

CHARLOTTE'S HOUSING CRISIS

No Place To Call Home.



Facing the Challenge

One of the biggest challenges for women in Charlotte-Mecklenburg who make less than a living wage is finding safe, affordable housing. Furthermore, families who make less than \$20,000 a year—especially single mothers—are highly vulnerable to becoming homeless.

Affordable housing and homelessness are major issues in Charlotte-Mecklenburg. The community has rallied around both. Examples of the community's efforts are described below.

The City of Charlotte convened the Housing Charlotte 2007 Forum to focus on affordable housing. Currently, a committee that grew out of the forum is studying recommendations from the event and formulating how strategies should be implemented. Both city and private-sector leaders are involved.

The strategies are:

Education Outreach and Advocacy involving a coalition of affordable housing supporters and stakeholders.

Rental Housing Subsidies patterned after a similar program in Toronto that brings together the private sector, government and philanthropic and faith-based organizations to provide cash payments to landlords of vacant, market-rate rental units. Charlotte has an estimated 7,000 such units.

Acquisition Strategy for finding suitable sites and securing resources to preserve them.

A Dedicated Source of Revenue, which exists in many localities and states across the country. Possibilities to explore include a transfer tax, sales tax and interest on security deposits. Money generated could replace cuts in federal funds (Charlotte has experienced a \$3.2 million reduction in the past two years).

“More Than Shelter!” is a 10-year plan to end homelessness in Charlotte-Mecklenburg.¹ The plan mirrors many of the goals of the Housing Charlotte 2007 Forum. Its primary goal is to expand the supply and access to affordable housing. The plan calls for an additional 2,000 service-enriched rental units for families, most of which are headed by women.

“Service enriched” means that case manager works with the families to connect them with services, such as mental health counseling, medical assistance, child care, and transportation—basically what the family needs to become sustainable. It does not necessarily mean building new units.

Instead, the focus would be to work with landlords of the approximately 7,000 vacant units currently unaffordable by low-income households by providing subsidies in the form of cash payments. Some 200 units would be made available each year. “A Way Home,” the organization in charge of implementing the plan, is currently running the WISH pilot program with 25 units.

In addition, More Than Shelter! calls for providing safe, low-demand shelters for chronically homeless men and women. This population often suffers from mental illness, substance abuse, injuries and health problems. Outreach is essential to build trust and open doors with this population.

A simultaneous strategy is preventing homelessness. Prevention requires targeting limited resources to families and individuals at the greatest risk, such as teens aging out of foster care, families seeking financial assistance at Crisis Assistance Ministry, families who lose homes due to eviction and code violations, victims of domestic violence and people being discharged from prisons, hospitals and mental health facilities.

Making the Case

Poverty, Old and New

In Mecklenburg County, an astonishing 40 percent of families can be considered impoverished. They fall into either “new” or “old” poverty categories. This proportion translates into 80,959 families. More than half of these families (42,609) have dependent children under 18.²

Nearly all of these families with dependents (92.6 percent) have women present, either in married

ACTION

The Women's Summit recommends endorsing implementation proposals of both Housing Charlotte 2007, which focuses on affordable housing, and More Than Shelter!, the 10-year-plan to end homelessness.

Specifically, the Women's Summit would:

- Become a key partner in the creation of an effective advocacy network for affordable housing, especially to support the fall campaign for City Housing Trust Fund bonds.
- Participate in a collaborative effort to sponsor educational workshops across the community to provide information on the need for affordable housing and best practices for solutions.
- Mobilize the female leaders of Charlotte-Mecklenburg to support the More Than Shelter! plan, contributing their financial resources and considerable political clout.

couples or as a female head of household. This percentage amounts to 39,460 families: **39,460 women and 86,812 children are living below the living income standard in Mecklenburg County.**²

What Is Meant by “Old” and “New” Poverty?

