



# The Housing Affordability Crisis

April 25, 2025

# Agenda

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1. Introductions
2. Why do we have a housing affordability crisis?
3. What should be done to address the crisis?
4. *Interactive*: How can Muslims play a role in addressing the crisis?

An aerial photograph of a residential neighborhood, showing rows of houses with various roof colors (brown, grey, red) and green trees. The image is overlaid with a semi-transparent dark blue filter. A vertical blue bar is positioned to the left of the number '01'.

| 01

# Introductions

## INTRODUCTIONS




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Commissioner, Durham County



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Planning, City of Raleigh



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Consultant, HR&A Advisors



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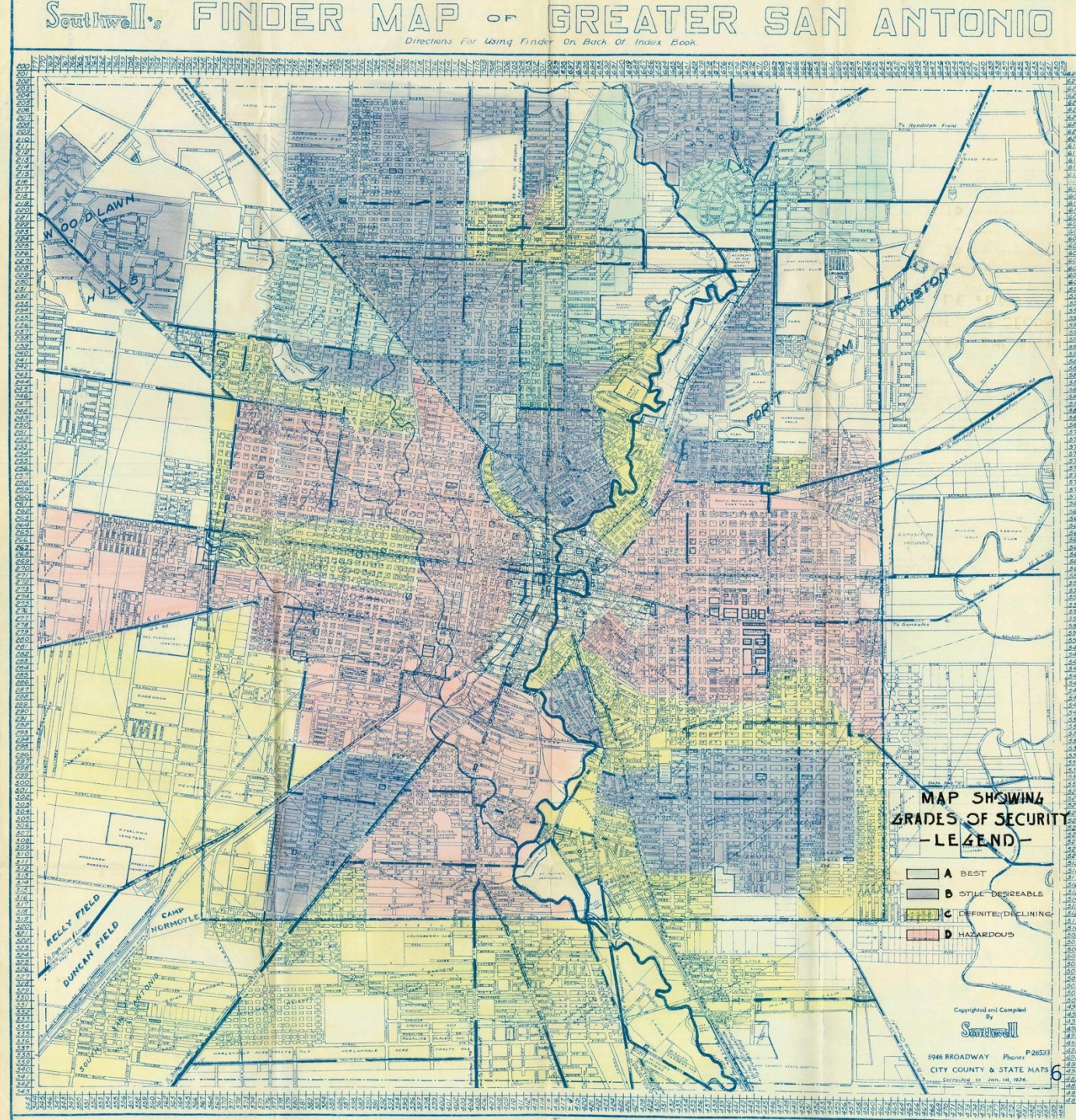
## Why Do We Have An Affordability Crisis?

