

Habitat NC Advocacy Agenda:

2020 Week of Action Asks and Talking Points

Since 1976, Habitat has empowered countless families to realize the dream and benefits of homeownership. As housing costs continue to rise, the opportunity to become a homeowner is further out of reach for more and more North Carolinians. Today, 1 in 8 North Carolina households pays more than half of their monthly income toward housing. Clearly, we cannot address the need for safe, affordable housing through building alone.

With our on-the-ground experience in providing affordable homeownership solutions, we are uniquely positioned to be a voice for people in need of safe, decent housing. As the national Habitat network embarks on its 5-year advocacy campaign, Cost of Home, Habitat for Humanity of North Carolina aims to shape policy solutions that will enable families to have greater access to homes they can afford.

Achieving our vision requires involvement and commitment from local communities, along with support from state and federal policymakers; it relies on a groundswell of advocates pursuing a common agenda. We should support the efforts of the broader housing continuum, while also focusing on the legislative priorities that reflect our work as Habitat affiliates in North Carolina.

ASKS FOR 2020

Promising approaches to creating and preserving affordable homeownership:

Funding for NC Housing Trust Fund

Cost of Home Theme: Supply and Preservation, Equitable Land Use, & Communities of Opportunity.

The NC Housing Trust Fund is North Carolina's most flexible tool for addressing affordable housing. It allows North Carolina to meet the shifting housing needs throughout the state. The program supports Habitat for Humanity affiliates' homeownership and repair work, as well as efforts by other organizations for rental and supportive housing.

Investment in the Housing Trust Fund has decreased over the last 10 years — from its highest level of \$21 million, to its current level of \$7.7 million. Habitat supports efforts to increase the allocation to the NC Housing Trust Fund.

Property tax relief for homeowners

Cost of Home Theme: Supply and Preservation.

Property taxes play an important role in making sure our communities have the services and infrastructure needed to maintain quality of life for all residents. At the same time, we need to ensure Habitat homeowners can afford to stay in their homes long-term, especially in areas with rapidly increasing housing costs.

In North Carolina, there are special tax appraisal rules for certain types of affordable housing. An expansion of these rules to include Habitat and other nonprofit homes would help protect homeowners from rising costs. Habitat supports efforts to include Habitat for Humanity homes, and those built by other nonprofit builders in special property tax appraisal provisions for affordable housing.

KEY ISSUES WE ENCOURAGE LEGISLATORS TO CONSIDER

Homestead Exemption Updates

Cost of Home Theme: Supply and Preservation.

The cost of living continues to rise and greater pressure is being placed on property tax payers to foot the bill for essential government operations. For homeowners living on a fixed income, an increase in property taxes can be catastrophic. Habitat homeowners across North Carolina are feeling the burden of increased property taxes. The Homestead Property Tax Exemption is a strong tool that provides property tax relief to senior citizens. This exemption, though, is in desperate need of updates and reforms. Habitat supports efforts to expand access to the Homestead Exemptions while respecting the need for local revenues.

State Earned Income Tax Credit

Cost of Home Theme: Access to Credit

The upfront costs to homeownership are a huge barrier to potential homeowners, particularly in lower-income households. Closing costs, down payments, costs associated with moving, and a host of other expenditures can make homeownership simply unobtainable for low-income families that do not maintain substantial savings. A reformed EITC would provide low-income, working families access to a sum of money that could be used for any of the aforementioned costs associated with obtaining access to homeownership and stable housing. Habitat supports efforts to reinstate a state Earned Income Tax Credit.

TALKING POINTS

Funding for the NC Housing Trust Fund

- More than 1.1 million North Carolinians are in need of safe, affordable housing.
- For every \$1 million the NC Housing Trust Fund spends:
 - 100 households are assisted;
 - \$4.2 million in affordable housing real estate value is generated;
 - 100 jobs are supported; and
 - \$289,000 in state and local revenue is generated.
 - For every \$1 of state investment, the NC Housing Trust Fund leverages \$5 for housing through nonprofit and for-profit partnerships.
- The flexibility of the NC Housing Trust Fund allows the North Carolina Housing Finance Agency to meet the shifting and diverse housing needs throughout the state, whether that means working with Habitat for Humanity affiliates on homeownership and repair, or with other organizations on rental and supportive housing.
- The state's investment in the Housing Trust Fund has decreased over the last 10+ years — from \$21 million in FY07 to a low of \$6.8 million in FY15. It was funded at \$7.7 million for FY2019. We'd like to see it brought back up to its original level.
- If your affiliate uses Housing Trust Fund money, let the legislators know and explain its importance to your organization.

Property tax relief for homeowners

- Habitat homeowners living in fast growing areas, particularly urban and suburban, are struggling to afford rising property taxes.
- As their neighborhoods become more popular, they worry they will not be able to afford to stay in their Habitat homes.
- In some cases, property taxes make up a larger portion of Habitat homeowners' monthly payment than the mortgage.
- While property taxes in North Carolina tend to be lower than elsewhere in the United States, more than a third of North Carolina homeowners are paying more than \$2000 in property taxes each year.
- North Carolina's tax relief programs have not been revisited in more than a decade. The state should look at those as a tool to ensure property taxes don't make homeownership unaffordable.
- If property taxes are becoming a challenge in your affiliate's service area, explain the local context of the issue and share a story of how it impacts a homeowner.