“Old” poverty is a woefully low federal standard based on family size, income and other factors. Consider that a family of four has to make approximately \$20,000 or less annually to meet this poverty guideline. That usually qualifies them for some government assistance, such as Temporary Assistance for Needy Families, food stamps, Medicaid and child care and housing subsidies. Approximately 18,000 families of all sizes in Mecklenburg County meet the federal definition of poverty.³

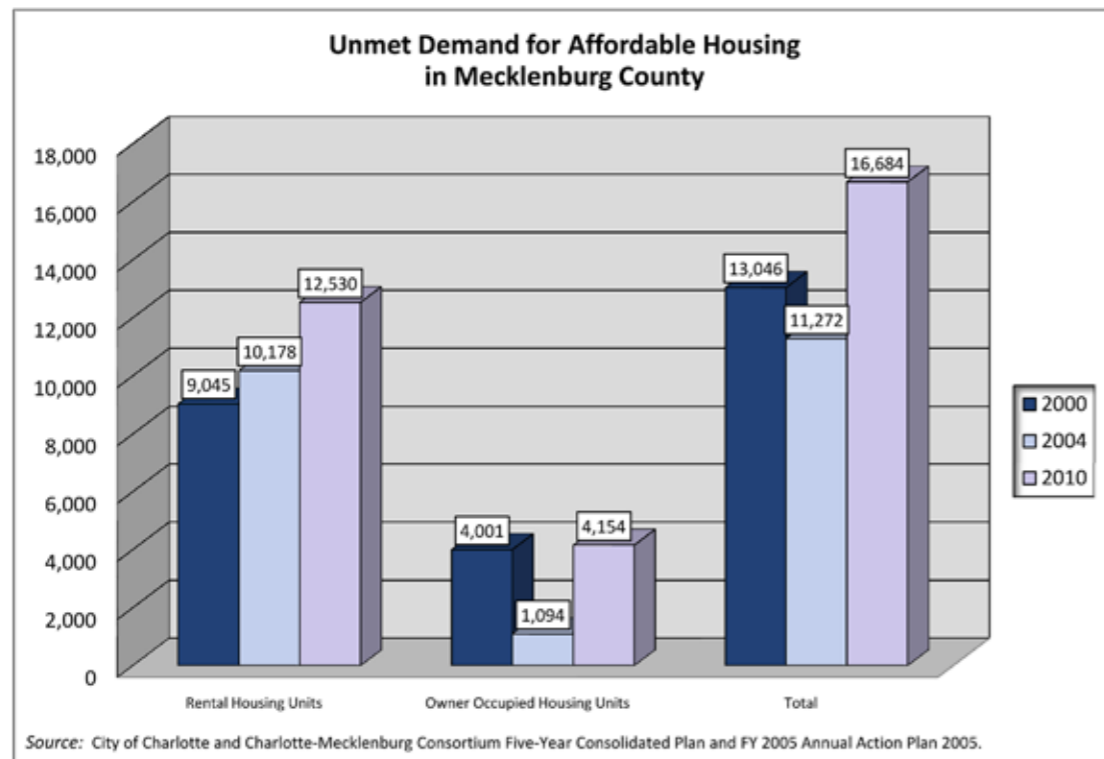
In reality, many families of four make much more than \$20,000 a year but are impoverished. In Mecklenburg County, the minimum income for a bare-bones lifestyle is \$47,400, more than twice

the federal figure. It's also higher than many areas, especially nonurban places in North Carolina, because of Mecklenburg's relatively high cost of living.

The \$47,400 living income standard comes from the North Carolina Budget and Tax Center. It is based on local market costs of housing, food, child care, health care, transportation, taxes and credits, and clothing.⁴

Therefore, families of four whose incomes are generally between \$20,000 and \$47,400 are the “new” poverty. Their incomes are too high to qualify for most government assistance programs but not high enough to meet family needs. Among the reasons families find themselves in this situation are losing a job, having hours reduced, going through a divorce, separating because of domestic violence, and encountering a serious health problem.

