

Why Charlotte Needs an *Affordable Housing and Economic Equity Community Plan*



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Session Goals:

- We will touch on how history laws and policies have created the situation we have today.
 - What is the current state of activity
 - Affordable Housing
 - Wage disparity
 - How growth is impacting the City and County.
- The primary topic to be discussed is how may a **Community Plan** focusing on Affordable Housing and **Economic Equity** help achieve better results for the Community.
- We will wrap up the session with an interactive discussion session on some new ideas.



Equitable Communities Approach

- History
 - Research and Understand Significant Historical Events that developed or reinforced **Racial, Economic & Wealth Disparity**
 - Highlight Repeating Patterns of LAWS/Policies that continue to reinforce Disparate Outcomes
- Data
 - Create and/or Highlight Community Measurements that illustrate the current state of Mecklenburg County **Racial, Economic & Wealth Disparity**
- Action
 - Propose Pragmatic incremental steps that the community NEEDS to make measurable progress on **Racial, Economic & Wealth Disparity**.
 - Partner with Neighborhood Leaders to 'level the playing field' to increase their ability to leverage existing Policies/Programs for resident benefits



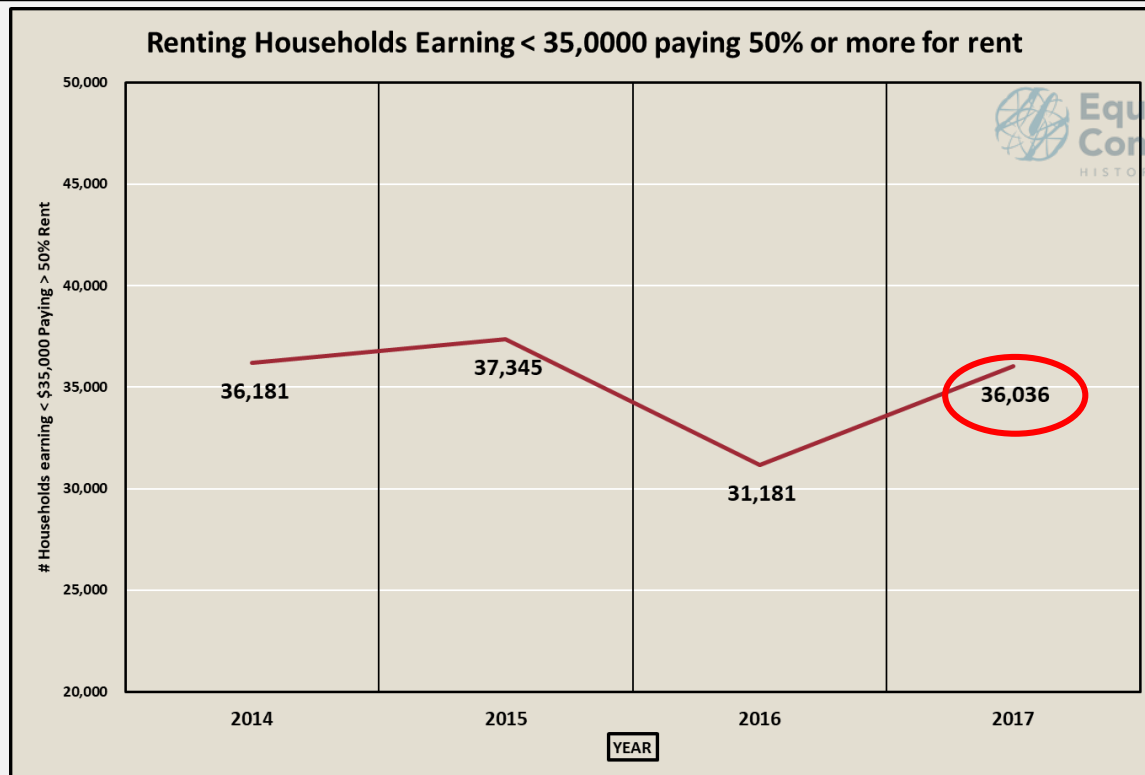
Why an *Affordable Housing and Economic Equity Community Plan*

- We are losing Neighborhoods at an alarming rate.
- We are changing the shape of the wedge by moving (displacing) historical residents from their community.
- Today's GROWTH = DISPLACEMENT

How Large is the Affordable Housing Shortage??

