A DCI Deliberation Guide

Our Housing Future: Needs, Goals, and Solutions

Format for Deliberation

This 65-minute deliberation was designed as part of a two-hour DCI Deliberative Forum held in March 2021. The Forum began with a panel of experts (listed below) hosted by the DCI and was followed by small breakout groups of attendees who deliberated using this Guide. To learn more about the panelists and their work, see the links below.

Before the Deliberation
  I. Read this document's Background, Expected Outcomes, and Conversation Agreements sections
 II. (Optional) Explore the Charlotte-Mecklenburg Housing and Homelessness Dashboard and UNC Charlotte's "The State of Charlotte Housing Report 2020"
III. (Optional) Learn more about the guest panelists and their work:
    A. **Eugene Bradley**, Town of Davidson Housing and Equity Director, and his plans for the Affordable Housing and Equity Board
    B. **Elizabeth Delmelle**, Associate Professor of Geography at UNCC, and her work on rail transit, residential mobility, and income segregation
    C. **Willie Jones**, an Affordable Housing and Community Development Professional, and his involvement in Smithville
    D. **Jon Sanders**, Senior Analyst in Regulatory Studies and Research Editor, and his analysis of regulations that stand in the way of housing solutions
    E. **Liz Clasen-Kelly**, CEO of A Roof Above, and her work on homelessness in the Charlotte area
 IV. (Optional) Review any of the resources listed in the footnotes or conduct your own research on the topic

During the Deliberation – 65 min.
  I. Introductions and Conversation Agreements - 10 min.
 II. Personal Stakes and Stories – 10 min.
III. Exploring the Topic - 35 min.
 IV. Reflections - 10 min.

Background

This background information was compiled to provide a general overview of some of the issues related to housing in the Charlotte-Mecklenburg region. However, this section is not intended to be comprehensive and inevitably some important details or topics may be left out. Issues not discussed in this background material may still be relevant to this conversation, and we encourage you to bring them up in your small group deliberations when applicable.

Throughout the nation, people in rural, suburban and urban communities alike are struggling to find and afford housing. While different communities face different needs and concerns - from gentrification and the need for affordable housing to economic mobility and the pressures of rapid growth - the lack of accessible housing options is clear. As NPR reported In November 2020, **the median price for previously-owned homes hit a new record** at $313,000, up 16% from the previous year, and "there are fewer homes for sale in the United States than ever recorded in data going back nearly 40 years."[1]

In Mecklenburg County, people experience complex individual and systemic issues that have different impacts depending on one's socioeconomic status, race, gender, job status and location, and countless other factors. Communities want housing for all without reducing property values and economic opportunities for others in the community. How can we simultaneously manage the region's rapid growth, increase access to affordable high-quality housing, contribute to everyone's quality of life, and improve our local economy?

The State of Housing

In Charlotte and the broader Mecklenburg County community, the need for housing has risen, particularly as **the region's population has grown by over 600,000 people** in the last decade.[2] The units available have not increased at the same rate as the population, which has contributed to rising costs of housing in the Mecklenburg area.[3] Even with this rise in housing costs, however, **homeownership rates** have increased from a low of approximately 55% in 2014 to nearly 75% in 2020, which is above the national average of 67%.[4]

Nevertheless, **obstacles to buying a home** remain, particularly for lower income residents. Prices for the lowest-priced segment of the owner-occupied market have nearly doubled since 2011 and at a rate greater than that for higher-price homes. Costs for all types of rental units have also increased faster than inflation (on average by 33% since 2010), with the rents for the lowest-cost unit increasing more

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[1] "We Need To Build More Homes:" Prices Soar Amid Housing Shortage." NPR
[2] "Our population is more concentrated in cities - and increasingly diverse." UNCC Urban Institute
[3] "The State of Charlotte Housing Report 2020." UNC Charlotte Childress Klein Center for Real Estate
[4] Ibid

than higher-priced units (49% over the same period).[5] As the figure below shows, **median rents** in the region have also increased faster than median wages.

