

How a Penny for Housing Can Help Cary Meet It's Housing Goals

About ONE Wake

ONE Wake is a non-partisan, broad based organization composed of over 45 religious and non-profit institutions across Wake County representing an aggregate 50,000 residents.

ONE Wake has developed a grassroots agenda for change based on the input of over 3,600 members of our communities, who have collectively identified skyrocketing housing cost as the top pressure facing families in Wake County today.

Our full membership list is available here:
www.onewake.org/participating_institutions

ONE Wake Members Institutions in Cary

Beth Shalom	Good Shepherd UCC
Cary First Christian Church	Greenwood Forest Baptist Church
The Carying Place	Kirk of Kildaire Presbyterian Church
Christ the King Lutheran Church	Las Americas Association
Dorcas Ministries	Pleasant Grove Church
First UMC Cary	Saint Francis UMC
	St. Paul's Episcopal Church

Summary

With its outstanding budget management, quality of life, and property values, **Cary is exceptionally well positioned to meet its housing goals.**

Cary residents have the highest median incomes of any NC municipality and the lowest property tax rate of all Triangle municipalities. Cary also has strong, stable and experienced County and nonprofit financing and development partners.

ONE Wake is proposing that the Cary Town Council commit to a “Penny for Housing” to create a designated housing reserve in each annual operating budget that is based on the value of 1 cent per hundred dollars on the \$30.9 billion Cary tax base, or about \$3.2 million.

These designated funds could be used for time –sensitive opportunities, to attract and stabilize production by local affordable housing developers, and for housing services.

A vote by the Town Council to designate this fund is to provide policy guidance to the Town’s staff as they prepare each year’s budget but it is not as inflexible as a debt obligation and it does not bind future elected officials.

Context

Housing cost burden continues to grow for low to middle income Cary households earning \$50,000 or less. Half of the households in this income bracket pay more than 30% of their income for housing. A total of 4,500 Cary households can no longer afford the cost of housing in town, and must choose between paying rent and other necessities.

The town has 297 income-limited homes for seniors and 58 permanent and transitional homes for families with low and moderate incomes. The Town has also recently begun a public land pilot program that is expected to lead to the construction of 130 new affordable units.

Despite this commendable progress, Cary is losing far more affordable units than it is adding, and at the same time, the need for additional affordable units is rising rapidly.

Between 2010 and 2020, the Town lost roughly 3,900 rental units that are affordable to essential workers (e.g. teachers and grocery store clerks) earning \$40,000 or below. During the same period, the Town added 10,000 jobs paying \$35,000 or less.

Key Town investments are a necessary pivotal catalyst to bring affordable housing production to a scale that is responsive to this growing need.

Growing Need



Penny for Housing

A “Penny for Housing” is to create a designated housing reserve in each annual operating budget that is based on the value of 1 cent per hundred dollars on the \$30.9 billion Cary tax base, or about \$3.2 million.

With a Penny for Housing, Cary can establish a designated fund with annual appropriations that are indexed to increases in property values. This makes sense – because we have all seen that as Triangle property values increase, housing costs also rise and more residents are displaced or discouraged from living in Cary.

Annual funds are flexible in that the amounts can change as needed from year to year, and today’s decisions do not constrain tomorrow’s budget priorities.

Track Record

Other leading NC cities and towns have established designated housing funds, including Apex, Asheville, Carrboro, Chapel Hill, Charlotte, Durham, and Raleigh, as well as Wake County.

Each year these local governments include a predictable investment of general funds for a flexible range of housing activities, including: immediate and multi-year projects; new construction and preservation; homes for renters and homebuyers.

Most state, federal, commercial and charitable funders require or incentivize local government funding. Thus, the above NC towns and cities are strategically using local funding to:

- incentivize, leverage or attract non local sources of capital and loans for their developments;
- fill funding gaps in projects that would not otherwise be affordable to target beneficiaries, or enable private developments to include some homes that lower income people can afford.

Budgets are Value Statements

Cary's citizens have shown a willingness in the past to invest property tax revenue in what they value.

Each year, the Town invests part of its annual budget - \$17.6 million in 2021-22, or 7 cents of every budget dollar - to operate and maintain recreational facilities and programs (as well as to repay its debts).

ONE Wake is calling on the Town Council to make a similar annual investment in low to middle income residents who have historically built the town into what it is today, and in the newer residents who are working the essential jobs that keep our community running.

