

Displaced: Forsyth County

Every year, more than 5 million Americans lose their homes through evictions and foreclosures. These forced displacements are intensely traumatic financially, physically, and emotionally. Children have to switch schools, parents lose their jobs, families' possessions end up on the sidewalk, and suicide rates spike. Research links housing loss to a litany of adverse impacts, from financial ruin and increased obesity for adults, to educational attainment gaps and chronic homelessness for children.

And yet, as our nation braces for a tsunami of housing loss as the result of the economic fallout of the COVID-19 pandemic, we know very little about these life-changing events. *Where* is forced displacement most acute? *Who* is most at risk? *Why* does housing loss occur? And *what happens* to people after they lose their homes?

The *Displaced in America* report aims to answer these questions, and in doing so help municipal leaders better understand where the pandemic might exacerbate already established patterns of housing loss in their own communities.

New America and its partners have visualized the scale and breadth of displacement across the United States through a National Housing Loss Index, which ranks U.S. counties based on their combined eviction and foreclosure rates. We also examined census tract-level displacement across three case study locations: Forsyth County, N.C. (Winston-Salem); Marion County, Ind. (Indianapolis); and Maricopa County, Ariz. (Phoenix, Tempe, Mesa).

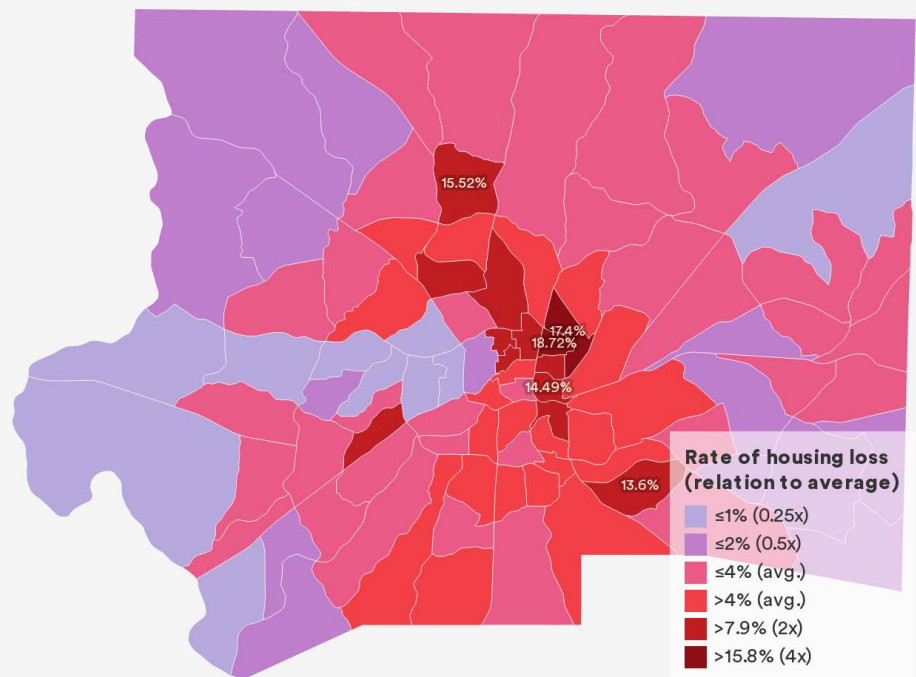
Forsyth County

Located in the central Piedmont region of North Carolina, Forsyth County is the fourth-most populous county in the state, with a population of around 350,000—the vast majority of whom live in county seat Winston-Salem.

According to a 2015 [Harvard University study](#), Forsyth County has the third-worst economic mobility in the United States, and a 2014 Brookings Institution [study](#) found that Winston-Salem has the second-fastest growing poverty rate in the country.

New America analyzed Forsyth County's eviction, mortgage foreclosure, and tax foreclosure data, and interviewed government officials, housing advocates, real estate developers, journalists, lawyers, service providers, and community members. These interviews culminated in an accounting of how individuals are losing their homes, who is most at risk, and what happens after they are displaced.

Forsyth County Housing Loss Index (2014-2018)



Map: New America-Future of Property Rights (via DataKind) • Source: MapForsyth

NEW AMERICA

WHAT DOES HOUSING LOSS LOOK LIKE IN FORSYTH COUNTY?

To view the interactive data visualization visit

<https://tinyurl.com/FPRForsythLoss>

Forsyth County residents experience acute housing loss at a rate of 2.6 percent. Among our national dataset, Forsyth County has the 89th worst housing loss in the nation (of more than 2,200 counties measured) and the tenth worst of the fifty North Carolina counties for which we have data. Based on our examination of data from 2014-2018:

