



## ACKNOWLEDGEMENTS

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**\*For more information please**

## **INTRODUCTION**

According to the North Carolina Housing Coalition (2007), the number of households that lack and are unable to afford adequate housing in North Carolina has reached an astounding total of 740,000. To afford a two-bedroom rental unit rented at fair market value, a household must average twice as much minimum wage on the hour (NC Housing Coalition 2007). Almost 9,000 households in North Carolina endure the winter weather without a heat source (NC Housing Coalition 2007). More important, the report suggests that it is imperative that the federal and local government entities within the State of North Carolina improve “rental housing opportunities for households that earn less 30% of the median income” (NC Housing Coalition 2007). In addition, affordable housing options for those households seeking to purchase a home also need to be improved.

Quality housing in the current market is not an option for all. Evidence shows that resources are not shared equitably within first world nations such as the US and that the rationalization of resources for low or moderate-income levels is not a priority in the housing industry (Pyatok 1993). Among the population of low or moderate income level citizens, single mothers and the disabled are a high majority who are affected by the lack of affordable housing market. Even with government assisted programs, these families and individuals not only endure insufficient living conditions, but also financial hardship due to the cost of housing (Kissane 2010).

For the purposes of this research project, undergraduate students from the Department of Sociology at Appalachian State University examined the research question: How do government and non-profit agencies define affordable housing and what factors affect the way they define it? More specifically, this research examined what rental or mortgage payments these agencies consider affordable for adequate housing. There is also a need to research how these agencies address income level, additional housing costs, and who receives (or should receive) affordable housing as this may affect what defines affordable housing. This research attempted to address the question of how agencies define affordable housing, filtering out the most relevant and up-to-date literature on the subject. This research also highlighted affordable housing as defined by an array of government and non-profit agencies. It also summarized how income, housing costs, and the recipients of affordable housing are considered by these agencies in reference to affordable housing.

## **LITERATURE REVIEW**

### **OVERVIEW OF AFFORDABLE HOUSING**

The concept of affordable housing has changed drastically over the years. The affordable housing movement started with ethnic and union groups developing self-help cooperatives in the 1920s which then evolved into federal funding of low-income cooperatives in the 1960s and 1970s. Throughout the eighties and nineties, local nonprofit organizations used ad hoc packages of funds to organize affordable cooperatives (Sazma 2000:574). Considering the amount affordable housing has changed over the years, one can assume that the concept of affordable housing will, and should, continue to progress with time.

The prominent definition used in defining affordable housing is, “for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered ‘cost burden’ and may have difficulty affording necessities such as food, clothing, transportation, and medical care” (Homes and Communities 2011). However, research shows that roughly a quarter of the income from average level households spend their income on housing expenditures, while poor families are spending around half of their income to see that their housing expenditures are being

maintained (Quigley and Raphael 2004). This is clearly higher than the amount they would pay for affordable housing, and as a result these families are no doubt struggling to afford necessities.

### *Agency Definitions for Affordable Housing*

According to the United States Department of Housing and Urban Development (HUD 2011), affordable housing includes those in which costs for the tenant are not more than 30 percent of the recipients' income. By these standards, this can be either the total rent of the unit or the amount that a tenant pays after government subsidies. Essentially, whatever the tenant pays must not be more than 30% of their earnings. In terms of homeownership, a unit is considered affordable housing if its price at the time of purchase is less than 95% of the median price to purchase a home in that area (HUD 2011). For example, according to the United States Census Bureau (2011) the median cost of a home in the United States in February 2011 was \$202,100. However, based on the definition above, a home would be considered affordable housing if its cost was \$191,995 or less. This number would be much lower in places where affordable housing is most often needed, as property values would be lower.

Some federal, state, and non-profit agencies (NC Department of Commerce 2011; NC General Assembly 2010; NC Housing Coalition 2011; NC Housing Finance Agency 2010; US Federal Government 2011) base their definition for affordable housing upon HUD's definition. However, they tend to rely predominantly on the aforementioned 30% rule. Unlike HUD, none of these agencies acknowledge a difference between purchasing a house and renting a housing unit, though they apply the 30% rule to both.

The Federal Housing Financial Agency, however, uses the Federal Regulation Code (FRC) to define affordable housing (US Federal Government 2011). According to the FRC, affordable housing is based on a family's or individual's income and size, using a series of pre-formatted tables with a variety of income brackets that correlate with the number of people living in a given unit (US Federal Government 2011). For example, according to the US Census Bureau (2010), the state median income for a family of 3 in North Carolina is \$56,127. A family of 3 would qualify for affordable housing if they made 54% of that, or less than \$30,308. It is important to note that the percentage of the area median income considered affordable increases as the number of people living in the unit increases (US Federal Government 2011). When income cannot be determined, the dwelling unit size is used to determine what affordable housing consists of (US Federal Government 2011). The FRC uses these tables when considering both rental units and mortgage payments (US Federal Government 2011).

### *Income and Housing Costs*

A majority of agencies base an individual's eligibility for affordable housing on level of income (NC Department of Commerce 2011; NC General Assembly 2009 and 2010; NC Housing Coalition 2011; NC Housing Finance Agency 2010; US Department of Housing and Urban Development 2011; US Federal Government 2011; US Department of Agriculture 2011). However, there is a lack of consistency when it comes to determining what constitutes income for the purposes of measuring affordable housing. According to the HUD website, the gross income, that is, the total amount of all income from eligible persons in a household, is used to determine affordable housing (US Department of Housing and Urban Development 2009). This particular definition is used by most HUD programs, as well as other agencies such as the NC Housing Coalition (2011) and NC General Assembly (2010). The Division of Community Assistance of the North Carolina Department of Commerce (2011) uses the monthly net income of the entire family for purposes of determining affordable housing.

In addition to what constitutes income, related housing costs used in offsetting that income for the purposes of determining affordable housing are also very inconsistent. Some state agencies use the

mortgage or rent payments plus utilities in determining affordable housing (North Carolina Department of Commerce 2011; NC General Assembly 2010). The US Department of Agriculture (2011) considers rent or mortgage payment amount, taxes and insurance for the purposes of determining affordable housing. Rent, taxes, insurance, utilities, and related fees are all used for the purposes of determining affordable housing by the NC Housing Coalition (2011). The NC Housing Finance Agency (2010) takes that calculation a step further by differentiating between homeowners and renters. For homeowners, they consider mortgage payment, insurance, taxes and utilities. For renters, they consider rental payments and utilities. On the other end of the spectrum, there are a couple of agencies that use no additional housing costs aside from rental or mortgage payments in determining affordable housing (US Department of Housing and Urban Development 2011; US Federal Government 2011).

### *Recipients*

As far as who receives affordable housing, there are many rules established to prevent anyone from being discriminated against when it comes to eligibility (NC General Assembly 2009). It is illegal to deny affordable housing to anyone because of characteristics such as “race, color, religion, sex, national origin, handicapping condition, or familial status” (NC General Assembly 2009; US Federal Government 2011). However, it is not illegal to deny individuals affordable housing if it is in the interest of preventing an area from having a high concentration of affordable housing (NC General Assembly 2009). All of the previously referenced agencies (NC Department of Commerce 2011; NC General Assembly 2010; NC Housing Coalition 2011; NC Housing Finance Agency 2010; US Department of Housing and Urban Development; US Federal Government 2011; US Department of Agriculture) advocate for or provide affordable housing programs that are offered to individuals of certain income levels, making income the major determinant.

