



HOUSING

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Webinar Transcript

Patrick Woodie:

Good morning everyone. I'm Patrick Woodie, president of the North Carolina Rural Center.

Brandy Bynum Dawson:

I'm Brandy Bynum Dawson, director of advocacy at the North Carolina Rural Center.

Patrick Woodie:

It is with great pleasure that Brandy and I welcome you to the fourth session of our 5-part series *Rural Talk: an Advocacy Speaker Series*.

Brandy Bynum Dawson:

Today is one our panel discussion will highlight the challenges, opportunities, policy levers, and local innovation surrounding rural housing. Now before we hand the program over to our moderator for today, I'll take just a moment to review a few housekeeping items. Please note that all participants are muted. We do however want to give you the opportunity to engage with our expert panelists. You can do so via the Zoom Q and A feature. If you're using a call in option, you can email your questions to events@ncruralcenter.org.

Patrick Woodie:

Also, just as a reminder, today's webinar will be recorded and available on our website in the next day or so. We are so very thankful to our amazing sponsors who continue to have great faith in the work of the Rural Center, and great faith in our rural communities across North Carolina. Thank you to our Rural Talk Series sponsors Cloudwyze and Wells Fargo.

Brandy Bynum Dawson:

We'd also like for you to continue today's conversation on Twitter, so be sure to follow and tag @NCRuralCenter and @RuralCounts, and use the hashtag #RuralTalk2020. The crux of our discussion today will be guided by the expertise and wisdom of a stellar lineup of speakers in the field including two of our esteemed state legislators, Representative Yvonne Holley and Representative David Lewis who were true champions for rural housing across the state.

Patrick Woodie:

Now before we officially get started, let's find out who all is on the line so our speakers can tailor their responses to the audience. We'll give everyone 20 seconds to respond to the poll that should be showing at this time on your screen if you're using the Zoom application. What organizational sector do

you represent, and your options are corporate, education, government, individual, nonprofit, philanthropy, small business, or other. Take just a few seconds while you cast your votes, and it looks like we've got a diverse audience. 33% percent from the government sector. We've got 30% from the nonprofit sector, 8% corporate, 16% education, 3% individuals, 3% small business, 6% from philanthropy.

Patrick Woodie:

Thank you all for being with us, and we look forward to the conversation ahead. Without further ado, I'll hand the virtual mic over to our moderator and our longtime Rural Center friend, Debby Warren.

Debby Warren:

Greetings everybody and thank you for being here today. Just want to start with I think a statement that is obvious to all of us, but maybe not to everybody- that housing is not just a roof over our heads. It drives the family's housing and health and educational outcomes. It drives local economies, and you can consider it as our panelist, Samuel Gunter has said, the mostly private housing is a piece of our public infrastructure just like broadband, water and sewer, but housing is difficult to do to make affordable and accessible, and even more difficult to do in rural North Carolina, and that's why we're all here. I wanted to introduce our knowledgeable and thoughtful panel.

Debby Warren:

First, Samuel Gunther who has been with the North Carolina Housing Coalition since 2015, executive director since 2018. He currently sits on the Advocacy Committee of Habitat for Humanity International and the board of director for both Habitat for Humanity of North Carolina and the Council of Independent State Housing Associations. Samuel is also a Baptist minister who has served churches in both North Carolina and Texas. Secondly is Laura Hogshead who was appointed chief operating officer at the North Carolina Office of Recovery and Resilience in late 2018. She's a native of North Carolina from Matthews, but she spent most of her career in Washington DC, recently overseeing the expenditure of hurricane recovery funds through HUD for areas hit by Hurricanes Matthew and Florence.

Debby Warren:

She is HUD's chief operating officer from 2013 to 17, and a lead HUD staffer on the US House of Representative Appropriations Committee. Finally, my good and old friend, Sallie Surface, is the executive director of the Choanoke Area Development Association, CADA, which is headquartered in Murfreesboro. She is both a practitioner and a fierce advocate for affordable housing policy, and has worked with her organization for more than 37 years. Thank you panelists and I wanted to start with this opening question. Samuel, why is it important that we see affordable, accessible housing as more than a roof over our head, both pre-COVID and now in the midst of this pandemic?

Samuel Gunter:

Yeah. I mean housing is it's a base of operations, right? It is the first rung on that ladder of opportunity. Everything begins at home. For most of the last more than half century, it's been the primary way that low and moderate income families across the country have built wealth, particularly homeownership, but it is a basic requirement. For all of our families, we need shelter and when you are spending 30%, 40%, 50%, 60% of your income just to keep a roof over your heads, you can't make any kind of progress on any other thing you're working on. You begin to do these tradeoffs with food, with healthcare, and so on.

Samuel Gunter:

I want to talk for about what the COVID-19 crisis has done for housing, but recognizing that before this hit, just like before Florence hit, just like before Matthew hit, there was already a housing crisis in our state. We have just shy of 1.2 million families in the state of North Carolina who before the crisis were paying more than 30% of their income on housing, and nearly a half a million families paying more than half of their income just on housing in the state of North Carolina. What we have seen post-COVID, we have seen unemployment ratchet up. Our rate went from 4.3% to 12.2% here in the state of North Carolina. We've had more than a million claimants for unemployment benefits, and as should be obvious, an affordable housing is a basic math problem.