## INEQUITABLE POLICY

During the early and mid 1900s, there was unequal access to housing opportunities, creating lasting wealth inequality.

### Exclusionary Zoning

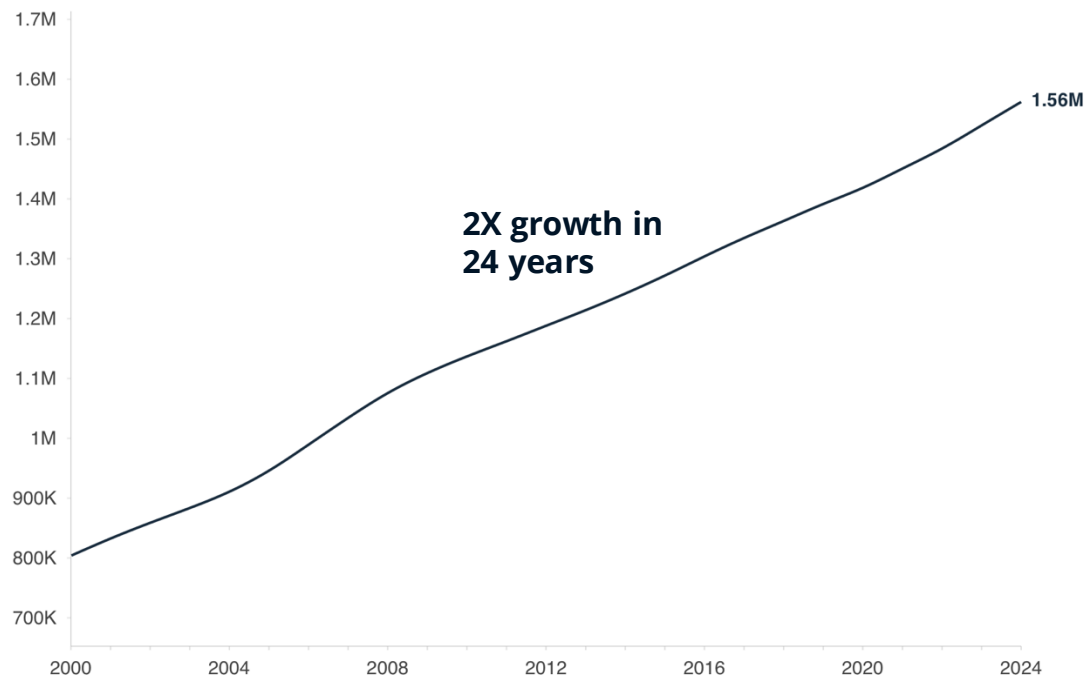
- Maps, like San Antonio's on the right, were used by commercial banks to determine lending 'risk'.
- These policies reinforced segregation and prevented people of color from building wealth.
- Many of these programs embedded racial segregation into housing and finance policy (such as redlining). Local governments have further embedded exclusionary practices into housing through zoning.