Other agencies such as the US Department of Health and Human Services (USDHHS 2011) support programs that aim to provide affordable housing for citizens who have a higher risk of experiencing homelessness. The USDHHS’s ongoing list of citizens at high-risk for homelessness includes individuals and families who are already experiencing homelessness, individuals with serious mental illnesses, individuals affected by substance abuse, pregnant mothers and their family members, runaway and homeless youth, families with children, senior citizens, individuals affected by domestic violence, and individuals infected with the HIV/AIDS virus (2011). In addition, the United States Department of Agriculture (2011) supports programs that offer affordable housing specifically for residents of rural areas. All of the programs provided or advocated for the groups of high-risk citizens listed here suggest that the people who are most likely to receive affordable housing fall within one or more of these categories.

## **AFFORDABLE HOUSING IN WATAUGA COUNTY**

### *Available Housing*

The prices and types of housing available in Watauga County shape availability of housing in the heart of the High Country. In a community focused on catering to the needs of tourists, second-home buyers, and college students, low-income individuals and families are often forgotten. There are a relatively low number of rental opportunities available to low income individuals and families. This is because home market prices are inflated by seasonal homes, which could explain why Watauga County struggles to implement affordable housing policies. College students also have precedence in obtaining off-campus leasing; this makes fair priced options even more limited.

There are three locations for federally funded affordable housing in Watauga County through HUD. Two are designated for disabled residents and are owned by The Arc of North Carolina, Inc. These include Association of Retarded Citizens (ARC)/HDS Watauga County Group Home and CAC of Watauga Co. The third location is owned by *M and M Properties, Inc.*, and it is designated for elderly residents. This location is the Watauga Village Apartments.

There are four types of federally funded affordable housing options provided in the Town of Boone alone. The available housing consists of Single Family Residential District, Multifamily Residential District, Residential Rehabilitation District and the Mobile Home Park District. The Single Family Residential District strives to provide a low-density home that is suitable for single family units. Single family districts are designed to encourage a stable and suitable living environment for families. The Multifamily Residential District is a high density housing unit that houses three or more families and has limited service use. The Residential Rehabilitation District recognizes the need to preserve affordable housing in the community. The Mobile Home Park District encourages well planned land development by providing fair and beneficial guidelines for the siting, operation, and upkeep of mobile homes (Town of Boone Unified Development Ordinance 2011).

Because housing prices are especially high in Boone, the county seat, many people live far outside of town and commute to work. US Census (2001) reported that average drive times in Watauga County for workers over 16 years old were from 30 to 45 minutes each day. Rural areas like Meat Camp, Sugar Grove, and Deep Gap serve partly as bedroom communities in Watauga County because their housing prices are relatively lower. The Rural Housing Service provides different types of loans and grants to those living in rural areas. Loans for home improvement are also available. Individuals must have low to very low income to qualify for near all of these loans or grants, making them more difficult to obtain (Ellis 2009).

### *Housing Costs in Watauga County*

Homeowners in Watauga County pay an average of \$584 per year in insurance fees on their home. This is a significant sum of money to pay, especially for people who are living near or below the poverty line. Since there are a limited number of affordable housing units for rent in the High Country, some families are forced to buy, meaning they have to pay the insurance on their home even if they cannot afford it (Homeowners Insurance.com 2011).

Along with the student population specific to Watauga County, the second home buyer population affects the way that regular families can afford housing in the whole region. Second home development in Southern Appalachia has been shown to raise home values by 4.2% (Cho et al 2003). Developers almost exclusively put emphasis on creating these seasonal homes to attract wealthy tourists (Jenkins 2008). Affecting both housing prices and availability is the high seasonally vacant percentage of 20.8% (NCHFA 2009). As a result, families face an average cost of \$295,162 for a house (Habitat for Humanity 2010).

The Fair Market Rent (FMR) is calculated each year by HUD in order to determine the average rent of privately owned, sanitary, modest and safe housing (Brown-Graham 2006). A two-bedroom apartment in Watauga County has a FMR of \$760. To afford this amount of rent, a person must earn \$30,400 per year. In Watauga County a minimum wage employee earns \$7.25 an hour. To afford the FMR for a two-bedroom apartment, a minimum wage worker would have to work 81 hours per week, for all 52 weeks of the year. The estimated mean wage for a renter in Watauga County is \$7.47 an hour. To afford the Fair Market Rent for a two-bedroom apartment, a person would have to work 72 hours per week, 52 weeks a year. In comparison to North Carolina as a whole, Watauga County's FMR and AMI are very similar. The main difference is that Watauga County's estimated mean renter wage is considerably lower than the

state's (National Low Income Housing Coalition 2010). This could be a reflection of the low seasonal wages available in the Appalachian region.

### *Local Government*

There are legal ways prospective tenants can be denied housing. Rental companies can choose not to lease to those who do not have an established credit history. Students and those with low-incomes would have a difficult time renting from these companies because it generally takes a few years to establish good credit. It is important for tenants to be able to maintain the upkeep of the property as well as meet the required rental fees on time. For this reason, it is legal to refuse tenants based on their previous employment or insufficient incomes (Stewart et al 2010). This limits students' options and ability to rent in Watauga County.

Residential areas can be divided into districts that restrict housing for certain people. In the spring of 2010, the Boone Town Council passed a 60-day moratorium prohibiting the construction of new apartment complexes in business districts (Boone Town Council 2010). This limits the amount of rental housing available within Boone, and places more pressure on the rest of Watauga County to fill the need.

There are several types of residential zoning in the town of Boone, which both illustrate the variety of competing interests for Watauga County residents and the attempts made to satisfy the interests. Many types of districts are designed to keep housing costs down or even directly, keep students out. There are single family residential districts formed to exclude students, as they "encourage a suitable living environment for family life." There is also a Residential Rehabilitation District, which fits three qualifications: majority of housing built before restrictions, area meets HUD standards of "blighted area," and public money is being used to keep low-income housing available there. This district definition is the town's most direct effort at protecting fairly priced housing simply because it is unbinding and loosely defined.

## **WATAUGA COUNTY DEMOGRAPHICS**

### *Population Characteristics*

An important element in understanding the problems of affordable housing in Watauga County is the population characteristics such as its size and its economic characteristics. According to the 2005-2009 US Census, Watauga County has a population of 38,966 individuals over the age of 16 (US Census 2010). Within the homes of Watauga County, a little more than half are occupied by families, and of those families, 19.6% have children less than 18 years of age (US Census 2010). The average family size in Watauga County is relatively small, about three people per household (US Census 2010). For further information concerning Watauga County's demographics (as estimated in 2009) in comparison to the state of North Carolina, see Table 1.