In 2017 (ACS data)

36,000 Households Earning < \$35,000 pay ≥ 50% of Income for RENT
SEVERELY COST BURDENED



4 yr Trend of Extreme Cost Burdened (>50% Income) Lower Income Households (<\$35,000)

We are losing ground every year

“We can’t Build our way out of the Crisis”

2014-2017 ACS Data

We are demolishing NOAH apts. faster than we are building affordable apts.

	<u>3 Yr. Total</u>	<u>Annual Avg.</u>
• Total # Apts.	↑ 11,000	↑ 4,000
• 30% AMI # Apts. (< \$ 600)	↓ (3,000)	↓ (1,000)
• 50% AMI # Apts. (< \$1,000)	↓ (22,000)	↓ (7,000)
• 60% AMI # Apts. (\$1,000 - \$1,250)	↑ 17,000	↑ 6,000
Subtotal <60% AMI	↓ (8,000)	↓ 2,000
• 80% AMI # Apts. (\$1,250 - \$1,500)	↑ 8,000	↑ 3,000
• 80%+ AMI # Apts. (>\$1,500)	↑ 12,000	↑ 4,000

**2019 Total HTF & CHOIF Investment of \$39 million
creating 778 Apts. Affordable at 60% AMI
Estimated *Loss of 4,000 units* during 2 yr. construction
NET LOSS OF 3,200 Apts.**

