



The State of Affordable Housing & Homelessness

2023




**HOUSING
FOR NEW
HOPE**



Preface

The Housing for New Hope's State of Affordable Housing & Homelessness in Durham report provides a vital summary of the current state of housing and related issues of poverty in our community. This comprehensive report aims to offer valuable insights and data to the broader community, highlighting the challenges faced by individuals and families in accessing affordable housing and addressing homelessness. By examining key factors such as structural racism, housing costs, eviction rates, overcrowding, and the results of the 2023 Point-in-Time (PIT) Count.

Key Findings:

- Structural racism, including the historical impacts of redlining and modern-day disparities in tax assessment appeals, has contributed to racial inequities in homeownership, housing cost burden, and wealth.
 - A 32% increase in median two-bedroom rental costs in Durham since 2018 has resulted in rising cost burden among low-income households—those who make less than \$42,800 per year, [i] or 60% of the city's median income. [ii]
 - Low-cost rentals as a percentage of total units halved between 2015 and 2021, with just 15% of Durham's total housing stock priced below \$800 per month.
 - Eviction cases have more than doubled between 2021 and 2022.
 - People of color in Durham are more likely to live in overcrowded housing, with Latine families exhibiting the highest rate of overcrowding at over 15% of total households.
 - According to Point in Time Counts data, the number of unsheltered Durhamites has increased by 58%, and the number in emergency shelter has increased by 27% since 2020.
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Introduction: Defining Housing Instability & Homelessness

Housing status is not static. For many, housing status looks more like a continuum in which they move toward or away from housing instability and/or homelessness during different points of their lives.

Housing instability most often occurs when a household is cost-burdened, meaning they spend more than 30% of their income on housing-related expenses. Households that spend more than 30% of their income on housing experience greater difficulty in paying for other needed expenses, which can increase their risk for eviction. As of 2022, just under one-third (31%) of Durham County households are cost-burdened.[iii]

Households who are experiencing **homelessness** can either be sheltered or unsheltered. The kind of homelessness that is most visible is that in which a household sleeps in a location not ordinarily designated for that purpose. Individuals experiencing unsheltered homelessness may sleep in encampments, under overpasses, bus/train stations, bus stops, parks or abandoned buildings. Some of these households are able to stay in temporary shelters, but space is often limited so many are forced to remain unsheltered while they wait for a space in a shelter to open up. However, households living doubled up with family or friends and those who are living in hotels/motels may also be experiencing homelessness because they lack a permanent residence.

On the other end of the housing continuum is **stable housing**, in which a household has found permanent housing that does not require them to live in overcrowded or substandard environments and does not leave them cost-burdened. However, it is important to note that one can experience a life change or emergency that can cause them to fall into housing instability or homelessness at any point. The root cause of housing instability and homelessness is a person's inability to bridge the gap between what they can afford and the actual cost of housing.

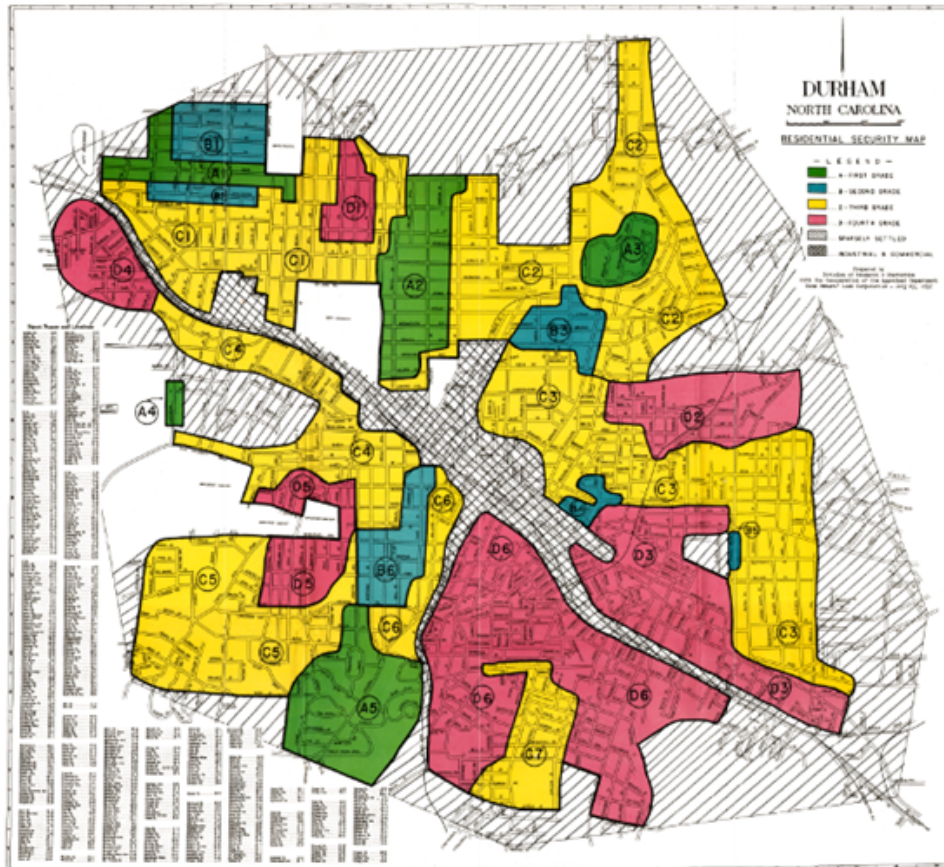
Causes of Housing Instability and Homelessness