Single mothers who fall into the category of the new poverty are typically working at one or more low-paying jobs, have few if any benefits and are often without health care. These single mothers



make on average \$8 to \$12 an hour or approximately \$400 to \$600 a week. The jobs they hold are in low-paying service, retail and health care sectors—day care and teacher aides, receptionists, retail clerks and medical technicians. The most they could earn in a year is \$31,000, based on 2004 figures from Economic Policy Institute, a nonprofit think tank founded in 1986 by economic policy experts.⁵

To make ends meet for a one-parent family with two children, the minimum is \$37,000 in annual income, based on the institute's 2004 figures. For a family of four, it is about \$43,000. Approximately 34,000 families in Mecklenburg County headed by women live below that level. Loss of a job, pay cuts, or defaults on loans would throw them into a crisis situation.⁵

Housing Gap

Among the greatest needs for these women and their families is safe, affordable housing. Charlotte will have a shortfall of 17,000 affordable units by the year 2010 unless the community takes action, based on estimates by the City of Charlotte and Mecklenburg County.⁶ (More information available at www.cmhp.org/corporate/mission.cfm.)

At the highest income levels of female-headed households in the New Poverty, some families may qualify for homeownership. A nonprofit housing developer and financing corporation, The Charlotte-Mecklenburg Housing Partnership (The Housing Partnership) provides below-market, interest-rate loans and second mortgages to keep monthly payments low for families. Public and private partners include the North Carolina Housing Finance agency, local banks, and civic and faith-based organizations.⁷

An important component of The Housing Partnership's program is homeowner and credit counseling. Many properties The Housing Partnership develops are financed by a package of federal, state, local and private sources, especially tax credits through the North Carolina Housing Finance

Agency. The Housing Partnership also has a rental properties program. Since its inception in 1999, it has produced 2,849 new housing units, including 1,089 for home ownership. (More information available at www.chmp.org.)

“Even when I have a job, it doesn't pay enough for housing in a decent neighborhood.”

