial products range by construction and building type: \$151.81 per square foot for a 1-3 story garden style, wood-framed apartment; \$154.02 for mid-rise; and \$186.70 for high-rise construction.

The RSMMeans dataset includes cost profiles for 14 metropolitan areas in North Carolina. Development cost profiles are relatively similar across the state when compared with the national average. For single-family homes, the least expensive metropolitan region is Elizabeth City (91 percent of national average) and the most expensive is Gastonia (96 percent). For commercial construction, Raleigh, Rocky Mount, Wilmington, Kinston Hickory and Murphy all come in slightly less expensive than Winston-Salem (84 percent vs. 85 percent of the national average), with Fayetteville and Durham the most expensive (87 percent). Construction costs have been consistently lower than the national average over time. The closest convergence was in 2016 and the biggest gap in 2003. There has been slight convergence in the post-recession/recovery era (2011-2018). For illustration, the historical cost index was applied to both single-family and multifamily construction in Figure 11, Figure 12, Figure 13 and Figure 14 below.



subsequent construction cost analysis is based on Neighborhood Fundamentals, LLC tabulations of data from: Gordian. “Square Foot Costs with RSMMeans Data 2018 (39th Annual Edition).” 2017.

⁸¹ Methodology note: Square footage costs vary based on the types of construction utilized and the size of the home/building. Unless otherwise noted, mid-grade construction is used for the purpose of this analysis. Single-family home costs are based on a range of sizes. Interviews with local developers suggested that low-cost single-family homes were being built in the 1,200 – 1,400 square foot range. In analyzing permit data provided by City/County staff, a non-scientific sample of square footage for newly constructed single-family homes in the City of Winston-Salem found the average to be 2,581 square feet, with a median of 2,345 and a 40th Percentile size of 2,137. Since this analysis focuses on improving housing affordability and anecdotal evidence suggests that there is demand for a smaller product, the lower square footage values were used.

Figure 11: Historical Cost Trends for Single-Family Construction for a 1,400 SQ 2-Story Home, 2000-17

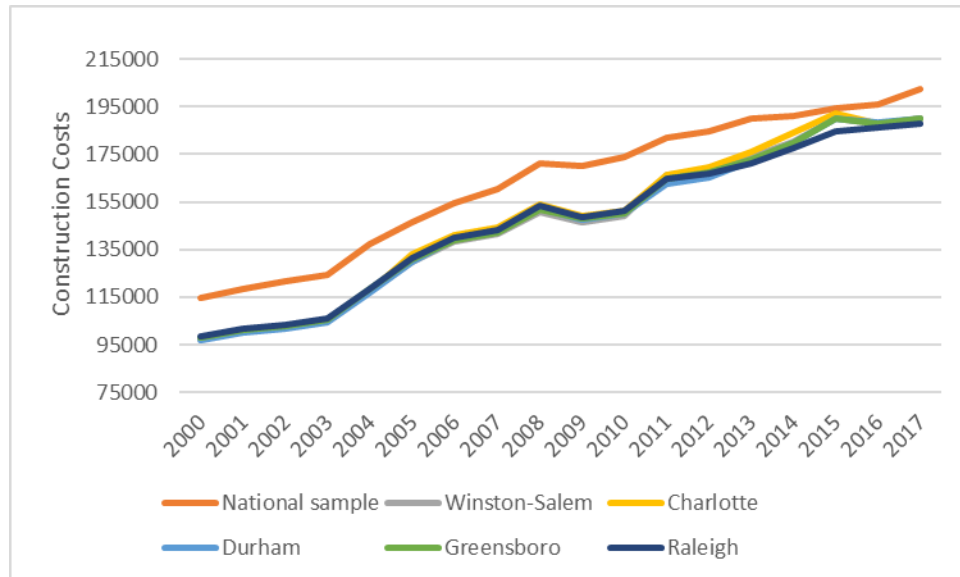


Figure 12: Historical Cost Trends for Single-Family Construction for a 1,400 SQ 2-Story Home, 2011-17

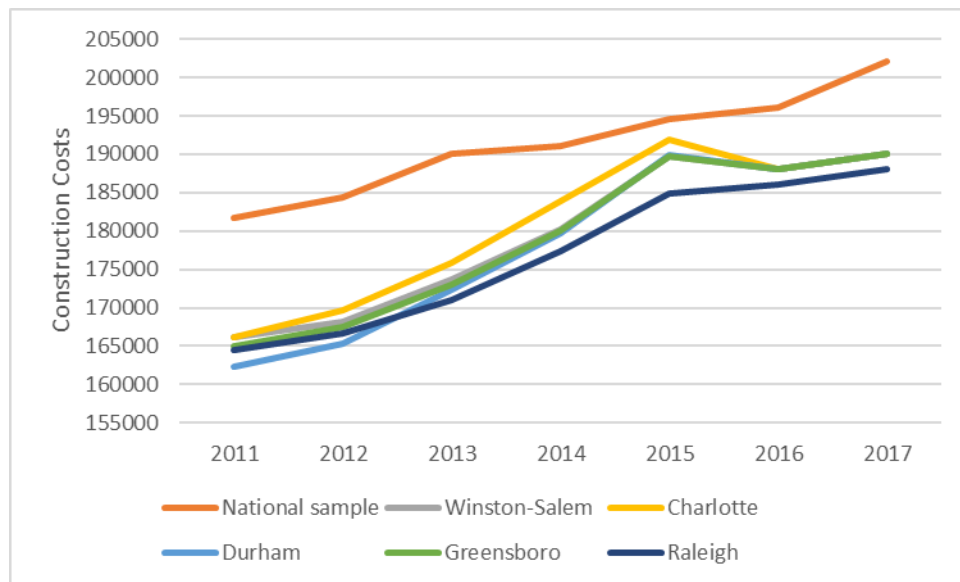


Figure 13: Historical Cost Trends for Multifamily Housing for 1-3 Story, 22,500 SQ Multifamily Development, 2000-20

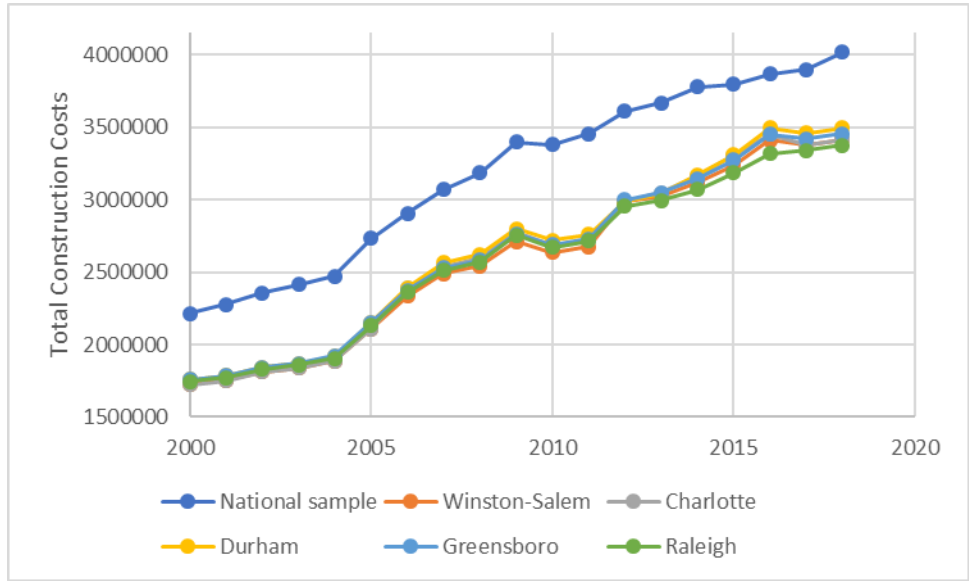
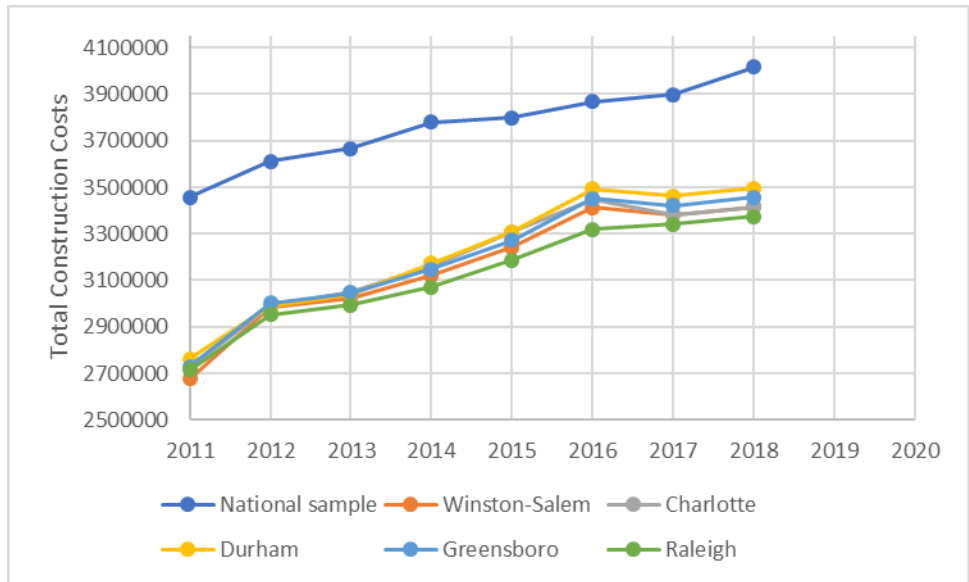


Figure 14: Historical Cost Trends for Multifamily Housing for 1-3 Story, 22,500 SQ Multifamily Development, 2011-20



The RSMMeans analysis was supplemented by a convenience sample of readily available information to see if the proprietary data sources were reflective of conditions on the ground. In this analysis, we find that per square foot construction costs may be even lower than projected. The sample included market-rate multifamily development nearly 15 percent lower than the

RSMeans projections. For single-family homes, some costs were as much as 25 percent lower than the RSMeans projections for 2018.⁸²

Development Costs and Housing Production

Development costs are also influenced by the types of housing permitted to be built. Even before considering land, attached housing can be more cost-effective than detached housing. For multifamily housing, larger developments are generally more cost-effective on a per-square foot basis until they reach the point that steel-and-concrete construction must be utilized instead of wood-frame construction.

To provide an illustrative example, consider two cities with the same overall density levels, but diametrically different zoning codes.

City 1 allows varying but modest levels of density across all neighborhoods, with few restrictions on attached housing or height.

City 2 follows more typical suburban development patterns, with most land area zoned for detached single-family housing and smaller mixed-use corridors, allowing dense multifamily housing.

Holding other factors such as land costs and fees constant, *City 1* will have a significantly lower cost profile, since its developers can produce more cost-effective housing typologies across the city. By only allowing the most expensive single- and multifamily development types, the baseline housing costs in *City 2* may be significantly higher. While this example dramatically oversimplifies the multitude of factors that feed into development mixes and housing prices, it does illustrate how planning and zoning decisions can have an unintended impact on costs.

Moreover, local stakeholders stated that the City of Winston-Salem/Forsyth County have a favorable approach to development, with reasonable fees and entitlement/permitting processes. The for-profit and nonprofit developers were able to advance projects by-right and without the need for zoning waivers, which can add direct and indirect costs related to delays and additional outreach. Density levels are relatively high, and developers have opportunities to acquire lower-cost sites to facilitate detached single-family housing. Some multifamily zoning classifications allow for unlimited density. However, some stakeholders suggested that there is not much small-scale multifamily (under 100 units) or “missing middle” housing outside of areas adjacent to downtown. Zoning could be one reason for this perceived shortage, but other factors such as

⁸² Methodology notes: Some local developers supplied specific and/or general construction costs data on the condition of anonymity. An additional approach to verifying the RSMeans data was to analyze the declared value of permitted construction, which is self-reported by developers and used in part to determine City/County fees. These values are supposed to represent the total amount of value being added to the property, which should include construction costs. However, this analysis did not yield meaningful information, as both average and median per square foot declared values were not realistic for both single- and multifamily production (approximately \$38 and \$50 per square foot, respectively)

financing and readily available land for lower-density housing may also play a role. When rezoning was necessary, interviewees suggested that the process was not overly burdensome.

Analyzing construction costs provides another opportunity to illustrate the impact of permitting a wider range of housing typologies. Attached housing is generally associated with added density but is not one and the same. There can be some benefits to attached housing, even holding density constant. For example, allowing the option of attached housing can make more efficient use of buildable space and lot coverage when responding to site constraints such as sloping or drainage that make it difficult to build separate structures. Attached housing could also potentially create opportunities for more contiguous and usable public open space. Furthermore, attached housing is more economical on a per-unit basis from a production standpoint. For example, construction costs for a 1,400-square foot, 2-story home using average construction techniques would be projected to be 4 percent lower for exterior units and 8 percent lower for interior units, as compared to a similarly constructed detached single-family home.

To illustrate potential savings:

Total production costs for a four-unit structure would be \$721,751, compared to \$771,050 for four detached units, without accounting for potential land value savings. This constitutes a savings of just under \$50,000, or 6.4 percent.

These savings may be modest, and it is unclear whether there is a substantial amount of demand for attached dwellings while holding density constant. However, policy can be most influential on the margins, having the most impact where development viability is not as strong. In neighborhoods where property values are low and there are housing quality issues, there are limited development options: subsidized development sufficient to absorb property value margins, basic maintenance that may or may not comply with code for low quality occupancy, lower quality development, or no development at all. While rehabilitation efforts are important, resources for such activities are limited (see Government Program Evaluation below). None of the remaining three options are likely to improve challenges related to negative-equity. Permitting more by-right options could add development opportunities in certain circumstances where none previously existed. Allowing a range of housing typologies rather than a monoculture can create a more resilient neighborhood in downturns, as neighborhood stability does not solely rely on households at a minimum income level. In hotter markets, housing type diversity builds in a certain level of price diversity.

Exhibit 88 shows the City and County list four types of allowable use categories for different zoning districts, with different levels of approvals/conditions. For the most permissive category, only detached single-family homes and family group homes are allowed in the majority of residential or mixed-use zoning categories and represents the majority of new residential development. Townhomes are only allowed by this standard in 11.43 percent of classifications.

Duplexes are permitted in more districts than townhomes for basic approval but are only possible in 37.14 percent of categories overall.⁸³

Exhibit 88: Unified Development Ordinance: Permitted Uses

Use	Zoning Permit, Dept of Inspections (Z)	Site Plan Approval by Planning Board (P)	Special Use Permit Approval, Board of Adjustment (A)	Special Use Permit Approval; Elected Body (E)	% of Zoning Classifications with least restrictive approval	% of Zoning Classifications where type is eligible
Residential Building, Single Family	23	1			65.71%	68.57%
Family Group Home A	20				57.14%	57.14%
Planned Residential Development	2	17			5.71%	54.29%
Nursing Care Institution	13			4	37.14%	48.57%
Residential Building, Townhouse	4	12			11.43%	45.71%
Residential Building, Multifamily (Hi)	4	12			11.43%	45.71%
Residential Building, Duplex	11	2			31.43%	37.14%
Residential Building, Twin Home	11	2			31.43%	37.14%
Manufactured Home, Class A	2			10	5.71%	34.29%
Combined Use	11				31.43%	31.43%
Family Group Home B	3	8			8.57%	31.43%
Life Care Community	3	7			8.57%	28.57%
Family Group Home C	2	6		1	5.71%	25.71%
Boarding or Rooming House	8				22.86%	22.86%
Group Care Facility (A)		4		3	0.00%	20.00%
Manufactured Home, Class B (F)	1			5	2.86%	17.14%
Manufactured Home, Class C	1			4	2.86%	14.29%
Shelter for Homeless				4	0.00%	11.43%
Manufactured Housing Development	1	1			2.86%	5.71%
Manufactured Home Class B (W)	1				2.86%	2.86%
Group Care Facility (B)		1			0.00%	2.86%
Manufactured Home, Class D					0.00%	0.00%
Source: City of Winston-Salem						

Unified Development Ordinance

Additional limitations are placed on housing meant to serve or potentially serving special needs populations. The Unified Development Ordinance stipulates that a Family Group Home A cannot be located within 1,200 feet of a similar home. A Family Group Home C must maintain 2,500 feet. The 2,500 minimum also applies to shelters, with an occupancy limit of 100 residents and additional restrictions potentially being placed on buildings greater than 40 residents. Finally, rules for attached Accessory Dwellings limit occupancy to family members, servants and adults over

⁸³ Forsyth County, North Carolina. Unified Development Ordinance: Chapter B; Article II; 2-4 Permitted Uses. [https://library.municode.com/nc/forsyth_county/codes/-_winston-salem_unified_development_ordinance_\(udo\)?nodeId=UNIFIED_DEVELOPMENT_CODE_CHBZOOR_ARTIIZ_ODIOFZOMASUS_2-4PEUS_2-4.1TAB](https://library.municode.com/nc/forsyth_county/codes/-_winston-salem_unified_development_ordinance_(udo)?nodeId=UNIFIED_DEVELOPMENT_CODE_CHBZOOR_ARTIIZ_ODIOFZOMASUS_2-4PEUS_2-4.1TAB).

55, and detached Accessory Dwellings limit occupancy to family members and servants only. This requirement reduces the viability of these units as a niche form of low-cost housing.

Despite restrictions and limitations related to typology, most local stakeholders who addressed this topic stated that the cost profile of both market-rate and affordable rehabilitation/development is low enough that a high-quality product can be built at close to prevailing market rates without public subsidy. However, it can be more difficult to produce quality housing in the neighborhoods with the most severe negative equity issues, necessitating some level of public financing. As such, increases in typology flexibility may only have a marginal impact.

Local stakeholders also identified several factors that raised development costs or otherwise inhibited development in Winston-Salem:

- *Land acquisition:* While land costs are low on the East End, acquiring sites in stronger economic neighborhoods for mission-driven developers can be problematic, given existing levels of competition. In addition, lower interest rates have increased competition for multifamily properties across the City/County. In this climate, long-term, responsible purchasers struggle to compete with investor-owners seeking to earn a quick return. Finally, there is concern that the Downtown development boom has raised expectations for sales prices beyond what is achievable if the neighborhood is indeed reaching a saturation point. This could limit site availability until expectations readjust.
- *Construction and Labor Costs.* While local stakeholders found construction and labor costs to be generally affordable, costs are increasing. One developer stated that the national increase in demand for multifamily construction, combined with the loss of skilled trades during the Great Recession has resulted in increased competition for subcontractors. As a smaller market, Winston-Salem may struggle to pull contractors from larger metropolitan areas in the state and across the Southeast. In addition, the smaller developers that make up the community development field do not benefit from bulk materials purchasing. In addition, some developers observed significant increases in materials such as lumber, roofing and building materials. Additional evidence in support of these observations was published as part of a December 2017 analysis by John Burns Real Estate Consulting.⁸⁴ A survey of 300 home building executives found that labor and materials costs were trending upward given high sales, limited trades and reduced immigrant labor. Prices for lumber, drywall, and concrete were especially increasing, which may be exacerbated by recent natural disasters in the Southeast and Gulf Coast.
- *Approvals and Inspections.* While all local stakeholders cited permitting, approvals, and inspections processes were efficient in general, it was cited that situations emerge in which additional requirements are placed on the development after the initial approval of designs

⁸⁴ Kahn, Jody, and Devyn Bachman. "Cost Increases Top 2017 Housing Market Surprises." John Burns Real Estate Consulting (blog), December 28, 2017. <https://www.realestateconsulting.com/cost-increases-top-2017-housing-market-surprises/>.

and specifications, adding delays and costs, but these discrepancies did not ultimately jeopardize development.

- *Parking.* On-site parking can be costly. Surface spaces taking up valuable space, and structured parking is expensive to construct. Some interviewees believed that parking levels were in line with demand. However, others cited the burden that parking requirements place on multifamily properties, including the need to reduce the number of units to accommodate vehicles.
- *Community Opposition.* Stakeholders interviewed had mixed-responses on the impact of community opposition to development. Some stated that the amount of by-right development that occurs limits the opportunities for not-in-my-backyard opposition. However, others stated that multifamily and affordable development can be the subject of community opposition, regardless of neighborhood strength.

Government Housing Policy Evaluation

The City/County governments implement numerous policies and programs intended to address needs related to affordable housing, community development, economic opportunity, and neighborhood revitalization. This section will evaluate these interventions from the perspectives of program administration, targeting, and effectiveness. Findings are informed by a *Capacity Assessment for the City of Winston-Salem/Forsyth County (Resource and Capacity Assessment, a corresponding document that accompanies this study)*. A full list of programs and policies affecting the ability of local stakeholders to address affordable housing and community development needs accompany the resource assessment document. This section primarily focuses on program targeting and effectiveness.

A brief evaluation of the existing government capacity, programs and policies (a supplement to this study's Resource and Capacity Assessment):

- In Fiscal Year (FY) 2018, the City administered over \$9.5 million in programmatic resources (including federal, state, and local funds) for housing and community development. Of these funds, \$3,487,658 (36.3%) are dedicated to residential rehabilitation programs, \$3,436,672 (35.9%) are used for homeless and transitional housing, and \$912,640 (9.5%) are committed to housing production and homeownership.
- The City/County's Consolidated Housing and Community Development Plan: 2017-2018 Annual Plan sets the goal of serving 8,700 persons with "targeted code enforcement, assistance to neighborhoods, [and] capacity building."⁸⁵

⁸⁵ The Consolidated Housing and Community Development Plan: 2017-2018 Annual Plan. Winston-Salem/Forsyth County Housing Consortium. Page 11. August 16, 2017

- The Transforming Urban Residential Neighborhoods (TURN) program is the major source of residential rehabilitation funding in the City. This program concentrates funds in neighborhoods based on need and potential for scalable impact. In 2014, voters approved \$4 million in funding for the program, with \$400,000 allocated to four neighborhoods designated as “Tier 1,” and \$200,000 each for “Tier 2” neighborhoods. A second round of funding will be provided next year.
- The City’s homeownership and residential rehabilitation lending programs face difficulties associated with negative equity in struggling neighborhoods, which creates underwriting challenges and could necessitate the shift to a grant-making structure.
- The *Legacy 2030* plan appears to have had an impact on City/County planning activities. In addition to adopting an infill ordinance for Growth Management Areas, the Planning Division is adopting zoning and land use policies that allow multifamily developments in commercial corridors. Such developments could improve job accessibility and increase the availability of mixed-use neighborhoods.
- The City has instituted a Bonus Density for Affordable Housing policy that has never been utilized. One potential reason cited was that the City’s existing levels of allowable density make the density-based incentives uncompetitive. The City also requires developers receiving City funding to provide affordable workforce housing which has been utilized on a limited basis. There was concern among interviewees that the latter program’s income targeting requirements are not sufficiently robust.
- The County’s housing programs primarily focus on homeowner assistance, including a down payment program and an individual development account program.
- The County is piloting a “little homes” concept, which replaces dilapidated housing with a smaller unit on the same lot. These units are smaller in size (500-1500 square feet) but would not necessarily meet the definition of a “tiny home” (which itself does not have an official definition).
- According to stakeholders, City and County staffing and capacity are limited, constraining the agencies’ respective abilities to optimally implement the full range of existing programs. The City’s focus on rehabilitation programs has coincided with a reduction in homeownership activities. While the County has a robust homeownership program, activities related to code enforcement and residential rehabilitation are limited.
- The Housing Authority of Winston-Salem’s (HAWS) public housing portfolio includes 1,459 housing units. It also administers 1,262 units subsidized through the project-based Section 8 program and 4,482 Housing Choice Vouchers. The City’s voucher waiting list is

currently closed, and the agency currently has a waiting list of over 4,500 families across various subsidy programs.

- HAWS has diversified its revenue streams through development and property management activities. Despite this progress toward financial sustainability, it still struggles to maintain and operate its three high-rise public housing developments.
- HAWS operates a pilot program called Step Up, which works to transition households from public housing to private market housing. The program includes 200 units whose residents receive incentives to increase their income. Though there is a plan to develop 17 additional units under this program, there is a waiting list of approximately 800 households.

Overall funding levels are often an imperfect guide to priorities, given that municipalities administer pass-through funds from higher-levels of government that may stipulate uses. However, interviews with local stakeholders and the dedication of local funds supports the premise that improving housing quality through code enforcement and residential rehabilitation is a core priority for the City. The connection between stated priorities and programmatic activities is less clear. According to the City’s Planning Development Services Division, “Assistance in the construction of new housing units by the city is principally construction of single-family units for home ownership, as ownership is viewed as essential to neighborhood stabilization.”⁸⁶ However, in recent years the City has increased investment and resources in multifamily development.

According to data supplied by County staff, the City has provided over \$10,282,682 in financing to 11 multifamily rental developments, ranging in size from 8 to 166 units. Not all units in these developments are affordable, as some are mixed-income, while others provide deeper subsidy (public housing units). Financing took several forms: \$3.5 million was provided grants or forgiven loans, \$3,957,138 in soft or deferred debt, and \$2,769,544 in hard or amortizing debt. Developments received an average of \$934,789 in funding from the City. With one exception, the funding served as “gap” financing. The relative cost-effectiveness of these subsidies is difficult to gauge given the wide range of affordability levels, number of affordable units in the development, and the length of the affordability period. Deeper per-unit subsidies may be justified if the development achieves a particularly important goal (such as spurring development in a disinvested community or providing deeper levels of affordability). Interviews with local practitioners suggest that there is disagreement over whether these funds have been appropriately targeted, particularly with respect to income levels. A more rigorous framework for evaluating subsidy decisions and prioritizing funds should be considered.

