



HOUSING
PROGRAMS
**FISCAL
YEAR
2019
ANNUAL
REPORT**



*“We will
continue to
ensure that
everyone
has an
opportunity to
call Charlotte
home.”*





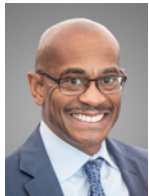
Charlotte's growth has created opportunities for many in our city; however, we realize that while we have made great strides in some areas, we still lag in others. One of the most visible examples is our increasing shortage of affordable housing in Charlotte. To address this issue, the City and the community at large have undertaken several important measures because, like so many challenges this community faces, it requires community solutions.

In August 2018, Charlotte City Council released a plan called the Housing Charlotte Framework to guide City government and our corporate and philanthropic partners as we work together to provide affordable housing in our community. This strategy focuses on expanding the supply of new affordable housing, preserving existing, quality affordable housing, and supporting family self-sufficiency.

In November 2018, Charlotte voters more than tripled the amount of local funding available for affordable housing by approving \$50 million in housing bonds. To match these funds, Charlotte's private sector responded with a \$50 million investment comprised of pledged dollars, donated land, grants and reduced cost lending. Now, this community has over \$100 million of additional resources to address our housing needs. We must continue working together in an innovative, collaborative way to utilize action-oriented solutions while leveraging private and philanthropic dollars.

As you will see, this progress report on the City's programming shows that we've had measurable achievements and made tremendous progress this year, but we cannot stop now. There is more work to be done, and by working with our partners, we will continue to ensure that everyone has an opportunity to call Charlotte home.

Vi Lyles
Mayor, City of Charlotte



The work of City Council and our partners in the private, non-profit and philanthropic sectors has transformed our Charlotte Affordable Housing program into a nationally-recognized model of success.

The foundation of this success is the Charlotte community. Our community has universally recognized that everyone is worthy of safe, affordable housing and the need for affordable housing options. The community has also been a partner in developing programs and solutions; solutions for Affordable Housing and even more important, solutions for our residents in need.

The city has many programs dedicated to help residents remain in their current homes and continue to enjoy the benefits of a growing Charlotte. In Fiscal Year 2018 our focus was on raising awareness of need and galvanizing support across the public, private, non-profit and philanthropic sectors.

In Fiscal Year 2019, we placed an emphasis on expanding outreach and support through innovative programs and partnerships and putting those partnerships into action. As a result, the City of Charlotte in partnership with the U.S. Department of Housing and Urban Development allocated more than \$76 million in local and federal funding in support of our residents and their housing needs.

I am grateful for the progress we have made and know that more work must be done. I look forward to continuing to work with City Council and the community in finding housing solutions for Charlotte families.

Marcus D. Jones
Charlotte City Manager



I am pleased to present this annual report for the City of Charlotte's Housing Programs. With the help of City Council as well as our community partners, Housing & Neighborhood Services (HNS) had greater flexibility and more resources this year to address the issues associated with housing instability.

In Fiscal Year 2019, we achieved City Council's 2016 goal of creating 5,000 affordable housing units within three years. This milestone was accomplished through a combination of new development, preservation of Naturally Occurring Affordable Housing (NOAH), collaboration with developers through the rezoning process, and the HouseCharlotte down payment assistance program.

During this period, we also supported the development of 690 affordable housing units, assisted 314 residents in the purchase of new homes and provided home rehabilitation assistance to 69 low-income families. While I am proud of the work outlined in this report, I recognize that additional challenges lie ahead. However, I am encouraged that HNS has and will continue to have the necessary support from our elected officials, the private and public sectors, and the public at large in overcoming them.

