



Bridging the Gap in Affordable Housing

2006 Annual Report
for the Charlotte Housing Trust Fund



CHARLOTTE.

Neighborhood Development
600 E. Trade Street
Charlotte, NC 28202

<http://neighborhoods.www.charmeck.org>

A report of the stewardship of the City of Charlotte Housing Trust Fund

Dear Mayor, Members of City Council, and Citizens of Charlotte:

Charlotte's housing supply is adequate for most of its residents, but for people earning less than \$16,000 a year, affordable housing is scarce — and the demand is growing.

On the Housing Trust Fund Advisory Board, we believe that all people deserve safe, decent, affordable places to call home. As stewards of the funds the City of Charlotte has pledged toward the development of affordable housing, we put that belief into action every day.

During the 2006 fiscal year, the Housing Trust Fund (HTF) pledged \$7,745,508 toward the development of 256 housing units, leveraging \$16,049,267 in private investment for these homes and achieving a funding ratio of 1:3. We also oversaw the completion of 904 housing units begun in previous years, bringing the total completed since the Trust Fund's inception to 1,508 and ensuring safe, affordable homes for hundreds of the city's low-income renters, homeowners, and people with special needs.

In recognition of Charlotte's growing demand for affordable housing, in 2005 the HTF began developing a strategic plan to guide its work in raising funds, reviewing policy, conducting business and reaching out to the public over the next 10 years. In April 2006, the City Council approved the plan, signaling its continued commitment to affordable housing. Mayor Pat McCrory also worked with the HTF to establish the Mayor's Roundtable on Affordable Housing, which is developing a publicity effort for this important but little-known issue. In addition, the HTF is planning a major Housing Forum in cooperation with Charlotte City Council. We hope this forum will further galvanize our community on the issue of affordable housing, prompting advances that will allow the City of Charlotte and its private-sector partners to meet rising affordable-housing needs.

My fellow board members and I are extremely proud of our accomplishments and honored that we have been entrusted with such a vital mission. Together with our private-sector and nonprofit partners, we have helped make housing in Charlotte more affordable for working families, the elderly and those who are homeless. I cannot thank my fellow board members enough for their passion and hard work in achieving this goal. Each of us looks forward to seeing the future successes of the Housing Trust Fund and providing sustainable affordable-housing opportunities that meet the needs of ALL our citizens.

Sincerely,
Anthony Lindsey
Chairman, Charlotte Housing Trust Fund Advisory Board

- > In 2006, the Housing Trust Fund committed \$7,745,508 to support 256 affordable housing units in four developments. These commitments included 218 rental and 38 special-needs affordable homes.



Since 2002, the Housing Trust Fund has financed 2,556 new and rehabilitated affordable housing units. Of that total, 1,503 were for people earning less than 30% of the area median income (AMI), or under \$19,230 per year. These increases make Charlotte more affordable for preschool teachers, health-care aides, and workers in hospitality, retail and emergency services.



Anthony Lindsey
Chairman, Charlotte Housing Trust Fund Advisory Board

Emergency Winter Shelter Profile and Related Facts



According to Bill Jeffries, the Housing Trust Fund has meant dignity for the homeless men he serves. In November 2005, the new Emergency Winter Shelter on Statesville Avenue opened its doors, replacing a smaller, more makeshift shelter on West 4th Street. The Housing Trust Fund's \$500,000 investment allowed the shelter to expand to 200 beds, with more community space, fully equipped bathrooms and seven showers. Instead of eating separately on their sleeping mats, the shelter's guests now sit around tables and talk during dinner — a remarkable experience for men who are often ignored and marginalized. The sleeping mats, too, are a thing of the past: after the meal, the men rest on comfortable bunk beds.

"During the first week, guys took off their shoes when they entered the sleeping area,

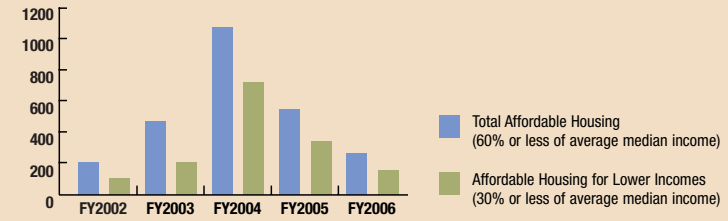
indicating that it's a special place for them. And this year, for the first time, we had 21 guys move from the shelter into affordable housing," says Jeffries, who chairs the Emergency Winter Shelter Board of Directors.

"For the men who come here, the Emergency Winter Shelter is a safe place, out of the elements, where they can rest without fear. The upgrades made possible through the Housing Trust Fund made a world of difference to these guys."