Housing Preservation Financing Sources

Preservation is also a need in the future. According to the 2017 Assessment of Fair Housing, a significant share of properties will likely require some subsidy to maintain both affordability and

⁸⁶ City of Winston-Salem. Housing Production. <http://www.cityofws.org/Departments/Community-Development/Planning/Housing-Production>. Accessed on December 1, 2017

quality at some point in the future. There are a number of sources of financing for preservation. For some properties, continued affordability may be able to be achieved through the extension of ongoing subsidies such as Section 8 project-based rental assistance. Others may be able to access Low-Income Housing Tax Credit financing. However, the latter source is likely to have reduced availability as a result of the recently passed tax reform bill. If the City continues to play the role of gap financier to make other capital sources pencil out, it will need to reconsider funding levels and/or consider other mechanisms to support the acquisition and/or preservation of these properties. Examples could include property tax incentives, or “preemptive strikes” – smaller loans to pay for lighter improvements that extend affordability protections for a shorter period of time but buy more time to obtain more robust subsidies.

Moving forward, funding will continue to be constrained or decrease absent intervention. The recently-passed tax reform bill is likely to decrease the amount of Housing Credit equity available for affordable rental development and preservation activities. Interviewees also cited a retrenchment at the state level. Furthermore, the primary local revenue source for the local Housing Finance Fund (HFF) expired, leaving the primary local housing trust fund to rely on program income and loan repayments (see *Resource and Capacity Assessment* report for additional details).

Private sector/nonprofit capacity and activities

The City and County collaborate with a network of private sector and nonprofit stakeholders to administer critical housing and community development programs. As detailed in the *Capacity Assessment* and the previous sections:

- The Center for Home Ownership is a partnership between government, private and nonprofit entities that provides both pre- and post-purchase homeownership and financial counseling. The group also offers home maintenance classes to support long-term housing stability.
- Several nonprofit Community Development Corporations (CDCs) and housing-related nonprofits operate in the City and/or County, including Goler CDC, Ujima CDC, S.G. Atkins CDC, and Habitat for Humanity of Forsyth County. Development activities for these organizations range from fewer than five single-family homes a year to larger scale multifamily development.
- Significant reductions in state-level funding for CDCs led to substantial decreases in staffing and operations, and organizational closure in some circumstances.
- Nonprofit organizations that have undertaken larger-scale development do so on an opportunistic, case-by-case basis rather than managing a consistent pipeline of development opportunities. These activities may be in partnership with more experienced developers.
- The City/County lacks a large-scale nonprofit multifamily developer.⁸⁷ The ability to develop such capacity may be limited by the state of North Carolina’s 15% cap on 9 percent

⁸⁷ Notable examples of mission-drive, housing credit-focused nonprofits include AHC, Montgomery Housing Partnership, and CPDC in the Washington, DC metropolitan area, or a regional office of a national organization such as Mercy Housing or The Community Builders.

Housing Credits awarded to nonprofit developers, though this provision was not discussed in interviews.⁸⁸

- In recent years, some nonprofit, philanthropic and private sector support for affordable housing and community development has been lost. Notably, the Winston-Salem Community Development Funders Collaborative is no longer operational.

PART V: ACCESS TO OPPORTUNITY

Housing and Transportation (H&T)

Housing is typically the largest expense of individuals and families, but transportation costs can also absorb a significant portion of household expenditures. Since where a person lives impact how much is spent on transportation, it is helpful to consider the two factors together. The following housing and transportation assessment provides a comprehensive view of affordability relating to both housing cost and the cost of transportation at the neighborhood level. Considering both the housing and *transportation* cost in the context of location of a home provides a more complete understanding of affordability. This examination of both housing and transportation cost provides community members and decision makers a more complete picture of the cost of living in certain neighborhoods in Winston-Salem and across Forsyth County. For example, “driving to affordability” (choosing housing that is far out at the fringe of suburban areas) is one strategy for limiting housing costs.

⁸⁸ This provision was still in place as of the state’s 2016 Qualified Allocation Plan; identified as part of research for: Spotts, Michael A. “Giving Due Credit: Balancing Priorities in State Low-Income Housing Tax Credit Allocation Policies.” Washington, DC: Enterprise Community Partners, June 2016.
<http://www.enterprisecommunity.org/resources/giving-due-credit-balancing-priorities-state-low-income-housing-tax-credit-allocation?ID=0101093>.



Housing and Transportation in Winston-Salem

Compared to other similarly sized cities with populations between 200,000 and 300,000 people, Winston-Salem has above-average combined housing and transportation costs relative to income. When examining transportation alone, the city's transportation cost is higher in comparison to other places due to residents' driving long distances to access jobs and services. Regional land use and development patterns, low population density, limited transit service and utilization are contributing factors to these conditions in Forsyth County. Although the fixed route transit system, and the Trans-AID of Forsyth County has seen slight increases in ridership in 2017 it is not offset by any change in household income.

How do Housing and Transportation Costs in Winston-Salem Compare to Other Similarly-sized Cities?

Examining Winston-Salem's housing and transportation cost relative to other similarly-sized cities provides context for this assessment. As illustrated in Figure 15, Figure 16, and Figure 17, and Figure 18 compared to cities with populations between 200,000 and 300,000, Winston-Salem's combined housing and transportation (H+T) costs are below average, having the 38th highest cost out of 48 cities. Combined housing and transportation costs for the typical household costs an average of \$24,120 a year. However, because incomes in Winston-Salem are relatively low for a city of its size, combined H+T cost – as a percent of income – is above average among the same set of cities, moving upward on the scale to 19th highest out of 48 cities. Therefore, overall combined H+T cost burden is 53 percent for the typical household.

Land use patterns shaped by low density and limited employment access often influence commuters' decisions to drive more. Winston-Salem has the 8th lowest household density of the 48 comparable cities in this study, at 1.06 household per acre. The city also has the 7th lowest employment access among the 48th cities.

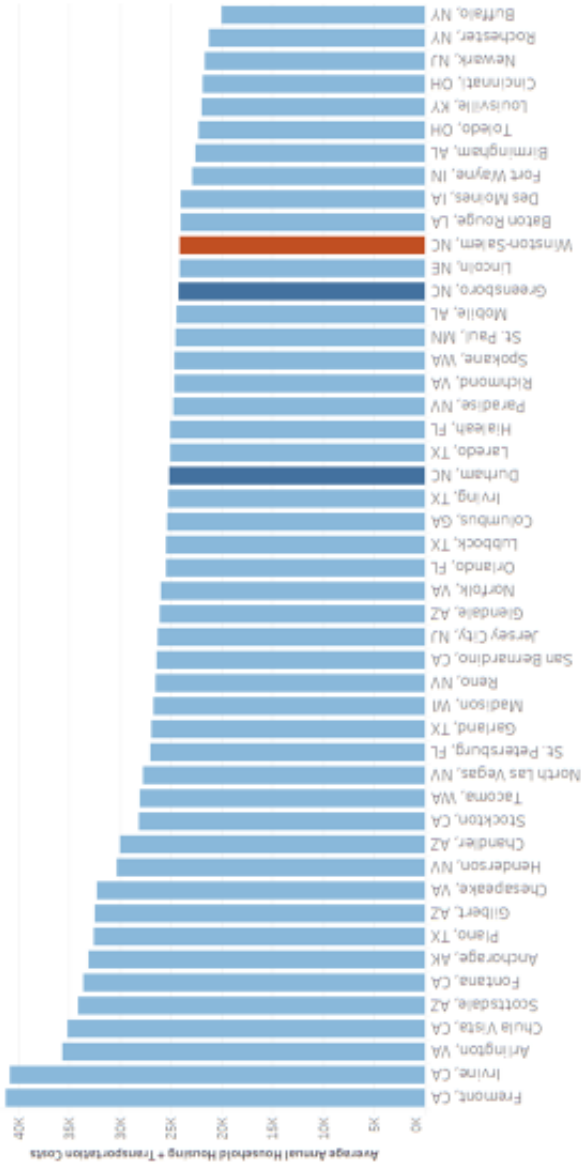
Illustrated in Figure 15, Winston-Salem's transportation costs are average in absolute terms and high relative to the regional typical income. The typical household spends \$11,988 per year on

transportation-related costs (24th highest of 48 cities); and the typical household spends 25 percent of its income on transportation-related costs, which represents 14th highest of 48 cities.

Land Use and Sprawl

The biggest contributors to sprawling development patterns are longer and costlier driving times and lack of transit service. However, Winston-Salem's transit ridership is the 3rd lowest among the 48 cities – only 2 percent of workers commute via public transit. As a result, typical transit costs are also very low at \$30 per year for the typical household, though this should be interpreted as a lack of transit service utilization, rather than favorable pricing for transit service.

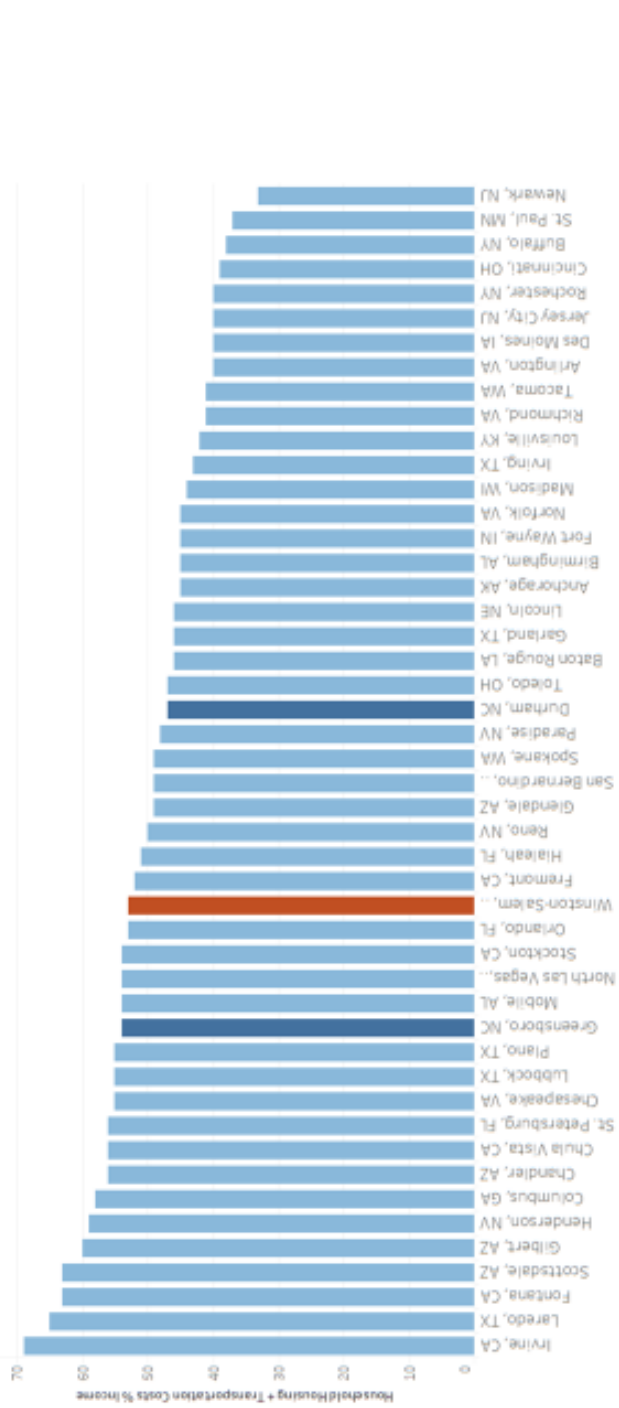
Figure 15: How do Housing and Transportation Costs Compare to Other Cities?



Compared to other cities with populations between 200k -300k, Winston-Salem’s combined housing and transportation costs are **below average**. It has the **38th highest cost out of 48 cities**.

Combined housing and transportation costs for the typical Winston-Salem household are **\$24,120** on average.

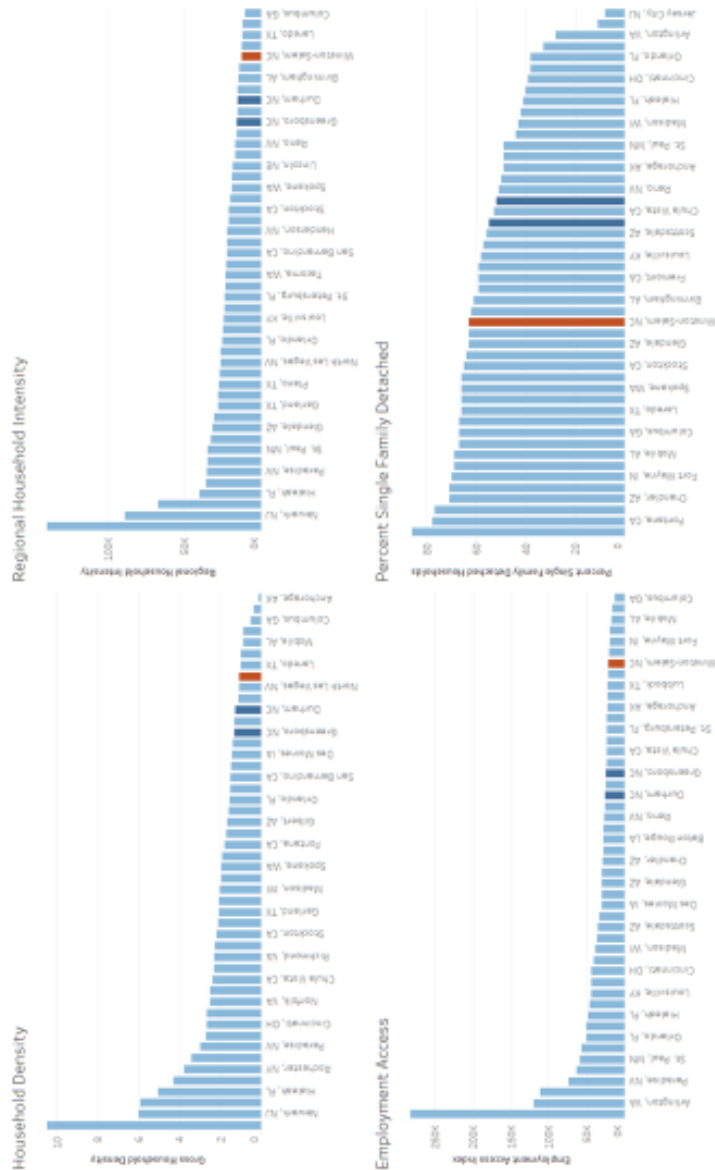
Figure 16: How do Housing and Transportation Cost Burden Compare to Other Cities?




But because Winston-Salem incomes are relatively low, the combined housing + transportation cost burden (the cost as a percent of income) is above average. It has the 19th highest cost burden out of 48 comparison cities. Combined housing + transportation cost burden is 53 percent for the typical household.

Figure 17: People Driving More is Driven by Land Use Patterns - Low Density and Limited Employment Access also Contribute to Higher Car Use

- Winston-Salem has the **8th lowest** household density of the 48 cities, at **1.06** household per acre
- It also has the **7th lowest** employment access among the 48 cities (as measured by the Center for Neighborhood Technology).
- **63 percent** of the housing stock is single-family detached housing, which is slightly above average.



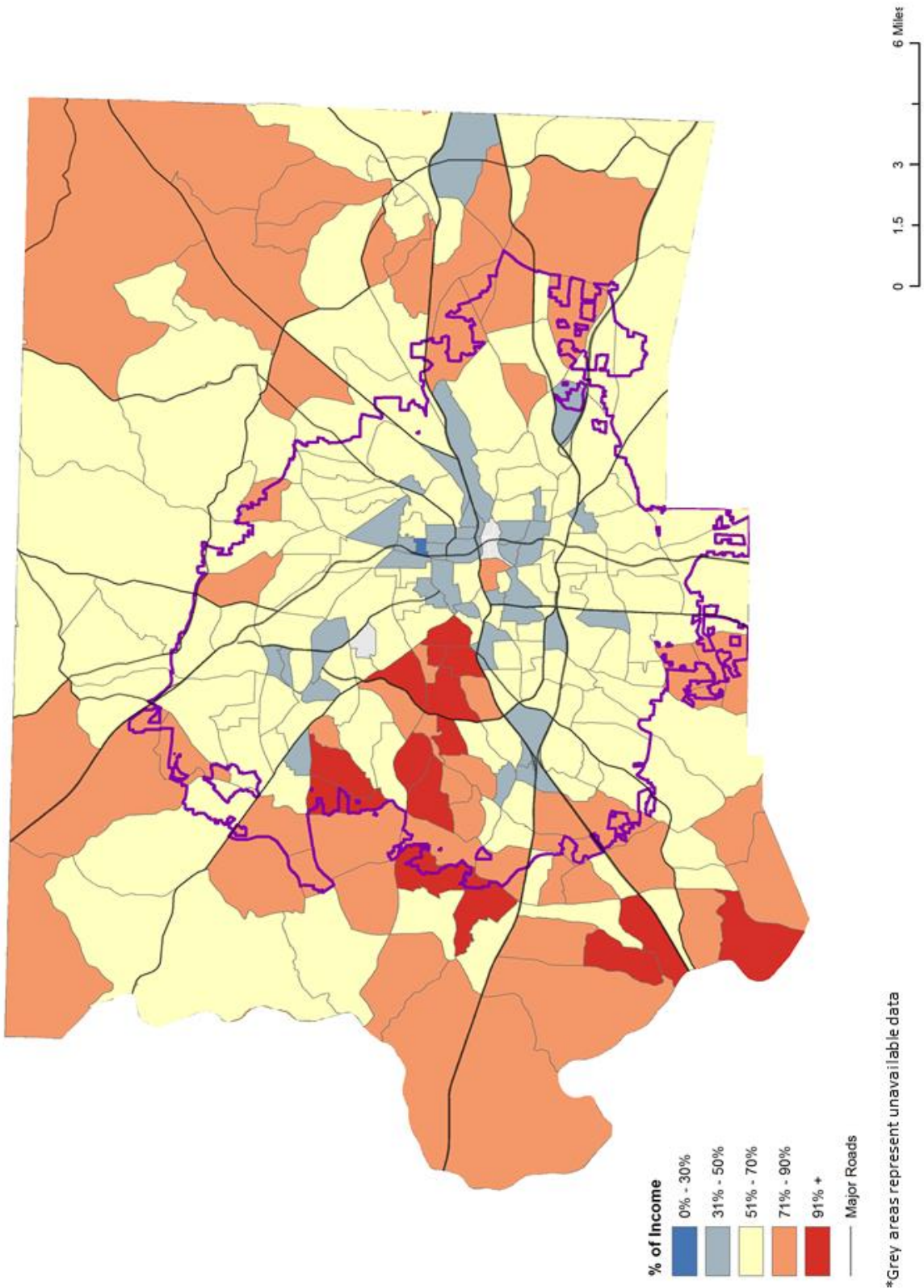


The series of maps referenced below show housing and transportation costs by income and geography across Forsyth County. As illustrated, housing costs alone are higher in the western and surrounding county, and lower in eastern and central parts of Winston-Salem. When adding transportation costs to the cost of housing per households, the center and eastern parts of the city are lower cost and the western city and surrounding county are higher cost. According to the 2016 census data by census tract, residents who reside closer to downtown and points east of the center of town spend less on combined housing and transportation – where total costs range from 25 to 52 percent of total income. The lowest cost area by census tract is in Northeast Winston.

Housing plus transportation (H+T) costs in affordable neighborhoods are concentrated downtown and east of US 52. Residents that live west of the central downtown in the surrounding county have higher costs. Combined housing and transportation costs can range from 142 to 170 percent of income.

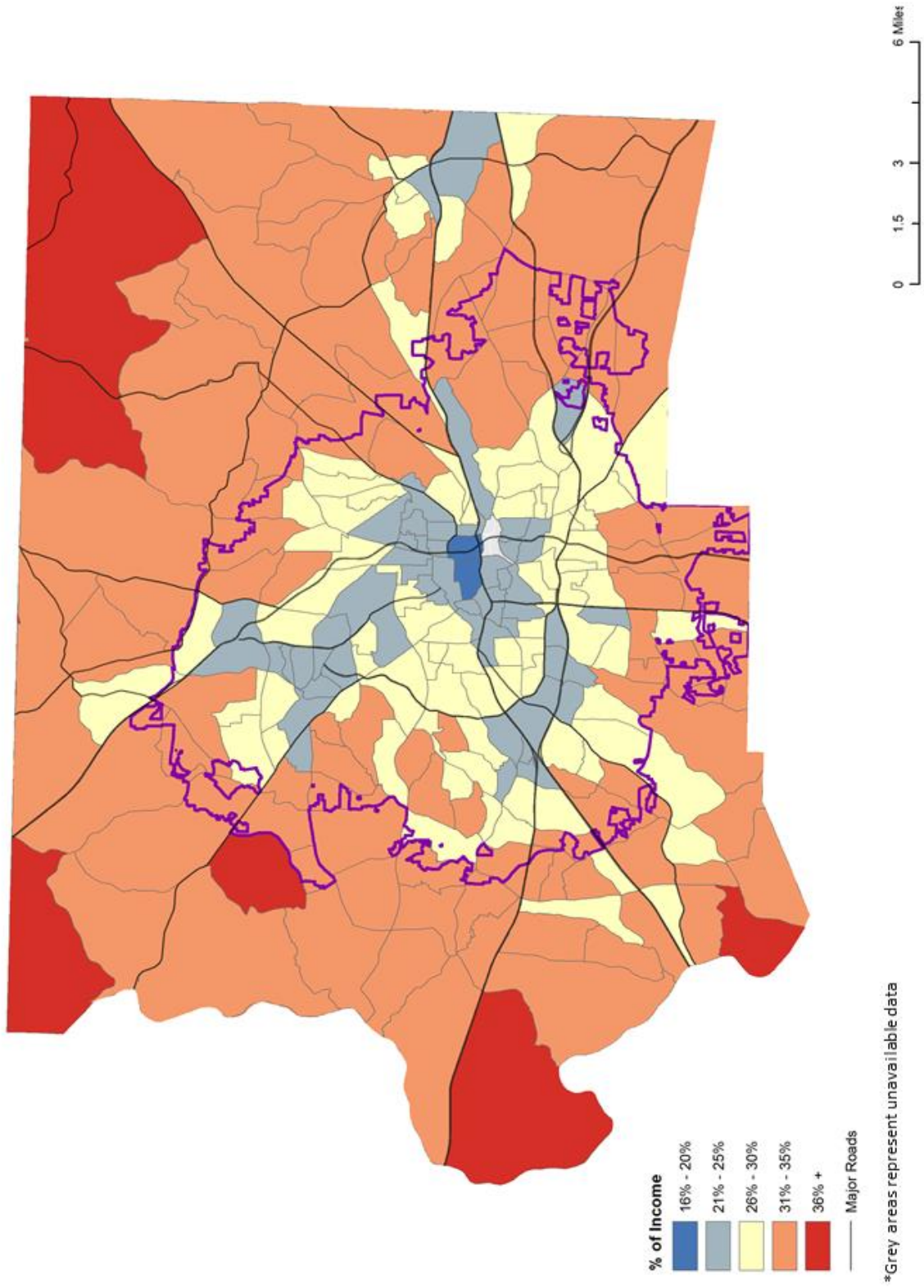
Transportation costs increase with distance from the county to Winston-Salem’s city center. This is because people who live farther from job centers must drive farther and thus pay more. Overall people who live in neighborhoods with higher housing costs also tend to pay more in transportation costs due to greatest distance traveled. For example, a family living in the suburbs of Forsyth County that pays \$2,000 a month on mortgage or rent and drives to their job in Winston-Salem will pay more commuter costs for fuel, vehicle maintenance, and in some cases auto insurance. As such, H&T costs are highest in the west-central parts of the city where transportation costs are low to moderate, but housing costs are very high. In fact, each additional \$100 in housing costs per year is accompanied by a \$65 increase in transportation costs.