Samuel Gunter:

How much money your family brings in, and how much money does your housing cost? We focus a lot on the housing cost, but if you don't have money coming in, whatever house you're in, it's suddenly very unaffordable, right? With the massive increase and rapid increase in job loss and loss of hours, loss of income for numerous folks across the state, housing sits at the heart of all of that. One of the things that we've been saying over and over and over again with the Shelter-in-Place orders, in order to shelter-in-place, you got to have a home to shelter in, right? Making sure folks are stably housed is step one when it comes to responding to a pandemic like this.

Debby Warren:

Thank you Samuel. Laura, do you want to take on that question?

Laura Hogshead:

I would echo a lot of what Samuel just said and add that home determines whether or not you're safe, particularly in the event of a natural disaster. Whether or not you live in a floodplain, whether or not you're able to afford insurance, flood insurance specifically determines whether or not you need to leave and leave for an undetermined amount of time, or whether you're even going to be able to afford to leave your home if a hurricane is coming down the path. From my perspective, everything that Samuel said plus whether or not you're physically safe in the event of a disaster, whether that's a pandemic or a hurricane or a flooding event, home is your identity, and it really is that most basic function of your life.

Debby Warren:

Thank you Laura, and finally Sallie.

Sallie Surface:

As a former school teacher and now the executive director of an organization that does Head Start, your home is your first environment, and we know that children reflect their environment. Before the pandemic, we were seeing the need for children to have good places to go home to so they could succeed. We're even seeing that to a greater extent now because in rural areas, your home is where you are supposed to be staying in place. If you do not have a good home where you are encouraged or have the ability to continue the virtual education and so forth that's going on, it's important to be able to provide that for families.

Sallie Surface:

Also, having worked with seniors and done senior housing, we know that as our seniors age, those seniors who may have been producing a lot of the services we have, but may have been low paid need good, safe housing to continue their life in their homes without having to go to an institution or our rehab center, or a nursing home, where we see some of the greatest outbreaks caused by the pandemic. Housing impacts every part of everyone's life, from the safety, from the help, from your economic standard, and your zip code sometimes determines your success in life. It is essential that we look at how housing impacts what we do, and I echo what Samuel and Laura as already said.

Debby Warren:

Thank you Sallie for that. A powerful case for the importance of what we're here for today. Samuel, I have a question for you, which is give us four data points or facts that highlight the challenges of affordable housing in North Carolina today.

Samuel Gunter:

As I said when I opened, before this even began, we already had just shy of 1.2 million families in the state that were cost burdened, which is what the language you used to say they're paying more than 30% of their income on housing, and just shy of a half a million families who are severely cost burdened as the language you used to say, they're paying more than half of their income on housing. It's not just these metro areas that are whose prices are skyrocketing at astronomical rates. It's all across the state. Utility costs pay a portion of that, and I know that some of you see utility costs in your areas that would make those of us who live in some of the more urban areas weep, openly weep.

Samuel Gunter:

We also have profound amounts of evictions and foreclosure, although our foreclosure numbers have gone down drastically since 2009, 2010. Our eviction rate in North Carolina is terrible, and we see that not just in cities, but we actually see that more in rural areas. Some of our highest eviction rates are in Vance and Wilson, in Edgecombe and Nash, and what we know in housing is once you are booted out, you now begin a journey to worse and worse and worse housing conditions. That becomes a barrier for you to be accepted by a landlord in the future. It becomes a major challenge for you and by extension, your children.

Samuel Gunter:

The final thing that I'll say that I also said again is our unemployment claims over the last several weeks have just been incredibly humbling, thinking about the scale of the impact of this global pandemic on our economy and on families, and their ability to make basic life and mortgage payments. Twelve point two percent unemployment rate by the end of the month of April in our state, more than a million jobless claims.

Samuel Gunter:

The thing that we're still among housing advocates is we're trying to craft legislative responses to this, and I'll talk a little bit more about some of the bills that have been filed in the last 72 hours later where we're still waiting on strong data, but it's those top-line unemployment numbers, and the stat that came out of Treasury last week that 40% of people in this country making less than \$40,000 lost their jobs since March. That's an incredibly sobering statistic as it relates to housing need right now.

Debby Warren:

Thank you Samuel. I'm going to turn to Sallie now for the rural perspective on this issue is, Sallie what do you see as the top two or three conditions that make affordable housing such a difficult challenge for rural communities and housing organizations like CADA?

Sallie Surface:

There are three primary issues I think when we look at housing needs and doing something to impact those housing needs in rural areas. One is capacity, capacity of local governments to address issues, and capacity of nonprofits to address the issue. Once you get qualified staff and you get staff trained to be able to react either to natural disasters or to the reoccurring housing issues that our president, our local communities, you have to have a way to pay that housing staff. You have the local governments need to be able to pay locals, their housing staff or to have people with expertise, and being able to continue to have the housing specialists.