- > Since 2002, the Housing Trust Fund has provided homes for 831 special-needs residents.
- > In fiscal year 2006, renovations were completed on two Housing Trust Fund special-needs projects: the Emergency Winter Shelter for up to 200 homeless men and the YWCA Women in Transition housing for up to 66 women at risk of becoming homeless.



Housing Trust Fund Housing Production FY2002 to FY2006



Bill Jeffries
Chairman
Emergency Winter Shelter

Gap in Affordable Housing

Arbor Glen III / Resident Profile

For Sherri Scott and her 11-year-old son, Jamarcus, Arbor Glen Apartments have been an oasis of calm and quiet in west Charlotte. The 23-unit complex, built with \$230,000 in loan assistance from the Housing Trust Fund, was completed in November 2005. All of its residents earn 60% or less of Charlotte's area median income.

Scott, who works as an operations processor at a financial institution, had trouble finding decent affordable housing before Arbor Glen opened. Her previous home was a 1970s duplex. "There were other places I wanted to go, but they were too expensive," she says.

When she applied to Arbor Glen in 2004 at the urging of a friend, she was pleased to find a brand-new complex with a swimming pool, playground and recreation center for Jamarcus. "They

even have a car wash," Scott says. For her two-bedroom apartment, she pays \$545 a month.

In addition to providing a clean, affordable place to live for her and her son, Scott says the apartments seem to be improving their west Charlotte neighborhood. "The people I live around are real friendly," she says. "They look out for each other, and they'll look after your place if you go out of town. The area Arbor Glen is in, at one point in time, it was a rough area. But since I've been there, nothing's been happening — it's real nice and real quiet."

Both Scott and her son have flourished at Arbor Glen. Scott just received a promotion and a raise from her employer. Jamarcus, a straight-A graduate of First Ward Elementary School, will be attending Randolph Middle School this fall.

"I was born and raised in Charlotte," Scott says. Thanks to the Housing Trust Fund, she and her son now have a secure Charlotte home in which to pursue their dreams.

> We continued to focus on families earning \$38,500 or less, with a priority on families earning less than \$19,230. We build mixed-income developments to enhance their long-term stability.



Sherri Scott
Arbor Glen Resident

In Charlotte and Mecklenburg County, 30,890 residents spend more than 30% of their income on housing and need more affordable places to live. The Housing Trust Fund finances developments that increase the affordable housing stock and allow Charlotte's low-income citizens to live within their means.



Pat Garrett
Chairman
The Housing Partnership

Housing Partnership Profile

As president of The Housing Partnership, a nonprofit organization devoted to expanding affordable housing in Charlotte and Mecklenburg County, Pat Garrett exploits all available sources of funding — from the federal government’s low-income housing tax credits to state and local support. What stands out about the Housing Trust Fund, she says, is its flexibility.

“It offers the opportunity to do it all: homeownership, special-needs housing, regular family housing, senior housing,” Garrett says. And in comparison with the IRS and the Housing Finance Agency, which serves the needs of the whole state, the Housing Trust Fund’s proposal process is easier to navigate and provides more homegrown assistance. “The Housing Trust Fund is for us and for what Charlotte needs,” Garrett says. This personal touch was especially helpful when the Housing Partnership first worked with the Housing Trust Fund shortly after its establishment in 2002. The Trust Fund

awarded the Partnership \$2.8 million in funds for the development of Rivermere Apartments in northwest Charlotte — but the Partnership still needed additional funding from bonds and from HUD to begin the project. “It was our first bond deal,” Garrett says, “and it was particularly hard for us since it was our first time. We didn’t understand everything yet; we were dealing with underwriters, learning about negative arbitrage, all these mysterious things — it was the time we needed cooperation and flexibility from the city the most.”

They got it. When the Housing Partnership directors burned the midnight oil to meet HUD deadlines, Garrett says, city staff were at their side. Stan Wilson, manager of the Housing Services Division, and staff member Zelleka Biermann, “burned the midnight oil with us and told us, ‘Yes, we can change this; no, we can’t change that,’ so we could go to HUD the next day and sign the papers.”

Thanks to this extraordinary level of cooperation, the project was successful. Rivermere was completed in April 2005 and is now home to more than 190 low-income families. Since that first project, the Housing Partnership has received more than \$10.8 million from the Housing Trust Fund for the development of six affordable housing projects.

The Housing Trust Fund’s support is vital, Garrett says. “When you’re doing affordable housing, unless you’re doing a lot of mixed-income development, it’s almost impossible to hit the lower incomes without subsidy and gap financing. The rents you can charge are not enough to pay for the cost of operations. You have to pay the maintenance guy, taxes, insurance, etc. Without gap financing, we’d be sitting dead in the water. ... The Housing Trust Fund always makes the difference.”