Percent of Income Spent on Housing and Transportation Costs for a Low Income Household, 2016



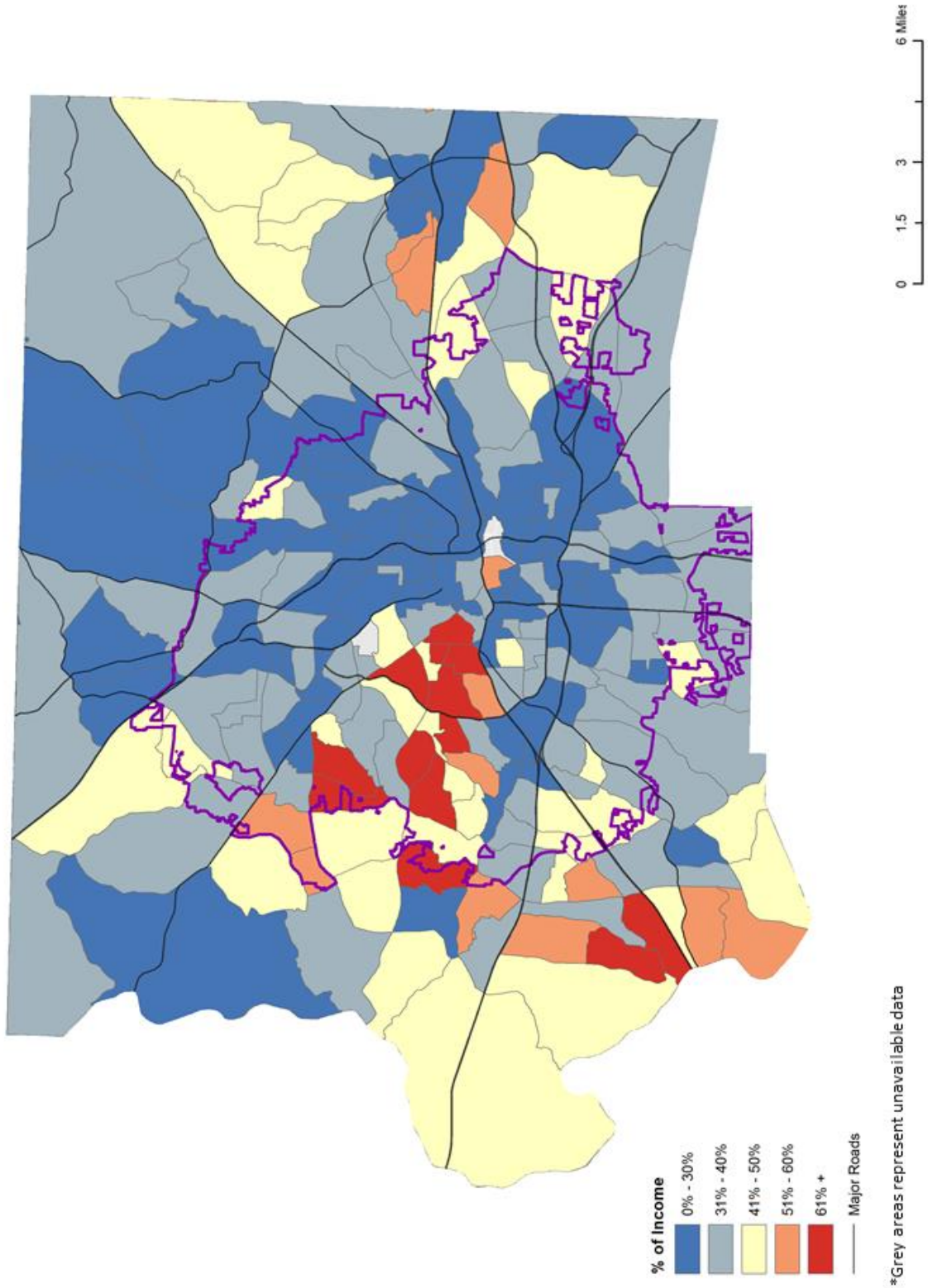
Map 12: Percent of Income Spent on Housing and Transportation Costs for a Low-Income Household, 2016

Percent of Income Spent on Transportation Costs for a Low Income Household, 2016

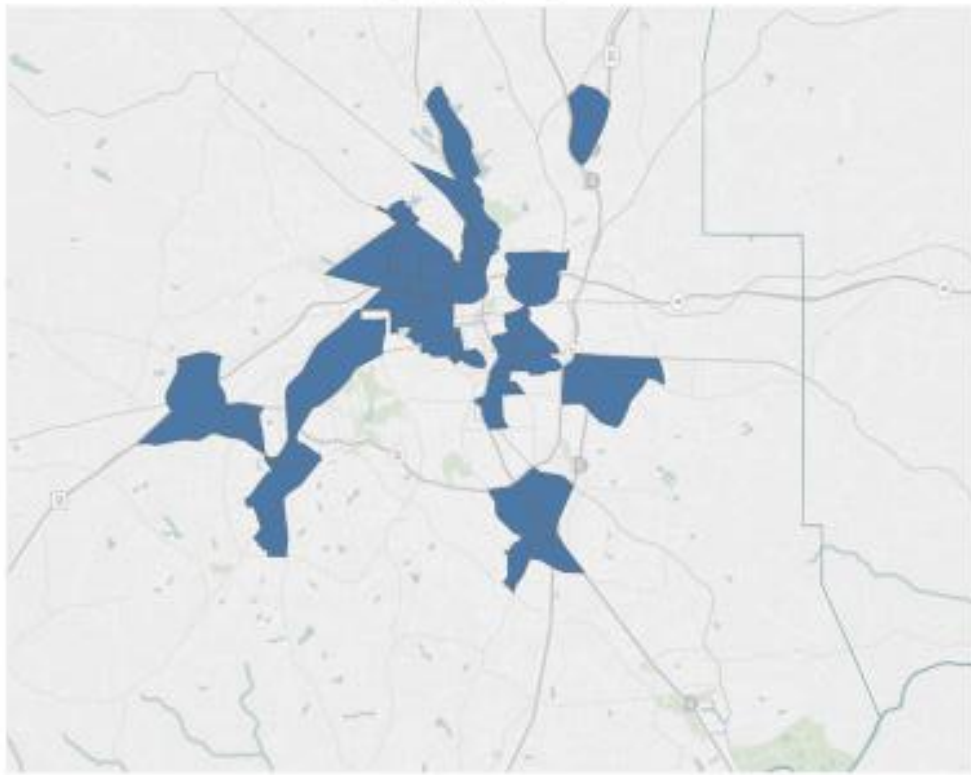


Map 13: Percent of Income Spent on Transportation Costs for a Low-Income Household, 2016

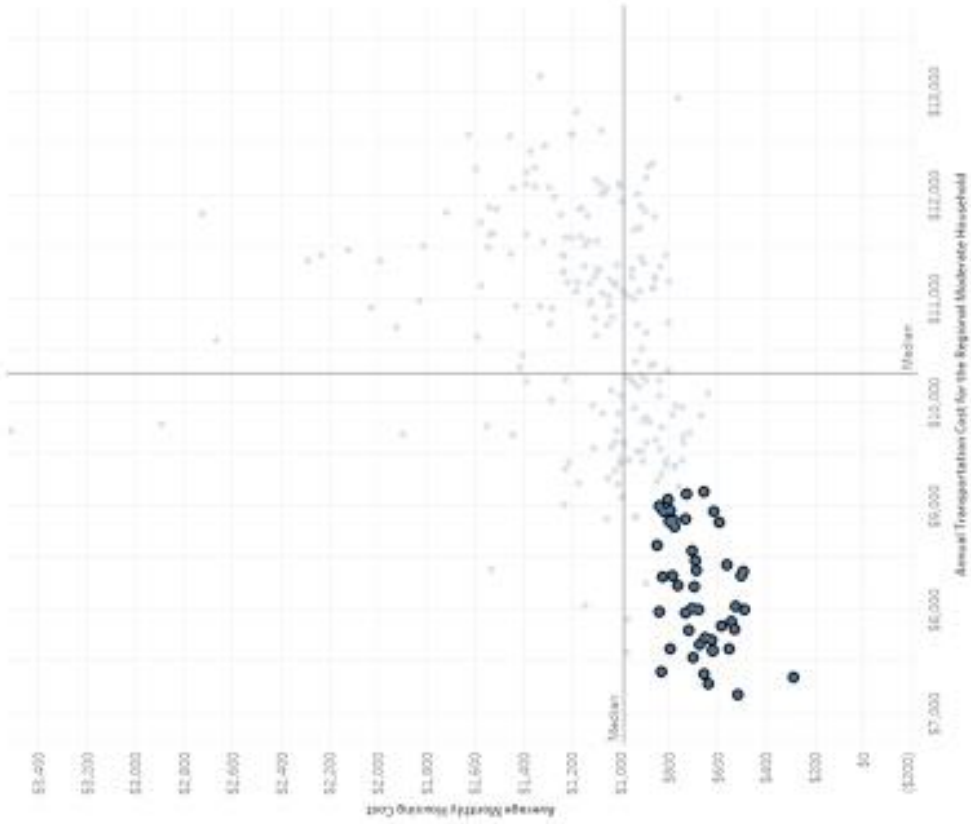
Percent of Income Spent on Housing Costs for a Low Income Household, 2016



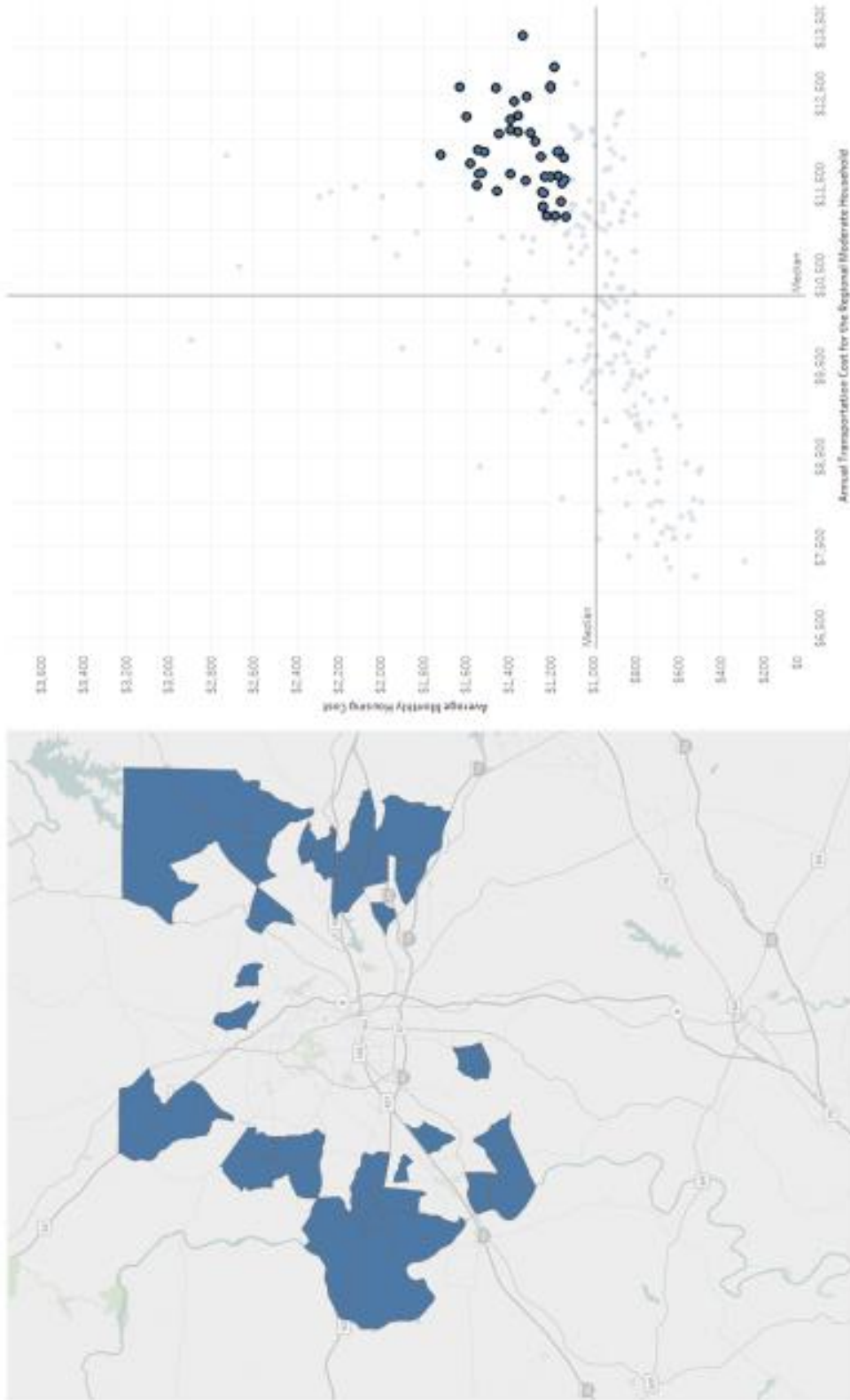
Map 14: Percent of Income Spent on Housing Costs for a Low-Income Household, 2016



Map 15: H+T Affordable Neighborhoods are Concentrated Downtown and East of US 52



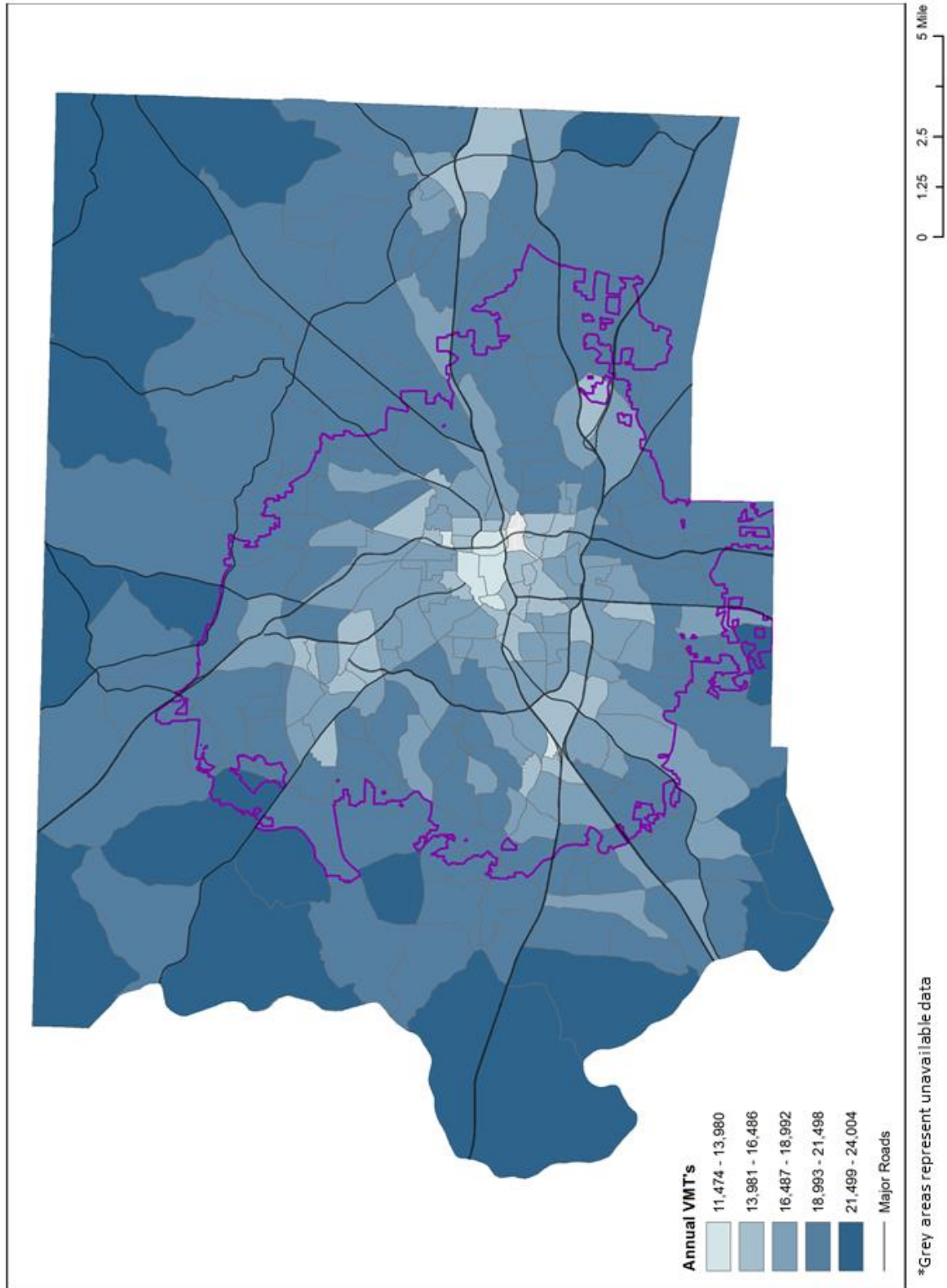
H+T - affordable neighborhoods are concentrated downtown and east of US 52...



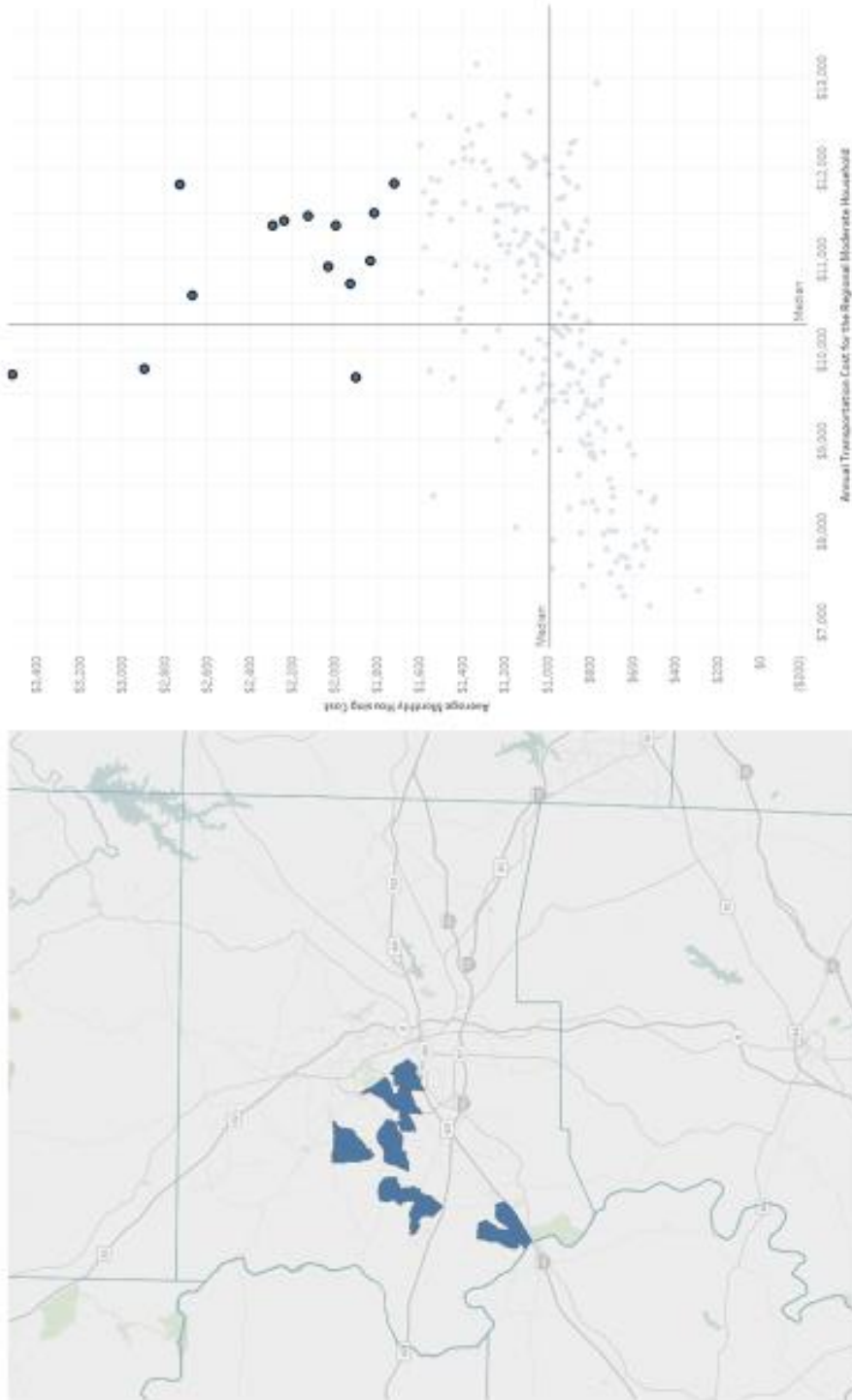
Higher H+T Cost neighborhoods exist around the periphery of the city and county

Map 16: Higher H+T Cost Neighborhoods Exist around the Periphery of the City and County

Annual Vehicle Miles Traveled for a Low Income Household, 2016



Map 17: Annual Vehicle Miles Traveled for a Low-Income Household, 2016



The west side of the city has some outliers with very high housing costs, but moderate transportation costs

Map 18: The West Side of the City has some Outliers with Very High Housing Costs, but Moderate Transportation Costs

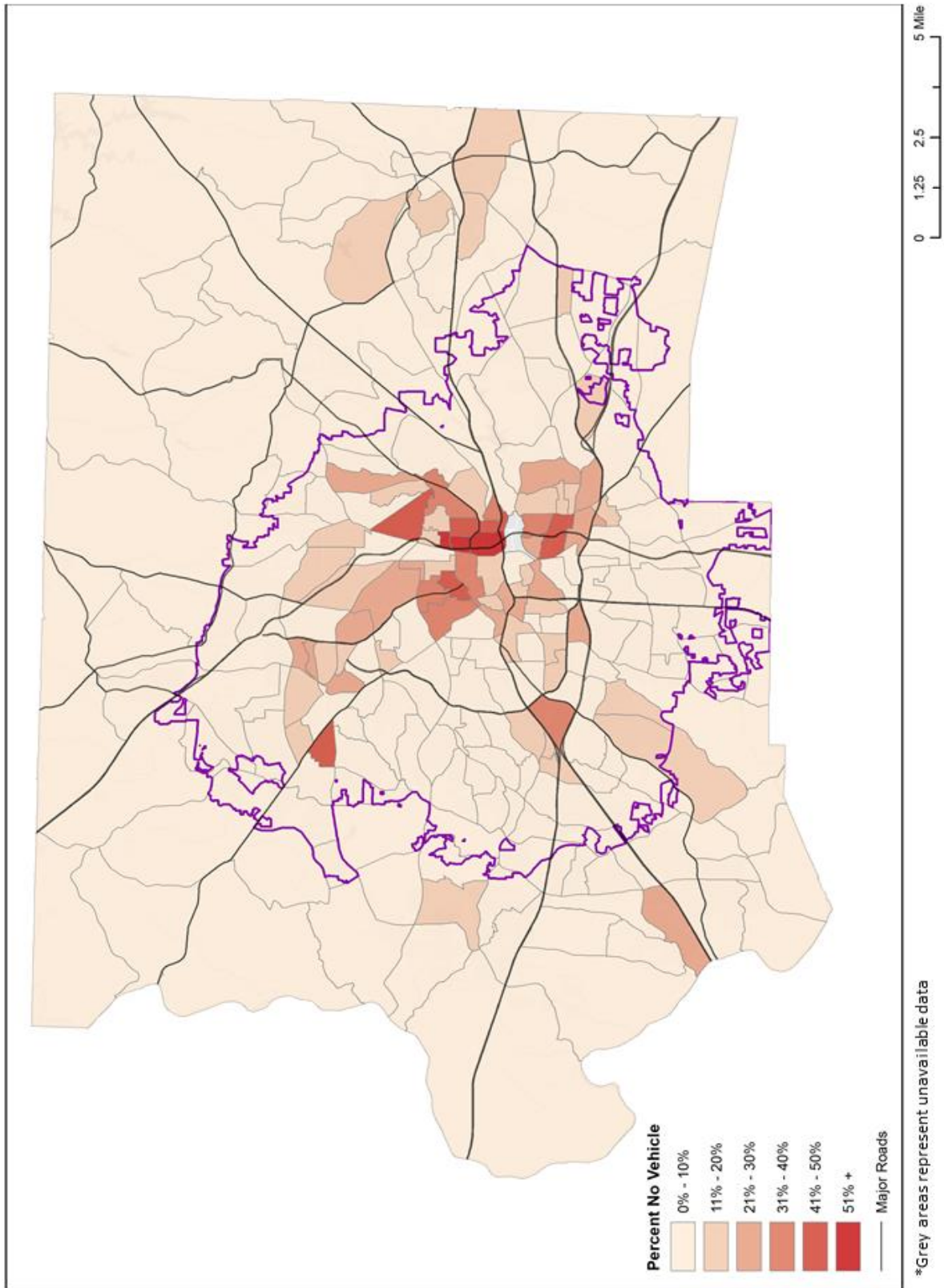
Public Housing and Transportation

Today, housing and transportation costs are currently the lowest around the downtown and East/Northeast Winston areas, and within good proximity to job centers and public transit. The downtown and East Winston populations are also most transit dependent. Maps 19-23 below shows geographic areas like Winston-Salem's eastern portion of the city that are most impacted. Due to the low H&T costs in these areas and the vulnerability of populations currently living either in or near the downtown area, populations living there could experience displacement pressures. It will be important to take proactive steps to mitigate displacement by deciding where in the region these populations can move to, while maintaining their ability to afford transit. Moreover, The Housing Authority of the Winston-Salem (HAWS) currently manages 1,162 units of conventional public housing. Most of the area's public housing units and other subsidized units (including 208 deed-restricted properties) are located either in or near downtown Winston.⁸⁹ The stock consists of three high-rise towers (Crystal, Sunrise and Healy), which serve primarily the elderly and disabled; two fairly dense and aging traditional public housing family communities (Piedmont Park and Cleveland Avenue Homes); and four smaller multi-family communities (Townview, Stoney Glen, The Oaks at Tenth and Camden Station). The maps below illustrate the significant presence of public housing and subsidized units in the downtown area as well as across the neighborhood revitalization strategy area. The HAWS also reports approximately 4,572 individuals and families currently on waiting lists for housing (also see Appendix B).

As illustrated, displacement of these populations to other parts of the city and surrounding county is likely to result in both higher housing and higher transportation costs imposed on them, resulting in increased financial hardship with less access to job centers and services. The largest share of public housing units is situated in the downtown area. Likewise, the largest share of subsidized units is scattered across the city with largest concentration located in the downtown area. As such, housing and transportation costs will increase for lower income families' movement from downtown and the neighborhood revitalization area outward to suburban locations, subsequently increasing cost-burden of households. Such adverse impacts are most acute for the elderly including retired families, disabled and other households living on fixed income.

