



# 2019 Analysis of Impediments to Fair Housing Choice

**June 2019**



# ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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For Program Years 2020 to 2024

## CITY OF GASTONIA, NORTH CAROLINA

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Housing and Neighborhoods Department

June 2019

Prepared for the City of Gastonia and the Gastonia Consortium by  
Mosaic Community Planning, LLC



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# CHAPTER I.

## INTRODUCTION

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### AFFIRMATIVELY FURTHERING FAIR HOUSING

Equal access to housing choice is crucial to America’s commitment to equality and opportunity for all. Title VIII of the United States Civil Rights Act of 1968, more commonly known as the Fair Housing Act, provides housing opportunity protection by prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish an administrative enforcement mechanism and to expand its coverage to prohibit discrimination on the basis of familial status and disability. The U.S. Department of Housing and Urban Development (HUD), specifically HUD’s Office of Fair Housing and Equal Opportunity (FHEO), is responsible for the administration and enforcement of the Fair Housing Act and other civil rights laws.

Provisions to affirmatively further fair housing (AFFH) are basic long-standing components of HUD’s housing and community development programs. The AFFH requirements are derived from Section 808(e) (5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department’s housing and urban development programs in a manner to affirmatively further fair housing.<sup>1</sup>

In 2015, HUD published a final rule on Affirmatively Furthering Fair Housing, which outlines procedures that jurisdictions and public housing authorities who participate in HUD programs must take to promote access to fair housing and equal opportunity. This rule stipulates that grantees and housing authorities take meaningful actions to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected class characteristics. Under HUD’s final rule, grantees must take actions to:

- Address disparities in housing need;
- Replace segregated living patterns with integrated and balanced living patterns;
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity; and
- Foster and maintain compliance with civil rights and fair housing laws.

To assist grantees and housing authorities affirmatively further fair housing, HUD provides publicly-available data, maps, and an assessment tool to use to evaluate the state of fair housing within their communities and set locally-determined priorities and goals. HUD’s final rule mandated that most grantees begin submitting to HUD an assessment developed using these tools in 2017; however, a 2018 HUD notice extended that deadline until at least October 2020. The notice further required that grantees instead prepare and keep on file a current “Analysis of Impediments to Fair Housing Choice” (AI).

In an AI, local communities that receive HUD entitlement grant funds evaluate barriers to fair housing choice and develop and implement strategies and actions to overcome any identified impediments based

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<sup>1</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 1: Fair Housing Planning Historical Overview, Page 13)*. March 1996.

on their individual histories, circumstances, and experiences. Through this process, local entitlement communities promote fair housing choices for all persons, including classes protected under the Fair Housing Act, and provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities.

HUD will presume that the grantee is meeting its obligation and certification to affirmatively further fair housing by taking actions that address the impediments, including:

- Analyzing and eliminating housing discrimination within the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to all persons to include those persons with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

Through its Community Planning and Development (CPD) programs, HUD's goal is to expand mobility and widen a person's freedom of choice. The Department also requires Community Development Block Grant (CDBG) program grantees to document AFFH actions in the annual performance reports that are submitted to HUD.

This AI follows the requirements in HUD's *Fair Housing Planning Guide* but is also compliant with the regulations and assessment tool established in HUD's 2015 final rule. In several chapters, it incorporates the maps and data developed by HUD for use by grantees as part of the Affirmatively Furthering Fair Housing final rule.

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## DEFINITIONS

**Affirmatively Further Fair Housing** – In keeping with the latest proposed guidance from HUD, to Affirmatively Further Fair Housing Choice (AFFH) is to comply with “the 1968 Fair Housing Act’s obligation for state and local governments to improve and achieve more meaningful outcomes from fair housing policies, so that every American has the right to fair housing, regardless of their race, color, national origin, religion, sex, disability or familial status.”<sup>2</sup>

**Fair Housing Choice** - In carrying out this Analysis of Impediments to Fair Housing Choice, the City of Gastonia and the Gastonia Consortium used the following definition of “Fair Housing Choice”:

- The ability of persons of similar income levels to have available to them the same housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

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<sup>2</sup> U.S. Department of Housing and Urban Development. “HUD Publishes New Proposed Rule on Affirmatively Furthering Fair Housing Choice.” Press Release No. 13-110. July 19, 2013.



**Impediments to Fair Housing Choice** - As adapted from the HUD *Fair Housing Planning Guide*, impediments to fair housing choice are understood to include:<sup>3</sup>

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices.
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

**Protected Classes** – The following definition of federally protected classes is used in this document:

- Title VIII of the Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes.

**Affordable** – Though local definitions of the term may vary, the definition used throughout this analysis is congruent with HUD’s definition:

- HUD defines as "affordable" housing that costs no more than 30% of a household's total monthly gross income. For rental housing, the 30% amount would be inclusive of any tenant-paid utility costs. For homeowners, the 30% amount would include the mortgage payment, property taxes, homeowners insurance, and any homeowners’ association fees.

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## DATA SOURCES

**Decennial Census Data** – Data collected by the Decennial Census for 2010 and 2000 is used in this Assessment (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100% data,” meaning that it contains the data collected from every household that participated in the Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block group level.
- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3

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<sup>3</sup> U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide: Volume 1 (Chapter 2: Preparing for Fair Housing Planning, Page 2-17)*. March 1996.

dataset was discontinued for the 2010 Census, but many of the variables from SF 3 are included in the American Community Survey.

**American Community Survey (ACS)** – The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census’s SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

- ACS Multi-Year Estimates – More current than Census 2010 data, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 1-year estimates. The 2012-2016 ACS 5-year estimates are used most often in this assessment.

# CHAPTER 2.

## COMMUNITY PARTICIPATION PROCESS

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### COMMUNITY ENGAGEMENT OVERVIEW

An important component of the research process for this Analysis of Impediments to Fair Housing Choice involved gathering input regarding fair and affordable housing conditions, perceptions, and needs in the Gastonia region. The project team used a variety of approaches to achieve meaningful public engagement with residents and other stakeholders, including public meetings, stakeholder interviews, and a communitywide survey.

#### Public Meetings

Two meetings open to the general public were held to inform the public about and gather information for the Analysis of Impediments to Fair Housing Choice. One of the meetings was held in conjunction with a regularly scheduled Citizen Advisory Board meeting. The AI portion began with a short presentation providing an overview of the study followed by an interactive discussion of fair housing, neighborhood conditions, and community resources in Gastonia and the region. A total of 22 members of the public attended one of the two meetings. Meeting dates, times, and locations are shown below:

#### Public Meeting #1

*(in conjunction with the Citizen Advisory Board Meeting)*  
Tuesday, November 13, 2018  
6:00 PM  
Garland Municipal Building, Room 131  
150 S. York Street, Gastonia, NC

#### Public Meeting #2

Thursday, November 15, 2018  
6:00 PM  
City Council Conference Room  
Gastonia City Hall, 2<sup>nd</sup> Floor  
181 S. South Street, Gastonia, NC

#### Stakeholder Interviews

During the week of November 12, 2018, individual and small group stakeholder interviews were held in Gastonia’s Garland Municipal Building. For people unable to attend an in-person interview, telephone interviews were offered. Stakeholders were identified by the local government staff and represented a variety of viewpoints including housing, affordable housing, community development and planning, education, employment, homelessness, people with disabilities, and others.

Interview invitations were made by email and/or phone to a list of stakeholders compiled by the project team with input from City staff. Twenty-three people participated in an interview, and many other invitees participated in other ways, such as by attending a public meeting or taking the community survey. Organizations from which one or more representatives participated in the development of this AI include:

- Bridging the Gap of America
- Capital Bank
- CaroMont Health
- City of Gastonia

- Family Promise of Gaston County
- Gaston College
- Gaston County
- Gaston County Schools
- Gastonia City Council
- Gastonia Housing & Neighborhoods Department
- Gastonia Housing Authority
- Goodwill Industries of the Southern Piedmont
- Highland Neighborhood Association
- Partners Behavioral Health
- Reinvestment in Communities of Gaston County
- The Hive Design
- United Way of Gaston County

### **Community Survey**

The third method for obtaining community input was a 26-question survey available to the general public, including people living or working in the Gastonia region, and other stakeholders. The survey was available online and in hard copy in October and November 2018. Paper copies were available at the public meetings and other related events held throughout the study area. A total of 78 survey responses were received.

### **Public Comment Period and Hearing**

The City of Gastonia held a 30-day public comment period from Monday, April 15 through Wednesday, May 15, 2019 to receive input on the draft Analysis of Impediments to Fair Housing Choice. During this time, copies of the draft report were available for public inspection. Residents and other stakeholders could provide written comments by email, mail, or hand delivery to the City of Gastonia Housing and Neighborhoods Department or via the project’s website. One written comment was received via the project website; this comment is included in the appendix to this report.

A public hearing to present key plan components and receive comments was held on May 14, 2019 at 6 PM at Gastonia City Hall. About eight members of the public attended the public hearing.

### **Publicity for Community Engagement Activities**

A variety of approaches were used to advertise the AI planning process and related participation opportunities to as broad an audience as possible. Notice was given to residents through a public notice in *The Gaston Gazette*, on the project website ([www.gastoniafairhousing.com](http://www.gastoniafairhousing.com)), through a press release to local news outlets, and through flyers placed in public places. Flyers were also emailed to all stakeholder organizations invited to participate in interviews. In all meeting advertisements, information for anyone needing special accommodations was provided, but none were requested.

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## **COMMUNITY ENGAGEMENT RESULTS**

A total of 123 people participated in the community engagement process used to develop this AI. Twenty-three participated in interviews, 22 attended a public meeting, and 78 responded to the survey.

## Public Meetings

1. What are the greatest fair housing needs in the community?
  - Employment opportunities in Gastonia are not as good as those in Charlotte, but rents are similar.
  - Availability of entry-level for-sale housing in the \$90,000-\$100,000 range.
  - Existing rental housing tends to be old and can be substandard, but there is so little available that landlords can charge very high rents.
  - Requiring income that is three times the rent and high application fees impacts people's ability to obtain housing.
  - Tenant's Bill of Rights has not been updated since 1977.
  - People need to know how to rent an apartment, what to look for in a lease, and how to identify discrimination.
  - There are lot of private landlords who prey on people who are desperate.
  
2. What parts of Gastonia are generally seen as areas of opportunity? What makes them attractive places to live? What barriers might someone face in moving to one of these high opportunity areas?
  - The corridor between East Gastonia and Belmont has a good quality of life, restaurants, and nightlife – a very stark difference from other Gastonia neighborhoods.
  - Older Gastonia neighborhoods are walkable (ex: Highlands, York Chester, Loray Mill). Walkability and schools are important deciding factors.
  - West Gastonia is far away from grocery stores and has not had a lot of updating compared to the east side.
  - Central Gastonia, because it has good access to schools, jobs, and transportation. Cost could be a barrier, since several apartments there have increased rents recently.
  - People want to be close to, but just outside Mecklenburg County to save on taxes.
  - Belmont because it has a small town feel; Transportation would be a barrier for someone without a car.
  - Mt. Holly and McAdenville.
  - Belmont and Cramerton – Stuart Cramer school district used to be a draw; Lack of inventory and transportation could be barriers to someone trying to move.
  - Credit score and monthly income can be barriers.
  - Transportation impacts where someone can live and work; the bus stops running at 6 pm and there are not a lot of sidewalks; some areas without streetlights are dangerous to walk.
  
3. Are you aware of any housing discrimination? What are some things that can be done to overcome discrimination?
  - There are stories about landlords not taking care of properties, but this isn't racial. It depends on the property management company – some are good, but others are not.
  - Socioeconomic status determines whether someone's rights are violated. If a tenant is poor and lacks education he or she will be mistreated – and there will be a racial component to it.
  - Yes, they have seen discrimination by private landlords against interracial couples and gay couples.

- Mortgage lenders discriminate against same sex couples and request more information and paperwork.
  - Testing has shown discrimination based on gender identity.
4. Are people in the area segregated in where they live? What causes this segregation to occur?
- East and West Gastonia are like two different cities and that's intentional. The YMCA moved to the Eastside and the Harris Teeter is on the Eastside; the Westside is desolate.
5. Is there an adequate supply of housing that is accessible to people with disabilities?
- There is a stigma attached to people in drug or alcohol recovery. They have a hard time finding jobs and affording housing.
  - When an outpatient recovery facility was recently proposed by a private organization, the City received pushback from neighbors.
  - Older apartments that are privately owned do not have accessible units and would be very difficult and expensive to modernize to make ADA accessible. Older single-family units are also expensive to make accessible. Landlords may deny requests to make improvements like ramps and you would have to look for assistance from another organization.
6. What types of fair housing services (education, complaint investigation, testing, etc.) are offered in the area? How well are they coordinated with the work of other organizations in the community?
- Fair Housing contact at the city. People do call and they investigate.
  - City's code enforcement for code violations.
  - Legal Aid provides advice but very rarely takes on and litigates a fair housing case. They will assess a case but are very underfunded.
  - United Way and Phoenix Counseling Center may have previously provided these services, but neither one does now.
  - DHHS and the health departments need to be trained to offer fair housing information because these are places many low-income people filter through.
  - HUD.
  - Some agencies in Charlotte but they may have coverage limitations.
7. Are public resources (e.g., parks, schools, roads, police and fire services, etc.) available evenly throughout all neighborhoods?
- Transportation – possible light rail that would connect Gastonia and Charlotte.
  - City has done a good job with parks.
  - School board has some challenges.
  - Fire department does the best it can.
8. Is there anything we haven't discussed that you feel is important to our research?
- Poor housing condition makes housing unaffordable. It is possible to find a \$400/month rent, but a house not properly weatherized may cost another \$400/month in utility expenses.

- Tiny homes have been attempted but never actually developed. Proposals kept hitting brick walls with the City.
- Need more developers who will build affordable housing. There's too much reliance on landlords to provide for affordable housing needs, but developers who are holding land could do a lot.

## Stakeholder Interviews

### 1. What are the greatest fair housing needs in the community?

- Affordability tops the list. Apartments are more expensive than some houses and, at minimum wage, neither is affordable.
- The city's housing stock is aging, making Gastonia a ripe market for flippers. There is a "We Buy Houses With Cash!" sign on every corner.
- If there's a home for sale at a good price and in good condition, investors often beat out individual homebuyers, especially if it's a foreclosure. People set aside cash to jump on home purchase opportunities when they arise, making it harder for non-cash buyers.
- Too many tenants are on month-to-month leases which leads to an eviction problem. They're not technically evictions, but landlord says tenant is evicted and tenant leaves without the landlord ever formally filing anything.
- Some property management companies exclusively use month-to-month leases which give tenants little rights or recourse. If a tenant complains they are just locked out and the unit can be rented to someone else. The tenant won't do anything about it because they don't know their rights.
- Debt issues prevent people from accessing housing. Medical debt is huge, but past-due rent is also a frequent problem.
- Senior housing is a need and retrofits of old mill buildings have been successful at supplying the need. If a developer can get a senior housing project financed, there won't be any problem filling it.
- The availability of affordable housing, especially one and two-bedroom units for the elderly and disabled is a priority need. Affordable four-bedroom units for large families can be hard to find.
- Affordable housing need is probably most acute in Wards 4 and 5 (northwest and central parts of the city).
- Affordable housing is a constant need. Most new construction is in upper middle-class communities where single-family homes sell for \$200,000. Most new construction is in annexed areas; not as much activity in the center of the city.
- The city and county should require some share of new housing developments to be affordable units.
- The quality of affordable housing is a concern. There is lots of manufactured housing in the county and it doesn't last as long.
- Affordable housing in areas with strong education opportunities.
- Public transportation is terrible. Bus schedules are a huge barrier and families without cars or with lapsed insurance have no other options. Looking for housing options along bus lines is very confining and even then, you can't take the bus to work on Sundays because there's no service.

- Residents need opportunities to build their education and skill levels so they can obtain better jobs. Better jobs lead to better housing options.
  - Issue of affordability is less related to a need for low cost housing and more related to a need for better paying jobs. The goal is to get more commercial development in the city.
  - Housing options for the chronically homeless and people with addiction issues. Many people are living in precarious housing situations. There are homeless people in downtown because that's near where many services are located.
  - Section 8 / Housing Authority wait lists are very long; people who are homeless need more immediate options. Salvation Army is the only shelter.
  - Households were displaced during Housing Authority renovations completed under the RAD program; some people prefer public housing units to vouchers.
2. What parts of Gastonia or Gaston County are generally seen as areas of opportunity? What makes them attractive places to live? What barriers might someone face in moving to one of these high opportunity areas?
- Mount Holly, Belmont, and Cramerton all have access to good schools and new construction starts beginning in the \$200,000s.
  - People want to be in South Gastonia because that's where the good schools and good housing options are, but there is no public transit service to South Gastonia.
  - Some people want to live in the county because they want space and don't want neighbors nearby.
  - The East Side of the county is convenient to retail, transportation, and other amenities. Affordability and transportation is the challenge to moving there for many people.
  - Belmont is desirable, but money is a barrier. No one with a \$10/hour job can afford to live there.
  - Thinking in terms of Zip Codes, all contain a mixture of opportunity.
  - From downtown Gastonia to Charlotte is popular; north and west Gastonia may be less popular.
  - East Gastonia and south Gastonia are popular.
  - Ward 1 (southeast Gastonia) has desirable school districts and relatively affordable middle-class housing. It's popular for people moving from the Charlotte area, but transportation would be a challenge if you didn't have a car.
  - Downtown, because it's within walking distance of restaurants, nightlife, and shopping. Connectivity to FUSE district and Loray Mills.
  - Zip codes 28056 and 28054 are perceived to have better schools and that attracts people.
  - People make housing choices based on proximity to work, shopping, and access to Charlotte.
  - Gaston County has wide range of housing options in terms of price, but there's a corresponding variation in housing quality and location.
  - Transportation is limited. There is a bus that goes to Charlotte but the timing is difficult. Light rail to Charlotte is being discussed.
3. Do residents of similar incomes generally have the same range of housing options? Are there any barriers other than income/savings that might impact housing choices?
- Yes – any two families with the same income will have the same housing options.



- Families with children, especially single parents, are disadvantaged because a huge chunk of their incomes will go to childcare and leave less available to pay for housing costs.
  - Some landlords don't want to rent to people with multiple children; this is more of an issue with private landlords rather than management companies. Also, large families may have more difficulty finding a large enough unit.
  - Based just on an impression of the community and not specific evidence, people probably do not all have the same housing options.
  - While haven't seen it directly, suspect that minority families experience some differences in accessing housing choices.
  - I don't see this but it may be possible that a landlord would treat people differently.
  - Race and income are often related so economic barriers would impact some racial groups more than others.
  - Different housing and neighborhoods may appeal to different groups of people based on their preferences.
  - In the large majority of cases, choices are probably the same if income are the same, but likely not in every instance.
  - There is still some disparity, although not as much as there used to be.
  - Criminal history impacts access to housing.
4. Are you aware of any housing discrimination? What are some things that can be done to overcome discrimination?
- It's not a problem I have experienced or have any knowledge of, and I have lived in Gastonia my whole life.
  - Landlords often refuse to rent apartments to people transitioning out of homelessness services: "There's no way I'd put your people in my apartments."
  - Yes, people with mental health needs often face discrimination; landlords may not want to rent to them if an organization is not providing some support. Shortage of housing for people with special needs such as mental health needs, homelessness, and addiction issues.
  - No, not that they are aware of.
  - Not that they've heard of.
  - Month-to-month leases and evictions can impact some protected classes more than others. Resources to assist tenants are thin.
  - Yes, against the LGBT community. There is anti-LGBT sentiment in North Carolina.
  - There is a sense that some people feel stuck where they are and that they wouldn't be accepted if they were to move.
5. Are people in the area segregated in where they live? What causes this segregation to occur?
- West of downtown is a more predominantly African American and Hispanic population and east of downtown is more mixed. But segregation is improving.
  - The market is pushing young people out.
  - The city isn't segregated by race or ethnicity but by economics, income, and housing affordability.
  - There are generational patterns in terms of where different groups live. North and west Gastonia have more African American residents, east side has more white residents.

- Yes, the city is segregated by both race and class, but more because of class.
- It used to be. Highland used to be a minority neighborhood, but is now more a racially mixed low-income neighborhood.
- Affluent neighborhoods tend not to be very diverse.
- Some say the Westside is segregated, but the basis is more socioeconomic.
- There's segregation toward the center of the city, but this is an issue of where the support systems are located.
- Racism has always existed and there's also an economic divide.
- Their neighborhood has become more diverse over time.

6. Is there an adequate supply of housing that is accessible to people with disabilities?

- Group homes face a lot of NIMBYism when they're announced. A project for people with intellectual disabilities or substance abuse issues has to fly under the radar to get done.
- Someone with a disability would probably expect to have to make a modification to their home. Housing that is already configured to be accessible is not readily available.
- Even finding a contractor to make home modifications is hard because of the shortage of skilled labor.
- As long as someone's disability isn't outwardly visible, they shouldn't have too many issues finding housing.
- Other than the Gastonia Housing Authority, the only options are likely to be in Low Income Housing Tax Credit developments where there's a required set-aside for disabled residents.
- Need more options for youth with disabilities who are aging out of care programs and seeking independent living arrangements – they are often victimized by landlords.
- There is not any supply for this population, which is growing. Waiting lists are long at senior developments and places where rent is based on income are all full.
- There are several group homes serving people with disabilities such as Gaston Residential Services and Holy Angels.
- Landlord fair housing training would be helpful to educate landlords about housing for people with disabilities, including mental health needs, and accommodations process.

7. What types of fair housing services (education, complaint investigation, testing, etc.) are offered in the area? How well are they coordinated with the work of other organizations in the community?

- Someone could contact the City or HUD with a housing discrimination complaint.
- Fair Housing officer at the City.
- City's first-time homebuyer class would provide some information.
- Don't know of any.
- Legal Aid can help but is underfunded, especially given the scale of landlord-tenant issues.
- There are a few private practice lawyers in town who will help Latinos with issues pro bono.
- The County used to have a human relations department but now contracts with a mediator service to receive and refer complaints.
- There are a couple of groups that provide this type of service specifically for people with disabilities.