Change in median rent and wages from 1960 to 2016

Rents have dramatically outpaced wage growth, leading to more cost burdened households

— % change in median wages   — % change in median rent   — Percent with cost burdens
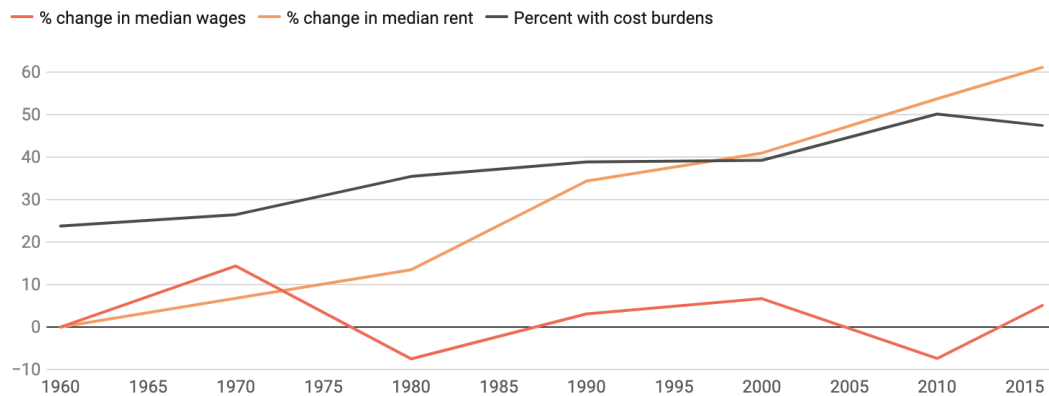
Percentage changes are relative to 1960. Adjusted for inflation.

Source: Jeff Andrews, "The affordable housing crisis, explained", 2020

Given these trends, someone holding a minimum wage job in Mecklenburg County would currently need to work 99 hours/week to afford a one-bedroom apartment at the **Fair Market Rent** (FMR)[6], a metric set by the U.S. Department of Housing and Urban Development at the 40th percentile of typical gross rents within a local housing market.[7] This number is reflective of a broader U.S. trend where median rent costs have dramatically outpaced the growth of median wages, leading to a greater percentage of households that are **cost-burdened**, or spending 30% or more of their income on their housing.[8]

As of 2018, 77% of Charlotte's extremely low-income households – 23,060 households in total – are considered cost-burdened by their housing costs. While still at a high level, this figure represents a 15% decrease since 2013.[9] This cost burden contributes to a sense of "**housing instability**" – uncertainties and difficulties related to one's housing situation – that has both individual and societal costs. The literature on the subject points to concerns about the mental and physical health of households dealing with instability in housing, as well as the negative effects on the development and achievement of children living under those conditions.[10]

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[5] Ibid

[6] "Out of Reach 2020: North Carolina," National Low Income Housing Coalition

[7] "Fair Market Rents", U.S. Department of Housing and Development

[8] "The Affordable Housing Crisis, Explained." *Curbed*

[9] 2020 Charlotte-Mecklenburg State of Housing and Instability and Homelessness Report, UNC Charlotte Urban Institute

[10] "Housing Instability in Charlotte-Mecklenburg 2015," UNC Charlotte Urban Institute; extremely low income households are defined as those that earn 30% or less of the Area Median Income

With the increase in demand and decrease in availability, increasing housing prices can sometimes lead to **evictions and/or homelessness**. As of January 31, 2021, there were 3,022 people experiencing homelessness in the Charlotte-Mecklenburg region.[11] Mecklenburg County does not have the infrastructure to affordably and safely house individuals who are presently or at-risk of becoming homeless. Several mechanisms are being pursued to address this issue. **Enhanced public housing**, the oldest housing subsidy program in the country that began as part of the Housing Act of 1937, is one of these options.[12] Rooted in this history and formerly known as the Charlotte Housing Authority, Inlivian is a non-profit real estate holding company that provides housing and support for 10,000 of Charlotte's lowest income households.[13]

Other mechanisms include more market-oriented approaches to affordable housing, including the **Low-Income Housing Tax Credit (LIHTC)**, which encourages private investment in affordable rental housing for low-income housing, and the **Section 8 federal housing assistance program**, which provides **vouchers** directly to tenants to allow them to spend no more than 30% of their income on rent and utilities.[14] Mecklenburg County had approximately 9,000 LIHTC units in 2018 and 55 housing choice voucher contracts in 2020.[15]

The Needs of Different Stakeholders
Different stakeholders have unique needs that drive their interaction with housing in the Charlotte-Mecklenburg region, adding another layer of complexity to housing priorities and solutions for upper-, middle-, and low-income residents. Additionally, these needs may vary significantly from neighborhood to neighborhood and across demographic groups differentiated by age, race, income, employment status, and more.

