

# CITY OF GASTONIA AFFORDABLE HOUSING PLAN

Adopted November 21, 2023





# AFFORDABLE HOUSING

## What is Affordable Housing?

Housing in which the occupants are paying no more than **30%** of gross income for housing costs, including utilities

*(U.S. Department of Housing and Urban Development)*

## What is Cost-Burden?

- **Cost-burden: more than 30% of income on housing**
- **Severe cost-burden: more than 50% of income on housing**

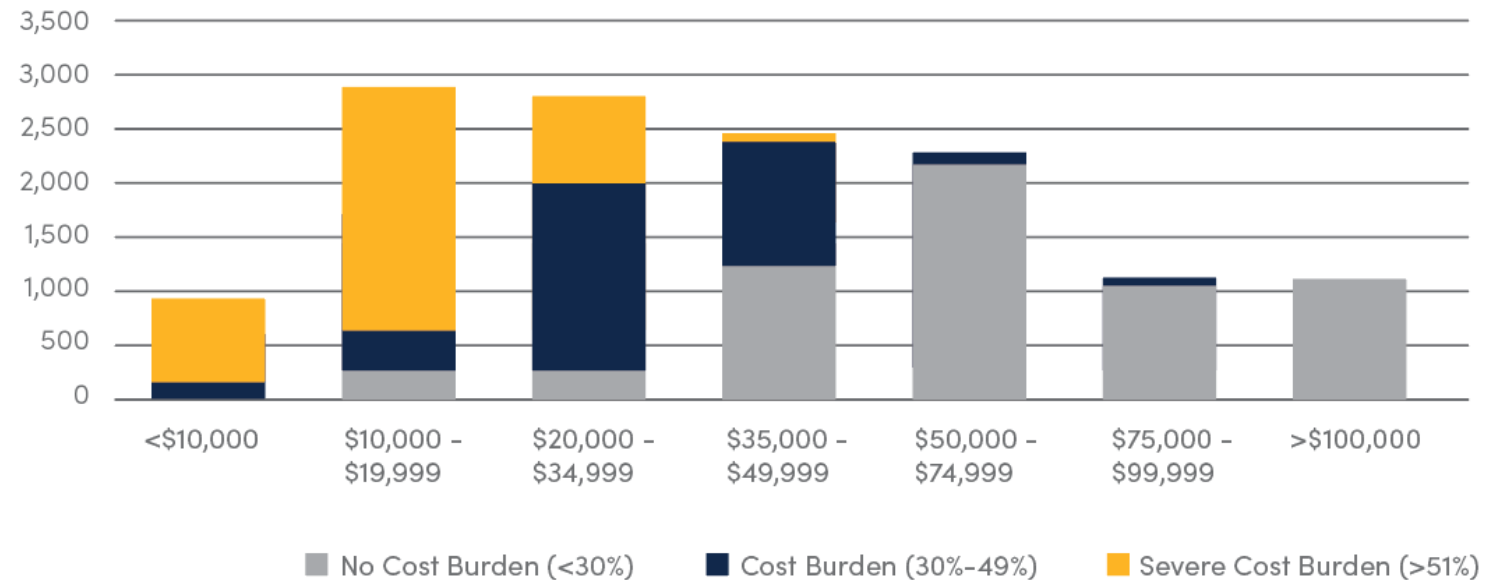


# COST-BURDEN

## Who is most affected?

- **More than 7,000** renting households in **Gastonia** are cost-burdened
- **78%** of rental households earning less than **\$35,000** a year are cost-burdened
- **80%** of rental households earning less than **\$20,000** are severely cost-burdened