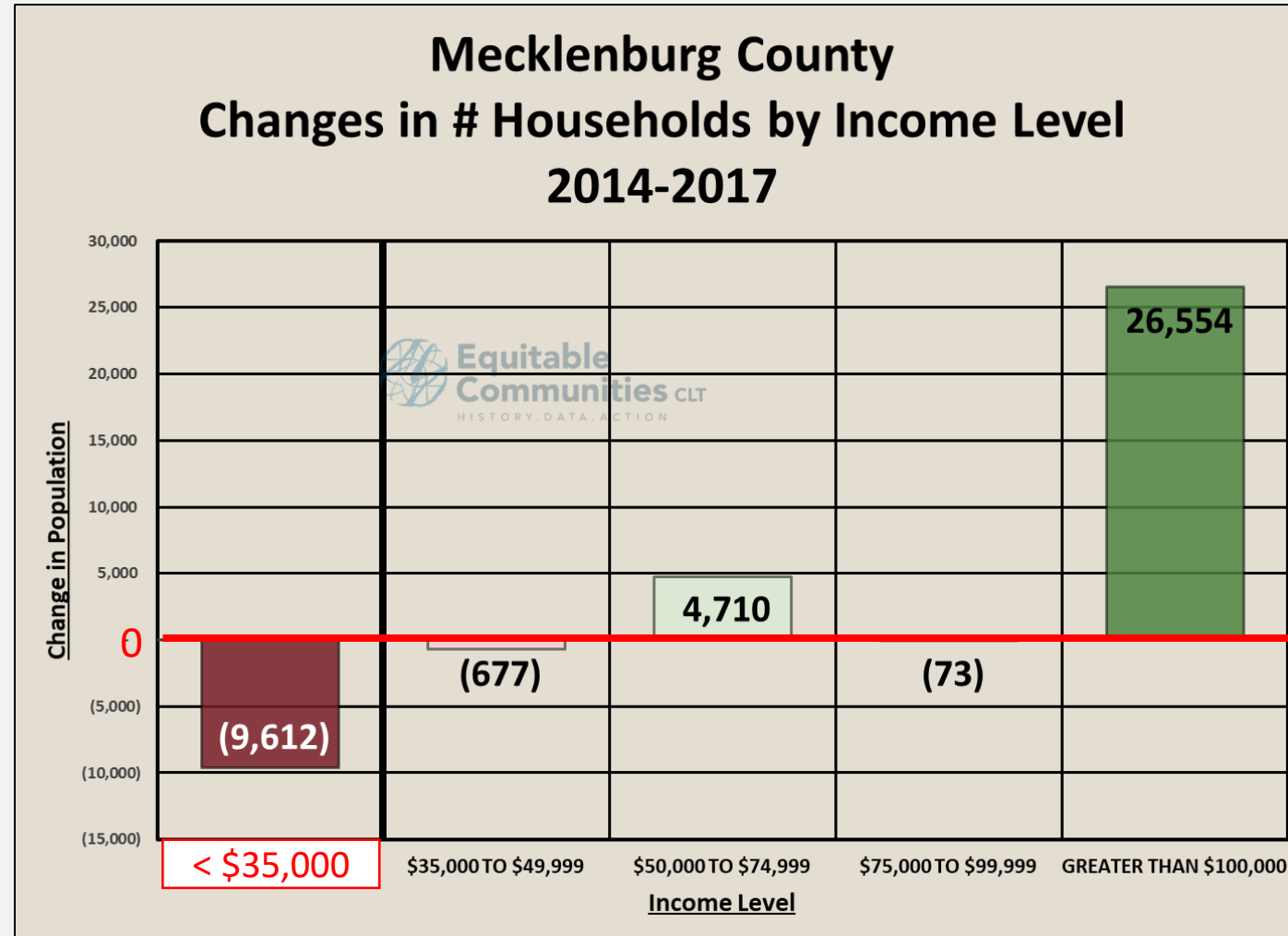
2014-2017 ACS Data

We are demolishing NOAH apts. faster than we are building affordable apts.

	<u>Annual Avg. Loss</u>	<u>2 Yr. Development</u>	<u>2019 HTF&CHOIF</u>
• Total # Apts.	↑ 4,000	↑ 8,000	↑ 1,200
• 30% AMI # Apts. (< \$ 600)	↓ (1,000)	↓ (2,000)	↑ 256
• 50% AMI # Apts. (< \$1,000)	↓ (7,000)	↓ (14,000)	
• 60% AMI # Apts. (\$1,000 - \$1,250)	↑ 6,000	↑ 12,000	↑ 522
Subtotal <60% AMI	↓ (2,000)	↓ (4,000)	↑ 778
• 80% AMI # Apts. (\$1,250 - \$1,500)	↑ 3,000	↑ 6,000	↑ 280
• 80%+ AMI # Apts. (>\$1,500)	↑ 4,000	↑ 8,000	↑ 130

Are we driving low income Households out of Mecklenburg County?

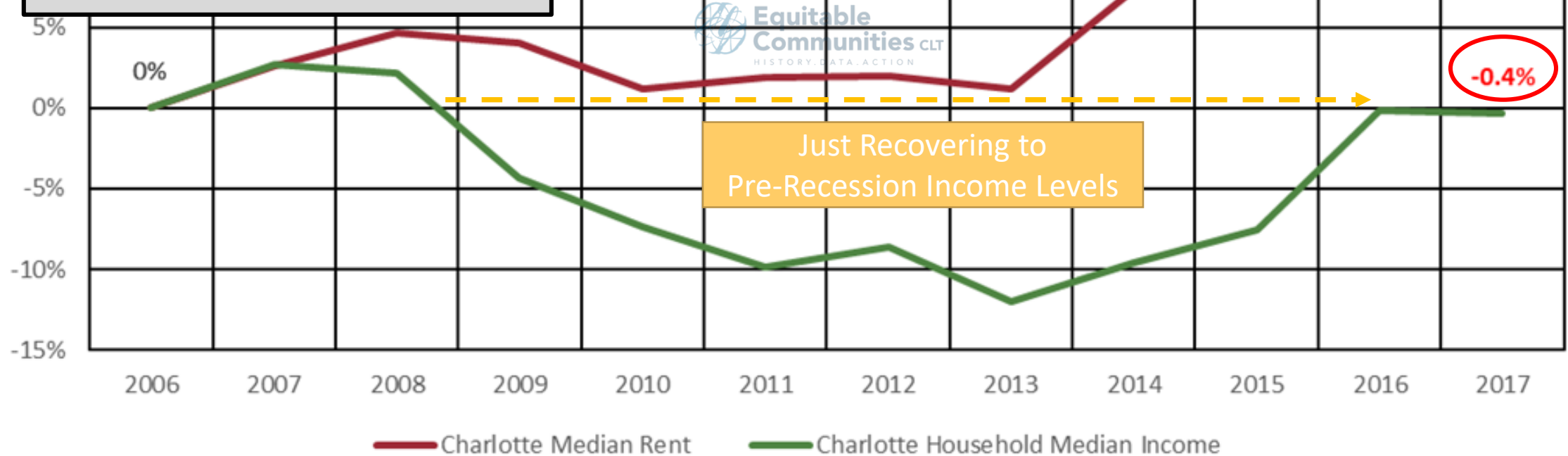
- Total Households ↑ 21,000
- Earning < \$35,000 ↓ 10,000
- Earning > \$100,000 ↑ 27,000



Charlotte - Cumulative Growth in Median Income vs Median Rent

We can't Build our way out of the Crisis
We Must Focus on Income
 not just on # Affordable Units

From 2006 to 2017
 Rents have increased by **16%**
 While Income has remained flat



Value of Affordable Housing and Economic Equity Community Plan

Investment in **Equitable Growth** via Community Plan



- **Increase in Economic Growth that Benefits all members of the Community**
 - Jobs
 - Skilled Workers
 - Increased Minority Entrepreneurship
 - Diverse Price Point Housing to meet the growing population of low-middle income workers
 - Environmentally Sustainability
- **How would the current impacted residents' benefit**
 - Better coordinated solutions that would enable the benefits of growth to be more broadly realized
 - Maintain legacy of historic neighborhoods
 - Develop true 'Mixed Income Neighborhoods'
 - Families assisted as 'unique' not just a 'statistic'
 - More infill solutions not large development solutions



How would this look different?