As outlined in the background data above, **individuals and families facing homelessness and housing instability** in the Charlotte-Mecklenburg region are in need of affordable, stable, quality housing. **All of the region's residents** are likely interested in improving their access to transportation, workplaces, community resources, and other necessary services and amenities. But they also may be concerned about the effects of the region's growth generally and the emergence of new housing developments on local traffic, regional commute times, and the character and historical legacies of their neighborhoods. The priorities of these individuals may also differ depending on whether they are long-term or short-term renters, own their homes, or are seeking homeownership.

Though they exist in a symbiotic relationship, **landlords and tenants** also have different needs. As of September 4th, 2020, landlords are not permitted to evict "covered persons"[16] due to a moratorium ordered by the Centers for Disease Control and Prevention (CDC) that extends through March 31th,

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[11] "Housing Data Snapshot," Charlotte-Mecklenburg Housing & Homelessness Dashboard
[12] "Public Housing History," National Low Income Housing Coalition
[13] "Charlotte Housing Authority is now Inlivian," Charlotte Observer; "About INLIVIAN," Inlivian
[14] The State of Housing in Charlotte Report, UNC Charlotte Childress Klein Center for Real Estate
[15] Ibid
[16] "COVID-19 Information for Landlords and Tenants," North Carolina Judicial Branch

2021. This suspension of evictions for those unable to make payments secures housing for many tenants, but simultaneously negatively impacts landlords who support themselves through rental payments.[17]

Charlotte's growing population of new renters and homeowners may prioritize housing options in target neighborhoods close to transportation, workplaces, specific school districts, and other city attractions and amenities that are likely drawing them to relocate to the region in the first place. ***Major employers, businesses, and educational institutions*** have vested interests in ensuring they can attract employees, customers, and students to the area with a variety of different housing options to suit their diverse needs.

Other stakeholders in the housing landscape include ***local government officials and agencies***, ***individuals undergoing reentry from incarceration*** who can face challenges finding available affordable housing, and ***college student populations***, including those at Central Piedmont Community College, Davidson College, Johnson C. Smith University, University of North Carolina-Charlotte, and more.

Pressing Issues and Possible Solutions

While there are a wide range of complex dynamics associated with housing, a few key pressing issues for the Charlotte-Mecklenburg region are the ***affordability of housing*** and ***gentrification***. These issues, while interconnected, present distinct challenges, and also opportunities for creative and innovative solutions. While each neighborhood and area's specific contexts are different, these problems transcend any one city, county, or state.

One of the most urgent issues is the ***lack of affordable housing*** that currently exists in the Charlotte-Mecklenburg area. Population growth has exceeded the units available for housing, increasing the price of these homes. One solution proposed to address this issue is to increase units of housing by creating or ***converting spaces into Accessory Dwelling Units[18]*** (also known as ADUs or Granny Flats), which are defined by the City of Charlotte as a second unit on the same lot as another unit, located either within the principal dwelling or within a separate structure.[19] Regulations presently restrict who can convert spaces into ADUs, and proponents often call for these regulations to be changed in order to increase housing availability. On the other hand, community members may raise concerns that such deregulation will increase traffic, cause parking shortages, attract short-term renters, reduce backyard privacy, or otherwise change the character of a neighborhood.[20]

Related to the lack of housing is ***homelessness*** in the region, which has been exacerbated by the COVID-19 pandemic.[21] There are legitimate concerns about public health and sanitation related to long-term encampments as well as important calls for providing robust housing-based solutions for

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[17] ["How Eviction Moratoriums Are Hurting Small Landlords—and Why That's Bad for the Future of Affordable Housing,"](#) *Time*

[18] ["Restrictive Regulations Stand in the Way of More Housing Solutions,"](#) John Locke Foundation

[19] [City of Charlotte Code-Zoning Ordinance](#)

[20] [What's Old is New Again: Accessory Dwelling Units (ADUs),"](#) UNC School of Government