**Table 1: Comparison of Demographics:  
Watauga County and State of North Carolina**

<b>Statistic</b>	<b>Watauga County</b>	<b>North Carolina</b>
<b>Population</b>	45,479	9,380,884
<b>Persons under 5 years old</b>	4.4%	7.1%
<b>Persons under 18 years old</b>	14.3%	24.3%
<b>Persons 65 years old and older</b>	12.7%	12.7%
<b>White persons</b>	95.8%	73.7%
<b>Black persons</b>	2.1%	21.6%
<b>Persons of Hispanic or Latino Origin</b>	2.1%	7.7%
<b>High School Graduates over 25</b>	81.6%	78.1%
<b>Bachelor's Degree or higher over 25</b>	33.2%	22.5%
<b>Persons with a disability over age 5</b>	6,338	1,540,365
<b>Housing units</b>	27,843	4,258,625
<b>Homeownership rate</b>	62.9%	69.4%
<b>Households (2000)</b>	16,540	3,132,013
<b>Persons per household (2000)</b>	2.26	2.49
<b>Median household income (2008)</b>	\$39,490	\$46,574
<b>Per capita income (1999)</b>	\$17,258	\$20,307
<b>Persons below poverty level (2008)</b>	18.9%	14.6%

\*Statistics from the 2010 US Census Bureau.

The number of college students in Watauga County has been growing steadily for years. According to the Appalachian State University enrollment records, there were 13,872 students registered in the undergraduate and graduate programs in 2006 (ASU Institutional Research 2009). The most recent record shows that 17,222 students were enrolled for the 2010 fall semester (ASU Institutional Research 2009). In only 5 years, the university has grown by 3350 students, which is notable when considering that students comprise nearly 34% of the entire Watauga County population. As students are only required to live on-campus their first year, many seek apartments or houses in surrounding areas and become financially responsible for their off-campus residences (ASU Admissions 2011).

#### *Income of Watauga County Residents*

According to 2005-2009 Census data, there are 8,511 non-family households in Watauga County, many of which are occupied by students (US Census 2010). The reported non-family median income is \$18,360; this number is representative of full-time or near full-time employees (US Census 2010). It proves to be much lower than the statewide median income of \$27,132 and the countrywide median income of \$31,051. As most students are only able to work part-time, they earn less money. However, when one considers that most Appalachian State University students work part-time for a low wage, and have excessive monthly expenses (rent, food, transportation, medical expenses, etc.), this statistic seems plausible. Although students may be at risk of living in poverty because of high expenses and low incomes, it is important to remember that many are being supported by their parents and thus may skew our data.

The 2005-2009 Census also states that the median family income in the United States is \$62,363. The median family income for North Carolina is \$55,529, with Watauga County only slightly behind at \$55,297. However, when you consider that Watauga County residents are over 7% more likely to be living in poverty than North Carolina residents as a whole, it is obvious that standard of living is much different (US Census 2010).

### *Employment and Unemployment in Watauga County*

Employment rates are important to understand when looking at the factors which influence the economic state of Watauga County and its connections to affordable housing. Watauga County has, like most of the country, had a turbulent unemployment history in the recent past. In the 2000-2001 recession, western North Carolina experienced about 2% more jobs lost than the rest of the state of North Carolina and the United States (Cherry 2009). Additionally, western North Carolina experienced a slower period of job growth following that recession (Cherry 2009).

The most recent economic recession was evident in the national unemployment statistics. Watauga County had an unemployment rate of 4.8% in 2008 which rose to 7.5% in 2009 (Bureau of Labor Statistics 2011). The state of North Carolina was affected by the economic crisis as well with an unemployment rate in 2008 of 6.2% and a rate of 10.6% in 2010 (Bureau of Labor Statistics 2011). In the year 2008, the national unemployment rate was 6.1% (Bureau of Labor Statistics 2011). In 2010, the national unemployment rate rose to 10.3% (Bureau of Labor Statistics 2011).

According to the BLS, 8.6% of the labor force in Watauga County was unemployed in January of 2011 (Bureau of Labor Statistics 2011). At the same time, the state of North Carolina had an unemployment rate of 10.5% (Bureau of Labor Statistics 2011). The national average unemployment rate was 10.8% in January of 2011. Given these statistics, it would seem that Watauga County usually has a lower unemployment rate than the state and national averages. It is important to remember, however, that unemployment is not the only indicator of economic distress. In spite of this apparent advantage, Watauga County is more impoverished than its unemployment rate indicates.

### *Poverty Rates in Watauga County*

Poverty "is usually defined and operationalized by researchers in terms of income deprivation" (Iceland and Bauman 2007:377). By taking into account what an individual or family requires for living, the poverty threshold describes a bare minimum needed to survive. Individuals living below the poverty threshold may be eligible for food stamps and other government aid programs, not limited to but including Medicaid and housing vouchers (Willis 2000). When individuals living below the threshold require government assistance to survive, it is not surprising that individuals and families living a little above the threshold are struggling as well. These individuals struggle for food, shelter, medical care, transportation and education. Luxuries are often not even a question. There are three indicators used to observe at poverty in Watauga County: income, using the poverty line as a threshold measurement, and unemployment.

According to the US Department of Health and Human Services (USDHHS 2011), the federal guideline for poverty for one person is an income of less than \$10,830 per year, with \$22,050 for a family of four. However, the threshold for poverty the USDHHS sets is often much lower than the income a person must make to actually get by. According to Glasmeier (2011), a living wage for one person living in Watauga County is \$16,187, with four people, two adults and two children, being \$51,531. When this standard is applied to Watauga County's census data discussed earlier, it becomes almost 50% of the families in Watauga County are struggling to survive economically. Part of this struggle is undoubtedly the search for affordable housing.

Individual poverty in the United States was most recently measured at 13.5% (US Census 2010). In the state of North Carolina, the poverty level for all people was 15.1% (US Census 2010). Watauga County individuals experienced the highest level of poverty in the same year; 22.5% (US Census 2010), about 9% higher than the national average.

In the United States 9.9% of families are living below the poverty level, which is about 1% lower than the 11.1% of families in North Carolina. 9.6% of Watauga County families are currently living below the poverty rate. And of those families in poverty in Watauga County, 45.8% are surviving on less than \$50,000 a year, which is only \$5,000 more than 200% of the poverty line (US Census 2010). Although these families may not be considered impoverished, their lives are still greatly affected by their lack of income. More important, the low incomes levels of Watauga County families and individuals prohibit them from purchasing housing that is already priced well above the average costs in North Carolina and the United States, or the housing at the average cost is in short supply.

## **METHODS**

To assess the adequacy of affordable housing in Watauga County, North Carolina, it is necessary to conduct a series of interviews with market experts, such as local real estate companies, contractors, and rental companies and affordable housing experts, such as university professors, HUD representatives, and council members. We will also consult prior case studies and local resources such as newspapers, magazines, and brochures in order to gain a full understanding of the current housing situation.

We employed a non-random sampling method to ensure we have adequate affordable housing experts. The interviewees were people who we chose specifically because we expect that they consider housing affordability issues frequently as officials or professionals in their fields, and as residents of the region. Our goal was to interview a total of six to eight market experts and 5 affordable housing experts to ensure a well-rounded view of the topic.