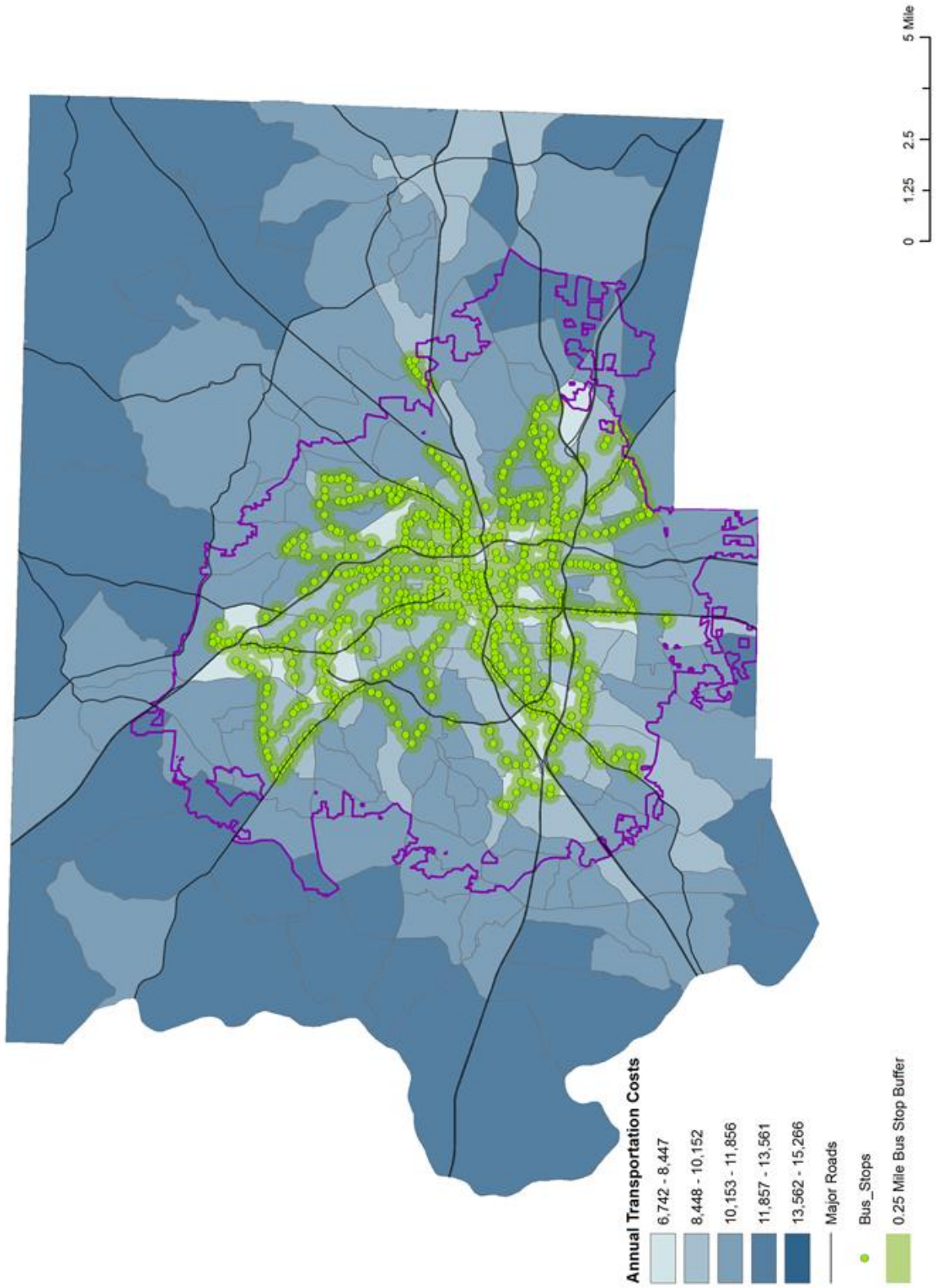
⁸⁹ Public Housing shows the breakdown of total units and waiting list totals by program. The public and subsidized housing waiting list totals were derived from U.S. Census Bureau data, 5 -year estimates and correlated with officials of the Housing Authority of Winston-Salem.

Percent of Households for Which No Vehicle is Available 2012-2016



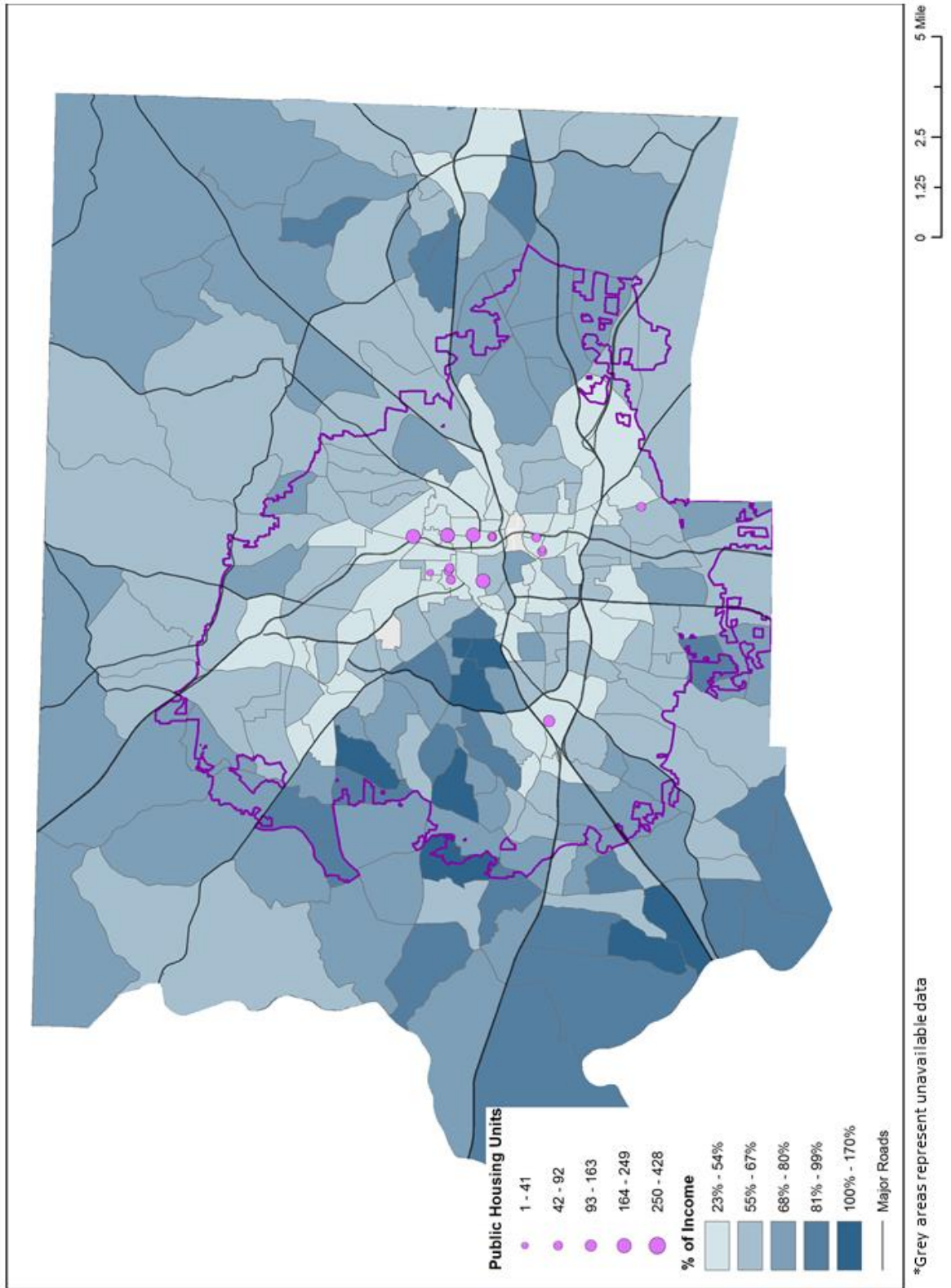
Map 19: Percent of Households for Which No Vehicle Access is Available 2012-16

Bus Stops with Annual Transportation Costs, 2016



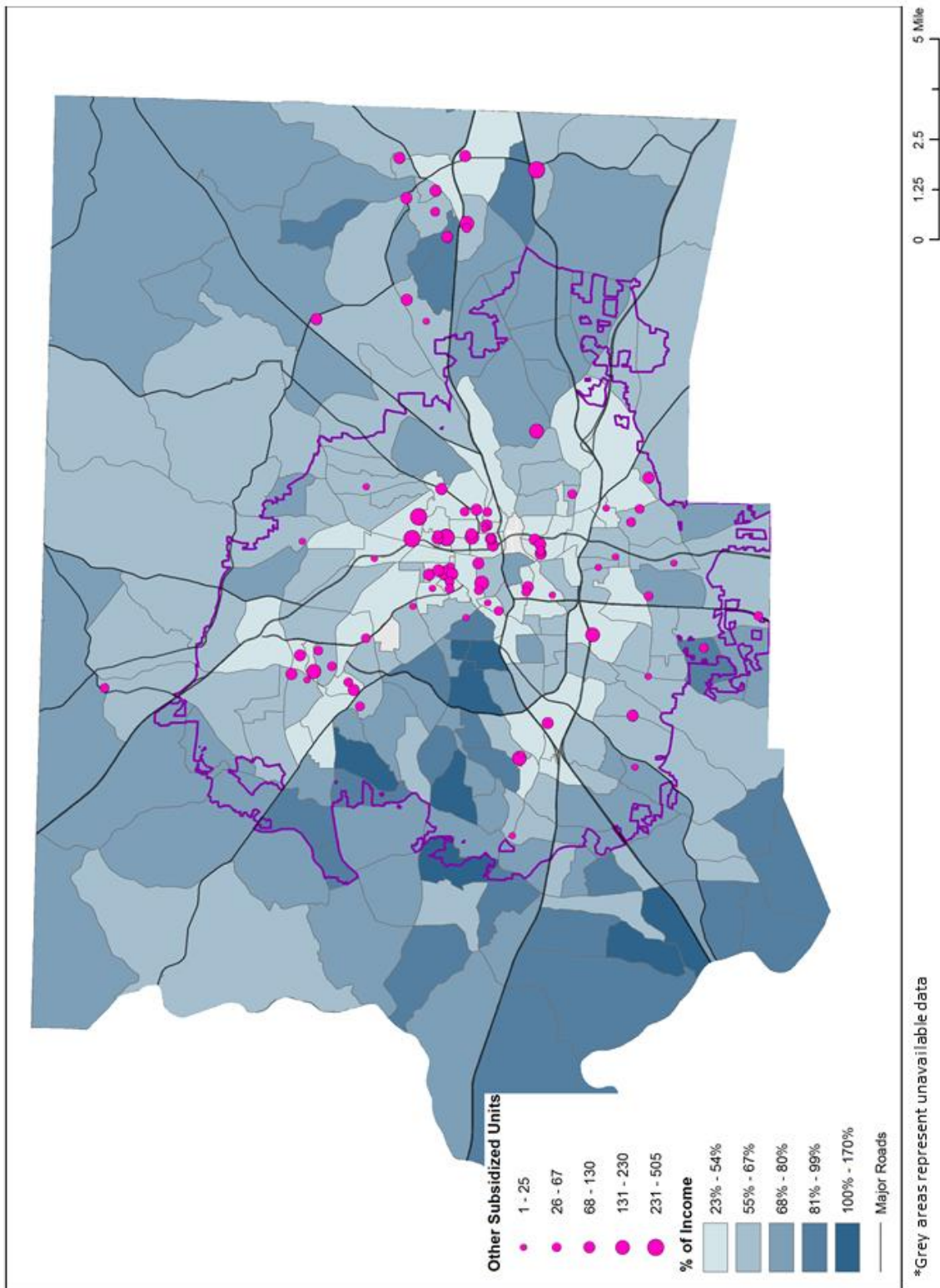
Map 20: Bus Stops with Annual Transportation Costs, 2016

Percent of Income Spent on H+T Costs for a Low Income Household (2016) with Public Housing Developments



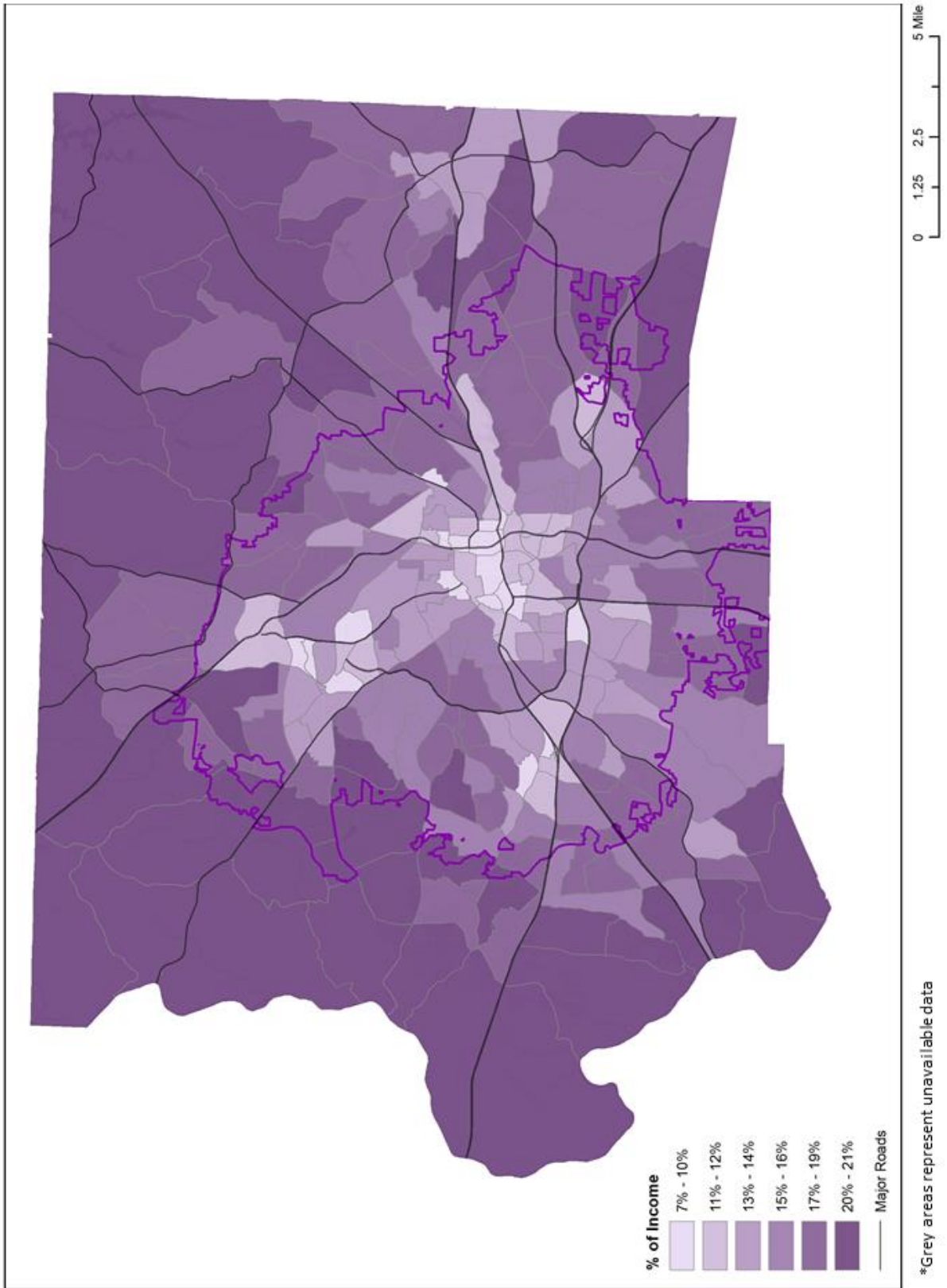
Map 21: Percent of Income Spent on H+T Costs for a Low-Income Household (2016) with Public Housing Developments

Percent of Income Spent on H+T Costs for a Low Income Household (2016) with Subsidized Housing Developments



Map 22: Percent of Income Spent on H+T Costs for a Low-Income Household (2016) with Subsidized Housing Developments

Percent of Income Spent on Transportation Costs for a Typical Retired Couple, 2014



Map 23: Percent of Income Spent on Transportation Costs for a Typical Retired Couple, 2014

Evidence the Downtown and East Winston are Changing

“This is a terrible definition of gentrification. Gentrification is about displacement. We need a vision for what quality homes and services would look like in communities that welcome EVERYONE and displace NO ONE.”

A Winston-Salem Resident

As part of this study, local stakeholders expressed concerns over gentrification; whether or not it is happening in their communities and its potential impact. Of particular concern are downtown and neighborhoods directly east of US 52 (East and Northeast Winston). These areas pose specific concerns by residents,⁹⁰ and due to findings from our Housing + Transportation analysis. As discussed above and shown in Maps 19-23, analysis revealed these locations to not only be the most affordable and transit-accessible areas in region, but also home to many of the most displacement-vulnerable populations – especially those with lower incomes, lower levels of vehicle access, and higher transit dependence. Displacement for many individuals and families in this area would likely mean moving to an area that carries a higher combined housing and transportation cost, thereby exacerbating the economic hardships they currently experience. In these neighborhoods, data suggests that gentrification may be occurring which could result in displacement in these areas.

Gentrification is a complicated issue to address, since while there is some consensus on what the term means generally, there are a wide variety of opinions about how to measure it and what its implications might be. A recent report by Enterprise on this topic defines gentrification as “the change that occurs when a traditionally low-income neighborhood experiences an influx of new, higher-income residents.”⁹¹ This change, however, can take a variety of forms and can have varying degrees of impacts on residents. In some cases, residents stand to benefit from gains in property improvements and increased neighborhood investment and revitalization from higher income residents. In others, long-time residents may be displaced from their homes due to rising housing costs. Thus, while residents often express concern over gentrification generally, the concerns very often stem from concerns specifically about potential displacement impacts and ignore some of the benefits. Given our above discussion of the relative affordability of the neighborhoods downtown and east of US 52, we agree that this should be the focus of the city’s concern.

On a positive note, because these areas are also home to many of the income-restricted affordable housing properties in Winston-Salem (as shown in Map 21: Percent of Income Spent on H+T Costs for a Low-Income Household (2016) with Public Housing Developments Map 21 and Map 22), many current residents may have an effective buffer from any current or future increases in housing costs in the area and may be well-positioned to benefit from increasing neighborhood investment.

⁹⁰ Refer to Community Participation Section of this report

⁹¹ Drew, R. (2018): Gentrification: Framing Our Perceptions. Enterprise Community Partners. <https://www.enterprisecommunity.org/resources/gentrification-framing-our-perceptions-7602>

Unfortunately, the same cannot be said for many other residents who may be at risk of displacement should such pressures emerge.

In this section, the analysis used a different set of geographic boundaries from elsewhere in this report, due to the relevant scale of analysis for studying gentrification. The neighborhood geographies are defined as collections of census tracts as defined in the text below and in Map 24 below. Definitions for Winston-Salem and Forsyth County are consistent with the rest of the document. For indicators representing a number or percent of people with specific characteristics, we sum the tract-level count estimates and recalculate percentages. For indicators representing a median value (e.g. median household income), we calculate the average of the tract level estimates weighted by the number of households in each tract to obtain a neighborhood-level estimate.

Tract definitions of neighborhood boundaries for gentrification analysis:

Downtown:	37067000200, 37067000100
East Winston:	37067000700, 37067000600
North East Winston:	37067000500
North Winston/Greenway:	37067000400

Exhibit 89 presents a framework that outlines various stages of gentrification and provides insights into the gentrification process and how rapidly it can happen.⁹² To understand whether gentrification is occurring in these neighborhoods in Winston-Salem, this study examines a series of six indicators that are typically associated with gentrification. These indicators focus on both changes in the characteristics of individuals and families who are living in a neighborhood and in the changes in local housing prices in these neighborhoods. For reference and comparison to other measurement frameworks, Exhibit 90 presents a review of indicators that have been used in the academic literature to assess gentrification.

Further, Exhibit 91 presents the six indicators for each of the four neighborhoods along with the same indicators for Winston-Salem and Forsyth County (more detailed results and maps can be found in Appendix E). The results of this analysis suggest that both the Downtown and East Winston are exhibiting signs of early gentrification. Northeast Winston and North Winston/Greenway have more mixed changes with some indicators pointing toward gentrification. Due to relatively high margins of error for tract-level estimates in the U.S. Census American Community Survey drawing firm conclusions from mixed results is less likely – particularly where changes in individual variables may simply be the result of sampling error in the survey. However, in cases like the Downtown and East Winston where all/most variables point toward the same conclusion, there is strong enough evidence to suggest a conclusion.

Compared to both the city and county, East Winston is more rapidly adding White residents and losing people of color. It is gaining residents with at least a bachelor’s degree at a faster rate as well. Median Gross Rent, Median Home Value and Median Household Income are also all increasing faster than both the city and county. While not all of these trends are occurring as

⁹² Bates, L. (2013): Gentrification and displacement study: Implementing an equitable inclusive development strategy in the context of gentrification. Portland, Oregon.

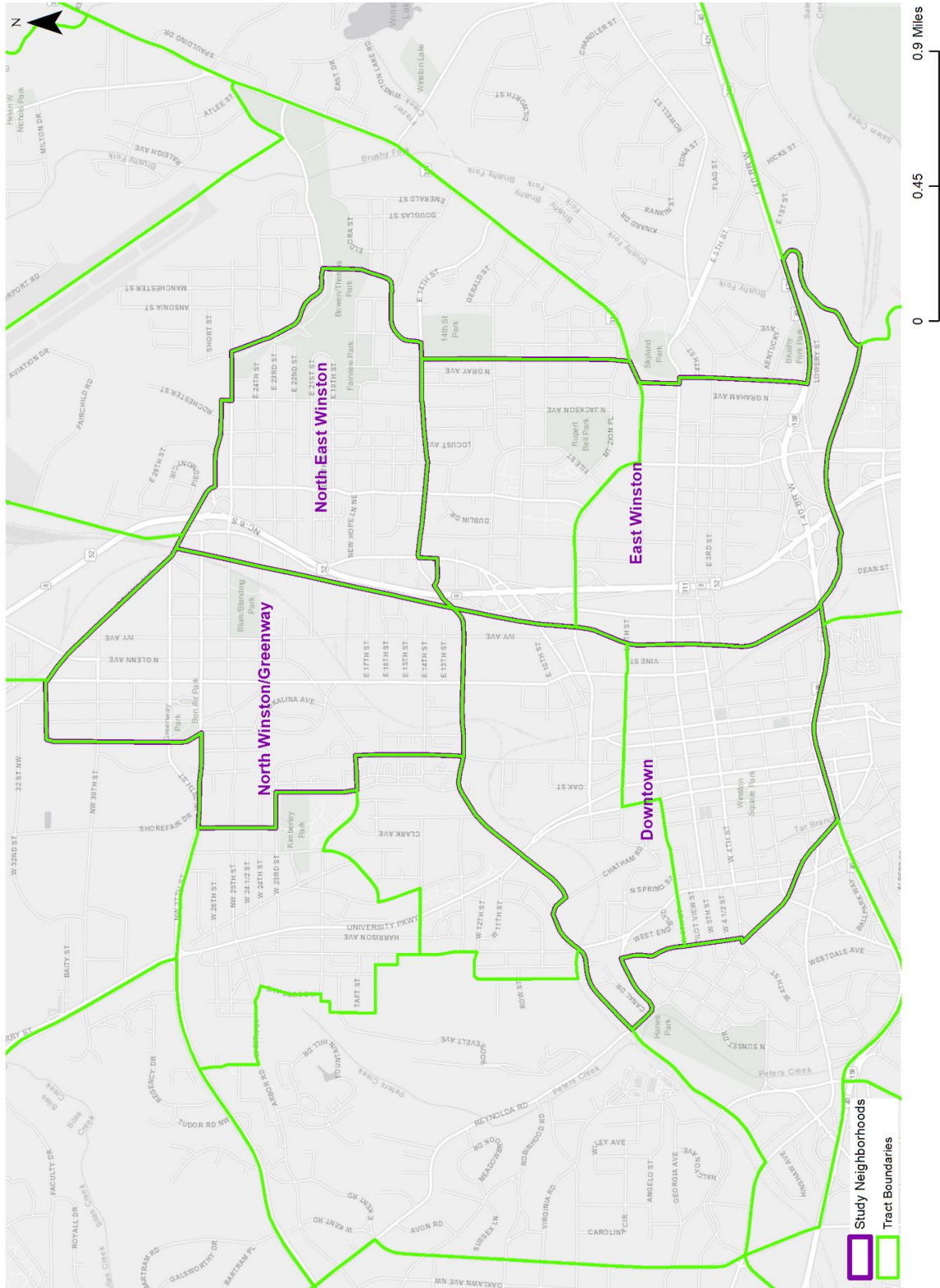
rapidly or to the same extent as they are in the Downtown area, we still observe trends that are consistent with the claim that East Winston is showing signs of early gentrification.⁹³

In the case of the Downtown, we see similar direction and magnitude of trends with one exception – where East Winston shows a decrease in the population of color, the Downtown shows an increase in the population of color. Further research would be needed to determine the demographics of these newer residents and the implications for neighborhood change and gentrification.

Although analysis reveals that both neighborhoods are in the early stages of gentrification, both in terms of demographics and increasing housing values, we do not currently know the extent to which displacement has already been or will be occurring. Data to assess this at a neighborhood level is a challenge, due to the aggregated nature of data from publicly available sources. However, given the sensitivity of many residents in particularly East Winston, we recommend monitoring these neighborhood changes to determine the extent of displacement risk in these areas.

⁹³ Note that in the case of East Winston, smaller base values in housing costs, incomes and the number of white residents make changes in these values appear very large on a percentage basis. Thus, it may not be reasonable to suspect that these percentages represent sustainable rates of change – instead we would expect to see diminishing rates of change, even as the direction and magnitude of the absolute changes may be more stable.

