

Housing and Community
Development Department

Housing Tools

City Council Work Session
February 10, 2026

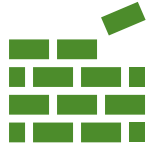


Raleigh



Photo Credit: David Kuhn / Visit Raleigh

Raleigh's Key Housing Goals



Increase Affordable Housing Supply



Improve Overall Housing Affordability



End and Prevent Homelessness

Agenda

- Missing Middle Policy & Progress
- Anti-Displacement Tools
- Affordable Housing Location Policy
- Mixed-Income Public Development
- Yes In God's Backyard (YIGBY)
- Unsheltered Homelessness Response
- Affordable Housing Dashboard
- Tying it Back: 2026 Housing Bond Recommendations

Missing Middle Policy & Progress





MissingMiddleHousing.com is powered by Opticos Design.
Illustration © 2015 Opticos Design, Inc.



Missing Middle Projects

Approved or
In Review
(thru Jan 1, 2026)



In Review: **961** DUs*

A: 11 DUs D: 133 DUs

B: 310 DUs E: 171 DUs

C: 335 DUs



Approved: **2,877** DUs*

A: 73 DUs D: 606 DUs

B: 755 DUs E: 488 DUs

C: 955 DUs



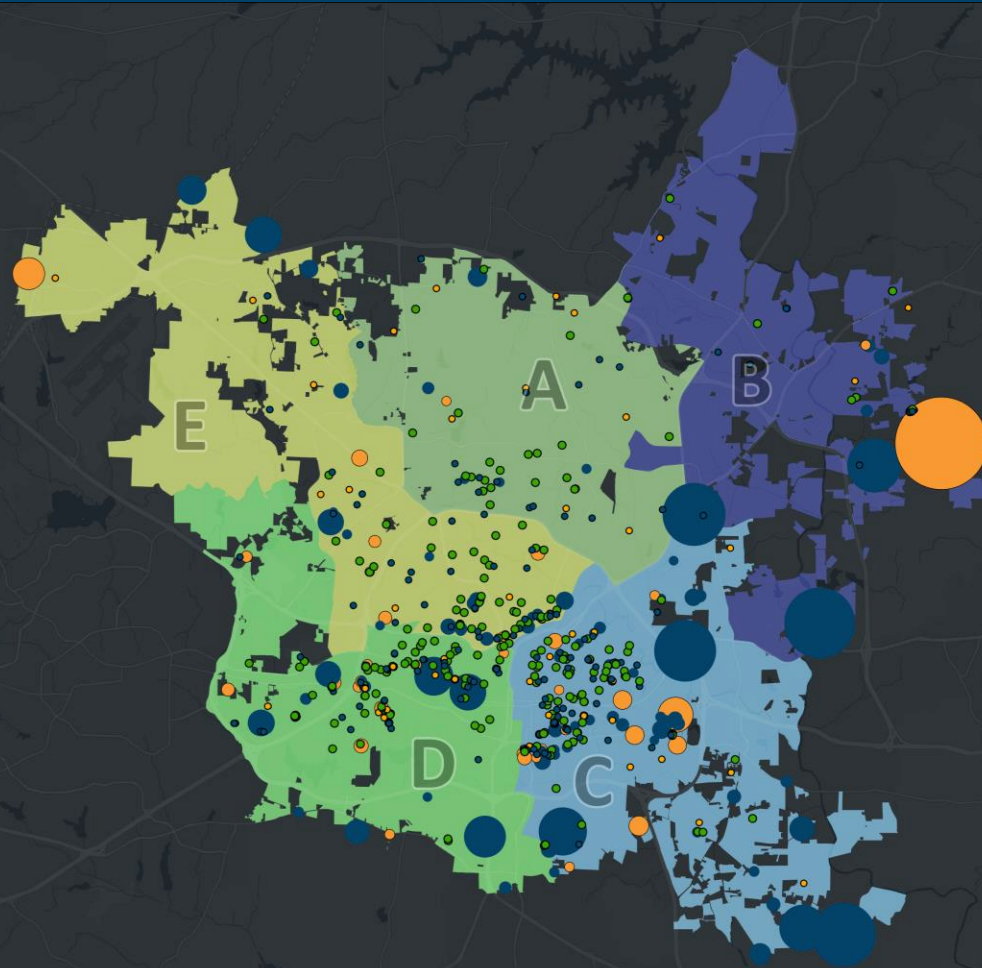
Complete: **870** DUs*

A: 29 DUs D: 127 DUs

B: 22 DUs E: 125 DUs

C: 567 DUs

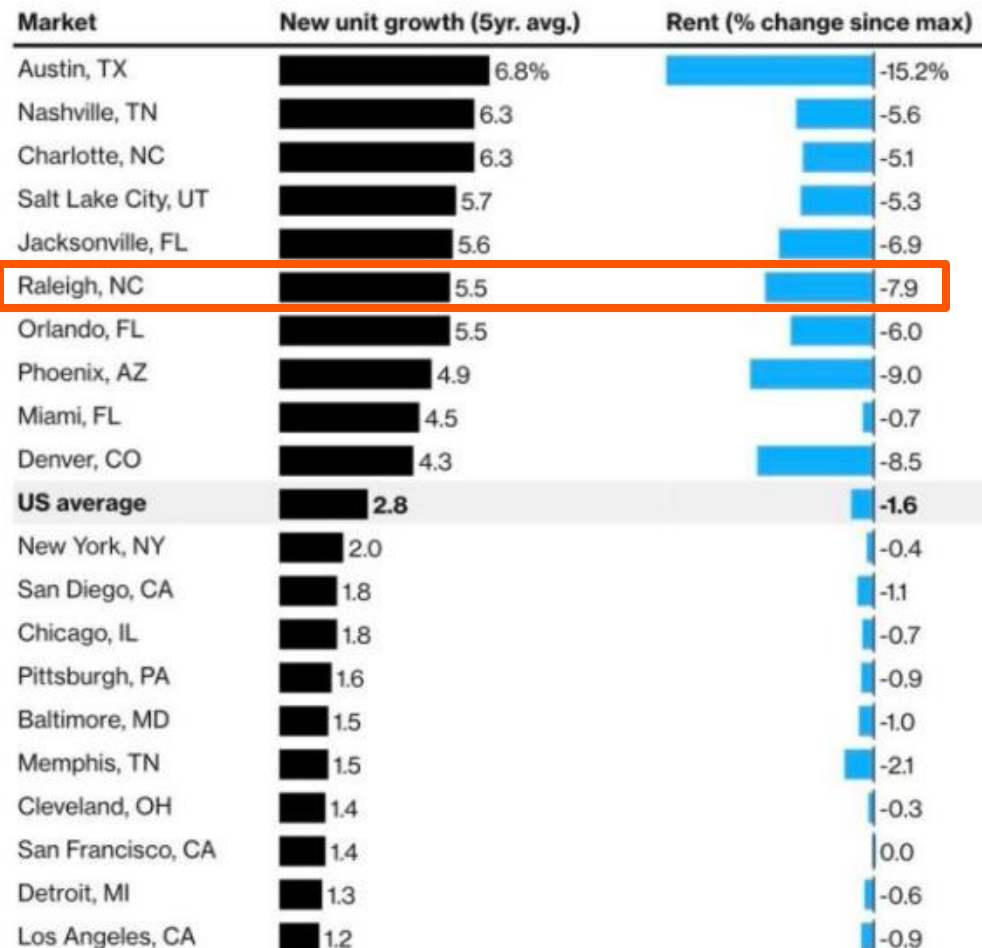
*DU = Dwelling Units



Market Data

- Cities that built **more housing** in recent years largely saw **rents plummet**
- Cities that built less did not

Source: CoStar, Bloomberg.com



Homelessness is a Housing Problem

- Homelessness rates are driven by **market conditions** not individual behaviors
- Homelessness rates decrease when **more housing units & types** are available



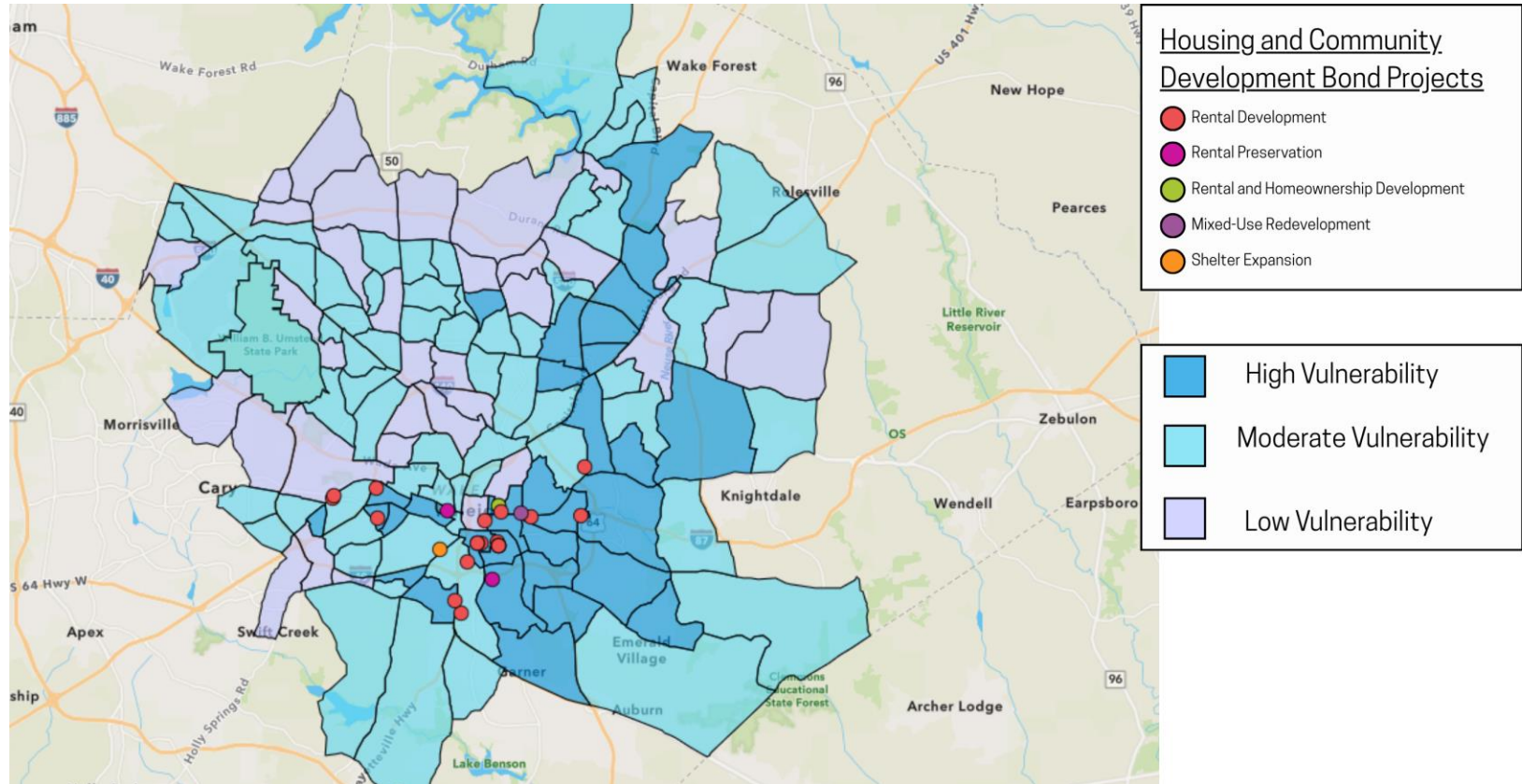
Anti-Displacement Tools



Defining Displacement & Anti-Displacement

- The involuntary relocation of residents **due to direct or indirect pressure from rising housing costs, landlord pressure** or changing neighborhood composition from gentrification (Boston University's *Initiative on Cities*)
- **Anti-Displacement Strategies:**
 - Supply & Choice
 - Preservation
 - Targeted Investment
 - Stability & Prevention