- Even if social service agency staff and others who work in community development know where to go with a complaint, it would be unlikely that most residents do.
  - Mecklenburg County has some vocal advocacy groups on these issues, but unaware of any in Gaston County.
  - The City of Gastonia holds some public meetings, holds a fair housing poster contest with the schools, and issues an annual Fair Housing Month proclamation. The issue is getting people out to attend an event.
8. Are public resources (e.g., parks, schools, roads, police and fire services, etc.) available evenly throughout all neighborhoods?
- One could always argue for more resources, but the current distribution seems fair.
  - The City is focused on lowering taxes which results in decreased levels of services.
  - Fire, police, and utilities are evenly provided.
  - Martha Rivers Park is the City's nicest one and is also located in the nicest part of Gastonia; but Rankin and Lineberger, nearer downtown, are also okay.
  - There is limited access to groceries in the southwest part of the city.
  - There is a need for more daycare centers, including daycare for people who work second shift.
  - Community centers are all on the West Side; people on the East Side can afford to pay for a gym so the public ones remain on the West Side.
  - Highland gets a bigger share of public CDBG and HOME investment, but it's also where there is land available for development and where people qualify for low-income services. The strongest schools are in the wealthiest neighborhoods.
  - Many of the resources are on the east side of Gastonia.
  - There's a perception that new schools and amenities are going to the east side because it's the popular part of the region, but really those facilities are just following the population growth.
  - High-poverty areas have some of the least access to reliable transit service.
  - Taking a long view, yes, everyone gets what they need. If people only look at the last year or two it may seem like they've been left out, but the City can't invest everywhere all the time.
  - Public investments don't seem to reveal disparities, but private investments do. For example, the YMCA moving to the East Side reflects a certain demographic preference.
  - County leadership is making strides to bring economic development to diverse areas, but it takes time and investment.
  - City services are pretty evenly provided. Schools at the county level may be newer on the east side of the county.
  - Transit has lots of routes and covers the city pretty well, but does not serve second or third shift workers and has spotty weekend service.
  - Light rail would be a significant resource.
9. Is there anything we haven't discussed that you feel is important to our research?
- The FUSE project raises gentrification concerns and inflates nearby landlords' expectations for rent amounts. It will be a challenge to get residents and businesses to look at the west side of the city without displacing current residents of those neighborhoods.

- Low Income Housing Tax Credit developers have to keep the “low income” part under wraps to avoid public opposition. Even so, they may still face NIMBYism from an anti-density perspective.
- Mortgage lenders in Gastonia are participating in the LIFT program to help first-time buyers with assistance.
- There are no overnight homeless shelters allowed in the city except the Salvation Army, which was grandfathered.
- The City needs a greater discussion around bad-actor landlords and eviction practices.
- Gaston County has high-tech advanced manufacturing and these jobs may be near high-poverty areas; but these aren’t jobs attainable for low-skilled workers.
- More downtown buildings should be revitalized for use as housing. Vacant commercial buildings should be redeveloped or taken down.
- Infrastructure is an impediment to developing affordable housing in the county. If there is no sewer or municipal water service, by the time a developer adds those costs, it can’t be made affordable.
- Transportation is a major impediment to opportunity. You have to be passionate about school to commit to getting back and forth to the community college using public transit.
- Health care access is an impediment to fair housing. For someone dealing with chronic illness, the medical needs take priority, leaving too little income for housing and food costs.
- Gastonia is woefully under-providing quality jobs that pay a living wage.
- Transportation is obviously an issue. It serves just the city limits so people without a car have a significant limitation on their housing choices.

## Community Survey

The following provides an overview of key questions and responses from the community survey. Complete results are provided as an appendix to this report.

### Participant Demographics

- The 78 respondents who participated in the survey represent areas throughout Gastonia. The largest shares live in east Gastonia (22%), central Gastonia (17%), southeast Gastonia (15%), and southwest Gastonia (13%). Outside of the city, survey respondents are from Dallas, Belmont, Bessemer City, Kings Mountain, and unincorporated Gaston County, among other locations.
- Respondents are relatively evenly split among age ranges from 25 to 74. Just under one-quarter (22%) are between the ages of 25 and 34, and another one-quarter (25%) are between the ages of 35 and 44. The 45 to 54, 55 to 61, and 61 to 74 age brackets each include about 17-18% of survey participants.
- Fifteen percent (15%) of survey takers have incomes below \$25,000 and 19% have incomes from \$25,000 to \$49,999. The \$50,000 to \$74,999 bracket includes 22% of respondents, and a substantial share (45%) have incomes of \$75,000 or more.
- More than three-quarters (78%) of participants are white and 16% are African American. Other races make up only small shares of survey takers: Latinos and people of other races each constitute about 1%, Native Americans make up 4%, and people of multiple races, 5%.



reduced drug activity; and more sidewalks for greater walkability. Several participants also mentioned the need for more affordable housing, improved property maintenance, more streetlighting, and better access to grocery stores and other shopping.

- When asked to select what types of housing are needed in Gastonia, “housing that lower-income households can afford” was the most common response; about 62% of respondents said a lot more of this type of housing is needed. First time homebuyer assistance, housing for people with disabilities, and housing for seniors were other popular selections.
- The majority of respondents think services like fire and police protection and garbage collection are evenly provided throughout Gastonia. Conversely, more than 50% of survey takers said that roads and sidewalks, grocery stores and shopping, schools, bus service, and property maintenance are not evenly provided throughout the city.

### **Respondents’ Thoughts about Fair Housing**

- More than one-half of survey participants (53%) report understanding their fair housing rights, and 27% somewhat understand their fair housing rights. Only 20% do not know their fair housing rights, although more than one-half (51%) would not know where to file a housing discrimination complaint.
- Nine respondents (13%) report that they experienced housing discrimination since living in the area. In almost all cases, the discrimination was by a landlord or property manager. The most common basis for discrimination was race (67% of cases), followed by sex (33%) and familial status (33%). None of the participants who faced housing discrimination reported it, most commonly because they didn’t know what good it would do, didn’t know where to file, or were afraid of retaliation.
- Survey participants were asked whether they think housing discrimination is an issue in Gastonia. About 29% of respondents said housing discrimination is an issue, and one-third (34%) said housing discrimination may be an issue. About 12% said housing discrimination is not an issue, and 25% don’t know whether it is.
- Asked to select any factors that are barriers to fair housing in Gastonia, survey participants most commonly identified the following impediments:
  - Not enough affordable rental housing for individuals (selected by 69% of respondents);
  - Neighborhoods that need revitalization and new investment (selected by 64% of respondents);
  - Displacement of residents due to rising housing costs (selected by 61% of respondents);
  - Community opposition to affordable housing (selected by 59% of respondents); and
  - Discrimination by landlords or rental agents (selected by 56% of respondents).

### **Public Hearing**

The following comments were provided by attendees at the May 14 public hearing on the draft Analysis of Impediments:

- HUD has funded a fair housing testing at the state level; there may be potential for the City to access that program.

- There is difficulty getting landlords to accept third-party vouchers and landlords with older properties may not want to have inspections. Are there opportunities to incentivize landlords or require fair housing or other training?
- Another challenge to Tenant Based Rental Assistance (TBRA) is getting proper verification of income.
- Smaller developers have more difficulty applying for Low Income Housing Tax Credit (LIHTC) funding because they have less capacity for pre-development work required by the Qualified Allocation Process (QAP).
- Educating vulnerable populations about fair housing rights and resources is crucial. One focus of that education should be about sex as a protected class, particularly related to sexual harassment or quid pro quos as a form of discrimination.
- People may be afraid to bring discrimination complaints to the City; strong partnerships with local organizations will be important to overcome that. These may include partnerships with schools, community organizations, the Housing Authority, and non-traditional partnerships such as with people on parole or recently released from prison.
- There are usurious co-housing/transitional housing operators, particularly in the county, that may be the only option for people recently released from prison. There needs to be opportunities for more stable housing.
- People may not know about affordable and fair housing resources available to them. They need to be connected with information about programs, possibly through social media, pieces in the paper or on the news, YouTube videos, links to organizations providing assistance, and presence at community events.

# CHAPTER 3.

## SOCIOECONOMIC PROFILE

According to data provided through HUD’s Affirmatively Furthering Fair Housing tool, the city of Gastonia’s population is estimated at about 72,032 residents. Gaston County (the HOME Consortium geography) includes an estimated 239,297 residents. Table 1 provides an overview of key demographic indicators for the city, county, and the Charlotte-Concord-Gastonia region, while Table 2 shows demographic trends since 1990.

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### DEMOGRAPHIC PROFILE

#### Race and Ethnicity

In Gastonia, 60.5% of residents are non-Hispanic white and 26.7% are non-Hispanic Black or African American. Latino residents comprise just under one-tenth of the city (9.2%). No other racial or ethnic group makes up more than 2% of the city’s population. Since 1990, the city has become progressively more diverse. The white population fell both in number and population share from 1990 to 2000 and again from 2000 to 2010, ultimately declining by about 16.7 percentage points from 77.3% in 1990. All other population groups grew in both number and population share. Hispanic population saw the most significant growth, going from 312 residents in 1990 to 6,618 in 2010. The African American population also grew considerably, adding 6,643 residents over those decades.

Gaston County is less racially and ethnically diverse than the city. Its population is 75.9% white, 15.5% African American, and 5.5% Hispanic. As in the city, no other group makes up more than 2% of the population. The county and city saw similar trends with respect to racial and ethnic population changes since 1990. The county’s white population fell as a share of total population (from 84.9% in 1990), although the number of white residents grew. All other groups saw increases in both number and population share. Most notable growth was in the Hispanic population, which added 12,096 residents (a 1,247% growth rate) since 1990. The African American population also grew significantly (by 11,107 residents or 39.8%).

#### National Origin

Foreign-born residents currently comprise about 7.7% of the city of Gastonia (5,563 people). This population grew considerably since 1990 when the city had only 646 residents born outside of the U.S. (1.0% of city’s population). In Gaston County, foreign-born residents are 4.2% of the population, up from 1.0% in 1990. Trends in both the city and county match those of the Charlotte-Concord-Gastonia region, where foreign-born residents made up 8.4% in 2010 and 1.9% in 1990.

In all three areas, the most common country of origin for the foreign-born population is Mexico, along with other Latin American countries, including Colombia, the Dominican Republic, El Salvador, Costa Rica, and Guatemala. India, China, Japan, and Vietnam are also common countries of origin.



## LEP

The population dynamics with limited English proficiency (LEP) often resemble patterns of population change found among foreign-born residents in a community. About 4.4% of residents in Gastonia and 2.6% in Gaston County have limited English proficiency as of 2010, up from 1.0% in both areas in 1990. Overwhelmingly, the most common language spoken by LEP residents is Spanish. Other common languages include Chinese, Japanese, Vietnamese, and Korean, although much smaller numbers of LEP residents speak these languages in comparison to those that speak Spanish.

## Disability

The population with disabilities in Gastonia, Gaston County, and the Charlotte-Concord-Gastonia region have similar distributions by disability type, however, the proportion of the population with disabilities at the regional level is lower than that in the city and county. The most common disability type in all areas is difficulty with ambulatory movement. People experiencing ambulatory difficulties comprise 9.2% of the city's population and 10.1%, compared to 6.3% of the region. Disabilities that typically require more extensive assistance such as difficulties with independent living or self-care make up about 6% and 3% of both the city and county, respectively; rates are about 1-2 percentage points lower at the regional level. About 6-7% of the population in Gastonia and Gaston County have a cognitive difficulty and sensory disabilities such as hearing and vision difficulties impact about 3-5% of the population in both areas.

## Age

Age distribution in the city of Gastonia shows that about one-quarter of the population (24.3%) is under age 18. One-in-seven residents (14.0%) are seniors age 65 or over, and the remaining 61.7% of the population is between ages 18 and 64. The age distribution has changed only slightly since 1990, as the share of residents under age 18 declined by 0.9 percentage points and the 18-64 age bracket grew correspondingly.

In Gaston County, age distribution almost exactly mirrors that in the city. About one-quarter of residents (23.9%) are under age 18, about one-seventh are seniors (13.6%), and the remaining 62.6% are in the 18-64 range. Since 1990, the youth population share fell slightly (by 1.4 percentage points) while the senior share rose.

Regionally, there is a slightly smaller senior population share (10.9%) compared to the city and county. Both the youth and 18-64 age brackets have slightly higher population shares (25.6% and 63.5%, respectively) than they do in Gastonia and Gaston County. These shares have remained relatively steady since 1990.

## Sex

In all three geographies, the majority of residents are female. Females comprise 52.7% of the population in the city of Gastonia, 51.7% of Gaston County, and 51.3% of the region. There have not been significant fluctuations in these shares since 1990.

## Family Type

In Gastonia, 43.3% of family households have children. The share of families with children is slightly lower countywide (41.8%), but higher at the regional level (47.7%). There have not been appreciable changes in the share of families with children since 1990 at the city or regional level since 1990; the share in both areas fluctuated by 1.6 percentage points or less. In Gaston County, shares show a steadier decline over the last decades, from 45.7% in 1990 to 44.0% in 2000, to 41.8% most recently.

**TABLE 1 – DEMOGRAPHIC OVERVIEW**

Demographic Indicator	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region				
	#	%	#	%	#	%			
<b>Race/Ethnicity</b>									
Non-Hispanic									
White	43,638	60.5%	181,615	75.9%	1,429,989	64.5%			
Black or African American	19,244	26.7%	36,978	15.5%	477,127	21.5%			
Asian or Pacific Islander	908	1.3%	2,973	1.2%	60,678	2.7%			
Native American	220	0.3%	770	0.3%	7,787	0.4%			
Two or More Races	1,260	1.8%	3,594	1.5%	34,673	1.6%			
Other	144	0.2%	301	0.1%	4,215	0.2%			
Hispanic	6,618	9.2%	13,066	5.5%	202,543	9.1%			
<b>National Origin</b>									
#1 country of origin	Mexico	2,856	4.3%	Mexico	4,449	2.2%	Mexico	56,624	2.7%
#2 country of origin	Colombia	429	0.6%	Colombia	784	0.4%	India	16,890	0.8%
#3 country of origin	Dominican Republic	365	0.6%	India	422	0.2%	El Salvador	11,577	0.6%
#4 country of origin	China*	219	0.3%	Dominican Republic	400	0.2%	Honduras	9,402	0.5%
#5 country of origin	India	191	0.3%	Vietnam	340	0.2%	Vietnam	7,892	0.4%
#6 country of origin	El Salvador	121	0.2%	Germany	330	0.2%	Colombia	5,799	0.3%
#7 country of origin	Guatemala	106	0.2%	El Salvador	306	0.2%	Canada	4,503	0.2%
#8 country of origin	Japan	106	0.2%	China*	237	0.1%	Germany	4,173	0.2%
#9 country of origin	Ghana	104	0.2%	Canada	231	0.1%	China*	4,168	0.2%
#10 country of origin	Kenya	78	0.1%	Costa Rica	204	0.1%	Ecuador	3,795	0.2%
<b>Limited English Proficiency (LEP) Language</b>									
#1 LEP Language	Spanish	3,311	5.0%	Spanish	5,356	2.7%	Spanish	85,389	4.1%
#2 LEP Language	Chinese	256	0.4%	Chinese	302	0.2%	Vietnamese	5,181	0.3%
#3 LEP Language	Japanese	86	0.1%	Vietnamese	236	0.1%	Chinese	3,433	0.2%
#4 LEP Language	Korean	27	<0.1%	Japanese	120	0.1%	Other Asian	2,122	0.1%

\* Excluding Hong Kong and Taiwan.

**TABLE 1 – DEMOGRAPHIC OVERVIEW (CONTINUED)**

Demographic Indicator	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region				
	#	%	#	%	#	%			
<b>Limited English Proficiency (LEP) Language (continued)</b>									
#5 LEP Language	Greek	24	<0.1%	German	77	<0.1%	French	1,822	0.1%
#6 LEP Language	French	22	<0.1%	Hmong	73	<0.1%	Russian	1,713	0.1%
#7 LEP Language	Gujarati	20	<0.1%	Other Asian Language	37	<0.1%	Korean	1,649	0.1%
#8 LEP Language	Russian	15	<0.1%	Korean	34	<0.1%	Gujarati	1,501	0.1%
#9 LEP Language	Other West Germanic	14	<0.1%	Gujarati	32	<0.1%	African	1,423	0.1%
#10 LEP Language	Laotian	13	<0.1%	Laotian	28	<0.1%	Other Indic Language	1,170	0.1%
<b>Disability Type</b>									
Hearing difficulty		2,577	3.9%		9,484	4.7%		64,802	3.1%
Vision difficulty		2,029	3.1%		6,402	3.2%		42,387	2.0%
Cognitive difficulty		4,005	6.1%		13,783	6.9%		90,277	4.3%
Ambulatory difficulty		6,046	9.2%		20,210	10.1%		131,877	6.3%
Self-care difficulty		1,852	2.8%		6,885	3.4%		47,949	2.3%
Independent living difficulty		3,875	5.8%		12,673	6.3%		83,714	4.0%
<b>Sex</b>									
Male		34,08	47.3%		115,644	48.3%		1,079,448	48.7%
Female		37,95	52.7%		123,653	51.7%		1,137,564	51.3%
<b>Age</b>									
Under 18		17,50	24.3%		57,108	23.9%		567,751	25.6%
18-64		44,44	61.7%		149,763	62.6%		1,408,306	63.5%
65+		10,08	14.0%		32,426	13.6%		240,955	10.9%
<b>Family Type</b>									
Families with children		8,112	43.3%		27,301	41.8%		275,839	47.7%

**Note:** All % represent a share of the total population within the jurisdiction or region, except family type, which is out of total families. The most populous places of birth and languages at the city and county levels may not be the same and are thus labeled separately.

**Data Sources:** Decennial Census; ACS

**TABLE 2 – DEMOGRAPHIC TRENDS**

Demographic Indicator	1990		2000		2010	
	#	%	#	%	#	%
<b>City of Gastonia</b>						
<b>Race/Ethnicity</b>						
White, Non-Hispanic	48,601	77.3%	47,500	69.2%	43,638	60.6%
Black or African American, Non-Hispanic	13,458	21.4%	16,510	24.1%	20,101	27.9%
Hispanic	312	0.5%	3,335	4.9%	6,618	9.2%
Asian or Pacific Islander, Non-Hispanic	337	0.5%	819	1.2%	1,046	1.5%
Native American, Non-Hispanic	105	0.2%	296	0.4%	460	0.6%
<b>National Origin</b>						
Foreign-born	646	1.0%	3,443	5.0%	5,563	7.7%
<b>Limited English Proficiency</b>						
Limited English proficiency	602	1.0%	2,622	3.8%	3,145	4.4%
<b>Sex</b>						
Male	29,545	47.0%	32,567	47.5%	34,082	47.3%
Female	33,278	53.0%	36,038	52.5%	37,950	52.7%
<b>Age</b>						
Under 18	15,851	25.2%	17,416	25.4%	17,505	24.3%
18-64	38,245	60.9%	41,529	60.5%	44,447	61.7%
65+	8,727	13.9%	9,659	14.1%	10,080	14.0%
<b>Family Type</b>						
Families with children	7,854	44.9%	4,252	43.5%	8,112	43.3%
<b>Gaston County</b>						
<b>Race/Ethnicity</b>						
White, Non-Hispanic	172,597	84.9%	180,305	80.7%	181,615	75.9%
Black or African American, Non-Hispanic	27,917	13.7%	32,788	14.7%	39,054	16.3%
Hispanic	970	0.5%	6,113	2.7%	13,066	5.5%
Asian or Pacific Islander, Non-Hispanic	1,108	0.6%	2,502	1.1%	3,527	1.5%
Native American, Non-Hispanic	391	0.2%	1,117	0.5%	1,648	0.7%
<b>National Origin</b>						
Foreign-born	1,982	1.0%	6,872	3.1%	10,090	4.2%
<b>Limited English Proficiency</b>						
Limited English proficiency	1,928	1.0%	5,616	2.5%	6,118	2.6%
<b>Sex</b>						
Male	97,661	48.1%	107,976	48.4%	115,644	48.3%
Female	105,475	51.9%	115,326	51.7%	123,653	51.7%

**TABLE 2 – DEMOGRAPHIC TRENDS (CONTINUED)**

Demographic Indicator	1990		2000		2010	
	#	%	#	%	#	%
<b>Gaston County (continued)</b>						
<b>Age</b>						
Under 18	51,342	25.3%	56,920	25.5%	57,108	23.9%
18-64	127,130	62.6%	137,910	61.8%	149,763	62.6%
65+	24,664	12.1%	28,472	12.8%	32,426	13.6%
<b>Family Type</b>						
Families with children	26,570	45.7%	13,992	44.0%	27,301	41.8%
<b>Charlotte-Concord-Gastonia Region</b>						
<b>Race/Ethnicity</b>						
White, Non-Hispanic	1,041,652	77.6%	1,230,102	71.6%	1,429,989	64.5%
Black or African American, Non-Hispanic	271,918	20.3%	357,467	20.8%	497,600	22.4%
Hispanic	11,359	0.9%	82,308	4.8%	202,543	9.1%
Asian or Pacific Islander, Non-Hispanic	11,186	0.8%	33,519	2.0%	67,987	3.1%
Native American, Non-Hispanic	4,021	0.3%	9,369	0.6%	14,005	0.6%
<b>National Origin</b>						
Foreign-born	25,483	1.9%	105,349	6.1%	186,960	8.4%
<b>Limited English Proficiency</b>						
Limited English proficiency	17,317	1.3%	72,878	4.2%	112,848	5.1%
<b>Sex</b>						
Male	646,223	48.1%	842,680	49.1%	1,079,448	48.7%
Female	695,658	51.8%	874,862	50.9%	1,137,564	51.3%
<b>Age</b>						
Under 18	334,254	24.9%	447,316	26.0%	567,751	25.6%
18-64	858,046	63.9%	1,090,713	63.5%	1,408,306	63.5%
65+	149,580	11.2%	179,513	10.5%	240,955	10.9%
<b>Family Type</b>						
Families with children	172,678	46.7%	134,786	47.4%	275,839	47.7%

**Note:** All % represent a share of the total population within the jurisdiction or region for that year, except family type, which is out of total families.

**Data Sources:** Decennial Census; ACS

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## RACIALLY AND ETHNICALLY CONCENTRATED AREAS OF POVERTY

This study uses a methodology developed by HUD that combines demographic and economic indicators to identify racially or ethnically concentrated areas of poverty (RECAPs). These areas are defined as census tracts that have an individual poverty rate of 40% or more (or an individual poverty rate that is at least 3 times that of the tract average for the metropolitan area, whichever is lower) and a non-white population of 50% or more. Using a metric that combines demographic and economic indicators helps to identify a jurisdiction's most vulnerable communities.

The racial and ethnic composition of neighborhoods with concentrations of poverty is disproportionate relative to the U.S. population overall. According to the U.S. Department of Health and Human Services, African American and Hispanic populations comprise nearly 80% of the population living in areas of concentrated poverty in metropolitan areas, but only account for 42.6% of the total poverty population in the U.S.<sup>4</sup> Overrepresentation of these groups in areas of concentrated poverty can exacerbate disparities related to safety, employment, access to jobs and quality education, and conditions that lead to poor health.

Identification of RECAPs is significant in determining priority areas for reinvestment and services to ameliorate conditions that negatively impact RECAP residents and the larger region. Since 2000, the prevalence of concentrated poverty has expanded by nearly 75% in both population and number of neighborhoods. The majority of concentration of poverty is within the largest metro areas, but suburban regions have experienced the fastest growth rate.<sup>5</sup>

There is one census tract in Gastonia and Gaston County that meets HUD's RECAP definition, located along Franklin Boulevard in and around downtown Gastonia and including the neighborhood to the northwest of the Franklin Boulevard-Chester Street intersection. There are an estimated 2,973 residents in that tract, of whom the majority (72.9%) are African American. White residents make up about one-fifth of the tract's population (21.2%), and Hispanic residents constitute 3.2%. These shares vary considerably from the city of Gastonia as a whole, where 60.6% of residents are white, 26.7% are African American, and 9.2% are Hispanic.