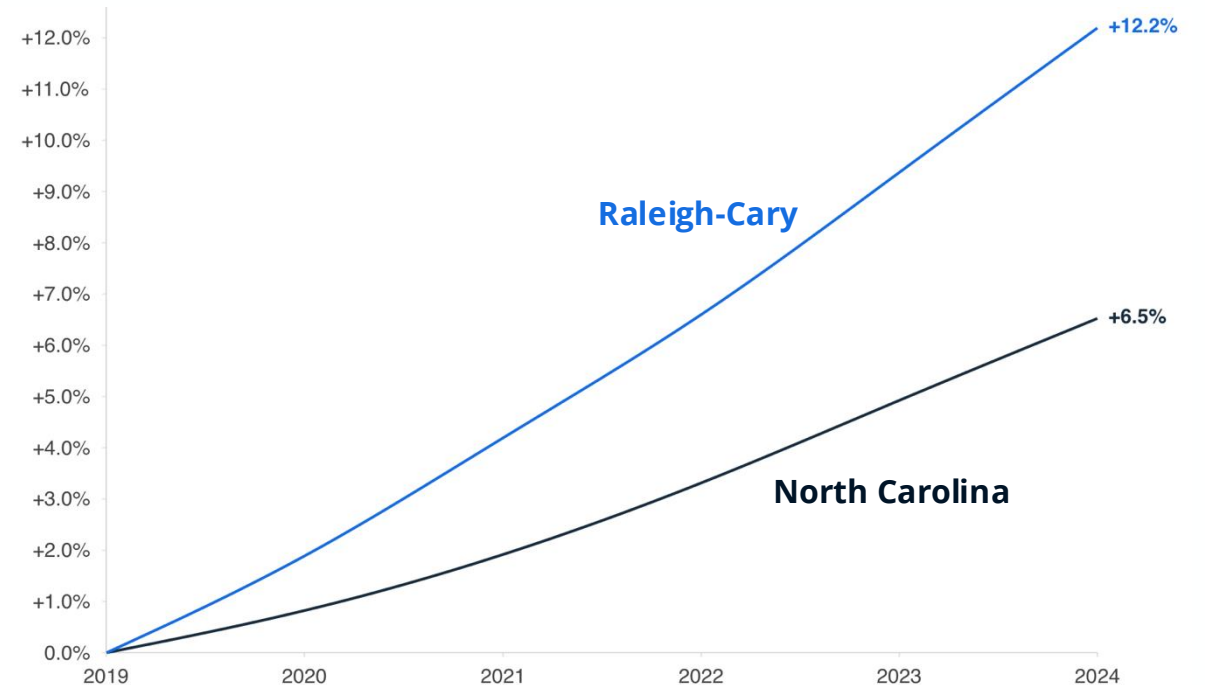
## BOOMING DEMAND

Explosive population growth in “Sun Belt” cities has exacerbated the crisis in places like Raleigh.