Identifying Areas of Housing Vulnerability



Anti-Displacement Research

- Staff met with City of Boston; Louisville, KY (facilitated by CM Branch); and Denton, TX.
- Examined existing City policies and programs
- Conducted staff-led research on peer city anti-displacement tools (including Louisville, Boston, Denton)
- Assessed alignment with Raleigh's Affordable Housing Plan: A Home for Every Neighbor (2026-2030)

Ongoing Anti-Displacement Policies and Programs

Supply &
Choice

Preservation

Targeted
Investment

Stability &
Prevention

Ongoing Anti-Displacement Policies and Programs

Supply &
Choice

Preservation

Targeted
Investment

Stability &
Prevention

Increasing Housing Supply and Choice

- Expanding income-restricted affordable housing
- Zoning reforms supporting a broader range of housing types
- Prioritizing rental affordability near transit, jobs, and amenities
- Using City funds and bond investments to avoid concentration
- Enhanced homebuyer assistance program targeting Bus Rapid Transit (BRT) areas

Ongoing Anti-Displacement Policies and Programs

Supply &
Choice

Preservation

Targeted
Investment

Stability &
Prevention

Preserving Existing Affordable Housing

- Wake Affordable Housing Preservation Fund
- LIHTC preservation and redevelopment projects
- Longer affordability periods for City-funded housing (40-50 years)
 - **Examples:** Grosvenor Gardens, Biltmore Hills



Photo: D. Strevel

Ongoing Anti-Displacement Policies and Programs

Supply &
Choice

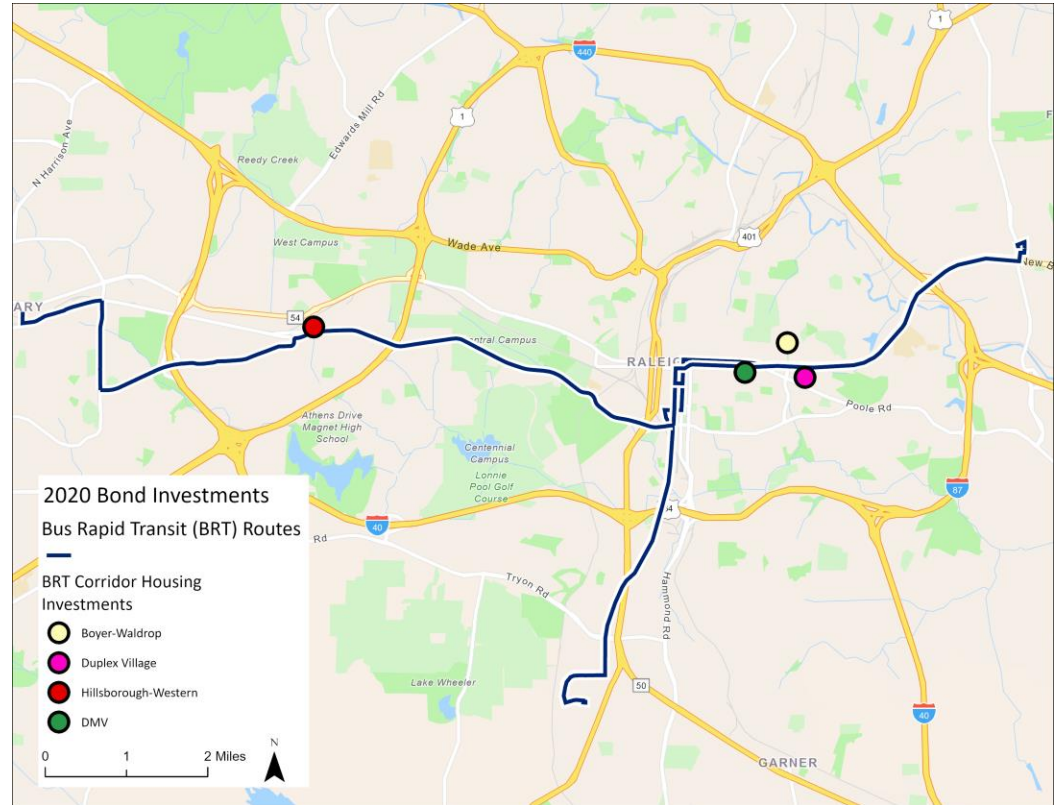
Preservation

Targeted
Investment

Stability &
Prevention

Targeting Investment to Areas at Risk

- Land acquisition in growth and transit corridors
- Public Project Community Support Fund
- Ground-leasing & redevelopment of City-owned land (i.e., East College Park, South Park, BRT Corridor)



Ongoing Anti-Displacement Policies and Programs

Supply &
Choice

Preservation

Targeted
Investment

Stability &
Prevention

Stability & Prevention

- Eviction prevention funding and legal assistance
- Homelessness prevention partnerships
- Homeowner stabilization and repair programs
- Support for community-based organizations

A Closer Look: Louisville, KY

- Tool acts as a gatekeeper tied to City subsidy
- Requires additional affordability when displacement risk is identified
- Not directly transferrable to Raleigh given legal constraints
 - Policy value may be limited



Photo Source: WLKY, 2023.