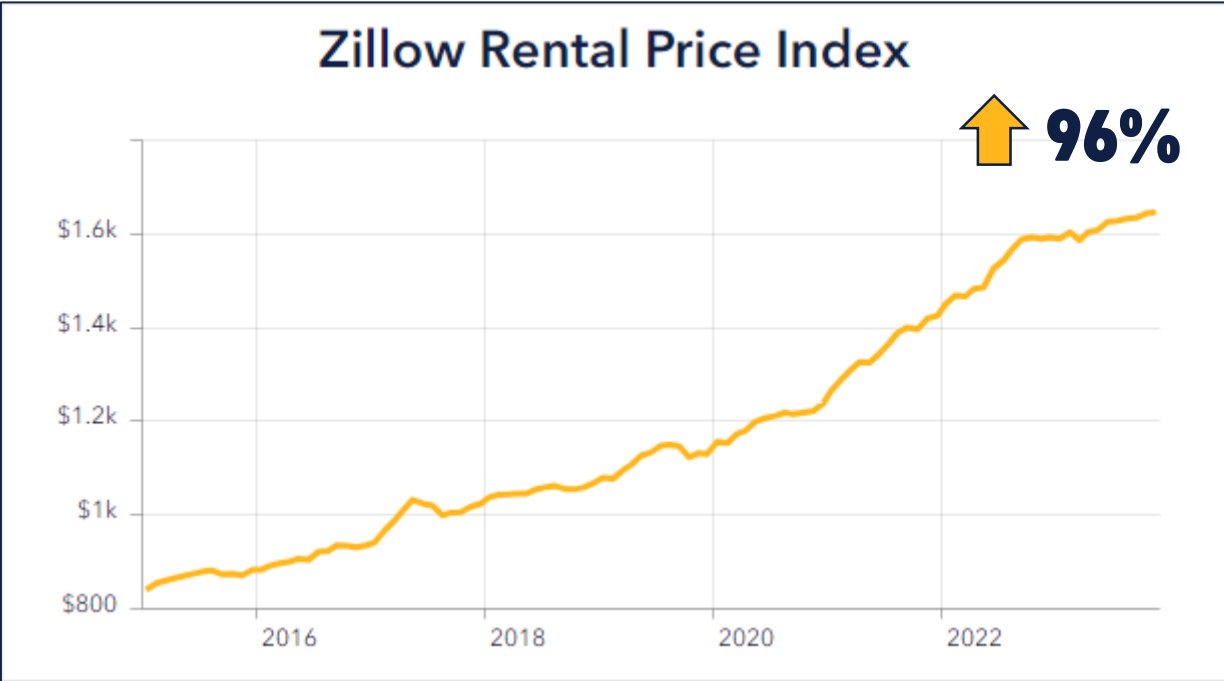
### Renter Cost Burden by Income Bracket