Sallie Surface:

Whether it is homeowners, your counselors, or it is rehab specialists, whatever it is, you have to be able to have people who can hit the ground running when there's a natural disaster, or who can work continuously on bringing solutions. That ability is something that it's very hard for a nonprofit to have because we don't have a pot of money that says that you can afford to keep this person. You can afford to make sure they keep their certificates or certifications current, and it's also true with our little towns and with our communities who are economically distressed. You have to remember that much of the rural area is economically distressed to start with, and there is always the battle of how they're going to spend their limited resources.

Sallie Surface:

Most of our counties do not have the ability to have someone who is on staff to deal with the housing. There's not always a planner, and it's very much that way with our small little communities. Nonprofits don't have the funding or the backing that enables them to always respond to all the need, and we are currently and constantly trying to locate ways to keep the staff that we do have. Our staff has become smaller and smaller as our need has become greater and greater. The other thing I think is something that you need to think about, these needs are not new means. These needs existed before the pandemic and are going to become even more critical as we move forward, is the diversity of the need.

Sallie Surface:

What is the housing need in a community? Is it for single-family homes? Is it for multifamily or senior housing? Is it for repairing or rehabbing housing, so people can stay in place and age in place? All of these needs make a drain or create a drain for the funds that are available as well as for having to have staff with different skillsets. CADA has been very fortunate over the past 20 years to have had the opportunity to provide different types of housing services. We are a PHA, so we do have a Housing Choice Voucher Program. We were able to use that to help some of those who are not ever going to be homeowners, who are going to need rental assistance.

Sallie Surface:

We've also been able to use and access project-based rental assistance to convert three historic schools into senior housing. We couldn't have done that if there had not been subsidized housing through the project-based assistance program. We've also looked at other models for instance using the Section 8 Housing Choice Voucher payment to encourage homeownership. Homeownership is something that

gets more spotlight, more press I guess from the standpoint that it's more visible, and counties and local governments would like more homeownership opportunity. The problem is not everybody can be a homeowner. The problem in rural areas is credit. We do homeownership counseling classes.

Sallie Surface:

We're getting ready to start so we're trying to do some of them virtually because of the pandemic, but the biggest problem we have is not that people don't want to be homeowners, is that they've got to get their credit straight before they can qualify for assistance. Some of the assistance is not as readily available as it has been. One of the programs we did one time before that would love to be able to do again with an individual development account, where families save money and that money was matched. We were able to get the local county governments to provide a match. We showed the local county governments that within approximately three, three and a half years, they really could recoup the match that they had provided in the taxes and other benefits that came from the homeownership.

Sallie Surface:

We do urgent repair. We do essential single family rehab. We do weatherization, and all of these programs help to make the home a safe, affordable place to be, but the problem is and that's when we get to the third thing that I think is very critical here is the size of the pie. By the size of the pie, I'm referring to how much resources there are that can go into these different housing needs. For example, with our weatherization program, we work in six counties. I have funding to do 56 weatherization units for the coming year. Now I also have a waiting list of over 400 people. You think about the fact that we're constantly having more people apply, and you think about how many people are on the waiting list.

Sallie Surface:

I only have funds to help 56 or CADA has funds to help 56 families. You can see how the impact that we're making may be good for an individual family, but being able to make a deep impact overall is going to take a long time as long as the funding is not there. The same thing is true with urgent repair, and an urgent repair program is a program that's a great program because we can go in and do so much to enable a senior family or a family with a disabled member to be able to stay in place, and the same thing with the essential single family we have. The Housing Finance Agency has understood to an extent that we as a nonprofit do not have and to provide all of the cost of doing these.

Sallie Surface:

They understand that, and they try to rotate on the system among the counties in the state, so that you may get funding this year in a county but next year, you may not. Then it's usually in every two to three year cycle about when you get funding. However, the cost of that rehab work or the urgent care work is not covered by what you're getting from the Housing Finance Agency, then again, it goes back to capacity. Everything is related or tied together. It's like a puzzle. One of the keys is the partnerships you build. We are participating in a pilot program now that looks at the utility cost in conjunction with weatherization, and seeing whether we can actually purchase a solar panel for a family.

Sallie Surface:

For 15 years, they would get a discount on their utilities. We're working on that pilot, but there have been many examples of things that have worked, but the funding is not there that you make the impact that you want to make. You may make an impact in an area. You may make an impact with the family,

but are we decreasing totally the number of people who are in substandard housing? I think one of the keys to me when we talk about rent burden and there may be people who are not rent burden, but the housing they're staying in is not standard housing. There are just a lot of diversity of need. We don't have all the capacity or a way to keep the capacity we build, and we need to look at the size of the path.

