



Town of Apex Affordable Housing Plan



APEX
NORTH CAROLINA

DRAFT

December 2020

HR&A
Analyze. Advise. Act.

Acknowledgements

The Apex Affordable Housing Plan was guided by the efforts of the Steering Committee, a group of engaged residents and housing professionals who lent their support, guidance, and opinions to the planning process over an eight-month period.

Bill Ahern

Habitat for Humanity Wake County

Francisco Arellano

Citizen Stakeholder

Alicia Arnold

Wake County

Mairym Azcona

Citizen Stakeholder

Beth Bordeaux

Western Wake Crisis Ministries

Erika Brown

Triangle J Council of Governments

John Buck

Citizen Stakeholder

Nicole Dozier

Mayor Pro Tem, Town of Apex

Phillip Farrington

Citizen Stakeholder

Tim Fisher

DHIC

Lou Fortunato

Apex Business Community

Seth Friedman

Passage Home

Jacques K. Gilbert

Mayor, Town of Apex

Michele Harrison

White Oak Foundation

Tyrell Hines

Citizen Stakeholder

Laura Holley

Citizen Stakeholder

Tahira Hyman

Citizen Stakeholder

Yume Iwakura

Citizen Stakeholder

Morgan Mansa

Town of Cary

Timothy Morgan

Evergreen Construction Company

Kandy Osborne

Citizen Stakeholder

Molly Rodgers

Citizen Stakeholder

Jacob Rogers

Triangle Community Coalition

Mark Steele

Apex Planning Board

Phil Welch

Citizen Stakeholder

Apex Affordable Housing Plan Overview

Vision: Apex welcomes people of diverse backgrounds, and supports opportunities for affordable, safe, sanitary, and quality housing that meets the needs of people of all incomes, ages, and abilities.

To fulfill this vision, Apex will...



Welcome and attract a diverse population.



Meet the housing needs of a diverse population, including providing housing that is affordable to people with moderate and low incomes and of different age groups.



Connect affordable housing development with transit service, transportation infrastructure, and amenities.



Partner regionally to meet the needs of vulnerable populations.



Raise community awareness of affordable housing needs, solutions, and broader impacts.

Apex will meet these goals by...

BUILDING THE TOWN'S CAPACITY	IMPLEMENTING PROGRAMS AND POLICIES
Town Staff Capacity Housing Advisory Board	Affordable Housing Incentive Zoning Owner-Occupied Rehabilitation (OOR) Assistance Low Income Housing Tax Credit (LIHTC) Gap Financing
ADVANCING ADVOCACY AND PUBLIC EDUCATION Annual Housing Report Diversity & Racial Equity Initiatives Affordable Housing Advocacy Partners	Support for Homeownership Transit Oriented Development Density "Soft Density" Zoning By-Right Emergency Rental Assistance & Supportive Services Accessory Apartments Public Land Acquisition & Sale

Table of Contents

05

Introduction

Purpose of the Affordable Housing Plan
Role of the Town in Housing Affordability
Definition and Types of Affordable Housing
Planning Context
Planning Process

14

Housing Needs Assessment

Purpose of a Housing Needs Assessment
Summary of Housing Needs
Public Input on Housing Needs
Housing Trends and Challenges

23

Vision and Goals

25

Recommendations

Build the Town's Capacity
Advance Advocacy and Public Education
Implement Programs and Policies

44

Action Plan

Matrix of Recommendations and Goals
Measures of Success
Apex Affordable Housing Fund

48

Appendix

Data Sources & Glossary
Housing Affordability Limits in Apex
Survey and Stakeholder Engagement Summary
Housing Needs Assessment Detail

Introduction

Purpose of the Affordable Housing Plan

Apex needs an Affordable Housing Plan to guide the Town's efforts to identify and address the affordable housing needs of its residents.

Apex has experienced significant population growth in the past two decades, outpacing growth in both the County and the State. As demand for new housing has grown, home prices have been increasing sharply since the Great Recession. Because of this, an increasing number of low- and moderate-income households in Apex struggle to afford their rent or mortgage. In addition, the Town's population has become less diverse compared with Countywide trends.

To accommodate future growth, reduce the market pressures on home prices, align housing development with other Town planning efforts, and attract and retain a more diverse population, **Apex has set a vision for its future.**

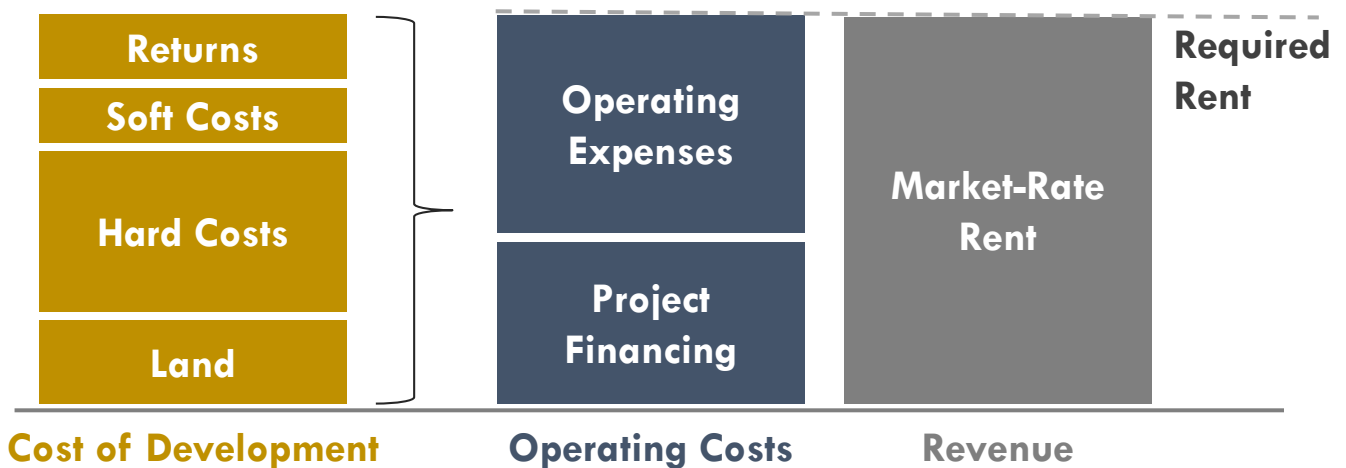
Apex welcomes people of diverse backgrounds, and supports opportunities for affordable, safe, sanitary, and quality housing that meets the needs of people of all incomes, ages, and abilities.

The Affordable Housing Plan sets goals and makes recommendations that will help Apex to fulfill this vision.

Role of the Town in Housing Affordability

The affordability of housing is influenced by: market forces, state and local regulations, and affordable housing programs that receive funding from federal, state, county, and local governments.

The market alone cannot adequately address the affordable housing issues that Apex residents face. Market rate rents are determined by both the cost to build housing, including land, and the cost to operate housing. Because of high land costs and growing demand, market rate rents are higher than what many low- and moderate-income households can afford. The market cannot provide housing to these households without government support.



Existing government programs to support housing affordability do not fully address the affordability needs in Apex. These include federal programs administered by the North Carolina Housing Finance Agency (NCHFA) and Wake County, as well as other State and County programs. Apex can provide funding to leverage or supplement these existing programs to help their impacts.

FEDERAL PROGRAMS	STATE PROGRAMS	WAKE COUNTY PROGRAMS
<ul style="list-style-type: none"> • Low-Income Housing Tax Credits • Community Development Block Grants • Emergency Solutions Grant • Home Investment Partnerships Program • Housing Choice Vouchers • Housing Opportunities for Persons with AIDS 	<ul style="list-style-type: none"> • NC 1st Home Advantage Down Payment Assistance • NC Home Advantage Mortgage • NC Home Advantage Tax Credit • Displacement Prevention Partnership • Urgent Repair • Community Partners Loan Pool 	<ul style="list-style-type: none"> • Elderly & Disabled Housing Rehabilitation • Emergency Rehabilitation • Affordable Housing Development Program • Public Land Disposition • Rental Assistance Housing Program • Emergency Assistance, Street Outreach, & Rapid Rehousing

Role of the Town in Housing Affordability

The Town of Apex can change its regulations and deploy funds to meet affordable housing needs not met by the market or existing federal, state, and county programs.

The Town of Apex already plays a central role in the housing market through regulation and public investments, which influence both the supply of and the demand for housing. These Town policies and practices impact the type of housing available and the cost of housing.

The infographic is set against a dark blue background and features four circular icons in a 2x2 grid. Each icon is accompanied by a text block. The top-left icon is a clipboard with a checklist, representing the regulatory environment. The top-right icon is a construction crane, representing the deployment of public funds. The bottom-left icon is a megaphone with speech bubbles and a group of people, representing communication. The bottom-right icon is a dollar sign, representing financial investment. The text for each icon is in a light yellow/gold color.

- Regulatory Environment:** The Town influences the **regulatory environment** in which developers make investment decisions and disseminates information to developers and residents.
e.g. Unified Development Ordinance, development review processes, building permit processes, design guidebooks
- Public Funds:** The Town **deploys public funds** for infrastructure, amenities, and development.
e.g. parks and amenities, public transit, loans and grants for housing development

The Affordable Housing Plan outlines recommendations that will help ensure that the Town's policies and investments are aligned with its vision.

Definition and Types of Affordable Housing

"Affordability" can have different meanings depending on the context. Under a standard set by the U.S. Department of Housing and Urban Development (HUD), housing is affordable when a household's housing costs (including rent or mortgage and utilities) are less than 30% of the household's income. A household that spends 30% or more of its income on housing costs is considered "cost burdened". A summary of affordable housing costs by income in Apex is provided in the Appendix.



There are many different types of "affordable housing":

NO SUBSIDY



Correnna St

Naturally Occurring Affordable Housing (NOAH): Market-rate housing (for rent or purchase) that is priced at levels that are affordable to low- or moderate-income residents. In Apex, rising rents, home prices, and redevelopment have led to a limited amount of NOAH.



Broadstone Walk

Subsidized Housing: Rental and ownership housing which has received local, state, or federal subsidy funding to make it affordable to income-qualified residents. The most common form of subsidized housing is through the federal Low-Income Housing Tax Credit (LIHTC) program, which in North Carolina primarily serves households at or below 60% of Area Median Income, or about \$56,000 for a family of four in Wake County, well above minimum wage. Apex presently has fewer than 200 units of subsidized housing.



Oak Grove

Public Housing: Housing owned and managed by public housing agencies with operating and capital funds provided by HUD, and typically serving extremely low-income households (a family of four making \$25,300 or less). The Wake County Housing Authority operates 10 units of public housing in Apex.

Permanent Supportive Housing: Housing that also provides health care and supportive services to help individuals and families with higher levels of need (for example, adults with chronic health or developmental difficulties) to remain housed and lead more stable lives.

HIGHEST LEVEL OF SUBSIDY

Planning Context

Prior plans in Apex and Wake County established a strong foundation to begin the affordable housing planning processes. The Town's and region's prior comprehensive plans, small area plans, and housing strategies helped the planning team to understand the local and regional priorities that the Affordable Housing Plan would need to address for Apex, as well as planned investments and ongoing initiatives around land use, transportation, and affordable housing.



The **Apex Downtown Master Plan** (2019) provides a vision to guide development in and around downtown.

- Expanding housing options including mixed-income and senior-friendly housing near downtown is a key goal of the plan
- Realtors see a need for additional duplex, triplex, and quad housing near downtown to support housing affordability



Advance Apex (2019) is a transportation and land use plan.

- It includes the 2045 Future Land Use map and sets the goals of investing in activity centers, creating walkable, mixed-use areas, and preserving rural character
- It identified the conceptual route for the first local transit route in Apex



The **Wake County Affordable Housing Plan** (2017) identifies strategies to produce and preserve affordable housing.

- Recommendations include use of public land, an acquisition and preservation fund, funding for affordable rental production, and dedicating funding for housing programs



Peak Plan 2030 (2013) is an update to the Town's Comprehensive Plan.

- The plan recommends allowing and encouraging more housing development, especially rental housing, in and around downtown; increasing density near downtown without altering neighborhood character; increasing diversity of housing types and tenure; and encouraging weatherization and modernization, particularly for senior and disabled housing

Planning Process

The Apex Affordable Housing Plan is the result of an eight-month planning effort. The planning process included:

- Assessing housing needs, which combined analysis of demographic, economic, and real estate market trends with input from stakeholders to identify a clear picture of housing trends and affordability needs in Apex;
- Working with a Steering Committee in six sessions to develop a vision and goals for the plan and discuss potential affordable housing tools that Apex could implement to meet its housing needs;
- Developing recommendations for feasible and impactful strategies and tools the Town can pursue to address its housing needs and meet its affordable housing goals; and
- Drafting a plan for public review prior to adoption by the Town Council.



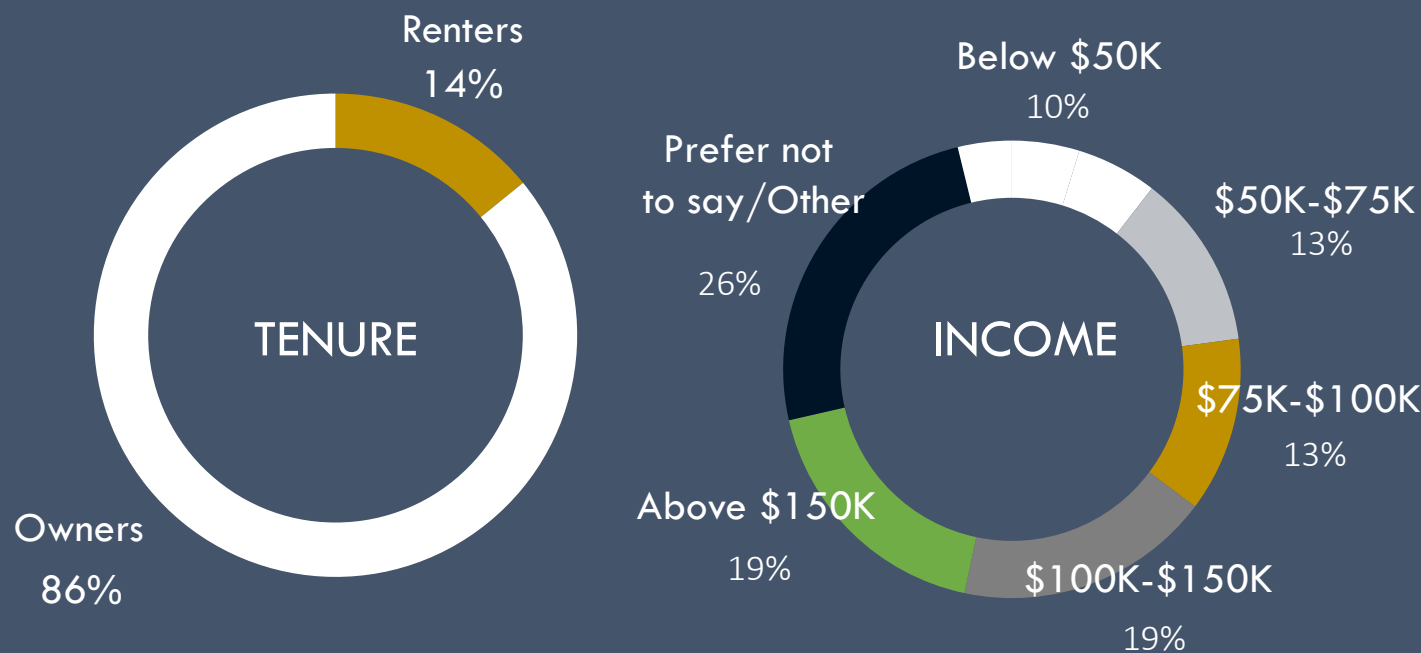
The Apex Affordable Housing Plan was developed in collaboration with Apex residents and stakeholders from a diversity of backgrounds. Throughout the plan, input from stakeholders provided crucial context about local needs and priorities. Engagement activity included:

- **15 Interviews with stakeholders** including providers of affordable housing, developers, community leaders, nonprofit service providers, and **Apex residents** directly impacted by housing challenges;
- A **Town-wide public survey** that was publicized in utility mailers, emails, Town social media pages, posters, and through community leaders and Steering Committee members;
- Regular **website and email updates** to inform residents about the progress of the plan;
- **A public presentation** to share the draft plan and receive public feedback;
- Presentations to the **Apex Planning Board and Town Council**; and
- **Input from a steering Committee of local stakeholders** including engaged residents and housing professionals who lent their support, guidance, and opinions throughout the planning process.

Planning Process

A town-wide public survey was released in July 2020 using publicinput.com in order to gather broad feedback on the housing issues that Apex residents face. This survey took place over a two-month period and reached over 1,250 residents, shaping the housing goals around which the Apex Affordable Housing Plan is organized and informing the plan's recommendations. The survey was supplemented with individual interviews to reach populations that were underrepresented in the survey. The survey also helped highlight topics that require further public engagement and public education around Apex's affordable housing needs. This will need to continue throughout the implementation of the Affordable Housing Plan and could be led by members of the Steering Committee as well as Town Staff.

The public survey received 1,250 responses offering a range of perspectives on housing in Apex. 89% of respondents were Apex residents, and the remainder were primarily from Holly Springs and Cary.