A Closer Look: Boston, MA

- Puts forth 40+ tools and strategies organized by four pillars: **Protect, Preserve, Produce, Prosper**
- Applies to **residential, commercial, and cultural displacement** citywide
- Not all policies are directly transferrable to Raleigh given legal constraints (i.e., mandatory inclusionary zoning, rent stabilization)



A Closer Look: Southeast Denton, TX

- Statewide **Texas Anti-Displacement Toolkit** used as framework to develop local anti-displacement strategies
- Focused on historically marginalized region of city: **Southeast Denton**
- Overlap with ongoing work in Raleigh (i.e., affordable housing production & preservation strategies)



Looking Ahead

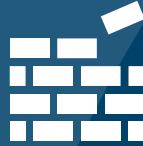
Promising tools for future consideration

- ✓ Displacement risk identification and monitoring tools
- ✓ Referral-based access to affordable housing for priority populations
- ✓ Eviction prevention coordination and partnerships
- ✓ Streamlined access to housing resources and information

Key Takeaways

- The City is already implementing various anti-displacement strategies
- Efforts align with the Affordable Housing Plan
- Future tools would build on existing programs and partnerships
- Bond funds would support

Affordable Housing Location Policy



How Affordable Housing Gets Sited: Low Income Housing Tax Credit Developments

- Land cost is a primary driver and is *not* included in LIHTC eligible basis
- Site suitability requirements narrow viable parcels (amenities, transit, environmental standards)
- Qualifying Census Tracts (QCTs) can improve feasibility through the 30% “basis boost”
- Developers must balance cost and scoring to make projects competitive

How Affordable Housing Gets Sited: City Funds

- City reviews project location during funding evaluation
- Affordable Housing Location Policy is a threshold requirement for receiving City funds
- Policy guides projects toward areas with strong access and opportunity
- City funding helps close gaps created by high land costs
- Policy influence is limited because land cost is the primary driver

Affordable Housing Location Policy

Goals

- Prioritize distribution of limited City funds
- Prevent concentration of affordable housing and minority and/or low-income residents

Exceptions

- Exempt projects include:
 - Rehabilitation
 - Senior properties or supportive housing
 - Properties near frequent transit stops or future BRT stations

Affordable Housing Location Policy Options

Policy updates to the AHLP can help **address concentration and open new areas in resource-rich neighborhoods**, but there are tradeoffs:

1. Higher costs per unit can reduce total production,
2. Limited land slows development, and
3. Frequent changes increase risk for developers

Mixed-Income Public Development



Mixed-Income Public Development Model

What is it?

- A tool for financing **mixed-income** apartments buildings under **public ownership**
- A **revolving loan fund** is created through public borrowing at start-up, after which it is self-sustaining
- A **housing authority** serves as the public developer and owns the project
- ~30% of the resulting building is affordable to households at 60% of AMI or below

Three Components to the Model

Revolving Loan Fund

- Provides capital during construction and lease-up
- Replaced by private debt at stabilization

Local Housing Authority

- Public ownership to access tax relief
- Net income can expand funding for housing activities

Development Partner

- A for- or non-profit developer works fee-for-service with no ownership stake

Typical Roles & Responsibilities

Local governments use their bonding capacity to establish the loan fund.

The **housing authority** (or subsidiary) partners with developers, owns and manages the finished projects

A **governance structure** prioritizes projects, approves loans, and directs funds

Construction Financing Comparison

Market Rate

Debt (50-75%)

Private Equity (15-25%)

Developer Equity (5-10%)

Public Developer

Debt (60-70%)

**Revolving Loan Fund
(10-25%)**

Public Equity (5-10%)

Source: Center for Public Enterprise

Community	Initial Capitalization	Source
Montgomery County, MD	\$50 million (later increased to \$100 million)	HOC bonds backed by County
Atlanta	\$38 million	Bond Issuance
Chattanooga	\$20 million (later matched by private commitments)	City Council appropriation (used ARPA funds in other places to free up RLF funds)
Chicago	\$135 million	Bond Issuance

The Laureate in Montgomery County

- First development to utilize the Housing Production Fund, next to transit
- Funded without LIHTC or long-term County funding
- Total Cost = \$118.7 million
 - \$14 million from HPF (RLF)
 - \$99 million from debt
 - \$8 million from equity



- Opened in 2023
- 268 units
- 23,000 SF retail
- 25% at 50% AMI

Midtown Fire Station in Atlanta

- Planned high-rise development with new fire station and multifamily tower, led by the Atlanta Urban Development Corporation
- Expected completion in 2028
- Proposed Program:
 - 19,448 SF fire station
 - 231 units (30% affordable units)
 - 224-space podium deck



Sources:

Comparison to Gap Financing Program

Gap Financed 4% LIHTC	Mixed-Income Public Developer
Tax credits provide 30% equity	Tax exemption underwrites affordability and generates net income
Location and project design dictated by statewide QAP and federal QCTs	Location and project design responsive to local priorities and marketability
Requires large sites of 4 to 5 acres	Can utilize denser construction types on urban infill sites
Projects are 100% affordable	Projects mix affordable units with market-rate in the same building
Program requires ongoing expenditures	Revolving loan fund requires one-time bond issuance

Costs, Benefits, Risks Comparison

	4% LIHTC	Mixed-Income
Productivity (units per \$1M)	Produces more units in the short term with smaller loan value to affordable units produced	Produces more units over long run as money is recycled
Sustainability	Program relies on annual appropriations, periodic bond referendums	Loan fund revolves and projects produce ongoing net income
Risks	Ability to expand program may be limited by bond cap Future QAP updates may impact project eligibility	Sensitivity to market rental rates and construction pricing

Potential Project Pipeline

Stalled private projects with approvals



E.g., RusBus

Publicly-owned land



E.g., Heritage Park

Unfunded LIHTC projects



E.g., Kentwood Trace

Local Legal/Financial Feasibility Considerations

Housing authorities have explicit authority to own and operate mixed-income projects.