New Approach

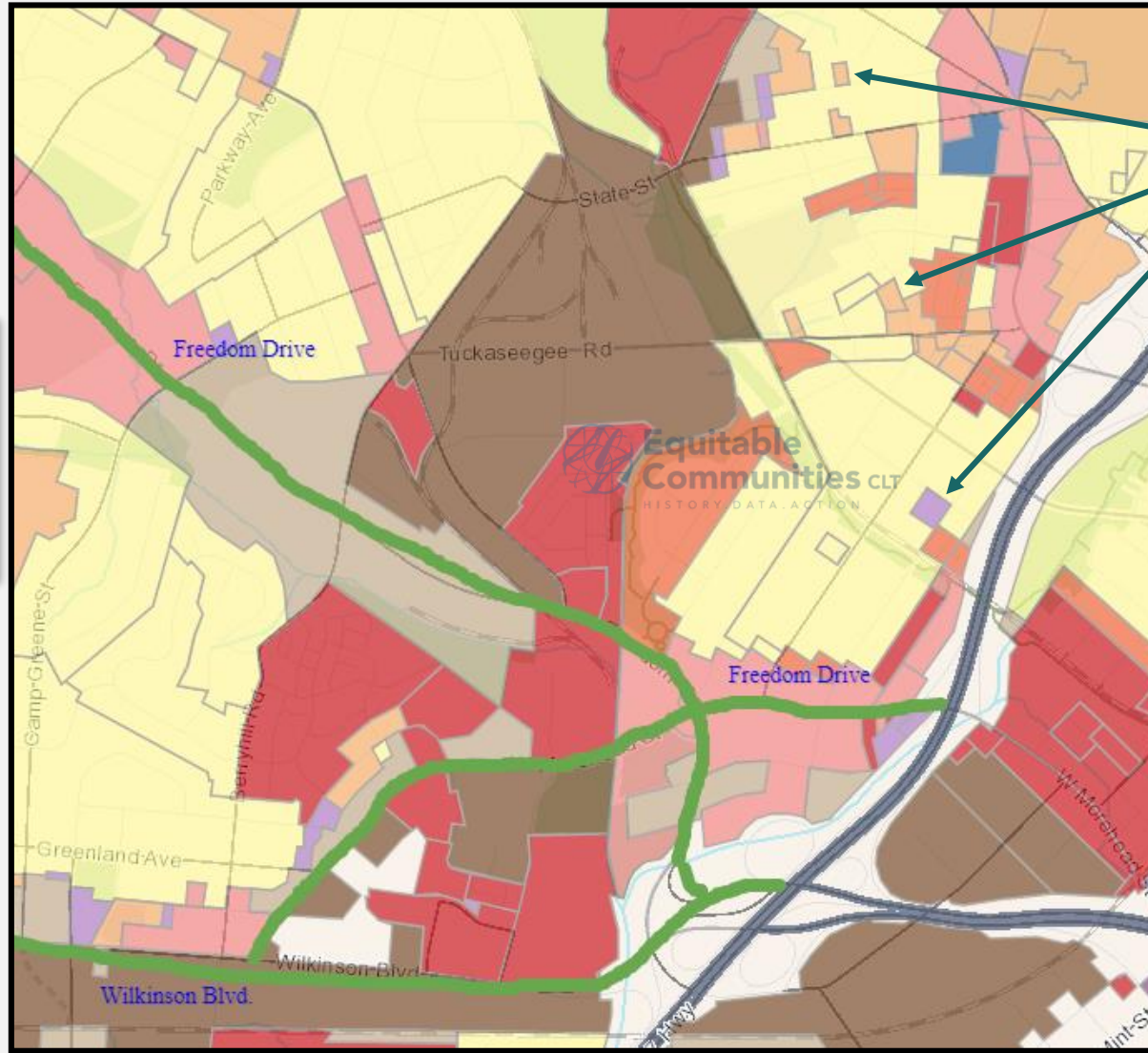
- **Scope – Affordability** not just Availability
 - Community Level - Living Wage and Wealth Creation Strategies
 - Neighborhood Level Implementation Strategies
- **Long Term Planning based upon Long Term Funding**
 - Creative Financing Techniques – e.g. Integrate Social Investment Funding – Including Local Sources
 - Assign 50% of Property Tax Revenue Increase from Publicly supported developments to fund Community Equity Growth programs.
- **Integrated Planning across all Programs/Resources**
 - Public (City/County), Philanthropic , Large Non-Profits and community non-profits
- **Multi Year Goals** with Progress Metrics
- **Proactive** – creating opportunities
- Higher **Density** for growth **valued at Community / Neighborhood level not Transaction Level**
 - Preserve Neighborhood Affordability & **Minimize Displacement**
- **Strong Neighborhoods** influence on decisions
- **Measure Outcomes across all Resources – Public & Private**
 - Neighborhood/Community Metrics including Ongoing Performance Review with adjustments