Pamela J. Wideman
Director, City of Charlotte
Housing & Neighborhood Services



*“We achieved
City Council’s
2016 goal
of creating
5,000
committed
affordable
housing units
within three
years.”*

Housing Charlotte Framework

The Housing Charlotte Framework guides the work for creating more affordable housing. It was adopted by Charlotte City Council in August 2018. This strategy is supported by several core considerations that include:

- Expanding the supply of high-quality rental and owner-occupied housing
- Expanding homeownership opportunities
- Preserving and improving the affordability and quality of existing rental housing stock
- Supporting family self-sufficiency

Sources of Housing Funding

Housing & Neighborhood Services leverages both federal and local sources of funding to support the City's housing programs.

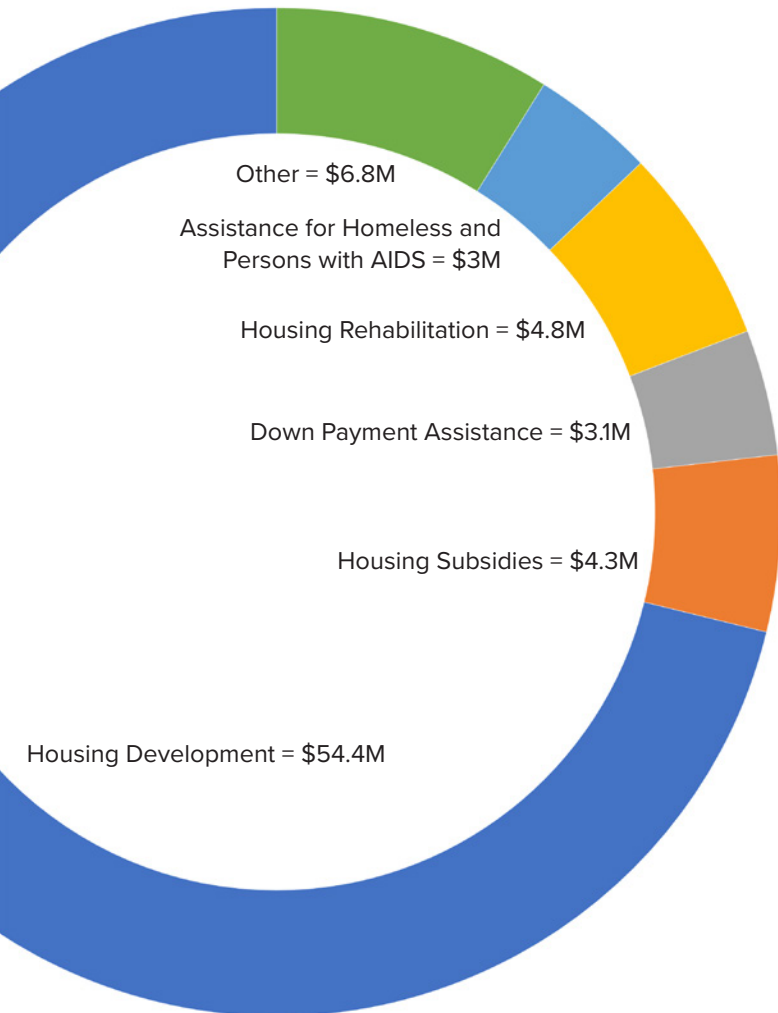
Federal

- **Community Development Block Grant:** Provides funding to address a wide range of unique needs focused on supporting low- and moderate-income households or communities. Activities include providing low to moderate home rehabilitation to households earning up to 80% of the Area Median Income (AMI).
- **HOME Investment Partnerships Program:** Provides opportunities to create affordable housing for low- to moderate-income households through activities such as construction, purchase or rehabilitation of affordable housing, as well as rental assistance.
- **Emergency Solutions Grant:** Provides ongoing support for efforts targeted at ending and preventing homelessness by funding shelter operations, providing rapid rehousing, and homelessness prevention.
- **Housing Opportunities for Persons with AIDS (HOPWA):** Provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families.

Local

- **Housing Trust Fund:** Funded from voter-approved housing bonds and provides gap financing assistance for affordable housing developments.
- **General Fund:** Generated by City of Charlotte property taxes.