### Raleigh-Cary MSA Population



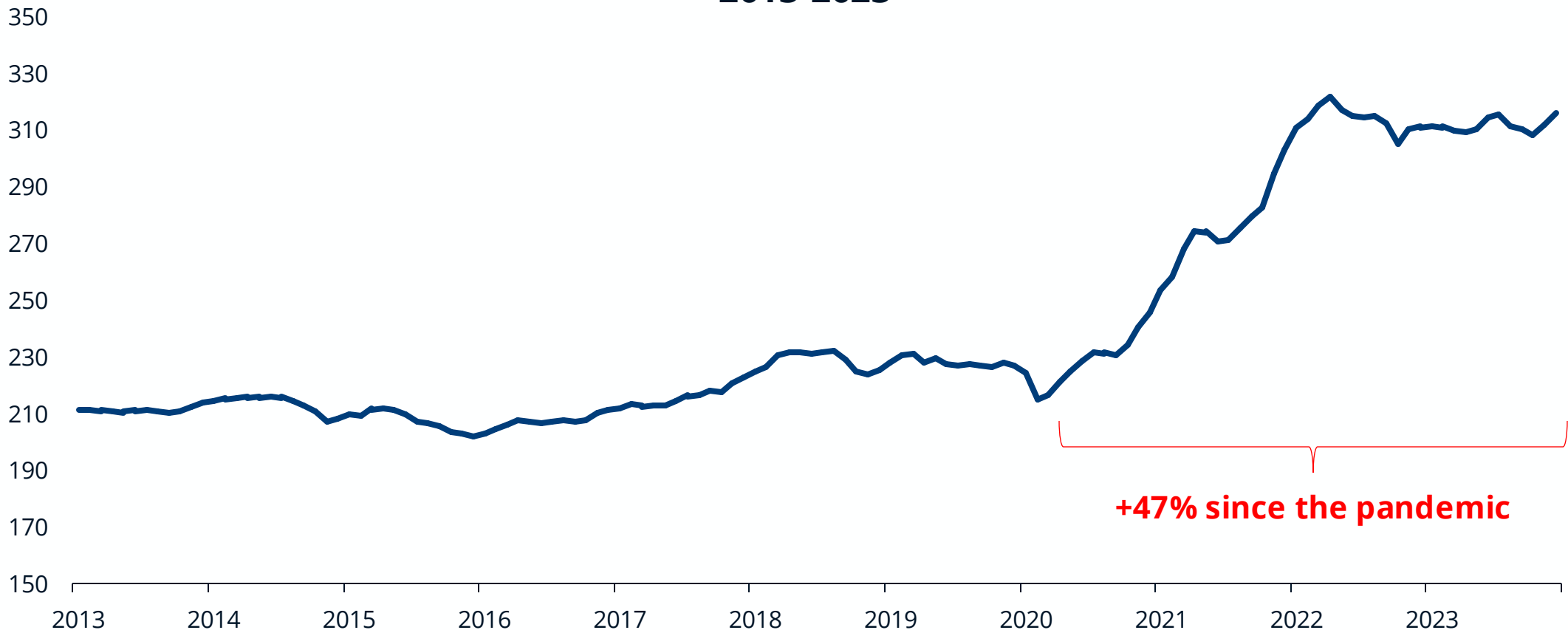
### Raleigh-Cary vs. NC Population Growth



## INCREASING CONSTRUCTION COST

Construction costs continue to rise, with an explosive growth in costs after the COVID-19 pandemic.

