Charlotte’s Housing Trust Fund

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Introduction
Nashville and Charlotte are both mid-sized southern cities and have similarly structured municipalities. Both cities have also implemented a 10-Year Plan to End Chronic Homelessness and have acknowledged the need to develop more units of affordable and low-income housing in their communities. Israel Ovalle and Lindsey Krinks traveled to Charlotte March 24th-26th to interview city officials and housing experts about their housing trust fund. This report includes general statistics and information about Charlotte, detailed notes from interviews, and conclusions taken from the interviews.

Snap-shot of Charlotte
- Approximately 8,000 people are homeless on any given night.
- Approximately 3,000 homeless children.
- The shelters are overwhelmed.
- Initiated 10-Year Plan to End Chronic Homelessness in 2007.

Charlotte’s Housing Trust Fund
- In 2001, Charlotte’s City Council established a Housing Trust Fund (HTF) to provide financing for affordable housing. Charlotte’s HTF…
  - Is funded by bonds through the City’s general fund which voters and City Council votes to renew every two years;
  - Has financed 3,877 new and rehabilitated affordable housing units. Of that, 2,012 were for people earning less than 30% of the area median income (under $19,230 per year);
  - Has received over $57 million from the City of Charlotte;
  - Has leveraged millions of dollars for local housing programs from private, state, and federal funds.

Overview of Interviews in Charlotte
(1) The Housing Partnership (HP): Fred Dodson, Chief Operating Officer
- HP has financed the development of over 2,000 units. Their three pillars are (1) revitalization – giving new life to targeted neighborhoods, (2) education –

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2 http://charmeck.org/city/charlotte/nbs/housing/Pages/HousingTrustFund.aspx
3 http://www.cmhp.org
educating homebuyers, homeowners, and the community, and (3) development – providing affordable for-sale and rental homes.

- HP has used grants from Charlotte’s HTF to leverage other private and community funds to develop and renovate low-income and affordable housing.
- One of the best things about HTF’s is that they show local support for housing programs which makes these programs more competitive to leverage state and federal funds.
- HTF’s also empower city officials to have a voice in what affordable and low-income housing looks like in their community. This can raise the bar for the appearance and management of housing programs and it can and prioritize the development of units for certain income sectors through the RFP requirements, scoring incentives, and evaluation criteria.
- HTF’s are economic tools in that they stimulate the leveraging of funds and the creation of jobs. Dodson estimates that for every $1 from Charlotte’s HTF, $5 is brought into the city.

(2) Urban Ministry Center (UMC): Dale Mullennix, Executive Director

- UMC is an interfaith organization that serves the poor and homeless with love, compassion and tangible help by providing the following basic services and programs. They have also received HTF funds for permanent supportive housing (PSH) programs for chronically homeless people with addiction issues and the disabled. (UMC is similar to Room in the Inn’s Campus for Human Development.)
- UMC is interesting in creating PSH for the most vulnerable homeless individuals and uses the Vulnerability Index (also used in Nashville) to prioritize them for housing. Mullennix feels that providing accessible, affordable housing for the poorest of the poor is the responsibility of the entire community—the faith-based and private sectors as well as the public sector. He says that the HTF allows for private-public partnerships and is a catalyst for housing developers.

(3) Housing Trust Fund: Zelleka Biermann, Housing Services Supervisor

- Charlotte’s HTF is now under the umbrella of Neighborhood and Business Services and the Charlotte-Mecklenburg Coalition for Housing which is a community based board appointed to implement the 10-Year Plan to End Chronic Homelessness.

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4 http://www.urbanministrycenter.org/
5 http://charmeeck.org/city/charlotte/nbs/housing/Pages/HousingTrustFund.aspx and http://charmeeck.org/city/charlotte/nbs/housing/housingcoalition/Pages/default.aspx
The HTF has an **advisory board** that recommends funding priorities, develops and updates RFP guidelines, monitors the HTF’s performance, and provides an annual report to City Council.

Funds from the HTF go toward **housing development projects** for multi-family construction, single family construction, single family and multi-family rehabilitation, and **special needs housing** (i.e., housing for the homeless, disabled, elderly, and people with HIV/AIDS).

All projects must benefit persons with household incomes of 80% or less of area median income adjusted for family size. Priority is given to low and moderate-income households.

Because voters and the City Council vote to renew (or not renew) the funding for the HTF, **educating the public** about the HTF and its successes and **creating the political will** to continue its funding are incredibly important. Biermann says the support of the Chamber of Commerce and the faith-based community is crucial.

Biermann hopes to broaden the source of funding for the HTF through raising **private dollars**.

**City Council: Councilwoman Patsy Kinsey, Chair of the Housing and Neighborhood Development Committee**

Councilwoman Kinsey advises housing programs to avoid high concentrations of low-income and affordable housing and to incorporate more **mixed-income** and **scattered site** projects.

She tries to **educate the public**, especially in the face of “NIMBY-ism” (Not In My Back Yard) that the affordable and low-income housing Charlotte and the HTF fund will *not* look like “the projects”… that there is a **new model of housing** that is ascetically appealing, well-run, and does not involve hundreds or thousands of people packed into the same area.

Based on her experiences, she believes there will always be a need for more housing—as you build more, the need also continues to grow. There will also be a perpetual need for more services. But this should not discourage us. It should encourage us to continue to educate the public about the issues.

While she believes that the general public has a right to voice their concerns over where new housing will be developed, she also believes encouraging and increasing **inclusionary zoning**.

**Conclusions**

- The advantages of HTF’s include the ability to leverage private, state, and federal funding; to stimulate economic development; and to encourage private-public partnerships.
- HTF’s also empower city officials to have a voice in what affordable and low-income housing looks like in their community. This can raise the bar for the appearance and management of housing programs and it can and prioritize the development of units for certain income sectors through the RFP requirements, scoring incentives, and evaluation criteria.

- Because funding for Charlotte’s RFP must be renewed by voters and City Council every year, it is incredibly important for housing advocates and stakeholders to educate city officials and the public about the need for housing and the “new model of housing” that involves ascetically appealing and well-run units.