

Affordable Housing Types

What housing types support affordability in Holly Springs?

Different types of housing can support affordability, both in for-sale and rental housing. All types are important for meeting the diverse housing needs of Holly Springs residents and supporting affordability in the housing market.



Naturally Occurring Affordable Housing

- Does not require any public subsidy
- Tends to be older, smaller housing that is “naturally” affordable
- Most vulnerable to redevelopment pressure and price increases



Subsidized Housing

- Receives varying amounts of public funding
- In Holly Springs, can serve households making less than \$85 K (for a family of four), for example accountants, fitness instructors, or two firefighters
- A common source of federal funding is Low Income Housing Tax Credits, which secures long-term affordability for these sites



Public Housing

- Receives substantial federal funding
- Typically administered by government agencies
- Serves households making \$53.5K (for a family of four), for example a single teacher, paralegal, police officer or home health aide



Supportive Housing

- 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

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Key Definitions

Housing affordability can be achieved through many different types of housing, and all types are important for meeting the diverse housing needs of Holly Springs households. Some housing is affordable because the cost is subsidized through federal, state, or local funds. Other housing is affordable *without* subsidy because it is smaller, older or located in an area that is less expensive. Holly Springs needs a mix of housing types to meet different housing needs and price points.

Affordable Housing Types

Naturally Occurring Affordable Housing (NOAH): Market-rate housing (for rent or purchase) that is priced at levels that are affordable to low- or moderate-income residents without public subsidy. NOAH is often more affordable because of its age, size and/or location. Because NOAH is not protected by the regulations that come with public subsidy, this type of housing is most vulnerable to being lost through redevelopment.

Subsidized Housing: Housing that receives public subsidy, such as Low-Income Housing Tax Credits, which is generally affordable to households making up to 80% area median income (\$85,600 for a family of four). Subsidized affordable housing is usually developed by affordable housing developers, and affordability is maintained over time. The most prominent funding source is the Low-Income Housing Tax Credit, a state-administered program that funds either 30% or 70% of an affordable housing project. The funds go to the developer, who constructs the project, and then either manages the property themselves or hires a separate property manager who maintains the affordability for the established 30-year term

Public Housing: The Department of Housing and Urban Development (HUD) offers federal funding for housing through several programs, such as project-based vouchers, which reduce the amount of rent that a tenant has to pay based on their income level. These vouchers can also be given directly to the tenant (Section 8) to use in the private market. Public housing generally serves households at lower income levels, such as 25% to 50% of Area Median Income.

Permanent Supportive Housing: A model that combines housing, healthcare, and supportive services to help individuals and families lead more stable lives. This type of affordable housing generally serves the most vulnerable households and individuals, such as those experiencing homelessness and mental health challenges.