# HOUSING PRICES IN GASTONIA

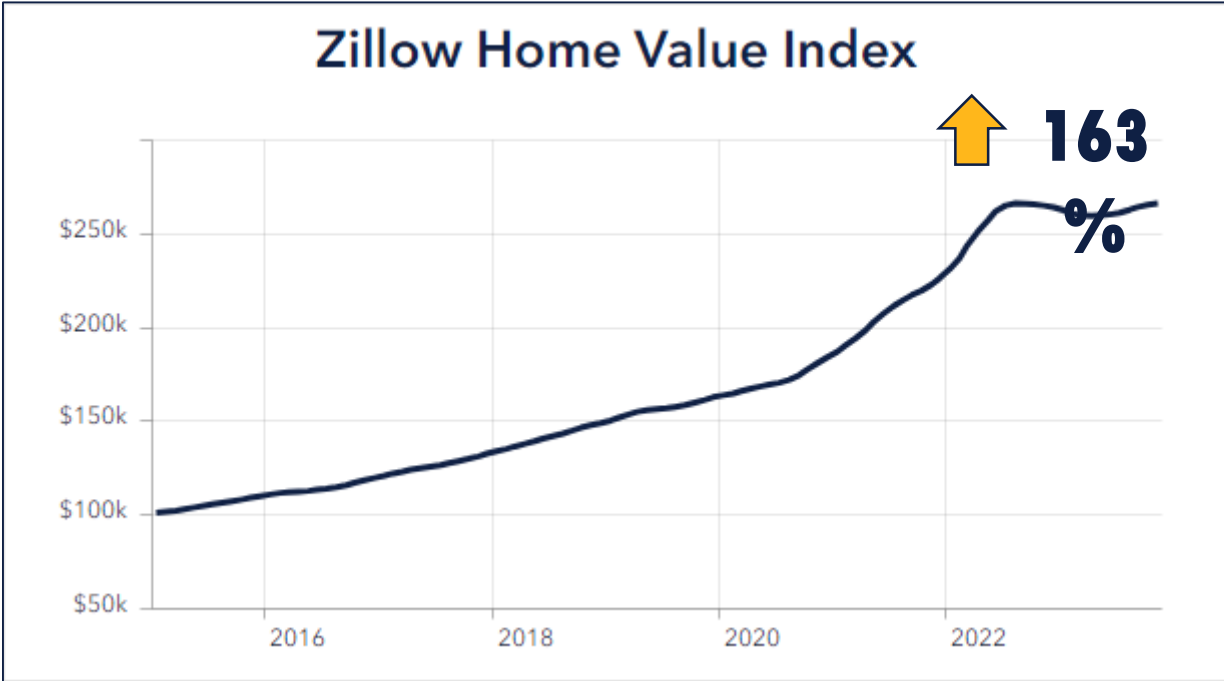
### Zillow Rental Price Index

↑ 96%



### Zillow Home Value Index

↑ 163%



# VOICES FROM THE COMMUNITY

“

*It's the best of times and the worst of times, depending on who you are. For some people it's booming and others are falling through the cracks. People on fixed incomes, senior citizens, single parents.*

“

*The time is now to start addressing these issues where low income, very low, and even some moderate are feeling like they're being pushed out of the community because they just cannot afford to live there.*

“

*The more we can integrate all different kinds of housing and different types of demographics and people, I think that's better for the community.*



# VOICES FROM THE COMMUNITY

“

*At some point there's got to be a reckoning, and we have to say to ourselves, look, we can't keep doing what we're doing 'cause it's not working.*

“

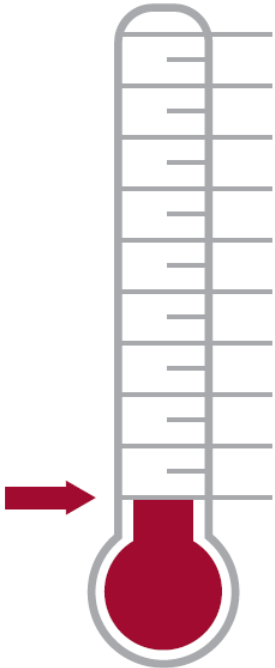
*If I have a roof that's leaking, if I have cracks in my window, and I'm living paycheck to paycheck, then I either do two things. I either move or I shut my mouth.*

“

*Overall, I want to see everyone be able to have the dream of owning a home and being able to be excited about it.*

# RECOMMENDATIONS

## GOAL!



## Point 1 - Affordable Housing Trust Fund

### Sources:

- General fund set aside
- Tax levy or allocations from existing tax levies
- Community development block grant
- HOME funding
- Affordable housing bond
- Real estate transfer tax
- Contributions from the business and philanthropic sectors and members of the community

### Uses:

- Emergency rental assistance
- Rehabilitation, weatherization, repair
- Direct subsidies for housing development
- Gap financing for tax credit development
- Land acquisition
- Funding for Community Land Trust
- First time home buyer assistance