Structural Racism

Past policies like redlining have created economic inequities between Black and White households while recent developments like rising rental costs have exacerbated these inequities. These past and present forces have combined to create and sustain economic and racial inequities and promote unequal access to affordable housing.

Redlining

Redlining is the discriminatory practice by which banks and insurance companies refused or limited loans, mortgages, or insurance within a certain community/neighborhood on a racially and/or ethnically discriminatory basis.



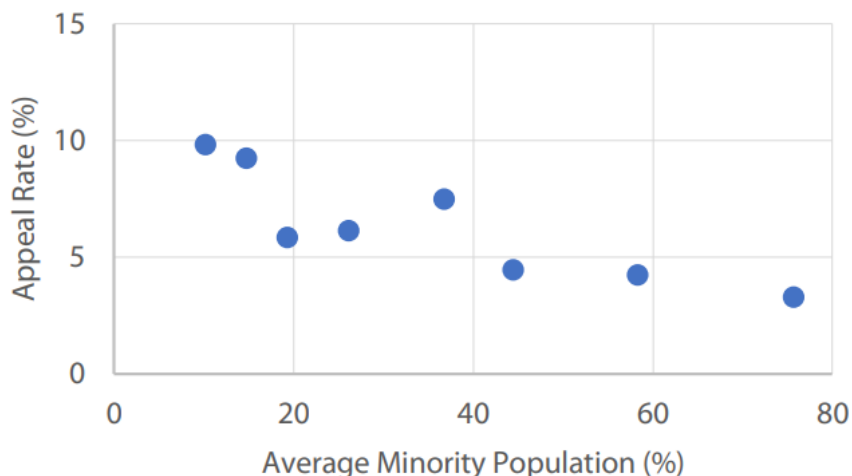
Although redlining was outlawed after the passage of the 1968 Fair Housing Act, majority-Black and Latine neighborhoods continue to experience disinvestment and lower rates of homeownership. Since homeownership is a path to generational wealth building, historical barriers to owning a home have created racial wealth disparities. In Durham, more than 40% of Black and Latine households own zero wealth—more than twice that of White households. [iv]

Tax Assessment Disparities

A 2021 study from Durham County and the UNC School of Government found that, while there was no evidence of racial bias in property tax assessment in Durham, there remains disparities in appeal rates. [v] Neighborhoods with more people of color saw fewer appeals than majority-White neighborhoods. This creates an assessment map, in which taxpayers of color have an increased likelihood of having a tax assessment that is farther away from its true market value—a system that benefits white taxpayers.

Because most appeals produce reductions in assessed values, taxpayers living in majority-minority neighborhoods are more likely to pay a higher percentage of their property value in taxes. Such high tax rates contribute to cost burden among lower-income households, which places them at risk of housing insecurity.

