

# Housing Choice in North Carolina Scoping Session Summary

## Session Details

---

---

**Location:** Asheville, North Carolina

**Date:** September 22, 2004

### Participants:

- Michelle Allen, Belmont Community Development Co.
- Lanier Blum, Self-Help Credit Union
- Charlotte Caplan, City of Asheville Community Development
- Steven Finn, Johnston County Planning Department
- Anita Brown-Graham, UNC Chapel Hill, School of Government
- Keir Morton, North Carolina Housing Finance Agency
- Lane Sarver, AICP, L. Lane Sarver, Inc.
- Christopher Slusher, Neighborhood Housing Service

**Facilitator:** Stuart Meck, FAICP

**Notetaker:** Candace Stowell, AICP, North Carolina Housing Finance Agency

## Methodology

---

---

The North Carolina APA Chapter and the APA Housing and Community Development Division assisted APA in the selection of participants in the scoping sessions who would represent a broad range of interests. Prior to the scoping session, APA distributed a list

of 17 questions to be addressed in the sessions. The session was taped and transcribed.

APA staff then conducted a content analysis of the transcript, and coded the responses to identify key themes, which are listed below.

## Key Themes

---

---

- Change in Household Composition
- Density
- Homelessness
- Housing the Mentally Ill
- Immigration
- Jobs-Housing Balance
- Lack of Support at State Legislative Level
- NIMBY
- Impact of the Local/Regional Tax Structure
- Role of the Developer
- Service Gap for the Very Low-Income
- Wage/Cost of Living Imbalance
- Wealth Creation Programs
- Workforce Housing
- Education, Training and Capacity Building
- Regulatory Barriers In Place
- Impact of Intergenerational Wealth
- Other Demographic Impacts
- Terminology
- Increased competition for affordable units

## Session Summary

---

---

North Carolina suffers from a lack of an overarching policy toward affordable housing and a central coordinating agency, according to some participants in an affordable housing scoping session convened by the American Planning Association in Asheville, on September 22, 2004. The Fannie Mae Foundation sponsored the scoping session through a grant to the APA.

Christopher Slusher, executive director of Neighborhood Housing Services, observed that the housing policy and production function is spread over several state agencies: the state department of commerce administers the federal Community Development Block Grant program, the state housing finance agency administers the HOME program, the state health and human services department administers the emergency shelter grant program. “They’re all supposed to get together and do a Consolidated Plan as required by federal law.” Lane Sarver, a planning consultant from Chapel Hill, remarked, “the only thing consolidated about this plan is the staple that holds it together.” The problem, he added, is that, in North Carolina, “there is no overall policy set.”

Participants were also critical of the state’s efforts for recovery after Hurricane Floyd and related it to the lack of broad-based local capacity to deal with housing, particularly rehabilitation. “There are people who say that Floyd was the great equalizer,” said Professor Anita Brown-Graham, with the University of North Carolina at Chapel Hill. “I tend to think of it as being the great magnifying glass.” After the hurricane, said Lane Saver, local efforts to rebuild in the eastern part of the state “just totally fell apart into turf battles, [and] quarreling. Nobody was in charge. It showed that

the vacuum of not having housing policy or implementation structure” in the state.

Keir Morton, a policy analyst with the North Carolina Housing Finance Agency, pointed to the lack of a dedicated funding source to support the state’s housing trust fund. “The only recurring amount that we’re getting is the funding from the General Assembly to match our HOME funds [a federal program through the U.S. Department of Housing and Urban Development].”

Morton observed that the state is divided into three regions, with three different sets of housing problems. The eastern part of the state is poor, and has difficulty recruiting new employers. New rental housing is needed there because the housing stock. The metropolitan areas like Charlotte, Greensboro, Winston-Salem and Raleigh Durham are fast growing, as are the coastal areas and resort areas like Asheville.

“Housing that’s affordable to low-, very-low end persons has become more difficult to obtain over the last 20 years.” said Sarver. He attributed this to restrictions on zoning and land use, growth control measures, and land available for affordable housing at the lower end of the economic scale. “At the same time, market forces and increasing affluence have driven up the size and the price of most housing that’s being built. Builders who can sell large expensive houses on all available land have no reason to build smaller cheaper houses because most new housing is beyond the reach of working families. That’s true in the growing parts of our state.”

In Charlotte, said Michelle Allen, executive director of the Belmont Community Development Corporation, “You’ve got folks who would have never ever imagined being

homeless or one step from homeless being homeless, are now competing. You've got those same folks living in hotels where they're paying by the week because the affordable housing stock is not out there.”

Asheville, said Charlotte Caplan, that city’s community development director, has among the highest housing prices in the state due to the influx of second home owners, retirees, and “professionals who can work anywhere.” A modest three-bedroom ranch house “costs more than the same house does, even in Charlotte.” The housing market particularly affects low-wage earners. “If you’re a nurse’s aide or you clean rooms in a hotel, your wages are not that much above minimum wage and yet you’ve got the most expensive housing in the state.”

Due to the lack of a sustaining economy in the eastern part of the state, people are moving into second-tier counties outside metropolitan areas, commented Steve Finn, planning director for Johnston County and past chair of APA’s Housing and Community Development Division. As a consequence, the Section 8 rental assistance voucher program has a two-year waiting list to get into appropriate housing in Johnston County.

There’s a huge demand for one-person units, said Lane Sarver, housing for “working people in their 20s and 30s, non-family workers. They used to live in rooming houses and boarding houses which have become non-existent, zoned out among other things, and gentrified out.”

Investment tax credits, said Caplan, are the major engine for producing affordable housing. “It's expensive up front so you can't do units less -- you can't do less than 20, 25

units, 25 minimum. And but at least it's there. About one -- about one in two, one in three applications in this state actually get funded, which is not too bad.”

Participants identified barriers to affordable housing as including uneven coverage of municipal water and sewer systems and in the Asheville area, a shortage of land for multifamily housing; the difficulty in amending the state building code; opposition to affordable housing based on race; lack of express authority for inclusionary zoning.

Lane Sarver urged APA to raise awareness of the importance of affordable housing. “I think that providing decent housing for the entire citizenry is an ethical issue,” he said “I don't think that that has been emphasized enough. And I think that some of the barriers that have been created in terms of these zoning barriers put forward have been as a result of planners, not recognizing their ethical responsibility to, if necessary resist the public officials and citizenry in encouraging affordable housing.”

## **Most Promising Strategies**

---

---

North Carolina participants identified the following strategies as the most promising:

- Education on handling money and credit. This would allow residents of affordable housing to create wealth for themselves. (Charlotte Caplan)
- Allowing local communities to adopt inclusionary zoning ordinances. (Lane Sarver)
- The adoption of a statewide mandatory minimum housing code. (Anita Brown-Graham)

- Expanded capacity to develop rental housing. (Lanier Blum)
- A marketing campaign similar to that of Minnesota to educate people on the need for and benefits of affordable housing. (Keir Morton)
- An incentivized housing trust fund with a set-aside for banks or realtors to receive cash bonuses based on five-year home-ownership rates on the number of people they brought into affordable housing programs. (Steve Finn)