RACE/ETHNICITY

■ White
 ■ Prefer not to Say
 ■ Black or African American
 ■ Latinx/Latino/Latina
 ■ Asian (2%)



Planning Process

A public engagement plan (PEP) was developed to guide outreach throughout the planning process. The PEP included the survey as well as targeted metrics reflecting a goal to reach a diverse audience. The survey was supplemented with targeted interviews to reach lower income households. **Higher income homeowners are overrepresented in the survey, but representation was more diverse than the targeted metrics.**

Tenure of Apex Residents & Respondents

Apex homeowners: **74%**
 Respondent homeowners: **86%**

PEP Goal: 50 renter respondents
Reached: 139 renter respondents

Income of Apex Residents & Respondents

Apex households with incomes below \$35k: **13%**
 Respondents with incomes below \$35k*: **5%**

PEP Goal: Responses from all income groups, including low-income.

Race of Apex Residents & Respondents

White Apex residents: **75%**
 White survey respondents*: **66%**

PEP Goal: 60 non-white respondents
Reached: 150 non-white respondents

**26% of survey respondents declined to state their household income and 22% of survey respondents declined to state their race/ethnicity. Apex residents under the age of 35 are also underrepresented in the survey.*

Housing Needs Assessment

Purpose of a Housing Needs Assessment

The Housing Needs Assessment identifies the most pressing housing affordability challenges in Apex.

In particular, the Housing Needs Assessment uses demographic and market data as well as stakeholder input to answer three questions:

What are the most pressing issues related to housing affordability in Apex?

Housing affordability is made up of many distinct but related factors including the supply and diversity of available housing, the accessibility of homeownership, and the availability of housing and services to meet the needs of all residents including seniors, adults with disabilities, and households that rely on public transit. The Housing Needs Assessment provides insight into which of these issues are most pressing for Apex residents.

What policies or market trends are driving these issues?

Local and regional trends in population and income, housing development and prices, employment, and other factors all impact housing affordability in Apex. In addition, the Town's policies related to development review, land use, housing programs, and other regulations impact the cost of development and the cost of living in Apex. The Housing Needs Assessment evaluates which of these trends are most contributing to housing affordability challenges in the Town.

Who is and is not served by Apex's housing market?

Some residents may face affordability challenges that others do not. In addition, there may be regional residents who want to live in Apex but cannot, or who choose not to live in Apex. Understanding who is struggling with housing affordability in Apex is crucial to informing the priorities of the Affordable Housing Plan.

Summary of Housing Needs in Apex

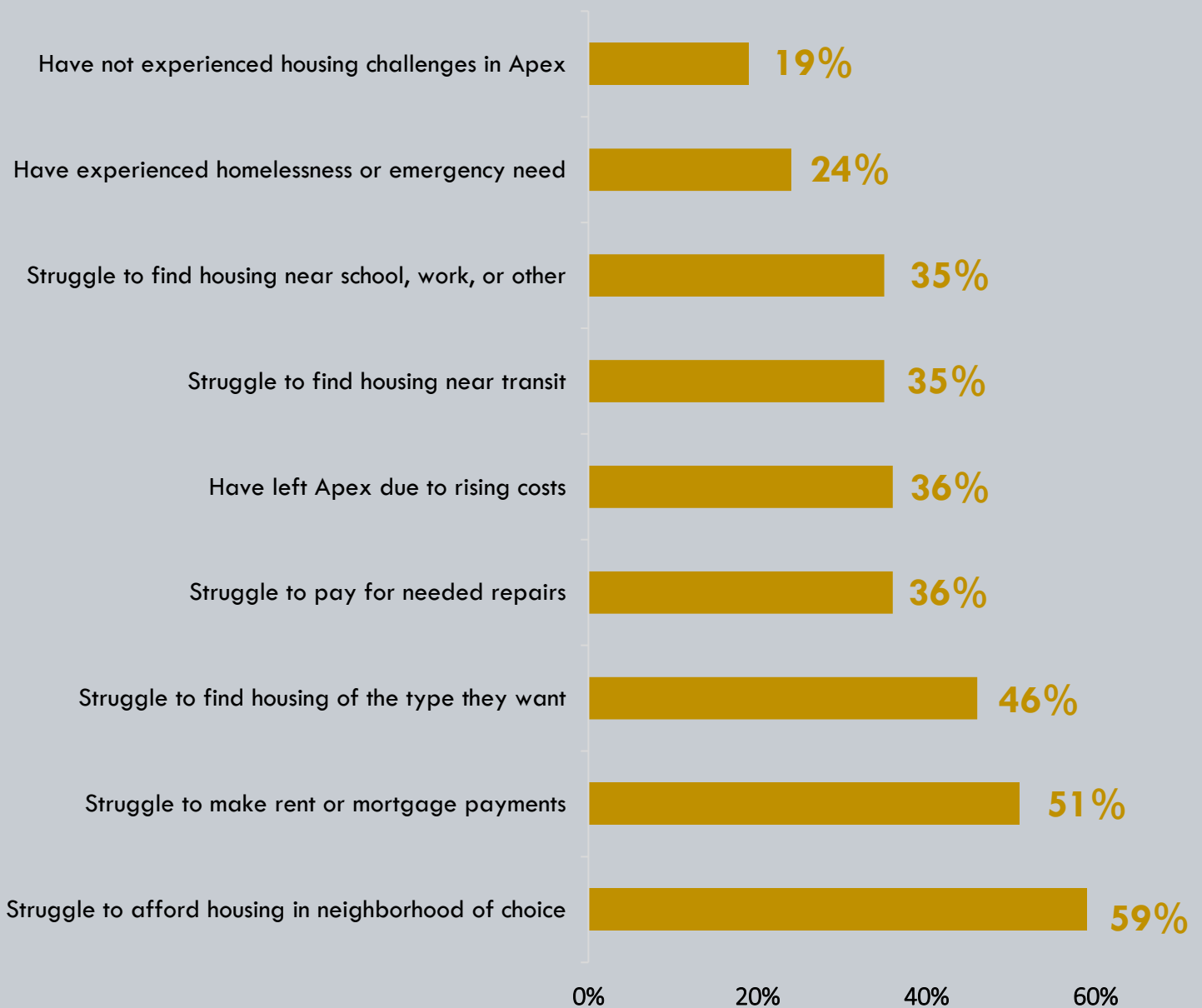
The key findings of the Housing Needs Assessment informed the goals and recommendations of the Affordable Housing Plan.

- **There is a significant shortage of rental housing that is affordable for low-income households** (2,000 units for households earning less than \$40,000), and that **rental housing gap is projected to nearly double** over the next 10 years. While it is not possible to quantify a homeownership gap, the increasing cost burden of low-income homeowners and qualitative data on homeownership indicate that there is an unmet need.
- **In Apex, there are presently 3,150 cost burdened households** earning less than \$75,000, **and 700 extremely cost burdened households** (those paying over 50% of their income in housing costs).
- **Apex is rapidly losing affordable entry-point homes** or “starter homes” for new owners including young families.
- Apex is **attracting a less racially diverse population** compared to Wake County overall.
- Affordable housing options and supportive services are limited for **seniors who want to age in place**.
- Apex **does not have a proportional share of the region’s subsidized rental housing**, and new development of LIHTC units has been limited. Barriers to subsidized affordable housing development include high land costs and limited access to transit.
- Most of the **supportive housing and services in Apex are provided through small programs** run by religious organizations or other nonprofits.
- Market pressures appear to be **displacing moderate-income families**, including homeowners, and threaten existing Naturally-Occurring Affordable Housing (NOAH).
- **High land and maintenance costs place redevelopment pressure on NOAH** in Apex, including mobile home parks and older homes.
- **Lack of clear affordable housing development requirements** leads to uncertainty in negotiation with developers, which can pose a barrier to the production of new housing.

Public Input on Housing Needs

The public survey was used to gather general input regarding housing needs. **Survey respondents agree that housing affordability is a challenge in Apex.** The Appendix provides more detailed public survey results.

Survey Prompt: Do you think that people in Apex...



Public Input on Housing Needs

Respondents shared both their perspective on housing issues in Apex and the role that they think the Town should play. The Appendix provides more detailed Public Survey results.



*Many of the lower-income families would like to stay in Apex to give their children a better life. Many are forced to move to areas that have less access to resources. **We would love to see Apex stay balanced** and not become a place accessible only for a certain demographic.*

*Couples in their **late 20s and early 30s with young children** I know had a hard time affording a single family house in this area.*

*I know many Latino families that have moved away from Apex because of rising housing cost. This **racial/class gentrification by means of rising housing costs**, reduces social and economic diversity which hurts everyone's quality of life.*

*It should not be the Town's responsibility to provide financial assistance or down payment assistance. **There are federal programs available** to support those needs.*

*I believe the Town should be looking at ways to **work with local and county organizations** to develop more affordable housing.*

***People retiring have to move** to Fuquay or Holly Springs to downsize.*

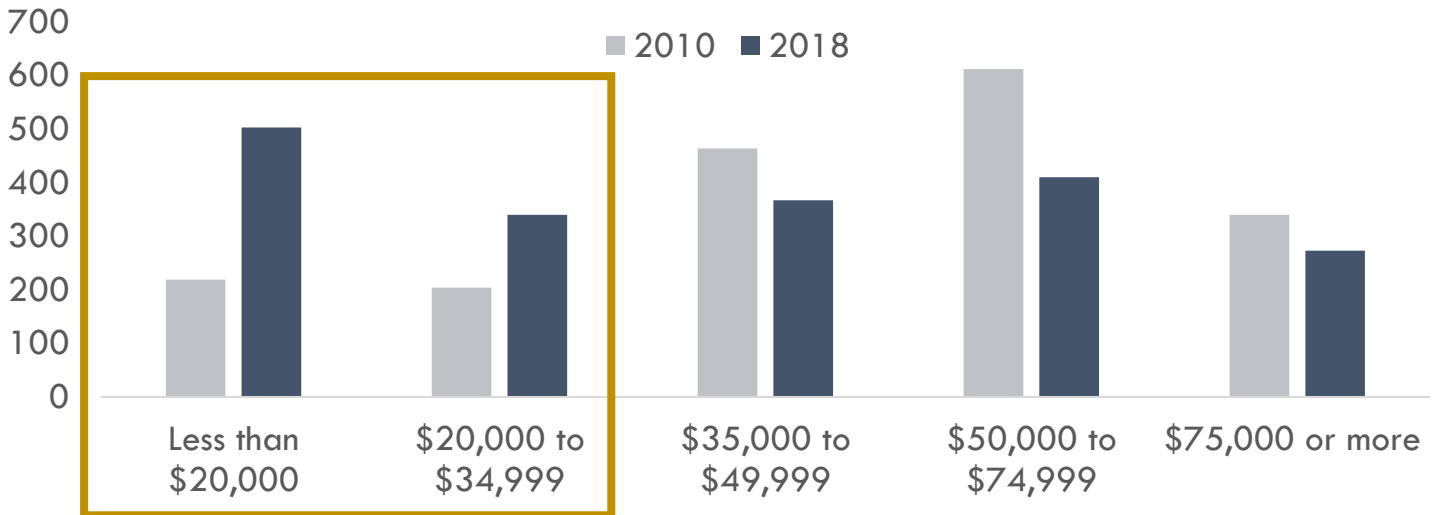
*I agree the **Town should be the implementer** of affordable housing and not hinder it through arbitrary zoning and land use laws. But I do not agree it is the Town's obligation to finance.*



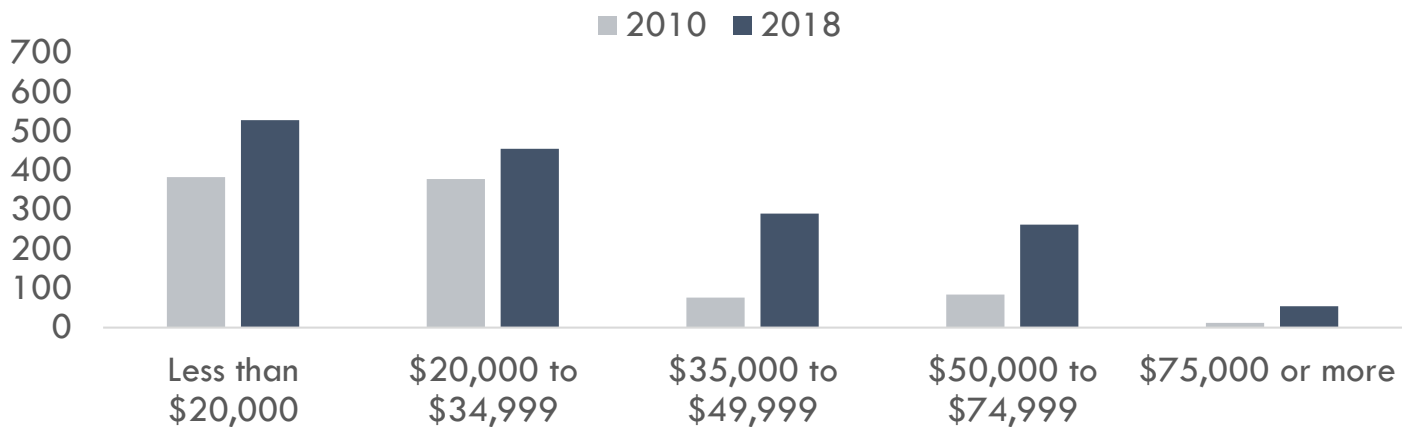
Housing Trends and Challenges

Cost burden for Apex residents is increasing for homeowners at lower income levels and renters at all income levels.

Homeowner Housing Cost Burden



Renter Housing Cost Burden



A household is cost burdened if it spends more than 30 percent of income on housing costs, including utilities. In Apex, there are presently **3,150 cost burdened households earning less than \$75,000**, and **700 extremely cost burdened households** (those paying over 50% of their income in housing costs).

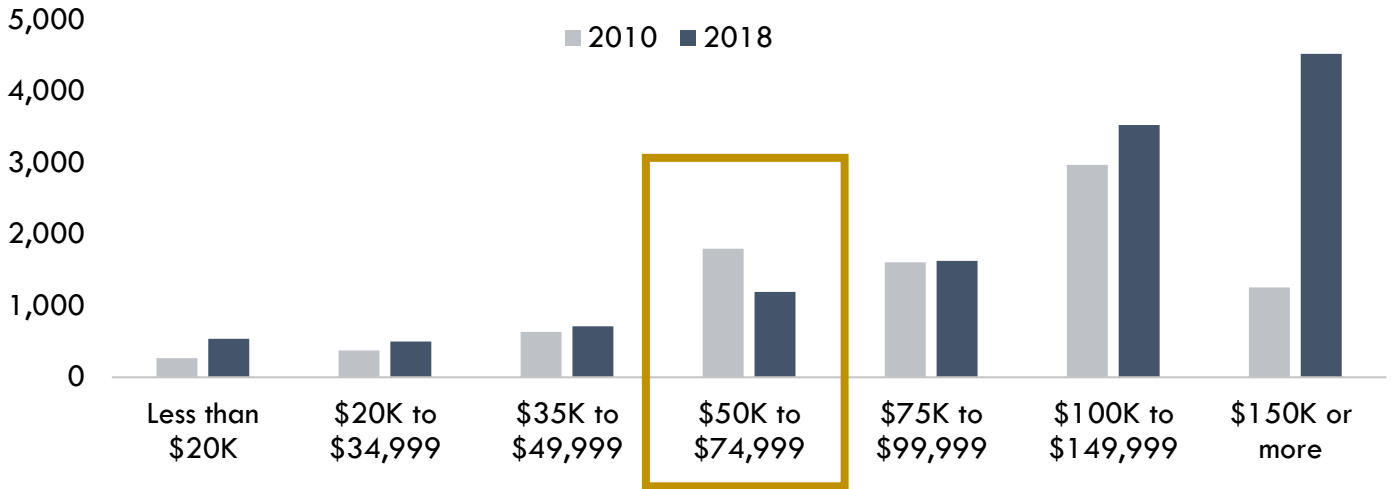
Since 2010, cost burden has increased dramatically for low-income households who own and rent, and also for higher-income renters, perhaps due to the luxury price points of new multifamily development (a structure containing more than four dwelling units). This indicates the growing need for affordable rental and homeownership opportunities within the Town.

Source: ACS 5-Year Estimates (2018)

Housing Trends and Challenges

Apex is losing moderate-income households, particularly among homeowners, who may be moving to nearby towns with lower home prices.

Change in Income Distribution - Homeowners



While Apex has continued to gain higher-income households, the Town has **seen a significant decrease in households earning \$50,000 to \$75,000 each year, primarily driven by a loss of homeowners.** These income tiers are generally considered to be moderate-income households in Wake County. Since 2010, the Town of Apex lost 605 homeowner households earning between \$50,000 to \$75,000 each year.

Based on Apex’s increasing home values, as well as the survey responses and interviews of Apex residents, this loss in moderate-income homeowners appears to be driven **by a combination of existing homeowners leaving Apex, and the inability of other moderate-income homeowners to replace them.** While existing homeowners may be leaving due to their independent desire to sell or their inability to afford growing costs of homeownership (such as rising property taxes), the rising financial barrier to moving to Apex is an undisputed challenge for prospective residents earning moderate incomes, as well as the increasing cost burden for low income renters and homeowners.