Housing Program Allocations



Housing Development

Housing Trust Fund	51,750,000
HOME Consortium	157,442
Charlotte-Mecklenburg Housing Partnership	1,860,000
Non Profit Sponsored Housing	618,315
Total	54,385,757

Housing Subsidies

Aging in Place	750,000
Tenant Based Rental Assistance	330,000
A Way Home	2,700,000
Emergency Temporary Housing Program	150,000
Crisis Assistance Ministry	380,000
Total	4,310,000

Down Payment Assistance

HouseCharlotte	3,077,908
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Housing Rehabilitation

Single Family Rehabilitation	2,018,331
Multi-Family Rehabilitation	1,580,667
Emergency Repair	248,139
Lead Based Paint	608,501
Habitat Revitalization Program	375,000
Total	4,830,638

Assistance for Homeless and Persons with AIDS

Emergency Solutions Grant	482,968
Housing Opportunities for Persons with AIDS	2,529,408
Total	3,012,376

Housing Support / Operating

Director's Office	1,742,431
Business Support	1,070,729
Housing Services	354,369
Total	3,167,529

Other

Environmental Reviews	110,000
City-Owned Maintenance & Taxes	398,699
Housing Counseling Services	450,000
Housing Support	2,132,411
Legal and Professional Services	338,253
Local Initiatives Support Corporation	200,000
Total	3,629,363

Total	76,413,571
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What is AMI?

The Area Median Income (AMI) is the midpoint of a region's income distribution. Half of the families in the region earn more than the median and half earn less than the median. The AMI is important because these incomes are a way to assess housing affordability. The U.S. Department of Housing and Urban Development defines and calculates different levels of AMI for geographic areas across the country by household size.

The AMI for a Family of Four in the Charlotte area is Currently \$79,000

% of AMI in Charlotte	Family of Four Income	Maximum Monthly Rent
30%	\$23,700	\$593
50%	\$39,500	\$988
60%	\$56,900	\$1,185
80%	\$63,200	\$1,580
100%	\$79,000	\$1,975
120%	\$94,800	\$2,370

Housing Trust Fund

The primary tool for developing and preserving affordable housing is the Housing Trust Fund (HTF). Funded by voter-approved general obligation bonds, the HTF provides gap financing in affordable housing developments, often in conjunction with low-income tax credits awarded by the North Carolina Housing Finance Agency.

Charlotte City Council established the HTF in 2001 to provide gap financing for affordable housing. Since that time, the HTF has financed 7,376 new housing units. Of that total, 3,247 were for households earning less than 30% of the AMI or under \$23,700 per year for a family of four. These types of investments make Charlotte more affordable for preschool teachers, health care aides, and workers in hospitality, retail and emergency services. In November 2018, Charlotte voters approved \$50 million in housing bonds for the HTF.

Fiscal Year 2019 Housing Trust Fund Investments

	Development	Developer	Affordable Units	Address	HTF Allocation
1	Bingham Park	MOSAIC Development Group, Inc.	60	120 Bingham Drive	\$775,000
2	Guardian Angel Villa	Douglas Development, LLC	81	13511 Guardian Angel Ln.	\$1,750,000
3	Nolley Court	Charlotte-Mecklenburg Housing Partnership	103	100 Nolley Court	\$2,100,000
4	Rivergate Greene	The Woda Group, Inc.	72	13731 S. Tryon St.	\$1,900,000
5	924 West Sugar Creek	MOSAIC Development Group, Inc.	180	924 W. Sugar Creek	\$5,300,000
6	Brookshire Boulevard Apartments	Laurel Street Residential	96	7326 Bellhaven Blvd.	\$4,224,000
7	*Sharon Oaks Apartments - NOAH	Laurel Street Residential	98	4701 Arching Oak Ln.	\$2,100,000

*Preservation of Naturally Occurring Affordable Housing

For more in-depth information on the Housing Trust Fund, please see a list of frequently asked questions at the end of this report.