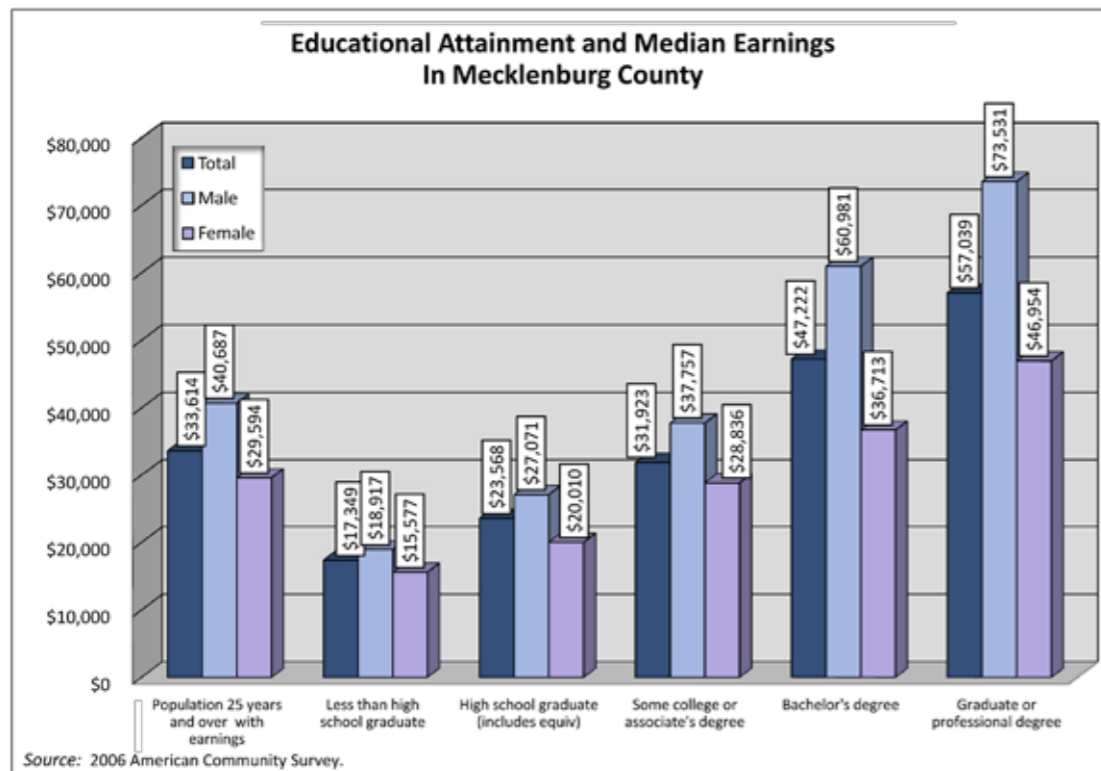
—Women's Summit focus group participant

The average monthly rent for a two-bedroom apartment in the Charlotte-Gastonia-Concord area is \$707, based on 2007 figures from the National Low Income Housing Coalition. This figure does not include utilities. To afford this rent and accompanying utilities, and not pay more than 30 percent of income for housing, a family must have an annual income of \$28,280.⁸

At the lowest income levels in Mecklenburg County, some 17,000 families are struggling to get by with incomes under \$16,000.⁹ Single mothers in this bracket are among the most economically vulnerable and likely to become homeless.

Long waiting lists exist for Section 8 vouchers administered by the Charlotte Housing Authority, currently the only housing subsidy program available, and for conventional public housing.¹⁰ Of the families that the Charlotte Housing Authority currently serves, 87 percent are female-headed households. More than 7,440 families are on the waiting list for Section 8 or public housing. If the proportions of women on the waiting list mirror the families currently served, approximately 6,500 are female-headed households.

These families are the lowest of the low income. Conventional public housing serves families who make 30 percent or less of the area's median income, which averages about \$12,000 per year. Within that group, over half of the families (52 percent) have incomes under \$10,000. Furthermore,



one-third of those earning \$10,000 or less make under \$5,000. Only 2 percent of public housing residents are currently married.

The average income of those with Section 8 vouchers is also extremely low, at \$11,400 annually. Currently, about 4,000 families live in Section 8 housing, and 2,247 households reside in public housing.

Few of these families in public or Section 8 housing are working. The Charlotte Housing Authority cites transportation and child care as the top two barriers to employment or job training.

In 2001, the Charlotte City Council established the Housing Trust Fund to provide financing for affordable housing, setting aside \$10 million for the fund. In 2002 and 2004, Charlotte voters approved another \$20 million and \$15 million, respectively, for the fund. Voters approved another \$10 million in 2006.¹¹

Housing Trust Fund dollars go to developers to build and rehabilitate affordable housing. Since

the establishment of the fund, the city and its partners have completed 6,100 units of affordable housing. Since 2002, the city has spent \$64.4 million for affordable housing, with two-thirds coming from the Housing Trust Fund. Key partners have been The Charlotte-Mecklenburg Housing Partnership and the Charlotte Housing Authority, as well as private developers.¹¹

Homelessness

On any given night in Charlotte, some 5,000 people are on the streets or in emergency shelters. Many are women and children. There are approximately 2,000 homeless children in the Charlotte-Mecklenburg Schools, an increase of 20 percent since 2005. The reasons women most often give for being homeless are family break-up, job loss, unemployment and underemployment, eviction and domestic violence. Their situation is dire.

Lack of education is probably the greatest barrier for women in pulling themselves out of poverty. Some 10.5 percent of women in Mecklenburg County

“Homelessness wiped out. Everyone would have a place to live,”

answered a Women’s Summit focus group participant when asked, If you could change one thing to make your life easier, what would it be?.



aged 25 years and older have less than a high school education. Only 22.3 percent have a high school degree. Women with less than a high school education earn on the average \$15,577 a year and \$20,010 with a high school education. Yet, for these women returning to school is extremely difficult, if not impossible.¹² They often struggle with securing child care and transportation, making payments for rent and utilities and holding jobs that provide few to no benefits.