### US Construction Cost Index 2013-2023

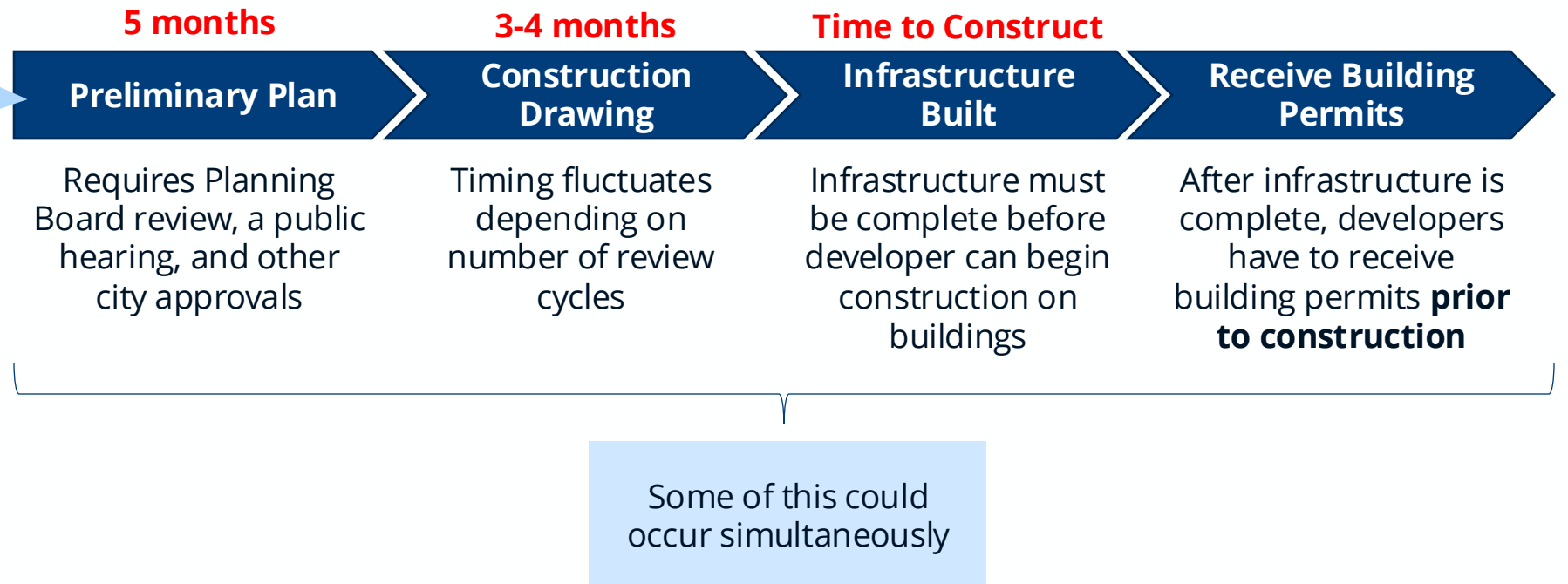




## PROLONGED PROCESS

Local governments have enabled layered approvals that can delay the development of new housing and fulfill growth in demand.

Most residential developments require approval, which means that some cities have very little true "by-right" development.



## INCOME GROWTH

Disparity in household incomes has become a notable external factor in the level of affordability for many families.

### Raleigh-Cary MSA Area Median Income

		# of People in Household							
AMI	↑	1	2	3	4	5	6	7	8+
<b>100% (Median)</b>		\$79,400	\$90,700	\$102,000	\$113,300	\$122,400	\$131,500	\$140,500	\$149,600
<b>30%</b>		\$23,820	\$27,210	\$30,600	\$33,990	\$36,720	\$39,450	\$42,150	\$44,880
<b>50%</b>		\$39,700	\$45,350	\$51,000	\$56,650	\$61,200	\$65,750	\$70,250	\$74,800
<b>60%</b>		\$47,640	\$54,420	\$61,200	\$67,980	\$73,440	\$78,900	\$84,300	\$89,760
<b>80%</b>		\$63,520	\$72,560	\$81,600	\$90,640	\$97,920	\$105,200	\$112,400	\$119,680