In attempting to determine whether or not there was adequate affordable housing in the immediate area, a quantitative analysis of all types of housing options and the relative market prices for those options was important to ascertain. We used the internet to attain our case study data. We researched case studies, statistical facts and an array of definitions from various scholarly search engines in the pursuit of accuracy. We used real estate agency and property management company websites to gain a better understanding of prices for apartments, houses for rent, and houses for sale.

## **MODE OF OBSERVATION**

To acquire our data on affordable housing, we conducted face-to-face interviews with contractors, real estate, and apartment rental companies in Watauga County. We contacted potential subjects by either e-mail, phone, or in person, in order to assess their willingness to participate in our research. The interview consisted of a series of open-ended questions; so, subjects could fully share their knowledge and express their opinions on the lack of affordable housing. We digitally recorded the interviews on a hand-held device, which was later transcribed into a cohesive Word document and analyzed. We used content analysis of the full transcripts to analyze the symbolic content in them, which was less obvious when they were merely read.

We also researched the current housing situation by studying previous case studies in rural areas outside of Watauga County. These case studies were used to further identify specific problems with affordable housing and some possible solutions that may be over-looked. Ten or more secondary sources from various databases were used to provide the information on the case studies. However, we also researched the housing situation in our area of research.

We browsed several real estate agency and property management company websites for properties exclusive to Watauga County only. For rental houses and houses for sale the researchers recorded an identification number, the source used to obtain the data, price for the unit, number of bathrooms, number

of bedrooms, the square footage of the unit, acreage when provided, and location within the county. For apartments the same data was recorded without the acreage attribute, and apartment complex name in the place of identification number. Whether or not utilities were included in the cost of rent for the various rental apartments was also included in the data recorded. The data recorded for Appalachian State University dormitories included dorm name, square footage, number of possible occupants, the price per semester, and the number of bedrooms within a dorm room when applicable. All of the data will be entered into a Microsoft Office Excel spreadsheet and was divided up by four tabs labeled: Houses for Sale, Houses for Rent, Apartments for Rent, and ASU Dormitories.

## **MODE OF ANALYSIS**

In analyzing our data, we began by using our transcripts from each interview. We engaged in open coding by reading the transcripts line by line, looking for recurring themes and ideas (Esterberg 2002: 158). This helped us in identifying patterns and trends in our data that we used in focused coding (Esterberg 2002: 158). When we engaged in focused coding we found what themes are the most important and common to be analyzed (Esterberg 2002: 161-2). We pulled quotes from the transcript to be used in our reporting.

We then performed a content analysis. We began looking for differences between responses and identifying from where these differences may be originating (Esterberg 2002: 171-2). We also viewed the data in the aggregate. We compared responses of different groups and look for trends that ultimately guided us in our understanding of affordable housing in Watauga County.

When reviewing our quantitative data, our research focused more on numerical values and conclusions in order to find validity in what we are testing. Affordable housing was not based on a person's reason for wanting affordable housing, which would be considered qualitative research; it must be based on "what is affordable" and where we can find "what is affordable". In this way, more statistical information was drawn into our research to compare, contrast and pinpoint particular variables and finances. Once again, our statistical information comes from internet databases, more specifically The Census Bureau; which gave us more accurate numerical values on the population, average income and housing costs to better define affordability.

We performed quantitative data analysis by using Excel to generate summations of the relevant numerical data we collected such as the total number of properties we included in the sample in the limited amount of time provided. We calculated the average square footages of the four types of properties and the average prices for them as well. We used the summations, averages, and percentages calculated to form tables and charts about to represent the data we found. We also divided the housing units up into groups based on price in order to compare those units within the same price range. We compared units across price ranges to see what makes up the price differences.

## **RESULTS**

### **INTERVIEWS**

#### **LOCAL BUSINESS INTERVIEWS**

The following individuals were interviewed: one local business owner, two rental agency representatives, two real estate agents, and three contractors. A first theme observed was that affordable housing is relative to someone's situation and thus, subject to change. The second recurring definition stated that affordable housing is basic housing that can be afforded by a working-class individual or family.

The first theme is best explained in the words of a local real estate agent's response when asked to define affordable housing. "It is all relative. Affordable housing to you may be different than affordable housing to me. It could consist of housing from a single-wide, an apartment, a condo, a town home to a one bedroom, one bath, one everything. It depends on what the person can afford, where their help is coming from, what their ability to repay the loan is."

Another evident theme we found was that some individuals gave specific monetary amounts whereas others were more general and referenced affordable housing as being attainable by the working class: blue-collar workers, school teachers, etc. One individual working in a rental company defined this as rent ranging from \$600 to \$800 per month, and the price of owning a home was labeled as affordable when within the range of \$150,000- \$300,000 by one realtor and two contractors.

The interviews not only discussed the definition of affordable housing, but also addressed who needs affordable housing. One individual working in a rental agency identified low income and elderly individuals as being in need of affordable housing, including government assistance. A real estate agent mentioned that individuals that need homes that cost less than \$200,000; falling into our previously given range, are often university professors. Other groups discussed during interviews included students and HUD recipients.

### *Change in Watauga County's Housing Climate*

Interviewees were asked what changes they have observed in the housing market during their time in the area. In these discussions four major concepts were repeatedly discussed. The first is the growing presence of second homes. Individuals vacationing in Boone have been building more and more expensive homes. This has driven up the value of all of the homes in the area, causing changes to the market for everyone.

Two rental agency representatives, two real estate agents, and one contractor referenced the presence of vacation homes in this area. However, the contractor observed that, in his experience, less of these homes have been built, saying, "We haven't done any summer homes in about three or four years." The discrepancy between some individuals discussing increase in the second home market and others observing a decrease is most likely explained by the very recent decline in the economy.

This brings us to the second concept identified: the declining economy which began in 2008. The discussion of this change is best analyzed by looking at how opinions vary among different professions. The extent of the change discussed by contractors was limited to the kind of work they perform. They saw less demand for new high-end housing and more clients looking for remodels and repairs.

Real estate agents discussed the least amount of change in their industry of all of those interviewed. Their discussion was limited to basic declines in sales, with housing's greatest peak in 2007 and a marked decline since then. One real estate agent discussed the ways that the buyer's market has increased the availability of affordable housing.

A third concept that was primarily discussed by rental agency representatives was the increase in the student population in Watauga County. As Appalachian State University has continued to grow, so has the market for rental properties. Students are increasing the demand for rentals, but they are also making up a part of the buyer's market. Parents often buy "kiddy condos", inexpensive homes for their children to live in and to rent out later. The business owner went on to say that "students are made of money"

and when they rent a house, the rent can be higher than a single family would pay because the students will divide the lease evenly.

The fourth and final change was primarily discussed in our interviews with general contractors. An increase in building codes and regulations has increased the cost of building. This increase has been transferred from the contractors to the cost of the houses they are building and as a result new construction has become more expensive.