Impact:

\$18,149,000

in HTF Allocations

to Create 690

Affordable

Housing Units

SAVORING the Fruits of Cherry

When a thousand-acre cotton farm was platted to form the Cherry neighborhood at the turn of the century, the community gave black skilled and unskilled labor an opportunity to live in an area close to urban amenities¹. This concept is in stark contrast to today in which the neighborhood's gentrification has forced rents and home prices beyond the reach of the working class. Through investments from the Housing Trust Fund, the City hopes to preserve some level of affordability in the community. One endeavor came to fruition in spring 2019, when Baxter Street Flats, which received a \$1.45 million Housing Trust Fund allocation, opened. Developed by Laurel Street Residential, the 30-unit complex offers one-, two- and three-bedroom flats for residents who earn 60% and below the AMI like Jeanette Paige, a school bus driver. "I am blessed to be here," said the native Charlottean. "Because of where affordable housing is today, I had been staying with my family for five and a half years (before)." Paige added that people should not be forced to choose among rent, food or medication to survive, and she hopes more units become available, offering others the same opportunity she received.

Left: Jeanette Paige enjoys the proximity of amenities that her Baxter Street Flats apartment offers.

1. Thomas W. Hanchett, "The Cherry Neighborhood," Charlotte-Mecklenburg Historic Landmarks Commission. <http://landmarkscommission.org/wp-content/uploads/2016/11/THE-CHERRY-NEIGHBORHOOD.pdf> Accessed August 2, 2019



ENJOYING Senior Life in Style

Seniors are the largest segment of the population in need of affordable housing. According to the City's Housing Charlotte Framework, Charlotte-Mecklenburg will add half a million people by 2030, with seniors representing much of that growth. Projects like Nolley Court Seniors are geared toward helping address the housing gap for this underserved group. Approved for a \$2.1 million investment from the Housing Trust Fund, the project will contain 103 units serving seniors who earn 80% and below of AMI with 90 of them reserved for low-and very-low-income residents. The South Charlotte development will feature on-site comforts such as Energy Star appliances, barbecue grills, a gazebo, outdoor seating and garden plots to promote an active lifestyle. Developed by The Charlotte-Mecklenburg Housing Partnership, the project is within one mile of amenities including a grocery store, pharmacy, retail shops, restaurants and transit. "The average social security check for a senior in North Carolina is \$1,400, while the average rent for a 1-bedroom apartment is \$1,069," said Julie Porter, president of The Charlotte-Mecklenburg Housing Partnership. "Without affordable housing, seniors are left making the difficult choice between having a roof over their head or food on the table. Nolley Court Apartments will provide seniors the opportunity to age-in-place in their community and have income left over for necessities like transportation and medicine."

Right: Rendering of the Nolley Court Seniors (NCS) development. NCS was approved for an allocation of \$2.1 million from the Housing Trust Fund in April 2018. It is expected to be completed in late 2020.



Impact:

In FY2019,

HouseCharlotte

assisted 314

qualified buyers

in their home

purchases

by offering

\$2.7 million in

down payment

assistance

HouseCharlotte

HouseCharlotte provides qualified applicants forgivable loans for costs associated with a home purchase such as a down payment, closing costs or an interest rate buy-down. Administered by the Charlotte-Mecklenburg Housing Partnership on the City's behalf, the program provides these loans in either 5-year, 10-year or 15-year increments. The maximum purchase price for a new construction property is \$230,000 and \$200,000 for an existing home.

To qualify, candidates must:

- Earn a household income of 110% or less of the Area Median Income (\$86,900) for a family of four
- Use the loan for the purchase of a primary residence located within a designated area within the City of Charlotte limits
- Meet all of the lender's underwriting requirements



Above: HouseCharlotte assists homebuyers like Greg Stockes, a City of Charlotte Solid Waste Services employee, who used the program to purchase a home.