Sallie Surface:

All of those things are critical pre-pandemic and post pandemic. May be coming more critical post pandemic because what has been available local may not be available because of the dire straits that the counties and the local governments may find themselves, and we're I think going to see a need for more foreclosure prevention, law modification. Those kinds of things I think are going to happen, and from the standpoint of CADA, a lot of the people we may be serving going forward may not have been people we would have normally served because they are now the new low income, the new disadvantage because they lost their jobs. Before they were working for in some cases and qualified.

Sallie Surface:

Now there will be even more people who need assistance than we're in the process of seeking assistance before. We are currently taking applications for our Housing Choice Voucher Program. We're able to do that virtually. I'm glad that we had set that system up several different years. I think that's critical to what we do going forward with the pandemic, is to finding the new normal way to do things perhaps with the virtual homeownership classes and some other things.

Debby Warren:

Thank you Sallie. I think you can not only see how knowledgeable and passionate Sallie is, but also she exemplifies what makes a great rural leader, which is looking for every resource that is out there and figuring out how to make it work in her rural community. Thank you Sallie. We're going to shift a little bit and talk about the disaster perspective with Laura, and North Carolina is in the process of getting more than \$500 million in federal CDBG disaster recovery funds for Hurricane Florence recovery now. Most will go to rebuild housing capacity and Laura, would you say a bit about the housing strategies in your agency's plan and how is the work made more difficult by longstanding housing challenges in Eastern North Carolina that predated the hurricanes?

Laura Hogshead:

Sure. I'm happy to so. We are just about to get our Hurricane Florence grant from the Department of Housing and Urban Development. It is the last funding that ever comes after a natural disaster, and it is late as you can tell. We've had the time to really plan because HUD didn't give us the money very quickly. Through our experience with Hurricane Matthew, what we know is that even though it is easier and faster to just repair what was broken, it is not going to make that family safer. What we've chosen to do is to do everything we can to make that family more resilient for future storms. I think when you have two major hurricanes in 23 months, it makes you think differently about the flood maps.

Laura Hogshead:

It makes you think differently about your personal risk. What we've chosen to do is to do as many elevations and as many reconstructions and as many voluntary buyouts as we possibly can because there are just some areas that keep getting hit, and we want to acknowledge that those folks may need another option. If they want to leave that area, we want to give them an option to leave that area, stay in their community, stay in the community that they love. Because as we discussed, housing is your

identity and it is the base from where you live your life. We want folks to stay in their communities, but not in the floodplain, not in the places that keep getting hit.

Laura Hogshead:

One of the things that we have chosen to do and frankly it takes longer, but it makes folks safer is that we rebuild your house two feet above the high-water mark from the highest storm that you've had. What we found when we started this was you might have been flooded. You might have had six feet of water in your house, but the flood maps say you should have only had two. Well, it doesn't really matter what the flood map says when you know you had six feet of water. We will elevate your house two feet above that 6-foot mark because we know what happened, right? Flood maps reflect what happened in the past. They don't reflect current reality, and they don't reflect what will happen in the future.

Laura Hogshead:

We are doing as much as we can to elevate and to reconstruct at a higher level, or to buy out certain zones where it just keeps happening, and folks have called and said, "Please just get me out of here. I want to stay in X county, but I cannot stay in this location." We have prioritized resiliency in all of our programs, and most of our funding does go to homeowners, but we have also set aside a significant amount of funding for affordable housing development because we recognize that people need places to go, right? If we're going to buy out a zone, we need to make sure that there's an option for them to stay in that community that they love.

Laura Hogshead:

We're working with the North Carolina Housing Finance Agency and with other developers to make sure that we have options for folks that are affordable and safe and outside of the floodplain. We're doing as much as we possibly can for homeowners because that of course is what HUD emphasizes, but we're also working on all of our rental programs as well to make sure that we are capturing the population that is most harmed by any disaster, whether it's a pandemic or a natural disaster.

Debby Warren:

Thank you Laura. Now we're going to turn to policy, which I think is where we're headed with Samuel, and could you talk about or very, very briefly named three to four state focused policy strategies that can make a significant contribution to every community, not just rural communities across North Carolina?

Samuel Gunter:

Yeah. There's a production challenge, right? I think a lot of that is some of them are metro counties and the counties that surround them, right? We have seen population growth in some of those areas, and the stock just simply does not exist to accommodate. There's a need for or increasing that stock. We do that in the state primarily by leveraging federal loan come housing tax credit dollars to produce rental housing. We have a state resource that comes alongside that called the Workforce Housing Loan Program. For the last two years, the funding for that has been held up and the budget impact, and there was actually a bill that was heard today, this morning, committee to fund that again at \$20 million.

Samuel Gunter:

That resource, the state resource that comes alongside the federal resource is primarily deployed in rural counties around the state of North Carolina to produce new rental housing for folks making about 60% of the area median income and below. That's one strategy. That's really the biggest scalable tool in our toolbox for new production across the country, is the low income housing tax credit. Significant in a lot of the areas that we're talking about now is rehabilitation life. Sallie talked about this a little bit. This has been a profound challenge for the state of North Carolina over the last decade. Sallie talked about capacity.