Durham County, NC - 2016
Minority Population % vs. Property Tax Appeal Rates

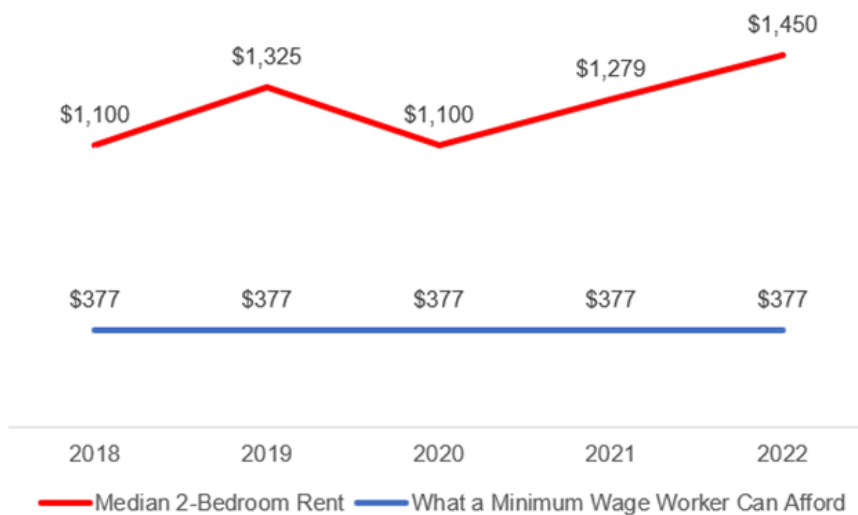


Rising Rental Costs

Median monthly rent for two-bedroom apartments in Durham has increased by 32% over the last five years—from \$1,100 in 2018 to \$1,450 in 2023.[vi] In comparison, the rent level affordable to a full-time worker receiving the state minimum wage of \$7.25 has remained at \$377 since 2010.[vii]

Increases in rent disproportionately impact low-income renters. Approximately 38% of Durham households make less than \$58,000—the salary needed for a household to not be cost-burdened at the current median rent for a two-bedroom apartment.[viii] However, the median income for renter-occupied households in Durham was \$46,167 in 2021 (compared to \$102,612 for owner-occupied households). [ix]

The gap between median rent and what a minimum wage worker can afford has grown.

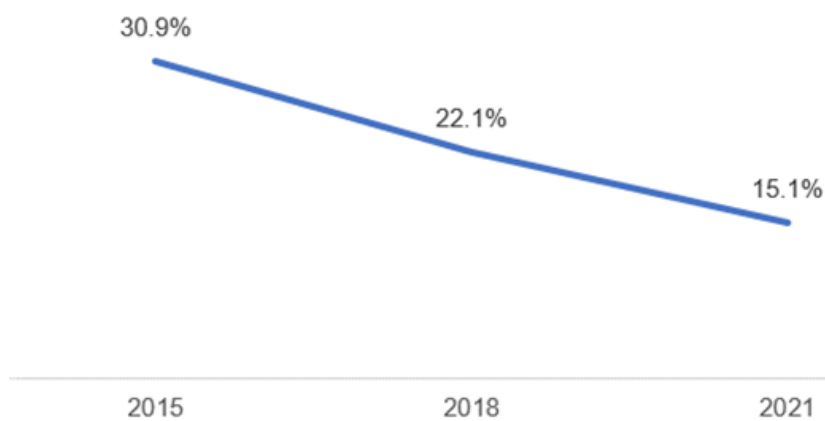


Households that have a fixed income, including low-income people with disabilities who receive Social Security Disability Insurance (SSDI), have been especially impacted by rising rental prices. These households receive an average of \$1,657 per month, meaning they would need to spend \$497 per month or less on rent to avoid being cost-burdened.[x]

Lack of Affordable Housing

The cost of housing is impacted by the availability of low-cost housing options. In Durham, demand for low-cost housing outpaces the supply. Between 2015 and 2021, low-cost rental stock (units with monthly rent below \$800 per month) fell from 30.9% to just 15.1%—an almost 100% decrease.[xi]

Low-cost rentals dropped from almost one-third to 15% of total rental stock in Durham between 2015 and 2021.



This loss of affordable rental units is the result of rental price increases and the building of several high-end business campuses and apartment complexes in the Triangle area, which has contributed to rising costs of land.[xii] Additionally, Durham’s population has grown by 25% since 2010, creating greater demand for limited housing units and further driving up rental prices.[xiii]

Other factors include source of income discrimination and the refusal of many landlords to rent to households with eviction records. With fewer low-cost housing options, more low-income households have had to rent higher-cost units, resulting in their becoming cost-burdened.