Foreign-born residents do not make up a large share of RECAP population. According to American Community Survey and HUD estimates, only 17 foreign-born residents live in the RECAP, all from the Dominican Republic.

Families with children are slightly overrepresented in the RECAP population. Nearly one-half of families (49.7%) living in the RECAP have children, compared to 43.3% citywide.

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<sup>4</sup> United States, Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. "Overview of Community Characteristics in Areas with Concentrated Poverty." ASPE Issue Brief, May 2014, [https://aspe.hhs.gov/system/files/pdf/40651/rb\\_concentratedpoverty.pdf](https://aspe.hhs.gov/system/files/pdf/40651/rb_concentratedpoverty.pdf).

<sup>5</sup> Kneebone, Elizabeth. "The Growth and Spread of Concentrated Poverty, 2000 to 2008-2012." *The Brookings Institution*, 29 July 2016, [www.brookings.edu/interactives/the-growth-and-spread-of-concentrated-poverty-2000-to-2008-2012/](http://www.brookings.edu/interactives/the-growth-and-spread-of-concentrated-poverty-2000-to-2008-2012/).

**TABLE 3. RECAP DEMOGRAPHIC PROFILE**

Demographic Indicator	Gastonia RECAP Tracts	
	#	%
<b>Race/Ethnicity</b>		
Total Population in RECAPs	2,973	-
White, Non-Hispanic	630	21.2%
Black or African American, Non-Hispanic	2,167	72.9%
Hispanic	96	3.2%
Asian or Pacific Islander, Non-Hispanic	6	0.2%
Native American, Non-Hispanic	7	0.2%
Other, Non-Hispanic	5	0.2%
<b>National Origin</b>		
Total Population in RECAPs	2,973	-
#1 country of origin	Dominican Republic	17
		0.6%
<b>Family Type</b>		
Total Families in RECAPs	629	-
Families with Children	308	49.7%

**Data Sources:** Decennial Census; ACS



# CHAPTER 4.

## SEGREGATION AND INTEGRATION

Communities experience varying levels of segregation between different racial, ethnic, and socioeconomic groups. High levels of residential segregation often lead to conditions that exacerbate inequalities among population groups within a community. Increased concentrations of poverty and unequal access to jobs, education, and other services are some of the consequences of high residential segregation.<sup>6</sup>

Federal housing policies and discriminatory mortgage lending practices prior to the Fair Housing Act of 1968 not only encouraged segregation, but mandated restrictions based on race in specific neighborhoods. The Fair Housing Act of 1968 outlawed discriminatory housing practices, but did little to address the existing segregation and inequalities. Other federal housing policies and programs, like Section 8 and HOPE VI, have been implemented in an effort to ameliorate the negative effects of residential segregation and reduce concentrations of poverty. Despite these efforts, the repercussions of the discriminatory policies and practices continue to have a significant impact on residential patterns today.

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### RACE AND ETHNICITY

As shown in Figure 1, population density and distribution are relatively uniform throughout the city of Gastonia. There are vague indications of segregation by race and ethnicity according to the spatial distribution data shown in Figure 1. Population distribution patterns by race and ethnicity indicate the majority of the population in the southeast corner of the city is comprised of white residents. There is a higher share of African American residents in neighborhoods north of Franklin Boulevard and in the western half of the city. Despite some loose concentrations, white, African American, and Hispanic populations are evenly distributed throughout most of the city. Conversely, the Asian population almost exclusively reside in the southeast corner of the city.

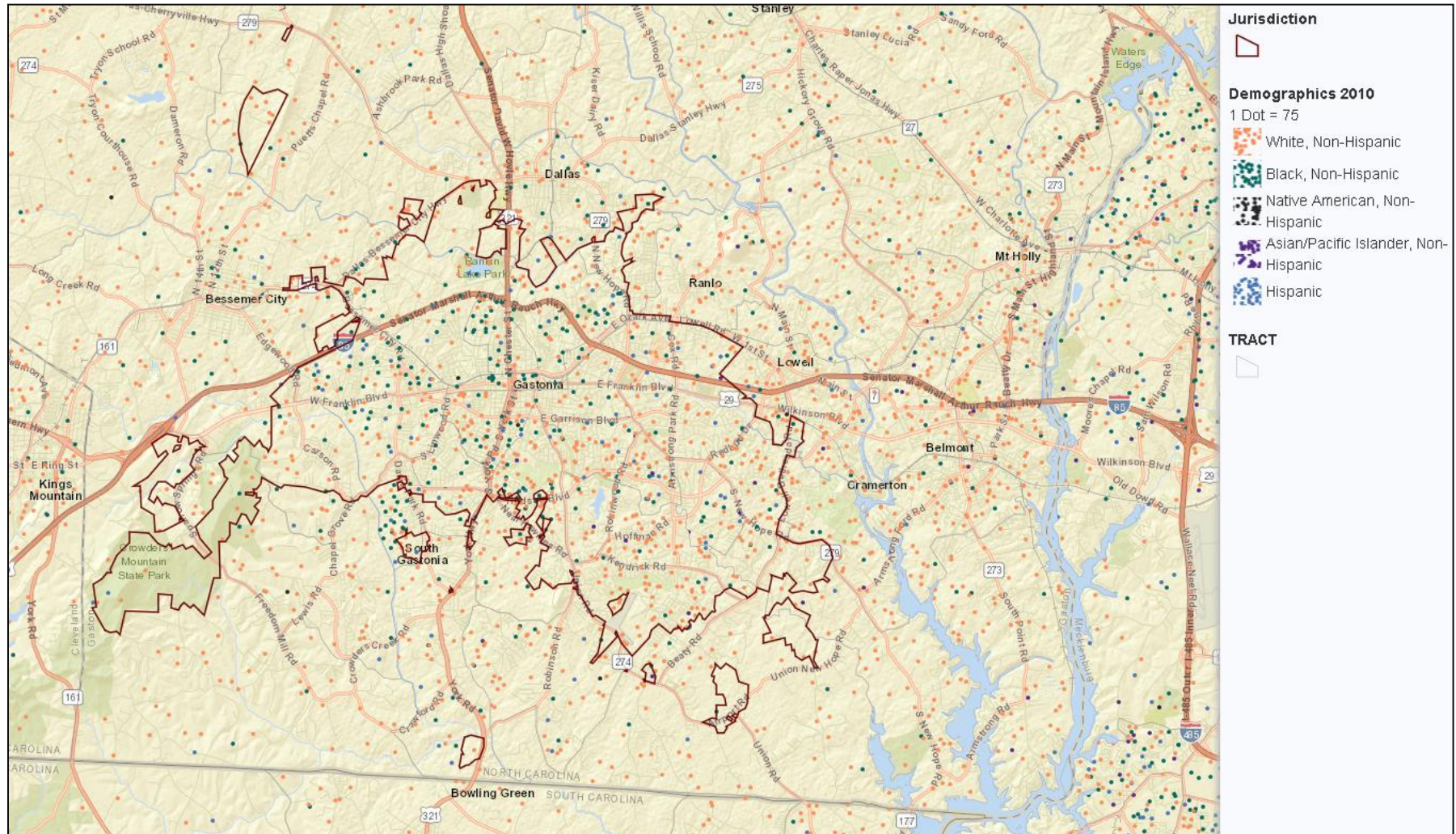
Shifts in residential patterns of racial and ethnic groups since 1990 have resulted in a more integrated and diverse city. Population distribution patterns in 1990 suggest significant residential segregation between white and African American populations. Figure 2 shows non-white populations starting to migrate to neighborhoods in southern and southeastern areas of the city. The significant influx of Hispanic residents between 1990 and 2010 is clearly visible when comparing Figures 1 and 3.

The city of Gastonia is the most densely populated and diverse area of Gaston County. Figure 4 shows the population distribution by race and ethnicity for Gaston County. Most of the county's non-white population reside within or in close proximity to city limits.

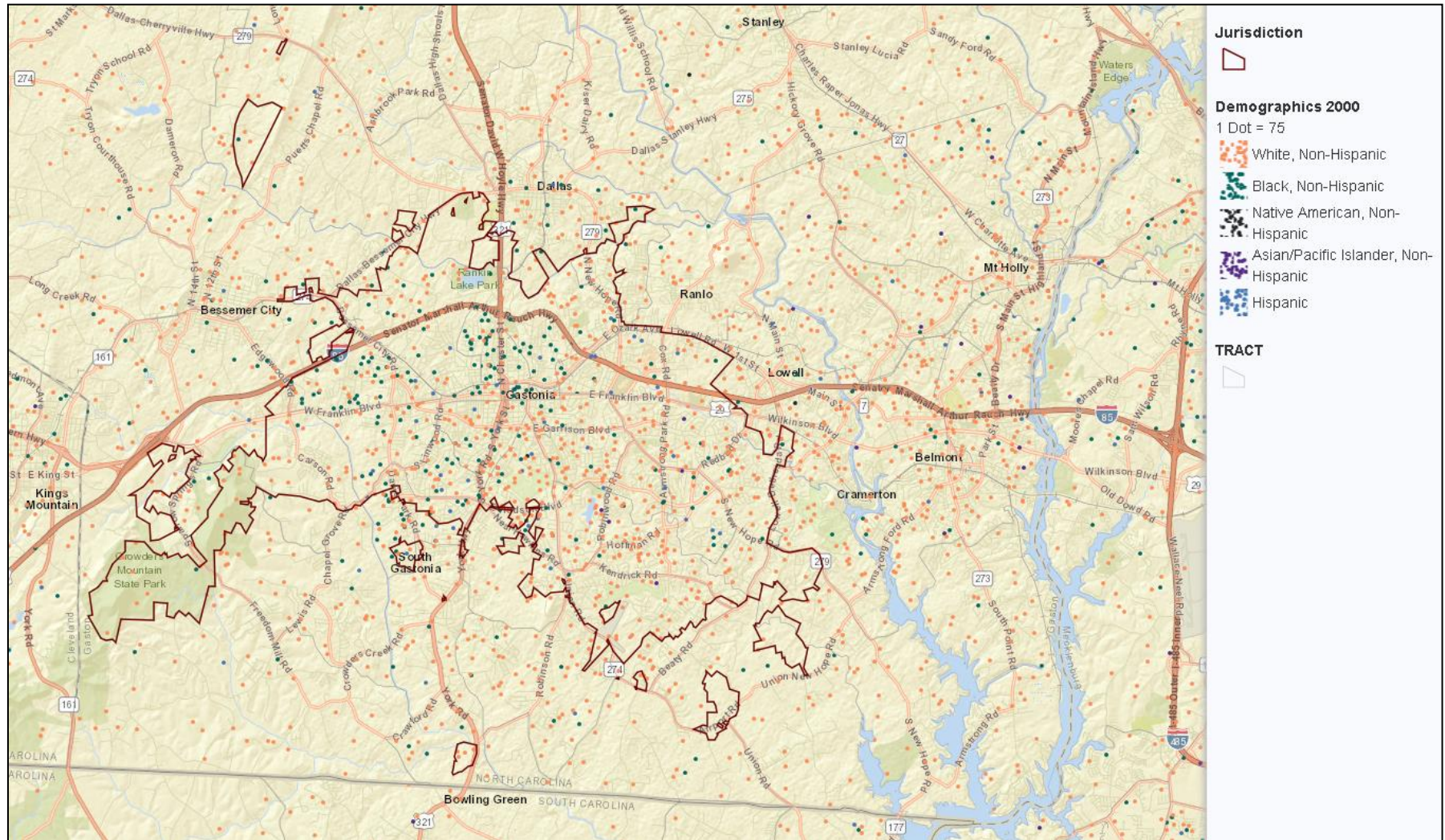
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<sup>6</sup> Massey, D. (1990). American Apartheid: Segregation and the Making of the Underclass. *American Journal of Sociology*, 96(2), 329-357. Retrieved from <http://www.jstor.org/stable/2781105>

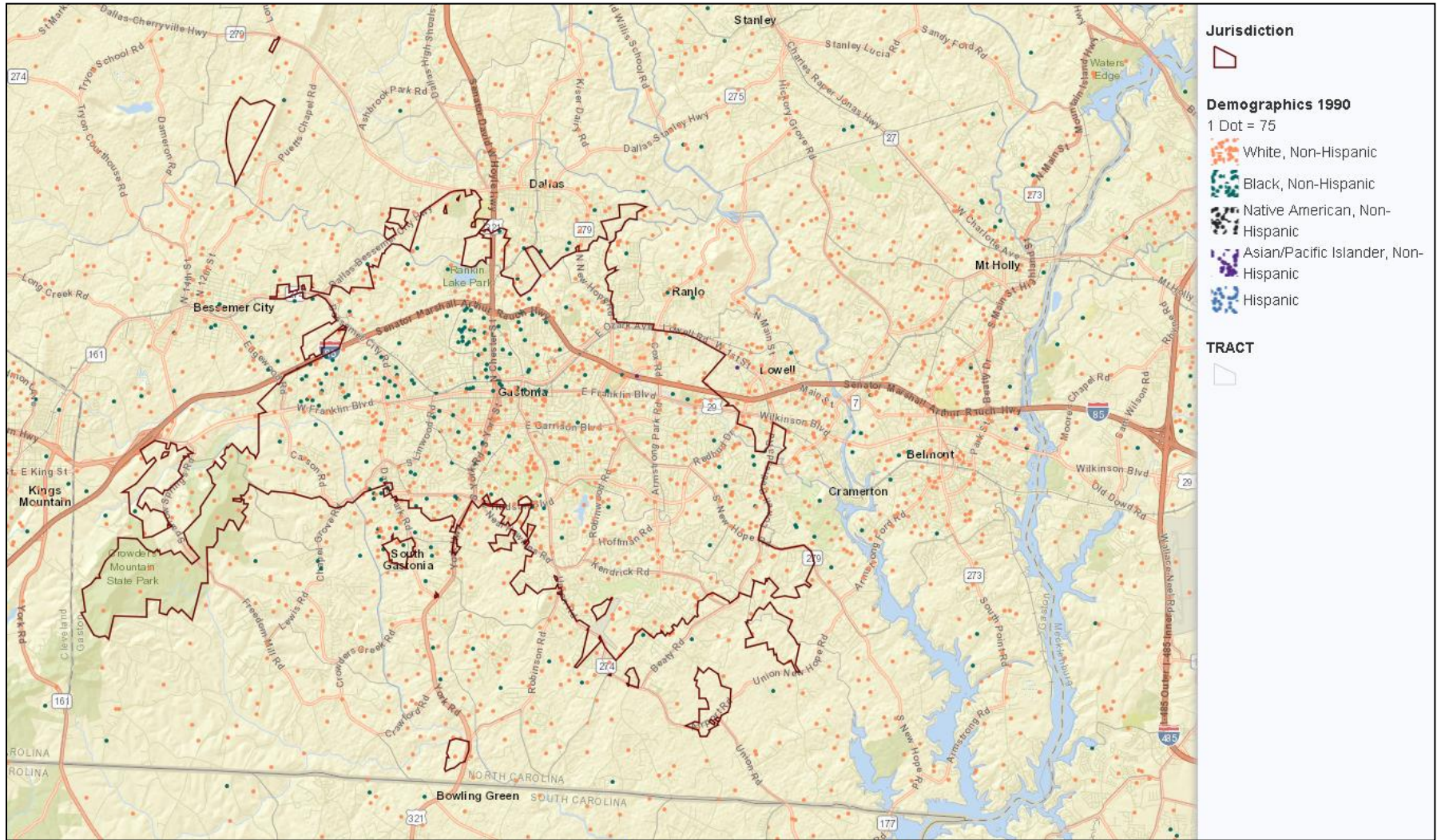
**FIGURE 1 – POPULATION BY RACE AND ETHNICITY IN THE CITY OF GASTONIA, 2010**



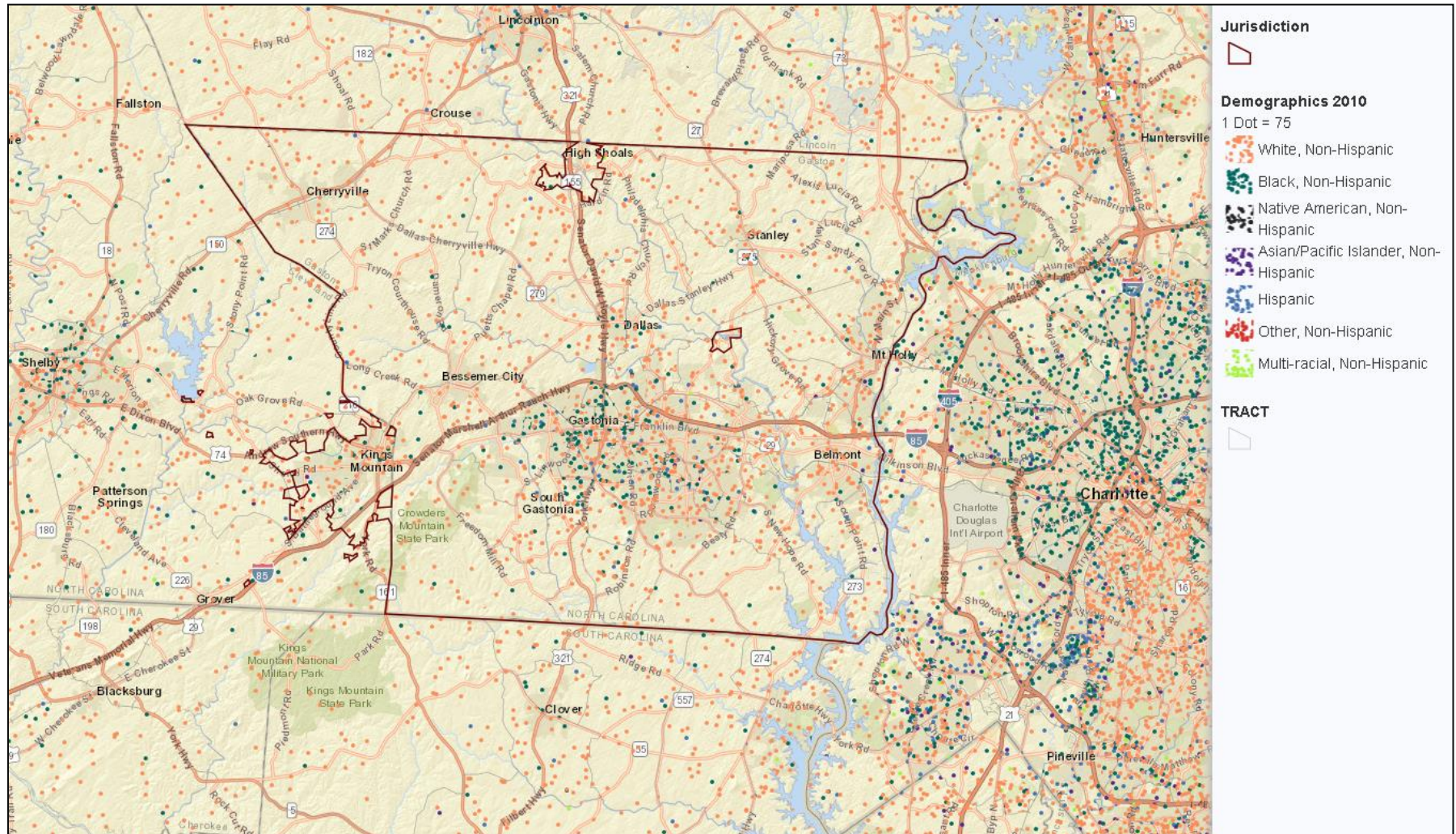
**FIGURE 2 – POPULATION BY RACE AND ETHNICITY IN THE CITY OF GASTONIA, 2000**



**FIGURE 3 – POPULATION BY RACE AND ETHNICITY IN THE CITY OF GASTONIA, 1990**



**FIGURE 4 – POPULATION BY RACE AND ETHNICITY IN GASTON COUNTY, 2010**



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## SEGREGATION LEVELS

In addition to visualizing the racial and ethnic composition of the area with the preceding maps, this study also uses a statistical analysis – referred to as dissimilarity – to evaluate how residential patterns vary by race and ethnicity, and how these patterns have changed since 1990. The Dissimilarity Index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology uses a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas have the same proportion of minority and majority members as the larger area in which they live. Evenness is not measured in an absolute sense, but is scaled relative to the other group. The DI ranges from 0 (complete integration) to 100 (complete segregation). HUD identifies a DI value below 40 as low segregation, a value between 40 and 54 as moderate segregation, and a value of 55 or higher as high segregation.

The proportion of the minority population group can be small and still not segregated if evenly spread among tracts or block groups. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to match the distribution of the majority, or vice versa.

The table below shares the dissimilarity indices for four pairings in the city of Gastonia, Gastonia County, and the Charlotte-Concord-Gastonia Region. This table presents values for 1990, 2000, and 2010, all calculated using census tracts as the area of measurement.

The Dissimilarity Indices calculated for each pairing in 2010 show low levels of segregation for all pairings in the city of Gastonia. The highest DI value of 33.17 was calculated for the African American/white pairing. The Asian or Pacific Islander/white pairing resulted in a DI of 26.51, the lowest of all pairings. DI for all pairings, except for Asian or Pacific Islander/white, declined from 2000 to 2010. DI for non-white/white and African American/white pairings decreased steadily from having moderate segregation in 1990 to low segregation in 2010. DI values for the Hispanic/white pairing more than doubled between 1990 and 2000 before decreasing to a value below 30 in 2010.

Segregation levels for all pairings in Gaston County in 2010 were slightly higher compared to the city, but DI values for all pairings remained in the low segregation range. DI values for the Hispanic/white pairing in the county follow the same trend of the only pairing to show increased levels of segregation between 1990 and 2000 by doubling in DI value. In contrast to the city of Gastonia and Gaston County, the larger Charlotte-Concord-Gastonia region have DI values in the moderate segregation range for all pairings with the highest DI calculated for the African American/white pairing.

**TABLE 4 – RACIAL AND ETHNIC DISSIMILARITY TRENDS**

Race/Ethnicity	City of Gastonia			Gaston County			Charlotte-Concord-Gastonia Region		
	1990	2000	2010	1990	2000	2010	1990	2000	2010
Non-White/White	45.9	37.1	30.1	37.3	35.7	33.2	47.7	47.1	46.2
Black or African American/White	48.2	41.4	33.2	40.0	40.0	38.8	51.3	51.8	52.4
Hispanic/White	16.8	38.5	29.3	15.0	39.0	37.0	32.3	48.2	45.7
Asian or Pacific Islander/White	26.7	23.8	26.5	37.2	32.3	30.1	46.1	43.1	43.1

Data Sources: Decennial Census

## NATIONAL ORIGIN AND LIMITED ENGLISH PROFICIENCY POPULATION

Settlement patterns of immigrants significantly impact the composition and landscape of communities across the United States. Large central cities have the largest population of foreign-born residents, but suburban areas are experiencing rapid growth of foreign-born populations recently.<sup>7</sup> Clusters of immigrants of the same ethnicity form for a variety of reasons. Social capital in the form of kinship ties, social network connections, and shared cultural experiences often draw new immigrants to existing communities. Settling in neighborhoods with an abundance of social capital is less financially burdensome for immigrants and provides opportunities to accumulate financial capital through employment and other resources that would otherwise be unattainable.<sup>8</sup>

Populations with limited English proficiency (LEP) are typically composed of foreign-born residents that originate from countries where English is not the primary language, however, a substantial portion (19%) of the national LEP population is born in the United States. Nationally, the LEP population has lower levels of education and is more likely to live in poverty compared to the English proficient population.<sup>9</sup> Recent studies have also found that areas with high concentrations of LEP residents have lower rates of homeownership.<sup>10</sup>

Communities of people sharing the same ethnicity and informal networks are able to provide some resources and opportunities, but numerous barriers and limited financial capital influence residential patterns of foreign-born and LEP populations.