Samuel Gunter:

Capacity is a major issue, and what we have seen from a statewide level, in addition to being an advocacy organization, we're an intermediary for housing counseling agencies. Once upon a time in our state, we had money running through the division of community assistance in the Department of Commerce, that part of what it did was it sustained this ecosystem of professionals that deployed federal community development block grant money to rehab housing, alongside home dollars from the feds as well. It kept this ecosystem of professionals who knew how to do long-term community development, knew how to do the rehab money. Organizations could sustain staff. There was expertise at the state level, at the local levels.

Samuel Gunter:

Back in I think 2013, 2014, some of that money got pushed over to what is now the Department of Environmental Quality for water infrastructure, which is a profound need in our state, but what moving that federal money over to water infrastructure did was it gutted this ecosystem. Fast forward, I guess we're in the present... Rewind to Hurricane Matthew, it hits. Back when Floyd hit in '99, that network was the primary infrastructure that responded in the medium and long term for hurricane recovery. When Matthew hits, that infrastructure is puttering along, and most of them have died off, right? The organization's couldn't sustain staff, folks left. They found work in other areas.

Samuel Gunter:

It took us a while as a state to rebuild the infrastructure to be able to deploy the money so that that, so that it could go out. That's a major challenge. One of the roles that we have, we chair the housing recovery support function and state disaster recovery task force, and we put together a series of recommendations for emergency management and for the governor. One of the top recommendations is we need to begin to rebuild and reseed that infrastructure in the state because when a crisis like this hits, and I'll talk about what's on the docket right now, we need capacity to be able to deploy resources to folks that need them the most, right? One of the things that we're talking about now, and a bill was filed earlier this week that includes \$200 million worth mortgage, rental, and utility assistance.

Samuel Gunter:

This bill was filed primarily by Representatives Szoka and Representative Saine from Cumberland and Lincoln County. I know that representative Lewis was integral in house Republican leadership and in pushing for this bill to be filed. Also, they mirrored to a certain extent the way the mechanisms for delivery are a little bit different, but the scale that \$200 million for this was mirrored by two bills that were filed by Democrats earlier in the session. Representative Holley who is on this call and Representative Autry from Wake and Mecklenburg Counties, they've done incredible work leading on this issue, not only on this bill, but they co-chaired the bipartisan affordable housing working group in the house in this last two sessions. We have proposals out there.

Samuel Gunter:

The challenge is we know there's a need, right? We know there's need because we see these really scary unemployment figures, but because we have gutted our infrastructure over the last decade and a half, really since the foreclosure crisis, even though there was a ramping up to be able to push some of that money out to keep folks in their homes, make sure they weren't foreclosed on, really after that initial ramping up, we've just ramped down intensely. The capacity is not there to be able to deploy the scale of the resources we need to meet this incredible, incredible thing that we're facing, this really scary one million plus claims for unemployment in the state of North Carolina.

Debby Warren:

Thank you Samuel.

Samuel Gunter:

It's frightening.

Debby Warren:

Thank you for that. Sallie, Samuel touched on some of the rural implications and policy issues. Do you have anything to add in terms of the policy priorities that Samuel mentioned will help? What are these? Are there specific needs that rural communities have that would not be addressed by these particular solutions?

Sallie Surface:

I think that it's very important that two things in particular that Samuel was talking about, is the increasing of funding, passing the workforce housing program funds that coming from the state money to go in and match with some of the rental developments. I know with our senior apartment complex is one that would just turned 20 years old. We were able to get funds to go in and rehab that facility, and keep it as being very viable for our senior community in a town that has less than a thousand people, but it still has a need for housing for seniors.

Sallie Surface:

Having the funds to match with the tax credits is very critical and in rural areas sometimes, and I hope when we are looking and talking about youth, making sure these funds are available, that we understand that sometimes rural areas do not compete well with applications that may come from an urban area because our economy of scale may not be the same. We're not going to be doing large developments. We're going to be doing smaller developments that fit into a community and to a community's need, and sometimes they may not be as attractive to your equity partners. May not be as attractive to whoever's doing the rating.

Sallie Surface:

There are things that impact us in a rural area that do not necessarily help us to score well, unless there is a set-aside for in that funding for rural areas. I would encourage them looking at what is the need in the rural area as opposed to how it impacts investment in comparison to a more urban area.

Debby Warren:

Thank you Sallie.

Sallie Surface:

If I could just say one thing, capacity, capacity, capacity. I need to keep informed certified staff that I need to have.

Debby Warren:

Continuity. Thank you and Laura, this is our final question for our panelists, which is your office has developed an impressive set of strategies for housing recovery in Florence designated communities. What do you think can be applied to the rest of the state's counties who are not part of this disaster area?

Laura Hogshead:

Certainly. Well, thank you for the question. What we're learning is that you have to talk to each local community, right? There's no one-size-fits-all and Sallie said it as well. It's about capacity at the local level, and it's about what that community wants. Not every community wants a 3-storey multifamily building. It's not appropriate for every community. You really have to talk to folks in the community about what will be supported in that community, what they desire to see for affordable housing in their community, and then you have to adjust your strategy. You have to be flexible. That applies to eastern North Carolina and to western North Carolina.