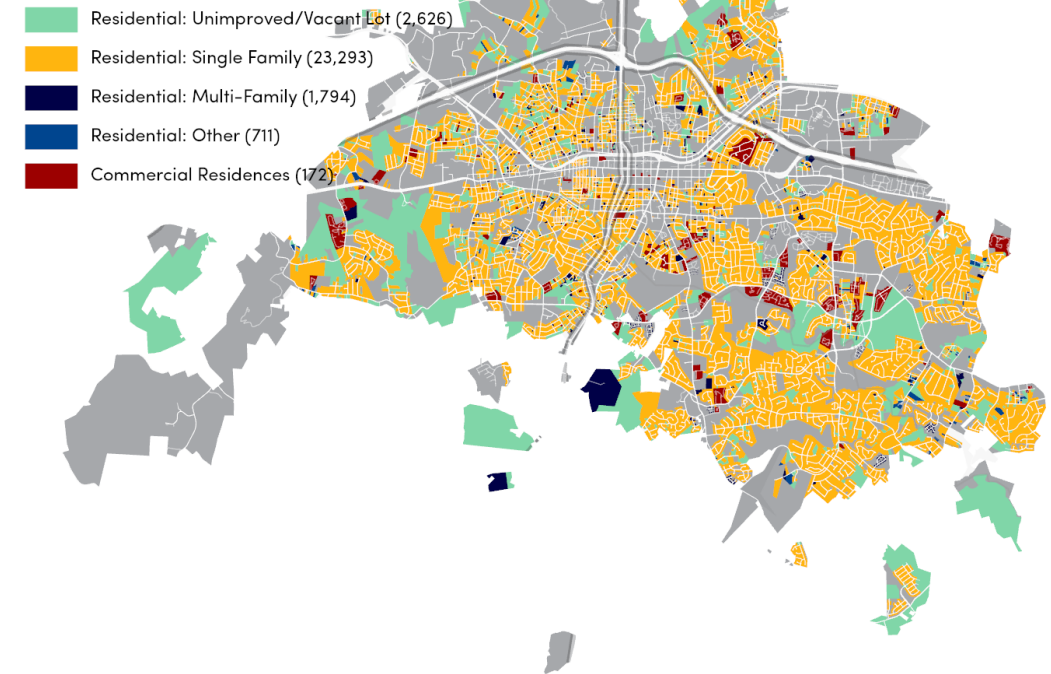
# RECOMMENDATIONS

## Point 2 - Land Disposition Policy

- **Elements:**
  - **Formally establish land disposition policy**
  - **Prioritize affordable housing when disposing of public land**
  - **Conduct inventory of City-owned parcels and work with Gaston County to identify parcels owned by County departments**
  - **Assess parcels for affordable housing potential**
  - **Consider the cost of rendering the property attractive for housing development**

### Residential Parcel Property Use

Gaston County

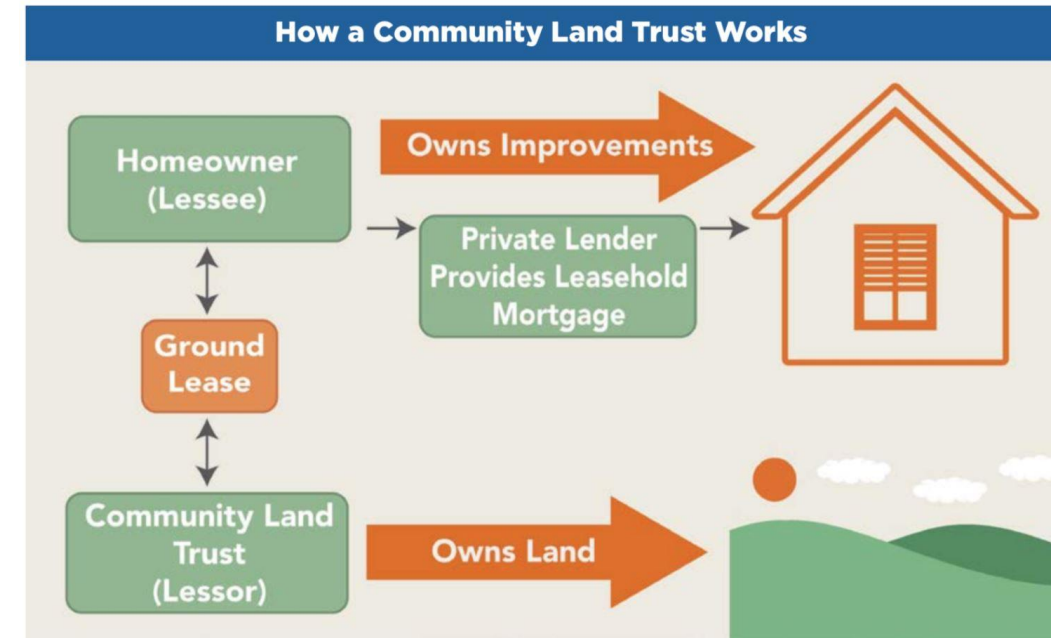




# RECOMMENDATIONS

## Point 3 – Community Land Trust

- **Type of housing development that offers home ownership opportunities to low-income buyers**
- **Creates permanently affordable homes**
- **Land is owned by the Trust**
- **Homes are constructed or rehabilitated by the Trust and sold to income-eligible buyers**
- **The structure is sold but the land is leased, making the sale more affordable**
- **When the home is sold, the homeowner receives a limited portion of the increase in value so the home will remain affordable for the next buyer**