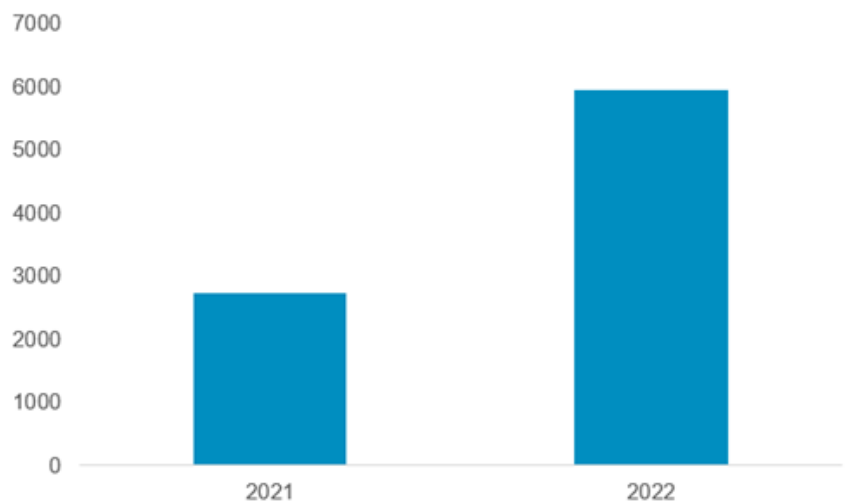
Effects of Housing Instability and Homelessness

Evictions

An eviction is defined as an action to force a tenant with a written or oral lease to move from the premises from which they reside. There are two types of evictions: a formal eviction, in which a landlord seeks to regain possession of a leased property by legally ending a tenant’s right to live there (e.g., a tenant violates the terms of their lease agreement) and an informal eviction, in which a landlord forces a tenant to move out through illegal means (e.g., changing their locks).

In 2022, there were 30,691 eviction filings in Durham, of which 19.2% resulted in summary ejectments.[xiv] However, the number of summary ejectments in Durham has more than doubled over the past two years—from over 2,700 in 2021[xv] to more than 5,900 in 2022.[xvi] For both years, the five apartment complexes that carried out the most evictions were located in majority-minority census blocks.[xvii]

The number of summary ejectments in Durham more than doubled between 2021 and 2022.



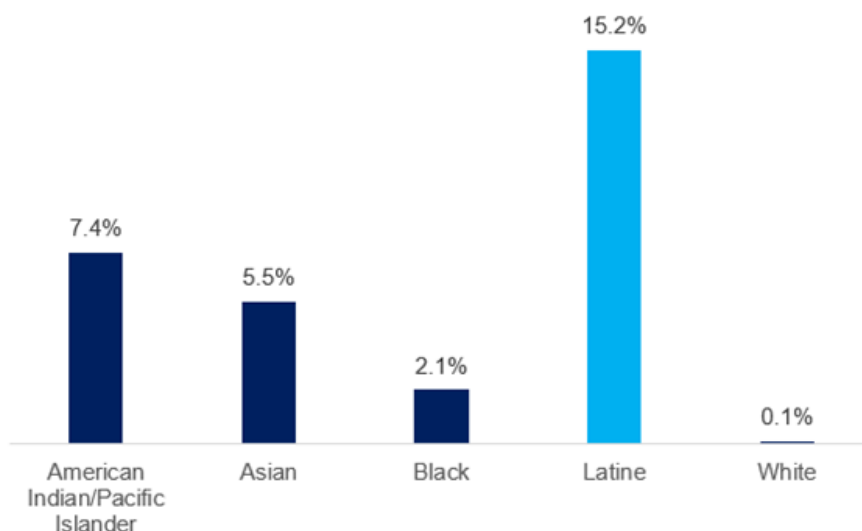
Evictions can have lasting impacts on households and often perpetuate housing instability. A formal eviction filing—even when the family is not formally evicted—stays on a tenant’s permanent record for seven years [xviii] and is often used as a justification by landlords to deny low-income tenants from living in their units. Evictions can also render households ineligible for some housing assistance programs. As a result, households with eviction records may be forced to live in undesirable areas, rent substandard units, or live in motels or in their car.

Overcrowded Housing

Many households who struggle to afford rental prices live together to make ends meet. However, this often results in overcrowding, in which there is more than one person per bedroom (e.g., four people living in a one-bedroom apartment). Overcrowded housing is linked to negative health outcomes, including chronic stress and higher risk of COVID transmission,[xix] and negative educational outcomes for children.[xx]

Renter households and households of color are more likely to be overcrowded in Durham. Over 4% of renter households live in overcrowded conditions compared to 0.16% of owner-occupied households.[xxi] Additionally, Latine households were the most likely to live in overcrowded conditions.

In 2021, the percentage of Latine households living in overcrowded conditions was 152 times higher than that for white households.