Laura Hogshead:

You just have to be sensitive to the local needs, and you can't go in with this is the one way we're going to do it because what we're finding is that every strategy needs to be tweaked a little bit to best fit the nature of that place.

Debby Warren:

Laura, thank you for that and panel, thank you. We will have hopefully an opportunity for some other questions, but right now, we're going to turn to our legislatures, and I hope both of them are here. I would like to introduce Representative Yvonne Holley who serves District 38 which is in Wake County, and she has been in the legislature since 2013. One of her issues that she has worked passionately and hard on is one of food security and food deserts across the state, and she's currently vice chair of the regulatory reform committee, and serves on a number of other very, very, very important committees as well. Both of our legislatures, and I will also introduce David Lewis.

Debby Warren:

He was first elected to the North Carolina State House in 2002, represents House District 53 which encompasses most of Harnett County. He's chair of the Committee on Rules, Calendar and Operations of the House, and the Redistricting Committee. He also worked very intensively on the 2013 tax reform legislation, and he is a tobacco and cotton farmer by trade. Thank you both. We deeply appreciate making time out of your schedules, and our focus here is just to talk about what you want to say from your legislative perspective about these issues that we have raised. First, we'll start with Yvonne Holley.

Representative Yvonne Holley:

Thank you. I am Representative Yvonne Lewis Holley, and I represent District 38 which is in Raleigh. I represent an urban area, but in checking out about my urban area, I discovered that the rural areas have the problems even 10 times more than the urban areas, and what works in one community may not work in another community. As a result of this, it is more than just housing. It's food and security. It's a wraparound thing because if you're in school and you don't know where you're going to sleep that night or where your next meal is coming, our students can't perform.

Representative Yvonne Holley:

If you had a job and you don't know where you're going to sleep that night and worried about how you're going to get food for your children or pay your utilities or whatever, then you're not functioning well on that job, and it's a systemic problem that we have. The cost of housing shows no boundaries. What I mean by that is, is building and construction costs are the same, whether you're rural and urban. The cost of the supplies are the same. That same piece of wood does not go down in price because you're located in a rural area. You have a unique set of problems in the rural areas that we may not have in urban areas. A couple of years ago, I've been talking about food deserts for a while, but a couple years ago, I started talking about housing.

Representative Yvonne Holley:

I was able to form and allow for another colleague, Representative Autry from Charlotte because we share similar districts, a housing study work group where we had multi-chambered, bipartisan work group. We brought in different people to come to us to talk about housing, and try to identify the problem. We discovered that it's bigger than anybody can ever imagine and as a result, the two of us have been on the forefront and the beginning of putting in a couple of bills this time for COVID-19.

Representative Yvonne Holley:

The COVID-19 pandemic has brought attention more to the issue because we know that as soon as this lifted, the line to foreclosures and the line to evictions around the block are going to be at the courthouse for all the people who are unable to pay their rent or to pay their mortgages because they lost their jobs, or they were out sick or extenuating circumstances, and these are extenuating circumstances. We have written two bills. Well, first last session, I was able to get through a housing study bill to comprehensively study housing, but it did not get an opportunity to be heard in the Senate. I'm not giving up on that fight to try to let the general simply study it because until we really understand the problem, we will not know how to comprehensively fix it.

Representative Yvonne Holley:

For the immediate need, we put forth a couple of bills rather quickly, and one is the housing foreclosure prevention assistance that to keep people in their homes, we need to keep people in their homes. We don't need more people on the street, and the other one is a housing and utilities assistance bill for rental units so that people's rent, the supplement so that they can pay their rent while they're out doing this pandemic. It's just too important and now there's a democratic version, yes. We were the first to put the bill in, and now there's a Republican version with a few more restrictions on it, and looking at it from a different standpoint, but this is not a Democrat or Republican issue.

Representative Yvonne Holley:

This is a people issue, until we start really working together on these issues, and this is not a rural or urban issue. When we are talking about legislation, we don't want to do legislation for rural areas that don't fit in the urban areas, and we don't want to do legislation for urban areas that really will not fit in the rural areas. There has to be parts to it and thought out, and we don't want to pit one community against another. We need to work with groups like yours that are dealing with rural people and rural situations to get this thing really off the ground and moving.

Debby Warren:

Thank you Representative Holley.

Debby Warren:

I'll turn over to Representative Lewis.

Representative David Lewis:

Thank you so much to the Rural Center for inviting Representative Holley and me to spend some time with you today. I enjoyed listening in to the earlier conversation. I do commend Representative Holley and Representative Szoka, two of our leading members the House for the work that they're doing to try to help people stay in their homes. I think she did a very good job of sounding the alarm, and she is right. This is issue that cuts across all communities, urban, rural, and frankly gets sewn up into the middle classes as well, so that's a concern that we all have. I am excited. I was listening to Mr. Gunter speak earlier. I'm very excited that one of the first pieces of legislation were actually going to move this year is going to be funding for the workforce housing program.