# RECOMMENDATIONS

## Point 4 – Housing Resource Center

### Services:

- **Housing Counseling**
- **Housing Referrals**
- **Rental Assistance**
- **Resource Navigation**
- **Homeless Services**
- **Tenant Training**
- **Homebuyer Education**
- **Legal Assistance**
- **Eviction Diversion**
- **Landlord Tenant Mediation**
- **Landlord Engagement**
- **Housing Voucher Access**
- **Healthy Homes**
- **Repair and Rehabilitation**
- **Senior Services**
- **Policy Development**
- **Housing Advocacy**



**The Housing Resource Center will be a much-needed centralized provider of housing-related services.**

# RECOMMENDATIONS

## Point 5 – Zoning Incentives

- **Zoning changes to encourage more density in detached large-lot single family zoning districts:**
  - **Accessory dwelling units**
  - **Missing middle**
  - **Multi-family residential**
- **Encourage developers to build affordable housing units in market-rate projects**
  - **Incentives for development of lower-cost housing**
  - **Streamline approvals for affordable housing**
  - **Encourage developers to contribute to the Affordable Housing Trust Fund**



**Accessory Dwelling Units:** An ADU is a second housing unit added to a lot currently holding a detached single-family dwelling.



**Missing Middle:** Townhomes, duplexes, and cottage courts can fit seamlessly into traditional neighborhood.



**Multi-family residential:** Expand areas where multi-family residential uses are permitted; promote walkability, bikability, and proximity to retail.

# RECOMMENDATIONS

## Point 6 – Gap Financing

- **LIHTC – Low-Income Housing Tax Credit**
  - **Subsidize affordable multi-family rental housing**
  - **Funded by loans and by equity contributed by investors**
- **Partner with nonprofit developers**
  - **Community-based nonprofits have strong ties to local communities**



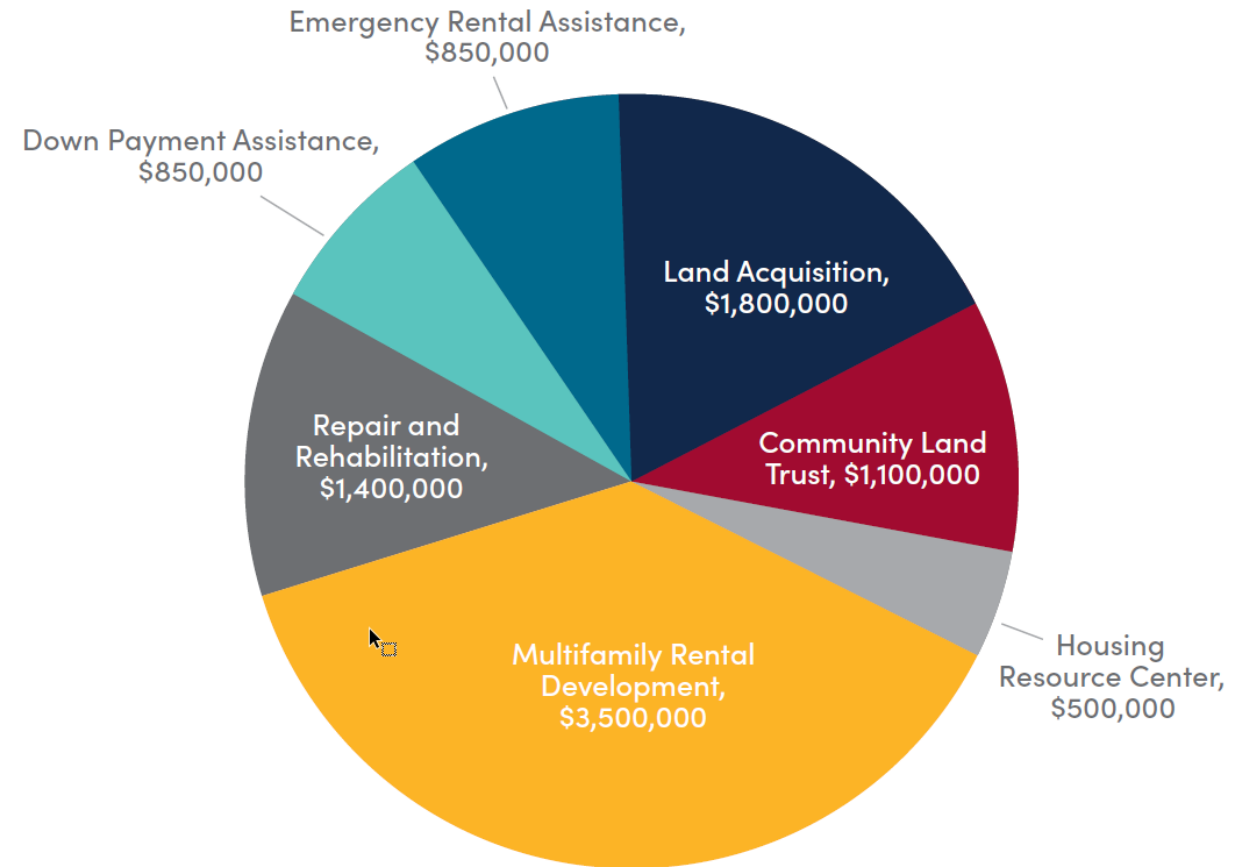
**Highland Memorial Apartments is one of roughly 60 LIHTC developments completed in Gastonia over the past forty years.**