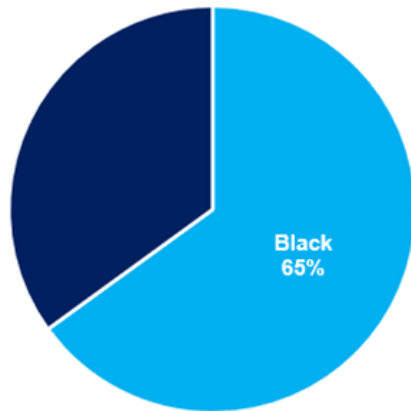
Over 15% were overcrowded in 2021 compared to 7.4% for American Indian/Pacific Islander households, 5.5% for Asian households, 2.1% for Black households, and 0.1% for White, non-Latine households.[xxii]

Homelessness

A household experiencing homelessness may be living in an unsheltered location such as an encampment, or a shelter, doubled up with friends/family, or in a hotel/motel. However, the yearly Point in Time (PIT) count only measures the number of individuals living in unsheltered situations and those in shelters and transitional housing during one day of the year. As such, the data discussed in this section, which come from the 2022 PIT count, is not a holistic portrait of homelessness in Durham but offers insight into who is unsheltered in Durham and why.

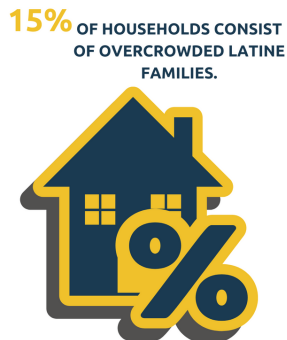
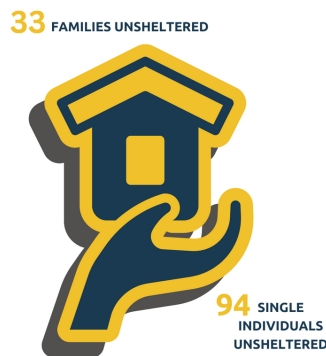
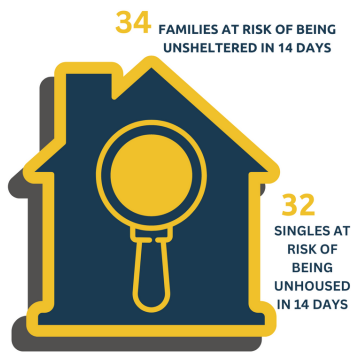
The number of individuals experiencing homelessness has worsened in recent years. Since 2020, the number of unsheltered Durhamites has increased by 58% and the number of individuals in emergency shelter has increased by 27%.[xxiii] Reasons for these increases include a gap between available federal and city-level housing assistance and need, a decline in the number of landlords willing to accept housing vouchers for households experiencing homelessness, and insufficient supports for populations most vulnerable to homelessness, including veterans, those aging out of the foster care system, and individuals with mental illness.[xxiv]

Almost two-thirds of households experiencing homelessness in 2022 identified as Black.

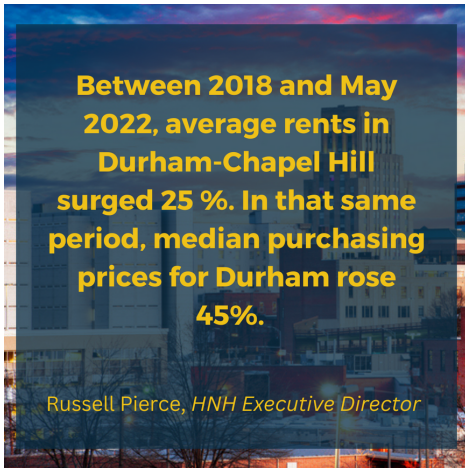


Durham also sees stark racial disparities in households experiencing homelessness, with 65% identifying as Black in 2022 and only 20% identifying as non-Hispanic White.[xxv] The 2023 PIT Count discloses that 69% of people experiencing homelessness are Black while only 26% of people experiencing homelessness are non-Hispanic White.[xxvi]

The 2023 PIT Count in Durham revealed significant findings. The overall count decreased by over 18%, from 459 individuals in 2022 to 375 individuals in 2023. However, the count of unsheltered individuals continued to rise, showing a 105% increase since 2020. The decrease in emergency shelter capacity, amounting to a 35% reduction, contributed to the decline in the sheltered count. Consequently, the "total CoC service population" decreased by 13%, primarily due to reduced emergency shelter and rapid rehousing capacity. These findings underscore the need for targeted interventions to address the growing unsheltered population and enhance support for those experiencing homelessness in Durham. [xxvi]