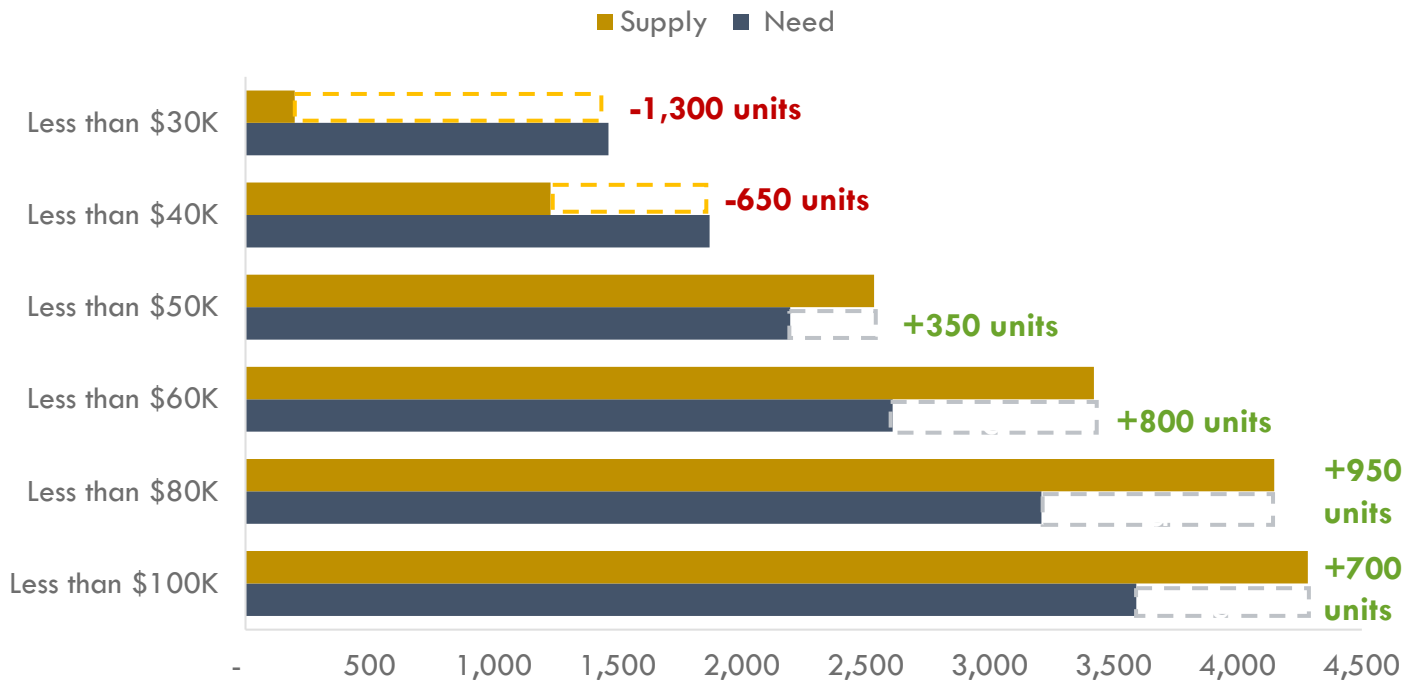
“In some cases, people can’t stay here [in Apex]. I see this near Downtown and the Publix. So, they sell and move to Holly Springs.”
—Apex resident

Source: ACS 5-Year Estimates (2018), Decennial Census (2010)

Housing Trends and Challenges

The limited availability of subsidized rental housing and rising rents have led to a rental housing gap of roughly 2,000 units affordable to households earning less than \$40,000 in Apex. When the need from individuals of certain incomes levels exceeds the number of units affordable at that income level, a housing gap exists. This gap is particularly pronounced for households earning less than \$40,000 each year, as the number of units meeting their maximum affordable rent (\$750 each month for households making \$30k and \$1000 each month for households making \$40k, including utilities) continues to dwindle. As a result, many of these renters are likely paying 50% or more of their income for housing. Like many towns, Apex has a gap of rental units for low-income renters and a surplus of units for higher-income renters. This indicates that the market is meeting the needs of most renters, particularly those earning more than \$50,000, but that public subsidy may be needed to increase the availability of rental housing that is affordable to households with incomes below \$40,000.

Apex Cumulative Rental Housing Gap, 2018



As rents increase, NOAH is lost, and the low-income population continues to grow; **this gap is projected to nearly double for lower income households over the next ten years.** While the Town can't fully address the rental housing gap, funding and partnerships with the County will help to reduce it or keep it from growing.

Source: ACS 5-Year Public Use Microdata Samples (2018)

Housing Trends and Challenges

Over the next decade, Apex is projected to add 1,900 jobs with incomes below \$75,000, which will further contribute to the Town's affordable housing need.

+900 Jobs under \$35K

E.g. Grocery Cashier



+650 Jobs from \$35-50K

E.g. Firefighters



+350 Jobs from \$50-75K

E.g. Registered Nurses



Though not all people who work in Apex will choose to live in the Town, employment growth is one source of potential new residents. Much of the projected employment growth (83% of jobs added) in Apex will be in occupations that pay less than \$75,000 annually, and almost half of those jobs will be retail and service-industry jobs that pay less than \$35,000. For those making minimum wage, annual salary can be closer to \$14,000 in North Carolina.

Presently, only 10.4% of people who work in Apex live in the Town. 65% of all Apex workers commute 10 miles or more from Wake County and surrounding counties, a rate that is high even amongst other suburbs. By increasing the stock of quality, affordable homes for low and moderate-income households, Apex could retain a larger share of its employees as residents, ensuring that the individuals who help keep the Town running are also able to call it home. Further, given the location of these jobs, it is beneficial for affordable units to be located near retail and commercial centers as well as transit access.

Source: EMSI, ACS 5-Year Estimates (2018), LEHD OnTheMap

Vision and Goals

Plan Vision and Goals

The Steering Committee used public input and the results of the Housing Needs Assessment to establish the plan vision and goals.

Apex welcomes people of diverse backgrounds, and supports opportunities for affordable, safe, sanitary, and quality housing that meets the needs of people of all incomes, ages, and abilities.

To fulfill this vision, Apex will...



Welcome, attract, and retain a diverse population.



Meet the housing needs of a diverse population, including providing housing that is affordable to people with moderate and low incomes.



Connect affordable housing development with transit service, transportation infrastructure, and amenities.



Partner regionally to meet the needs of vulnerable populations.



Raise community awareness of affordable housing needs, solutions, and broader impacts.

Recommendations

Recommendations Overview

The Affordable Housing Plan includes fourteen recommendations intended to address the plan vision and goals. These are generally grouped in three categories: (1) Building the Town's Capacity, (2) Advancing Advocacy and Public Education, and (3) Implementing Programs and Policies. A brief explanation for each recommendation is provided in this section.

BUILDING THE TOWN'S CAPACITY

Town Staff Capacity

Housing Advisory Board

ADVANCING ADVOCACY AND PUBLIC EDUCATION

Annual Housing Report & Dashboard

Diversity & Racial Equity Initiatives

Affordable Housing Advocacy Partners

IMPLEMENTING PROGRAMS AND POLICIES

Affordable Housing Incentive Zoning

Owner-Occupied Rehabilitation (OOR) Assistance

Low Income Housing Tax Credit (LIHTC) Gap Financing

Support for Homeownership

Transit Oriented Development Density

"Soft Density" Zoning By-Right

Emergency Rental Assistance & Supportive Services

Accessory Apartments

Public Land Acquisition & Sale

Town Staff Capacity

Apex will increase the capacity of staff to support the successful implementation of the Affordable Housing Plan by hiring a Housing Manager.

What it Means

Aligning staff capacity with the level of programming is crucial to the success of the Affordable Housing Plan. By ensuring that the Town's departments are adequately staffed and funded to administer and manage housing programs and development, and by setting clear priorities and measures of success, the Town can increase both its ability to support affordable housing and to communicate and engage with the public.



Need in Apex

Apex lacks housing staff to oversee the implementation of the Plan including the administration of the Affordable Housing Fund and proposed Housing Advisory Board.

Recommendations for Apex

As the Town develops new housing programs, it will need a full-time Housing Manager to manage and oversee those programs. This role would be responsible for continued program improvement, research of best practice, and monitoring of success. The Town may need to contribute additional staff time and resources to support the Housing Manager as needed.

Implementation

1. Hire a housing manager to oversee the implementation of the Affordable Housing Plan.
2. Review current staffing and make changes to accommodate new priorities and increase capacity.

Timing: Near-term (<2 years)

Goals: 

Housing Advisory Board

Apex will create a Housing Advisory Board to provide input on the use of the Town's affordable housing funding and policy, as well as to be responsible for championing education and outreach around affordable housing.

What it Means

A Housing Advisory Board or Committee is a public, non-regulatory committee that advises Town leadership on policy and funding priorities related to affordable housing. Much like other public boards, committees, and commissions, it should bring together stakeholders with multiple viewpoints who can advocate for affordable housing to Town Council and the public.

How it Works

MEMBERSHIP

8-10 council-appointed members, representing the following groups:

- affordable housing providers (recipients of Town funds)
- real estate professionals & lenders
- at-large community members
- affordable housing residents
- regional representatives
- Planning Board member
- Town Council member (nonvoting)

Membership should reflect a broad diversity of ages, races, and incomes, and a combination of homeowners and renters.

RESPONSIBILITY

1. Provide Town Council with policy and funding recommendations.
2. Assist in the creation of an Annual Housing Report.
3. Advise on Housing Advocacy efforts.

TOWN STAFF ROLE

Provide administrative support and technical assistance for board activity.
Provide information about related Town initiatives, policies, and programs.

Need in Apex

Apex has a committed base of housing advocates and professionals it can leverage to support the activities of Town staff, to inform the priorities of Town leadership, and to communicate with the public about affordable housing. In addition, meeting the housing needs of diverse residents requires a mechanism for diverse voices to participate in the Town's decision-making.

Recommendations for Apex

By establishing a Housing Advisory Board the Town can formalize existing advocacy efforts and ensure the Town's capacity to successfully implement the Affordable Housing Plan.

Implementation

1. After hiring a Town Housing Manager, establish a board and develop a charter and by-laws to guide inclusive membership, governance, and training.
2. Appoint members, hold regular meetings, and coordinate with the Planning Board and Town Council.

Timing: Near-term (<2 years)

Goals:



Annual Housing Report & Dashboard

Apex will produce an annual report and online dashboard on the impacts of the Town's affordable housing activities and spending.

What it Means

An annual housing report with online dashboard serves two main functions: (1) To track key performance indicators and metrics associated with affordable housing programs and expenditures and monitor the impacts to ensure that the Town's investments support racial equity goals; and (2) To convey to residents the importance of housing affordability and racial equity initiatives. It can both serve as an outreach tool and track efforts related to outreach and education.

How it Works

Annual Housing Reports should include:

Metrics to diagnose affordability

e.g. entry price point, rates of housing cost burden by tenure

Key Performance Indicators for programs

e.g. households served by income range, units produced or preserved

The online dashboard can be updated more frequently, including data such as assistance provided through the Owner-Occupied Rehabilitation Program.



Need in Apex

Public engagement revealed uncertainty among Apex residents about the areas of greatest need and the Town's role in supporting affordable housing.

Recommendations for Apex

Producing an annual report on housing and an online dashboard, once implementation of programs is underway, will provide a forum for educating and informing the public about the state of housing affordability in Apex. Use advocacy to communicate early progress.

Implementation

1. Following the hiring of a Town Housing Manager, identify key housing metrics and program performance indicators to track and report.
2. Develop a format and begin annual housing report and dashboard for Town of Apex.

Timing: Mid-term (2-5 years)

Goals:

Diversity & Racial Equity Initiatives

Apex will identify and eliminate potential barriers to attracting a diverse population and adopt a racial equity lens to evaluate all housing policies and investments.

What it Means

Diversity initiatives are comprised of marketing and partnership efforts that emphasize a Town's values, with the goal of becoming more welcoming of people of different races, ethnicities, beliefs, sexual orientations, gender identities, incomes, and other groups. **Racial equity initiatives** acknowledge the intentional design of many racial inequities and set racial equity goals for programs.

Need in Apex

Apex's vision is to become a community that is welcoming to people of diverse backgrounds. However, new residents in Apex are predominantly white, even as the County's population growth has been relatively diverse, indicating that the Town can do more to advance a welcoming message and provide housing opportunities for prospective residents. Further, a commitment to racial equity requires that the Town understands the impacts of its policies and investments and makes decisions that mitigate rather than exacerbate racial disparities.

Recommendations for Apex

To advance diversity, the Town should engage with a diverse group of residents to understand the current messages, explicit and implicit, that may influence who moves to Apex; work with real estate agents to coordinate messaging and ensure understanding of and compliance with Fair Housing regulations; and emphasize the Town's values in all communications. As part of ongoing Town efforts to increase diversity and equity, the Town should adopt a racial equity lens to evaluate housing investments and consider hiring a Diversity Officer to implement these changes throughout the Town's government.

Implementation of Diversity Initiatives

Timing: Mid-term (2-5 years)

1. Work with marginalized communities to understand Apex's current messaging, and to develop core values that emphasize diversity.
2. Develop a resident marketing strategy for Town communications that reflects core values.
3. Engage with real estate professionals including brokers and mortgage lenders to align messaging and mitigate potential barriers to attracting diverse residents.

Goals: 

Implementation of Racial Equity Initiatives

4. Adopt a racial equity lens to evaluate and make decisions about housing programs and investments. Track program impacts and disaggregate data by race.
5. Evaluate the need for a Diversity Officer and hire a Diversity Officer if needed.
6. Join the North Carolina cohort of GARE (Government Alliance on Race and Equity), and participate in educational sessions, technical assistance, and peer-to-peer exchanges to shape Town racial equity initiatives.

Affordable Housing Advocacy Partners

Apex will develop partnerships with pro-affordable housing advocates to coordinate an education campaign.

What it Means

Advocacy activities can help to build public awareness and dispel misconceptions about affordable housing. In small towns, many preexisting community groups function as advocates by educating the public about the benefits of development, the need for affordable housing, and the populations impacted by that need.

How it Works

The Town can partner with community groups to support **advocacy efforts**:

“Explainers” and fact sheets for proposed and existing programs

Tours of affordable housing developments

Publication of individual affordable housing stories

Need in Apex

Public engagement revealed a need for greater education and communication about the need for affordable housing in Apex and the Town’s role in addressing affordable housing needs.

Recommendations for Apex

The Town should support the advocacy efforts of the Housing Advisory Board members and their associated groups, offering organizational resources (such as public meeting space) and educational resources about housing programs. Progress made and reported in the annual housing report can be conveyed through these partnerships and a potential public forum.

Implementation

1. Work with Housing Advisory Board members and organizations to develop advocacy and education plan.
2. Develop public-facing informational materials to explain the Town’s affordable housing plan.
3. Integrate advocacy efforts into Annual Housing Report.

Timing: Mid-term (2-5 years)

Goals:     

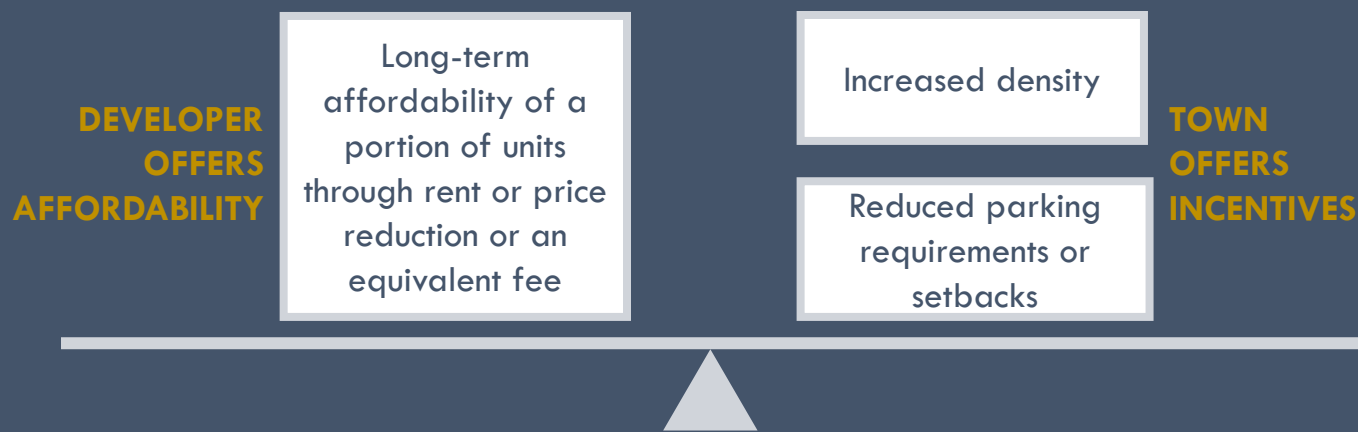
Affordable Housing Incentive Zoning

Apex will create a clear menu of suggested affordable housing zoning conditions for developers to choose from in exchange for incentives as part of the rezoning and Planned Unit Development approval processes.