Representative David Lewis:

Keep that program strong, keep it going, all the good that it does. I've been so proud to watch these facilities open in my county. You see folks move in who have been paying as much in rent and inefficient electric utility bills as they could have possibly afford to make, and it truly does change their standard of life. They have a safe dependable place to call home. I'm very proud of the effort that the Rural Center continues to do. The one thing that I would add from the earlier conversation Sallie, and I apologize that I missed her last name, but she was talking about the struggle that rural communities have in trying to compete with urban communities for these grants.

Representative David Lewis:

As a legislator, I am reminded of the importance that we just as Representative Holley was saying, that we make sure that there is a carve out and that rural communities have a chance to compete, but something else that we're doing, we're trying to work with the Council of Governments, the COGs right now to create these floating grant writer type positions. That's one of the areas where the rural communities fall behind, is they don't really have the staffs to pull from to writing these grants. We're trying to work on a pilot program where experts could go in and help, but want to leave time for your questions so I'll stop my remarks right there.

Debby Warren:

Thank you Representative Lewis, and I'm going to hand the gavel over to Brandy now to do our Q and A session.

Brandy Bynum Dawson:

Thank you all so much for your responses and comments so far. There have been a number of questions that have come in via live, and some that have been pre-submitted. We will attempt to get to as many of those as possible. I'll start with a question that was pre submitted via registration, which is around where can folks get more information about organizations or entities that provide financing for rural affordable housing construction, rehab and development?

Representative David Lewis:

I would certainly start with the Housing Finance Agency, and I will work to try and put together a list of if there might be additional resources, and I'll send those into the Rural Center. Maybe they can put it out in the next newsletter, next news release they do.

Brandy Bynum Dawson:

Thank you. Any additions to that?

Representative Yvonne Holley:

Well, sometimes you also need to look and see what your local county is doing. They get funding from a different source in many instances or your city and municipality. You need to look at all of them. There is not to my knowledge, one comprehensive go-to place. The state of North Carolina does not have a Department of Housing. There's not one entity within the state that you can go to right now and have access to that information, but you do need to look at state local, and your really local areas.

Brandy Bynum Dawson:

Right. Thank you for that Representative Lewis and Holley. This question is related to you, are there ways that states or the communities can incentivize middle-income housing production? There are a couple of questions around middle-income housing production, so if you all could speak to that.

Representative Yvonne Holley:

Well, there's a real successful program that's currently being done in my district that is done by the City of Raleigh, that's an affordable. Now that these are for home ownership, and also in my neighborhood alone, there has been a new low income beautiful project that this is in a development right next to me that the community is thrilled about, that has been subsidized a little bit with federal funds and funding to build it. Then the Senator was there. The community wanted this housing...

Representative Yvonne Holley:

Okay. They're telling me session is in a few minutes. The community is very important right now, and you're wanting and needing this. You have to ask for these kinds of things, and we need to hear more from the community that housing needs to be available.

Brandy Bynum Dawson:

Anyone else want to address that question?

Sallie Surface:

This is Sallie, and I think it's very important when you're trying to create affordable housing, whether it's for middle-income, low-income, or whatever your targeted group is, is to show that how it is a win-win for your local government for your community, show them the economic benefit that is going to come to them from creating housing or encouraging the creation of new housing, show them there is a model that NeighborWorks put out many years ago, where you can calculate the value of jobs created in doing housing, the taxes that we paid, the fees for the permits, so forth.

Sallie Surface:

Even from the standpoint of the truck driver who is picking up the materials at the big box store that may be selling the materials and driving them to the site, there are economic benefits and I think that if a person or someone in government doesn't understand the human benefit, I think they do understand the financial benefit to the county coming in from the increased asset that has been built in the community.

Brandy Bynum Dawson:

Thank you for that Sallie, and I'll just segue to this question that is somewhat related. It's a policy and an affordability question. The question is around, is there a way to create legislation that will require or can require developers to build affordable price neighborhoods? Is there a way for that to be done legislatively?

Representative Yvonne Holley:

That's a difficult one. We can encourage and we can incentivize, but we cannot legislate that they must do something because it is a private industry. It's the public-private partnerships that are really important in their housing environment now. For nonprofits and even churches, we need to get everybody involved in trying to increase access to housing.

Representative David Lewis:

I would just add briefly that I completely agree with my colleague, but through the use of things like the workforce housing program and the federal tax credits and whatnot, while we can't force the developers to build more moderately priced homes, we can offset some of their costs which makes it easier for people to obtain those homes. I think there are some programs in place that can help get us to the same place.

Brandy Bynum Dawson:

Thank you. Any additions to that? Thank you both very much. Laura, there are a couple of questions that are directed to you particularly around the buyout program or approach that your organization is taking. The questions are, can you talk more about the buyout program, what the eligibility requirements are and is buyout the only option if there's any additional other assistance that NCOR could provide?