# RECOMMENDATIONS

## Point 7 – Affordable Housing Bond

- **General obligation bond**
- **Funding a variety of housing programs**
  - **Multifamily rental development**
  - **Land acquisition**
  - **Repair and rehabilitation**
  - **Community Land Trust**
  - **Down payment assistance**
  - **Emergency rental assistance**
  - **Housing Resource Center**
- **Cornerstone of an Affordable Housing Plan**
- **A tested and successful approach**



# RECOMMENDATIONS

## Point 8 – Innovative Housing Programming

**Homebuyer Assistance**



**Asset Building**



**Rental Assistance**



**Repair and Rehab**



**Energy Efficiency**



**Permanent Affordability**



**Choice Neighborhoods**



**Eviction Prevention**



**Code Enforcement**



**Anti-Discrimination**



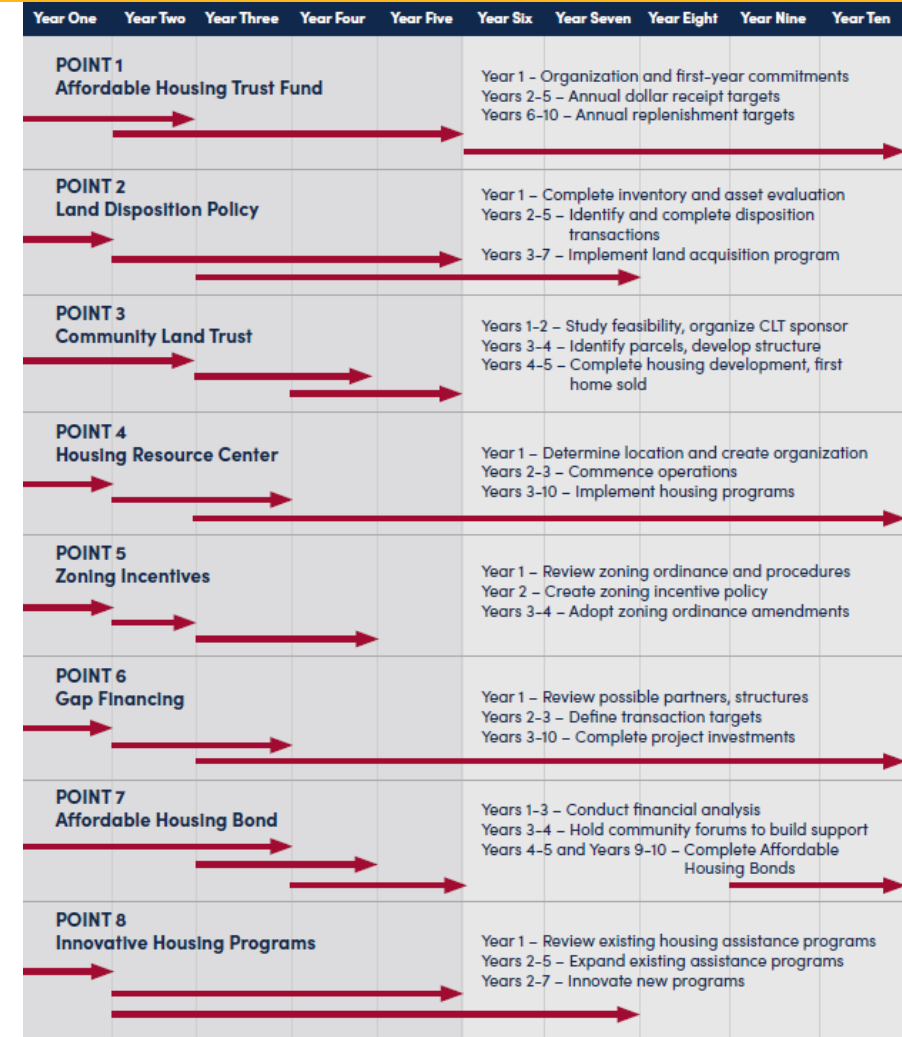
# IMPLEMENTATION

Identify Funding Sources	Create Housing Advisory Board	Launch Community Outreach Campaign
<ul style="list-style-type: none"><li>• Identify revenue sources that will fund and replenish the Affordable Housing Trust Fund.</li><li>• Evaluate the potential size of funding, timing of the revenue stream, parties needed for implementation, and any obstacles that may be encountered.</li></ul> <p data-bbox="443 1072 494 1182">1</p>	<ul style="list-style-type: none"><li>• Nominations from public and interested stakeholders</li><li>• Final selection made by City Council</li><li>• Drafting by City staff of rules and procedures the Board will follow</li></ul> <p data-bbox="1258 1068 1335 1182">2</p>	<ul style="list-style-type: none"><li>• Public announcements</li><li>• Neighborhood hearings</li><li>• Roundtable discussions</li><li>• Raise awareness</li><li>• Educate the public</li><li>• Mobilize opinion, advocacy, and action toward implementation</li></ul> <p data-bbox="2053 1068 2130 1182">3</p>

# IMPLEMENTATION

## Overall Timeline

- Overall timeline for the Plan will be ten years
- Most of the Plan initiatives will be implemented within five years, but some may require more time
- Some outcomes may be measurable over a ten-year period
- The Plan should start with the creation of the Affordable Housing Trust Fund and the organization of the Housing Advisory Board