Neighborhood Boundaries Used in Gentrification Analysis (Based on Census Tracts)



Map 24: Neighborhood Boundaries Used in Gentrification Analysis (Based on Census Tracts)

Exhibit 89: Stages of Gentrification

Stage	Housing Values	Appreciation in housing value	Demographic Change	Vulnerable Residents
	Low to moderate values & near high value areas	Yes	No	Yes
	Low to moderate values	Yes	No	Yes
Early Stages	Low to moderate values & near high value areas	Yes	Yes	Yes
Dynamic stage	Low to moderate values	Yes	Yes	Yes
	High value	Yes	Yes	Yes
Late stages	High value	Yes	Yes	Yes (but fewer)

Source: Adapted from: Bates, Gentrification and Displacement Study, University of Portland, 2013

Exhibit 90: Examples of Popular Gentrification Measures using Decennial Census Tract-Level Data

Study (Authors and year)	Geography and Timeframe	Potential Criteria (observed in starting year)	Gentrifying Criteria (observed as change between starting and ending year)
Ellen & Ding (2016)	All metro areas, 1980-2010	Central city tracts with average family income below the 40th percentile of average family income among all tracts in metro area	At least a 10-percentage-point increase in the tract-to-metro ratio of 1) average family income, 2) share of white residents, 3) share of college-educated residents, or 4) median rent
Martin (n.d.)	Top 52 metro areas (by population in 1970), 1970-2010	Two options: Central city tracts with average family income below 80% (or 50%) of the median of average family income among all tracts in metro area	Change in tract average family income greater than (or at least 50% greater than) the median change in average family income among all tracts in metro area
Freeman (2005)	Metro areas, 1980-2000	Central city tracts with median income and share of housing built in prior 20 years below the median (or 40th percentile) among all tracts in metro area	Above metro-area percent increase in college-educated residents and increase in real housing prices
Bostic & Martin (2003)	Top 50 metro areas (by central city population in 1970), 1970-2000	Tract median income below 50% of metro area median income	Average of tract rank within metro area on nine metrics (adapted from Wyly & Hammel, 1999): 1) percent change in tract median income; 2) change in share of tract population ages 30-44; 3) tract homeownership rate, 4) share of residents with college degrees, 5) share with some college education, 6) poverty rate, 7) white non-family share of households, 8) black share of population, and 9) share of residents in managerial and administrative occupations in end year of analysis
Ellen & O'Regan (2008)	All 226 metro areas (as of 1970), 1970-2000	Central city tracts with average household income below 70% of metro area average household income	At least a 10-percentage-point increase in the tract-to-metro ratio of average household income
McKinnish et al (2010)	Sample of urban tracts in 64 large (population of 500,00 or more) metro areas, 1990-2000	Tract average family income below 20th percentile of all tracts nationally	Increase in tract average family income of \$10,000 or more

Exhibit 91: Summary of Gentrification Indicators in Selected Neighborhoods (2007-2011 to 2012-2016)

	Downtown	East Winston	North East Winston	North Winston/Greenway	City of Winston-Salem	Forsyth County
Percent Change, Adults with a Bachelor's Degree Or Higher	87%	29%	-8%	-31%	14%	14%
Percent Change, White, Non-Hispanic Population	21%	359%	-89%	391%	1%	2%
Percent Change, Nonwhite and/or Hispanic Population	18%	-5%	-1%	6%	8%	9%
Percent Change, Median Gross Rent	24%	16%	4%	10%	7%	8%
Percent Change, Median Home Value	38%	16%	-34%	10%	0%	0%
Percent Change, Median Household Income	5%	19%	43%	37%	-1%	0%

APPENDICES

Appendix A: Notes from Public Engagement Meetings – September 25, 2017⁹⁴

1. What are the most important issues related to housing in this community?

- Affordability
- Accessibility
- Transit-Transportation and parking
- Mixed housing may differ by race and ethnicity
- Hyper-segregation
- Lack of housing for adults with special needs
- Downtown development pushing people out
- Housing devaluation
- Rentals owned by large companies and their compliance with codes
- Gentrification
- Limited services for seniors to age in place
- Quality of housing stock, overall aging
- Poor quality housing is concentrated
- Inequitable property taxation-more subsidies for wealthy neighborhoods
- Policies regarding affording housing for and by developers
- SSI-Supplemental Security Income
- A program to train and transition (Durham program by Jim McDougal-TROSA)
- Nothing to inspire care for neighborhood-Add businesses that can be supported and provide jobs
- Sustainability
- Zoning rules
- Uneven distribution of businesses
- No planned communities- (Reston, VA)
- Advocates for neighbors are needed
- Sandwich dynamic
- Reluctance of Forsyth County and City to address problem of abandoned properties through foreclosure or eminent domain
- Because housing is collectively treated as a commodity, the needs of occupants for shelter are weighed against other needs such as the need for financial return for investors, the needs of construction companies to build, re-build, and repair structures, and landlords to maximize the profitability of housing they own but do not occupy themselves. The collective force of the exchange value of housing (the latter) will win out over the needs for use value amongst the former so long as housing is treated as a commodity.
- safe, and affordable
- affordable housing for working class

⁹⁴ Public Engagement sessions were coordinated, facilitated and analyzed by Gramercy Research Group, LLC. Winston-Salem, North Carolina

- The rent is TOO high here! Also, we have a housing crisis and too many people living on the streets.
- Affordability, proximity to public transportation, livability within rental properties
- Livability of dwellings directly correlates to income. Less income = less livable
- The needs of the homeless men/women with children are not addressed strong enough. There seem to be more housing for single men than women and if you're not in a domestic situation, warranting shelter, women just have to be on the street if they can't rely on family and friends
- Affordable housing. It impacts people of color even more so, but affects all working-class citizens
- There is not enough affordable, safe housing available with accompanying access to needed services (transportation, groceries, medical, etc.).

2. Types of Housing

- Variations of tiny homes
- Mixed housing-types and uses
- Senior communities
- Adaptable housing (Seniors and persons with disabilities can age at home)
- Non-dormitory housing for the homeless population
- Co-ops
- Mixed income
- Micro units
- Renovating existing housing
- Smaller multifamily (duplexes)
- Workforce housing
- Micro units-small but built together like apartments
- Single level housing
- Multifamily homes (condos/townhomes)
- First and foremost, affordable housing. Second, housing that is more democratically controlled by the city and thus not subject to the rising and falling of profit for who gets to live in it.
- Low income and mixed housing. Also, more affordable housing near downtown.
- Safe walkways to grocery and food destinations
- Affordable family housing
- Transitional housing for folks in need. Tiny house neighborhoods are one possibility. Housing that is supported by services to reduce transportation costs.
- We need more housing for men/women with children and women not affected by domestic violence
- Housing that is truly affordable. Realistically need to assess income and need
- Safe affordable housing that allows for aging in place and housing for the disabled

3. Adequate Housing

- Availability for all, regardless of income or personal characteristics
- Consistent inventory
- Meets safety and health codes

- Location-walkable, basic services and resources
- Transit in close proximity
- Housing that is safe and spacious enough for the adults and children that occupy it and close to the city for employment and other social services.
- Operating electricity, water, free from rodents, and pests.
- Affordable family housing
- Safe, secure housing suitable to the family / population's needs.
- Adequate number of units in the categories (age, Income, family size) to meet demands
- How do you define "empty buildings?"
- Safe, Clean, efficient, livable with working major systems and appliances
- My definition of adequate housing is a safe and secure structure with water, electricity, heat and all other basic amenities, such as being able to cook, bed to sleep in, etc.
- Affordable, not overcrowded, kept in good repair, and ENERGY EFFICIENT
- Adequate to me means a safe neighborhood with access to necessary related services, an appropriate place to raise children in a diverse, enriched atmosphere

4. Affordable Housing

- Relative-defined by cost, considering income and expenses like medical bills, tuition or utilities
- 30 % of income, or less as defined by HUD
- Workforce (name changed, but same meaning)
- Workforce vs. Affordable for first responders and teachers
- All inclusive-rent, utilities and cable
- Housing that can be afforded on a housing wage according to National Low-Income Housing Coalition.
- Cost of housing less than one third of household income.
- How do you define housing crisis? affordable housing means we end the housing crisis and stop the sweetheart deals from political leaders.
- Housing available at a cost that consumes an appropriate % of Income. I estimate 30% +
- No more than 30% of income
- Affordable housing to me, means if I'm living in subsidized housing, my 'net' income is the bases for my rent
- Less than 1/3 of your monthly income should go to housing. Energy bills should be reasonably priced
- Under \$600/month

5. Suitable housing

- Adaptability
- Community based
- Safe
- Mixed use neighborhood
- Navigable-easy to understand elderly and those with mental health issues
- The same as adequate housing.
- Correct for the occupant; space for children to play outside, bathrooms suitable for seniors, wheelchair accessibility, etc....

- Safe, secure appropriately equipped
- everyone deserves suitable housing
- Clean, safe, energy efficient, working major systems and appliances
- Your basics, walls, clean, safe, livable
- Clean, not overcrowded, and in safe neighborhoods with educational and economic opportunities
- Safe. Maintained. Access to all services. Inclusive

6. Accessible

- Transportation
- Resources-healthcare, grocery stores
- Affordable childcare
- Safety
- Greenspace
- Medical resources
- F.Q.H.C.-Federally Qualified Health Center⁹⁵
- Housing that can be used by occupants while they continue to live their social and working lives outside the home.
- Appropriate for the people living there; single level for people who can't walk steps, wide doorways.
- Housing that is accessible is affordable, safe and centers working class people and people of color.
- Accessible to appropriate transportation
- Meeting Handicap accessibility standards
- Affordable
- Meeting the needs of all, just not certain individuals
- Depends on the individual. Must be willing to accommodate residents with special needs
- Visibility. Able to age in place

7. Barriers to adequate, affordable, suitable, or accessible housing

- Adequate for those with criminal backgrounds
- Earning adequate wage
- Neighborhood stigma
- Stagnant wages and the treatment of housing as a commodity to be accessed only by those with income
- Lack of city ordinances that hold builders to a higher standard
- Cost, neighborhood diversity
- Some of the barriers include: slumlords, bad policy made by local leaders, greed, real estate deals with the current mayor that benefit him and his girlfriend and lack of political will to address the housing crisis.

⁹⁵ <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/fqhcfactsheet.pdf>

- Rental management companies that do not maintain livable standards for the properties they represent and/or own... Lack of affordable housing within growth districts such as downtown.
- Most housing being built in this community are for more affluent people, with no regard for people who can't afford to pay over \$500/month in rent
- Labeling
- Loans for Social Security Income and disability only not available through City
- Long waiting list vouchers
- Jobs are needed for economic development
- Stagnant wages and the treatment of housing as a commodity to be accessed only by those with income.
- That the only way housing gets built is through private sector investment.
- Lack of city ordinances that hold builders to a higher standard.
- Cost, neighborhood diversity
- May limit the ability to relocate to an area that the family believes is more suitable.
- Some of the barriers include: slumlords, bad policy made by local leaders, greed, real estate deals with the current mayor that benefit him and his girlfriend and lack of political will to address the housing crisis.
- Cost, lack of adequate controls over landlords and developers, who just want to make profit regardless of how they treat people and communities
- Developers not being held accountable.
- Funding and available space are barriers
- Funding is always a problem, as is maintenance. Even if you can get something built, it can be difficult to sustain
- Funding, space, economic factors, accessible services, coordination of services
- Funding is an issue. Competing interests

8. Facilitators for adequate, affordable, suitable, or accessible housing

- Second chance programs for housing and jobs
- Enforcement of the Fair Housing Act
- Higher paying jobs
- City interest in improving housing and non-profits interest in developing housing, i.e. N.C. Housing Foundation
- Support existing programs
- Training and credentials, to allow for higher paying jobs and eligibility
- Business and community partnerships
- All agencies in the city should facilitate some form of accessibility to affordable housing to everyone
- Housing available at a cost that consumes an appropriate % of Income. I estimate 30%
- Habitat for Humanity, Neighbors for Better Neighborhoods
- Sidewalks
- We need more people interested in housing cooperatives, housing first model; and less of political leaders and wealthy who benefit from real estate deals.
- Include housing for low to middle income workers
- Need to pass an ordinance that allows for measurable enforcements

- Must be energy efficient. Look at the utility costs per square foot and enforce efficiency upgrades
- Need to follow ADA and listen to people's needs
- Surveying the community as to future housing needs and trends, in addition to county wide community long term planning would help, all stakeholders need to be at the table throughout the whole process
- Coordinated efforts and inclusive planning can help facilitate
- Active, ongoing stakeholder input

9. Impact

- Food deserts and limited resources overall
- Limited or inadequate space for family
- Education
- Ability to learn
- Mental health
- Chronic disease and poor outcomes (Hypertension)
- Negative supplemental income (drug dealers)
- Limited social outlets
- Segregation (Further separating communities/races)
- People may not know their neighbors
- Silos
- Social development
- Positive businesses (Draw them to urban areas and evenly distribute stores and restaurants)
- Investment in the community
- Downward price pressure
- May separate families or limit mobility
- Inadequate housing or high-risk areas could impact health
- Housing, education, and healthcare are always people's primary expenses so as they rise or fall, so do people's ability to use them
- May limit the ability to relocate to an area that the family believes is more suitable.
- May limit the educational (school) options
- May limit the ability to pursue a better opportunity
- Housing is critically important! It impacts everything. This is a silly question
- Increases our need and use of local shelters as transitional housing during crises such as economic downturn, individual losses, etc.
- Lowers attention, attendance and scores of impacted school aged children
- Threatens family health when basic appliances are not in working order such as a stove or refrigerator.
- Lack of clean water... Multiple impacts
- If we stop making it easy for people to rely on government assistance, we can have affordable housing for everyone
- People who don't care about their living situations raise children to not care, but if we make them accountable, make them clean up their own neighborhoods, then maybe they can stop the cycle of becoming a person of the system

- You can't meet your basic living arrangements and take care of your health if you don't have enough resources geared towards your specific situation
- I don't think housing has any issues on education, it's the individual's home life that lacks - there must be at least one person in the home pushing you to be better educated than they were
- Children need safe neighborhoods with quality education. Older adults need safe spaces with satisfactory recreation
- Poverty, homelessness, fairness
- Lead, mold, radon, asbestos - please hold these landlords accountable
- Need better schools for all
- A more just housing market will lead to a better employment market
- It has a huge impact on quality of life and outcomes for future generations by influencing the development of children
- It can have huge impacts positively or negatively. You need access to all services to joy a healthy, safe lifestyle. We need more conscientious efforts to promote inclusive, diverse neighborhoods so we can stop the segregated neighborhoods we have now
- These are all the same question. You must have access to healthy foods and medical services, schools, childcare, greenspace - all the elements of a healthy, integrated lifestyle
- Access to good schools and safe schools - equal available resources. A strong, vibrant educational upbringing allows for more opportunity for a successful future.
- Better education and access to training, the more access to better jobs and promising futures

10. Aging Housing

- Lower tax value
- Health and safety
- Maintenance cost
- Appearance and Beautification
- Sustainability and accessibility for those with disabilities
- RUCA-Revitalizing Urban Commercial Areas
- TURN-Transferring Urban Residential Neighborhoods
- NC BAM-Blessed Above Measure (Christian faith based non-profit organization)
- Partnership with community organizations
- Deferred maintenance
- Quality
- Concentrated
- Lead paint/testing/processing of the test
- Heating and cooling cost
- Lot sizes are non-conforming /planning and zoning
- To me age is not an issue when the house and the environment around are well maintained. However, when the property is allowed to deteriorate it is a big problem. If incentives can be provided to encourage maintenance and upkeep it may help. The standard for outside maintenance should be set and enforced to encourage the maintenance of the interior systems.

- The city should be responsible for fixing houses that need care and can be harmful to the environment and community
- Personally, aging housing communities should be for those who want nothing more. If you give them better housing and not charging them with the responsibility of maintenance and upkeep, the housing community's appearance drops
- Housing can usually be renovated. We don't necessarily need new construction if health and environmental impacts are satisfactory
- Aging housing is hard to maintain and less appealing. It leads to a degeneration of a neighborhood if funds are not available to update. Then the neglected neighborhood cannot maintain or attract the necessary services. Domino effect. It takes planning and money

11. Gentrification

- Pricing me out of my neighborhood
- Growth or economic development (What it's usually called)
- Normalizes and excludes marginalized communities
- Removes history
- Cuts Section 8
- Continued divide, promotes division between races and economic groups
- Gentrification is the rehabilitation of structures that have fallen into disrepair in order to maximize their profitability.
- This is a new term, so I start with the above description. If I understand correctly I may be seeing Gentrification in Ardmore where smaller houses are getting significant upgrades and additions. This can create a significant disparity in size and price of homes in a neighborhood. This disparity may discourage investment. The upgrades may also lead to making affordable neighborhood less affordable.
- We need to stop gentrification
- What's good is it to renovate and improve if the people don't know/learn what it means to have middle-class taste. When you renovate the housing, the people living in those housing need renovating also
- This is a terrible definition of gentrification. Gentrification is about DISPLACEMENT. We need a vision for what quality homes and services would look like in communities that welcome EVERYONE and displace NO ONE
- Gentrification can force the current inhabitants out by outpricing the available housing. I live in an old neighborhood with lovely homes, but most families prefer new homes

12. Rent vs. Purchase

- Knowledge of programs for buyer assistance
- Redlining not shown homes in desirable areas
- Mobility (Potential for moving)
- Employment stability (unsure)
- Maintenance and upkeep
- Credit requirements
- Ability to save money for down payment
- Instability in the housing market/tax revaluation (home equity values)

- Capacity to provide/build at the low-income level
- Their plans to be in the community for a short period or long term, I.e. anticipated job relocation.
- Environment and future goals
- affordability - proximity to employment - public transportation vs private transportation
- Schools, closeness to resources, community togetherness, diversity (or lack thereof)
- People like flexibility - young people change jobs a lot more frequently these days. Some don't like the responsibility of home ownership. The economic climate is volatile. The housing collapse has made people fearful

13. Renter Issues

- Education for renters and landlords (rights)
- Location of rental housing
- Owners not compliant with codes
- Enforcement of compliance issues
- Limited renter control-autonomy
- Fear of retaliation and reluctance to speak up (negative repercussions)
- Enforcement of codes
- Slumlords within the HUD⁹⁶ system
- Difficulty breaking into the system
- That landlords and property owners will always raise their rents to maximize profits especially when demand is high.
- The city may encourage Absentee Landlords to maintain the property by code and standard enforcement.
- The landlords suck in this town
- maintenance and upkeep - the city should fine absent landlords, give them 60 days to repair properties or face hefty fines and/or face the possibility of losing house to tenant
- The rent is too high. Pass ordinances to hold absentee landlords accountable. Pass rent control ordinances
- Absentee landlords do not maintain properties. If the family receives a subsidy, they are afraid of being thrown out with no place else to go if they ask for repairs or maintenance. There is a lack of oversight and compliance

14. What else?

- Community land trusts
- Increase life expectancy of people with special needs (We are not prepared to handle new issue)
- Economic growth leads to high SES and lower affordable housing and a rise in gentrification
- Technology access

⁹⁶ <https://www.hud.gov/>

- Training and credentialing lead to increased opportunities for local contractors
- Employment opportunities for existing residents
- Local contractors (Opportunities)
- What jobs and for whom? (Job training not working)
- Zoning and rezoning issues
- Land value and taxation
- End the crisis

Methodology

On September 28, 2017 and January 25, 2018, public engagement meetings were hosted to inform the Housing Study Needs Assessment. Two meetings were held on each date to accommodate schedules for community residents. In total, 46 individuals attended the public engagement meetings on September 28, 2017 and 76 individuals attended public engagement meetings on January 25, 2018.

Results

Issues: Discussion Themes

Relevant themes that emerged around housing issues/needs across the public engagement meetings included:

- Affordability
- Accessibility
- Accountability
- Disparities
- Development/gentrification

Key issues and relevant themes are summarized in the table below. Some issues overlapped across issues, as reflected in the table.

Issues	Affordability	Accessibility	Accountability	Disparities	Gentrification
Cost	X	X	X	X	X
Job Market	X	X	X	X	X
Lack of Loans	X	X	X	X	
Location		X		X	X
Offender Housing		X		X	
Code Enforcement			X		
Homeowner Accountability			X		
Hyper-Segregation		X		X	X
Stigma				X	
Redlining	X	X	X	X	
Quantity		X		X	
Quality	X	X	X	X	
Devaluation			X	X	X
Low Wages	X	X	X	X	X
Safe		X	X	X	
Spacious		X		X	
Transportation		X	X	X	X
Maintenance Costs	X			X	
Special Populations		X		X	
Single Women	X	X		X	
Landlords Provide Livable Housing		X	X	X	
Ordinance Changes		X	X		
Tenant Rights			X	X	

Issues	Affordability	Accessibility	Accountability	Disparities	Gentrification
NIMBYism ⁹⁷				X	
Co-Housing	X	X			
Subsidies	X	X			X
Retirement Communities	X	X			
Secondary Costs of Ownership	X	X			X
Difficult Shift-Renting to Owning	X				
"Lost" and "Darkness" zip codes				X	

Impact of Housing Issues

Residents discussed the impact that housing conditions have on a variety of areas in the community including family impacts, social impacts, health impacts, educational impacts, and economic impacts. Overall, the perception was that the current housing conditions have resulted in segments of the community having limited/less or no access to critical resources (e.g., food, education, adequate housing, jobs paying living wages). The inequitable distribution of assets contributes to a cycle of low education, poverty, lack of jobs, and limited opportunities. Residents cope in unhealthy ways (e.g., “negative supplemental income” when jobs are not available) and suffer from poor consequences (e.g., poor mental health, chronic disease). Some comments suggested that residents in poor communities were directly responsible for their conditions and should be held accountable.

Solutions: Discussion Themes

Relevant themes that emerged around solutions for housing needs across the public engagement meetings included:

- Housing types
- Accountability, action, and policies from elected officials
- Accountability, action, and policies from corporate leaders
- Accountability, action, and policy supports with regard to subsidies and private donors

Key solutions and relevant themes are summarized in the table below. Some solutions overlapped across themes, as reflected in the table. Solutions focused on strategies to increase the available types of housing, and strategies that could/should be addressed by elected officials,

⁹⁷ Not In My Back Yard (NIMBY)

corporate leaders, or specific policies related to subsidies or that could be supported/impacted by private donors.

Strategies and Solutions	Housing Types	Policy/Elected Officials	Policy/Corporate Leaders	Policy/Supports, Subsidies and Private Donors
Variety of housing types <ul style="list-style-type: none"> ● Tiny homes or micro units ● Multi-family options (e.g., duplexes) ● Mixed housing type and mixed income housing communities (communities with a variety of housing types) ● Single level housing (particularly for individuals who are aging or individuals with special needs) ● Housing that incorporates new technology 	X	X	X	X
Housing for specific populations: <ul style="list-style-type: none"> ● Communities for special populations (e.g., seniors, adults with special needs) ● Housing options for multi-generational families ● Housing specifically for low, middle income, and service workers ● Co-housing especially for aging women and low income (address current policies that prohibit unrelated 	X	X		X

Strategies and Solutions	Housing Types	Policy/Elected Officials	Policy/Corporate Leaders	Policy/Supports, Subsidies and Private Donors
individuals from living together)				
Renovate existing housing stock rather than always building new housing				
Co-housing with diversity, shared kitchens, gardens, laundry and resources and provide feeling of belonging	X			X
Partnership with City, lenders and developers for multi cost housing		X	X	X
Look to successful programs-Designating a percentage of development in downtown areas to be reserved for low to moderate income	X	X	X	X
Housing offered on a sliding scale			X	X
Look for examples of success that could be replicated in old neighborhoods with multi housing and income types like West End, Ardmore and West Salem	X			
Make a distinction between elected officials and corporate leaders so residents are aware of “who” is responsible for “what” with regard to housing		X	X	
Address and overcome NIMBYism				

Strategies and Solutions	Housing Types	Policy/Elected Officials	Policy/Corporate Leaders	Policy/Supports, Subsidies and Private Donors
Encourage philanthropic community to support programs			X	X
Residents should work for themselves				
Implement training programs for low income residents to improve access to higher paying jobs (e.g., Tech companies can help train high school students in East Winston)			X	X
Build town homes in the north end, around Hwy 52	X			X
Coordinate planning and efforts to crease suitable and affordable housing and include residents and relevant stakeholders and providers		X	X	X
Stimulate the economy by hiring local contractors to perform neighborhood improvement activities		X	X	X
Balance equity in multi income communities				X
Assistance for structural concerns and appearance		X	X	X
Be intentional about creating communities		X		X
Reduce subsidies for private cars (minimum parking requirement) through City Government		X		X



Strategies and Solutions	Housing Types	Policy/Elected Officials	Policy/Corporate Leaders	Policy/Supports, Subsidies and Private Donors
Build affordable housing that people can be proud of	X	X	X	X
Housing should be focused in the areas of highest need			X	X
Develop mixed income, attractive retirement communities where residents transition within	X		X	X
Develop viable communities with good schools, green space and resources like stores and pharmacies (“communities” where people are connected, and not just “houses”)	X		X	
Invest in areas with disparities			X	X
Address the market and the living wage		X	X	
Advocate for tenant rights and follow through from elected officials		X	X	X
Focus on housing development around public transportation. (Transit oriented development)	X	X	X	
Development should mandate sidewalks		X	X	
Support funding for first time home buying, tax credit and education on home buying		X	X	X



Strategies and Solutions	Housing Types	Policy/Elected Officials	Policy/Corporate Leaders	Policy/Supports, Subsidies and Private Donors
Equity to renters can lead to ownership			X	X
Eliminate hidden fees		X	X	
Retain special populations and recent college graduates with programs to help get them into a home		X	X	
Combat NIMBY by putting shelters in more affluent neighborhoods, instead of already struggling neighborhoods		X		
Develop housing to retain residents instead of driving them out			X	X
Tackle the issues with citizens' input and hold the community as a whole accountable		X	X	X
Address homelessness with various types of affordable housing	X		X	X

Participants identified some examples of specific programs that could be useful for addressing housing needs in the community including:

- TROSA⁹⁸
- Second chance housing programs for ex-offenders
- NC Housing Foundation⁹⁹
- Habitat for Humanity
- Neighbors for Better Neighborhoods
- Revitalizing Urban Commercial Areas (RUCA)¹⁰⁰
- Transferring Urban Residential Neighborhoods (TURN)¹⁰¹
- NC BAM¹⁰²

⁹⁸ <http://www.trosainc.org/>

⁹⁹ <http://www.nchsm.org/>

¹⁰⁰ <http://www.cityofws.org/departments/community-and-business-development/development/ruca-program>

¹⁰¹ <http://www.cityofws.org/Departments/Community-Development/Housing-Development/Housing-Rehabilitation>