What it Means

When proposed development requires Town Council approval, the Town has an opportunity to ensure that new development includes affordable housing units. Incentive zoning conditions encourage developers to provide a public good, such as affordable housing units, as part of a proposed development, in exchange for incentives that compensate for the loss of revenue.

How it Works



Need in Apex

Apex already provides incentives for affordable housing and other public benefits, but lacks a clear set of conditions, which can pose a barrier to the production of new housing. In addition, the Town wants to protect Naturally-Occurring Affordable Housing and limit gentrification pressures from new housing development.

Recommendations for Apex

Establishing a clear policy that sets expectations for developers to provide affordable housing units or an equivalent fee payment toward the Town's Housing Trust Fund will help to ensure that affordable housing is created in Apex as part of new residential development. Further, the program should include special requirements for discretionary development in areas particularly sensitive to redevelopment, such as mobile home parks, to minimize displacement.

Implementation

1. Review existing approval processes and recently-approved projects to help develop clear guidelines.
2. Develop an incentive zoning condition, specifying target affordability and available incentives.
3. Establish criteria and a process to review projects.

Timing: Near-term (<2 years)

Goals: 

Affordable Housing Incentive Zoning (cont'd)

Example Affordable Housing Incentives in Apex | Depot 499 PUD

- The Project:** A proposed 200-acre mixed-use development including residential and non-residential components, seeking rezoning as a Planned Unit Development (PUD), a type of zoning district with specific requirements outlined in the Unified Development Ordinance.
- The Opportunity:** The proposal included no affordable housing but was requesting a significant zoning change for the development to move forward.
- The Request:** The Town requested that the developer set aside at least 2 acres (1% of the total land area) for affordable housing or set aside a portion of the proposed multifamily housing units for affordable housing.
- The Outcome:** The Developer agreed to make a monetary donation to an affordable housing fund or non-profit affordable housing developer if a target



number of affordable housing units were not built by 2025. In addition, Wake County Public School System committed to building an elementary school within the development area. Based on these commitments, the Town approved the rezoning.

Example Affordable Housing Incentives in Apex | Kissena Lane PUD

- The Project:** A proposed 10-lot development of affordable, detached single family housing within an existing subdivision, seeking rezoning as a Planned Unit Development (PUD).
- The Opportunity:** The proposal for a 100% affordable development serving households with incomes at or below 70% of Area Median Income required certain changes to the zoning requirements in order to provide housing that was both affordable and in character with surrounding development.
- The Request:** The developer requested changes to the zoning including the required lot width and building setbacks, as well as a grant to assist with fees, in order to make the development feasible at the specified level of affordability.
- The Outcome:** The Town approved the PUD, which enabled the project to move forward.

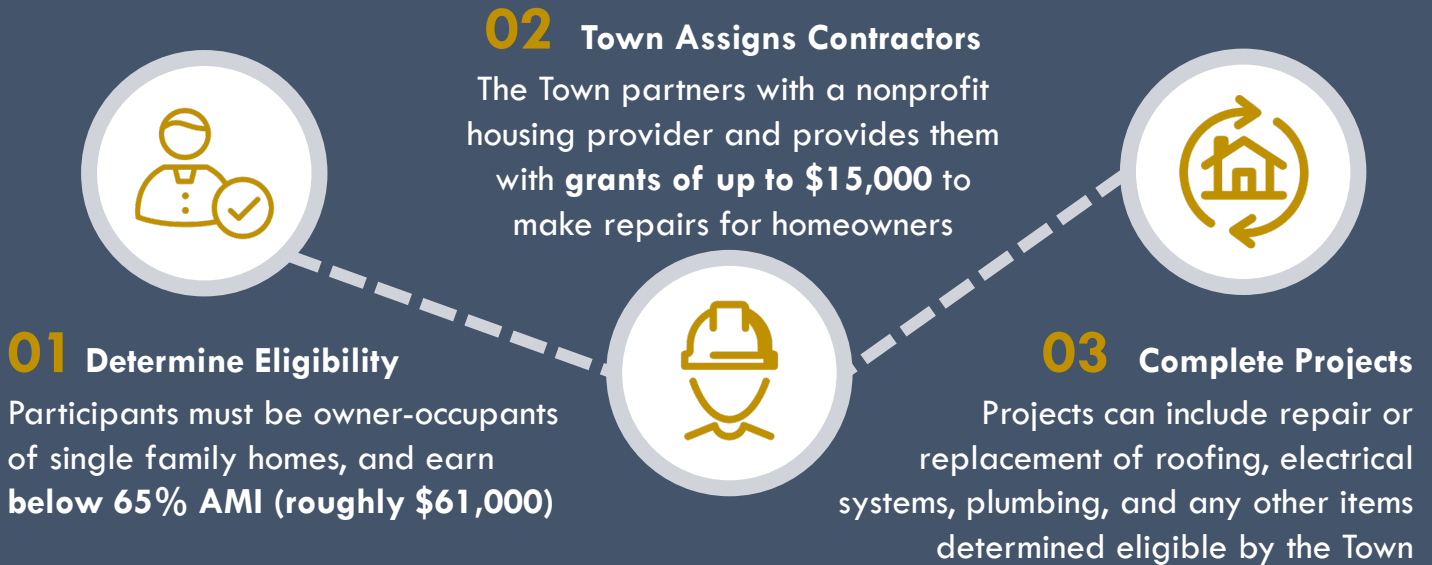
Owner-Occupied Rehabilitation (OOR) Assistance

Apex will work with a nonprofit partner to support homeowners in making repairs so they can remain in their homes and communities.

What it Means

Owner-occupied rehabilitation programs help maintain the affordability of homeownership by ensuring that income-qualifying homeowners can make necessary repairs to make their homes safe. Qualifying repairs typically include structural repairs, modernization or repairs to systems such as heating and plumbing, and weatherization, as well as accessibility improvements to help seniors age in place. Cosmetic improvements are not eligible costs.

How it Works



Need in Apex

Apex has been losing moderate-income homeowners, and older homes are one remaining source of Naturally-Occurring Affordable Housing (NOAH) in Apex.

Recommendations for Apex

The Town has approved a program, Apex Cares, to provide rehabilitation assistance to income-qualified homeowners. Apex should implement Apex Cares in a way that compliments the County rehabilitation programs. This program will help preserve NOAH, prevent displacement of moderate-income homeowners, and allow seniors to age in place.

Implementation

1. Standardize Apex Cares program operations with Wake County rehabilitation program.
2. Identify qualified private contracts from the County.
3. Conduct outreach to potential Apex Cares participants.

Timing: Near-term (<2 years)

Goals: 

Low Income Housing Tax Credit (LIHTC)

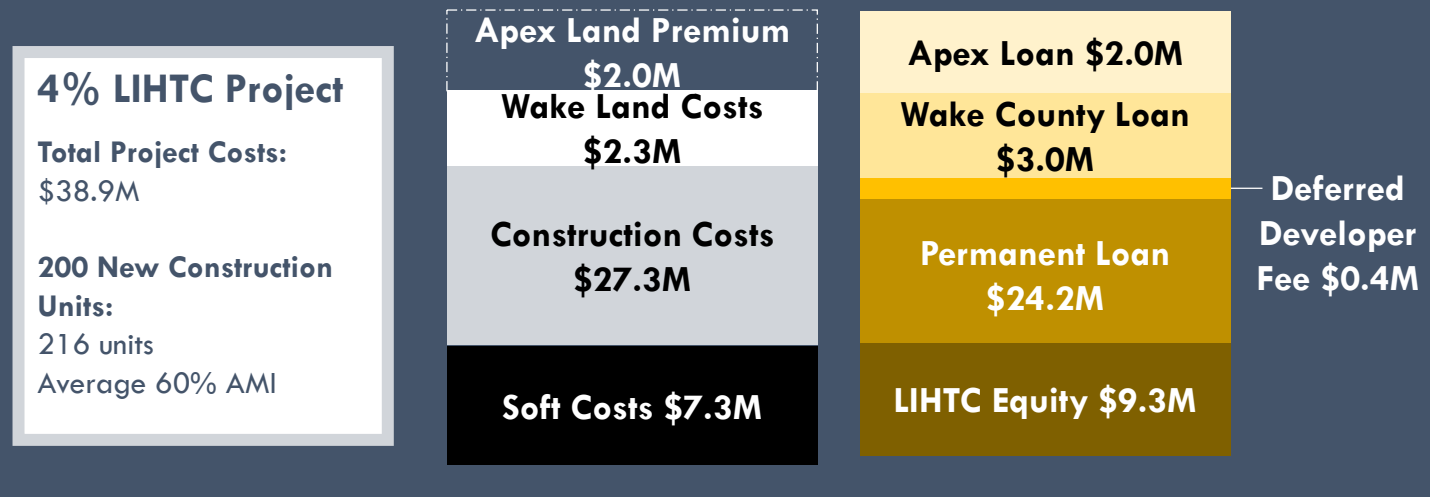
Gap Financing

Apex will collaborate with Wake County to provide gap financing to increase the production of LIHTC housing and adopt a policy to provide assistance to reduce the cost of local fees for affordable housing developments.

What it Means

LIHTC is a federal program administered through the state, and the primary tool for the development of new affordable rental units. There are two types of LIHTC: 9%, which provide greater federal subsidy but are highly competitive; and 4%, which have less federal subsidy and therefore require more local support, but are not as competitive. Local governments frequently provide low-cost loans to LIHTC developers to close the financial “gap”.

How it Works



Need In Apex

Apex has a low-income rental housing gap, and a disproportionately low share of the County’s low-income housing. Land costs and site requirements make LIHTC development difficult.

Recommendations for Apex

The Town can leverage County funding to meet Apex’s affordable housing needs. Apex should explore opportunities to support 9% as well as 4% projects, which have fewer barriers to development in Apex. Apex should provide low-cost loans for LIHTC in partnership with Wake County to account for the higher cost of land in Apex. In addition, the Town can provide grants to reduce the costs of permit fees.

Implementation

- In the near-term gather input on gap financing needs and loan requirements from developers and County staff and dedicate a portion of Apex Affordable Housing Funds to gap financing.
- In the mid-term coordinate with Wake County to negotiate financing for proposed LIHTC developments and adopt a policy to provide grants for permit fees.

Timing: Near-term (<2 years)

Goals: 

Support for Homeownership (Down Payment Assistance & Counseling)

Apex will increase access to homeownership for residents through financial assistance and counseling services provided through nonprofit partners.

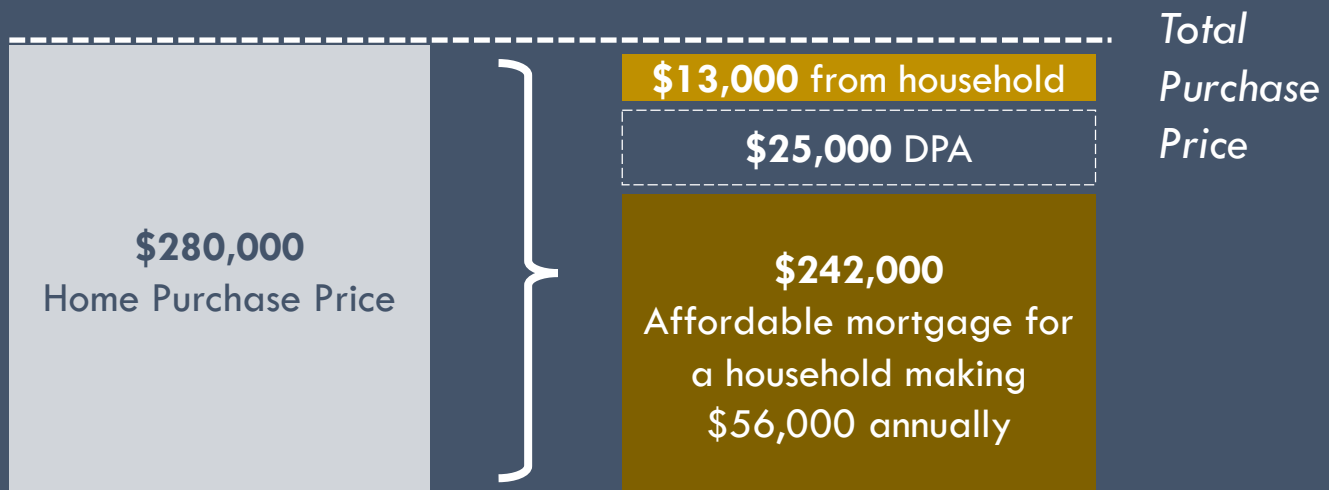
What it Means

Down Payment Assistance (DPA) reduces the up-front costs of homeownership by providing income-qualified households with a forgivable loan (for those meeting requirements) or grant to cover a portion of the down payment and closing costs. Paired with homebuyer counseling, Down Payment Assistance can help low-and moderate-income households find stable housing and build wealth through home equity.

Homebuyer counseling provides prospective first-time homebuyers with assistance in planning for buying a home and budgeting for the full costs of homeownership, including utilities, insurance and maintenance, to ensure that households are financially prepared for homeownership.

How it Works

Down Payment Assistance reduces the up-front costs of homeownership through grants or forgivable loans.



Homeownership counseling may include services such as:

1. Identifying affordable purchase prices and evaluating mortgage options.
2. Learning how to choose a home, a real estate agent, insurance, etc.
3. Navigating inspections, home purchase, and closing.
4. Planning for full costs of homeownership including maintenance needs.
5. Avoiding discrimination & predatory lenders.
6. Financial planning assistance or foreclosure prevention.

Support for Homeownership (continued)

Need in Apex

Apex has been losing moderate-income homeowners, and the entry point for homeownership is putting homeownership out of reach for young families and first-time homebuyers.

Recommendations for Apex

Apex can provide funding for Down Payment Assistance to nonprofit operators of local programs, and layer funding with both State and County programs to maximize available funding and help Apex residents build wealth. Because, in Apex, there are increasingly few homes inexpensive enough North Carolina Housing Finance Agency requirements, this program would work best with a higher maximum purchase price, and in combination with tools that increase the supply of moderately-priced housing, including soft density zoning.

Implementation

1. Develop and issue a request for proposals for a nonprofit partner to administer homeownership programs.
2. Review proposals and select a nonprofit partner.
3. Provide funding to support homeownership programs.

Timing: Mid-term (2-5 years)

Goals:



Building Wealth versus Preserving Affordability

Support for homeownership helps low- and moderate-income households build wealth by accumulating home equity, but Down Payment Assistance does not preserve the affordability of the home purchased after the homebuyer sells the house. Depending on the type of Down Payment Assistance, funds can be forgiven or become part of a revolving program to support new first-time homebuyers. Shared equity homeownership limits the wealth households can build but maintains the affordability of the house. This can be done through a variety of mechanisms, including Community Land Trusts. **The Town must weigh the tradeoffs between helping residents build wealth and making housing affordable over the long-term.**

**EMPHASIS ON
BUILDING
WEALTH**

TYPES OF FUNDING ASSISTANCE

**EMPHASIS ON
PRESERVING
AFFORDABILITY**

Forgivable Loan or Grant	Loan with 0% Interest	Loan with Interest	Shared Equity Homeownership
If homebuyer remains in the home for a minimum period (e.g. 5 years), the down payment assistance loan is forgiven and becomes part of the household's assets.	When homebuyer sells the home, they repay the down payment assistance out of sale proceeds. Funds are redirected to a new homebuyer. The loan could be partially forgiven.	When homebuyer sells the home, they repay the down payment assistance with interest out of sale proceeds. Funds are redirected to a new homebuyer.	Both the homebuyer and the homeownership program build equity in the property, which must be sold to another income-qualified household.

Transit-Oriented Development Density

Apex will amend its Future Land Use Map to show higher density multifamily development in areas adjacent to key transit infrastructure.

What it Means

Allowing increased density of multifamily development will help to reduce development costs and clearly communicate where the Town is interested in supporting new development. Encouraging development of multifamily development near employment centers and transit helps create denser nodes and reduces the need for renters to rely on personal vehicles.

How it Works

Transit-Oriented Development (TOD) is...



**CONNECTED
& ACCESSIBLE**



**FOCUSED
& COMPACT**



MIXED-USE

Need in Apex

The Town of Apex is launching its first local bus route in Spring 2021, and enhanced GoTriangle bus services including extended Apex to Raleigh service and a new Apex-Cary Express which will connect to the planned multi-modal hub and further increase access to public transit for Apex residents.

Recommendations for Apex

Apex has proposed increases in density for its 2045 Future Land Use Map. By planning for denser multifamily, the Town can ensure that development is consistent with the Town's growing transit system and support the development of affordable housing near transit.

Implementation

1. Review current future land use map and proposed transit system improvements to identify areas suitable for increased density.
2. Determine desired density of residential or mixed-use in transit-adjacent areas.
3. Engage the public to explain TOD and adopt proposed Land Use Map changes.

Timing: Mid-term (2-5 years)

Goals:



“Soft Density” By-Right Zoning

Apex will amend its zoning to allow or encourage more types of housing, including duplexes, triplexes, and small multifamily developments, in residential districts adjacent to downtown.