The residential patterns of foreign-born populations throughout the city of Gastonia show a sparse presence in central neighborhoods and heavier concentrations along the outskirts of the city. Residents

<sup>7</sup> James, F., Romine, J., & Zwanzig, P. (1998). The Effects of Immigration on Urban Communities. *Cityscape*, 3(3), 171-192.

<sup>8</sup> Massey, D. (1999). Why Does Immigration Occur?: A Theoretical Synthesis. In Hirschman C., Kasinitz P., & DeWind J. (Eds.), *Handbook of International Migration, The: The American Experience* (pp. 34-52). Russell Sage Foundation.

<sup>9</sup> Zong, J. & Batalova, J. (2015). "The Limited English Proficient Population in the United States" *Migration Information Source*. Retrieved: <http://www.migrationpolicy.org/article/limited-english-proficient-population-united-states>

<sup>10</sup> Golding, E., Goodman, L., & Strochack, S. (2018). "Is Limited English Proficiency a Barrier to Homeownership." Urban Institute. Retrieved: <https://www.urban.org/research/publication/limited-english-proficiency-barrier-homeownership>

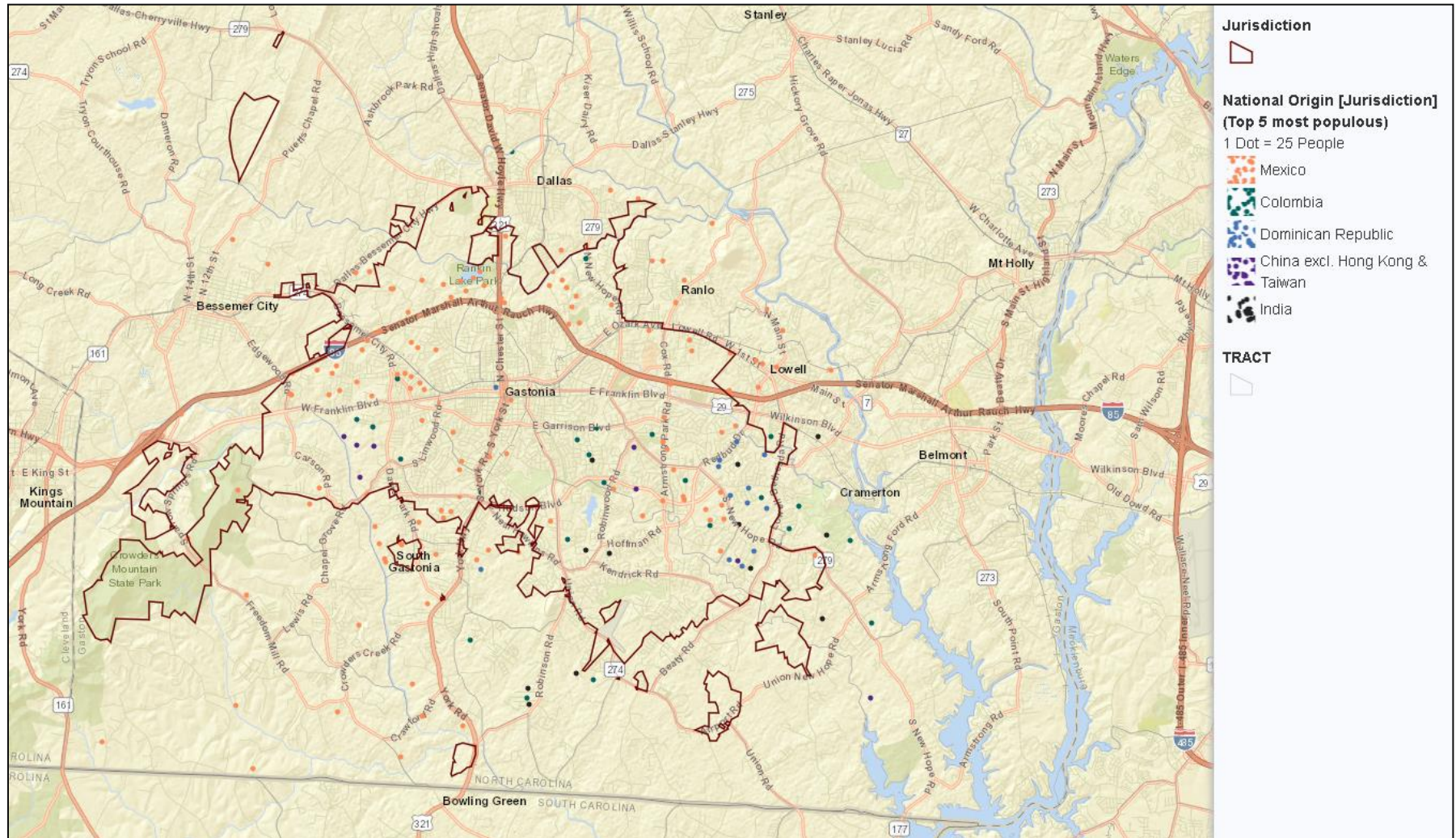
originating from Mexico are the largest and most evenly distributed foreign-born group. The foreign-born population north of Senator Marshall Arthur Rauch Highway is almost exclusively comprised of residents from Mexico.

Residents from Colombia make up the second largest foreign-born group and mostly reside in neighborhoods south of Franklin Boulevard without significant clustering. Conversely, residents from the Dominican Republic are heavily concentrated in neighborhoods between Redbud Drive and the eastern border defined by Lowell Bethesda Road. Residents originating from China and India comprise the fourth and fifth largest foreign-born groups, respectively, and primarily reside in the southeast quadrant of the city. However, there is a small concentration of Chinese residents in the neighborhood between Crowders Creek and South Myrtle School Road.

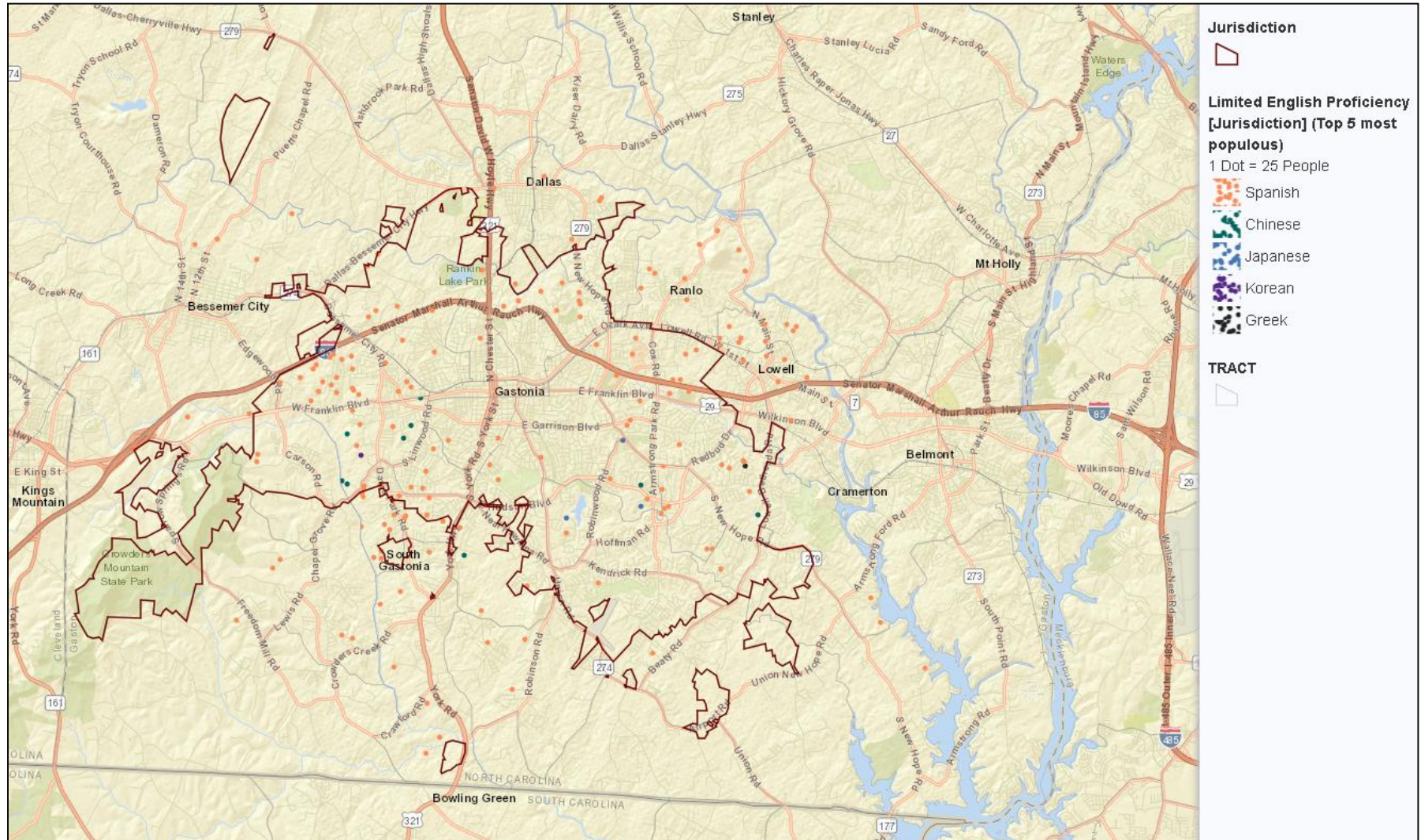
The geographic distribution of residents with limited English proficiency (LEP) in the city of Gastonia coincide with the locations of the foreign-born population. The Spanish-speaking population comprise the majority of the LEP population and have a presence in most parts of the city, however, there is a slightly stronger concentration of the Spanish-speaking LEP population between Shannon Bradly Road and Bessemer City Road. LEP populations that speak Chinese, Japanese, and Korean are the next largest groups and almost exclusively reside in the southern half of the city.



**FIGURE 5 – FOREIGN-BORN POPULATION BY NATIONALITY IN THE CITY OF GASTONIA**



**FIGURE 6 – POPULATION WITH LIMITED ENGLISH PROFICIENCY IN THE CITY OF GASTONIA**



# CHAPTER 5.

## ACCESS TO OPPORTUNITY

Housing discrimination and residential segregation have limited access to opportunity for specific population groups and communities. It is important to understand opportunity, as used in this context, as a subjective quality. Typically, it refers to access to resources like employment, quality education, healthcare, childcare, and other services that allow individuals and communities to achieve a high quality of life. However, researchers who interviewed residents of Baltimore, Maryland on this subject found perceptions of opportunity follow similar themes but are prioritized differently by different groups. Racial and ethnic minorities, low-income groups, and residents of distressed neighborhoods identified job access, employment, and training as important opportunities while white residents, higher income groups, and residents of wealthier neighborhoods more often identified sense of community, social connections among neighbors, freedom of choice, education, and retirement savings.<sup>11</sup>

Proximity is often used to indicate levels of access to opportunity, however, it would be remiss to consider proximity as the only factor in determining level of access. Access to opportunity is also influenced by social, economic, and cultural factors, thus making it difficult to accurately identify and measure. HUD conducted research regarding Moving to Opportunity for Fair Housing (MTO) to understand the impact of increased access to opportunity. Researchers found residents who moved to lower-poverty neighborhoods experienced safer neighborhoods and better health outcomes, but there was no significant change in educational outcomes, employment, or income.<sup>12</sup> However, recent studies show the long-term effects of MTO on the educational attainment of children who were under the age of 13 are overwhelmingly positive with improved college attendance rates and higher incomes. On the other hand, children who were over the age of 13 show negative long-term impacts from MTO.<sup>13</sup>

The strategy to improve access to opportunities has been two-pronged with different housing and community development programs. Tenant-based housing vouchers allow mobility of recipients to locate in lower-poverty areas while programs like the Community Development Block Grant and Choice Neighborhoods Initiative provide funds to increase opportunities in disadvantaged neighborhoods.

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<sup>11</sup> Lung-Amam, Willow S., et al. "Opportunity for Whom? The Diverse Definitions of Neighborhood Opportunity in Baltimore." *City and Community*, vol. 17, no. 3, 27 Sept. 2018, pp. 636-657, doi:10.1111/cico.12318.

<sup>12</sup> *Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation*. U.S. Department of Housing and Urban Development, Office of Policy Development and Research, [www.huduser.gov/portal/publications/pdf/MTOFHD\\_fullreport\\_v2.pdf](http://www.huduser.gov/portal/publications/pdf/MTOFHD_fullreport_v2.pdf).

<sup>13</sup> Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment." *American Economic Review*, 106 (4): 855-902. [https://scholar.harvard.edu/files/hendren/files/mto\\_paper.pdf](https://scholar.harvard.edu/files/hendren/files/mto_paper.pdf)

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## OVERVIEW OF HUD-DEFINED OPPORTUNITY FACTORS

Among the many factors that drive housing choice for individuals and families are neighborhood factors including access to quality schools, jobs, and transit. To measure economic and educational conditions at a neighborhood level, HUD developed a methodology to quantify the degree to which a neighborhood provides such opportunities. For each block group in the U.S., HUD provides a score on several “opportunity dimensions,” including school proficiency, poverty, labor market engagement, jobs proximity, transportation costs, transit trips, and environmental health. For each block group, a value is calculated for each index and results are then standardized on a scale of 0 to 100 based on relative ranking within the metro area. For each opportunity dimension, a higher index score indicates more favorable neighborhood characteristics.

Average index values by race and ethnicity for the city and region are provided in Table 5 for the total population and the population living below the federal poverty line. These values can be used to assess whether some population subgroups tend to live in higher opportunity areas than others, and will be discussed in more detail by opportunity dimension throughout the remainder of this chapter. The Opportunity Index Disparity measures the difference between the scores for the white non-Hispanic group and other groups. A negative score indicates that the particular subgroup has a lower score on that dimension than the white non-Hispanic group. A positive score indicates that the subgroup has a higher score than the white non-Hispanic Group.

The following sections discuss access to opportunity related to education, poverty, jobs, transportation, and environmental health using information from Table 5 and Figures 7-15, which map each of the opportunity dimensions along with demographic information such as race and ethnicity. A summary of all opportunity data is provided following the individual discussions.

**TABLE 5 – DISPARITY IN ACCESS TO NEIGHBORHOOD OPPORTUNITY**

Opportunity Dimension	Race / Ethnicity					Opportunity Index Disparity between White Non-Hispanic Residents and Other Groups			
	Non-Hispanic				Hispanic	Black or African American	Asian	Native American	Hispanic
	White	Black or African American	Asian or Pacific Islander	Native American					
<b>City of Gastonia – Total Population</b>									
School Proficiency Index	44.1	32.6	49.2	38.0	35.9	-11.5	5.1	-6.1	-8.2
Jobs Proximity Index	47.5	45.7	43.0	46.8	46.5	-1.8	-4.5	-0.7	-1.0
Labor Market Engagement Index	40.2	25.7	51.9	29.5	34.1	-14.5	11.7	-10.7	-6.1
Transit Index	46.7	50.3	47.0	49.0	49.0	3.6	0.3	2.3	2.3
Low Transportation Cost Index	43.7	47.7	43.6	46.6	47.7	4.0	-0.1	2.9	4.0
Low Poverty Index	40.4	22.9	48.3	30.4	30.2	-17.5	7.9	-10.0	-10.2
Environmental Health Index	29.9	27.7	31.2	29.0	29.6	-2.2	1.3	-0.9	-0.3
<b>City of Gastonia – Population Below Federal Poverty Line</b>									
School Proficiency Index	34.7	26.4	9.9	53.4	31.8	-8.3	-24.8	18.7	-2.9
Jobs Proximity Index	48.1	51.3	47.1	58.1	42.1	3.2	-1.0	10.0	-6.0
Labor Market Engagement Index	31.2	16.7	20.7	34.2	37.3	-14.5	-10.5	3.0	6.1
Transit Index	49.1	52.0	43.8	50.7	50.9	2.9	-5.3	1.6	1.8
Low Transportation Cost Index	46.0	47.8	46.7	52.0	48.3	1.8	0.7	6.0	2.3
Low Poverty Index	29.7	12.9	25.6	19.2	28.0	-16.8	-4.1	-10.5	-1.7
Environmental Health Index	30.0	27.4	32.5	25.6	30.5	-2.6	2.5	-4.4	0.5

**TABLE 5 – DISPARITY IN ACCESS TO NEIGHBORHOOD OPPORTUNITY (CONTINUED)**

Opportunity Dimension	Race / Ethnicity					Opportunity Index Disparity between White Non-Hispanic Residents and Other Groups			
	Non-Hispanic				Hispanic	Black or African American	Asian	Native American	Hispanic
	White	Black or African American	Asian or Pacific Islander	Native American					
<b>Gaston County – Total Population</b>									
School Proficiency Index	52.6	42.9	59.1	49.1	42.1	-9.7	6.5	-3.5	-10.5
Jobs Proximity Index	41.3	45.8	47.7	41.5	44.9	4.5	6.4	0.2	3.6
Labor Market Engagement Index	34.8	28.6	44.3	29.9	32.0	-6.2	9.5	-4.9	-2.8
Transit Trips Index	36.7	41.3	39.7	38.8	41.7	4.6	3.0	2.1	5.0
Low Transportation Cost Index	32.9	37.7	34.9	35.9	40.0	4.8	2.0	3.0	7.1
Low Poverty Index	41.8	30.1	47.5	37.7	34.7	-11.7	5.7	-4.1	-7.1
Environmental Health Index	40.3	34.9	36.0	38.5	35.3	-5.4	-4.3	-1.8	-5.0
<b>Gaston County– Population Below Federal Poverty Line</b>									
School Proficiency Index	48.9	38.5	27.1	41.8	36.5	-10.4	-21.8	-7.1	-12.4
Jobs Proximity Index	43.4	50.6	47.1	41.7	42.1	7.2	3.7	-1.7	-1.3
Labor Market Engagement Index	28.5	22.4	31.4	27.4	36.2	-6.1	2.9	-1.1	7.7
Transit Trips Index	37.4	41.3	40.6	38.1	45.6	3.9	3.2	0.7	8.2
Low Transportation Cost Index	33.0	38.0	40.1	37.0	43.6	5.0	7.1	4.0	10.6
Low Poverty Index	34.0	21.9	35.8	33.6	32.0	-12.1	1.8	-0.4	-2.0
Environmental Health Index	40.4	34.2	35.0	40.0	33.8	-6.2	-5.4	-0.4	-6.6

**TABLE 5 – DISPARITY IN ACCESS TO NEIGHBORHOOD OPPORTUNITY (CONTINUED)**

Opportunity Dimension	Race / Ethnicity					Opportunity Index Disparity between White Non-Hispanic Residents and Other Groups			
	Non-Hispanic				Hispanic	Black or African American	Asian	Native American	Hispanic
	White	Black or African American	Asian or Pacific Islander	Native American					
<b>Charlotte-Concord-Gastonia Region – Total Population</b>									
School Proficiency Index	62.7	42.4	63.0	51.7	48.3	-20.3	0.3	-11.0	-14.4
Jobs Proximity Index	48.2	50.3	50.2	49.8	50.2	2.1	2.0	1.6	2.0
Labor Market Engagement Index	55.9	42.2	65.4	47.3	47.0	-13.7	9.5	-8.6	-8.9
Transit Trips Index	44.3	54.7	55.6	45.6	54.3	10.4	11.3	1.3	10.0
Low Transportation Cost Index	32.9	43.0	43.6	36.0	43.4	10.1	10.7	3.1	10.5
Low Poverty Index	57.1	37.4	60.1	46.9	40.7	-19.7	3.0	-10.2	-16.4
Environmental Health Index	36.6	27.0	28.2	32.9	29.6	-9.6	-8.4	-3.7	-7.0
<b>Charlotte-Concord-Gastonia Region – Population Below Federal Poverty Line</b>									
School Proficiency Index	52.8	35.4	49.9	38.0	42.0	-17.4	-2.9	-14.8	-10.8
Jobs Proximity Index	47.2	53.5	53.3	39.2	47.8	6.3	6.1	-8.0	0.6
Labor Market Engagement Index	41.7	29.6	50.5	42.8	40.9	-12.1	8.8	1.1	-0.8
Transit Trips Index	43.1	55.9	59.1	47.4	56.3	12.8	16.0	4.3	13.2
Low Transportation Cost Index	32.5	44.3	48.5	34.7	45.9	11.8	16.0	2.2	13.4
Low Poverty Index	43.2	24.8	42.1	39.3	30.5	-18.4	-1.1	-3.9	-12.7
Environmental Health Index	38.0	25.3	24.9	33.9	28.7	-12.7	-13.1	-4.1	-9.3

Data Sources: Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA

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## EDUCATION

School proficiency is an indication of the quality of education that is available to residents of an area. High quality education is a vital community resource that can lead to more opportunities and improve quality of life. HUD's school proficiency index is calculated based on performance of 4th grade students on state reading and math exams. For each block group, the index is calculated using test results in up to the three closest schools within 1.5 miles.

The map on the following page shows HUD-provided opportunity scores related to education for the city of Gastonia's block groups, along with the demographic indicators of race/ethnicity. In each map, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

The variation in levels of access to proficient schools among block groups is high in the city of Gastonia with school proficiency index scores ranging from the lowest score of 1 to the highest score of 92. School proficiency index scores follow a strong geographic pattern where block groups in the western half of the city score significantly lower compared to block groups in the eastern half. Most block groups in the western half of the city have school proficiency index scores in single digits, while the highest scoring block groups in the southeast corner of the city have scores above 80.

The spatial distribution of racial and ethnic groups and school proficiency index scores in the city of Gastonia shown in Figure 7 indicates some correlation between race, ethnicity, and access to proficient schools. The proportion of African American residents in the lowest scoring block groups are disproportionately higher compared to other block groups and the racial and ethnic composition of the entire city. Figure 7 also shows block groups in the eastern half of the city to be more densely populated with white residents compared to block groups in the western half.