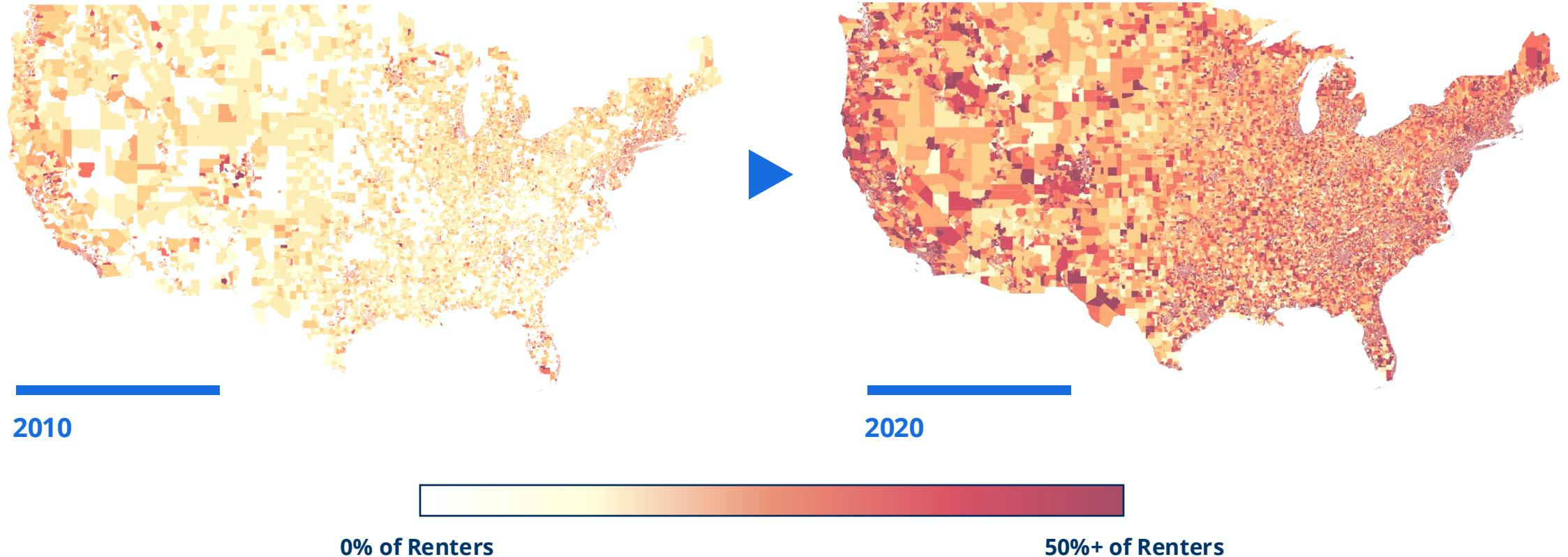
### Raleigh-Cary MSA Rent Affordability

		# of Bedrooms					
AMI	↑	0 (Studio)	1	2	3	4	5+
<b>100% (Median)</b>		\$1,985	\$2,126	\$2,550	\$2,691	\$3,288	\$3,174
<b>80%</b>		\$1,588	\$1,701	\$2,040	\$2,153	\$2,630	\$2,539
<b>60%</b>		\$1,191	\$1,276	\$1,530	\$1,615	\$1,973	\$1,904
<b>50%</b>		\$993	\$1,063	\$1,275	\$1,346	\$1,644	\$1,587
<b>30%</b>		\$596	\$638	\$765	\$807	\$986	\$952

## UNIVERSAL ISSUE

Over the last decade, housing affordability has transformed into a national issue—outside of traditional high-cost cities.

### Share of Renters paying more than 30% of gross income on housing (Cost Burden)



## IMPACTS OF UNAFFORDABILITY

There is a growing concern over housing affordability in many communities across the country, with limited supply of homes affordable to renters and homeowners alike.

### Risk of Homelessness

**+ 25%**

in population at risk of homelessness by living situation, 2007 – 2016

### Declining Affordable Housing Supply

**- 1.3 M**

units of “naturally occurring” affordable housing, 2000 – 2016

### Falling Homeownership Rate

Change in homeownership rate, 2005-2017

<b>-4.3%</b>	<b>-10.5%</b>
For White households	For Black households

### Gentrification and Displacement

**25%**

share of low-income census tracts with large gains in rents\* in the 2000s, compared to 10% in the 1990s

### Rise in Cost Burden

**+17%**      **- 5.5%**

change in real median rent, 2001 – 2016	change in real median renter income, 2001 – 2016
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### Diminished Wealth

For Black households:

**- 18%**      **- 40%**

change in median home value, 2010 – 2013	change in net wealth, 2010 – 2013
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\*“Large gain in rent” indicates when the ratio between census tract rent and metropolitan rent rises by over 10 percentage points

Sources, left to right: National Coalition for the Homeless; HR&A analysis of ACS data; Ellen & Ding 2016; JCHS tabulation of ACS data; Economic Policy Institute; The Atlantic

**What other factors are contributing to the crisis locally?**



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What Should Be  
Done to Address  
the Crisis?

## WHO IS INVOLVED IN AFFORDABLE HOUSING SOLUTIONS?

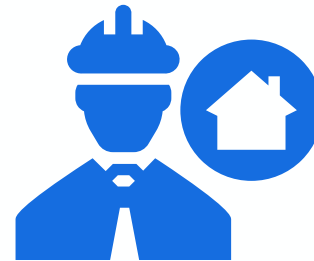
Affordable housing is a complex ecosystem of players.