Integrated Planning vs. Program Planning

Neighborhood Impact

- **Analyze Current State of the Neighborhood**
 - Neighborhood Assets and Needs
 - Including Parks, Community Centers, Schools
 - Establish Outcome Goals with corresponding Measurements
- **Engage Neighborhood** in setting goals
- Adapt Solution to the **Unique issues of the Neighborhood**
 - Select All of the Best “Tools” to achieve results
 - Leverage Community Level activities (e.g. Living Wage, Wealth Creation)
- Implementation **coordinated across multiple activities**
 - Not just about Housing
 - Leverage Interdependencies
- **Monitor Measurements and adjust plan as necessary**

Current Rezoning Approach



Transaction Level
"Rezoning" NOT
Neighborhood
Planning

Neighborhood Density – How it happens today

.25 Acre Lot – LAND VALUE \$125,000



.25 Acre Lot
Zillow Estimate \$491,000
2,280 sqft



.1 Acre Lot
Zillow Estimate \$424,000
2,508 sqft – Bigger to maximize
Developer return

Neighborhood Density – Community Planning



.25 Acre Lot –
Quad -- 4 apts. Renovated
Rent = \$1,200 / mth.
1,000 sq ft apartments



.1 Acre Lot – Smaller/ LOWER COST HOME
Zillow Estimate \$275,000
1,500 sqft

What Success Metrics might look like

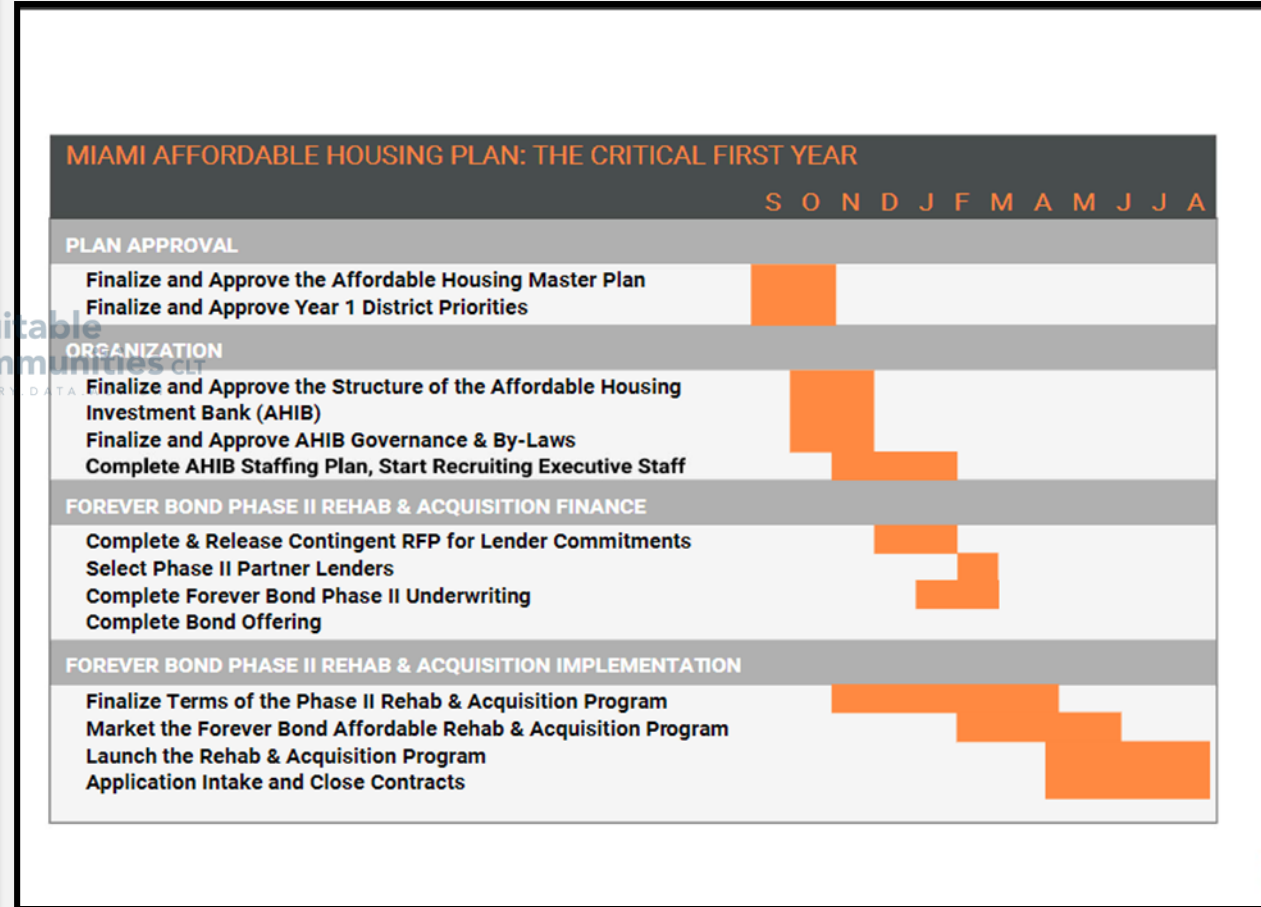
- ↓ • # Residents Displaced from a Neighborhood
- ↓ • # Residents paying > 50% of Income on Rent
- ↑ • # Neighborhoods (not development projects) with Mixed Income
- ↑ • # Properties for Sale below \$250,000
- ↑ • # Long Term Residents Assisted in Remaining in Neighborhood

How can we get there?

- **Agree on the Value Equation of a Community Plan**
 - Income and Wealth Creation must be integrated with housing capacity building
 - Neighborhoods are a key Community Asset
 - Coordinated Long Term Planning with Long Term Funding
- **Leverage the 2040 Comprehensive Planning Process**
 - Modify approach to include Neighborhood Level Planning
 - Develop City/County joint Neighborhood Planning Approach
- **Leverage the Existing Community Activities with Integrated Planning**
 - Housing Trust Fund
 - Charlotte Housing Opportunity Investment Fund
 - Property Tax Relief – Homestead & Aging in Place
 - Existing Housing Rehabilitation – Deferred Maintenance assistance
 - Mecklenburg County Voucher Program

Who else is taking this approach?

Example of Miami's approach



Discussion of NEW Bold Ideas

1. **Broadening Scope** – We need to address the Income & Wealth Disparities
 - LIVING WAGE – Homeownership / Minority Entrepreneurs
2. **New Sources for Ongoing Funding** for the Community plan
 - 50 % of Incremental Tax Revenues tied to Public Land Investment Developments
 - e.g. Brooklyn Redevelopment, Hal Marshall Center, Transportation Center
 - SHARE THE BENEFITS of GROWTH
3. Neighborhood Level strategies for achieving **GROWTH WITHOUT DISPLACEMENT**
4. How do we **encourage broader community** investment in the Plan?
 - Individual Philanthropic / Faith Community

Equitable Communities NEXT Steps:

- Today's Presentation will be available on our website
- Late February Community Workshop
 - Breakout Sessions to collect community input
 - Identify detail components of an **Equitable Growth Plan**
 - Join our Mailing List to get details as they are finalized
 - Sign up today for our mailing list
 - [Go to our website: EquitableCommunitiesCLT.org](https://EquitableCommunitiesCLT.org)



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Appendix:



Other BOLD ideas that need to be discussed

- **Neighborhood Transition Metrics Developed – not all are the same**
- **Shared Equity Investments**
- **Shared Equity Mortgage Loans**
- **Aggressive Land Banking**
- **Explore Housing CO-OPS**
- **Lease-Purchase Agreements** for new homebuyers
- **Simplify Access** for Residents to Various Assistant Programs:
 - Downpayment Assistance
 - Mortgage Loans
 - Property Tax Relief
 - Home Rehabilitation