ECONOMIC MOBILITY Through Homeownership

One of the most celebrated milestones in a person's life is receiving the keys to a first home. In FY2019, HouseCharlotte made the dream of homeownership come true for 314 buyers. The program provides qualified applicants with forgivable loans for costs associated with a home purchase. For new homeowner Aamir Malik, buying his home was a dream come true and another rung on the economic ladder. "I lived here (in Charlotte) for four years, spending \$1,200 a month for rent, and if you calculate that, I spent almost \$60,000 during that time," said Malik. This home is an investment that can help move his family up the economic ladder "It's a first step for me," he said. "It will allow me to save toward the purchase of a bigger home in the future."

Employed with an airline caterer, Malik learned of the program through Habitat for Humanity. Working with Habitat and the Charlotte-Mecklenburg Housing Partnership, the City's administrator for HouseCharlotte, he received down payment assistance. In June 2019, Malik, his wife and three children finally moved into their four-bedroom home off Statesville Avenue. As expected, Malik advises other potential home buyers to avail themselves of the HouseCharlotte program. "Ninety percent of the problem in the community is affordable housing," he said. "It's a fair program for people. The City is looking out for people like me, and I appreciate that."

Right: With assistance from the HouseCharlotte program, Aamir Malik and his family moved into their new four-bedroom home in June 2019.



Impact:

646 pre-applications for the Aging in Place program were submitted in FY2019.

Disbursement of grants will be issued in fall 2019.

Aging In Place

In FY2019, Mecklenburg County underwent a property revaluation, resulting in some homeowners receiving substantial property tax increases. The City of Charlotte set aside \$750,000 for the Aging in Place program to support senior homeowners who want to continue to live in their homes but struggle to afford substantial tax increases due to property revaluation. Aging in Place offers grants to low-income to moderate-income senior homeowners that allow them to age in place. Homeowners wishing to participate in the program must meet the following qualifications:

- Be age 65 or older by the end of the calendar year for which assistance is being requested (2019)
- Apply for assistance to offset taxes for a primary residence located in Charlotte City limits
- Be listed on the deed or title to the residence
- Have lived in the home as the homeowner for at least 5 years prior to application
- Have a gross household yearly income **greater than** \$30,200 but **not to exceed** 80% AMI
- Be current in payment of property taxes

The Aging in Place program assists senior homeowners who have experienced tremendous increases in their property taxes.



Emergency Assistance

HNS provides funding to local partners in support of the following emergency housing assistance programs:

- **Homelessness Assistance/Emergency Housing:** Includes a network of nonprofit agencies working to end and prevent homelessness. Assistance is provided through a coordinated entry process, which residents can access by calling 211.
- **Habitat for Humanity Charlotte's Critical Home Repair:** Provides major repairs at a deeply discounted rate to keep homeowners safe and warm, and from being displaced from their homes.
- **Crisis Assistance Ministry:** Helps families with basic needs such as emergency financial assistance for rent and utilities, clothing, household goods, furniture, beds and appliances.
- **Weatherization:** Blue Ridge Community Action provides free weatherization and energy efficiency programs. Its services reduce energy costs by making homes more energy-efficient. These services reduce the average annual energy costs by \$300 per home.

Right: Renovations to the shower and sleeping areas of the Men's Shelter of Charlotte

Impact:

\$3,262,579

to serve

**2,347 Charlotte
residents**



Impact:

*\$450,000 to
fund counseling
services to 730
households*

Housing Counseling Services

HNS partners with local nonprofits, including the Charlotte-Mecklenburg Housing Partnership and Prosperity Unlimited, to provide housing counseling services to local homeowners to help them obtain or keep their homes. Counseling services include:

- **Financial Literacy and Education:** Helps address underlying issues that can affect one's housing stability. These services are essential to helping families obtain and sustain housing.
- **Pre-Homeownership Counseling:** Improves knowledge of budgeting, credit repair, mortgage loan approval; assists in locating a home and helps in negotiating mortgage loan terms and the purchase price.
- **Foreclosure Prevention:** Provides resources for those at risk of foreclosure, such as mortgage payment assistance and counseling to help communicate with lenders.