Tax relief requires full public ownership—no private equity is permitted.

Market test pro formas show projects generate positive cash flow, enabling growth of the revolving loan fund.

Sizing the Revolving Fund

Loan Duration: Typically remains in projects for 3–5 years before repayment

Fund Size Impact: \$20M fund → 1 large project or 2 smaller projects

County Participation: Could expand fund size, with expectation to support projects outside Raleigh

Philanthropic Participation: Opportunity to further increase capacity and reach

Yes in God's Backyard (YIGBY)



Sympara: Project Background

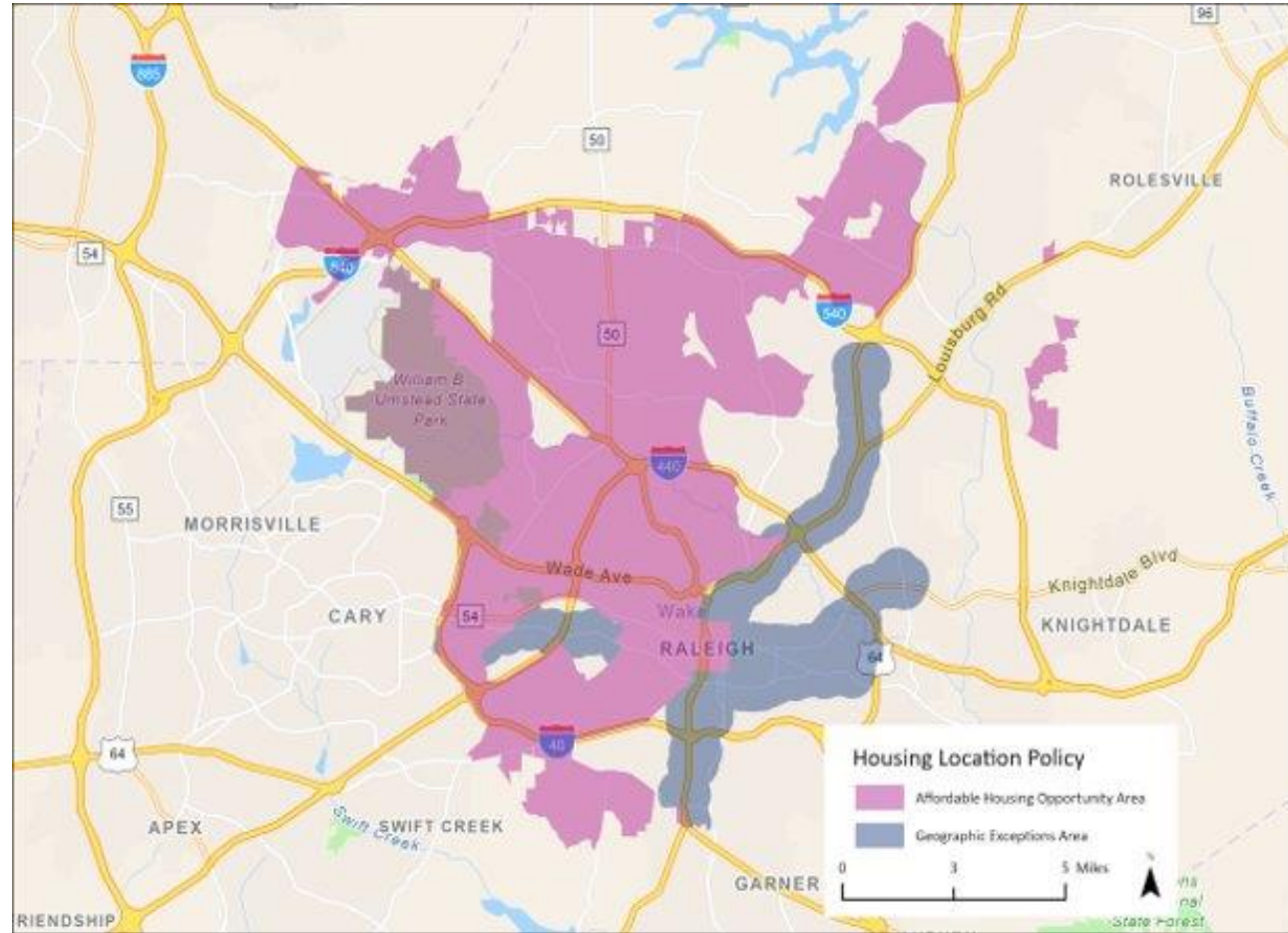
- Housing affordability remains a challenge.
- Faith-based development can help increase housing stock.
- Land can be redeveloped or readapted for housing.



Caldwell Presbyterian Church turned an education building into 21 permanent supportive housing apartments.