[21] ["'It was a house of cards waiting to fall,'"](#) WCNC Charlotte

homeless populations.[22] Government housing assistance programs, such as **rental subsidies** that can extend anywhere from 24 months to 3 years, are designed to help individuals and families quickly end their homeless status, and they often combine financial assistance with support services for those who may have disabilities, mental illness, or substance use disorders.[23] However, some observers point to research that shows interventions designed to prevent homelessness are more cost-effective as a reason to promote increased funding for prevention efforts as opposed to subsidies.[24]

Public housing is another possible solution to these housing challenges. Advantages of this approach include more affordable prices and standardized maintenance, security, and child protection monitored by the government. Critics of public housing point to associations between public housing and higher crime rates, lower educational performance, unsafe conditions, negative health and economic outcomes, and lost property values of neighboring homes.[25]

Other potential solutions include more market-oriented approaches, including the **Low-Income Housing Tax Credit** and **Section 8 vouchers** mentioned above. While proponents emphasize how these programs both incentivize private investment in affordable housing and provide more choice and opportunity for low income residents, critics have expressed concerns about landlord discrimination preventing renters using vouchers from accessing higher-opportunity neighborhoods.[26] Despite the passage of laws in several states against landlord refusal of vouchers, many landlords still prefer not to accept tenants who rely on housing vouchers because of what they see as over-complicated bureaucracy, inspections and maintenance requirements, and potentially costly disputes over tenant damages.[27] Other commentators prefer an emphasis on promoting "Naturally Occurring Affordable Housing" (NOAH) that does not require subsidies to be accessible to lower-income people.[28]

Another solution to the current housing supply is **mixed-use development**. With this model, developments combine two or more residential, cultural, commercial, or industrial uses and are typically structured to be pedestrian-friendly.[29] This development strategy creates convenient access to retailers for households and a steady profit source for businesses. However, this structure can also potentially create conflict between residents and business owners, who each have their own interests and goals for the neighborhood. Additionally, mixed-use developments are not always affordable for the populations most in need of reasonably-priced housing.

A related issue is **gentrification**, which is a term used to describe the economic and demographic change that occurs through the influx of middle-class or wealthy people into a poor neighborhood. Such

[22] Roof Above's "Guiding Lights"

[23] 2020 Charlotte-Mecklenburg State of Housing and Instability and Homelessness Report, UNC Charlotte Urban Institute

[24] "Housing and Shelter," Substance Abuse and Mental Health Services Administration

[25] "Public Housing Becomes the Latest Progressive Fantasy," *Atlantic;* "Pros and Cons of Public Housing." SFGate

[26] "Vouchers Can Help the Poor Find Homes. But Landlords Often Won't Accept Them," *Vox*

[27] "Getting a Section 8 Voucher is Hard. Finding a Landlord Willing to Accept it is Harder," Pew Charitable Trusts

[28] "NOAH: Everything You Need to Know." Carolina Planning Journal

[29] "Mixed-Use Development," University of Delaware

gentrification often occurs in areas that have experienced ***municipal disinvestment*** – the process by which a municipality chooses to abandon or neglect an area – and ***redlining***, the historical practice of banks, government agencies, and other institutions explicitly devaluing non-white neighborhoods.[30]

Gentrification is an increasingly common phenomenon in the Charlotte-Mecklenburg region and can be seen in neighborhoods like Smithville in Cornelius[31] and Brookhill in Charlotte. Research suggests that it often increases the value of homes and leads to greater economic activity and lower levels of segregation within the area.[32] It may also result in metro areas that look less like an inverted pattern of rich urban centers surrounded by poor suburbs and more like jumbled mixtures of different neighborhood types.[33] But it is also associated with greater income inequality between new residents and those who have lived there historically, which can lead current homeowners to sell their homes and leave the neighborhood and cause current renters to be priced out of their residences.[34] One solution proposed to reduce the negative effects of gentrification is to ***increase affordable housing*** within gentrified neighborhoods. Some who are against this measure argue that it interferes with market dynamics and doesn't address the root cause of the issue, which they see as the lack of enough housing due to overregulation.[35] Another concern is that it could actually increase financial hardship for families who are already struggling by further raising market values or through tax increases.