¹⁰² <http://www.ncbam.org/>

Appendix B: PUBLIC HOUSING PROGRAMS AND WAITING LIST COUNTS, 2017

Public Housing

Public Housing Type	Development Name	Development Address	Type (Family/Elderly & Disabled)	Number of Units	Number of Occupied Units	Number of Families on Waiting List	Blended Rent
Public Housing							
	Piedmont Park	1114 E 29th St, Winston Salem, NC	Family	240	240	367	Up to 30% AMI or \$50 min + Utilities
	Cleveland Avenue Homes	1135 E 15th St, Winston-Salem, NC 27105	Family	244	244	446	Up to 30% AMI or \$50 min + Utilities
	Crystal Towers	625 W 6th St, Winston-Salem, NC 27101	Elderly/Disabled	201	201	17	Up to 30% AMI or \$50 min + Utilities
	Sunrise Towers	801 N Martin Luther King Jr Dr	Elderly/Disabled	201	201	n/a	Up to 30% AMI or \$50 min + Utilities
	Healy	3450 Healy Drive, Winston Salem, NC 27101	Elderly	105	105	25	Up to 30% AMI or \$50 min + Utilities
	Stoney Glen	600 Stoney Glen Cir, Winston Salem, NC 27107	Family	50	50	12	Up to 30% AMI or \$50 min + Utilities
	Townview	1135 E 15th St, Winston-Salem, NC 27105	Family	244	244	56	Up to 30% AMI or \$50 min + Utilities
	The Oaks @ Tenth	1205 E 10th Street, Winston Salem, NC 27101	Family	50	50	200	Up to 30% AMI or \$50 min + Utilities
	Sunrise	2601 Reynolda Rd, Winston-Salem, NC 27106	Elderly/Disabled			500	Up to 30% AMI or \$50 min + Utilities
	Camden Station	810 Camden Station Ln, Winston-Salem, NC 27101	Family	30	30	249	Up to 30% AMI or \$50 min + Utilities
Hope VI							
	Azalea Terrace	100 Azalea Terract Ct, Winson Salem	Elderly	100	100	200	Up to 30% AMI or \$50 min + Utilities
	Aster Park	1561 Lawrence Way, Winston Salem NC 27105	Family	170	170	n/a	Up to 30% AMI or \$50 min + Utilities
	Arbor Oaks, Phase Ili B	185 Willow Oak Dr, Winston Salem NC 27105	Family	72	72	n/a	Up to 30% AMI or \$50 min + Utilities
	Alders Point Senior Apartments	590 Mock St, Winston-Salem, NC 27127	Elderly	100	100	n/a	Up to 30% AMI or \$50 min + Utilities
	Providence Place Family Apartments	1412 Gillcrest Dr, Winston-Salem, NC 27127	Family	56	56	n/a	Up to 30% AMI or \$50 min + Utilities
	Willows Peak	850 Mock St, Winston-Salem, NC 27127	Family	116	116	n/a	Up to 30% AMI or \$50 min + Utilities
Scattered Sites							
	Holland Homes	955 Mt Zion Pl, Winston-Salem, North Carolina 27105	Elderly	114	n/a	n/a	Up to 30% AMI or \$50 min + Utilities
	Plaza Apartments	Manly, Thurmond & Haywood Sts., Winston Salem	Family	78	n/a	n/a	Up to 30% AMI or \$50 min + Utilities
	Oak Manor		Family	60	n/a	n/a	Up to 30% AMI or \$50 min + Utilities
	Drayton		Family	44	n/a	n/a	Up to 30% AMI or \$50 min + Utilities
	Lincoln Manor		Family	40	n/a	n/a	Up to 30% AMI or \$50 min + Utilities
	Apple Creek		Family	67	n/a	n/a	Up to 30% AMI or \$50 min + Utilities

Source: Housing Authority of Winston-Salem

Housing Choice Voucher Program

Housing Choice Voucher (HCV)	Number of Vouchers	Number of Families on Waiting List
Tenant Based	3,982	2,500
Mainstream	73	n/a
VASH	85	n/a
Project Based	327	n/a
Moderate Rehabilitation Units	158	n/a
Shelter Plus Care	200 Shared Special Used Vouchers	n/a
HOME Tenant Based Rental Assistance	200 Shared Special Used Vouchers	n/a
Housing Opportunity for Persons with AIDS	200 Shared Special Used Vouchers	n/a

Hope VI Homeownership

Development Name	Development Address	Total Number of Units	Number of Units Built	Number of Units Under Construction	Number of Units to be Built	Number of Units Sold	Affordable Units	Market Rate Units
Kimberly Park Terrace/Gateway Commons	1335 Derry St, Winston-Salem, NC	82	82	2	82	32		
Kimberly Park Terrace/Gateway Commons		28	9	9	19	9		
Happy Hill Gardens/College Park	920 Mock St, Winston-Salem, NC 27127	148	59	89	148	5		

Source: Housing Authority of Winston-Salem

Other Assisted Housing

Housing Type	Development Name	Development Address	Total Number of Affordable Units	Expiration Date	Eldely	Small Households	Large Households	Other
Project Based								
Tax Credit: Elderly or Disabled, Housing Choice Vouchers, Other HUD, Tax Credit/Local*	Rolling Hills Apartments	770 Ferrell Ct, Winston-Salem, NC 27101	110					
	West Hill Apartments	201 N Sunset Drive, Winston-Salem 27101	63					
	Colony Manor	1611 Woods Road, Winston Salem, 27106	28					
	Hunt Park	5100 Hunt Park Court, Winston Salem 27106						
	As Forsyth Co Group Home 1	2901 Konnoak Drive, Winston Salem 27127	7					
Tenant Based								
HOME/HOPWA/Shelter Plus Care								

* Projects use a combination of these housing assistance programs

Source: U.S. Census Bureau

Appendix C: TABLE 5a_Supplement to Table A (Development Costs)

Table 1a: Neighborhood-level summary statistics											
Neighborhood	Downtown	East/Northeast	North Central	Northwest	Southeast	South Central	Southwest	All Other	Central WS	CWS (outside down	TOTAL
Parcels	961	5407	3510	4344	5322	4523	4810	131362	28877	27916	160239
Area	361.42	4543.92	1796.24	3663.78	3642.35	1978.066	1996.65	271071.425	17982.426	17621.006	289053.851
Total Land Value	\$ 146,491,832	\$ 178,152,297	\$ 169,643,147	\$ 812,826,715	\$ 118,923,233	\$ 290,688,936	\$ 548,895,378	\$ 7,307,626,788	\$ 2,265,621,538	\$ 2,119,129,706	\$ 9,573,248,326.00
Total Assessed Value	\$ 1,203,639,000	\$ 552,058,200	\$ 547,419,000	\$ 2,079,882,000	\$ 363,858,400	\$ 997,445,700	\$ 2,129,073,300	\$ 24,889,125,000	\$ 7,873,375,600	\$ 6,669,736,600	\$ 32,762,500,600.00
Average Parcel Size	0.376087409	0.840377289	0.511749288	0.843411602	0.684394964	0.437334955	0.41510395	2.063545203	0.622724868	0.631215289	1.803892005
Average Land Value	\$ 152,436.87	\$ 32,948.46	\$ 48,331.38	\$ 187,114.81	\$ 22,345.59	\$ 64,269.06	\$ 114,115.46	\$ 55,629.69	\$ 78,457.65	\$ 75,910.94	\$ 59,743.56
Land Value per Acre	\$ 405,322.98	\$ 39,206.74	\$ 94,443.47	\$ 221,854.67	\$ 32,650.14	\$ 146,956.14	\$ 274,908.16	\$ 26,958.31	\$ 125,990.87	\$ 120,261.56	\$ 33,119.26
Average Assessed Value	\$ 1,252,485.95	\$ 102,100.65	\$ 155,959.83	\$ 478,794.20	\$ 68,368.73	\$ 220,527.46	\$ 442,634.78	\$ 189,469.75	\$ 272,652.13	\$ 238,921.64	\$ 204,460.22
Assessed Value per Acre	\$ 3,330,305.46	\$ 121,493.82	\$ 304,758.27	\$ 567,687.47	\$ 99,896.61	\$ 504,252.99	\$ 1,066,322.74	\$ 91,817.59	\$ 437,837.23	\$ 378,510.55	\$ 113,343.93
Improvement-to-Land Value Ratio	7.22	2.10	2.23	1.56	2.06	2.43	2.88	2.41	2.48	2.15	2.42

Source: RS Means

Appendix D:

HOUSING AFFORDABILITY INDICES METHODOLOGICAL NOTE

The housing affordability index measures the extent to which a typical family could qualify for a mortgage loan on a typical home or could afford a typical rent. A typical home value is defined as a census tract's reported home price corresponding to the lower quartile, the median, or the upper quartile values, as compiled by the American Community Survey, 2015, 5-year estimates. A typical rent is defined as a census tract's reported contract rent for the lower quartile, the median or the upper quartile values, also derived from the American Community Survey. A typical family for each census tract is defined as: 1) a household belonging to a specified income group; 2) an elderly household belonging to 65 and over age group; and 3) a household earning the median income, as well as fractions of the median, including 30 percent, 50 percent, 80 percent, and 120 percent of the median income.

The homeownership affordability indices are measured using mortgage interest rate and points for a 30-year fixed-rate mortgage as reported by the Freddie Mac's Primary Mortgage Market Survey. The calculation assumes a down payment of 20 percent and a qualifying ratio of 25 percent. That means the monthly principal and interest payment cannot exceed 25 percent of the specified household monthly income. For the first-time homebuyers, we have assumed a down payment of 10 percent which would trigger a primary mortgage insurance of 0.5 percent. In addition, we assumed that the first-time homebuyer's income is 65 percent of the specified household income, while the house purchase price for the first-time buyers is 85 percent of the typical house price used in this report.

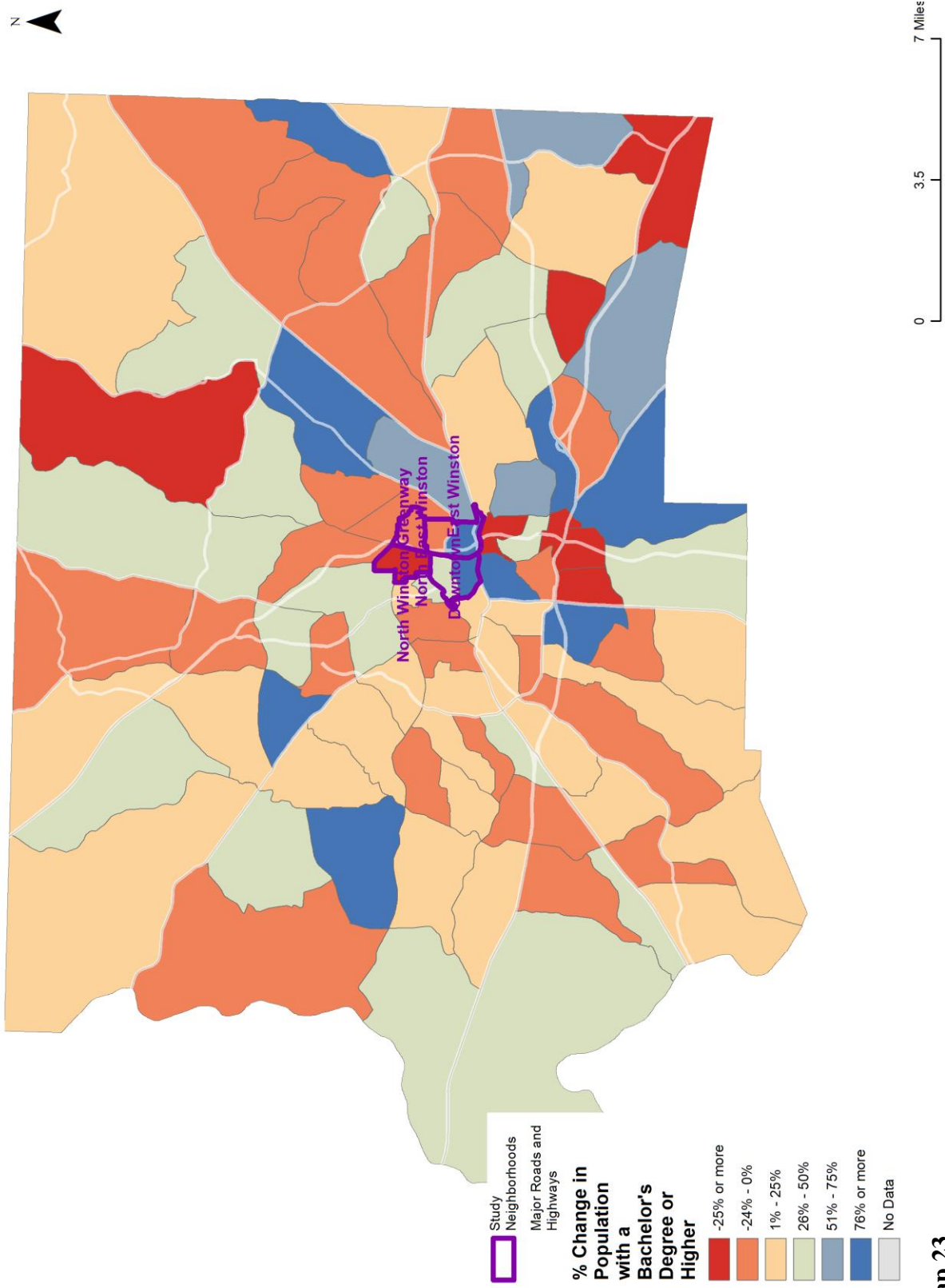
An index value of 100 indicates that the household has exactly enough income to qualify for a mortgage on a "typical" home. An index value of above 100 signifies that the household has more than enough income to qualify for a mortgage loan on a "typical" home. For example, an index of 120 means a "typical" family has 20 percent more financial resources that are needed to qualify for a conventional loan covering 80 percent of an existing "typical" single-family home. On the other hand, an index value of 80 indicates that a "typical family" needs to augment its financial resources by 20 percent in order to qualify for a mortgage loan on a "typical" home.

Similarly, the renter affordability index of 100 indicates that the contract rent is exactly 30 percent of a "typical" family's income. An index of above 100 signifies that the contract rent is less than 30 percent of the family income. All indices below 100 measure the extent to which the "typical" family income falls below the affordability threshold of 30 percent of the contract rent. For example, an index of 140 indicates that the typical household has 30 percent more income than needed to afford the typical rent. On the other hand, an index of 70 implies that the typical family has 30 percent less income than what is needed to afford the typical rent.

These exhibits also can be used to highlight housing affordability for a typical workforce family. Workforce is defined as persons working in the following occupations: community and social service occupations; kindergarten, elementary school, middle school, and secondary school teachers; registered nurses and nurse practitioners; firefighters; police and sheriff's patrol officers; waiters and waitresses; cashiers; retail salespersons; and office and administrative support occupations. Data on annual wages for these occupations were compiled from the BLS, Occupational Employment Statistics for Winston-Salem metropolitan area. The weighted average annual wage across those occupations is \$35,597 as of May 2016. Therefore, we allocate the typical workforce family to the \$35,000 to \$49,999 income group in the following affordability analysis tables.

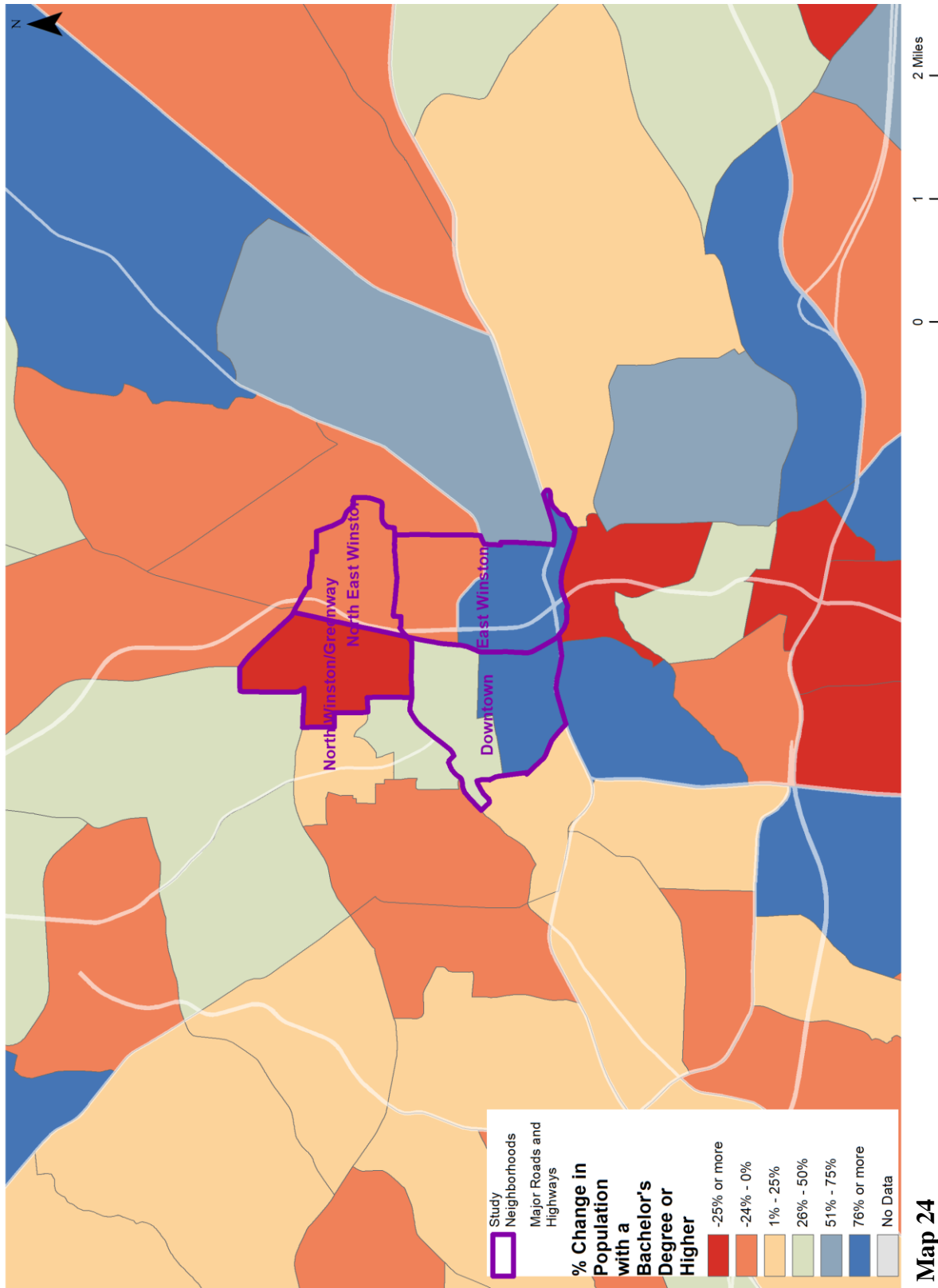
Appendix E: Detailed Gentrification Data and Maps

Change in Number of Adults with at Least a Bachelor's Degree by Tract (2007-2011 to 2012-2016)



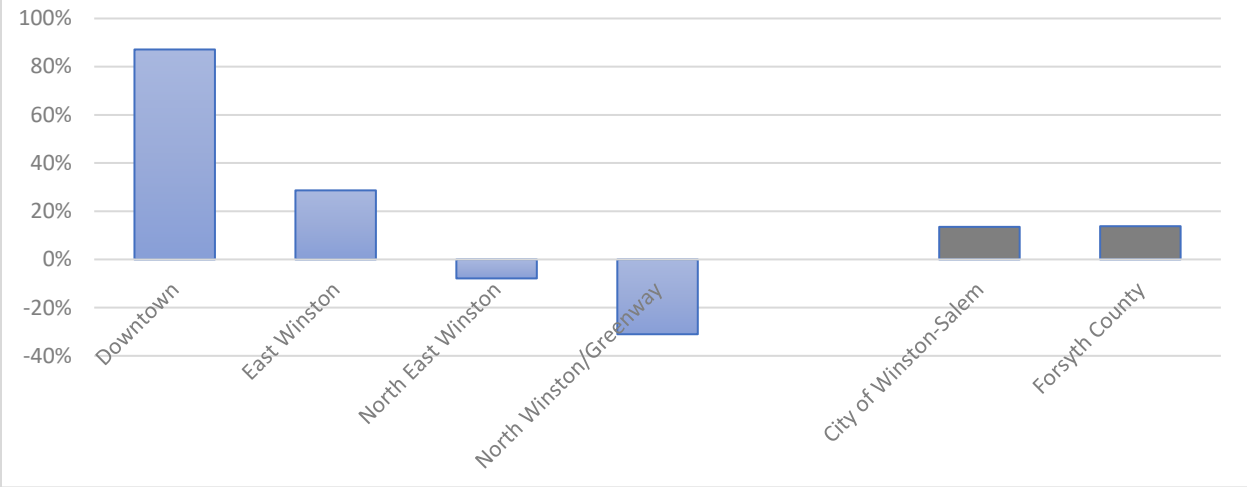
Map 23

Change in Number of Adults with at Least a Bachelor's Degree by Tract (2007-2011 to 2012-2016)



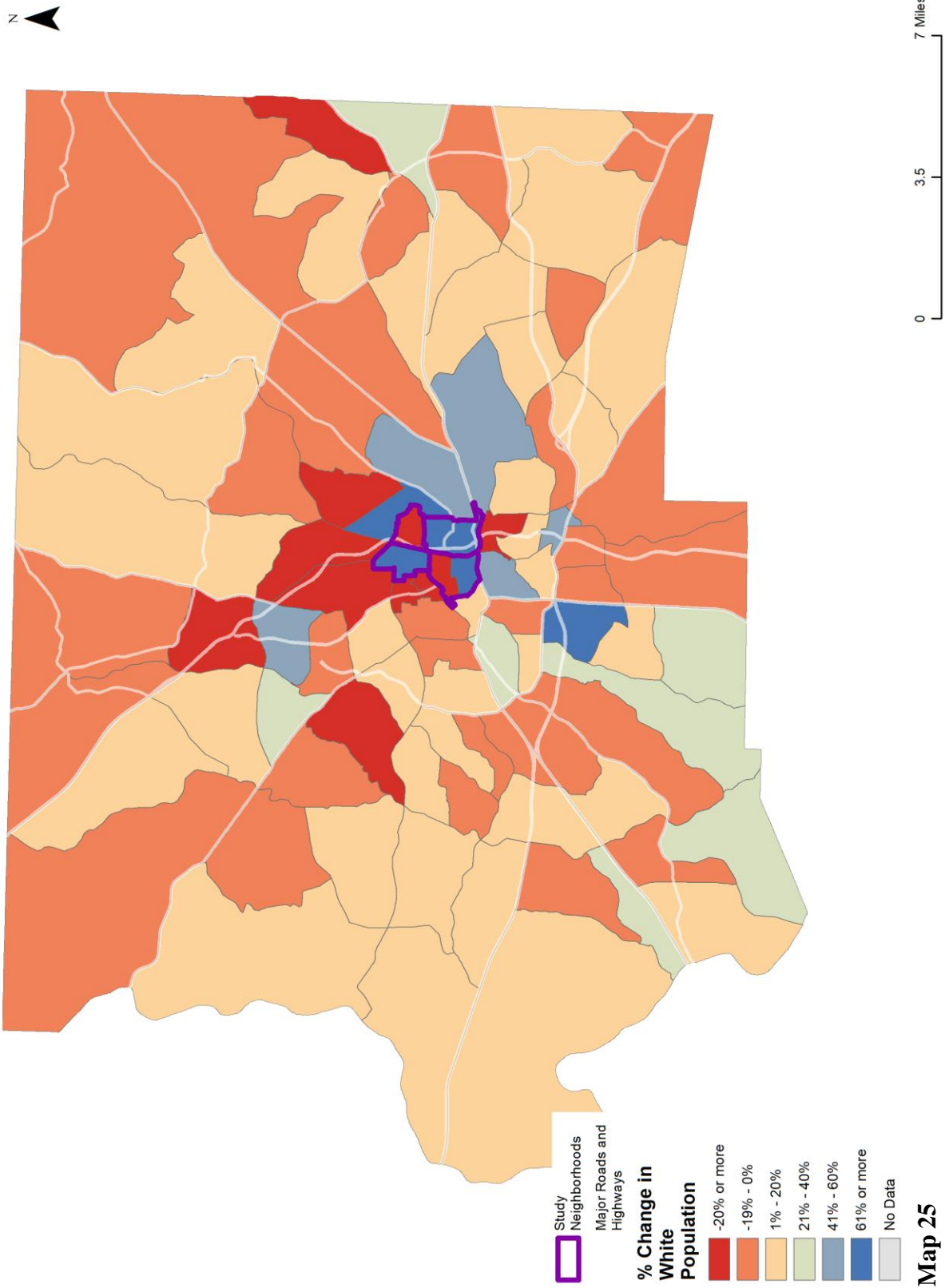


Percent Change, Adults with a Bachelor's Degree Or Higher
(2007-2011 to 2012-2016)