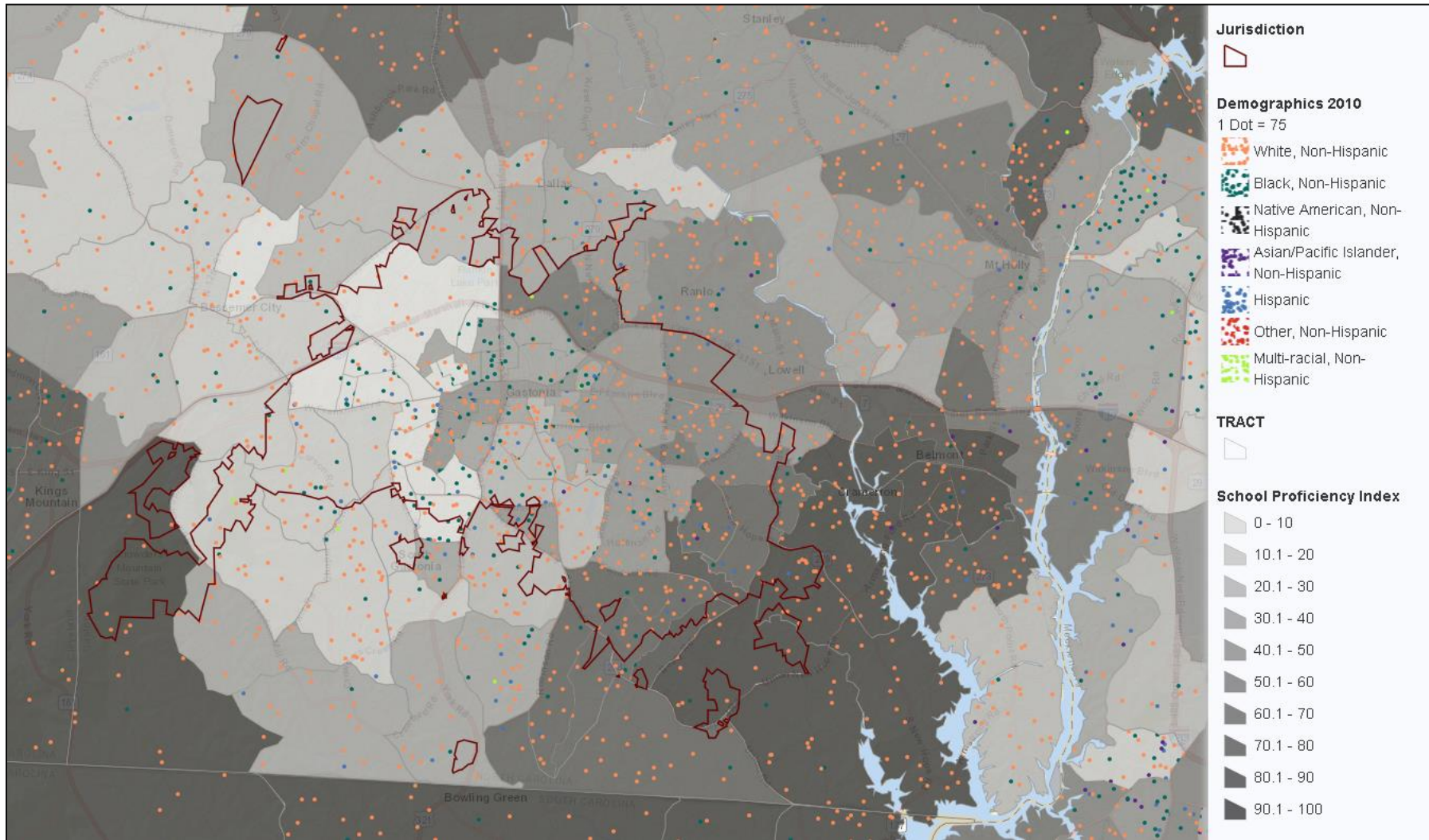
School proficiency index scores in Table 5 indicate relatively significant disparities in access to proficient schools among racial and ethnic groups in the city of Gastonia. African American, Hispanic, and Native American populations have less access to proficient schools compared to Asian and white populations. Opportunity Index Disparity scores indicate only moderate disparities when comparing against non-Hispanic white residents, however, the 16-point differential between the Asian population and the African American population indicates significant disparities in access to proficient schools.

Disparities among racial and ethnic groups increase drastically with populations below the federal poverty line. Contrary to school proficiency index scores of populations above the poverty line, the Asian population below the poverty line scored the lowest by a significant margin. Native Americans below the poverty line have the best access to proficient schools compared to all racial and ethnic groups both above and below the poverty line. White, African American, and Hispanic populations below the poverty line have similar levels of access with scores between 26 and 34.

School proficiency index scores and disparities among racial and ethnic groups in the Gaston County are similar to the city with some minor differences. Overall higher school proficiency scores in Gaston County and the Charlotte-Concord-Gastonia region indicate better access to proficient schools compared to the city, however, African American and Native American populations experience significantly greater disparities in the region.



**FIGURE 7 – SCHOOL PROFICIENCY INDEX IN THE CITY OF GASTONIA**



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## EMPLOYMENT

Neighborhoods with jobs in close proximity are often assumed to have good access to jobs. However, distance alone does not capture any other factor such as transportation options, the type of jobs available in the area, or the education and training necessary to obtain them. There may be concentrations of jobs and low-income neighborhoods in urban centers, but many of the jobs are unattainable for residents of low-income neighborhoods. Therefore, this section analyzes both the labor market engagement and jobs proximity indices which, when considered together, offer a better indication of how accessible jobs are for residents of a specific area.

The Jobs Proximity Index measures the physical distance between place of residence and job locations. The Labor Market Engagement Index is based on unemployment rate, labor force participation rate, and the percent of the population age 25 and over with a bachelor's degree or higher. Again, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

The Jobs Proximity Index scores of block groups in the city of Gastonia are mapped in Figure 7, along with the population distribution by race and ethnicity. Most of the block groups with the best access to jobs are primarily located along Franklin Boulevard. There are no visual indicators shown in Figure 7 to imply any correlation between distance to jobs and race and ethnicity.

The Jobs Proximity Index scores by race and ethnicity listed in Table 5 indicate minor disparities in distance to job locations among groups above the poverty line in the city of Gastonia. White, African American, Native American, and Hispanic populations have similar levels of access to jobs with the difference in scores being less than two points. Asian populations reside slightly further from job locations compared to other groups, however, the score differential is only 4.5 points. Disparities increase among the same population groups below the poverty line. Native Americans below the poverty line reside closest to job locations while the Hispanic population below the poverty line are furthest removed from job centers. The point differential between the highest and the lowest scoring group below the poverty line is 16 points, nearly four times the difference in score among groups above the poverty line.

Job proximity by race and ethnicity in Gaston County are similar to the city of Gastonia, however, all racial and ethnic minority groups both above and below the poverty line score higher than the white population above the poverty line. Disparities in access to jobs decrease among racial and ethnic groups above the poverty line in the Charlotte-Concord-Gastonia region, however, groups below the poverty line experience greater disparities similar to the city of Gastonia.

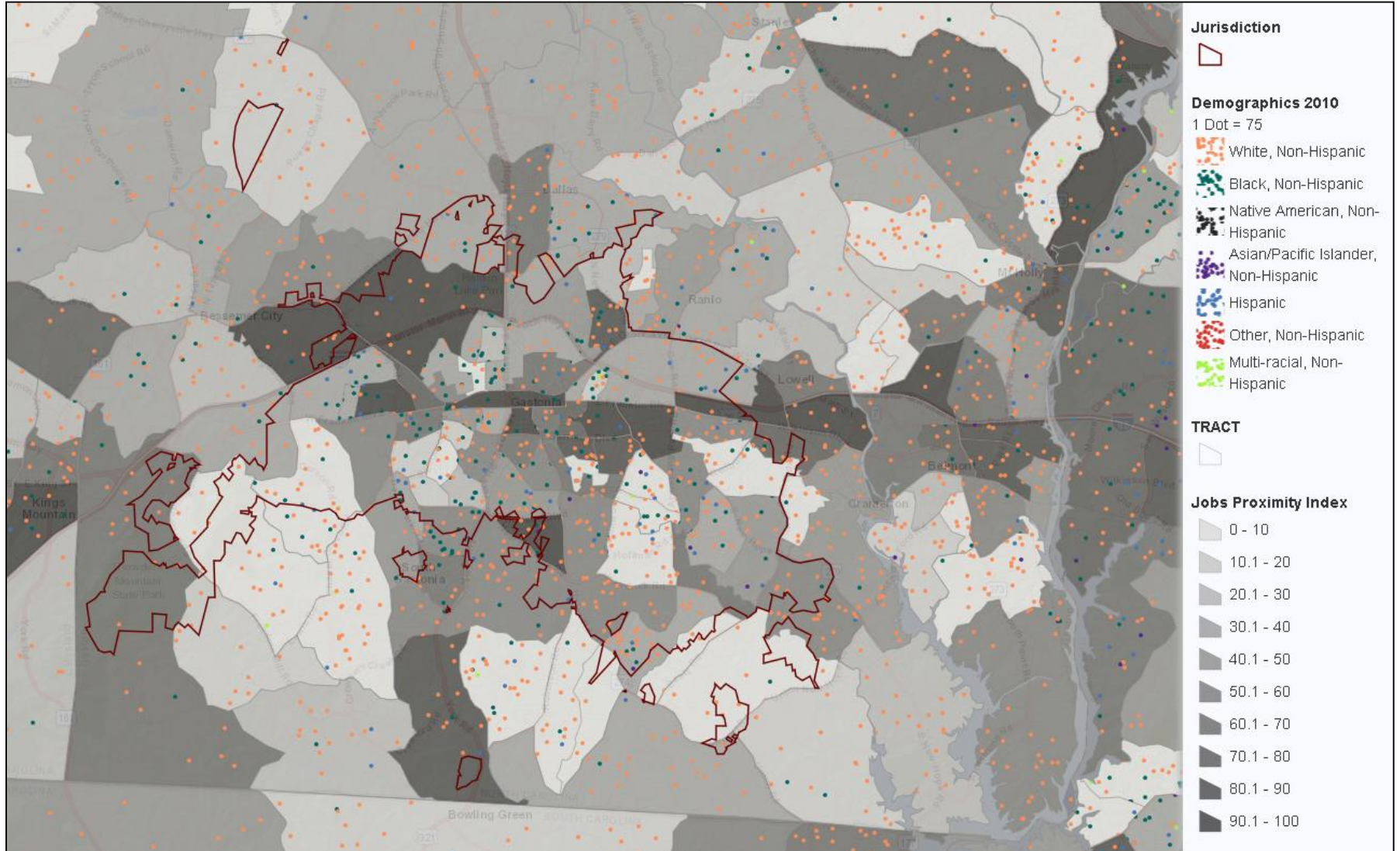
Labor market engagement is generally low in most block groups in the city of Gastonia. Block groups with the highest labor market engagement are concentrated in the southeast corner of the city. Figure 9 shows a larger presence of the white population in the highest scoring block groups in the southeast corner. The two block groups with the lowest labor market engagement scores are centrally located and appear to have an overrepresentation of African American residents.

Compared to the relatively minor disparities in job proximity, the Labor Market Index scores in Table 5 indicate significant disparities among racial and ethnic groups. The Asian population above the poverty

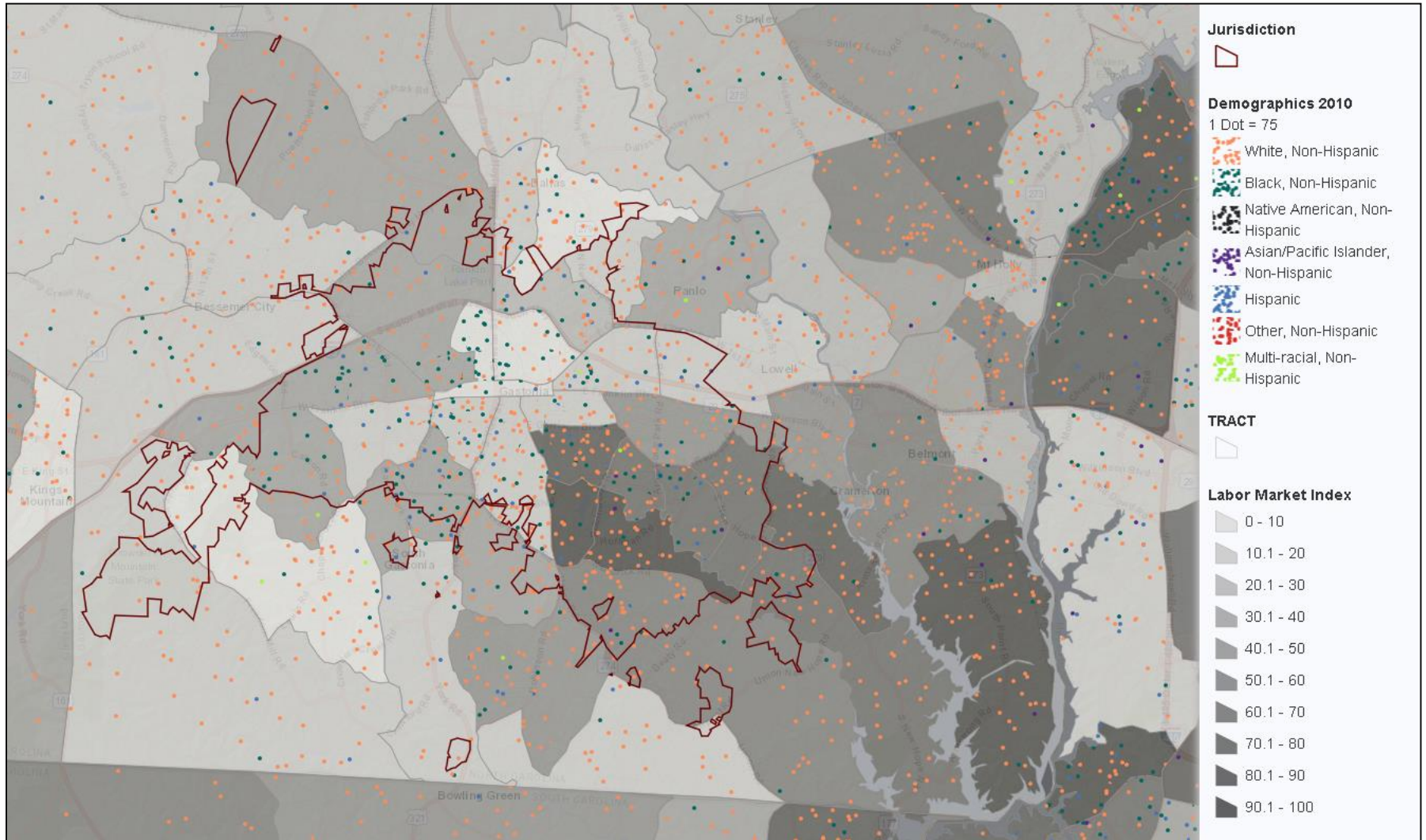
line has highest level of engagement with the labor market among all groups by a significant margin. The greatest disparity in labor market engagement with a difference of 35.2 points is between the Asian population above the poverty line and the African American population below the poverty line. On the other hand, the Asian population below the poverty line has the second lowest score among all groups. Among groups below the poverty line, the Hispanic population has the high labor market engagement.

Both Gaston County and the Charlotte-Concord-Gastonia region share similar patterns of Labor Market Index scores and disparities among population groups. There are slightly less disparities among groups in Gaston County and overall higher labor market engagement across all groups in the Charlotte-Concord-Gastonia region compared to the city of Gastonia.

**FIGURE 8 – JOBS PROXIMITY INDEX IN THE CITY OF GASTONIA**



**FIGURE 9 – LABOR MARKET INDEX IN THE CITY OF GASTONIA**



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## TRANSPORTATION

The Transit Trip Index measures how often low-income families in a neighborhood use public transportation, while the Low Transportation Cost Index measures the cost of transport and proximity to public transportation by neighborhood. The higher the Low Transportation Cost Index, the lower the cost of transportation in that block group. Again, lighter shading indicates areas of lower opportunity and darker shading indicates higher opportunity.

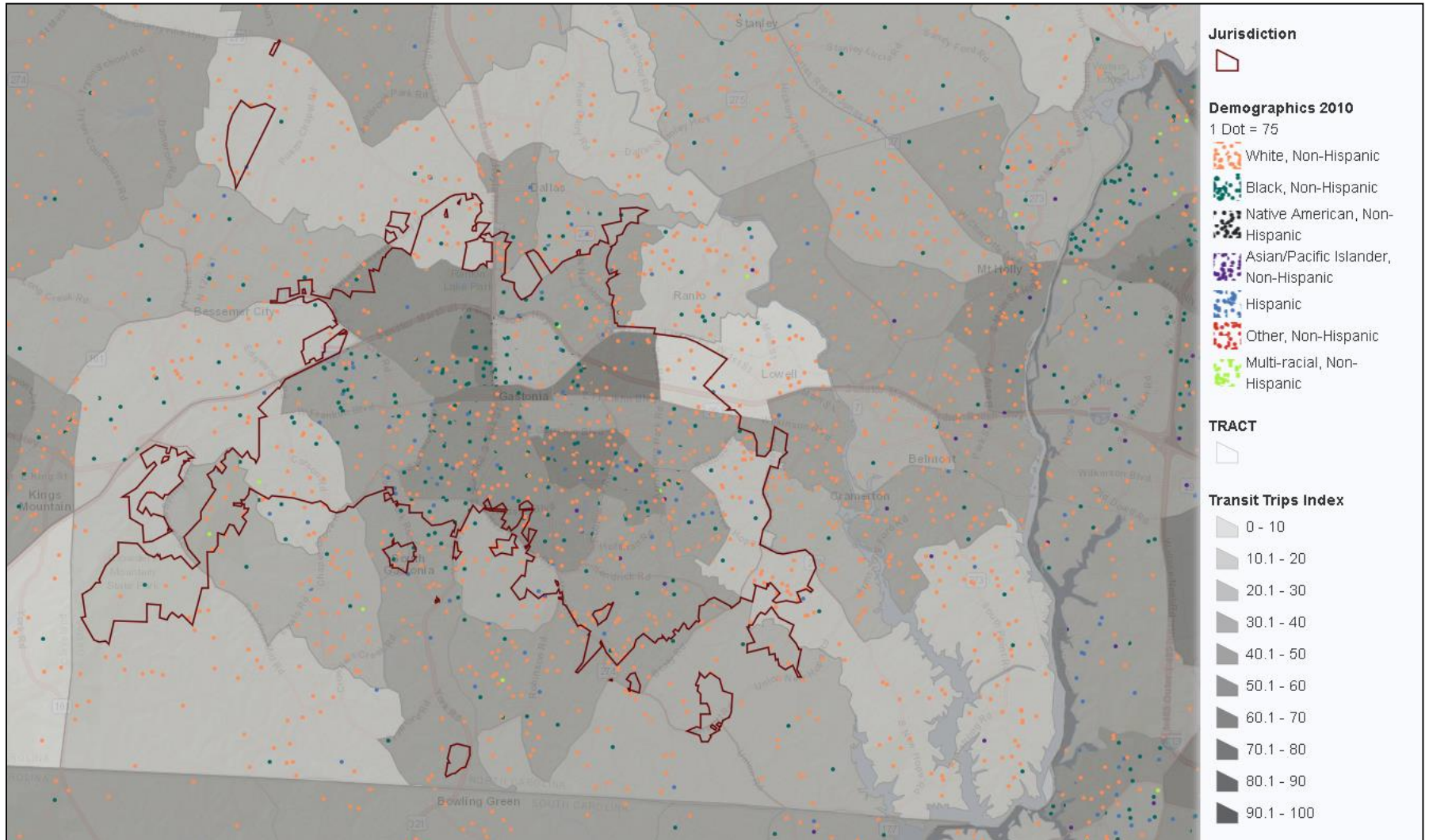
Transit usage in is relatively uniform throughout most block groups in the city. The highest transit usage in the city of Gastonia occurs in several block groups along Franklin Boulevard center and south of East Garrison Boulevard. The Transit Trip Index scores for block groups with the highest transit usage are between 61 and 66. The lowest scoring block group is also located on Franklin Boulevard, but also straddles the eastern border with more than half of the block group outside city limits.

Transit Trip Index scores indicate nearly identical levels of transit usage by racial and ethnic groups in the city of Gastonia. Although by a small margin, all non-white populations have higher transit usage scores. The African American population have the highest levels of transit usage followed by the Hispanic and Native American populations. Transit use increases slightly among white, African American, Native American, and Hispanic populations below the poverty line, but the Asian population below the poverty line use transit less than the same population above the poverty line.

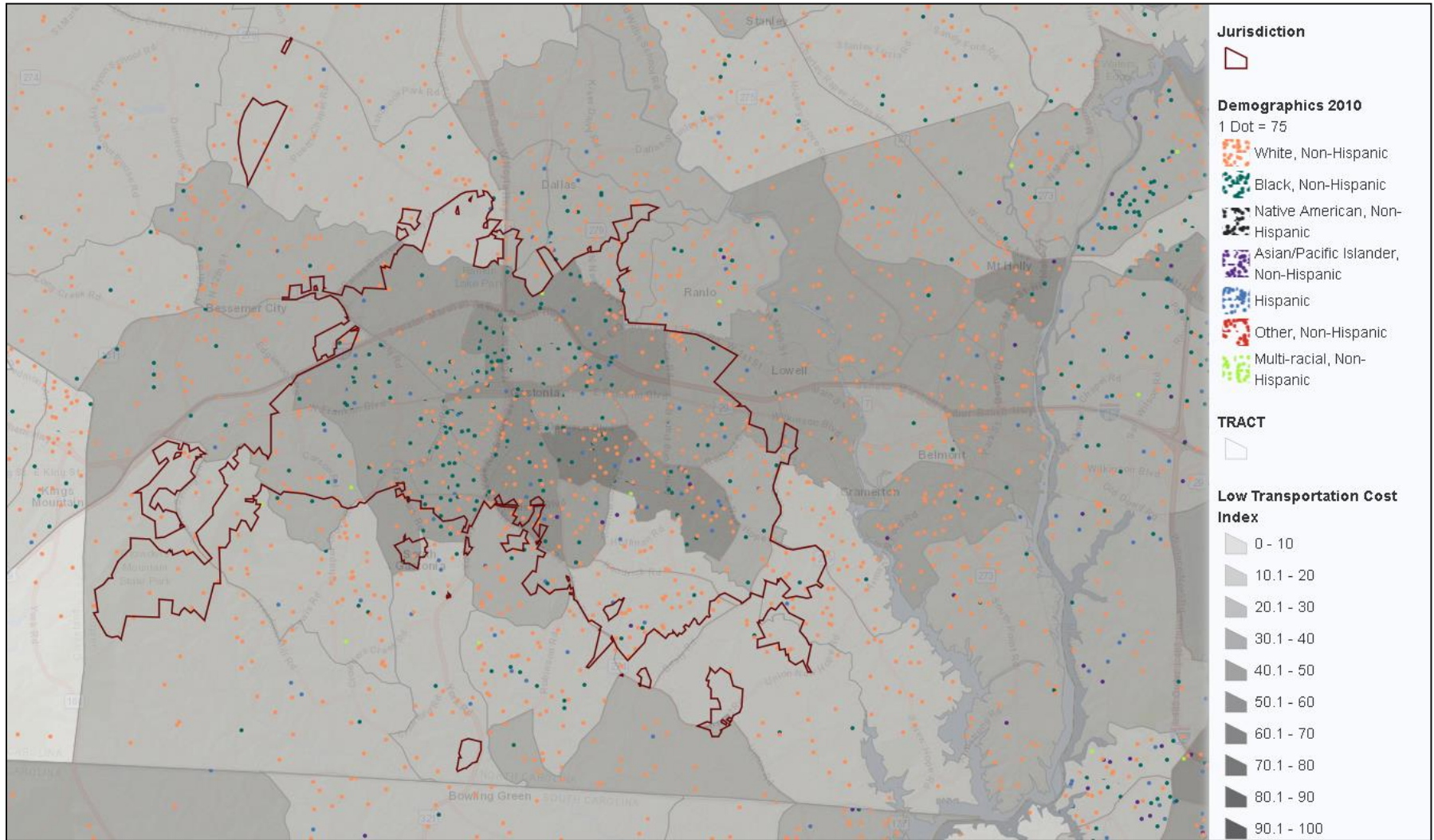
There are no significant differences in transit usage between the city of Gastonia and Gaston County. Transit Trip Index scores of Gaston County's population groups closely resemble scores found in the city. Compared to the Charlotte-Concord-Gastonia region, disparities between white and non-white populations in the city of Gastonia are significantly smaller. All non-white populations in both Gaston County and the region have higher transit usage than white populations.