> While the Housing Trust Fund’s efforts have increased the affordable housing supply by 2,556 units, market trends suggest Charlotte will need more than 10,000 additional affordable-housing units by 2010. The need will be most acute for renters earning annual salaries of less than \$16,000.



In coming years, the Housing Trust Fund will continue to seek new sources of funding to fill the gap in Charlotte’s affordable housing supply, while building sustainable, mixed-income developments for the long-term health of the community.

Demand increases from 29,815 total units needed (10,178 above supply) at ≤ \$500/month in 2004 to 29,967 total units needed (12,530 above supply) in 2010.

Bridging the Gap in Affordable Housing

Advisory Board

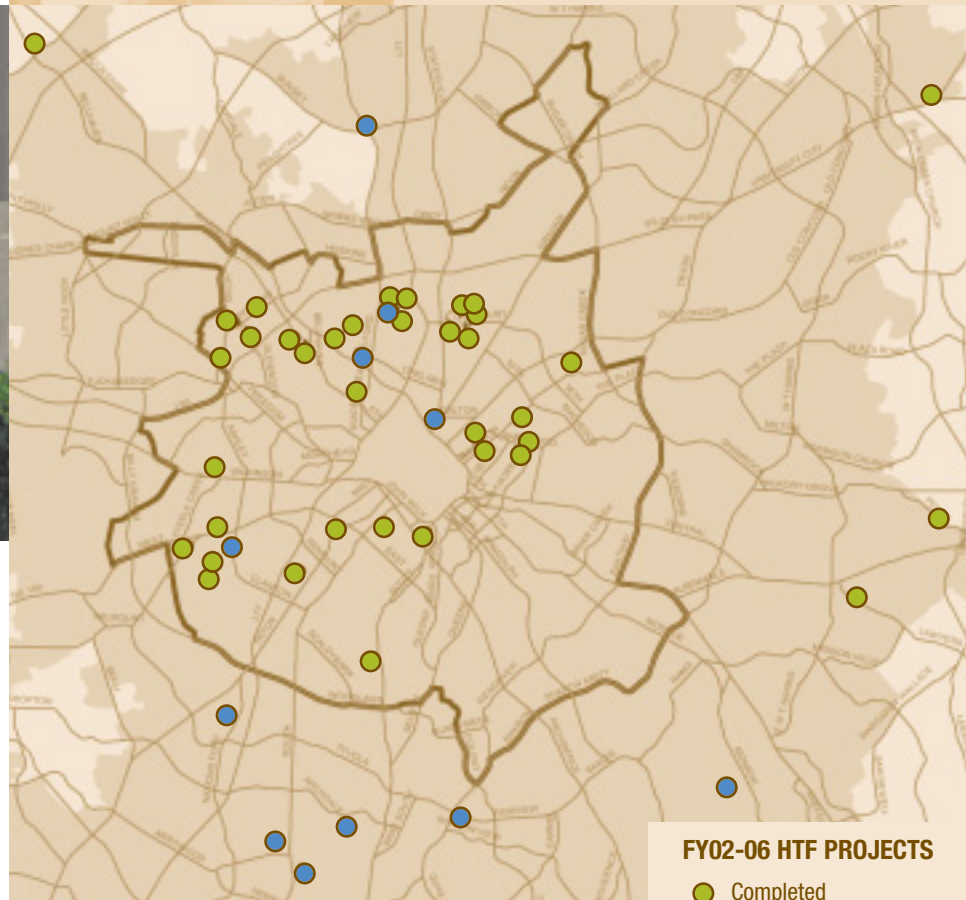
Back row (left to right):
 Anthony Lindsey (Chair), Brian Simpson.
 Front row (left to right):
 Rickey Hall, Jr., Bobby Drakeford,
 Patrick McNeely (Vice-Chair) and
 Paul Woollard. Tom Reddin (not shown).



- > We made \$8,032,432 million available for housing developments through competitive requests for proposals to developers.
- > We partnered with the Charlotte Area Transit Service and the City's Economic Development Office to acquire 8.4 acres for affordable-housing development along the South Boulevard transit corridor.
- > We conducted a feasibility study to assess the potential for raising charitable, private-sector contributions to invest along with Housing Trust Fund money in affordable-housing developments.
- > We completed a strategic plan to guide our actions in the coming decade, and received approval from the Charlotte City Council.
- > We hosted the Mayor's Roundtable on Affordable Housing.



> Since 2002, the Housing Trust Fund has been financing affordable housing projects through a competitive request-for-proposals process. The city has committed \$47,160,378 million to the Housing Trust Fund, and we have allocated 83% of that total (\$39,226,005) in loans and grants to develop more than 2,556 units of affordable housing. Thus far, 1,508 units have been completed and another 1,048 are in progress.



FY02-06 HTF PROJECTS

- Completed
- Under Construction
- ▭ CWAC Boundary



Bridging the Gap