HNS, in partnership with local nonprofits, offers housing counseling services such as those for foreclosure prevention.



Housing Rehabilitation

The City of Charlotte provides several housing repair programs for low-income residents.

- **TLC by CLT:** Aids both homeowners and rental property owners in targeted neighborhoods by repairing minimum housing code violations, making limited exterior improvements, abating lead-based paint, and removing health and safety hazards. Work may include replacement or repair of roofs, electrical work, plumbing, flooring, structural repairs, windows, doors, exterior painting, and kitchen and bathroom renovations. Eligible homeowners receive funds in the form of no-interest forgivable loans with no out-of-pocket costs.
- **The Safe Home Housing Rehabilitation Program:** Provides grants to low-income owners of single-family owner-occupied dwellings. The program repairs current and emerging code violations and makes general property improvements. To qualify, the homeowner must reside in the Charlotte City limits and earn 60% or less of the AMI.
- **The Safe Home Emergency Repair Program:** Addresses immediate threats to the health and safety of residents of single-family housing, which results from a recent system failure. The program serves single-family owner-occupied dwellings. To qualify, the homeowner must reside in the Charlotte City limits and receive financial certification.
- **The LeadSafe Charlotte Program:** Provides grants to low-income homeowners to address unsafe lead paint conditions that pose a potential health hazard to young children. The program is designed to assist owners of single- and multi-family dwellings and investor owners of properties with two or more bedrooms. To qualify, the occupants (renter or homeowners) must earn less than 80% of the AMI.

Impact:

\$3 million spent

for repairs made

to assist 69

homeowners

The City's Housing Rehabilitation Program assists low-income homeowners.





LIVING

In the Purple House

If you happen to be driving through the Camp Greene neighborhood, you may have noticed the home belonging to retiree Janice Crenshaw, a 20-year resident of the community. Among the older bungalows and newly constructed modern contemporary homes, her purple piece of the American dream stands out among them all. That bold color is in part made possible by the TLC by CLT program, which offers much-needed repairs to homes of qualified owners. In addition to the exterior paint, work on her home included new electrical wiring, the installation of heating and air conditioning units, kitchen repairs and a new picture window, which Crenshaw relishes because it allows her to keep watch on her neighborhood. Since the completion of the work, neighbors and friends have stopped by to admire the improvements. To describe her experience with our rehab crew, Crenshaw said, “The workers were so nice, so I tell everyone about them.” As far as her favorite color of choice, Crenshaw credits the Bible, which references the color purple in several passages.



Renovations made through TLC by CLT allowed Janice Crenshaw to make improvements to her home, which is now a standout in the Camp Greene neighborhood.

Looking Ahead at Fiscal Year 2020

Partnership with LISC

Charlotte City Council approved 950 multi-family affordable housing rental units in July 2019. The review and approval of these developments was the first collaboration between HNS and the Local Initiatives Support Corporation (LISC). As a result, the developments required a reduced HTF investment due to the leveraging of dollars and reduced interest financing from the Charlotte Housing Opportunity Investment Fund (CHOIF), a private investment fund managed by LISC, which is dedicated to increasing the amount of affordable housing.

Single Family Acquisition/Rehabilitation/Resale Program

Charlotte City Council approved \$2.2 million in its FY20 budget to fund a new program to acquire, rehabilitate and resell single-family homes. These homes will be used to expand homeownership.

Aging In Place

The City will issue the first Aging In Place grants in fall 2019 to offset the burden for low-income to moderate-income senior homeowners who incurred substantial increases in their city property tax bills due to revaluation.