### *Factors Affecting Affordable Housing*

Throughout our interviews, several factors were mentioned that affect affordable housing. One real estate agent and two rental company agents discussed the ways that the geographic makeup of Watauga County increases the cost of houses. Two of those interviewees specifically discussed the unavailability of water, and one discussed the cost of heating and the challenges of getting winter transportation to the more affordable but remote areas. One rental agency representative and one real estate agent, or half of each population, stated that the most affordable housing is located in the outskirts of town; although this is where individuals find more difficulties with infrastructure and the associated price increases.

One rental agency representative discussed the way that affordable housing is limited by restricted financing. Since the economic collapse in 2008, it has become much more difficult to take out loans and to take out a mortgage. Now, even though houses may be affordable, individuals are not necessarily able to get the financing they need.

Another factor discussed was the isolation of Watauga County's real estate climate. Two real estate agents found that housing trends reach the area slower than others and that they are slower to leave. When asked, one explained:

“When we see the huge price appreciations, in 2007 nationally, 30% price appreciations, we didn't see that here. We had very sustainable 6 to 8% every year up until around 2007 that we were able to sustain in the area. Since then, it has gone down some. In recent weeks, we have seen it even a little more. We have had more foreclosures in the area, which affects the comparable sales. So we have seen prices come down some.”

### *Interviewees' Experiences with HUD*

Two interviewees discussed their previous experiences with renting to HUD recipients. They stopped working with this population because they felt their rental properties were not right for the program. They discussed the impact of the restrictions that the HUD program imposes.

“You've got all these hoops to jump through. I still have some good ones [HUD clients], but the overall experience was negative. The inspections, the things we are required to do, were much more than the person paying their own rent, which I thought was unfair. The clientele tends to be much more demanding. They tell me its guaranteed income, but I can get that in another market without all the hassles... I know there are legitimate needs for HUD, for people that find themselves in a bad situation. The bad part is, it's a trap, there's no incentive to get out of it. And frankly I have had a lot of HUD tenants that are perfectly capable of providing for themselves but didn't because us tax payers are paying their way. I have a problem with that. The other people interviewed did not express any positive or negative feelings toward the HUD program.”

### *Need for Affordable Housing*

When asked if there is a need for affordable housing, one business owner stated, “I guess I don’t know. I’m sure there’s always a need for it... but is it our obligation as a tax payer to provide housing for people that are capable, or that choose to live here versus somewhere that is cheaper? I have a hard time with that.” He continued in saying that this area is a resort community that is “wildly expensive”. When referring to residents of the county that may *need* affordable housing, he said, “These people have lots of other choices where to live, that are less expensive.”

One rental agency representative said that rental market has been flooded with properties and thus prices are being kept low. In discussing the availability of affordable housing for students, the interviewee said “I’ve never heard any student ever comment, “you know it’s hard to find something”, it’s quite the opposite....students are saying there’s quite a bit to choose from- now- there may not have been before, but I think there is now.” The other rental representative agreed, but his response varied a little in his reference to the lack of affordable financing for individuals and families that are trying to buy homes, as discussed previously in our results.

### *Improvement and Change for Affordable Housing*

Interviewees were asked if and how affordable housing can be improved and expanded and provided a variety of answers. One rental agency representative as well as all three contractors said that there really wasn’t any need for change in affordable housing. The other rental representative, joined by a real estate agent, suggested bringing water systems further out of town to combat the price of building where homes could be less expensive.

One real estate agent suggested increasing the presence of businesses in the area to bring more residents into the area and drive down the cost of homes. The other real estate agent felt that a team of experts should be devoted to addressing the problem. The interviewee recommended more cooperation between all levels of government to better the situation. None of our interviewees felt that change was their responsibility.

### **LOCAL EXPERT INTERVIEWS**

Our findings show that local experts recognize a huge lack of affordable housing in Watauga County. Affordable housing in this area is not sufficient to the needs of the community. Many individuals who are employed here have to seek housing in surrounding areas because they cannot afford to reside within the limits of Watauga County. Many of the experts focused not only on affordability but availability. The concern is that middle class individuals who could normally afford to purchase a fair market value home cannot because there are none available. While considering factors including the student population, second home owners, and zoning laws, the experts were able to both effectively explain and offer solutions to the affordable housing shortage.

### *Problems as Described by Local Experts*

In all of the interviews we asked the respondents to explain why they thought affordable housing was insufficient in Watauga County. The first interviewee has been working in affordable housing for close to 30 years and helped found the North Western Regional Housing Authority (NWRHA). He believed there were both affordability and availability problems, and these persisted because of insufficient federal funding. Unlike federal welfare systems like food stamps, providing affordable housing is left to Non-Governmental Organizations and local government. Businesses that provide housing have no incentive to

make it affordable. NWRHA works to attract significant private investment to supplement the money they get from the government.

The majority of their funding comes from large corporations that need to shelter funds for tax purposes, Fannie Mae, Freddie Mac, and charitable organizations. An Appalachian State University professor who specializes in affordable housing pointed out that affordable housing is absent in Watauga County, but is available in surrounding areas. This is because Watauga County has a unique population in comparison to most southern Appalachian communities in that there is an explosion of students dominating the rental market. Also, the ASU Professor pointed out the issues that some residents have with living alongside student populations. We interviewed a member of the Town of Boone Affordable Housing Task Force.

He observed that seasonal and second home buyers drive housing demand and yet do not live in Watauga County, and that the student population also contributes to the lack of affordable housing. He further noted that the housing choices for a higher income worker were adequate, but beyond those with an occupation like doctor, there were middle pay jobs such as nurse and technician. People with those occupations would have a lack of housing options. He described how this process of exclusion works to create this problem, saying, “There is some faculty here that would consider living in a duplex or condominium, but there is no way legally that you can keep students from living there.”

Some of the interviewees did not know much beyond their direct dealings within their organizations that contribute to affordable housing, but the same themes about specific causes for the systematic failure of affordable housing emerged. Habitat for Humanity’s executive director brought up many of the same concepts that the Task Force Member and the ASU Professor mentioned when it comes to why there is a lack of affordable housing, namely the housing demands of the less permanent residents of the county who dominate the market. Housing for those in poverty was an issue that many of the interviewees did not address, but the Habitat director noted that he also knew a number of people in need of housing they can afford.

The manager of one of the affordable Watauga Village apartments provides subsidized and Section 8 housing to disabled or elderly residents on a daily basis. The manager highlighted the difference between renting a room and renting a building in this county, which leads to restricted options for affordable housing for non-students who do not rent by the room. Hooker from Habitat for Humanity also mentioned a similar limitation among those seeking homes from Habitat for Humanity, a pride issue with asking for help, and lack of education on how to obtain affordable housing with assistance.

### *Solutions as Proposed by Local Experts*

Interviewees either did not have suggestions or else had very different solutions. When it came to affordability solutions, NWRHA was the most invested group. They are working toward reducing the problem by building and managing properties, offering Section 8 vouchers, and offering financial counseling. The Boone Task Force representative said, “The County is currently in the process of setting up a housing trust fund”, but they do not directly communicate with the Town Council or the Boone Task Force which creates confusion and disconnect between the two.