Low Transportation Cost scores of block groups in the city of Gastonia follow similar spatial patterns of transit usage scores. Low Transportation Cost scores among racial and ethnic groups also closely share similar patterns and are nearly identical to Transit Trip Index scores. Transportation costs are similar for populations both above and below the poverty line with the Native American population below the poverty line scoring the highest. There are less disparities among racial and ethnic groups in the city of Gastonia compared to Gaston County and the Charlotte-Concord-Gastonia region.

**FIGURE 10 – TRANSIT TRIPS INDEX IN THE CITY OF GASTONIA**



**FIGURE 11 – LOW TRANSPORTATION COST INDEX IN THE CITY OF GASTONIA**

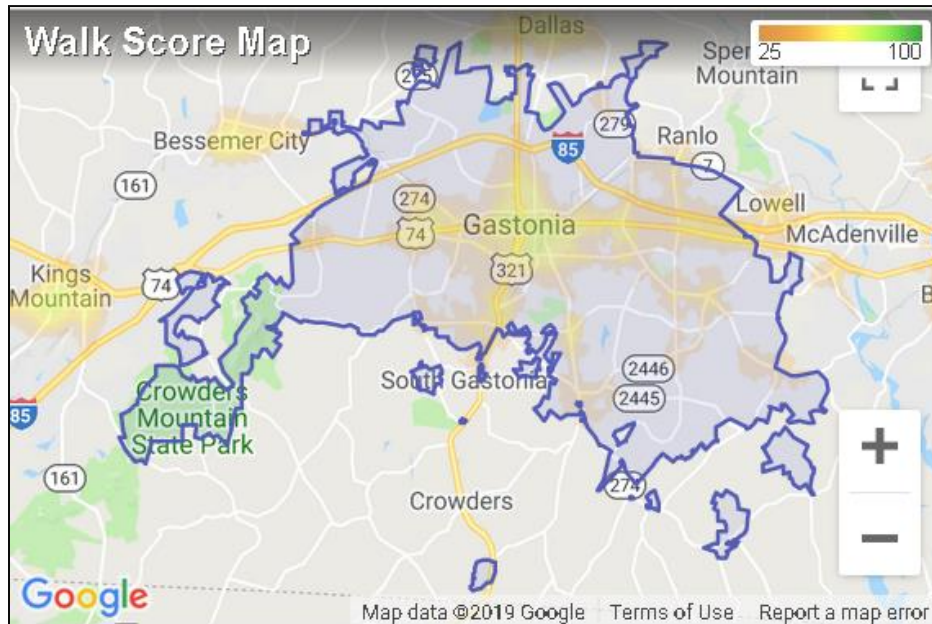




Walk Score measures the walkability of any address by analyzing hundreds of walking routes to nearby amenities using population density and road metrics such as block length and intersection density. Data sources include Google, Education.com, Open Street Map, the U.S. Census, Localeze, and places added by the Walk Score user community.

Points are awarded based on the distance to amenities in several categories including grocery stores, parks, restaurants, schools, and shopping. Not only is the measure useful for showing walkability but also access in general to critical facilities. The most walkable neighborhoods in the city of Gastonia are located near the major intersection of Franklin Boulevard and Chester Street. Major thoroughfares and intersections throughout the city are also shown as somewhat conducive to walking.

**FIGURE 12 – WALKABILITY IN THE CITY OF GASTONIA**



Source: Walkscore, Retrieved from: <https://www.walkscore.com/NC/Gastonia>

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## POVERTY

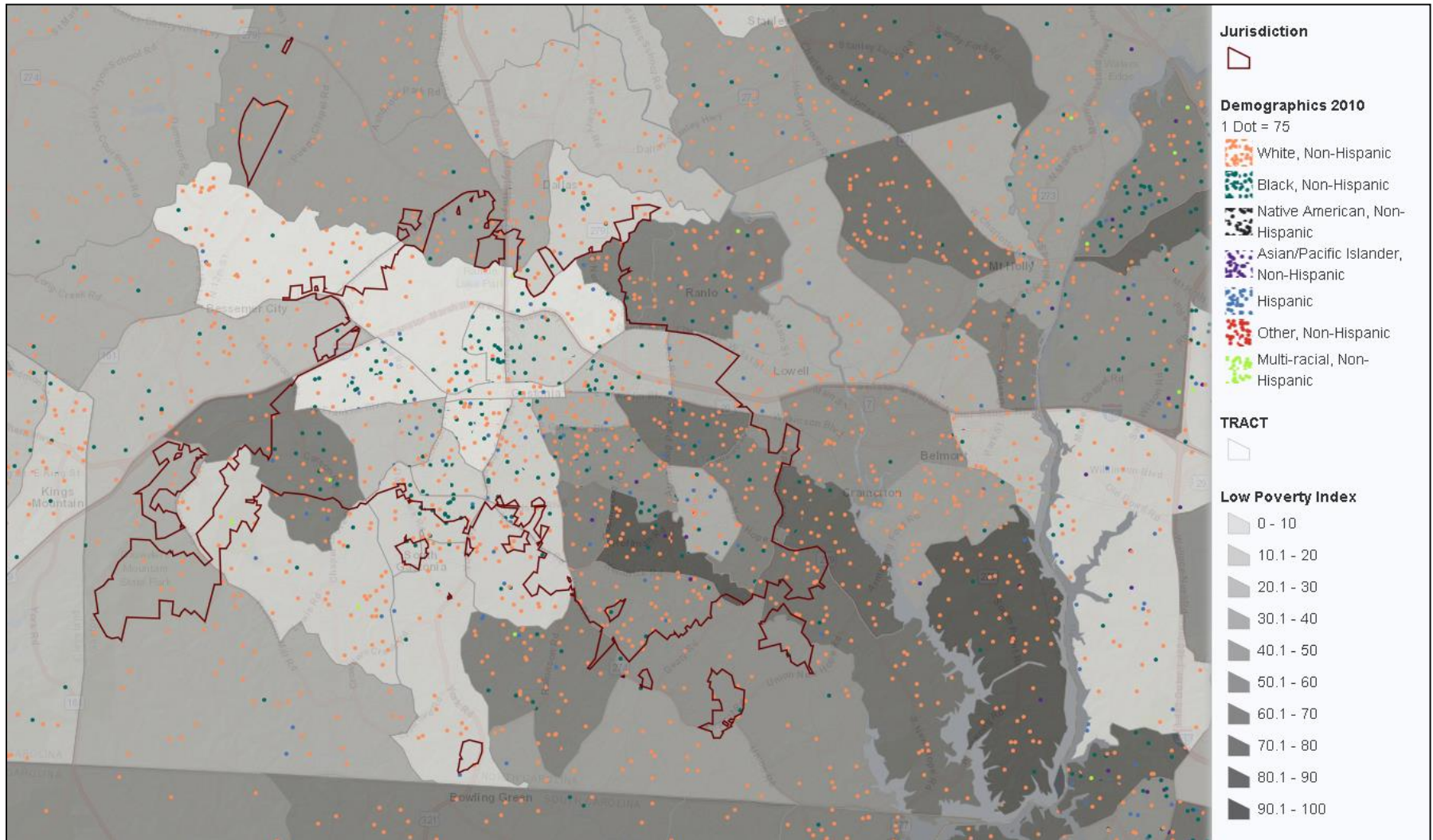
Residents in high poverty areas tend to have lower levels of access to opportunity due to the absence of critical resources and disinvestment in their communities. As poverty increases, disparities in access to opportunities often increase among population groups and disadvantaged communities become even more isolated. HUD's Low Poverty Index uses family poverty rates (based on the federal poverty line) to measure exposure to poverty by neighborhood. Lighter shading indicates areas of higher levels of poverty and darker shading indicates lower levels of poverty.

Figure 13 shows block groups with the highest exposure to poverty are almost exclusively located north of Franklin Boulevard. Block groups with the lowest levels of poverty are found in the southeast corner of the city. Although not strong visual evidence, the distribution of racial and ethnic groups in Figure 13 indicate a higher concentration of white populations in the southeast corner of the city where there is less exposure to poverty. Any correlation between exposure to poverty and race and ethnicity are difficult to determine using only spatial distribution data.

The Low Poverty Index scores in Table 5 show significant disparities among racial and ethnic groups. African American populations both above and below the poverty line experience the greatest exposure to poverty in the city of Gastonia. The Asian population above the poverty line are the least exposed to poverty with Low Poverty Index scores 35 point higher than the lowest scoring group. Native American and Hispanic populations are also exposed to more poverty compared to white and Asian populations.

The difference in Low Poverty Index scores of population groups in Gaston County and the Charlotte-Concord-Gastonia region resemble scores found among groups in the city of Gastonia. However, higher scores among all population groups in the region indicate residents in the city of Gastonia and Gaston County are more likely to be exposed to higher levels of poverty.

**FIGURE 13 – LOW POVERTY INDEX IN THE CITY OF GASTONIA**



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## ENVIRONMENTAL HEALTH

HUD's Environmental Health Index measures exposure based on EPA estimates of air quality (considering carcinogenic, respiratory, and neurological toxins) by neighborhood. The index only measures issues related to air quality and not other factors impacting environmental health. Lighter shading indicates areas of lower air quality and darker shading indicates higher air quality.

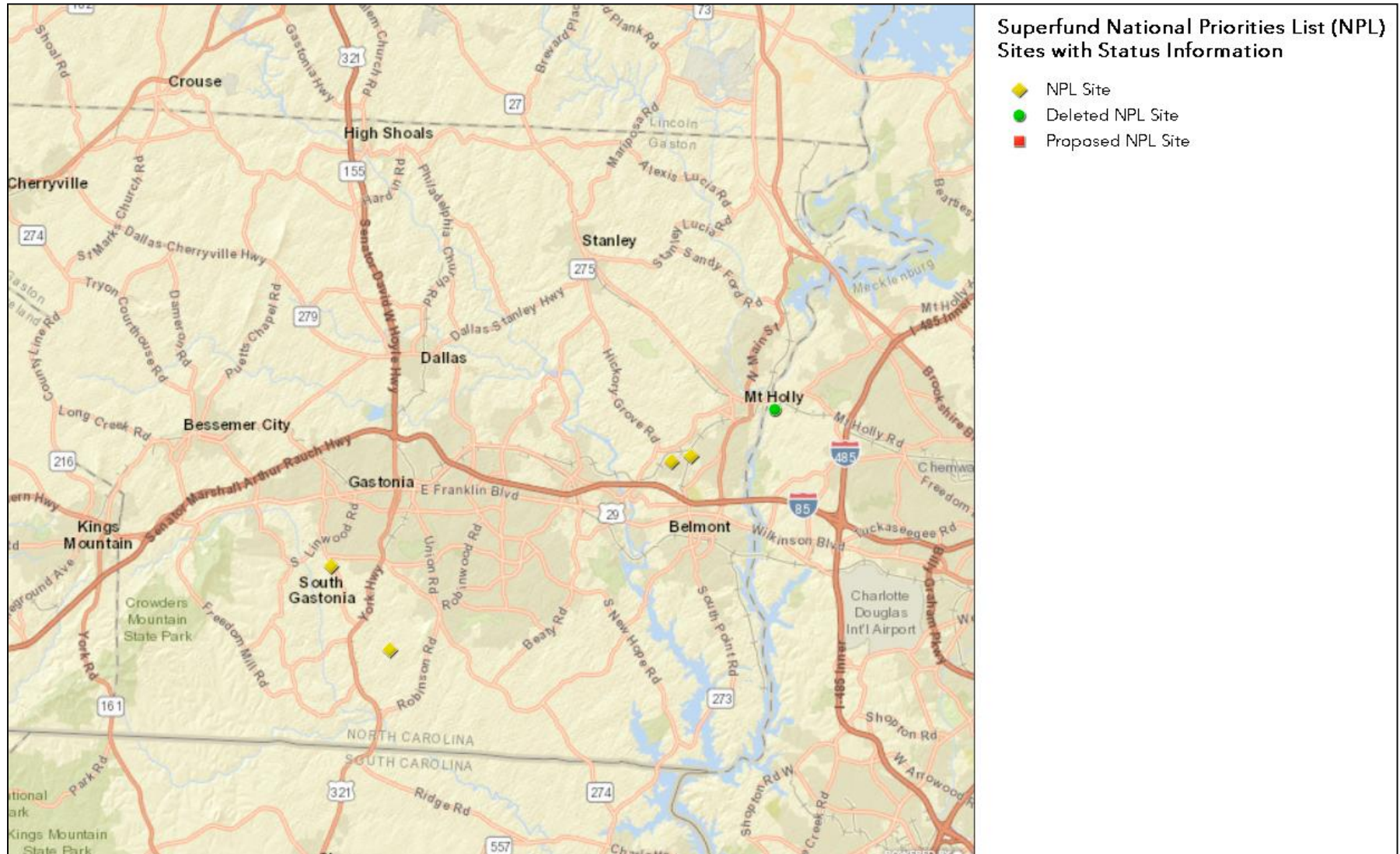
The overall air quality in the city of Gastonia is in the lower half of the spectrum with low scores slightly under 20 and high scores in the mid-30's. The worst air quality is found in block groups located north of Franklin Boulevard. Block groups with higher Environmental Health Index scores are found in the southeast corner of the city. Figure 14 shows the spatial distribution of the population, but it is difficult to determine any correlation between racial composition of block groups and air quality.

The Environmental Health Index scores in the city of Gastonia show little disparity in air quality among racial and ethnic groups. The Asian population both above and below the poverty line is least exposed to low air quality compared to others by only a couple points. The Native American population below the poverty line has the greatest exposure to low air quality. The air quality in Gaston County is slightly better as evidenced by the higher scores, but there are also slightly larger disparities among population groups. Environmental Health Index scores of population groups are also similar in the Charlotte-Concord-Gastonia region; however, disparities are greater than both the city and the county.

**FIGURE 14 – ENVIRONMENTAL HEALTH INDEX IN THE CITY OF GASTONIA**



FIGURE 15 – SUPERFUND NATIONAL PRIORITIES LIST (NPL) SITES IN THE GASTON COUNTY



Source: Environmental Protection Agency GIS Data, Retrieved from: <https://www.epa.gov/superfund/search-superfund-sites-where-you-live>

A Superfund site is any land in the United States that has been contaminated by hazardous waste and identified by the EPA as a candidate for cleanup because it poses a risk to human health and/or the environment. These sites are placed on the National Priorities List (NPL). There are no Superfund sites located within the city limits of Gastonia, however, there is one Superfund site located near the southern border of the city. There is also another Superfund site located further south of the city between York Highway and Robinson Road.

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## SUMMARY

Spatial patterns and index scores show the existence of significant disparities in access to proficient schools, labor market engagement, and exposure to poverty among racial and ethnic groups in the city of Gastonia. Conversely, spatial data and index scores suggest only minor disparities in jobs proximity, transit usage, and air quality.

The variation in levels of access to proficient schools among block groups is high in the city of Gastonia that result in relatively significant disparities in access to proficient schools among racial and ethnic groups in the city of Gastonia. African American residents are overrepresented in block groups with the lowest access to education in the city. School proficiency index scores indicate African American, Hispanic, and Native American populations have less access to proficient schools compared to Asian and white populations. These disparities among racial and ethnic groups increase drastically with populations below the federal poverty line.

The Jobs Proximity Index scores by race and ethnicity listed in Table 5 indicate minor disparities in distance to job locations among groups above the poverty line in the city of Gastonia. All racial and ethnic groups have similar levels of access to jobs with the difference in scores being less than five points. However, disparities increase slightly among the same population groups below the poverty line.

Labor market engagement is generally low in most block groups in the city of Gastonia and compared to the relatively minor disparities in job proximity, there significant disparities among racial and ethnic groups. Block groups with the highest labor market engagement are concentrated in the southeast corner of the city where concentrations of white and Asian populations are found. The greatest disparity in labor market engagement is between the Asian population above the poverty line and the African American population below the poverty line.

Transit usage is relatively uniform throughout most block groups in the city. Transit Trip Index scores also indicate nearly identical levels of transit usage by racial and ethnic groups. Low Transportation Cost scores of block groups and population groups share similar patterns and are nearly identical to Transit Trip Index scores.

There are significant disparities in exposure to poverty among racial and ethnic groups in the city. Block groups with the highest exposure to poverty are almost exclusively located north of Franklin Boulevard while block groups with the lowest levels of poverty are found in the southeast corner of the city. African American populations both above and below the poverty line experience the greatest exposure to poverty with scores 35 points lower than the Asian population.

The Environmental Health Index scores in the city of Gastonia show little disparity in air quality among racial and ethnic groups. However, spatial patterns for air quality are similar to patterns of poverty exposure with the worst air quality found in neighborhoods north of Franklin Boulevard and better air quality in the southeast corner of the city.



# CHAPTER 6.

## HOUSING PROFILE

The availability of quality affordable housing plays a vital role in ensuring housing opportunities are equally accessible to all residents. On the surface, high housing costs in certain areas are exclusionary based solely on income. But the disproportionate representation of several protected class groups in low and middle income levels can lead to unequal access to housing options and neighborhood opportunity in high-cost housing markets. African American and Hispanic residents, immigrants, people with disabilities, and seniors often experience additional fair housing barriers when affordable housing is scarce.

Beyond providing fair housing options, the social, economic, and health benefits of providing quality affordable housing are well-documented. National studies have shown affordable housing encourages diverse, mixed-income communities, which result in many social benefits. Affordable housing also increases job accessibility for low and middle income populations and attracts a diverse labor force critical for industries that provide basic services for the community. Affordable housing is also linked to improvements in mental health, reduction of stress, and decreased cases of illnesses caused by poor-quality housing.<sup>14</sup> Developing affordable housing is also a strategy used to prevent displacement of existing residents when housing costs increase due to economic or migratory shifts.

Conversely, a lack of affordable housing eliminates many of these benefits and increases socioeconomic segregation. High housing costs are linked to displacement of low-income households and an increased risk of homelessness.<sup>15</sup> Often lacking the capital to relocate to better neighborhoods, displaced residents tend to move to socioeconomically disadvantaged neighborhoods where housing costs are most affordable.<sup>16</sup>

This section discusses the existing supply of housing in the City of Gastonia. It also reviews housing costs, including affordability and other housing needs by householder income. Homeownership rates and access to lending for home purchases and mortgage refinancing are also assessed.

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### HOUSING SUPPLY SUMMARY

According to the 2013-2017 American Community Survey, there are 31,942 housing units in the city of Gastonia, an increase of 4,085 new units since 2000 or about 12.7%. Development activity has been somewhat stronger in the county over the last decade and a half, with the number of housing units increasing 15.4% or 12,169 units. Vacancy rates increased in both the city and the county by over five

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<sup>14</sup> Maqbool, Nabihah, et al. "The Impacts of Affordable Housing on Health: A Research Summary." *Insights from Housing Policy Research*, Center for Housing Policy, [www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf](http://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf).

<sup>15</sup> "State of the Nation's Housing 2015." Joint Center for Housing Studies of Harvard University, <http://www.jchs.harvard.edu/sites/default/files/jchs-sonhr-2015-full.pdf>

<sup>16</sup> Deirdre Oakley & Keri Burchfield (2009) Out of the Projects, Still in the Hood: The Spatial Constraints on Public-Housing Residents' Relocation in Chicago." *Journal of Urban Affairs*, 31:5, 589-614.

percentage points from 2000 from 2017. It is unclear from this data to what extent the increase was because of lack of absorption of new units or more vacancies in existing units as residents left them for the new units, or some other factor. Although the area’s vacancy rate has climbed since 2000, the current rates are in line with the national average vacancy rate of 12.2%. These rates, all calculated from ACS data, include housing that is available for sale or rent, housing that has been rented or sold but not yet occupied, seasonal housing, and other vacant units. Thus, the actual shares of rental and for-sale units that are available for occupancy are likely lower than these figures indicate.

**TABLE 6 – HOUSING UNITS BY OCCUPANCY STATUS**

	2000	2010	2013-2017	2000-2017 Change
<b>City of Gastonia</b>				
Total Housing Units	27,857	31,238	31,942	12.7%
Occupied Housing Units	25,945	27,770	28,097	8.3%
Vacant Housing Units	1,912	3,468	3,845	101.1%
Vacancy Rate	6.9%	11.1%	12.0%	+5.2 points
<b>Gaston County</b>				
Total Housing Units	78,842	88,686	91,011	15.4%
Occupied Housing Units	73,936	79,867	80,682	9.1%
Vacant Housing Units	4,906	8,819	10,329	110.5%
Vacancy Rate	6.2%	9.9%	11.3%	+5.1 points
<b>Charlotte-Concord-Gastonia Region</b>				
Total Housing Units	707,177	936,452	993,111	40.4%
Occupied Housing Units	658,711	848,745	906,355	37.6%
Vacant Housing Units	48,466	87,707	86,756	79.0%
Vacancy Rate	6.9%	9.4%	8.7%	+1.9 points

**Data Source:** U.S. Census 2000 SF1 Table H003 and 2010 SF1 Table H3 and 2013-2017 5-Year American Community Survey Table B25002

Variety in terms of housing structure type is important in providing housing options suitable to meet the needs of all residents, including different members of protected classes. Multifamily housing, including rental apartments, are often more affordable than single-family homes for low- and moderate-income households, who are disproportionately likely to be households of color. Multifamily units may also be the preference of some elderly and disabled householders who are unable or do not desire to maintain a single-family home.

The table that follows shows housing units by structure type in each area. In Gastonia, over 70% of units are in either attached or detached single-family homes, about 23% are in small multifamily properties (2 to 19 units) and about 5% are in larger multifamily properties (20 or more units per structure). The distribution of units is generally similar in Gaston County with a few exceptions. Single-family homes are more slightly more common, and apartments are less common, particularly those with 5-19 units (8% in

Gaston County compared to 16% in Gastonia). While development regulations and consumer preferences impact multifamily development, it can also be limited in rural areas due to the lack of sufficient infrastructure – specifically, water and sewer – to support higher density development. Mobile homes are much more common in Gaston County (11% compared to 2% in Gastonia).