Project Scope

- 27 properties with strong LIHTC scores contacted
- 13 were open to affordable housing



Evaluation Process

Leadership capacity (25%)

Social capital (20%)

Expansive mission (20%)

Judicatory support (20%)

Spiritual health (15%)

Key Findings

- Significant potential for sites and unit yield
- Educating clergy on affordable housing increases their interest.
- Congregations seek revenue through redevelopment.
- Potential opportunities in Downtown Raleigh

Sympara Recommendation:

Convening, Connecting, Educating

Feasibility: Very high

Status: Sympara and Bloomberg work is helping staff envision this and timeline will follow completion of Bloomberg work this spring

Sympara Recommendation:

Provide Technical Assistance and/or Funding for Pre-Development

Feasibility: Likely has budget and staffing implications to provide equitable availability of assistance

Status: Program creation or expansion would come back to Council for approval

Sympara Recommendation:

Modify or Expand City Processes

Feasibility: Likely has budget and staffing implications to provide equitable availability of assistance

Status: Program creation or expansion would come back to Council for approval

Sympara Recommendation:

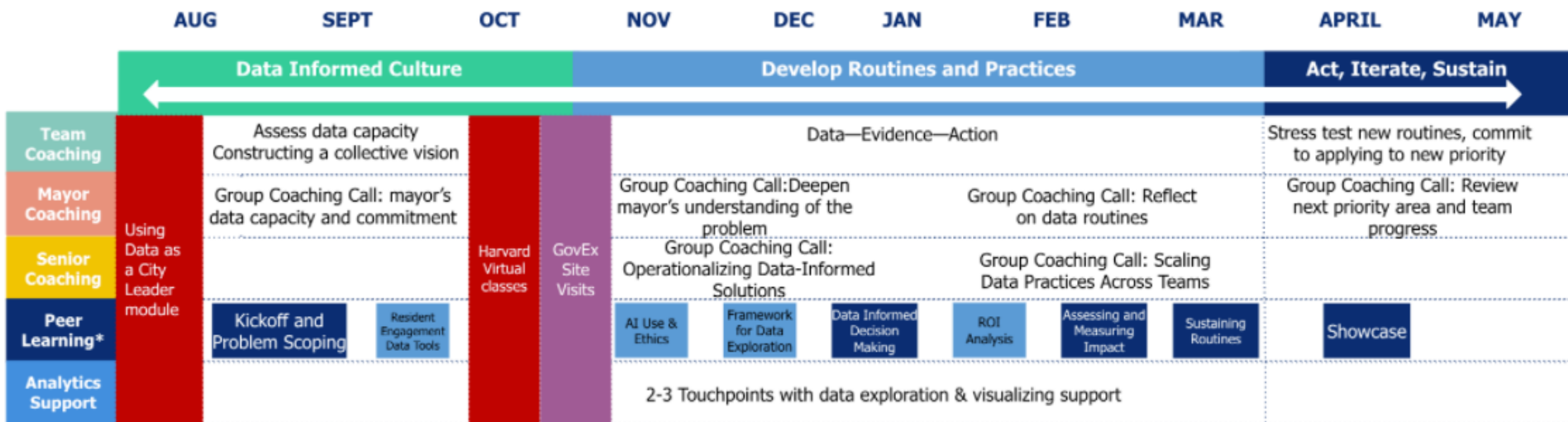
Leverage Philanthropy

Feasibility: High

Status: Already occurring in the context of community-wide affordable housing conversations

Bloomberg Harvard City Leadership Initiative

- Engagement and training with cross-departmental City staff occurring during this FY



Bloomberg Harvard City Leadership Initiative

Deliverables:

- Site identification and prioritization for engagement
- Toolkit to assist congregations with due diligence
- Planned and facilitated Gemba Walk November 2025



Summit at Sawyer Grand Opening, Nov. 2025

Next Steps on YIGBY

- ✓ Synthesize Sympara recommendations and Bloomberg data deliverables.
- ✓ Complete journey map exercise.
- ✓ Apply takeaways to ongoing and future work.

Unsheltered Homelessness Response Pilot and Strategy



Unsheltered Homelessness Response

- Two-fold initiative designed to end unsheltered homelessness in Raleigh

Pilot

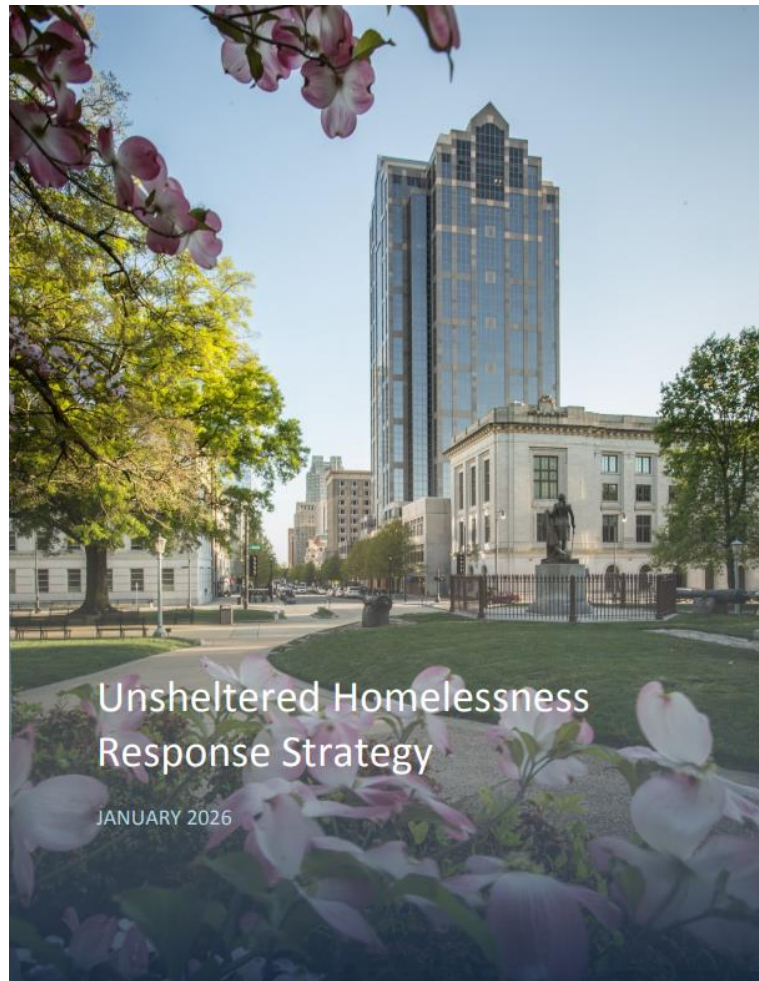
- **Proof of Concept: Rent assistance and case management** to ~45 households
- **Achieved Goal:** Decommissioned 1 encampment of high concern, enroll 45 households living unsheltered