The ASU Planning Professor thought that in order to solve some of the availability problems, Appalachian State University should take more responsibility for on-campus student and even faculty housing. This would hopefully free up space for professionals and those with middle incomes. The ASU professor mentioned that in order to solve the both affordability and availability problems, people need to break the ideological barrier about publicly funded housing. That is, they have to change their minds about what affordable housing is and who needs affordable housing. The Boone Task Force representative also agreed with the ASU professor about the need to get past the ideological barrier

among those who do not think the government should be involved in housing. The manager of Watauga Village Apartments flatly stated that there were no solutions to this problem, and that there would never be adequate affordable housing in Watauga County because private forces had no incentive and public forces could not make a difference.

## QUANTITATIVE ANALYSIS OF HOUSING IN WATAUGA COUNTY

In order to assess affordable housing in Watauga County, we conducted a quantitative analysis of housing units in the area. Overall, our sample included 305 various housing properties throughout Watauga County, of which 19 were dormitories on the ASU campus, 94 were rental apartments, 51 were rental houses, and 142 were houses for sale. As a whole, the sample indicated that roughly half of all the housing units in the sample were considered affordable when applying the 30% rental rule and 95% purchase price rule. These rules, as discussed earlier, state that rental units must not cost a tenant more than 30% of their earnings and that the purchase price of a home must be less than 95% of the median price to purchase a home in that area (US HUD 2011) in order to be considered affordable. Though many housing units in the sample met these criteria, it is misleading as our research also showed that housing type, resident type, and whether or not the properties were for rent or sale could make a difference. This inferred that some housing types are much less affordable to certain resident types than others.

The monthly cost for non-family residents for all three types of rental housing ranged from \$225 to \$700. The monthly cost for family residents for the three housing types relevant to families ranged from \$385 to \$2,400. Houses for sale to families began at \$129,900 and reached an astounding high of \$2,695,000. Below, Table 1 summarizes the price minimums, maximums, medians, and means for the monthly rental costs and total purchase prices as they relate to the different housing and resident types. The median prices for all three of the rental unit types met the standards for the 30% rule using the median income level for Watauga County for both resident types provided previously. However, the median prices for houses for sale exceeded the 95% limit by almost \$64,000.

In order for a dorm room, rental apartment, or rental house price per person to be considered affordable for non-family residents, the cost must not exceed 30% of the non-family resident median income of \$18,360 for Watauga County. Our research indicated that the 19 dormitories on the ASU campus included in the sample did not meet this criteria because the monthly cost per person is not less than \$459 ( $\$18,360 / 12 = \$1,530 * 0.30$ ). Almost half of the rental apartments and roughly 40% of the rental houses did not meet the 30% rule criteria for non-family residents. This means that almost 40% of the rental houses, nearly 50% of rental apartments and none of the dormitories were considered affordable for this group of residents.

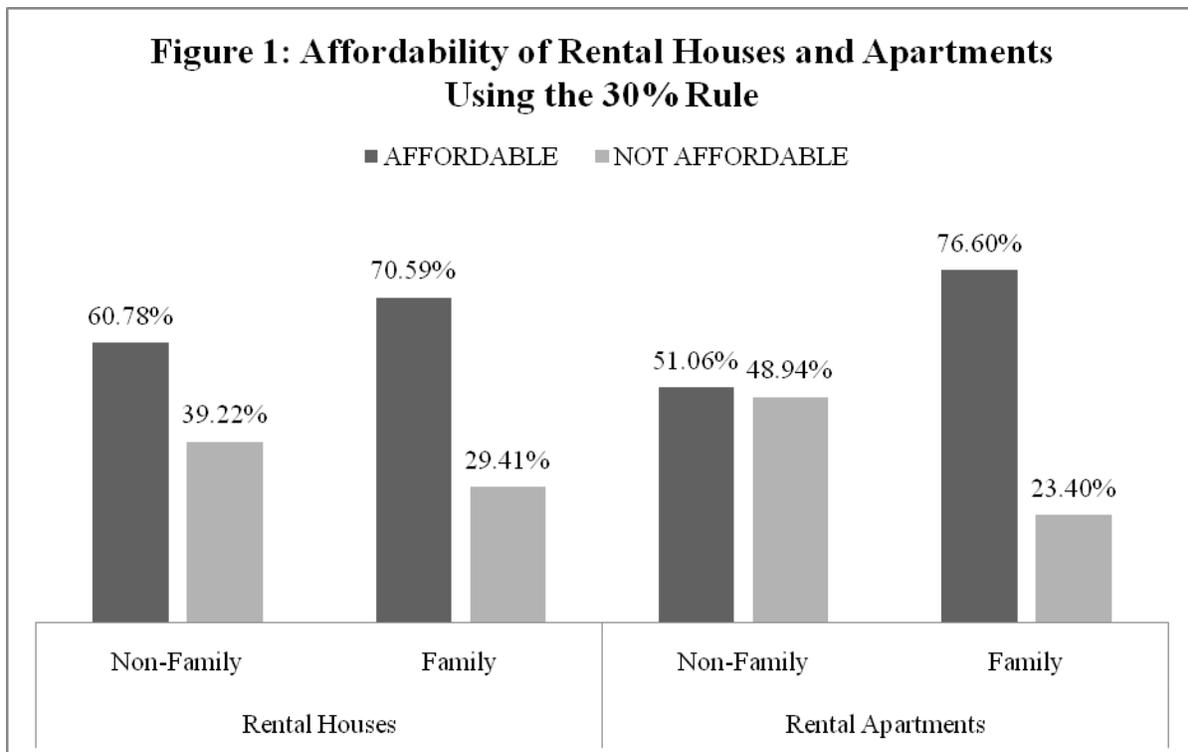
In order for a rental apartment or house to be considered affordable for family residents, the rental price must not exceed 30% of the median family income for Watauga County of \$55,297. This means that the rental prices must be less than \$1,382 ( $\$55,297 / 12 = \$4,608 * 0.30$ ). Our research found that less than 25% of rental apartments and less than 30% of rental homes in the sample did not meet the 30% rule for this particular resident type, as seen in Figure 1.

In order for houses on the market to be considered affordable for family residents, the cost must not exceed 95% of the average purchase price of a house in Watauga County. Our research indicated that the 46 houses on the market included in the sample did not meet this criteria because the purchase prices were not less than \$280,404 ( $\$295,162 * .95 = \$280,404$ ). Almost 70% did not meet the 95% rule criteria for family residents. As illustrated in Figure 2, this means only about 30% of the houses for sale were considered affordable for this group of residents.