What it Means

“Soft Density” refers to attached single family housing such as townhomes, duplexes, and triplexes which can accommodate more households and provide smaller units for residents. Allowing by-right development of more types of housing will help reduce development costs and clearly communicate where the Town is interested in supporting new development.

How it Works



Detached
Single Family
Home



Townhome



Duplex



Triplex or Quad



Mid-rise
Apartment

“Soft Density” or “Missing Middle” Housing

Increasing Density

Needs in Apex

Apex has been losing moderate-income homeowners, which may be due in part to a lack of affordable smaller homes such as townhomes.

Recommendations for Apex

Apex has a “small town character” zoning overlay district to preserve the architectural qualities that define the downtown. The Town can amend this overlay district to ensure that it allows soft density development, minimizes barriers to the development of soft density, and limits the maximum unit size of new development. This should help to provide smaller housing units near downtown while preserving affordability and enhancing neighborhood character.

Implementation

1. Review current zoning regulations including Affordable Housing Incentive Zoning condition to identify areas suitable for increased density.
2. Engage with developers and residents in downtown-adjacent neighborhoods to evaluate opportunities and barriers to increasing the development of “soft density” housing.
3. Adopt proposed zoning changes.

Timing: Mid-term (2-5 years)

Goals:



Emergency Rental Assistance and Supportive Services

Apex will support residents at risk of homelessness and other vulnerable populations with emergency rental assistance and related services.

What it Means

Emergency rental assistance helps households with a short-term need due to illness, job loss, or another emergency to pay rent or utilities to avoid eviction and shut-offs. Supportive services are a broad category of programs that help vulnerable populations maintain stable housing. Vulnerable populations may include: the chronically homeless; veterans; seniors; adults with chronic illness, addiction, or disabilities; and victims of domestic abuse.

How it Works

01

Allocate funds to serve vulnerable populations and set criteria to select awardees



02

Issue an RFP and score responses based on scoring criteria such as based on demonstrated need and organization capacity



03

Award funds to nonprofits with highest-scoring proposals. Monitor impacts of implementation and ongoing need.



Need in Apex

Apex provides grant funds to nonprofit service providers but can allocate Affordable Housing Funds to expand supportive services and emergency assistance to vulnerable residents. Public survey respondents supported assistance for residents facing housing instability.

Recommendations for Apex

Setting aside funds to help families facing short-term emergencies will help to reduce eviction risk and providing funds for short-term emergencies can help avoid higher costs associated with eviction and homelessness. The Town can provide funds for emergency and supportive services through a competitive Request-for-Proposals process.

Implementation

1. Issue RFP for nonprofit partners to provide emergency or supportive services such as funding for supportive housing, resources for shared housing, emergency rental or utility assistance, or other programs that meet demonstrated need.
2. Award funds and work with nonprofit partners to monitor ongoing need.

Timing: Long-term (5-10 years)

Goals:



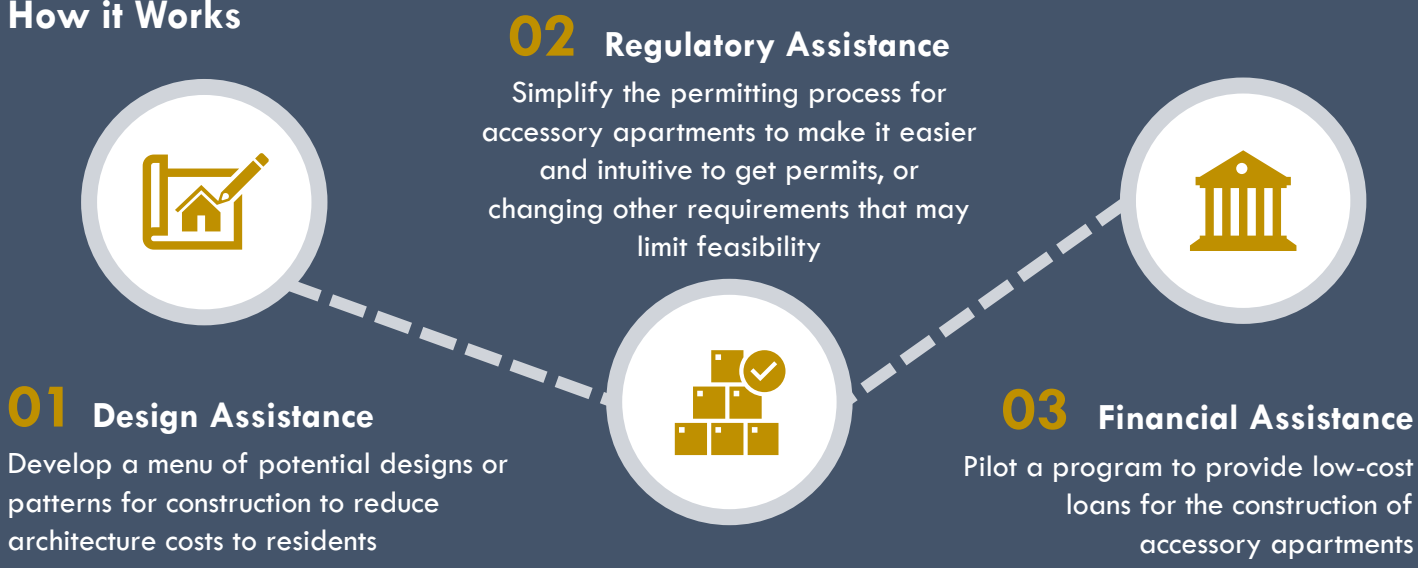
Accessory Apartments

Apex will provide residents with resources to encourage the development of accessory apartments.

What it Means

Accessory apartments are small secondary units built as part of or adjacent to single family homes. Cities around the country are beginning to explore ways to increase the construction of accessory apartments to provide affordable housing and wealth-building opportunities. Common strategies include making it easier for residents and developers to build accessory apartments or providing low-cost construction loans.

How it Works



Need in Apex

Apex allows accessory apartments, and costs range from approximately \$45-90k per unit.

Recommendations for Apex

The Town can support the development of accessory apartments by working with developers to provide them in new housing developments; providing design and regulatory assistance; and encouraging Homeowners Associations (HOAs) to allow accessory apartments. In addition, the Town could pilot a program to provide permanent financing, to be re-paid over time, for the construction of Accessory Apartments that are rented to low-income renters.

Implementation

1. Identify best practices from successful regional and local examples.
2. Work with homeowners, HOAs, and developers to reduce barriers and encourage development.
2. Create a menu of designs based on the building code and the local building stock.
3. Conduct a pilot program to develop 5 affordable units by offering \$50,000 low-cost construction loans.

Timing: Long-term (5-10 years)

Goals:



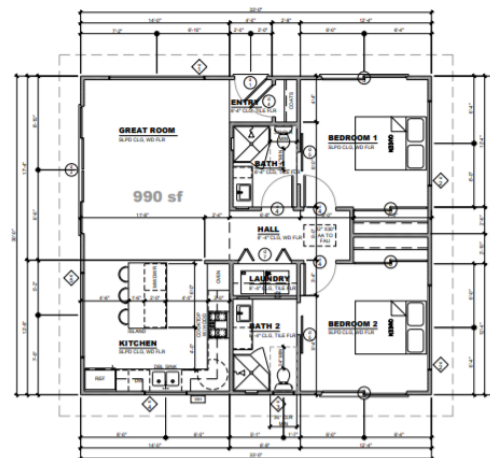
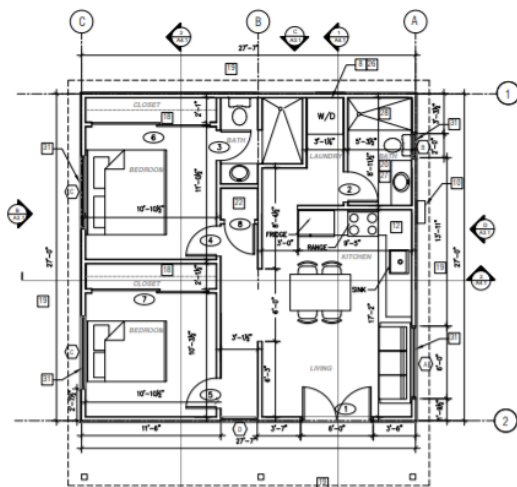
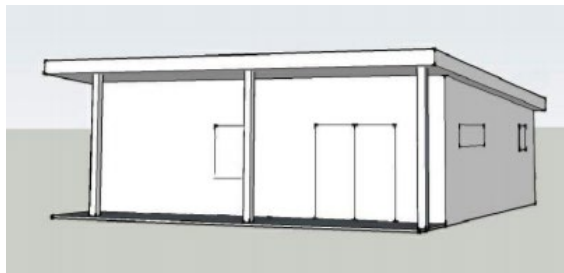
Accessory Apartments (continued)

Case Study | Encinitas, California Permit Ready ADU Program (PRADU)

To encourage the construction of Accessory Dwelling Units (ADUs), the City of Encinitas, California offers a range of services to encourage and reduce barriers to the development of ADUs. The City's website provides a selection of pre-approved building plans with customizable options that fit the community's character, as well as an expedited permit process and reduced fees. Through a competitive process, the City selected two local architects to develop criteria and create a selection of designs and plans for the PRADU program, including a studio, a one-bedroom, a two-bedroom, and a three-bedroom option. These plans are available for download from the City's website, along with a checklist, permit application, and other relevant documents. The program was launched in 2019 to support the City's goal of supporting diverse housing options throughout Encinitas. Whereas in 2012, the City was permitting fewer than 10 ADUs per year, in 2019 the City issued over 150 permits for ADUs.



DESIGN PATH STUDIO
architecture + design



Source: City of Encinitas, DZN Partners, Design Path Studio; Western City

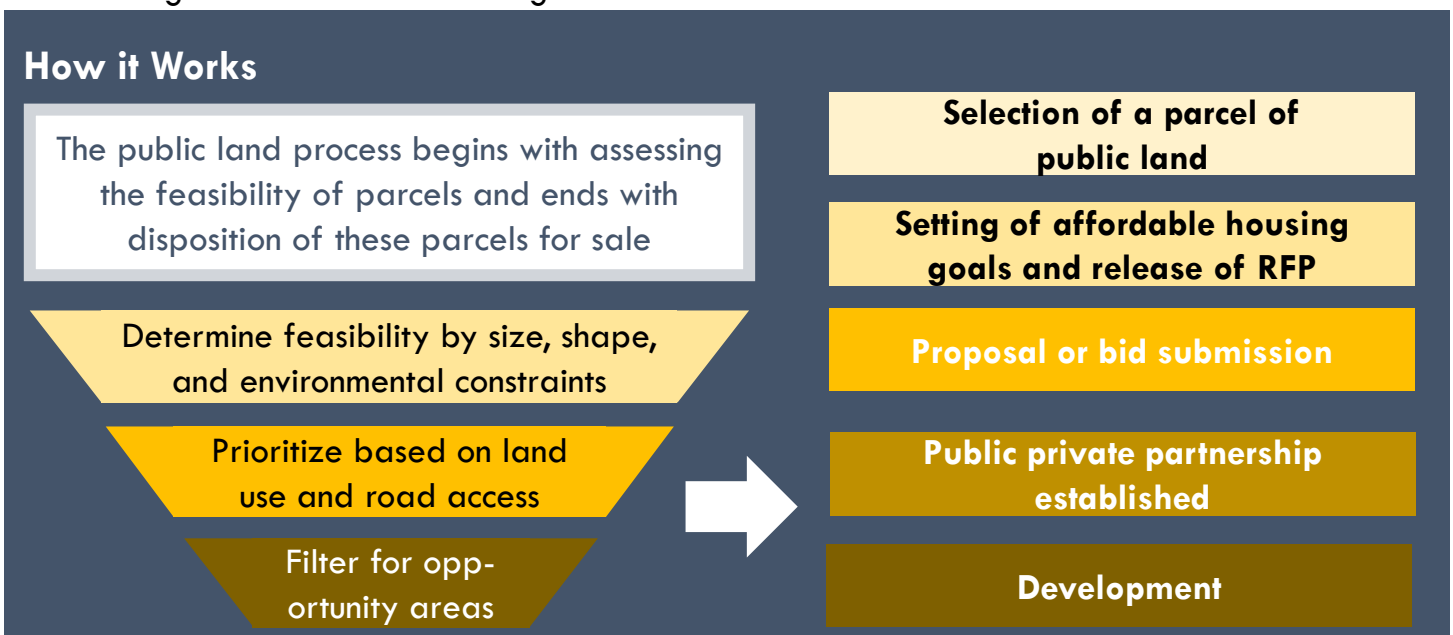
Public Land Acquisition and Sale

Apex will adopt a Town-wide policy to evaluate publicly-owned land prior to development and disposition and sell suitable property to developers at a reduced price in exchange for developing affordable units, and to evaluate any new purchases of property for affordable housing opportunities.

What it Means

Free or reduced cost land is another form of public subsidy the Town can use to create opportunities for the development of new affordable housing. In North Carolina, local governments can provide land to developers through a competitive process at reduced prices in exchange for affordable housing.

How it Works



Need in Apex

Land costs are high in Apex, which is a barrier to affordable housing development. In addition, Apex owns limited public land that could be suitable for development.

Recommendations for Apex

Adopting a public land policy will help to ensure that suitable parcels are prioritized for affordable housing, and that as the Town makes new purchases of land for public uses it evaluates and identifies opportunities for affordable housing development. The Town may be able to partner with Wake County to develop affordable housing on County-owned property.

Implementation

1. Develop a land policy that ensures suitable sites are designated for affordable housing.
2. Inventory and review opportunities on Town- and County-public land in coordination with the Housing Advisory Board.
3. Release an RFP for development of priority sites.

Timing: Long-term (5-10 years)

Goals:



Action Plan

Matrix of Recommendations

While many affordable housing solutions require national, state, and county support, the Town of Apex can take action to support affordable housing.

Recommendation	Timing	Welcome, Attract, and Retain	Meet Housing Needs	Connect with Infrastructure	Partner Regionally	Raise Awareness
BUILD THE TOWN'S CAPACITY To ensure the successful implementation of the Affordable Housing Plan, Apex needs to build its capacity to oversee new housing programs.						
Town Staff Capacity	Near-term					
Housing Advisory Board	Near-term					
ADVANCE ADVOCACY AND PUBLIC EDUCATION Building awareness and understanding about Affordable Housing in Apex will be critical to the success of the Plan.						
Annual Housing Report & Dashboard	Mid-term					
Diversity & Racial Equity Initiatives	Mid-term					
Affordable Housing Advocacy Partners	Mid-term					
IMPLEMENT PROGRAMS AND POLICIES Apex will provide funding for new programs and make policy changes to meet its affordable housing goals.						
Affordable Housing Incentive Zoning	Near-term					
Owner-Occupied Rehabilitation (OOR) Assistance	Near-term					
Low Income Housing Tax Credit (LIHTC) Gap Financing	Near-term					
Support for Homeownership	Mid-term					
Transit Oriented Development Density	Mid-term					
"Soft Density" Zoning By-Right	Mid-term					
Emergency Rental Assistance and Supportive Services	Long-term					
Accessory Apartments	Long-term					
Public Land Acquisition & Sale	Long-term					

Metrics of Success

Each of the Town’s actions will require specific metrics of success and targets to communicate progress, evaluate program effectiveness, and assess the Town’s long-term prioritization. As the Town works toward implementing the plan, it will need to set ambitious but achievable targets. While the Town should track a broad array of housing affordability metrics, it should only set targets for the direct outputs and impacts of Town programs.