Strategy

- Published **January 2026**
- City, County, & community partners on a 53-member **Steering Committee**
- Developed shared protocols and tools to offer actual solutions to unsheltered homelessness

Released January 2026: Unsheltered Homelessness Response Strategy

Raleighnc.gov
Search term:
**Unsheltered
Homelessness
Response**



Unsheltered Strategy Next Steps

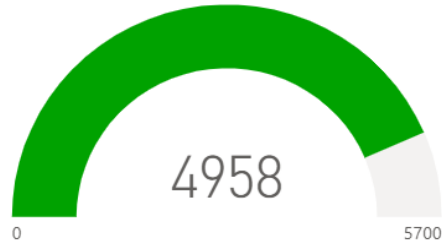
- **Transition Strategy leadership and coordination** to the Wake Continuum of Care (CoC) to inform community-wide strategic plan to address homelessness
 - **Scaling the Pilot and building on its successes** will be central to the overall CoC strategy
- **Continue joint implementation** with the CoC and County to align roles, timelines, and outcomes
- **Identify and secure additional funding sources** beyond City bond funds to scale and sustain the Strategy and overall CoC strategic plan

Affordable Housing Dashboard

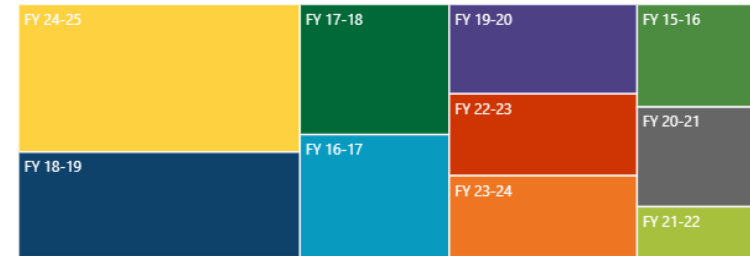


Current Dashboard

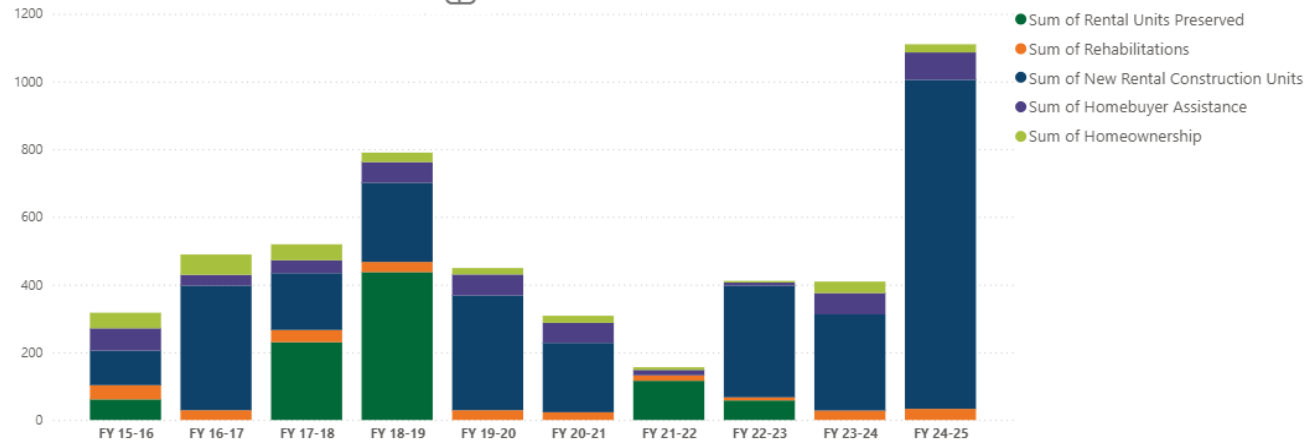
Housing Production - Completed Units



Units by Fiscal Year



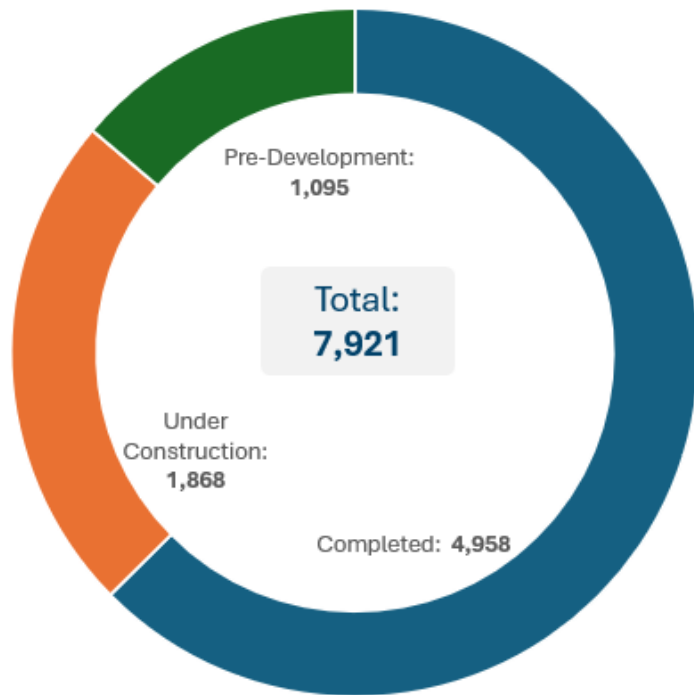
Unit Details by Fiscal Year



Affordable Housing Dashboard

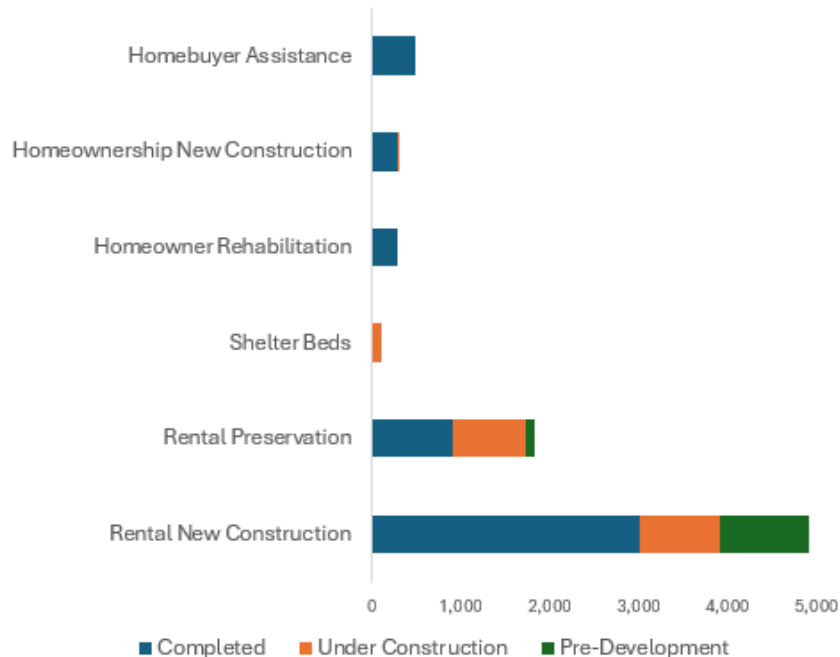
Production Overview

FY 2015-2016 – FY 2024-2025



Production Overview

FY 2015-2016 – FY 2024-2025