**Table 2: Pricing Overview for All Housing Types and Resident Types**

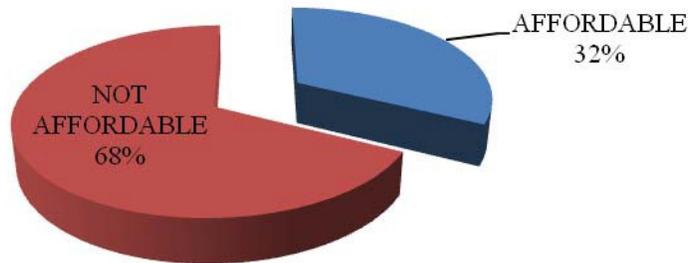
<b>RENTAL PROPERTIES</b>				
<b>Housing Type</b>	<b>Lowest Price/Month</b>	<b>Median Price/Month</b>	<b>Highest Price/Month</b>	<b>Average/Month</b>
<i><b>Non-Family Residents</b></i>				
Dorm room per person	\$475	\$525	\$656	\$519
Apartment per person	\$225	\$450	\$700	\$458
House per person	\$233	\$413	\$625	\$398
<i><b>Family Residents</b></i>				
Apartments	\$385	\$820	\$2,800	\$1,008
Houses	\$450	\$970	\$2,400	\$1,106
<b>PROPERTIES FOR SALE</b>				
<b>Housing Type</b>	<b>Lowest Sale Price</b>	<b>Median Sale Price</b>	<b>Highest Sale Price</b>	<b>Average Sale Price</b>
<i><b>Family Residents</b></i>				
House	\$129,900	\$343,450	\$2,695,000	\$442,938

\*Statistics generated using data compiled in Microsoft Excel as compared to average housing costs in Watauga County provided by Habitat for Humanity and the median area income provided by the US Census Bureau.



\*Statistics generated using data compiled in Microsoft Excel, then applied to income means provided US Census Bureau.

**Figure 2: Percentage of Houses with Sales Prices Meeting the 95% Rule**



**\*Statistics generated using data compiled in Microsoft Excel as compared to average housing costs in Watauga County provided by Habitat for Humanity.**

Our research found that both the median sale price and average sale price for houses in Watauga County were well above the affordability threshold as highlighted in Table 3. Furthermore, both the median and average monthly costs to rent a dorm room were above the threshold. When examining our statistics, we found a significant gap between the median and average sale prices of houses. This supports our earlier conclusion that there is a set of excessively expensive homes in this area.

**Table 3: Affordability of Housing Units in Watauga County**

<b>RENTAL PROPERTIES</b>			
<b>Housing Type</b>	<b>Affordable</b>	<b>Median Price/Month</b>	<b>Average/ Month</b>
<i><b>Non-Family Residents</b></i>			
Dorm room per person	\$459	\$525	\$519
Apartment per person	\$459	\$450	\$458
House per person	\$459	\$413	\$398
<i><b>Family Residents</b></i>			
Apartments	\$1,380	\$820	\$1,008
Houses	\$1,380	\$970	\$1,106
<b>PROPERTIES FOR SALE</b>			
<b>Housing Type</b>	<b>Affordable</b>	<b>Median Sale Price</b>	<b>Average Sale Price</b>
<i><b>Family Residents</b></i>			
House	\$280,404	\$343,450	\$442,938

**\*Statistics generated using data compiled in Microsoft Excel as compared to average housing costs in Watauga County provided by Habitat for Humanity and the median area income provided by the US Census Bureau.**

## **CASE STUDIES**

The case studies analyzed were intended to help determine causes and solutions to problems relating to affordable housing based on areas that have attempted to address this issue. We examined cases in which

steps were taken to reduce problems in rural communities similar to Watauga County that lack affordable housing. One solution examined allows consumer-sponsored organizations to regulate private contractors in order to offer affordable housing to individuals:

“Nonprofit-sponsored (frequently called consumer-sponsored) co-ops had enjoyed a better success record than the Section 213 for profit realtor sponsored co-ops. Consumer-sponsored cooperatives are developed by nonprofit organizations that contract private builders, supervise the contractor, and organize and train the cooperative members. The primary example of the success of consumer sponsored cooperatives is the Foundation for Cooperative Housing Services (FCHS), which was organized in 1951 by a group of housing reformers committed to cooperatives. Between 1953 and 1969, FCHS used financing from local public housing authorities, private sources, and Section 213 guarantees to convert 10,388 existing living units to co-ops. These projects contained long-term affordability provisions in their corporate by-laws and received ongoing technical assistance from FCHS. Consequently, cooperatives sponsored by FCHS during this period have had less serious long-term financial problems” (Sazama 585:2000).

The ability to obtain affordable housing through these sponsored co-ops seems to have successful rates of providing assistance to individuals who are seeking affordable housing.

Another case study provided by North Carolina Housing Coalition examined affordable housing and possible factors that influence whether or not it is realistically achievable for rural areas such as Rocky Mount, NC and Haywood County. The North Carolina Housing Coalition shows how the low income population has the greatest needs when trying to enforce possible solutions to affordable housing.

Rocky Mount has identified several goals regarding affordable housing for its community. Some of these goals include promoting a redevelopment commission, collaborating with local non-profits, creating alternative funding sources, and studying ways of providing down-payment assistance and low-interest loans. Even though Rocky Mount recognizes the lack of affordable housing, their ways of improvement are still only goals. Haywood County on the other hand has a high value on the preferences of what people can do with their land and free regulation. Living in such rural areas, people choose to live in non-zoned areas which do not have housing policies that improve affordable housing opportunities.

Another case study suggested the use of inclusionary housing initiatives. Inclusionary zoning has become a prominent tool for addressing the issue of affordable housing. Inclusionary zoning requires that a certain percentage of residential housing in an area be accessible for low and moderate income levels. This makes it possible for more people to obtain affordable housing. This particular case study provided evidence regarding how inclusionary zoning initiatives help individuals obtain affordable housing in Chapel Hill, Davidson, Manteo, and Greensboro. Though these are urban cities in North Carolina, there are rural areas outside of these cities; making it relevant to our study. There are some ambiguities related to inclusionary zoning and the law, which may negatively affect the success of this method.

“In the absence of specific enabling legislation, local governments are left wondering whether an inclusionary zoning ordinance will be upheld on the basis of general land use and zoning powers clearly granted to municipalities, or whether it may be viewed as a form of tax or as an act that oversteps the bounds of expressly authorized authority. Attempts to introduce legislation authorizing Triangle communities to enact inclusionary zoning ordinances failed in 2002 and 2004” (Arkin et al 31:2006).

Though it is not feasible for all areas, inclusionary zoning initiatives have proven successful in others. This is a positive effort in making affordable housing more accessible for low and

moderate level incomes. It is important to realize that implementing affordable housing will require more than one single change and that it will require a combination of efforts in order to be most successful.

## **DISCUSSION**

As a result of this research, we can conclude that there is not sufficient affordable housing in Watauga County. As explained in the literature review portion of this research, the reported median income of non-family residents in Watauga County is \$18,306; much lower than both the state and national level of median income. Further, 22.5% of families in Watauga County in 2010 were reported as living below the poverty level. This is 9% higher than the national average. Given these statistics, we concluded that Watauga County is an area that needs affordable housing for all of its residents. As seen in the tables and charts, there is more non-affordable housing than there is affordable housing in this area. This knowledge compared with the knowledge that there is a significant population in Watauga County living near or below the poverty line, leads us to conclude that there needs to be a significant amount of effort put into affordable housing in Watauga County.

When beginning this project our group expected to find a lack of affordable housing in Watauga County. Although we were careful not to make any assumptions about what we would find during our interviews, we predicted that our interviewees would indicate that there is a lack of affordable housing in the area. What we found was that those interviewed in this industry don't fully understand what affordable housing is or why it is needed in Watauga County. They are concerned with providing affordable housing to those in the working class, but are not worried about how impoverished residents are finding homes. They do not believe it is their responsibility to provide this kind of housing.

