



RURAL HOUSING: AFFORDABILITY, CAPACITY, AND FUNDING



As the needs of North Carolina's communities change, the issues of rural housing affordability, capacity, and funding have become increasingly salient. Substandard housing stock, too few developers, and a strained labor force, small and hard-to-fund projects - as well as inadequate funding for increasingly expensive supplies - have created complex conditions that require a multi-layered response².

Rural housing is a statewide challenge, but the specific hurdles vary by region. Limited housing capacity hinders the ability of coastal communities to respond to acute housing needs that have been made worse by recent hurricanes and floods. Lack of middle-class housing in the mountains means that essential rural jobs go unfilled. And everywhere, families with limited income and wealth struggle to afford mortgages and rents.

The numbers tell the story. In North Carolina's rural counties, 47 percent of renters and 20 percent of homeowners are cost-burdened³, meaning these households spend 30 percent or more of their incomes on housing. In addition, for every 100 extremely low-income households in North Carolina, there are only 44 affordable and available rental units⁴.

The housing crisis underpins and exacerbates the other challenges in rural communities, and if left unchecked, will continue to jeopardize economic development efforts. Our rural communities need strategic solutions to the housing crisis upon us. Stakeholders, advocates, and policymakers must work together to develop innovative policy solutions and take deliberate steps to build a rural North Carolina that families and workers can call home for generations to come.

47% OF RENTERS

20% OF HOMEOWNERS

in rural North Carolina are cost-burdened with housing.

Source: North Carolina Housing Coalition, 2021 County Profiles

THERE ARE ONLY **44** AFFORDABLE AND AVAILABLE RENTAL UNITS

FOR EVERY **100** EXTREMELY LOW INCOME HOUSEHOLDS in North Carolina.

Source: National Low Income Housing Coalition, The Gap 2022

²Rural Housing. (2022). The Pricing and Supply of Rural Housing. *Speaking of the Economy Podcast* - Federal Reserve Bank of Richmond.

³Cost-Burdened Housing. (2022). 2021 Financial Characteristics. *US Census American Community Survey 5-Year Estimates*.

⁴National Low Income Housing Coalition. (2022). The gap 2022. *North Carolina Housing Coalition*

5,612 TOTAL SHELTERED HOMELESS PEOPLE IN NORTH CAROLINA

36% ARE PEOPLE IN FAMILIES WITH CHILDREN (2,003)

11% ARE VETERANS (646)

4% ARE UNACCOMPANIED YOUTH (207)

Source: US Department of Housing and Urban Development 2021 Annual Homeless Assessment Report

NOTE:

The report indicates that unsheltered homelessness was not accounted for in 2021 in an attempt to lower transmission rates of Covid-19.



Limited housing capacity hinders the ability for coastal communities to respond to acute housing needs exacerbated by hurricanes and floods.

Lack of middle class housing in the mountains means that quality and essential rural jobs in those areas go unfilled.



POLICY SOLUTIONS

The following outlines the policies and initiatives the NC Rural Center proposes to ensure the availability, viability, and wealth-building accessibility of stable housing to improve rural communities' quality of life.

- Build a broad coalition through critical advocates, such as the North Carolina Housing Coalition, the Metropolitan Mayors Coalition, and other partners, to create a systemic policy response to make high-quality housing for everyone an economic asset for every community.
- Sustain funding to the North Carolina Housing Finance Agency for the Workforce Housing Loan Fund. This fund is critical to the financial feasibility of smaller-scale applications for the Low Income Housing Tax Credit.
- Increase recurring funding to the North Carolina Housing Trust Fund. This is the most flexible pot of funding to finance affordable housing and can be used for purposes such as repairs, construction, rehabilitation, etc.
- Prioritize use of non-entitlement federal Community Development Block Grant (CDBG) funding to meet the growing demand for quality, affordable rural housing.



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