Observers have also identified ***predatory housing practices*** as an additional problem that is related to gentrification.[36] Such practices may involve buyers coming into gentrifying neighborhoods and offering to purchase homes at below-market value, which can negatively impact households within the community who might need the financial benefit gained from a fair-market purchase. One proposal to address this issue is to create neighborhood-specific educational programs that inform residents about these practices and give households an estimate of the value of their properties.[37] However, because not all consumers report incidents to regulators and some non-bank lenders are not required to report data, it can be difficult to identify the full extent of predatory lending in a community.[38]

A final important issue is that of ***home ownership***. While owning a home is one of the more secure investment options for increasing wealth, home prices are steadily rising and there is concern that large portions of the population are being priced out of home ownership.[39] For example, millennials, who are more racially and ethnically diverse, have a homeownership rate 8% lower than Baby Boomers and 8.4%

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[30] "Municipal disinvestment," Wikipedia;" Home Ownership and the Legacy of Redlining," UNC Charlotte Urban Institute; "Gentrification Explained," Urban Displacement Project; "Gentrification," Merriam Webster Dictionary

[31] "Smithville Residents Push County to Pay for Redevelopment," WFAE 90.7

[32] "Redlining was banned 50 years ago. It's still hurting minorities today." *Washington Post*

[33] "Urban Neighborhoods, Once Distinct by Race and Class, are Blurring," *CityLab*

[34] "Redlining was banned 50 years ago. It's still hurting minorities today." *Washington Post.*

[35] "When Will Affordable Housing Advocates Push For More Supply, Fewer Rules?" *Forbes*

[36] "Predatory Lending," U.S. Department of Justice

[37] "Predatory Lending Brochure: Housing Counselor's Guide," U.S. Department of Housing and Urban Development

[38] "Understanding Predatory Lending: Moving Towards a Common Definition and Workable Solutions," Joint Center for Housing Studies of Harvard University

[39] "Financial Crisis Yields a Generation of Renters," *Wall Street Journal*

lower than Gen Xers, and minority households have homeownership rates nearly 15% lower than white households.[40]

To combat this problem, some suggest education debt forgiveness to allow people to save for a down payment,[41] investing more affordable housing resources into areas where millennials prefer living, or creating avenues for renters to be able to purchase their homes.[42] However, others argue that this gap in home ownership is a result of changing preferences and not an issue of affordability. They point to factors such as avoiding the hidden costs of home ownership such as new furniture, property tax, insurance, and repairs and a shift away from the "picket fence" American dream ideal as reasons why people are choosing to rent for longer.[43]

Another set of options focuses on providing more educational opportunities about affordable housing opportunities and fostering better communication between government officials and residents. These include hosting broad community discussions about its housing goals, conducting awareness-raising campaigns about existing programs, and surveying employees who work in an area to better understand their housing situation and preferences.[44] Some might view such efforts as insufficient and piecemeal, but proponents might argue that they are necessary steps that can be part of a broader strategy to engage the complex challenges associated with creating a housing future that meets the needs of everyone in our communities.

[40] "Millennial Homeownership: Why is it so low, and how can we increase it?" Urban Institute Housing Finance Policy Center
[41] Ibid
[42] "Strategies for Responding to Gentrification," Joint Center for Housing Studies of Harvard University
[43] "Millennials aren't buying homes, and it might not be because they can't afford them," Insider
[44] "Town of Davidson Housing Needs Assessment." Town of Davidson

Expected Outcomes, Conversation Agreements, and Introductions (10 min.)

Expected Outcomes

Given the complexity of this topic and our limited available time, we do not expect participants to come to any formal agreement or declarations about housing in the Charlotte-Mecklenburg region. Instead, our focus is on deepening our knowledge of different perspectives about the needs, goals, and solutions for challenges related to housing in our communities. Facilitators will take notes throughout this deliberation, and the DCI will share a summary of themes, new ideas, and areas of agreement and disagreement that are identified during small group discussions.

Deliberative Dispositions

The DCI has identified several "deliberative dispositions" as critical to the success of deliberative enterprises. When participants adopt these dispositions, they are much more likely to feel their deliberations are meaningful, respectful, and productive. Several of the Conversation Agreements recommended below directly reflect and reinforce these dispositions, which include a commitment to egalitarianism, open mindedness, empathy, charity, attentiveness, and anticipation, among others. A full list and descriptions of these dispositions is available at
https://deliberativecitizenship.org/deliberative-dispositions/.