When we asked how different individuals define affordable housing, we expected the definitions to be general and similar, not specific and varied. Half of those interviewed gave definitions that contained monetary amounts. Those who did not give specific amounts gave very general definitions suggesting that affordable housing is relative to an individual's situation. Only one interviewee even mentioned very poor individuals being the recipients of affordable housing assistance. All other interviews gave more general ideas of working-class individuals, suggesting that affordable housing is what any average person could afford. These answers may be an indicator that individuals in the housing industry in our area do not fully understand the extent to which poverty affects Watauga County.

The data we gathered from our interviews regarding how Watauga County's housing market has changed more closely matched and supported our hypotheses. We expected that the second-home market and student population of Boone would drive up housing prices and this was supported to an extent. Both rental agency representatives and both real estate agents commented on the presence of second-homes in the area and said that they affect the cost of housing. Three interviewees discussed the way this has actually lowered the cost of housing in recent years, as discussed earlier, due to the economic downturn. This recurring theme did not support our hypothesis. Similarly, although many interviews discussed the presence of students in the housing market, no respondent stated that students drive up the price of housing. When students were discussed, it was usually in the context of a separate market within the housing industry.

Again our hypothesis was disproved when we analyzed the effect of the recent economic decline. We expected that the recent hardships would make it harder for people to find a place to live- that prices would increase to keep businesses afloat. What we found however was that, especially in the rental sector, this has caused an increase in affordable housing. More than ever houses are sitting on the

market and individuals are turning to rental agencies for affordable housing options. We did not expect that building regulations would be discussed as a change in the housing market.

None of our research group members expected the impact of the infrastructure in Watauga County to play such a large role in the cost of housing. However two rental agency representatives and one real estate agent discussed the ways this increases the cost of housing. Two individuals discussed the cost of water outside the town limits of Boone and one discussed the impact of the cost of heating and difficulty in accessing more remote locations during the winter. Only one rental agency representative discussed the impact of financing on finding affordable housing. This interviewee found that although houses are not very expensive, it is incredibly difficult to find affordable financing to own these properties. This has limited many poorer individuals' options.

Two interviewees had experiences with the HUD program. We expected that more individuals would have opinions about the program that would be introduced into the discussions. These interviewees had, overall, very negative experiences. One person's problems with their experience were limited to having trouble with the tenants themselves and with collecting rent. And while this bothered the other interviewee, the second's objections were more ideological. This person found that many of the regulations and program restrictions made it very difficult to provide affordable housing through this program. Furthermore, the interviewee found that many participants in the program did not need the government aid, thus creating a frustration with the system. This attitude was not entirely surprising because many business owners tend to be more fiscally conservative.

The overall views of whether there is a need for more affordable housing in Watauga County was almost always a resounding "no" from those we interviewed. Both rental agency representatives felt that the housing in the county is affordable as is. All three contractors agreed. One of the two real estate agents said there was enough affordable housing in the county, and only one individual of the eight we interviewed said there was a real need for an increase in affordable housing. This may suggest that housing in Watauga County really is adequate and accessible; however it also may reflect a lack of understanding of the area's impoverished residents and their needs. The fact that those interviewed address these problems from a business standpoint surely influences their opinions of affordable housing and will thus generate different answers from individuals working in non-profits. This was also reflected in the overall absence of ideas for change and in a lack of desire to take responsibility.

The most surprising finding we discovered in the interviews was the severe deficiency of federal funds to alleviate high housing prices. Local nonprofits, charities, and public nonprofits alike are expected to shoulder the burden to create and maintain affordable housing. Although we did not find much evidence of federally funded housing in Watauga County during the review of existing literature, we expected to find more while interviewing experts in the community. Property managers and directors of housing authorities alike have not received and do not expect more help from the federal government. There is no real unified body or group that has specifically charted the task of meeting the community's housing needs. Although employer assistance programs for housing have been mentioned, no large business has taken the initiative to start one.

The only real source of aid from the federal government comes in the form of housing vouchers. The NWRHA helps residents apply for the Section 8 vouchers that assist their income and cover part or the entirety of their rent. We were unable to find any information about the vouchers online in our original search which does not bode well for people searching for assistance. Our previous research adequately and accurately supported the information we acquired through interviews about the rental situation in Watauga County; that it is defined by the burgeoning student population, second home owners, and restricted development.

The case studies we reviewed provided information on how some areas are becoming more aware of the ongoing issue of affordable housing. The most successful method used was inclusionary zoning. Inclusionary zoning initiatives allow individuals with low and moderate income levels the opportunity to gain access to affordable housing on new building sites. While there has been success in certain areas, inclusionary zoning initiatives have failed in other locations when faced affordable housing.

### *Future Research and Possible Solutions*

In order to continue research on this subject, efforts need to be made to make information more available to those seeking it. It was difficult to gather factual and reliable information regarding housing in Watauga County. Future researchers must be prepared to spend a significant amount of time collecting information. In Watauga, likely because it is a rural county, resources were sparse. The houses that were most frequently featured by realty offices and other sources were those that are much more expensive. Further, there are many houses that are considered affordable, though not adequate, that are not advertised and therefore are hard to locate, especially with the intent of renting or buying. It may have been helpful to contact and interview people living in Boone and interview them regarding how they found their houses and how much they pay. The limitations on this research were primarily the difficulty encountered in gathering information on housing.

The first implication of our research was the identification of key factors that may cause housing to be more or less affordable over time. These factors, such as economic decline, location, and demographics should be the subjects of further and more in-depth research when studying affordable housing. The second major finding was the lack of education on the topic. If more community members and professionals understand the need for housing that can be attained by lower-income individuals, they may be more willing to provide affordable housing and to support programs that advocate for it. This education would lead to increased unity on the county, state, and national level. This unity would help in legislation that regulates the market from building to selling to renting. Further research should address the lack of understanding of affordable housing on the community level, thus making it more available. If we were able to have more time to conduct interviews, we would have contacted other local affordable housing experts that were referred to us through our initial interviews.

Although we collected valuable data from our conducted interviews, we would have liked additional input from experts in the area of Appalachian State University student housing and rental agencies that accept section 8 vouchers. It also would have been beneficial to interview more local government officials that work closely with affordable housing such as Town Council members and Planning and Inspection employees. When applying previous knowledge on ways of making housing more affordable; examples of probable solutions has given insight of making affordable housing more accessible in rural areas located in North Carolina.

Limitations that were present during examining possible solutions of providing affording housing was that majority of case studies present were conducted more on metropolitan areas. Not having access to sources that provide information on affordable housing for rural areas makes providing sufficient evidence of how affordable housing can be resolved to be a difficult task. In order to have an understanding on some causation that make housing accessible, research was also collected from smaller urban areas that gave insight on previous existing ideas on how to obtain affordable housing. With the information obtained, further research on affordable housing should be considered to understand more in detail of successful ways to obtain affording housing to individuals in North Carolina living in rural areas.

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