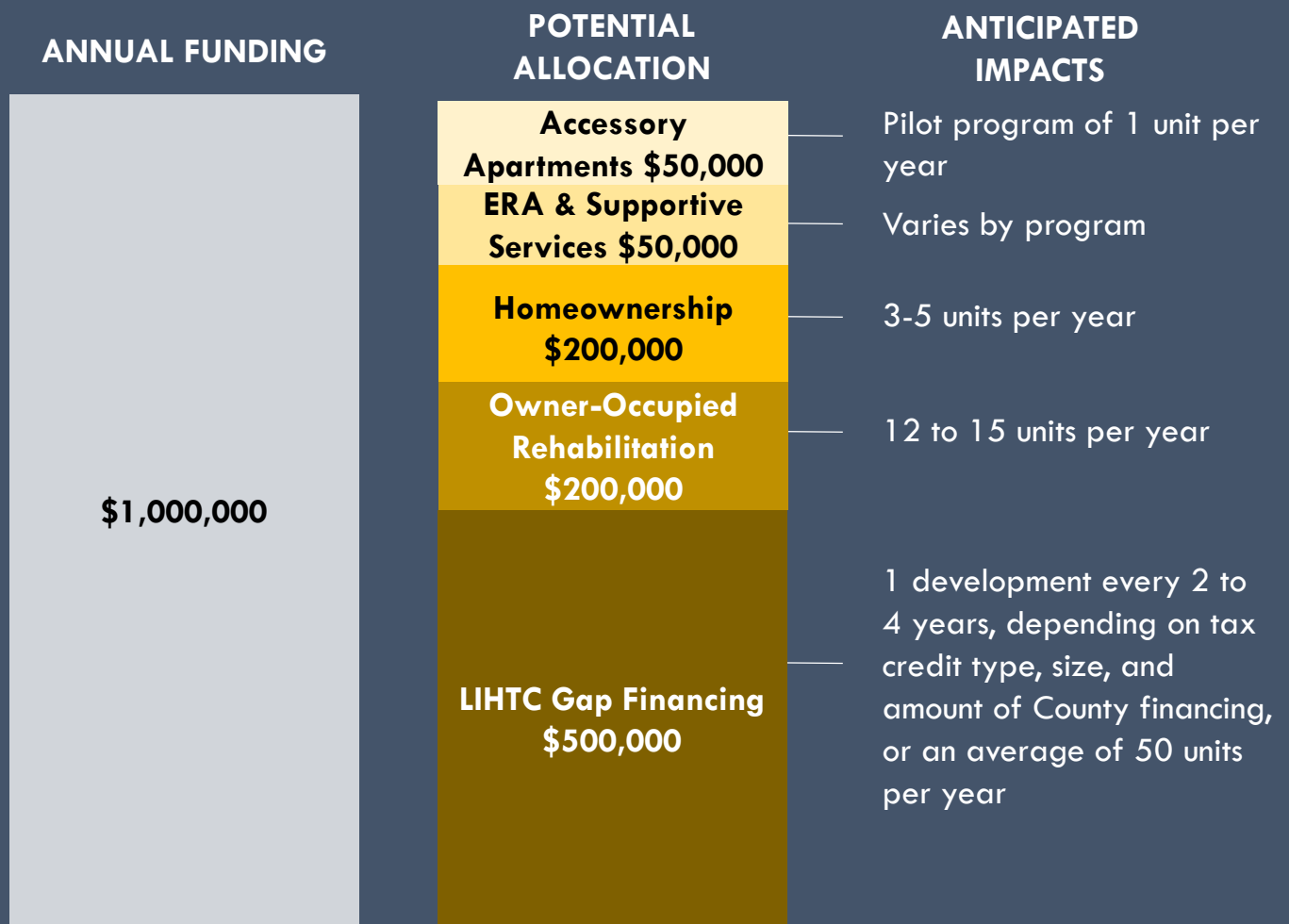
Proposed Metric*	Sample Target
BUILD THE TOWN’S CAPACITY	
Number of dedicated housing staff	Hire a Housing Manager within 1 year
Formation of a Housing Advisory Board	Establish a Housing Advisory Board within 1 year
Number of Board meetings held	Quarterly (4) at a minimum
ADVANCE ADVOCACY AND PUBLIC EDUCATION	
Equitable impacts of housing programs	Disaggregated housing program metrics show no racial or other disparities
Publication of an annual housing report	First report released within 2 years
Number of advocacy events held or materials produced by the Town or partners	One initiative per year with Town support
Increased diversity of Apex residents	Track and report – no sample target
IMPLEMENT PROGRAMS AND POLICIES	
Number of households served by program, tenure (renter or owner), and income	<ul style="list-style-type: none"> • Five households/year with income up to 80% of AMI receive down payment assistance • Fifteen households/year with income up to 65% of AMI receive Owner-Occupied rehabilitation assistance • 75 newly-developed units serving households at or below 50% AMI receive Town funding or zoning incentives within five years
Number of new subsidized affordable units developed	<ul style="list-style-type: none"> • 300 units developed or in development within five years • Track development of subsidized units against identified gap of 2,000 rental units affordable to households under \$40,000
Number of accessory apartments built	<ul style="list-style-type: none"> • Five permits for accessory apartments issued per year • Successful completion of a pilot program to build 5 units that are affordable to renters up to 60% AMI within 5 years
Total new housing units developed	Track and report – no sample target
Median home price & median rent	Track and report – no sample target
Homeownership rates	Track and report – no sample target
Eviction rate	Track and report – no sample target

*Where applicable, all impact data should be disaggregated by income and race.

Apex Affordable Housing Fund

In recent years, many local governments have established Housing Trust Funds (HTF) to provide funding for affordable housing programs. The Town of Apex recently created a new HTF, referred to as the Apex Affordable Housing Fund, and approved a one cent property tax increase (a “penny tax”) with the proceeds of this tax designated to the fund to support affordable housing programs. This penny tax is anticipated to generate \$1 million annually. The specific allocation of these funds will be determined by Apex’s Town Council, with input from the Housing Advisory Board, which will make annual budget allocation recommendations.

Sample Apex Affordable Housing Fund Allocation and Impacts



Funding priorities should be reevaluated each year. Budgeting should emphasize flexibility, so that funds can be reallocated between approved programs as needed. Funds can be set aside annually for expenditure in later years (such as for LIHTC gap financing). The Town can also set aside funds to cover administrative costs such as a portion of staff time. In the long term, the Town could explore dedicating a fund to preserve older affordable and market-rate affordable rental housing, however the complexity of this program makes it a lower priority for Apex.

Appendix

1. Data Sources & Glossary

Data Sources

The Apex Affordable Housing Plan draws on public and proprietary data sources.

Data Source	Used For
CoStar Commercial Listing Service	Data on multifamily developments including number of units, vacancy, and rent
EMSI (Economic Modeling Specialists, Inc.)	Current and projected employment data in industry-specific clusters. EMSI uses data from the U.S. Bureau of Labor Statistics and other public sources.
Housing Authority of Wake County	Detailed property records for local subsidized housing
LEHD On the Map	Data on commuter patterns and projected employment growth
NC Housing Finance Agency Qualified Allocation Plan	State-established eligibility and criteria for scoring of Low-Income Housing Tax Credit (LIHTC) applications
Public survey responses	Comments and opinions shared by residents who completed the Town's public Affordable Housing survey
Resident and stakeholder interviews	Observations, data points, and recommendations from Apex residents and housing professionals
Steering Committee meetings and survey responses	Points of consensus and expert information from Steering Committee members during meetings and interim communication (such as survey responses and emails)
Town of Apex Development Report	Information regarding approved and proposed residential projects in the Town development process, including site plans, unit counts, and preliminary renderings
U.S. Department of Housing and Urban Development (HUD) & HUD Exchange	Federal funding by program over time, Area Median Income limits
U.S. Census Bureau American Community Survey 2018 5-Year Estimates, 1-Year Estimates, & 2010 Decennial Census	Demographic data including population estimates, income, and housing tenure
Zillow Home Value Index	Data on median housing values for each third of a housing market over the past decades

Glossary of Terms

Term	Definition
Accessory Apartments	Secondary rental units attached to or detached from a primary unit on a single family housing lot. Also known as Accessory Dwelling Units (ADUs).
Area Median Income (AMI)	See Page 33.
By-Right Development	Development allowed under the Unified Development Ordinance without requiring Town approval such as a variance or rezoning.
Community Land Trust (CLT)	A community-based nonprofit that reduces the cost of homeownership and supports long-term affordability of homes by separating the ownership of land from ownership of the home. The CLT owns the land and while the resident can build equity through a long-term lease.
Cost Burden	Under a standard set by the U.S. Department of Housing and Urban Development, a household is considered cost burdened when it spends 30% or more of its income on gross housing costs, including rent, mortgage payments, and utilities.
Down Payment Assistance (DPA)	Down payment assistance programs support homeownership by providing a grant or forgivable loan to first-time homebuyers to reduce the upfront costs of purchasing a home.
Housing Trust Fund (HTF)	A locally-designated and controlled fund to pay for affordable housing development and programs.
Infill Development	Development or redevelopment of a vacant or under-used property within an existing developed area.
Low-Income Housing Tax Credit (LIHTC)	A federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. The LIHTC program distributes federal income tax credits to developers through states' individual Housing Finance Agencies (HFA), which determine which projects receive tax credits under their federal allocation. There are two general types of credits that can be awarded, 9% credits and 4% credits.
Naturally-Occurring Affordable Housing (NOAH)	Market-rate housing that is affordable to low- or moderate-income households without public subsidy.
Planned Unit Development (PUD)	A zoning designation that permits variations from Apex's other zoning categories in order to allow flexibility and site-specific development.
Soft Density	Primarily single family areas that allow additional housing typologies such as duplexes, triplexes, quadplexes, townhomes or row houses, and live-work housing - also known as "missing middle" housing.
Subsidized Housing	Affordable rental and ownership housing developed and/or operated by non-profit and for-profit developers using public subsidies.
Unified Development Ordinance (UDO)	The policy document through which Apex designates its zoning and land use regulations and other rules that govern development.

Housing Affordability Limits in Apex

The Department of Housing and Urban Development (HUD) sets income limits by household size that determine eligibility for subsidized housing programs. HUD develops income limits based on Median Family Income estimates by Metropolitan Statistical Area. Apex is in the Raleigh Metropolitan Statistical Area (MSA), which includes Franklin, Johnston, and Wake Counties.

Area Median Income (AMI) Limits for Raleigh MSA, 2020

Income Level	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
30% AMI (Extremely Low Income)	19,800	22,600	23,450	28,250	30,680
50% AMI (Very Low Income)	32,950	37,650	42,350	47,050	50,850
60% AMI	39,540	45,180	49,500	56,460	61,140
80% AMI (Low Income)	52,750	60,250	67,800	75,300	81,350
100% AMI	65,900	75,300	82,500	94,100	101,900

Housing costs are considered affordable when a household spends less than 30% of its income on gross housing costs, including rent or mortgage payments and utilities. For example, a household earning \$50,000 can afford housing costs up to \$1,250 per month. If housing costs exceed that limit, the household is cost burdened. The monthly cost limit for households in Apex by size and income level is shown in the table below.

Maximum Affordable Monthly Housing Costs for Raleigh MSA, 2020

Income Level	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
30% AMI (Extremely Low Income)	\$495	\$565	\$586	\$706	\$767
50% AMI (Very Low Income)	\$824	\$941	\$1,059	\$1,176	\$1,271
60% AMI	\$989	\$1,130	\$1,238	\$1,412	\$1,529
80% AMI (Low Income)	\$1,319	\$1,506	\$1,695	\$1,883	\$2,034
100% AMI	\$1,648	\$1,883	\$2,063	\$2,353	\$2,548

Source: U.S. Department of Housing and Urban Development (HUD)

2. Public Engagement

Public Survey Results

58% of survey respondents think the Town should address affordable housing, but few types of potential tools received majority support.

The Town should....



Public Survey Results

Survey responses varied most significantly by housing tenure.

Statement	Owners	Renters	Incomes \$75k and Above	Incomes \$35k and Below
Everyone deserves access to safe, quality housing that is affordable to their income	62%	85%	68%	82%
Those that work in Apex should be able to live in Apex	54%	82%	61%	75%
Displacement of Residents is a concern in Apex	31%	55%	37%	41%
The Town should provide direct financial assistance to build affordable housing	23%	50%	26%	52%
The Town should offer down-payment assistance for first-time home buyers	19%	51%	24%	57%

Stakeholder Engagement Summary

HR&A interviewed 15 stakeholders between June 5th and August 10th as part of the initial data and information gathering process to guide the Housing Needs Assessment. These individuals are not quoted by name but are social service providers, housing developers, realtors, and individuals who have personally been impacted by affordable housing issues in Apex with a range of incomes and housing needs.

Pressing Challenges: Vulnerable Populations

- Most of the residents that local housing service providers are working with have been in and around Apex for generations (“Apex is growing up around them”). They shared that there are not people moving to Apex who are at the lower income bracket, and so most of the housing vulnerabilities seen in their clients are about preservation of affordable housing and mitigation of displacement.
- Apex residents utilizing housing services include both renters and multigenerational homeowners. Roughly 40% of these residents are seniors.
- Lower income homeowners sometimes choose not to sell to flippers because they know that it won’t be enough to get them another house in Apex.
- Apex’s Hispanic/Latino/Latina/Latinx community has especially struggled with housing affordability, because of their incomes and because some are undocumented and thus unable to secure a mortgage.
- Several residents observed a steep shift in naturally-occurring affordable housing (NOAH) around 2014-2016 and were priced out of Apex during this time frame. Others have observed a gradual trend since 2008 of lower-income residents in Apex moving to Holly Springs, Clayton, and other further-out locations.
- Several interviewees agreed that Apex’s remaining trailer parks are “ripe for the picking” and are concerned about the threat of displacement of Apex renters in this source of NOAH.
- Others felt that foreclosures are the biggest risk for displacement of homeowners.
- Many interviewees were also unclear if many vulnerable individuals in the Triangle would want to live in the town if more affordable housing was available. Particular groups that may be less incentivized to live in Apex: families without cars (due to Apex’s limited transportation amenities), or racial and ethnic minorities (due to concerns about racism and racist events at local schools).

Pressing Challenges: Land

- Many builders noted the high land costs in Western Wake County as a primary challenge in building affordable housing.
- It is also difficult for affordable housing developers to acquire land for projects, as they have found challenges competing in the private market. The main form of land acquisition for affordable housing has come through donation of scattered sites, but interviewees did not see this as a sustainable long-term solution.
- National builders have come to the Western part of the County (Cary, Apex, Morrisville, Holly Springs) to meet growing demand and pushed prices up (\$150,000 per acre for land zoned for 3-8 units/acre). At the same time: existing home prices are escalating in the eastern and southern parts of the County, even when their land prices are still in \$60-70K/per acre.
- Apex also has a land availability problem because it lacks parcels that meet Qualified Allocation Plan (QAP) requirements. This directly inhibits the construction of Low Income Housing Tax Credit (LIHTC) projects. Apex has few parcels that would meet an adequate site score due to the land’s distance from amenities and transit.

Stakeholder Engagement Summary

Who are the major service providers in the area, and what are they doing?

- Mostly the churches and County service providers have worked in Western Wake.
- The towns (Apex, Cary, etc.) don't have federal homelessness dollars in their communities, so most funding is private dollars from various fundraising activities that is disseminated towards small churches.
- Apex is seen as having “a good group of people that are coordinating and collaborating”, but not on a larger scale similar to the Continuum of Care.
- When someone needs homeless prevention and rapid rehousing in Apex, housing service providers have to connect them with a larger organization in Raleigh or an Apex church or the Western Wake Crisis Ministry.
- Many providers are balancing providing emergency services now with trying to find land to build affordable housing in the long-term.
- Others are providing support on down payment issues for first time home buyers and trying to educate these buyers with classes. However, participation for first-time homeownership programs in Apex is low, because home prices are so expensive.

How has COVID shifted the work of housing service providers?

- Since COVID, housing providers have shifted from financial assistance to providing greater amounts of emergency rental assistance.
- Several partnerships (such as between local providers and the Partnership to End Homelessness) have emerged to meet the increased need, but these County-wide providers are at an immense backlog due to the need in lower-income sections of Wake County.
- Providers have witnessed more individuals at risk of homelessness in Apex than ever before. Roughly 4-5 families per week in the town need to be housed in hotels or other accommodations. This is a third of the annual total of Apex families served in previous years.
- Apex and Western Wake housing providers are currently attempting to close the gap between intake, referral, and assistance (given the imminent risk of eviction for many families).

Stakeholder Engagement Summary

Recommendations from Housing Advocates and Professionals

- Try to use builders from Wake County and North Carolina (for affordable housing).
- Nearly all stakeholders agreed that Apex needs to build more houses that cost under \$200,000 and are affordable to lower-income households. There is a consensus that while down-payment assistance and mortgage programs could help supplement existing need, the core issue is about building more homes that are affordable with existing state programs and within reach of lower and middle-income households.
- Several also believe that the success of this plan will be tied to the ability to tell a compelling story about the benefits of affordable housing in Apex. “If we can shift away from language that points the problem at the people who need housing to language about creating healthier communities, that will go very far.”
- A growing concern: on a few Apex projects completed by a regional affordable housing provider, property taxes were a concern for residents. These taxes are making it difficult for lower AMI homeowners to remain in their homes.
- Housing providers that we spoke to want to see a shift to preservation through rehab and describe it as a crucial opportunity to serve communities as land is becoming more scarce and/or expensive. Rehab can take place through partnerships with the Town and other nonprofits.
- Finally, nearly all participants agreed that the Town will need to partner with housing providers to land bank for affordable housing.
 - “The more we can land bank now, the more we’ll be able to address future affordability challenges.”
 - Some suggested that Town staff may need to go back to GIS and identify parcels that, even if unavailable now, would be priorities to “snatch up” when possible.
 - “We need the City’s buy-in as land values go up—they can help us find land at \$20-\$25K per lot.”

Recommendations from Residents with Housing Challenges

- Residents with housing challenges equally prioritized the need for smaller, more affordable homes in Apex.
 - Many remarked that 1,500 SF homes would be suitable sizes for “starter homes” and affordable homes for seniors. Interviewees named \$300,000 as a feasible starting price in their communities.
- Others agreed on the growing property tax burden for seniors and lower-income residents. One resident recommended that the County freeze property taxes for seniors (like herself), who are 65 years old and above.
- Residents wanted the Town to try to use builders from Wake County and North Carolina (for affordable housing, in order to keep revenue for builders in NC).
- Other residents have witnessed instances of predatory lending and higher down-payment requirements for undocumented immigrants in Apex. This has led them to move to mobile home subdivisions instead of pursuing homeownership or expensive luxury apartments.
 - One interviewee felt that down payment assistance and/or alternative mortgage products would help improve this issue.
- Finally, one resident felt that there is a potential opportunity for Apex to deliver more “affordable” student or employee housing.
 - They felt that local universities and major employers (such as IBM, Lenovo, Red Hat, Cisco, GSK, Credit Suisse, and Fidelity) may be open to providing this for their employees.