**TABLE 7 – HOUSING UNITS BY STRUCTURE TYPE**

Units in Structure	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region	
	#	%	#	%	#	%
1, detached	21,397	68.5%	65,674	72.8%	659,932	67.7%
1, attached	527	1.7%	1,627	1.8%	45,537	4.7%
2-4	2,011	6.4%	3,875	4.3%	38,077	3.9%
5-19	5,122	16.4%	6,907	7.7%	101,058	10.4%
20-49	593	1.9%	1,011	1.1%	34,353	3.5%
50 or more	894	2.9%	1,153	1.3%	24,651	2.5%
Mobile home	694	2.2%	9,940	11.0%	70,701	7.3%
Other (RV, boat, van, etc.)	9	0.0%	25	0.0%	289	0.0%
<b>Total</b>	<b>31,247</b>	<b>100.0%</b>	<b>90,212</b>	<b>100.0%</b>	<b>974,598</b>	<b>100.0%</b>

Data Source: 2012-2016 5-Year American Community Survey Table B25024

Availability of housing in a variety of sizes is important to meet the needs of different demographic groups. Neighborhoods with multi-bedroom detached, single-family homes will typically attract larger families, whereas dense residential developments with smaller unit sizes and fewer bedrooms often accommodate single-person households or small families. But market forces and affordability impact housing choice and the ability to obtain housing of a suitable size, and markets that do not offer a variety of housing sizes at different price points can lead to barriers for some groups. Rising housing costs can, for example, lead to overcrowding as large households with lower incomes are unable to afford pricier, larger homes and are forced to reside in smaller units. On the other hand, people with disabilities or seniors with fixed incomes may not require large units but can be limited by higher housing costs in densely populated areas where most studio or one-bedroom units are located.

As the table that follows shows shows, owner-occupied housing is typically larger than renter-occupied units. Units with two or fewer bedrooms make up about 20% of owned housing in the city of Gastonia and Gaston County. In contrast, about 70% of rental housing in Gastonia and 65% in Gaston County has two or fewer bedrooms.

**TABLE 8 – HOUSING UNITS BY SIZE AND TENURE**

Number of Bedrooms	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region	
	#	%	#	%	#	%
<b>Owner-Occupied Housing Units</b>						
Zero or one	272	1.8%	823	1.6%	5,906	1.2%
Two	2,568	17.2%	9,706	18.4%	61,546	12.8%
Three	8,448	56.6%	32,003	60.8%	248,711	51.7%
Four or more	3,641	24.4%	10,105	19.2%	165,175	34.3%
<b>Total</b>	<b>14,929</b>	<b>100.0%</b>	<b>52,637</b>	<b>100.0%</b>	<b>481,338</b>	<b>100.0%</b>
<b>Renter-Occupied Housing Units</b>						
Zero or one	3,511	28.2%	5,262	19.3%	61,458	22.8%
Two	4,862	39.1%	12,252	44.9%	107,496	39.9%
Three	3,256	26.2%	8,098	29.7%	79,068	29.3%
Four or more	804	6.5%	1,655	6.1%	21,723	8.1%
<b>Total</b>	<b>12,433</b>	<b>100.0%</b>	<b>27,267</b>	<b>100.0%</b>	<b>269,745</b>	<b>100.0%</b>

**Data Source:** 2012-2016 5-Year American Community Survey Table B25042

Table 9 provides information for households living in publicly supported housing, including unit size and presence of children by housing program type. Assuming households with children would need two-bedroom or larger units, comparing the number of two- and three-plus bedroom units with the number of households with children does not immediately indicate overcrowding in assisted housing. In the city of Gastonia, for example, the 198 households with children who live in public housing properties could theoretically be housed in the 217 units with two or more bedrooms. Likewise, there appear to be adequate units with two or more bedrooms for the 124 households with children living in project-based Section 8 units.

However, because data about households with children by household size is not available, precise conclusions regarding the suitability of the existing publicly supported housing stock cannot be drawn. There may be a mismatch between large family households and the availability of three bedroom or larger units, but such a situation is not discernible without information about household size. Additionally, smaller households may reside in units with more bedrooms (a 2-person household without children living in a 2-bedroom unit, for example), reducing the availability of larger units for households with children.

**TABLE 9 – PUBLICLY SUPPORTED HOUSING BY PROGRAM CATEGORY: UNITS BY NUMBER OF BEDROOMS AND NUMBER OF CHILDREN**

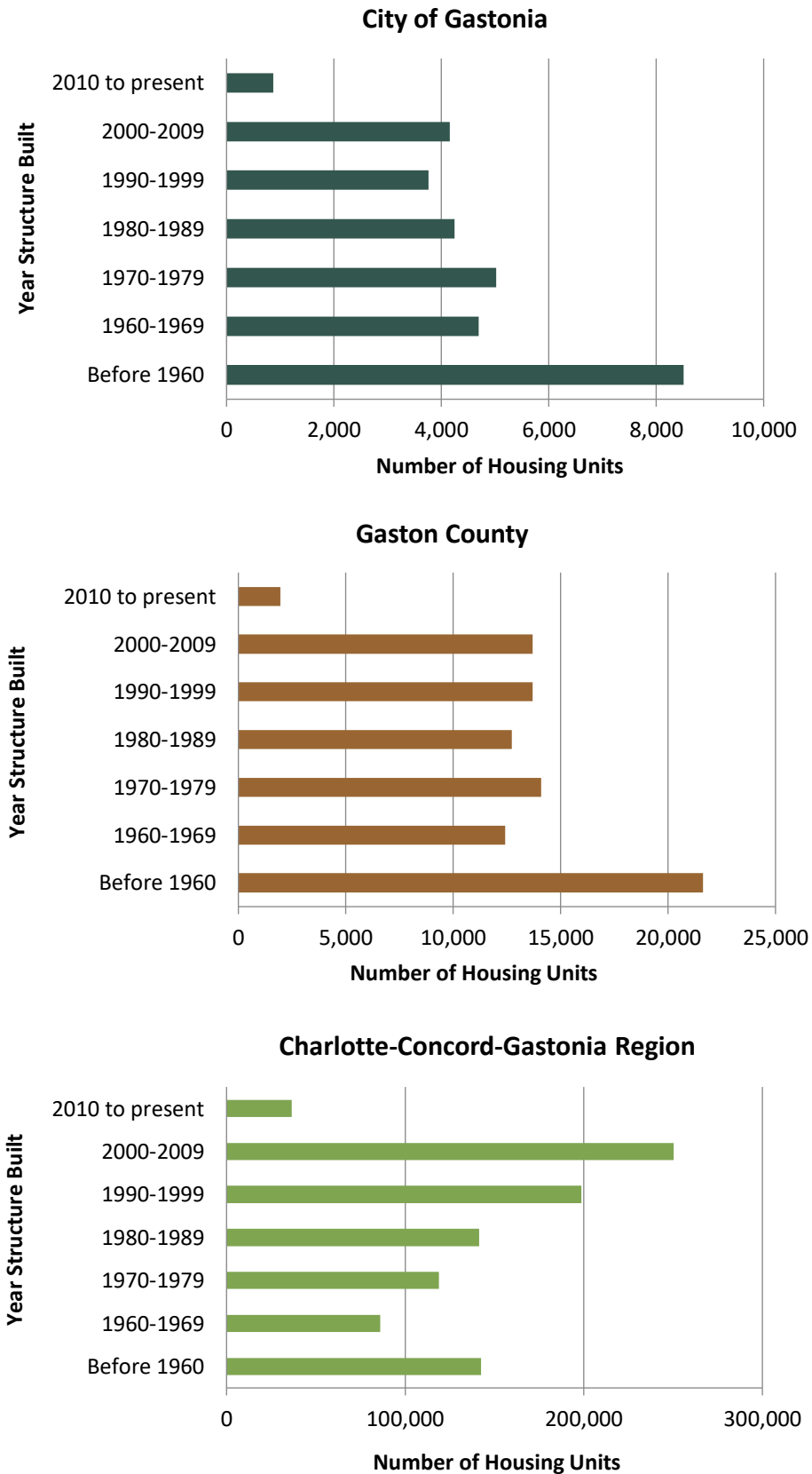
Housing Type	Households in 0-1 Bedroom Units		Households in 2 Bedroom Units		Households in 3+ Unit Bedrooms		Households with Children	
	#	%	#	%	#	%	#	%
<b>City of Gastonia</b>								
Public Housing	160	42.0%	87	22.8%	130	34.1%	198	52.0%
Project-Based Section 8	233	57.8%	90	22.3%	65	16.1%	124	30.8%
HCV Program	95	70.4%	0	0.0%	0	0.0%	N/A	N/A
<b>Gaston County</b>								
Public Housing	258	36.0%	175	24.4%	279	38.9%	360	50.2%
Project-Based Section 8	301	47.9%	183	29.1%	122	19.4%	243	38.6%
Other Multifamily	178	76.7%	0	0.0%	0	0.0%	N/A	N/A
HCV Program	289	22.4%	575	44.5%	397	30.7%	630	48.8%

Data Source: APSH

Assessing housing conditions in an area can provide a basis for developing policies and programs to maintain and preserve the quality of the housing stock. The age of an area’s housing can have substantial impact on housing conditions and costs. As housing ages, maintenance costs rise, which can present significant affordability issues for low- and moderate-income homeowners. Aging rental stock can lead to rental rate increases to address physical issues, or deteriorating conditions if building owners defer or ignore maintenance needs. Deteriorating housing can also depress neighboring property values, discourage reinvestment, and eventually impact the quality of life in a neighborhood. Additionally, homes built prior to 1978 present the potential for lead exposure risk due to lead-based paint.

Age of housing in the city of Gastonia, Gaston County, and the region is shown on the following page. In Gastonia and Gaston County, the largest share of homes was built over 50 years ago, prior to 1960. Housing is slightly older in the city of Gastonia than the county overall. In the city, about 58% of units were built prior to 1980, compared to 53% in the county, which is expected considering the slightly higher share of new units in the county constructed since 2000. The region displays a much different pattern. About half of all homes (50%) were built after 1990, with the largest share built from 2000-2009.

**FIGURE 16 – AGE OF HOUSING IN GASTONIA, GASTON COUNTY, AND THE CHARLOTTE-CONCORD-GASTONIA REGION**



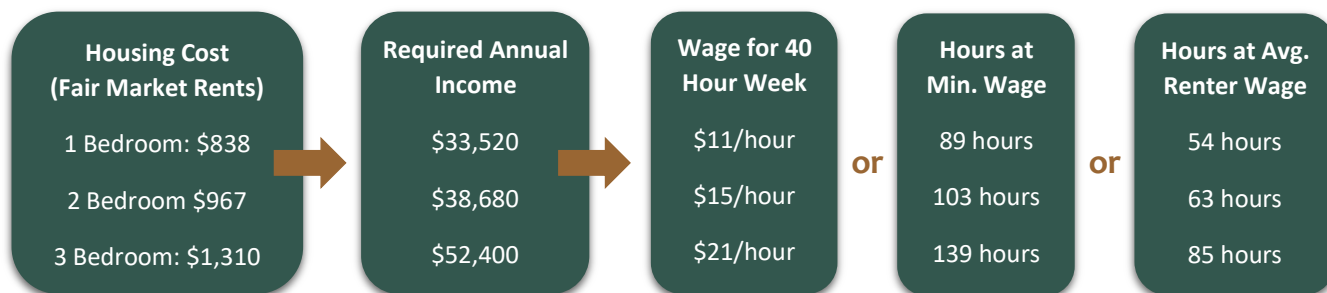
## HOUSING COSTS AND AFFORDABILITY

The National Low Income Housing Coalition’s annual *Out of Reach* report examines rental housing rates relative to income levels for counties throughout the U.S. The figure below shows annual household income and hourly wages needed to afford Fair Market Rents (FMRs) in Gaston County for one, two, and three bedroom rental units.

To afford a one-bedroom rental unit at the Gaston County Fair Market Rent (FMR) of \$838 without being cost burdened (i.e., spending more than 30% of income on housing) would require an annual income of at least \$33,520. This amount translates to a 40-hour work week at an hourly wage of \$14, or an 89-hour work week at the minimum wage of \$7.25. For people with incomes equal to Gaston County’s average renter wage of \$11.85 an hour, a one-bedroom unit would be affordable with at least a 54-hour work week. Gaston County’s two-bedroom FMR of \$967 translates to an hourly wage of \$16, a 103-hour work week at minimum wage, or a 63-hour work week at the average renter wage.

These figures indicate that housing in Gaston County is challenging to afford for small households earning at or below the average renter wage. Other groups, such as minimum wage workers, other low-income households, and larger families needing more bedrooms face even greater difficulty affording housing. The next section looks in more detail at affordability in the city and county.

**FIGURE 17 – REQUIRED INCOME, WAGES, AND HOURS TO AFFORD FAIR MARKET RENTS FOR GASTON COUNTY, 2018**



**Note:** Required income is the annual income needed to afford Fair Market Rents without spending more than 30% of household income on rent. Minimum wage in Gaston County is \$7.25. Average renter wages are \$11.85 in Gaston County.

**Source:** National Low Income Housing Coalition *Out of Reach* 2018, Accessed from <http://nlihc.org/oor/north-carolina>

## HOUSING NEEDS

Housing cost and condition are key components to housing choice. Housing barriers may exist in a jurisdiction when some protected class groups have greater difficulty accessing housing in good condition and that they can afford. To assess affordability and other types of housing needs, HUD defines four housing problems:

1. A household is *cost burdened* if monthly housing costs (including mortgage payments, property taxes, insurance, and utilities for owners and rent and utilities for renters) exceed 30% of monthly income.

2. A household is *overcrowded* if there is more than 1.0 people per room, not including kitchen or bathrooms.
3. A housing unit *lacks complete kitchen facilities* if it lacks one or more of the following: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit *lacks complete plumbing facilities* if it lacks one or more of the following: hot and cold piped water, a flush toilet, or a bathtub or shower.

HUD also defines four severe housing problems, including a severe cost burden (more than 50% of monthly housing income is spent on housing costs), severe overcrowding (more than 1.5 people per room, not including kitchens or bathrooms), lack of complete kitchen facilities (as described above), and lack of complete plumbing facilities (also as described above).

To assess housing need, HUD receives a special tabulation of data from the U. S. Census Bureau's American Community Survey that is largely not available through standard Census products. This data, known as Comprehensive Housing Affordability Strategy (CHAS) data, counts the number of households that fit certain combination of HUD-specified criteria, such as housing needs by race and ethnicity. CHAS data for is provided in the tables that follow.

In the city, there are 11,155 households with at least one housing problem, making up about 41% of households citywide. Over one-in-five households have a severe need (6,095 or 23%). Levels of need in the Gaston County are slightly lower; about 34% of households have a housing problem and 18% have a severe housing problem.

Looking at need by householder race and ethnicity in the city of Gastonia shows that 33% of non-Latino white households have a housing problem and 15.8% have a severe housing problem. HUD defines a group as having a disproportionate need if its members experience housing needs at a rate that is ten percentage points or more above that of white households. In the city, all non-white groups meet this definition. Native American (64.2%) and Hispanic households (60%) have the highest rates of needs. Looking at severe housing needs, Native American (50%) and Hispanic (30.6%) households again face considerably higher rates of need, versus 15.8% for white households. Again, all non-white groups showed a disproportionate need, with twice or more the rate of housing problems as white households.

In Gaston County, housing needs are lower overall, but all racial and ethnic groups except for Asians have disproportionate rates of housing need. Rates are highest for African American and Hispanic households, among which more than half have one or more housing problems (50.3% and 56.2%, respectively), compared to 29.5% of white households.

Table 10 also compares housing need rates for households by size and familial status. In the city of Gastonia, large family households (5 or more people) have the highest rate of housing problems at 50.3%. Non-family households are the second highest at 48.0%, and 36.6% of small family households (1 to 4 people) have a housing problem.

A similar pattern exists in Gaston County. The share of households with housing problems is lowest for small families at 27.1%, higher for non-family households (43.1%), and highest for large households (46.7%).



Table 11 examines only one dimension of housing need – severe cost burdens. In the city of Gastonia, 4,839 households (18.0%) spend more than half of their income on housing. Looking at severe cost burdens by householder race and ethnicity, all racial and ethnic groups are disproportionately likely to have needs relative to white households. Half of Native American households, about one-third of Asian households (34.8%), and about a quarter of African American (26.4%) and Hispanic (23.2%) households have a severe cost burden, compared to 13.1% of white households. Housing cost burdens are less common in Gaston County, and though all non-white racial and ethnic groups have higher rates than white households (12.7%), only other race households have a disproportionate burden (24.1%).

Non-family households are most likely to spend more than 50% of their income on housing in the city, county and region with rates around 20%. In Gastonia, small family households are slightly more likely than large family households to have a severe cost burden (16.1% and 15.5% respectively).

Figures 32 and 33 map the prevalence of housing cost burdens in the city of Gastonia along with population by race, ethnicity, and national origin. The highest rates of housing needs are in the northeast portion of the city between Interstate 85 and New Hope Road, where 61.5% of households are cost burdened. The rate is also high (60%) in the northwestern portion of the city in the area between the Loray Mills neighborhood, West Gastonia, and Long Creek. More than half of households are cost burdened in downtown (54.8%). Neighborhoods in these areas, particularly just north of downtown and in western Gastonia, have higher percentages of African-American residents than the city overall. Outside of the city of Gastonia, the lower cost burden is reflected in the lighter shading on the map.

**TABLE 10 – DEMOGRAPHICS OF HOUSEHOLDS WITH DISPROPORTIONATE HOUSING NEEDS**

Disproportionate Housing Needs	City of Gastonia			Gaston County			Charlotte-Concord-Gastonia Region		
	# with problems	# of households	% with problems	# with problems	# of households	% with problems	# with problems	# of households	% with problems
<b>Race and Ethnicity</b>									
White, Non-Hispanic	5,553	16,822	33.0%	19,375	65,661	29.5%	153,819	580,534	26.5%
Black or African American, Non-Hispanic	3,905	7,134	54.7%	6,044	12,016	50.3%	84,974	182,773	46.5%
Hispanic	1,265	2,114	59.8%	1,928	3,433	56.2%	27,338	52,969	51.6%
Asian or Pacific Islander, Non-Hispanic	174	359	48.5%	259	770	33.6%	6,900	20,012	34.5%
Native American, Non-Hispanic	45	70	64.3%	132	292	45.2%	1,000	2,711	36.9%
Other, Non-Hispanic	238	402	59.2%	403	882	45.7%	4,139	9,590	43.2%
<b>Total</b>	<b>11,155</b>	<b>26,890</b>	<b>41.5%</b>	<b>28,135</b>	<b>83,080</b>	<b>33.9%</b>	<b>278,205</b>	<b>848,625</b>	<b>32.8%</b>
<b>Household Type and Size</b>									
Family households, <5 People	5,735	15,680	36.6%	13,488	49,702	27.1%	134,200	499,914	26.8%
Family households, 5+ People	1,263	2,513	50.3%	3,185	6,822	46.7%	33,440	76,242	43.9%
Non-family households	4,160	8,675	48.0%	11,425	26,488	43.1%	110,565	272,445	40.6%
<b>Households Experiencing any of the Four Severe Housing Problems</b>									
	# with problems	# of households	% with problems	# with problems	# of households	% with problems	# with problems	# of Households	% with problems
<b>Race and Ethnicity</b>									
White, Non-Hispanic	2,663	16,822	15.8%	9,789	65,661	14.9%	70,985	580,534	12.2%
Black or African American, Non-Hispanic	2,185	7,134	30.6%	3,081	12,016	25.6%	44,440	182,773	24.3%
Hispanic	970	2,114	45.9%	1,256	3,433	36.6%	15,928	52,969	30.1%
Asian or Pacific Islander, Non-Hispanic	125	359	34.8%	145	770	18.8%	4,126	20,012	20.6%
Native American, Non-Hispanic	35	70	50.0%	43	292	14.7%	581	2,711	21.4%
Other, Non-Hispanic	119	402	29.6%	247	882	28.0%	2,208	9,590	23.0%
<b>Total</b>	<b>6,095</b>	<b>26,890</b>	<b>22.7%</b>	<b>14,575</b>	<b>83,080</b>	<b>17.5%</b>	<b>138,265</b>	<b>848,625</b>	<b>16.3%</b>

**Note:** All % represent a share of the total population, except household type and size, which is out of total households.