Laura Hogshead:

Sure. We took a data-based approach to identifying buyout zones across eastern North Carolina. As we identify zones, we put them on our website, which is rebuild.nc.gov, and you can check out those zones. We work productively with the local government because you don't want to offer buyouts in a local area

without the local government's blessing, right? That would be a very bad idea. We work with a local government to make sure that they're comfortable, and then we draw that zone so that we encompass really the biggest danger.

Laura Hogshead:

When you look across eastern North Carolina, there are a lot of places that we could do one Z or two Z or three Z buyouts, but we want to make sure that we do them in a collaborative manner, and that we potentially come up with a parcel of land that could be a productive use for the community again. You don't want to scattershot this. You don't want to have one house here in one house here. You might want to have a neighbor who had bought out because A, it's the most dangerous and B, you could turn it into a community garden, or you could turn it into a park. You could turn it into an actual amenity for the community.

Laura Hogshead:

As soon as we get that buyout from the local communities, we put them up on our website, and we send letters to the homeowners who live in that zone to let them know that a voluntary buyout is an option. We offer pre-storm appraised value on their home, so it's pre-storm value. We don't really care what shape. It's more important for us to get you out of danger than for us to haggle about price. We offer you pre-storm value, and then we offer incentives for staying in the county because we want to make sure that we're not decimating counties. We have incentives for you to find your next safer home that's in the same general area.

Brandy Bynum Dawson:

Awesome. Thank you for that. There are a couple more questions that we can get to before our time is ending. There are a number of pieces of bills or legislation that was mentioned on the call. Do you all mind reiterating what those bill numbers are, if they're House bills or Senate bills so people can act when needed to?

Representative Yvonne Holley:

The bill has run for us to go to session, is House Bill 1134 which is housing and foreclosure prevention assistance, and House Bill 1135 which is housing and utility assistance/COVID-19. Those are the two bills that I have put in with representative Autry and a few others to address the situation.

Representative David Lewis:

Representative Szoka and Saine's bill is House Bill 1200, and I can't emphasize enough though that it was Representative Holley who got this ball rolling, I wish the COVID thing hadn't made it so hard to meet and talk. I wish we could have been able to file a joint bill, but the fact that both parties have filed largely similar bills means that this is an important issue that I think your membership could address on blanc if you will and say, "Hey, do something, do one of these three bills. We don't care which of these."

Representative Yvonne Holley:

It's not about us, it's about the people.

Brandy Bynum Dawson:

Thank you, thank you both very much, and we'll leave with this last question, unless we have a little more time to get one more in. There's a question here about, what can we learn from other states?

There are examples from other states that have successfully addressed these challenge. It's strictly around inadequate quality housing supply and affordability. Do you have other state examples that we could share?

Representative Yvonne Holley:

Okay, and I can't think of one. I do know that everybody has the same problems and the same issues. I do know that Minnesota had put \$50 million in for some housing and foreclosure prevention, and that's all I could think of right offhand, but there are a number of them.

Representative David Lewis:

I can't give you a specific answer today, but I will just say that I would welcome your advice and input on as a legislator from a predominantly rural area that borders an urban area as for instance as Raleigh redevelops. I mean it's really cool to see these big high-rise things being built and the population changes, and all the lifestyle changes that happens there, but the people that get displaced, they get moved somewhere else. In business, we say, "Okay, we'll move it to the less expensive land. We'll move these folks. We'll build them nice homes in Harnett County let's say, and I would welcome them as neighbors." The problem is Harnett doesn't have the public transportation and other resources that these folks need in order to be productive in their lives.

Representative David Lewis:

We really have got to start thinking about these issues more in a regional way as how they affect people across county lines. Too often, county lines get in way of productive conversations.

Representative Yvonne Holley:

Another to add to that, why can't you put some of the people who are being this place in the uprise housings that are there? You're buying their property, give them a unit, make that affordable, and makes some of the units in that building affordable to keep some of the people of that community in that community.

Brandy Bynum Dawson:

Thank you all very much for taking time out of what I know to be your very busy schedules to join us for today's discussion. Thank you so much for sharing your wisdom, your expertise, and enlightening this conversation. We're going to move towards closing. Just to remind everyone that you will receive a survey link, asking you to let us know your experience was of today's conversation. It's also a chance for you to win a Bluetooth speaker. If you're interested, you should definitely fill out the survey. In addition to that, I just wanted to remind you all that we have been hosting these sessions weekly for the last couple of weeks. We have one more coming up next Thursday, and that discussion will center around water and wastewater infrastructure.

Brandy Bynum Dawson:

If that is an interest of you, definitely feel free to join us back again next Thursday. Also additional reminder that 2020 is the year of the Census. It is very, very important for North Carolina and especially for rural North Carolina. Spend the five to seven minutes to complete your Census. You can do it online, via phone, or mailing your form. Make sure that rural North Carolina and North Carolina counts this go-round. Again, thank you all very much for joining us. Thank you to our sponsors for helping us to host

today's session, and thank you all to our attendees. We're very appreciative of all you do for North Carolina, especially rural North Carolina. Be safe and well everyone. We'll see you again next week.