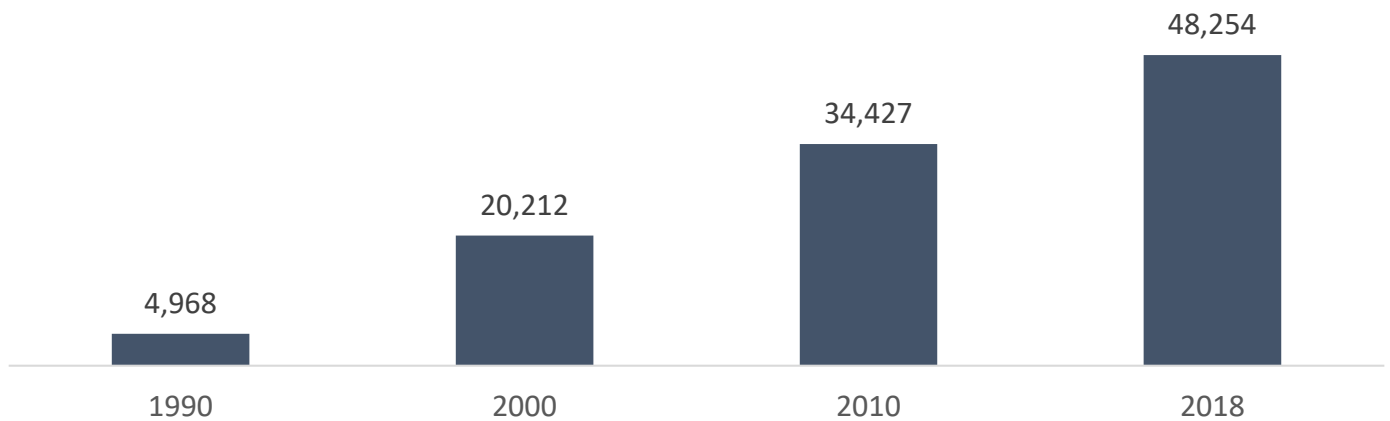
3. Housing Needs Assessment

Population Trends in Apex

In recent decades, Apex's population has grown significantly faster than County, state, and national trends. Since 2010, the Town of Apex has gained nearly 14,000 residents, an overall growth rate of 40%. This is compared to 23% growth in the rest of Wake County, and 9.5% growth in the state of North Carolina. Since 1990, Apex's population has grown by nearly ten times the number of residents, meaning that much of the Town and its housing, are relatively new.

This monumental growth is evidenced by several accolades that indicate Apex's appeal. In the past five years alone, Apex has been ranked the fastest growing suburb in the United States, the second-best city in North Carolina to get a job, the fourth safest place to live in North Carolina, and the best place to live in America.

Apex Population, 1990-2018



40.0%

Apex population growth since 2010

23.0%

Wake County population growth since 2010

9.5%

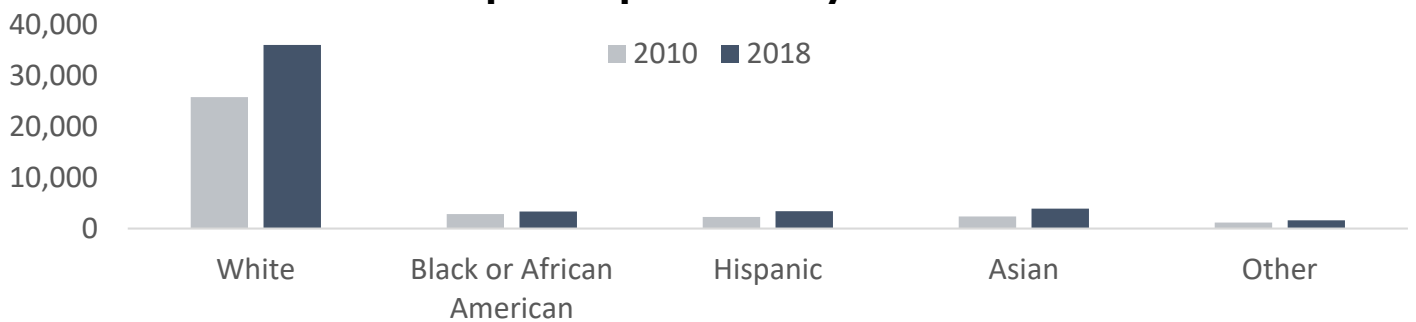
North Carolina population growth since 2010

Source: ACS 5-Year Estimates (2018), Movoto, Realtor.Com, Money Magazine, Time Magazine

Population Trends in Apex

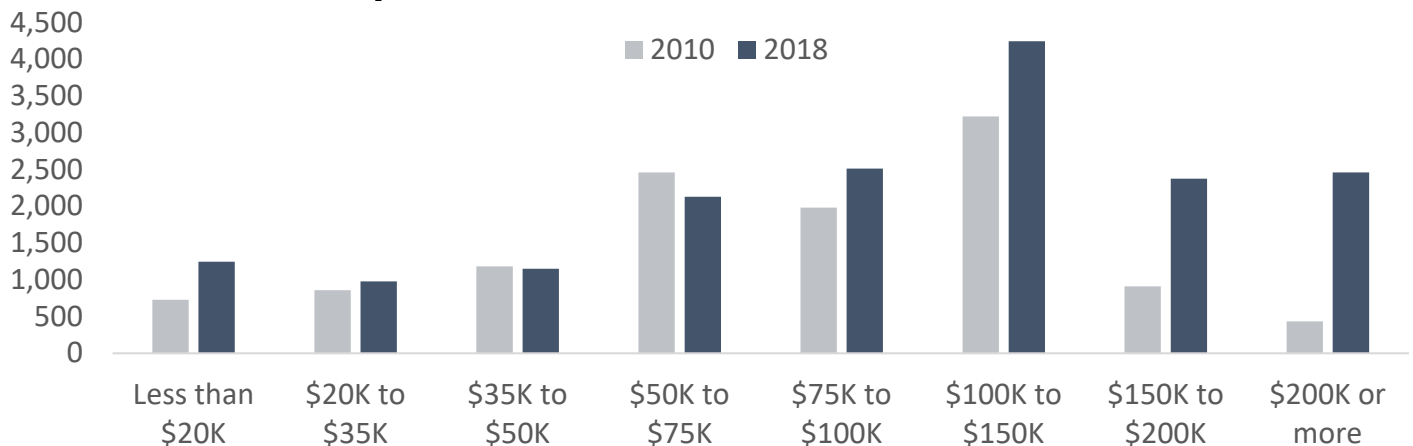
Though population grew for many groups, Apex’s population remains predominantly white and affluent. While Apex has grown amongst all income categories and racial or ethnic groups since 2010, a significant majority of new residents continue to be white. From 2010 to 2018, Apex gained over **10,000 White residents**, and the Town’s share of White residents remained at 75%. During the same time period, Wake County’s share of White residents declined, from 63% to 60%. This suggests that even through there has been some growth in the Town’s residents of color, the population growth in Apex is less diverse than population growth in the county.

Apex Population By Race



Apex’s median income is much higher than Wake County’s. In 2018, the median household in Apex earned **\$105,000**, which is higher than the countywide median income of \$72,000. This difference is driven in part by **significant growth in Apex’s high-income households.** Since 2010, **85% of new Apex households earn more than \$100,000** each year. This rate is similar to Wake County, where 81% of new households earn over \$100,000 each year. Apex has decreased its share of low and moderate-income residents (earning \$35,000 to \$75,000), whereas Wake County, still has many moderate-income enclaves.

Apex Income Distribution And Growth



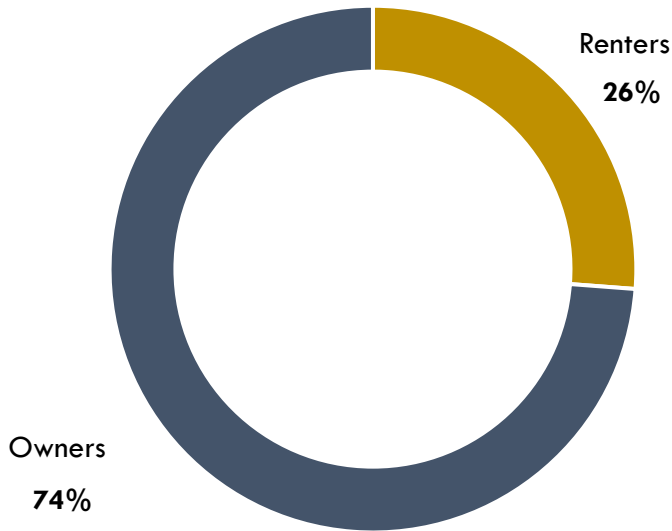
Source: ACS 5-Year Estimates (2018), Decennial Census (2010)

Housing Trends in Apex

The majority of Apex households own their homes, but the number of renters is increasing. Like many suburban towns, an overwhelming majority of Apex households own

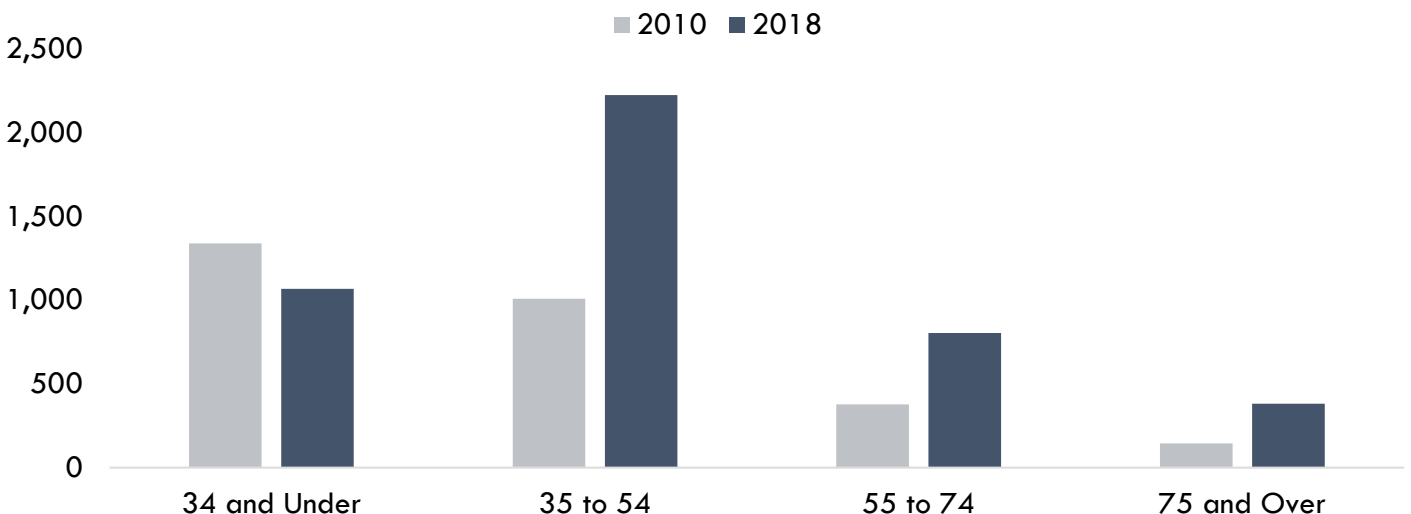
their homes. 74% percent of Apex households are homeowners, compared to 64% of households in Wake County, which includes more urbanized areas and a larger stock of multifamily housing.

Housing Tenure in Apex, 2018



Homeowner households are continuing to grow rapidly—Apex has added 3,700 homeowner households since 2010 for an overall growth rate of 42%. However, in a noted shift from prior trends, Apex added 1,600 renter households since 2010, for an overall growth rate of 56%. This percent growth is high in part because of the relatively low number of renters (and available rental units) in Apex in 2010. This growth in renters has largely been at the highest-income bands (over \$75,000), reflecting the high price point of recent multifamily developments.

Age Of Renters in Apex

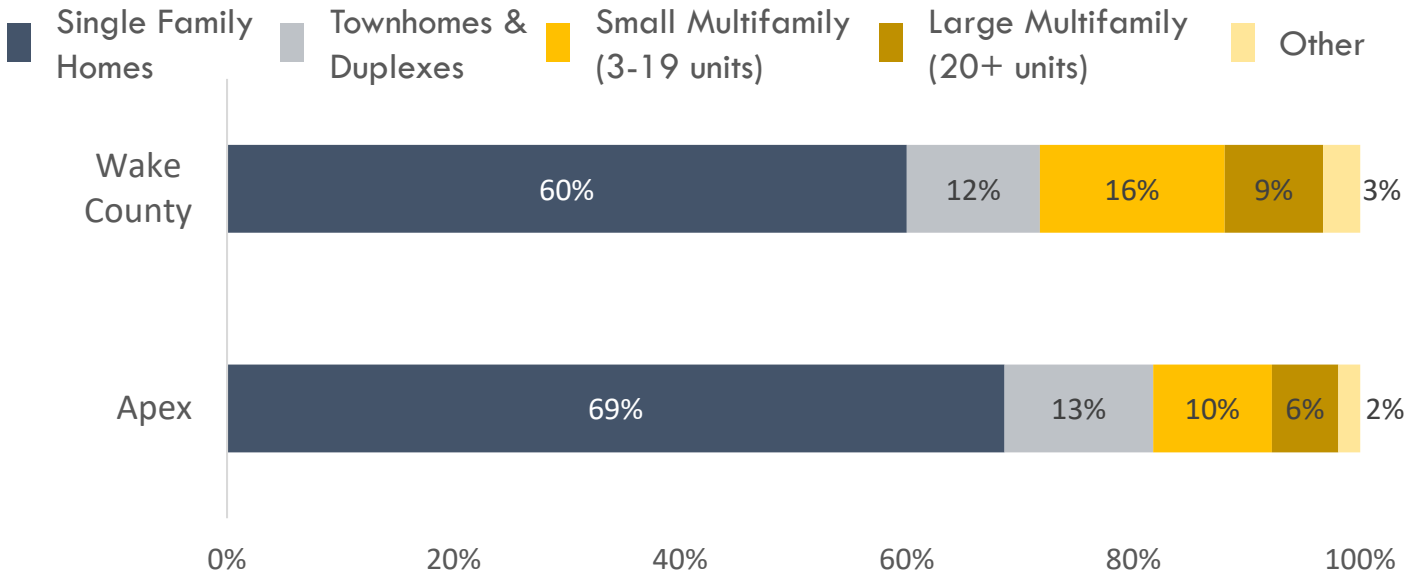


Source: ACS 5-Year Estimates (2018), Decennial Census (2010)

Housing Trends in Apex

The majority of Apex’s housing is single family, and large multifamily development makes up a relatively small percentage of total units.

Housing Units By Type



Single family detached homes comprise just under 70% of Apex’s housing stock, indicating the predominance of this form in the Town. The majority of these single family homes (89%) are owner-occupied (versus renter-occupied), which confirms that tenure in Apex generally correlates with housing type. Apex’s housing stock has a larger share of single family homes and smaller share of small and large multifamily developments than the Wake County housing stock as a whole.

“The rising costs of single family and multifamily homes are way too high for me, as a single parent.”

--Apex resident and survey respondent

Even with the predominance of single family housing stock, survey responses have indicated that there is a need for greater affordable units amongst all housing types.