The newest factor affecting the affordable housing supply is the subprime lending debacle. In Mecklenburg County last year, lenders foreclosed on 900 starter homes (defined as \$150,000 or less), an increase of a whopping 150 percent since 2003.¹³

Typically, buyers purchased these homes with no down payment and far larger mortgage payments than they could afford. While foreclosures are

personal disasters, they also can damage neighborhoods, decreasing home values and spurring crime and vandalism to increase. This creates an unsafe environment. A recent investigative series by *The Charlotte Observer* identified 34 local starter home developments in which 20 percent or more of the homes had foreclosed.¹⁴

While no statistics exist for Mecklenburg County, national data cited by *The New York Times* show subprime lending is distinctly a women’s issue. The Consumer Federation of America found that women were 32 percent more likely than men to receive subprime loans. Most had incomes that made them ineligible for loans in the first place.¹⁵

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many women have lower credit ratings because of The National Community Reinvestment Coalition notes that women received 37 percent of high cost home loans in 2005. The Consumer Union says many women have lower credit ratings because of divorce or family medical emergencies. They also have less income. Both financial issues lead them to subprime loans.¹⁵

Housing Charlotte 2007¹⁶

In February 2007 the City of Charlotte sponsored a major conference on affordable housing attended by over 400 individuals. In her opening remarks, Mayor Pro Tem Susan Burgess noted that Charlotte requires 17,000 additional affordable housing units by 2010 to meet the needs of a growing population.

The Housing Charlotte 2007 Forum attracted a broad base of community and housing-industry leaders—elected officials and government staffers, home builders, realtors, members of philanthropic organizations, nonprofits and the faith community. A series of national keynote and workshop speakers provided content and inspiration for the day. Local participants responded with a new commitment to address what was identified as a growing crisis. (More information available at www.housingcharlotte2007.org/ProceedingsReport.pdf.)

After the conference, committees formed to study recommendations and to formulate implementation strategies. The implementation committee continues to meet to further explore solutions and best practices identified at the Housing Charlotte 2007 Forum. Some of these involve promoting mixed-income housing throughout the city, expediting homeownership loan processing, exploring the use of manufactured housing, providing low-interest loans to community development corporations to acquire land, examining inclusionary zoning and seeking legislative relief to help affordable housing residents with utilities.

The forum came about as the result of a mayor-appointed Affordable Housing Roundtable in 2006. The roundtable concluded that while many housing programs in Charlotte-Mecklenburg exist, community-wide effort has been undertaken to engage all the stakeholders within the community in a coordinated effort.

The roundtable identified local advocacy of the as a starting point and crafted the message, “Affordable Housing Touches Everybody Everyday.” The roundtable also investigated best practices across the country and identified experts to present those ideas at the Housing Charlotte 2007 Forum.

More Than Shelter¹

A parallel effort to Housing Charlotte 2007 is More Than Shelter!, a 10-year plan to end homelessness. A coalition of three stakeholder committees appointed by the City of Charlotte and the Mecklenburg County Board of Commissioners developed the plan. A planning consultant worked with the committees to assess the problem and craft the plan. Many participants were service providers who comprise the Homeless Services Network.

The consultant’s investigation concluded that too many of current agency-driven programs rely heavily on emergency shelters and crisis management. This approach is not sufficient to address the complex and growing homeless problem. The coalition of stakeholder committees recommended that the community shift to a supportive and service-enriched housing model, focused on getting individuals and families off the street and into permanent housing linked to case-managed services.

Also, the coalition of stakeholder committees largely became the group, “A Way Home,” which oversees the plan. Its implementation will be a gradual process and require new sources of funding.

More Than Shelter! reduces reliance on temporary shelters and publicly funded systems, such as emergency medical care, correctional institutions and chemical dependency treatment centers. Yet, successful programs across the country show that shifting to a rapid housing/rehousing approach is most effective in the long run, both in helping people and in saving costs.

Clearly, a concerted, community-wide effort is needed to address the growing shortage of affordable housing to meet the needs of the 39,460 families headed by women who do not have incomes sufficient to meet basic needs. The families in most danger of becoming homeless are the 18,000 families living below the federal poverty level, which is approximately \$20,000 a year. They are at high risk of homelessness without access to subsidized, safe and secure housing. The vast majority of these families are headed by women.