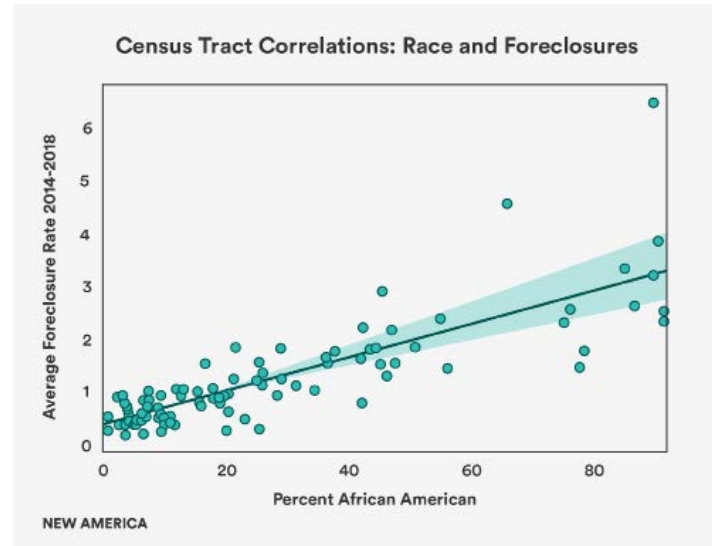
- 12,276 households were evicted in Forsyth County, a **4.4 percent eviction rate**.
- 6,221 households were foreclosed upon in Forsyth County, a **foreclosure rate of 1 percent**.
- **Evictions spike in summer months.** August had the highest average number evictions (256), a 60 percent increase over April, which had the lowest average number of evictions (160).
- **When evictions go to court, tenants lose.** Evictions in Forsyth County often exceed 3,000 per year, but only 200 cases or so receive pro-bono legal representation, according to a local journalist.
- **Census tracts with the highest rates of housing loss are primarily located in East Winston.** Each year 9.6 percent of residents in these tracts lose their homes. A few of these tracts lie directly to the east of U.S. Route 52, while others lie between Smith-Reynolds Airport, the Wake Forest University athletic stadiums, and the local fairground.
- **Census tracts with larger minority populations as well as tracts with more households living below the poverty lines generally see higher eviction rates.** The [highest eviction rates](#), in some places as high as 13 percent, are concentrated to the east of downtown Winston-Salem, in East Winston.
- About half of Forsyth County census tracts have [foreclosure rates](#) of less than 1 percent, however **foreclosure rates jump to 3-6 percent in East Winston and the southeastern region of Winston-Salem.**
- **Forsyth County has 1,524 heirs properties, the fifth highest number in North Carolina.** Heirs property is passed down through generations outside of the formal probate process and often lacks "[clear title](#)." Disproportionately present in Black communities, this form of property ownership exposes owners to significant vulnerability.

HOUSING LOSS AND COVID-19

The COVID-19 crisis has hit North Carolina hard, with 46 percent of households reporting that at least one person in their household has lost employment income since the pandemic began. The Bureau of Labor Statistics reported in June that Forsyth County had an unemployment rate of 8.2 percent, double the rate in June of 2019.

WHO IS MOST AT RISK?

Census tracts with predominantly non-white households had



higher rates of eviction, foreclosure, and combined housing loss than census tracts with predominantly white households. In particular, we found a strong positive relationship between the number of Black households in a census tract, and the rate of mortgage foreclosures. Predominantly Latinx census tracts also showed higher rates of evictions and foreclosures than white census tracts, but the relationship was not nearly as strong as for Black households.

We also found higher rates of housing loss in census tracts where residents lacked health insurance, and higher rates of mortgage foreclosure and overall housing loss in tracts where residents rely on public transit to get to work.

WHY DO PEOPLE LOSE THEIR HOMES?

The Affordable Housing Crunch: Winston-Salem has a 16,244-unit [shortage](#) of affordable rental housing for extremely-low-income families. Households that earn less than 30 percent area median income can afford an apartment for \$464 in monthly rent, but the [fair-market rate](#) for a two-bedroom apartment in the city is \$729.

Low Wages: According to a county official, rent costs increased approximately 5.5 percent in recent years, while wages decreased for [30 percent](#) of county residents. Between 2008 and 2017, [income per person](#) in Winston-Salem declined from 93 percent to 90 percent of the national average.

Gentrification, Displacement, and Concentrated Poverty:

As Winston-Salem undergoes an economic transformation, many areas adjacent to downtown are experiencing increased investment. Lower-income neighborhoods—such as Boston-Thurmond, Columbia Heights, and East Winston—are targeted by developers in search of cheap property. Redevelopment is lucrative for some, but new investment can also result in the displacement of longtime residents.

WHAT ARE THE CONSEQUENCES OF DISPLACEMENT?

Neighborhood Neglect: A [2017 report](#) found that each foreclosed home results in \$170,000 in losses to the surrounding community due to a reduction in property values and tax revenue. There are over [6,000 vacant properties](#) in Winston-Salem, with the majority located in the East/North East and Southeast [planning wards](#) of the city. These same neighborhoods are also vulnerable to patterns of habitability problems in rental units, with [50 percent](#) of units reporting maintenance issues.

Education: When a family is displaced, it's often infeasible for parents to continue to send their children to a previous school if they have moved across town. Key informants estimate that, at the county's lowest-performing schools, between 20-50 percent of students finish the school year at a different school than the one they started at.

Lack of Access to Public Transportation: Many low-income residents may not have access to personal transportation, and as a result, choose to live near public transit. Displacement [impacts](#) their ability to commute to work, school, doctors appointments and grocery stores.

Overcrowding and Homelessness: Displaced families at risk of homelessness sometimes resort to temporarily living with friends or family members. These living arrangements quickly lead to overcrowding, which is [well documented](#) within Forsyth County, and particularly dangerous in the context of the coronavirus pandemic. Families unable to find community support after displacement can end up in a shelter, in their car, or on the street.

POLICY RECOMMENDATIONS

- **Improve housing loss data** by expanding information available in public eviction, mortgage foreclosure and tax foreclosure databases.
- **Increase wages** to keep pace with rising housing costs and **expand socioeconomic benefits** to reduce other household expenditures on healthcare, childcare and transit.
- **Expand affordable housing** options through voucher programs, trust funds and tax credit programs, and by supporting projects that rehabilitate blighted communities.
- **Increase parity between landlords and tenants** by expanding tenants' legal rights, providing tenant representation in eviction court and increasing tenant education.
- **Expand Forsyth County's Housing and Community Development Home Ownership Program**, which provides down payment assistance and financial training to low income families.
- **Adopt forward-thinking development policies**, like having the county buy land for future affordable housing development.
- **Create healthy and connected neighborhoods** by expanding public transit would link low-income neighborhoods to grocery stores and employment opportunities.