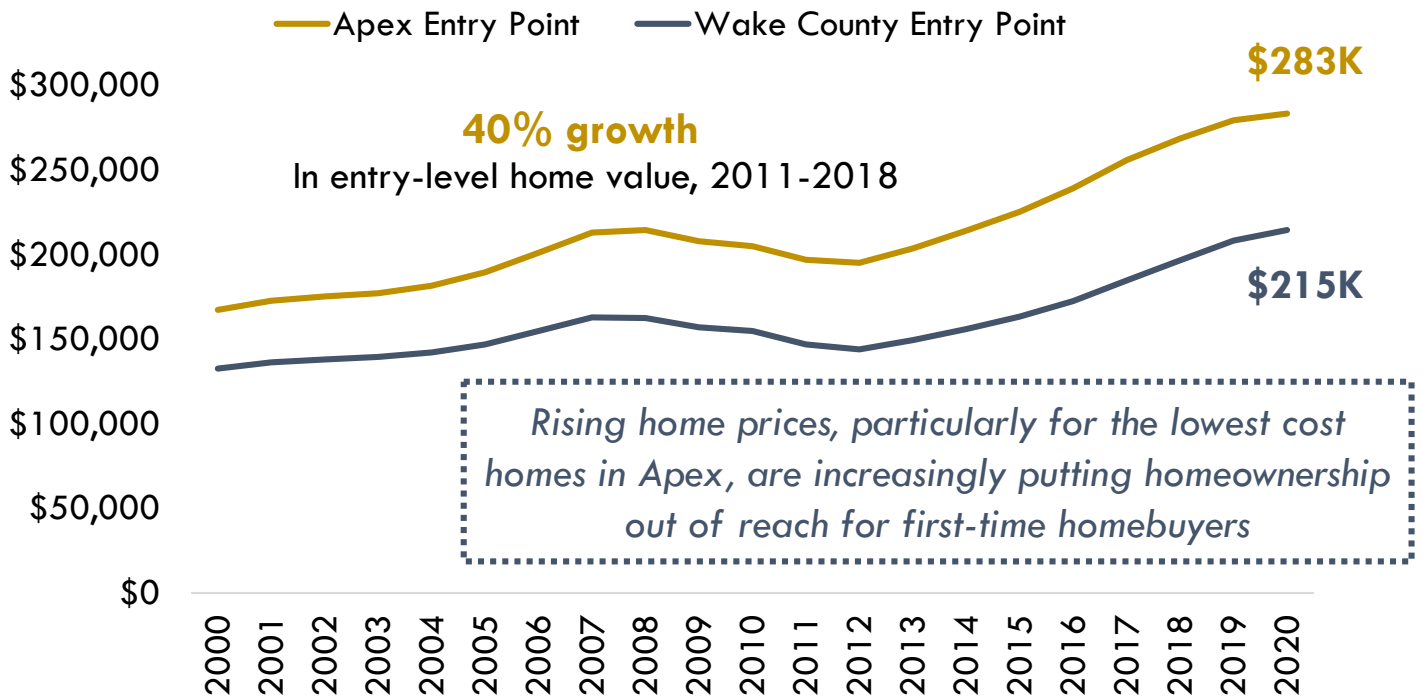
Source: ACS 5-Year Estimates (2018)

Housing Trends in Apex

Single family home prices have been increasing sharply since the 2009 Great Recession, with the entry point for homes in Apex becoming particularly high.

When discussing home values, the entry point represents the median value for the bottom third of all homes in the housing market. This is generally the “point of entry” for most prospective homebuyers. Since 2000, Apex’s entry point has ballooned to nearly \$300,000, which is consistent with the affordability challenges highlighted by many residents.

Apex and Wake County Home Values



“We purchased a home over a decade ago when prices were still reasonable. We would not be able to afford a home in Apex now, especially a new construction home that averages \$400K.”

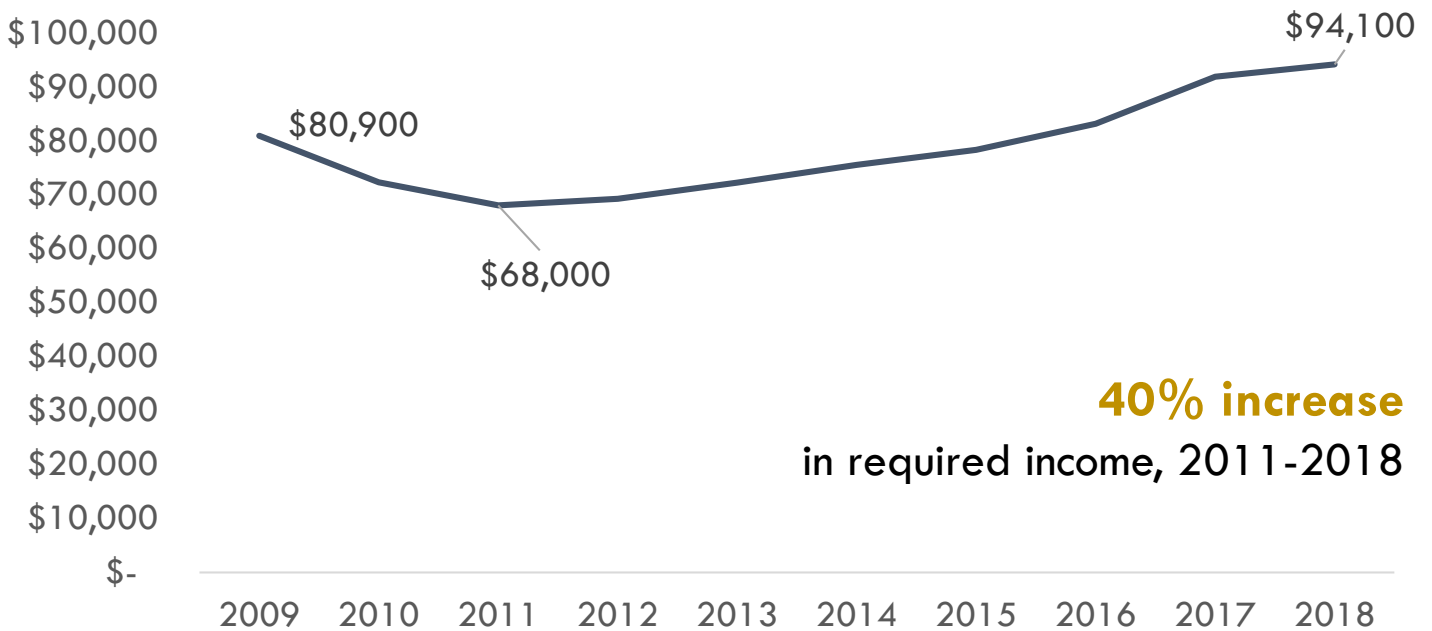
—Apex resident and survey respondent.

Housing Trends in Apex

If trends continue, households earning less than \$100K will have limited access to homeownership in Apex. Since the Great Recession, Apex home values have risen 4.2% each year, and now exceed pre-recession prices. While this rebound is a sign of economic prosperity and the desirability of the Town, in recent years, rising home values have exacerbated affordability challenges in Apex. Accounting for inflation, the income required to purchase a median value home in Apex has increased by 40% since 2011.

In order to purchase the median home in Apex, which costs \$377,000, residents would need to earn \$94,000, or otherwise would spend more of their income on housing than is advised by HUD guidelines. \$377,000 is well above the affordable home value for Apex residents without a college degree (\$138,000), or the median household in Wake County (\$307,000). This gap suggests that many households will have increasing difficulty accessing homeownership opportunities in Apex, as they continue to be priced out of its housing market.

Income Required to Purchase the Median Value Home in Apex



The increasing income required to purchase a house in Apex makes it more difficult for low- and moderate-income households to participate in the housing market, which can contribute to gentrification and displacement.

Source: Zillow Home Value Index, ACS 5-Year Estimates, Bureau of Labor Statistics Consumer Price Index

Housing Trends in Apex

The number of multifamily housing units in Apex has increased substantially in recent years, in part due to the development of four new high-amenity apartment buildings.



New construction typically has a rent premium, and these recently built communities have luxury amenities. This has impacted the median gross rent in Apex, which is \$1,300 compared to \$1,100 in Wake County, which has a broader range of multifamily housing including apartments that have fewer amenities.

Excluding new developments, many of which are still in the lease-up and stabilization phases, Apex has a healthy multifamily vacancy rate of 5%.

These newly built properties are commanding rents similar to other parts of Western Wake County, and certain communities in Raleigh. However, while these other parts of Wake County have seen a growth in market-rate apartment communities as well as new construction of LIHTC-subsidized apartments, Apex has not grown its stock of affordable multifamily development in recent years.

Source: CoStar Commercial Listing Service, ACS 5-Year Estimates

Housing Trends in Apex

The Town also has several multifamily projects in development or recently completed. These developments will help to add density near downtown and create mixed-use, pedestrian-friendly activity centers in other sections of town. These developments will help to meet demand amongst Apex’s quickly-growing population of high-income renters and deliver housing that suits the preferences of the growing number of Americans who prefer to live in suburban communities that feature walkable, mixed-use nodes.



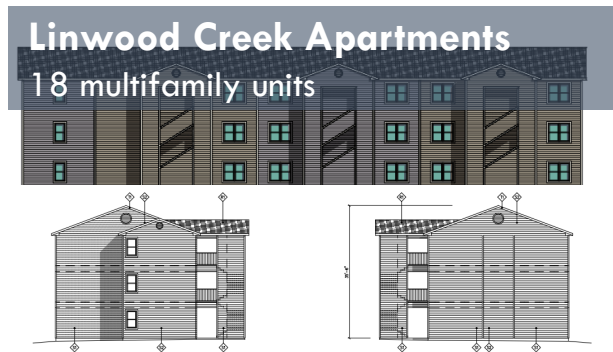
2030 Laura Duncan Road



Recently Completed



Senior Housing



0 Wrenn Street



Proposed



Small Town Character Overlay



3115 US Highway 64



Proposed



Mixed-Use Town Center

Source: Town of Apex

Housing Challenges in Apex

Stakeholder interviews and public survey responses confirm that **rising home costs are creating housing affordability challenges for Apex residents.**

*“We need to **figure out how to slow gentrification**. Charming affordable 1950s homes in my neighborhood are being demolished and replaced with McMansions crammed into little lots.”*

-Apex resident and survey respondent

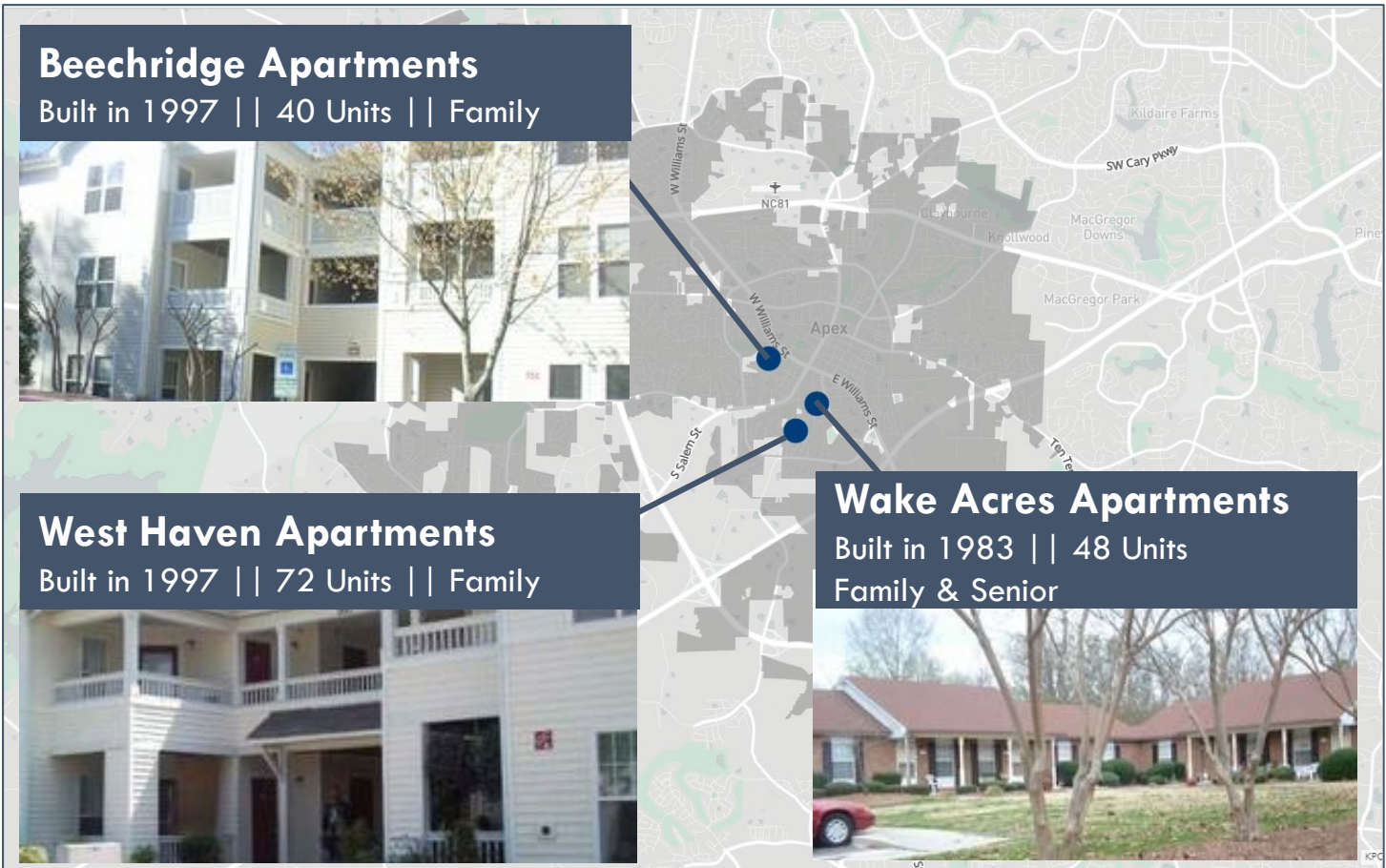
Market Challenges to Housing Affordability in Apex

- Gentrification reduces the availability of naturally-occurring affordable housing (NOAH) and **puts homeownership out of reach** for many moderate-income households
- Zoning and development patterns **limit opportunities for denser development** that could reduce price pressures by increasing the supply of housing. However, higher density redevelopment can also lead to the loss of older housing that tends to be more affordable
- **Mobile home parks**, one type of NOAH in Apex, are **susceptible to redevelopment**, which could displace current residents
- **Older single family housing** near downtown, another type of NOAH, is also susceptible to redevelopment by property investors
- **New construction is costly**, which means that rents for new market rate apartments are high compared to the limited number of older apartments in Apex

Source: Public Survey, Stakeholder interviews

Housing Challenges in Apex

Although Apex has seen additional multifamily development in recent years, the Town has a very limited stock of subsidized affordable rental housing.



Because new market-rate development is expensive, subsidy is required to develop new affordable rental housing. While continued luxury development can help free up some naturally-occurring affordable units for low-income households, **subsidized housing is a core means of providing adequate housing for lower-income residents.** Presently, Apex has fewer than 200 subsidized units that can meet the needs of these residents. Apex has **4.2% of all the housing units** in Wake County, but only **1.6% of the subsidized units** in Wake County. While Wake County recently exceeded its subsidized housing development goal by funding 780 affordable housing units in a single year, the Town of Apex has not had a proportional share of subsidized development over the past two decades. As rents and home prices continue to increase in Apex, this leaves fewer options for low-income residents to remain in Apex.

Source: CoStar, NC HFA, Housing Authority of County of Wake (HACW) , Wake County Division of Housing Affordability and Community Revitalization

Housing Challenges in Apex

High land costs and a lack of sites that meet LIHTC location requirements make it expensive to increase Apex’s subsidized housing stock.

Compared to many neighboring parts of Wake County, Apex has prohibitively high land costs, which makes it difficult for affordable housing developers (many of which are non-profits) to compete with market-rate developers in the land sale process. The lack of available public land from the Town, which could potentially offer low-cost land, further complicates this challenge.

“National builders came to Western Wake and pushed up land prices. You’re now at \$150K per acre for land zoned for 3-8 units/acre, when [land in] the rest of the County is still at \$60K per acre.”

–Non-profit housing developer in Wake County

Furthermore, even in the cases when affordable housing developers can find parcels that are large enough for multifamily development, Apex’s suburban character makes it difficult to find land that is proximate to grocery stores, transit, and other amenities. Due to the rigorous site selection scoring in the North Carolina Housing Finance Agency’s Qualified Allocation Plan, many parcels that are not close to these amenities do not score highly enough to be selected for competitive Low-Income Housing Tax Credit funding. Several Wake County LIHTC developers articulated this as a core challenge to realizing affordable rental housing in Apex.

Site Score Evaluation Criteria

From 2020 NC Qualified Allocation Plan

Primary Amenities	Under 1 mi.	Under 1.5 mi.	Under 2 mi.
Grocery	12 points	10 points	8 points
Shopping	7 points	6 points	5 points
Pharmacy	7 points	6 points	5 points
Transit	6 points if stop is: within 0.25 mi., has continuous sidewalks, and includes a covered waiting area		

Source: NC HFA, Stakeholder interviews

Housing Challenges in Apex

The lack of racial diversity in Apex is an area of concern and will require an explicit focus on racial equity to make sure that Apex is welcoming to all. This lack of diversity is likely due to a combination of factors, including:

HISTORICAL POLICIES AND ONGOING DRIVERS OF SEGREGATION

Historical national and local policies have contributed to creating and enforcing patterns of segregation, particularly in suburbs*.

- Policies - including mortgage lending policy and suburban zoning patterns - have historically restricted homeownership opportunities for Black residents and other people of color
- Housing discrimination persists in communities across the US

AFFORDABILITY CHALLENGES

In part due to this discrimination, income, wealth, and race are correlated. A persistent racial wealth gap and access to credit limits opportunities for homeownership by nonwhite households.

- In Wake County, the median income for Black households is \$52,300, compared with \$89,700 for White, non-Hispanic households.
- In Wake County, the homeownership rate is 44% for Black householders compared with 72% for White, non-Hispanic householders.

RESIDENT PERCEPTIONS AND EXPERIENCES

Public survey responses note challenges to Apex welcoming diverse residents.

- “How can we better integrate our neighborhoods, instead of **having the ‘black’ and ‘white’ sides of Town divided by Williams Street?**”
- “I think more diverse people would move here **if there were a bigger POC [people of color] community**, or at the very least diverse businesses/restaurants/shops.”

Source: ACS 5-Year Estimates (2018), Public survey

* Richard Rothstein’s *The Color of Law* provides a thorough account of the federal and local policies that have created and shaped residential segregation in the United States