# ACKNOWLEDGEMENTS

## **City Staff:**

Quentin McPhatter – Assistant City Manager  
Danette Dye – Director of Housing and Community Engagement  
Walker E. Reid – Mayor  
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## **Steering Committee:**

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Danette Dye – Housing and Community Engagement Department, City of Gastonia  
Rev. Dr. Rodney Freeman – Pastor, Mt. Zion Restoration Church  
William Gross – Gastonia Resident  
Shaun Jones – Premier South Real Estate  
Leslie Lee – Gaston Together  
Brian Levy – Bank of America  
Gayle Mahl – Homeless Coordinator, City of Gastonia Police Department  
Quentin McPhatter – Office of the City Manager, City of Gastonia  
Jason Pauling – Planning Department, City of Gastonia  
Kay Peninger – Habitat for Humanity of Gaston County, Inc.  
Terri Sanford – Gastonia Housing Authority  
Crystal Walls – HealthNet Gastonia  
Nancy Welch – Housing and Community Engagement Department, City of Gastonia  
Litasha White – HELP Carolina

## **Support from these organizations:**

Agent Academics  
CaroMont Regional Medical Center  
Citizens Advisory Board  
Commonwealth Development Corporation  
Crisis Assistance Ministry  
Diversity, Equity, and Inclusion, City of Gastonia  
Gaston Business Association  
Gaston Community Foundation  
Gaston County and Municipal Planners  
Gaston County Emergency Medical Services  
Gaston County Family YMCA  
Gaston-Cleveland-Lincoln Metropolitan Planning Association  
Glenn Foundation  
HealthNet Gaston  
Highland Neighborhood Association  
Kintegra Health  
Laurel East Community Watch  
Laurel Street  
Legal Aid of North Carolina  
Office of the County Manager, Gaston County  
Parks and Recreation Department, City of Gastonia  
Planning and Development Services, Gaston County  
The David Belk Cannon Foundation  
York Chester Neighborhood Association

## **Center for Housing and Community Studies at UNCG Staff:**

Bruce Rich – Center Director and Project Director  
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John Kamaal Sunjata – Research Assistant