Affordable Housing Development

Development Name

Status

Developer

Construction Type

Council District

All v

All v

All v

All v

All v

Development Status



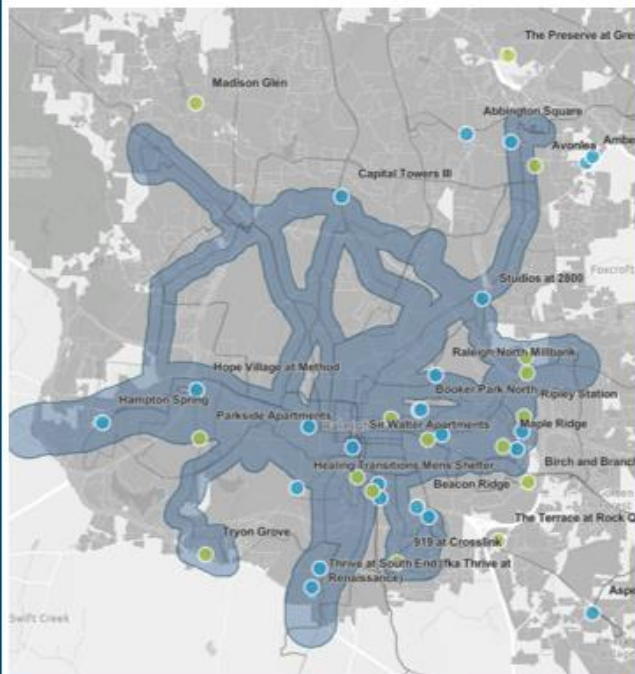
■ Complete ■ Pre-Development ■ Under Construction

Council District

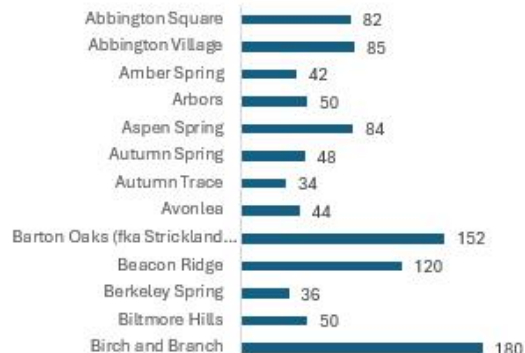


Housing Development Map by Status

● Completed ● Under Construction



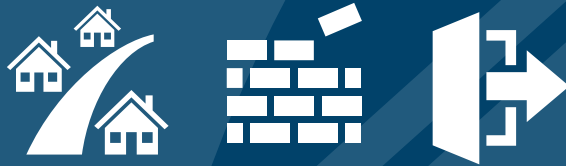
Name of Development



Developer



Tying it Back: 2026 Housing Bond Recommendations



2026 Housing Bond Recommendation: **\$101.5 Million**

With estimated investments in:

\$57.6M

Housing
Development
& Preservation

\$10.4M

Homebuyer
Assistance &
Preservation

\$12M

Homelessness
Response

\$21.5M

Mixed-Income
Development

Annual Amount
(each year for 4 years):
\$20 Million

With estimated yearly investments in:

\$14.4M

Housing
Development
& Preservation

\$2.6M

Homebuyer
Assistance &
Preservation

\$3M

Homelessness
Response

\$21.5M

Mixed-Income
Development

***One-time
capitalization
(year 1)***

Estimated Production for \$20 Million/Year Bond

\$14.4M

Housing
Development
& Preservation

160-510
units annually

\$2.6M

Homebuyer
Assistance &
Preservation

40-50
units annually

\$3M

Homelessness
Response

125+
households

\$21.5M

Mixed-Income
Development

~200
units every 3-5
years

Questions?



Photo: Brian Strickland