Conversation Agreements

In entering into this discussion, to the best of our ability we each agree to:

1. Be authentic and respectful
2. Be an attentive and active listener
3. Be a purposeful and concise speaker
4. Approach fellow deliberators' stories, experiences, and arguments with curiosity, not hostility
5. Assume the best - and not the worst - about the intentions and values of others, and avoid snap judgements
6. Recognize that no one has all the answers, and demonstrate intellectual humility by asking questions and making space for others to do the same
7. Critique the idea with disagree with, not the person expressing it, and remember to practice empathy
8. Note areas of both agreement and disagreement
9. Respect the confidentiality of the discussion
10. Avoid speaking in absolutes (i.e. "All people think this," or "No educated people hold that view")

Introductions

Participants should take 30 seconds each to introduce themselves by sharing their name, where they work/what they do, and why they were interested in attending tonight's event.

Personal Stakes (10 min.)

Please take 45 seconds to 1 minute to answer one of the following questions:

1. What about housing is important to you personally and for our broader community?
2. What issues do you see regarding housing in your community?
3. What housing issues have you seen or heard about across Mecklenburg County that are concerning to you?

Needs, Goals, and Solutions (35 min.)

Needs and Goals – 15 min.
1. Based on what you heard from our panelists or read in the background materials, what do you think is the most pressing need related to housing in your community?
2. Given the current state of housing in the Charlotte-Mecklenburg region, what should be our collective goals and vision for housing in the region?
3. What goals do you think are most achievable in the short and long term?
4. What is the greatest difference you see between different stakeholders' perspectives about what our region needs in terms of housing? Do you think it's important to overcome or respect that difference?

Solutions - 20 min.
1. What solutions presented by the panelists do you think have the greatest potential for positive change in the Charlotte-Mecklenburg region? Why?
2. What other solutions do you think would make a positive impact in the Charlotte-Mecklenburg region, and how do you think we should implement them?
3. Which proposed solutions do you think would have a detrimental effect and/or negative unintended consequences? Why are you concerned about them?
4. Many of these actions will require different levels and combinations of time, financial resources, and broad institutional support. Do these differences factor into your priorities for change, and if so, how?
5. Are there any unintended consequences of these solutions that we should take into account?

Reflections (10 min.)

1. What was your biggest takeaway tonight?
2. What perspectives aren't in the room that would be important to consider?
3. What encourages you about the future of housing in your community given what you've heard tonight?
4. Is there a next step you would like to take related to tonight's discussion?
5. What questions remain?

About This Guide

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The Deliberative Citizenship Initiative

The Deliberative Citizenship Initiative (DCI) is dedicated to the creation of opportunities for Davidson students, faculty, staff, alumni, and members of the wider community to productively engage with one another on difficult and contentious issues facing our community and society. The DCI regularly hosts facilitated deliberations on a wide range of topics as well as organizes training workshops for deliberation facilitators. To learn more about these opportunities, visit www.deliberativecitizenship.org.

DCI Deliberation Guides

The DCI has launched this series of Deliberation Guides as a foundation for such conversations. They provide both important background information on the topics in question and a specific framework for engaging with these topics. The Guides are designed to be informative without being overwhelming and structured without being inflexible. They cover a range of topics and come in a variety of formats but share several common elements, including opportunities to commit to a shared set of Conversation Agreements, learn about diverse perspectives, and reflect together on the conversation and its yield. The DCI encourages conversations based on these guides to be moderated by a trained facilitator. After each conversation, the DCI also suggests that its associated Pathway Guide be distributed to the conversation's participants.

DCI Pathways Guides

For every Deliberation Guide, the DCI has also developed an associated Pathways Guide, which outline opportunities for action that participants can consider that are related to the covered topic. These Pathways Guides reinforce the DCI's commitment to an action orientation, a key deliberative disposition. While dialogue and deliberation are themselves important contributors to a healthy democracy, they become even more valuable when they lead to individual or collective action on the key issues facing society. Such action can come in a range of forms and should be broadly understood. It might involve developing a better understanding of a topic, connecting with relevant local or national organizations, generating new approaches to an issue. or deciding to support a particular policy.

If you make use of this guide in a deliberation, please provide attribution to the Deliberative Citizenship Initiative and email dci@deliberativecitizenship.org to tell us about your event. To access more of our growing library of Deliberation Guides, Pathway Guides and other resources, visit www.deliberativecitizenship.org/readings-and-resources.