**Government**



**Nonprofits**



**Developers / Owners**

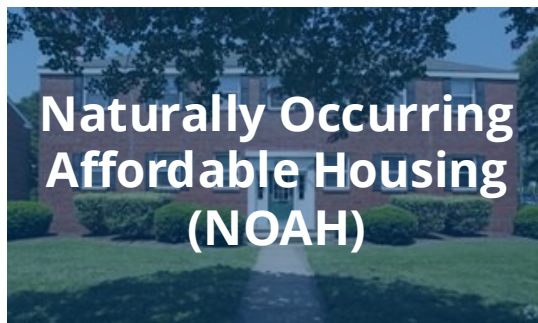


**Private / For-profit**

## WHAT KIND OF HOUSING SOLUTIONS EXIST?

There is a range of housing that is affordable, varying by both the level of affordability and the amount of government intervention to create the housing type.

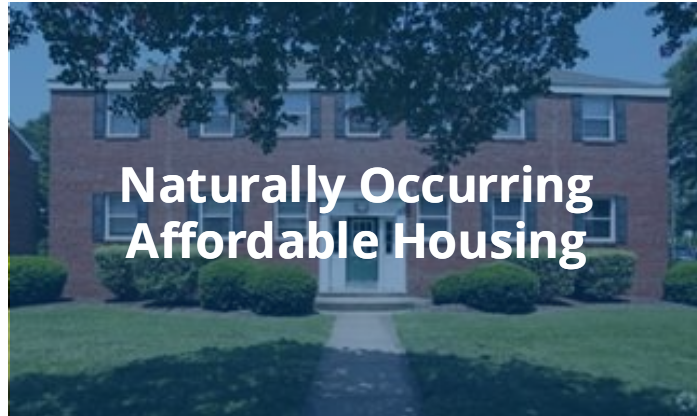
### Level of Government Subsidy



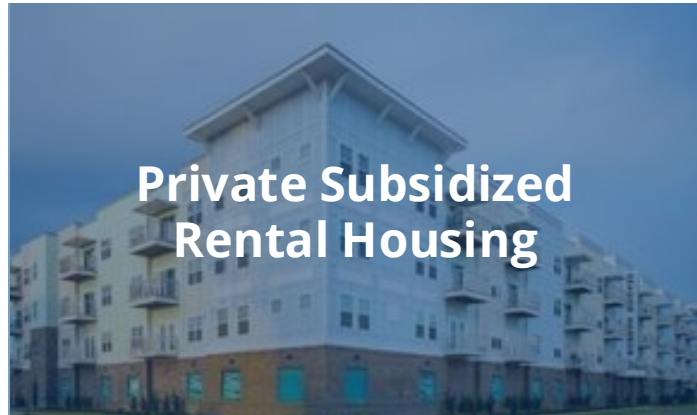


## AFFORDABLE HOUSING ECOSYSTEM

On the one side of the spectrum are Naturally Occurring Affordable Housing (NOAH) and Private Subsidized Rental Housing (typically LIHTC).



- Does not have public subsidy.
- Most vulnerable to redevelopment pressure and price increases.
- Local government may become involved to "preserve" the affordability or prevent market-driven displacement.



- Receives varying amounts of public funding.
- Typically, can serve households making up to 80% of Area Median Income (for a family of four).
- A common source of federal funding is Low Income Housing Tax Credits, which secures long-term affordability for these sites.

## AFFORDABLE HOUSING ECOSYSTEM

On the other, more highly subsidized housing typologies include PHA Subsidized Housing and Permanent Supportive Housing (PSH).



- Receives substantial federal funding.
- Typically administered by government agencies
- Serves households making between 30% to 50% of AMI (for a family of four).



- Receives the highest amount of public funding.
- Provides services in conjunction with housing (e.g. education, healthcare, social services).
- Often serves the most vulnerable households, including those experiencing homelessness or mental or physical disabilities.

**What else should be done to  
address the housing affordability  
crisis?**



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# How Can Muslims Play a Role in Solving the Crisis?

# How can Muslims play a role?



Masjids



Nonprofits



Developers



Investors



# The Housing Affordability Crisis

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