[xxvii]



Notations

[i] <https://data.census.gov/table?t=Income>

(Households,+Families,+Individuals)&g=160XX00US3719000&tid=ACSST1Y2021.S1901

[ii] https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByChapter/Chapter_157.pdf

[iii] <https://nchousing.org/wp-content/uploads/2017/01/NCH-CountyProfile-Durham.pdf>

[iv] Durham report_final for web (unc.edu)

[v] Durham_County_Tax-Appeal-Study.pdf (unc.edu)

[vi] <https://www.zumper.com/rent-research/durham-nc>

[vii] State Minimum Wage Rate for North Carolina (STTMINWGNC) | FRED | St. Louis Fed (stlouisfed.org)

[viii] S2503: FINANCIAL CHARACTERISTICS - Census Bureau Table

[iv] Durham city, North Carolina - Census Bureau Tables

[x] North Carolina and Social Security Disability Benefits | Disability Help

[xi] S2503: FINANCIAL CHARACTERISTICS - Census Bureau Table

[xii] <https://indyweek.com/news/durham/durham-out-of-state-ownership-gentrification/>

[xiii] B01003: TOTAL POPULATION - Census Bureau Table

[ix] http://www2.durhamcountync.gov/Sheriff/CivilProcess/SHRF_CivilProcess.aspx

[xv] <https://us18.campaign-archive.com/?u=9b69fbf4536829ebc21196618&id=56339844c7>

[xvi] <https://us18.campaign-archive.com/?u=9b69fbf4536829ebc21196618&id=229ad196b8>

[xvii] <https://us18.campaign-archive.com/?u=9b69fbf4536829ebc21196618&id=229ad196b8>

[xviii] How Long Does an Eviction Stay on Your Record? | Lexington Law

[xix] <https://apps.who.int/iris/bitstream/handle/10665/276001/9789241550376-eng.pdf>

[xx] <https://doi.org/10.1016/j.ssresearch.2011.09.012>

[xx1] B25014: TENURE BY OCCUPANTS PER ROOM - Census Bureau Table

[xxii] B25014I: OCCUPANTS PER ROOM ... - Census Bureau Table

[xxiii] <https://www.ncceh.org/datacenter/pitdata/>

[xxiv] 2022 Durham PIT Count

[xxv] 2022 Durham PIT Count

[xxvi] <https://www.housingfornewhope.org/our-impact/pit-count> 2023 Durham PIT Count report

[xxvii] Email from Nicole Lamb. "Numbers for WL for Shelter" June 1, 2023 Volunteers of America Coordinated Entry Program

What You Can Do to Help

- If you are a **landlord**, partner with Housing for New Hope to rent units to their clients. Contact Courtney Surlis, Housing Partnerships Specialist, at unlockingdoors@housingfornewhope.org or call us at 919-682-6282.
- Gather friends, family, and/or coworkers to **create a Home Essentials Kit** for a family moving into new housing.
- Invite friends to a **rent party and/or our Annual Breakfast**. Visit www.housingfornewhope.org/get-involved.
- Learn more about the challenges Durham faces around affordable housing and possible solutions by joining a **Coffee and Conversation**. Visit www.housingfornewhope.org to stay in the loop by subscribing to our e-newsletter.
- **Sponsor 75 sandwiches for Super Sandwich Day** and help our Street Outreach team engage with unsheltered individuals with a free lunch! Contact April Johnson at volunteer@housingfornewhope.org.
- Make a **gift to HNH's Housing Access Fund** to provide more opportunities for our vulnerable neighbors to get and stay housed by visiting www.housingfornewhope.org/donate.

Scan Me!





About Housing for New Hope:

Housing for New Hope is a nonprofit organization dedicated to addressing homelessness and connecting Durham's most vulnerable neighbors to housing and hope. With a presence of over 30 years, the organization plays a vital role in Durham, working tirelessly to end homelessness and provide supportive services to those in need.

The mission is to end homelessness in Durham one valuable person at a time by connecting individuals experiencing homelessness with safe, stable, and affordable housing options. Housing for New Hope offers a range of programs and services designed to meet the diverse needs of unhoused individuals. These programs include street outreach, housing location and navigation, rapid rehousing, supportive housing, and affordable housing initiatives.



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