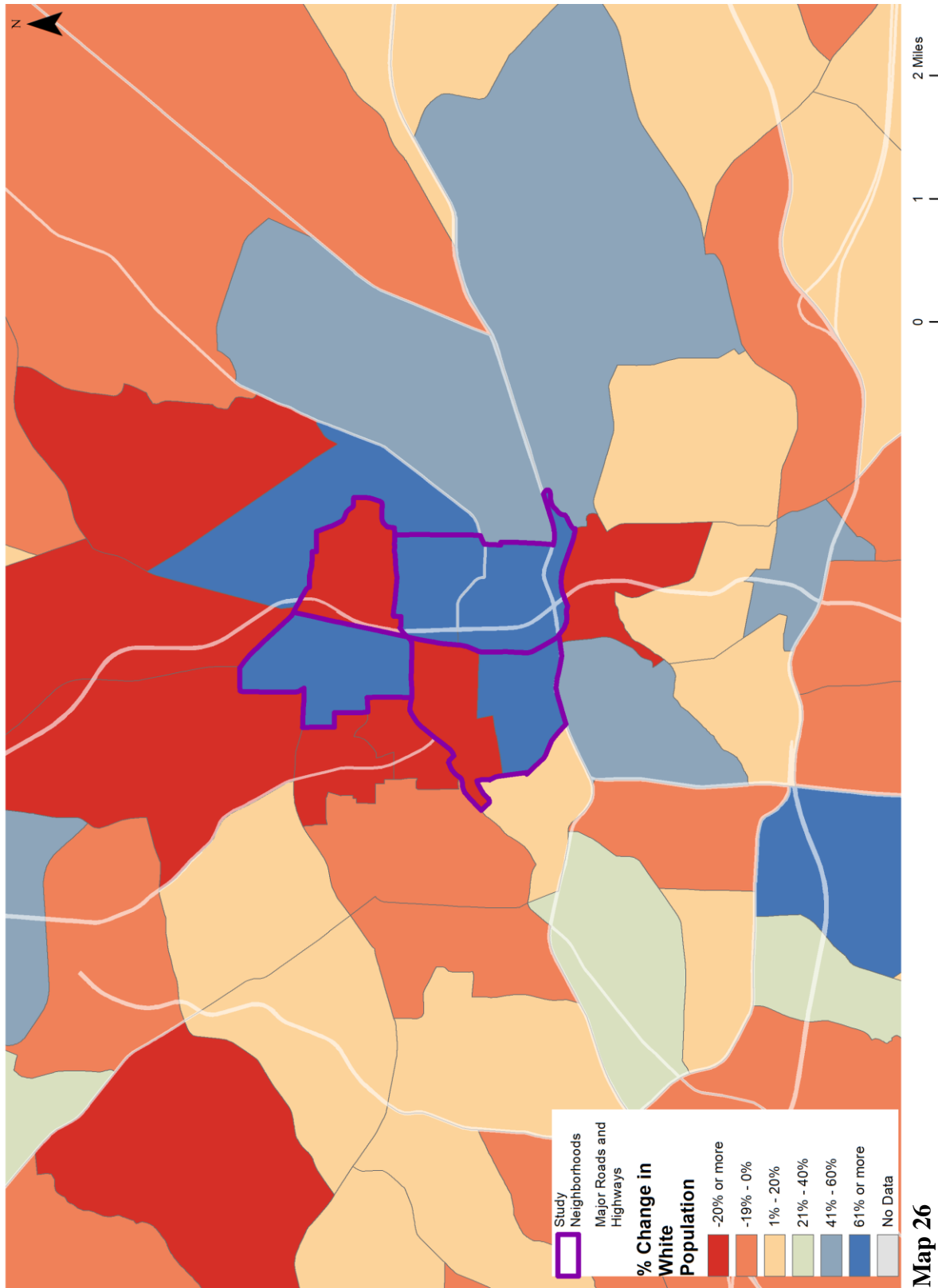


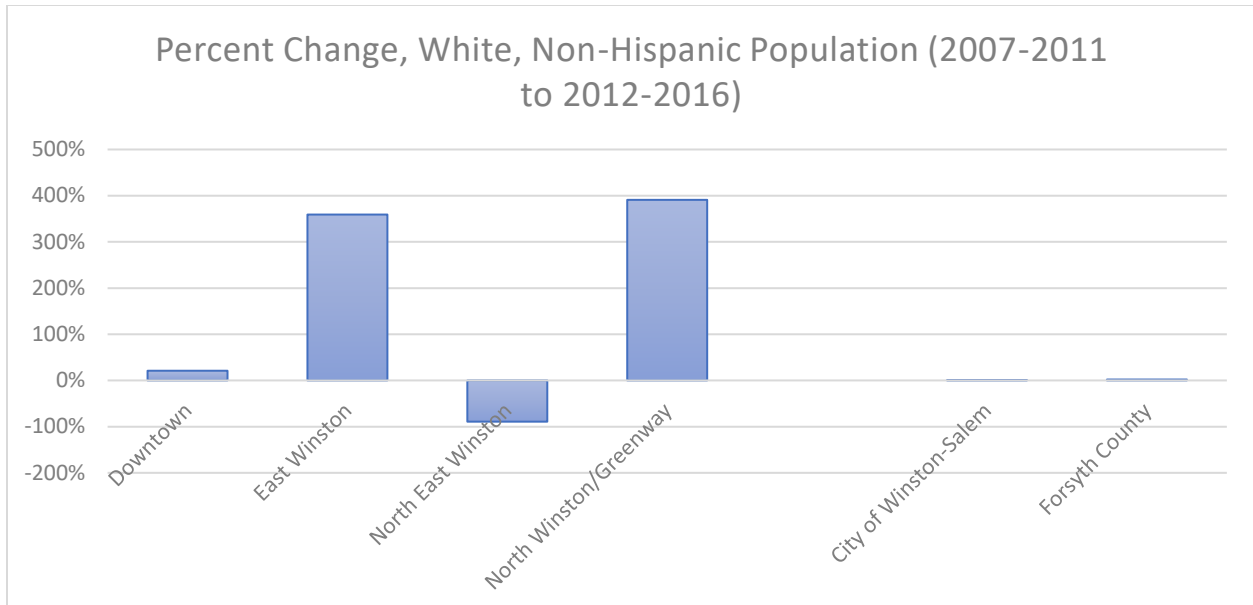
	2011 Adults with a Bachelor's Degree Or Higher	2016 Adults with a Bachelor's Degree Or Higher	Percent Change, Adults with a Bachelor's Degree Or Higher (2007-2011 to 2012-2016)
Downtown			87%
	575	1,076	
East Winston			29%
	164	211	
North East Winston			-8%
	127	117	
North Winston/Greenway			-31%
	203	140	
City of Winston-Salem			14%
	45,945	52,155	
Forsyth County			14%
	71,561	81,432	

Percent Change in White, Non-Hispanic Population (2007-2011 to 2012-2016)



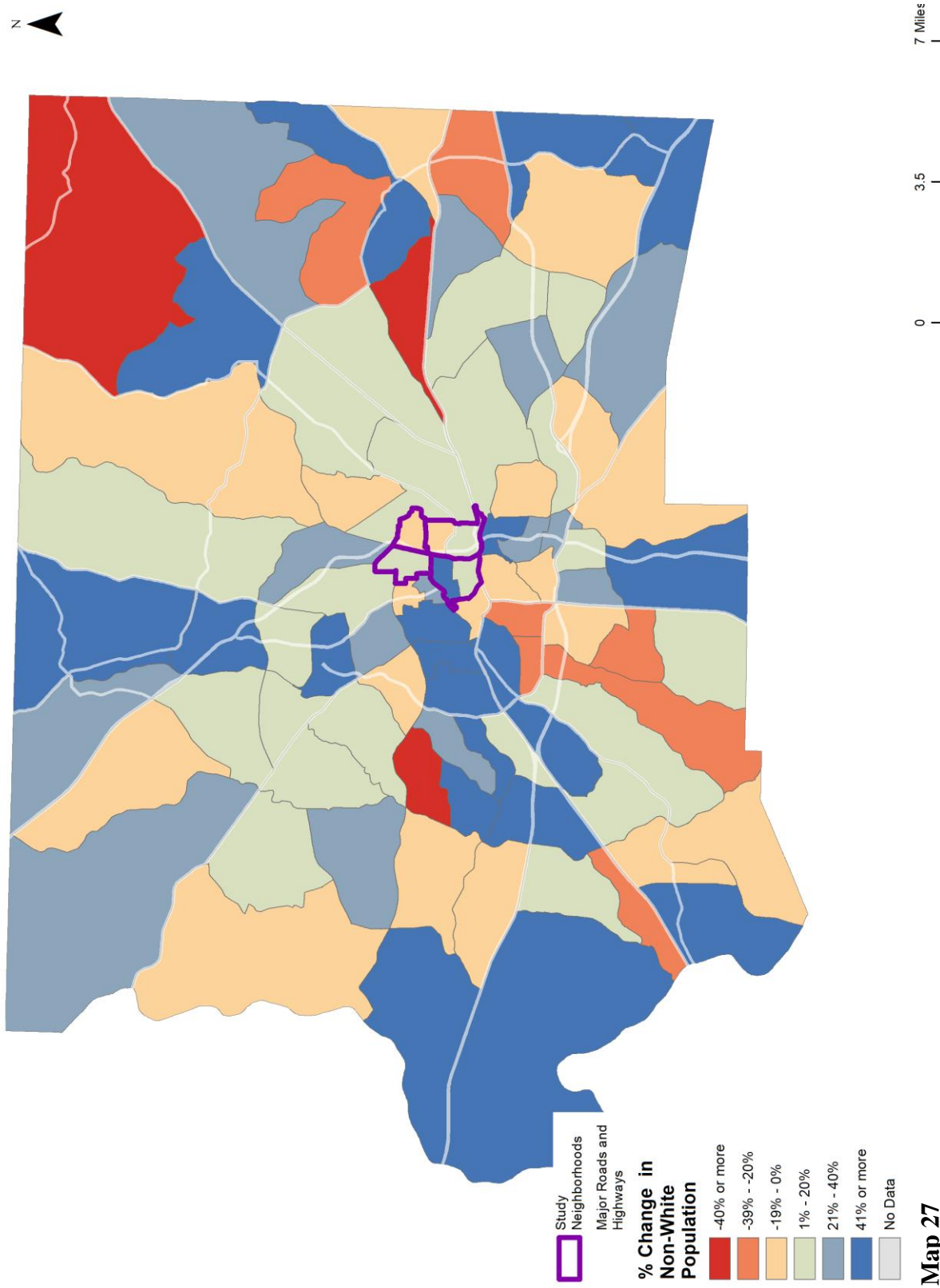
Percent Change in White, Non-Hispanic Population (2007-2011 to 2012-2016)



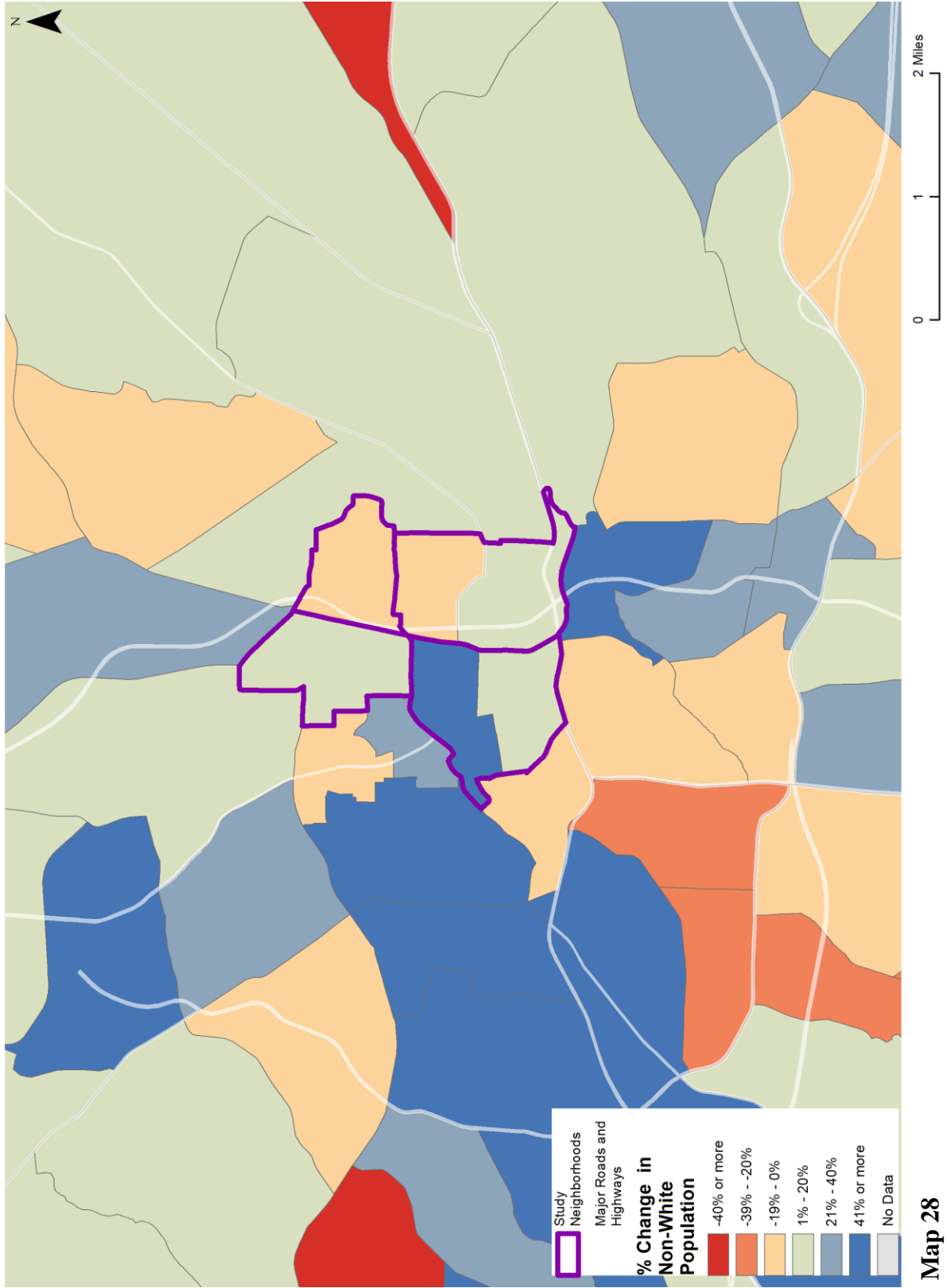


	2011 White, Non-Hispanic Population	2016 White, Non-Hispanic Population	Percent Change, White, Non-Hispanic Population (2007-2011 to 2012-2016)
Downtown	1,415	1,712	21%
East Winston	22	101	359%
North East Winston	260	28	-89%
North Winston/Greenway	11	54	391%
City of Winston-Salem	109,164	110,143	1%
Forsyth County	206,311	210,368	2%

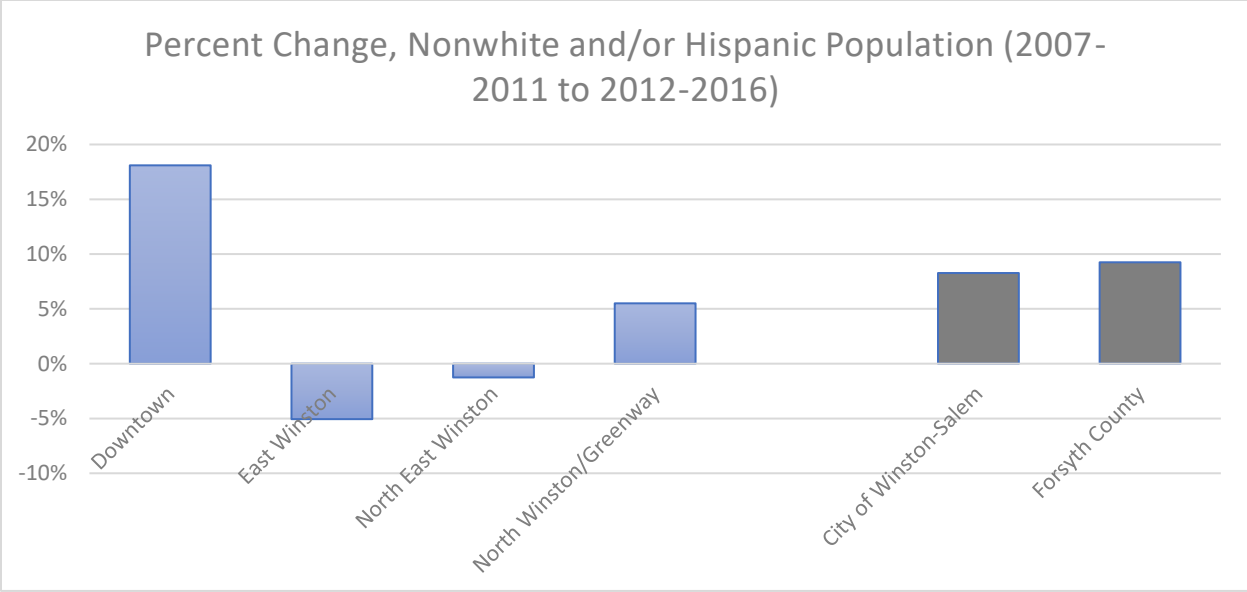
Percent Change in Non-White and/or Hispanic Population (2007-2011 to 2012-2016)



Percent Change in Non-White and/or Hispanic Population (2007-2011 to 2012-2016)

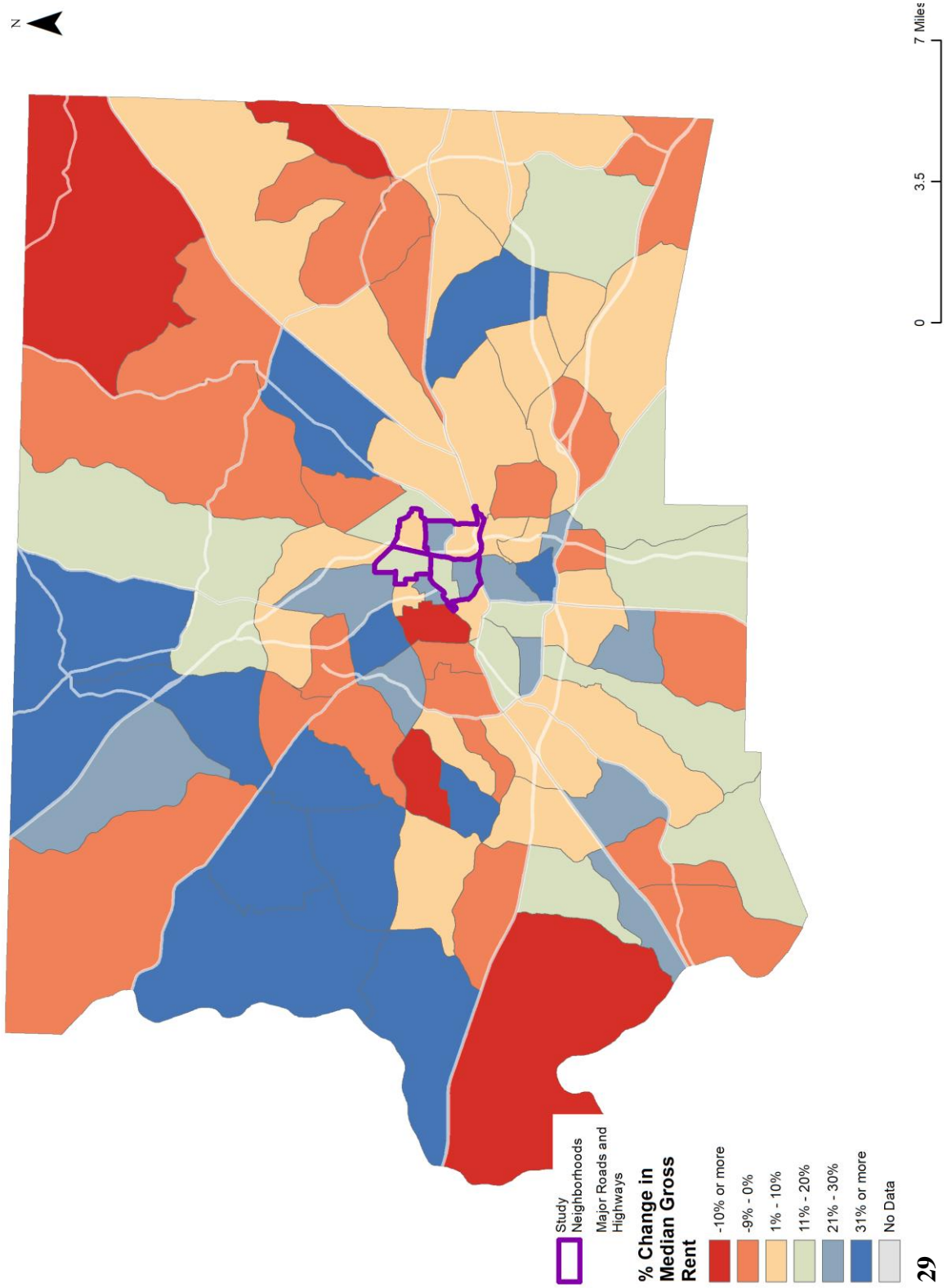


Map 28



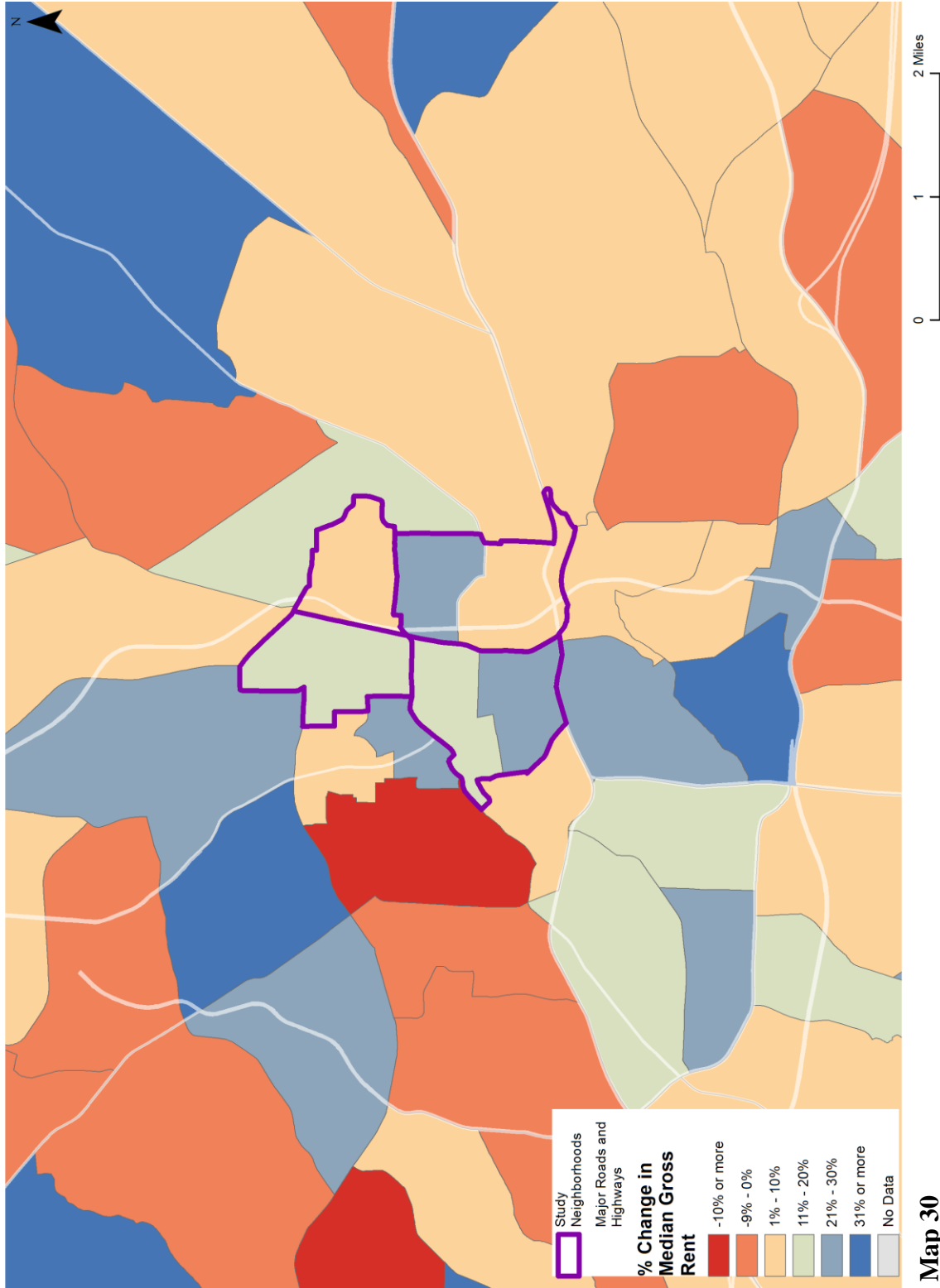
	2011 Nonwhite and/or Hispanic Population	2016 Nonwhite and/or Hispanic Population	Percent Change, Nonwhite and/or Hispanic Population (2007-2011 to 2012-2016)
Downtown			18%
	1,260	1,488	
East Winston			-5%
	3,735	3,546	
North East Winston			-1%
	2,470	2,439	
North Winston/Greenway			6%
	3,342	3,526	
City of Winston-Salem			8%
	118,527	128,331	
Forsyth County			9%
	141,256	154,323	

Percent Change in Median Gross Rent by Tract (2007-2011 to 2012-2016)