TLC by CLT Expansion

In FY20, the TLC by CLT pilot will become a permanent HNS program, expanding from the initial neighborhoods of Camp Greene and Lincoln Heights to include Washington Heights and Revolution Park.

Additional Funding for Emergency Assistance

City Council increased funding for the Emergency Assistance Program in FY20, allowing it to assist more low-income homeowners.

Rental Assistance Program

HNS staff, in collaboration with colleagues from other City agencies, will continue to develop parameters for a Workforce Assistance Program, a rental assistance initiative targeted to households that earn between 50% and 80% of AMI.



Appendix

Housing Trust Fund (HTF) Frequently Asked Questions

Q: Who is eligible to apply for the HTF?

A: Qualified non-profit and for-profit developers.

Q: Is there a specific income target group?

A: HTF resources are generally targeted to support housing developments that serve households earning 80% or less of the AMI, including the homeless and elderly populations.

Q: How is the HTF money appropriated?

A: The City of Charlotte does not construct or otherwise own affordable housing. Instead, it provides gap financing from the HTF to qualified affordable housing developers, through a competitive Request for Proposals process. Most of the funding is awarded to developers who receive low-income housing tax credits from the North Carolina Housing Finance Agency (NCHFA). The City considers proposals from organizations looking to acquire and rehabilitate developments for the preservation of Naturally Occurring Affordable Housing (NOAH).

Q: Is the HTF the City's sole source of funding for affordable housing?

A: No, the City also leverages funding provided from the U.S. Department of Housing and Urban Development (HUD). These funds support programs such as

- HouseCharlotte, a down payment assistance program
- Homeless prevention programs
- TLC by CLT, a housing rehabilitation program that provides home repairs for residents who meet eligibility requirements in certain targeted communities

Q: What is the criteria to qualify for the HTF?

A: To qualify for funding, an organization's new development must meet the following criteria:

- Identify and secure non-HTF sources of financing
- Comply with the City's affordable housing policies and program guidelines
- Adhere to all zoning and planning requirements including special/conditional use permits and other discretionary land-use approvals

The development team must:

- Have a successful track record with affordable housing developments, including the management of affordable housing developments
- Submit a funding request (typically this will be through a Request for Proposals process)
- Have a community meeting for residents who live near the proposed development to share plans and receive input





- Submit a utilities plan or preliminary site plan
- Prepare and submit a market study
- Schedule a pre-submittal meeting with the Charlotte-Mecklenburg Planning Department
- Provide proof of appropriate zoning
- Additional requirements as needed

Q: What criteria must a development meet to qualify for an HTF allocation for the acquisition or rehabilitation of existing affordable housing?

A: To receive HTF allocations, the development must meet the following NOAH criteria:

- Have a minimum age of 15 years
- Have rents in the AMI range that are at risk of loss due to surrounding neighborhood dynamics
- Can be rehabilitated to maintain a good quality of life for residents for the next 15 years or more
- Be located:
 - In an area with close proximity to quality jobs, schools and transportation infrastructure
 - In an area experiencing transformative change and property appreciation

Q: How is HTF financing structured?

A: Most HTF financing is structured as “soft” loans. This means HTF support is most often in the form of loans, and made in conjunction with other private-sector and/or public-sector financing. The leverage ratio of a development (the amount of City funds compared to the amount of other sources of funds) and the affordability period are also important considerations.

Q: On what type of affordable housing does the Housing Trust Fund focus?

A: The HTF focuses primarily on multi-family rental developments with 24 or more units.

Q: Is there a specific affordability period that must be met?

A: The City’s goal is to expand the supply of long-term deed-restricted affordable housing. While the affordability period may vary based on each unique deal structure, the City prefers a period of 20-30 years of affordability with a preference for longer-term periods.

Because HTF support is competitive, preference is given to developments that help the City meet or exceed these goals. It should also be noted that some funding sources, such as Low-Income Housing Tax Credits and some HUD financing, require long-term periods of affordability.





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CHARLOTTE SM