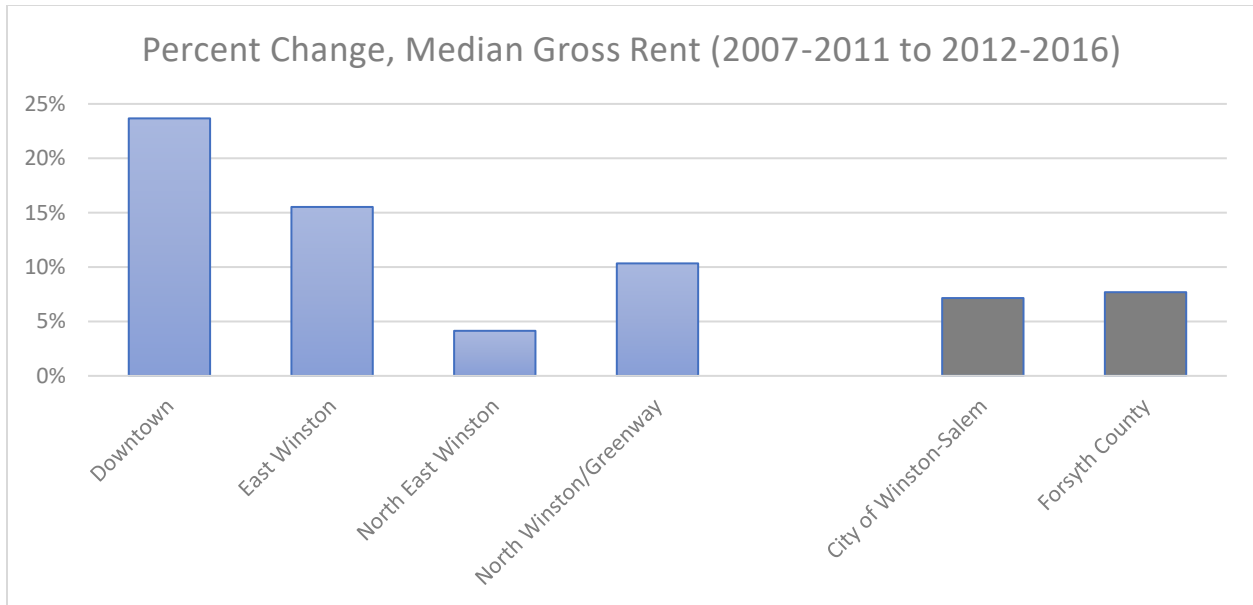


Map 29

Percent Change in Median Gross Rent by Tract (2007-2011 to 2012-2016)

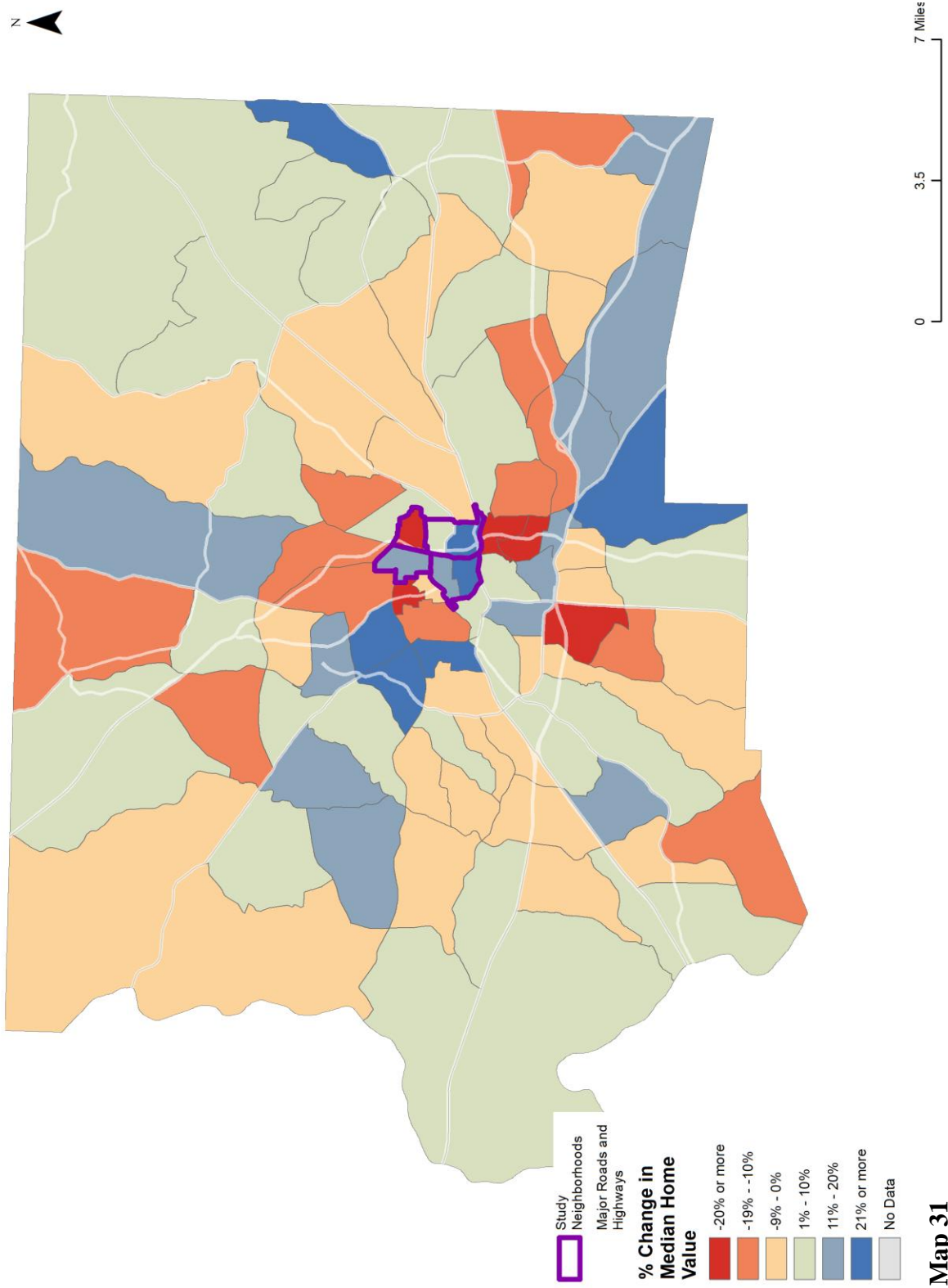


Map 30



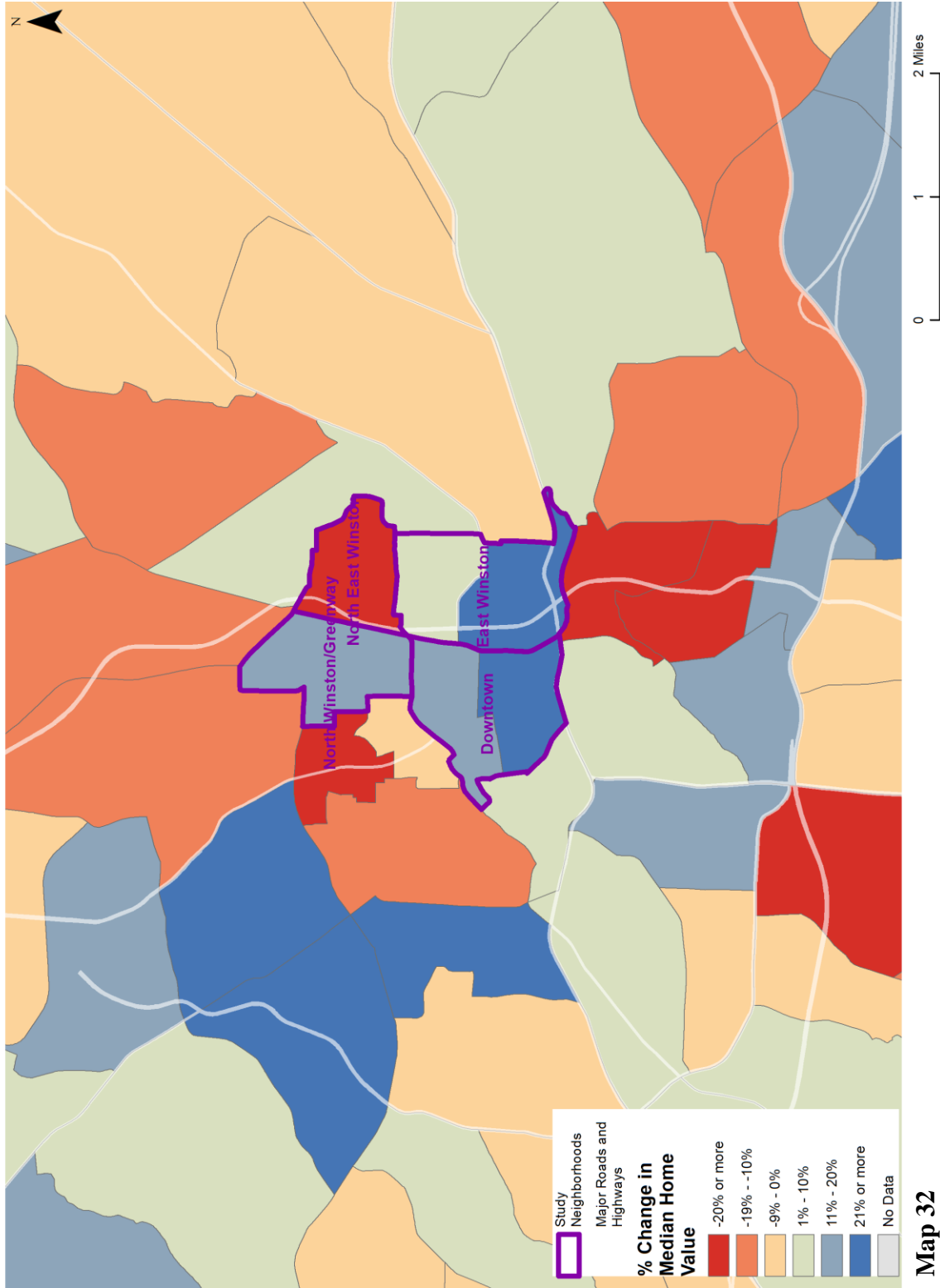
	2011 Median Gross Rent (Weighted)	2016 Median Gross Rent (Weighted)	Percent Change, Median Gross Rent (2007-2011 to 2012-2016)
Downtown	\$640	\$792	24%
East Winston	\$462	\$534	16%
North East Winston	\$507	\$528	4%
North Winston/Greenway	\$648	\$715	10%
City of Winston-Salem	\$685	\$734	7%
Forsyth County	\$689	\$742	8%

Percent Change in Median Home Value by Tract (2007-2011 to 2012-2016)



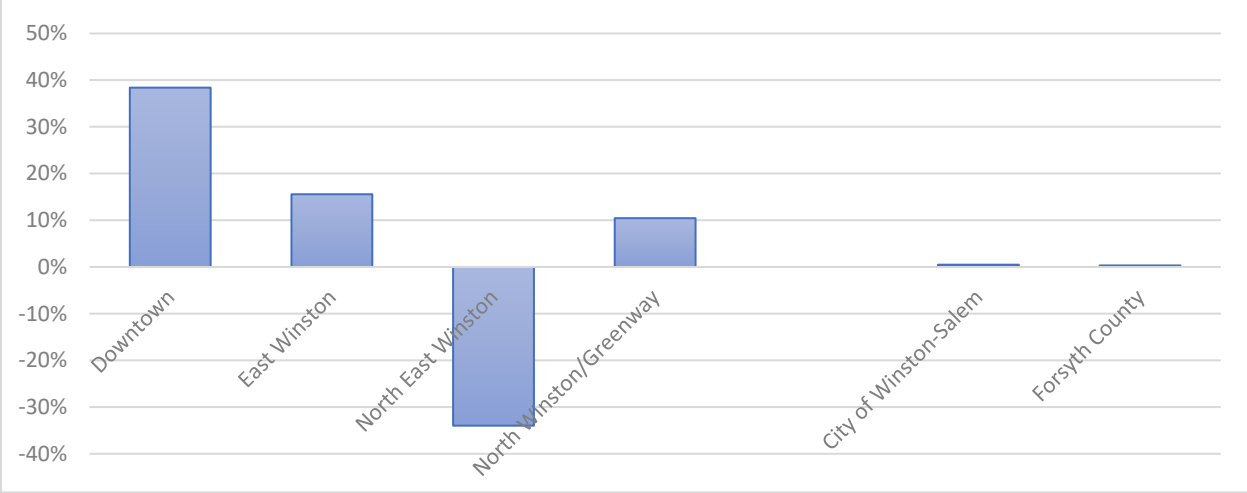
Map 31

Percent Change in Median Home Value by Tract (2007-2011 to 2012-2016)



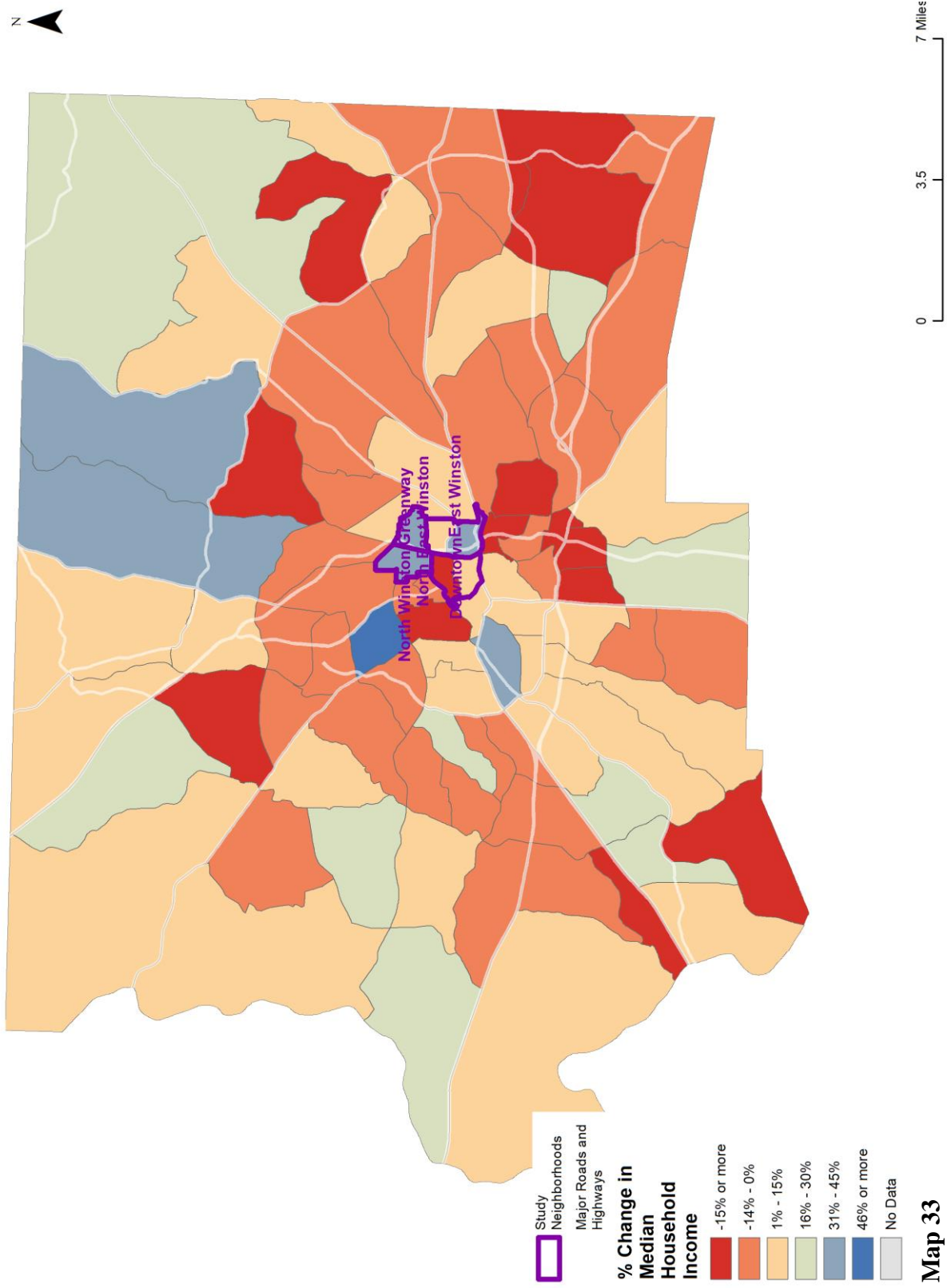


Percent Change, Median Home Value (Weighted) (2007-2011 to 2012-2016)



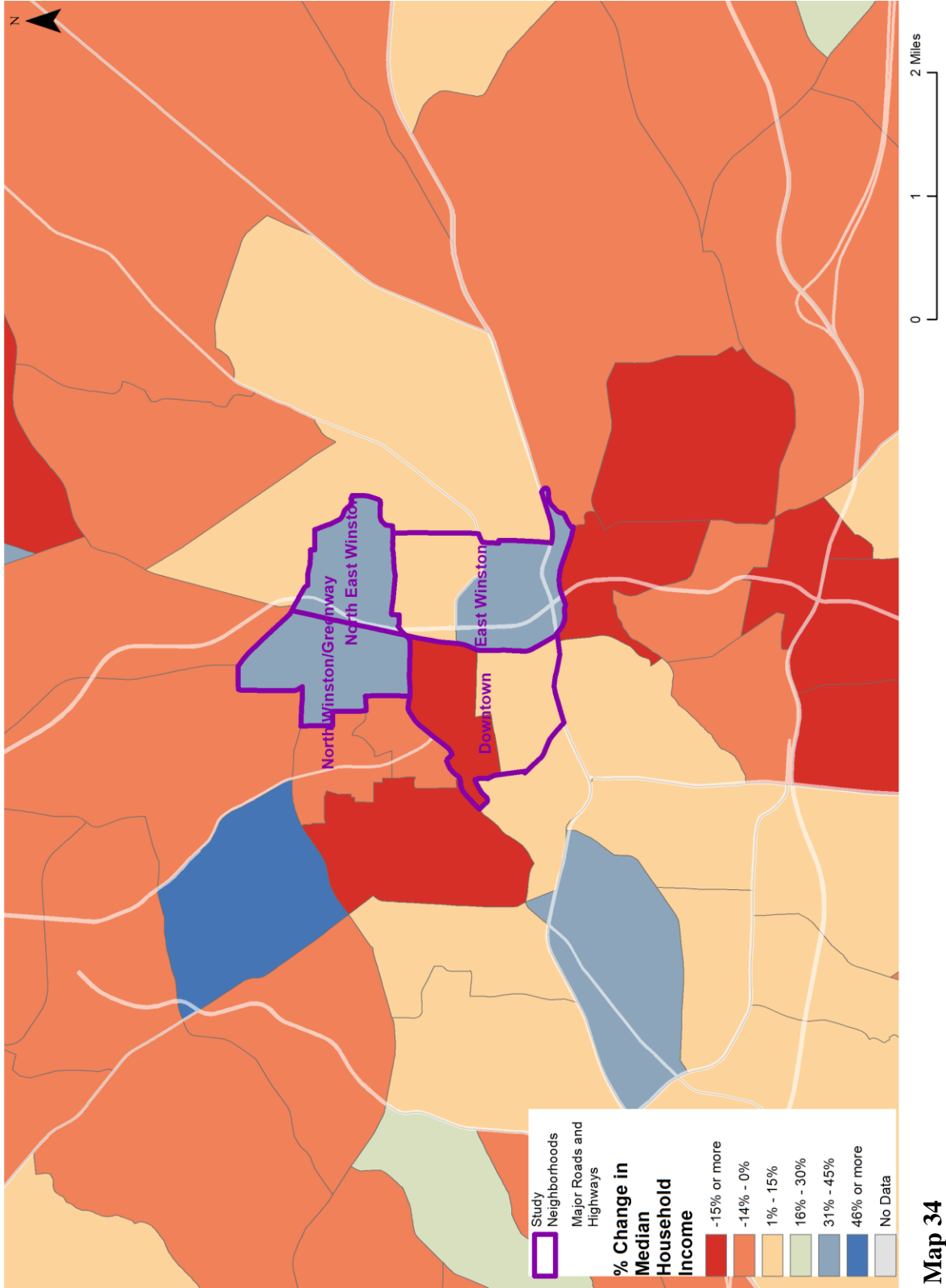
	2011 Median Home Value (Weighted)	2016 Median Home Value (Weighted)	Percent Change, Median Home Value (Weighted) (2007-2011 to 2012-2016)
Downtown	\$198,376	\$274,555	38%
East Winston	\$77,703	\$89,803	16%
North East Winston	\$82,700	\$54,600	-34%
North Winston/Greenway	\$70,800	\$78,200	10%
City of Winston-Salem	\$141,700	\$142,400	0%
Forsyth County	\$150,800	\$151,300	0%

Change in Median Household Income by Tract (2007-2011 to 2012-2016)

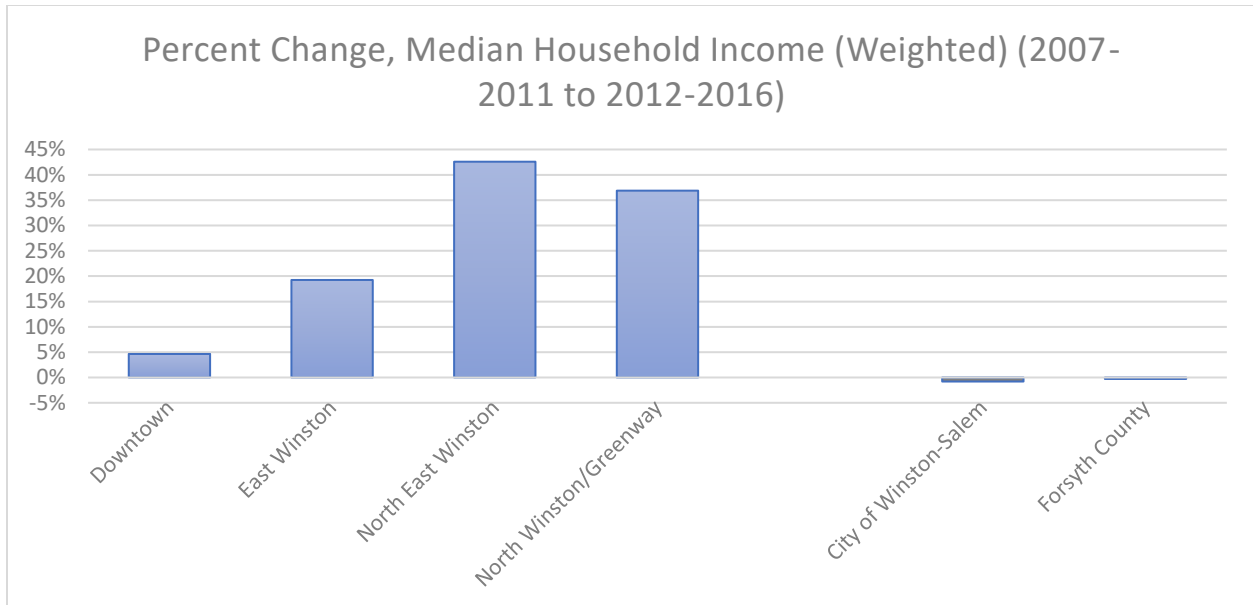


Map 33

Change in Median Household Income by Tract (2007-2011 to 2012-2016)



Map 34



	2011 Median Household Income (Weighted)	2016 Median Household Income (Weighted)	Percent Change, Median Household Income (Weighted) (2007-2011 to 2012-2016)
Downtown	\$29,904	\$31,290	5%
East Winston	\$12,596	\$15,020	19%
North East Winston	\$12,166	\$17,347	43%
North Winston/Greenway	\$24,028	\$32,888	37%
City of Winston-Salem	\$41,228	\$40,898	-1%
Forsyth County	\$46,417	\$46,283	0%

Appendix (F). Census Blocks for Geographic Boundaries Based on Shape Files Obtained from the City of Winston-Salem

CENSUS BLOCK	COUNTY	WINSTON-SALEM CITY	NRSA	DOWNTOWN
370670001001	1	1	1	1
370670002001	1	1	1	1
370670007002	1	1	1	1
370670011002	1	1	0	1
370670003011	1	1	1	0
370670004003	1	1	1	0
370670006002	1	1	1	0
370670009002	1	1	1	0
370670010002	1	1	1	0
370670011003	1	1	1	0
370670016011	1	1	1	0
370670017001	1	1	1	0
370670018002	1	1	1	0
370670019021	1	1	1	0
370670029011	1	1	1	0
370670034031	1	1	1	0
370670035002	1	1	1	0
370670036001	1	1	1	0
370670014001	1	1	1	0
370670014002	1	1	1	0
370670015001	1	1	1	0
370670015002	1	1	1	0
370670015003	1	1	1	0
370670016012	1	1	1	0
370670016013	1	1	1	0
370670016021	1	1	1	0
370670016022	1	1	1	0
370670017002	1	1	1	0
370670017003	1	1	1	0
370670017004	1	1	1	0
370670018001	1	1	1	0
370670018003	1	1	1	0
370670018004	1	1	1	0
370670019011	1	1	1	0
370670019022	1	1	1	0
370670022002	1	1	1	0
370670003021	1	1	1	0
370670004001	1	1	1	0
370670004002	1	1	1	0
370670005001	1	1	1	0
370670005002	1	1	1	0
370670005003	1	1	1	0
370670006001	1	1	1	0

370670007001	1	1	1	0
370670008011	1	1	1	0
370670008021	1	1	1	0
370670008022	1	1	1	0
370670009001	1	1	1	0
370670009003	1	1	1	0
370670010001	1	1	1	0
370670012001	1	1	1	0
370670033091	1	1	1	0
370670033092	1	1	1	0
370670033093	1	1	1	0
370670034032	1	1	1	0
370670034041	1	1	1	0
370670034042	1	1	1	0
370670035001	1	1	1	0
370670035003	1	1	1	0
370670035004	1	1	1	0
370670035005	1	1	1	0
370670008012	1	1	1	0
370670013003	1	1	0	0
370670020011	1	1	0	0
370670021001	1	1	0	0
370670022003	1	1	0	0
370670026011	1	1	0	0
370670026033	1	1	0	0
370670027011	1	1	0	0
370670027031	1	1	0	0
370670028042	1	1	0	0
370670028062	1	1	0	0
370670029033	1	1	0	0
370670033081	1	1	0	0
370670033101	1	1	0	0
370670037013	1	1	0	0
370670037033	1	1	0	0
370670038031	1	1	0	0
370670038051	1	1	0	0
370670039031	1	1	0	0
370670039041	1	1	0	0
370670039061	1	1	0	0
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