**Source:** CHAS

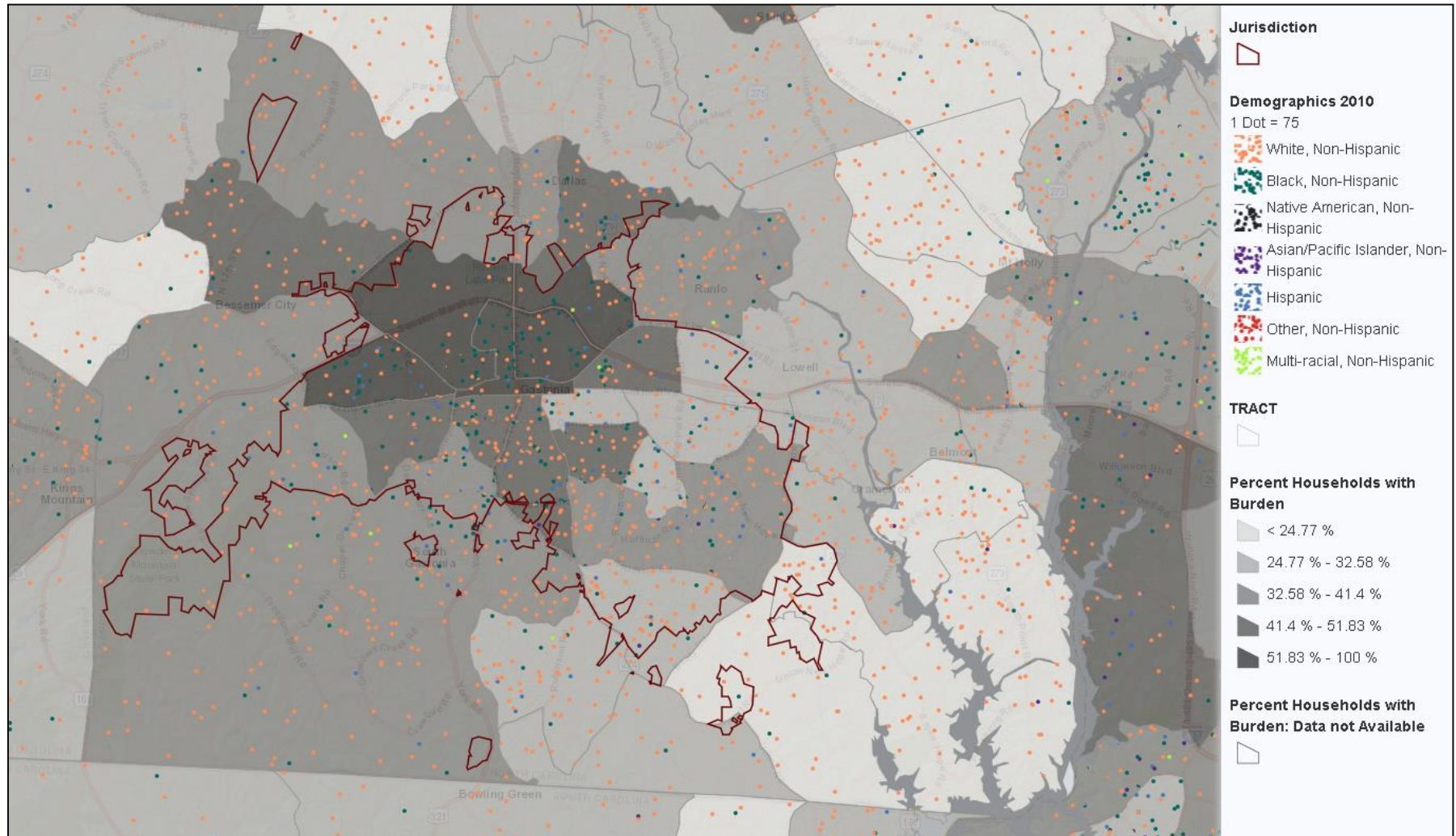
**TABLE 11 – DEMOGRAPHICS OF HOUSEHOLDS WITH SEVERE HOUSING COST BURDENS**

Households with Severe Cost Burdens	City of Gastonia			Gaston County			Charlotte-Concord-Gastonia Region		
	# with problems	# of households	% with problems	# with problems	# of households	% with problems	# with problems	# of households	% with problems
<b>Race and Ethnicity</b>									
White, Non-Hispanic	2,195	16,822	13.1%	8,308	65,661	12.7%	63,615	580,534	11.0%
Black or African American, Non-Hispanic	1,885	7,134	26.4%	2,614	12,016	21.8%	39,900	182,773	21.8%
Hispanic	490	2,114	23.2%	653	3,433	19.0%	10,010	52,969	18.9%
Asian or Pacific Islander, Non-Hispanic	125	359	34.8%	145	770	18.8%	2,680	20,012	13.4%
Native American, Non-Hispanic	35	70	50.0%	43	292	14.7%	488	2,711	18.0%
Other, Non-Hispanic	109	402	27.1%	213	882	24.2%	1,954	9,590	20.4%
<b>Total</b>	<b>4,839</b>	<b>26,890</b>	<b>18.0%</b>	<b>11,976</b>	<b>83,080</b>	<b>14.4%</b>	<b>118,647</b>	<b>848,625</b>	<b>14.0%</b>
<b>Household Type and Size</b>									
Family households, <5 People	2,520	15,680	16.1%	5,628	49,702	11.3%	55,714	499,914	11.1%
Family households, 5+ People	390	2,513	15.5%	819	6,822	12.0%	9,511	76,242	12.5%
Non-family households	1,934	8,675	22.3%	5,537	26,488	20.9%	53,423	272,445	19.6%

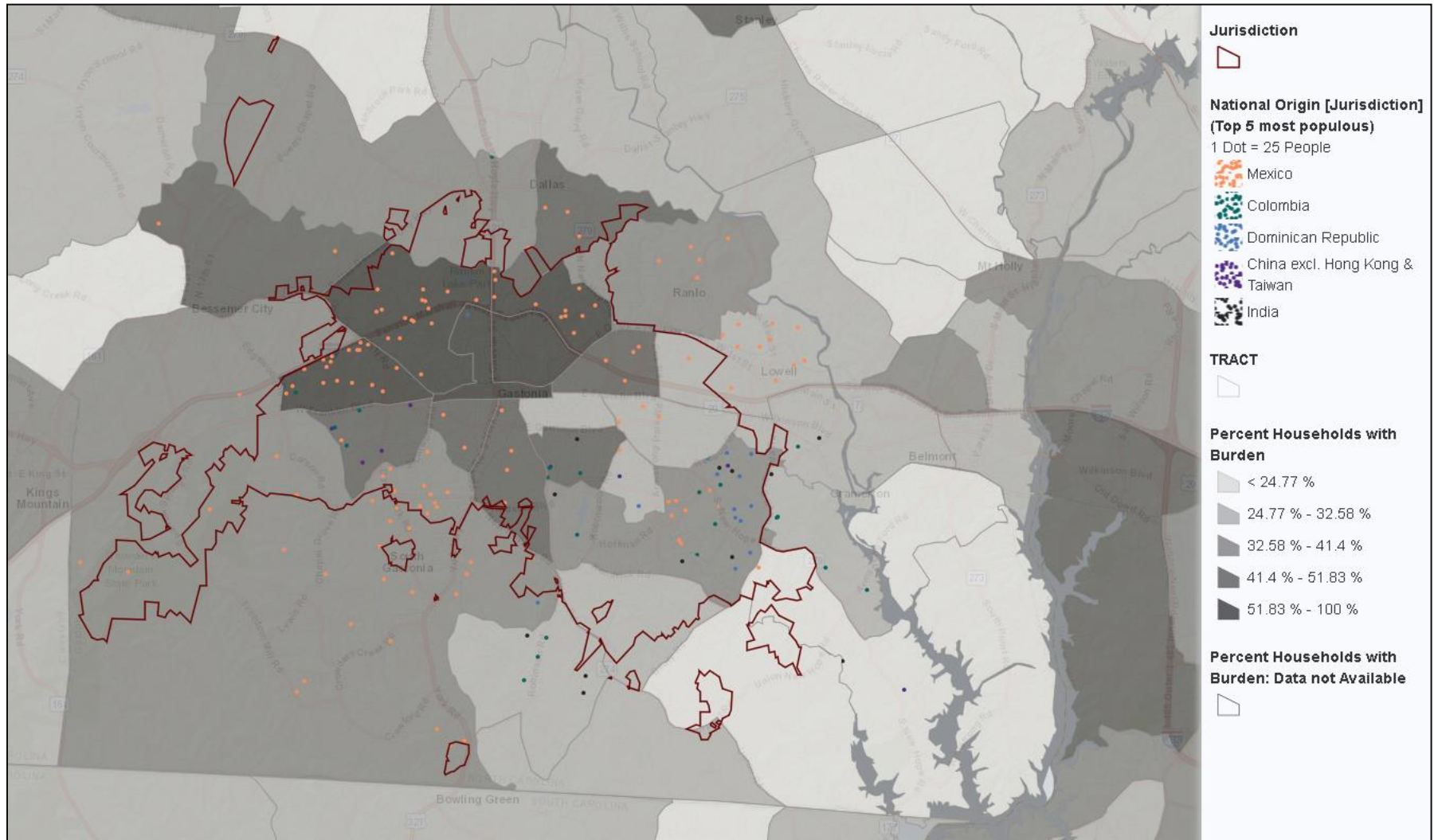
**Note:** Severe housing cost burden is defined as greater than 50% of income. All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households. The # households is the denominator for the % with problems, and may differ from the # households for the table on severe housing problems.

**Source:** CHAS

**FIGURE 18 – HOUSING BURDEN AND RACE AND ETHNICITY IN THE CITY OF GASTONIA**



**FIGURE 19 – HOUSING BURDENS AND NATIONAL ORIGIN IN THE CITY OF GASTONIA**



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## HOMEOWNERSHIP AND LENDING

Homeownership is vital to a community's economic well-being. It allows the opportunity to build wealth, is generally associated with higher levels of civic engagement,<sup>17</sup> and is correlated with positive cognitive and behavioral outcomes among children.<sup>18</sup>

Federal housing policies and discriminatory mortgage lending practices prior to the Fair Housing Act of 1968, along with continuing impediments to access, have had significant impacts on the homeownership rates of racial and ethnic minorities, particularly African American and Hispanic populations. The gap between the white and African American homeownership rate is the largest among racial and ethnic groups. In 2017, the U.S. Census Bureau reported a 21.6 percentage point gap in homeownership rate between white and African American households; just a 2.9 percentage point decrease since 1997.<sup>19</sup>

Homeownership trends have changed in recent years because of significant events in the housing market and labor force. The homeownership rate for Millennials (the generation born between 1981 and 1997) is 8 percentage points lower than the two previous generations, controlling for age. This discrepancy can be attributed to a multitude of factors ranging from preference to urban areas, cost of education and associated debt, changes in marriage and childbearing patterns, rising housing costs, and the current supply of affordable houses.<sup>20</sup>

The table that follows shows the number of owner and renter households, as well as the homeownership rate, by race and ethnicity for the city of Gastonia, Gaston County, and the region. In the city, just over one-half of households own their homes (55.5%). Two groups have higher homeownership rates: white households (67.7%) and Asian households (90.1%). The remaining three racial groups have considerably lower homeownership rates. About one-third of all African American households and one-quarter of Hispanic households own their homes.

In Gaston County, homeownership rates are higher overall and for all groups, but the pattern of discrepancy between white and Asian households and other groups is similar. Overall, about two-thirds of households in Gaston County own their homes (66%). The highest homeownership rates are among Asian (93.5%) and white (71.9%) households, both of which are above the average rate. As in the city, all other groups (except Native American households) have homeownership rates below the average, and in all these groups less than half of households own their homes.

Overall, tenure data indicates that households of color are less likely than white households to own their homes. While homeownership gaps depend on race, ethnicity, and geography, Asian and Hispanic

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<sup>17</sup> Maturuk K, Lindblad M, Quercia R. "Homeownership and civic engagement in low-income urban neighborhoods: a longitudinal analysis." *Urban Affairs Review*. 2012;48(5):731–60.

<sup>18</sup> Haurin, Donald R. et al. "The Impact of Homeownership on Child Outcomes." *Low-Income Homeownership Working Paper Series*. Joint Center for Housing Studies of Harvard University. October 2001, <http://www.jchs.harvard.edu/sites/default/files/liho01-14.pdf>.

<sup>19</sup> U.S. Census Bureau. Homeownership Rates by Race and Ethnicity of Householder: 1994 to 2017.

<sup>20</sup> Choi, Jung et al. "Millennial Homeownership: Why Is It So Low, and How Can We Increase It?" The Urban Institute. February 2000. [https://www.urban.org/sites/default/files/publication/98729/millennial\\_homeownership\\_0.pdf](https://www.urban.org/sites/default/files/publication/98729/millennial_homeownership_0.pdf)

households have the lowest homeownership rates in the city. African-American households have slightly higher rates, but they are still just over half the homeownership rate of white households.

The maps that follow show the share of owners and renters by census tract in the city of Gastonia and the surrounding area. Renting is most common in the central city, with the downtown and Beaverbrook neighborhoods containing 72.6% households who are renters. The neighborhoods between Franklin Boulevard and Interstate 95, as well as those just north of Interstate 95, are all more than half renter households, ranging from 54.1% to 60.5% renters. Homeownership rates are generally higher in southern Gastonia, though the Laurel Commons neighborhood in southeast Gastonia contains 65.2% renters. In Gaston County outside of the city of Gastonia, the majority of households are owners, though there are a few renter-majority exceptions in Mt. Holly and South Gastonia.

**TABLE 12 – HOMEOWNERSHIP AND RENTAL RATES BY RACE AND ETHNICITY**

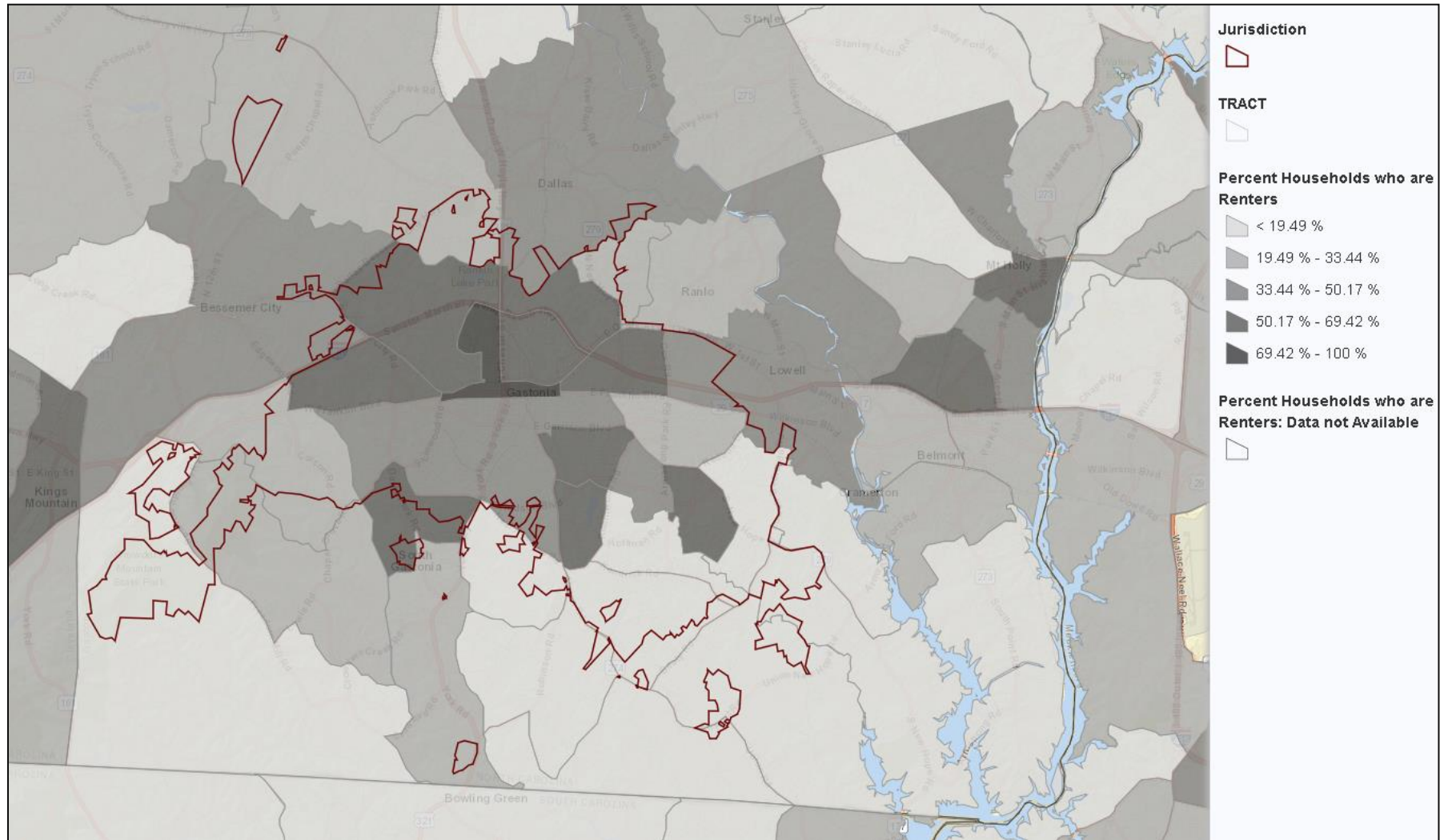
Race/Ethnicity	City of Gastonia			Gaston County			Charlotte-Concord-Gastonia Region		
	Owner Households	Renter Households	Home-ownership Rate	Owner Households	Renter Households	Home-ownership Rate	Owner Households	Renter Households	Home-ownership Rate
Non-Hispanic									
White	11,380	5,440	67.7%	47,200	18,455	71.9%	442,510	138,000	76.2%
Black or African American	2,505	4,630	35.1%	5,139	6,860	42.8%	85,760	97,060	46.9%
Asian	320	35	90.1%	709	49	93.5%	12,085	7,938	60.4%
Native American	35	35	50.0%	232	59	79.7%	1,565	1,135	58.0%
Other	125	275	31.3%	375	513	42.2%	4,960	4,635	51.7%
Hispanic	560	1,555	26.5%	1,290	2,168	37.3%	23,900	29,080	45.1%
<b>Total</b>	<b>14,930</b>	<b>11,960</b>	<b>55.5%</b>	<b>54,965</b>	<b>28,115</b>	<b>66.2%</b>	<b>570,790</b>	<b>277,835</b>	<b>67.3%</b>

**Note:** Data presented are number of households, not individuals.

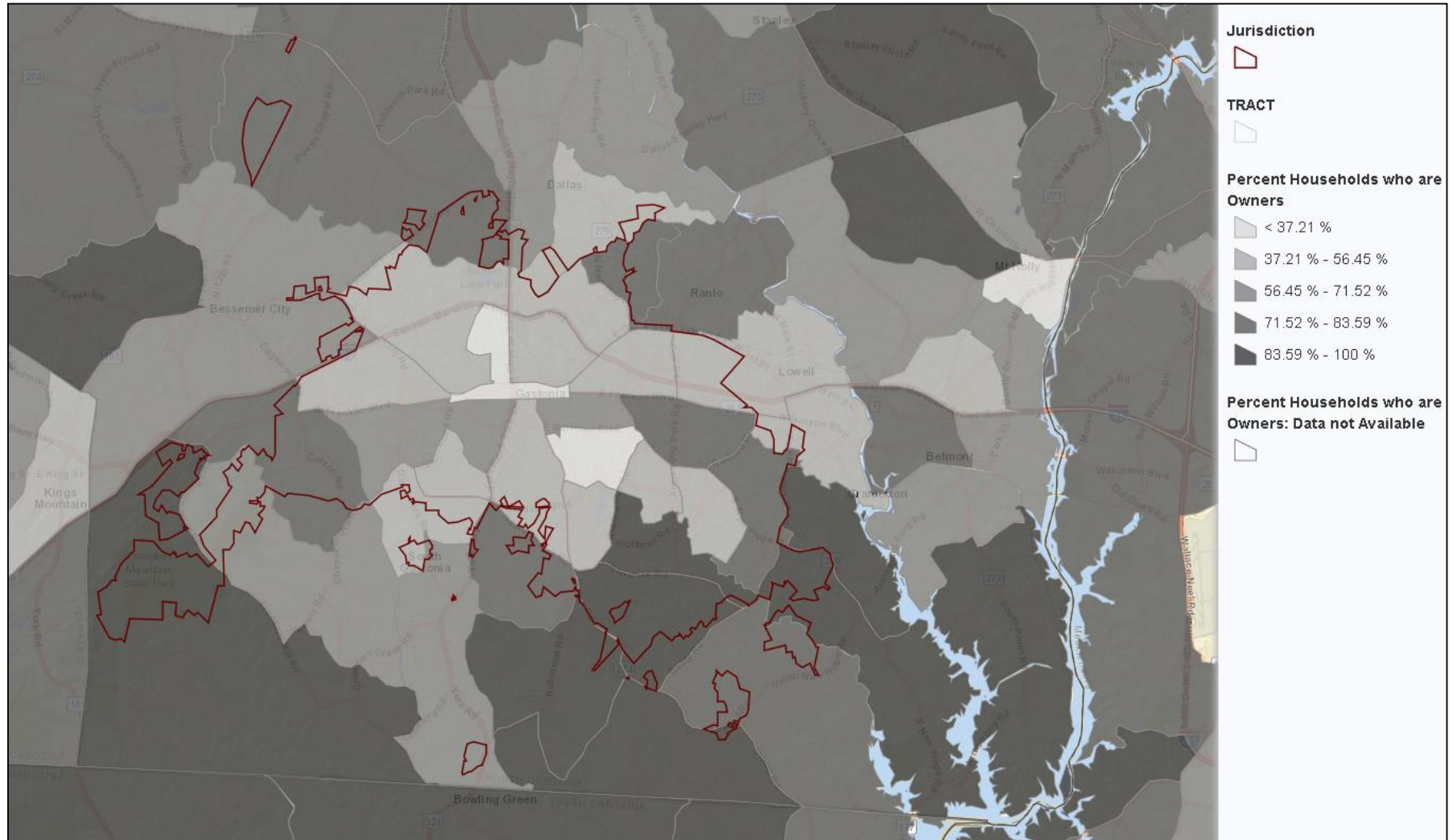
**Source:** CHAS



**FIGURE 20 – SHARE OF HOUSEHOLDS THAT ARE RENTERS IN THE CITY OF GASTONIA**



**FIGURE 21 – SHARE OF HOUSEHOLDS THAT ARE OWNERS IN THE CITY OF GASTONIA**



## Mortgage Lending

Prospective homebuyers need access to mortgage credit, and programs that offer homeownership should be available without discrimination. The proceeding data and analysis assesses the degree to which the housing needs of local residents are being met by home loan lenders.

The Home Mortgage Disclosure Act of 1975 (HMDA) requires most mortgage lending institutions to disclose detailed information about their home-lending activities annually. The objectives of the HMDA include ensuring that borrowers and loan applicants are receiving fair treatment in the home loan market.

The national 2017 HMDA data consists of information for 12.1 million home loan applications reported by 5,852 home lenders, including banks, savings associations, credit unions, and mortgage companies.<sup>21</sup> HMDA data, which is provided by the Federal Financial Institutions Examination Council (FFIEC), includes the type, purpose, and characteristics of each home mortgage application that lenders receive during the calendar year. It also includes additional data related to those applications including loan pricing information, action taken, property location (by census tract), and information about loan applicants such as sex, race, ethnicity, and income.

The source for this analysis is tract-level HMDA data for census tracts in Gaston County (including the city of Gastonia) for the years 2013 through 2017, which includes a total of 25,303 home purchase loan application records and 21,610 mortgage refinance application records.<sup>22</sup> Within each record, some data variables are 100% reported: “Loan Type,” “Loan Amount,” and “Action Taken,” for example, but other data fields are less complete. According to the HMDA data, these records represent applications taken entirely by mail, Internet, or phone in which the applicant declined to identify their sex, race and/or ethnicity. Missing race, ethnicity, and sex data are potentially problematic for an assessment of discrimination. If the missing data are non-random there may be adverse impacts on the accuracy of the analysis. Ideally, any missing data for a specific data variable would affect a small proportion of the total number of loan records and therefore would have only a minimal effect on the results.

Of these applications, 16% were denied by the lending institution. There is no requirement for reporting reasons for a loan denial, and this information was not provided for about 34% of home purchase loan denials and 40% of refinance loan denials. Further, the HMDA data does not include a borrower’s total financial qualifications such as an actual credit score, property type and value, loan-to-value ratio, or loan product choices. Research has shown that differences in denial rates among racial or ethnic groups can arise from these credit-related factors not available in the HMDA data.<sup>23</sup> Despite these limitations, the HMDA data play an important role in fair lending enforcement. Bank examiners frequently use HMDA

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<sup>21</sup> Consumer Financial Protection Bureau. “FFIEC Announces Availability of 2017 Data on Mortgage Lending.” May 7, 2018. <https://www.consumerfinance.gov/about-us/newsroom/ffiec-announces-availability-2017-data-mortgage-lending/>

<sup>22</sup> Includes applications for the purchase or refinance of one-to-four family dwellings in which the property is or will be occupied as the owner’s principal dwelling and in which the mortgage will be secured as first lien. Includes applications for conventional, FHA-insured, VA-guaranteed, and FSA/RHS-guaranteed loans.

<sup>23</sup> R. B. Avery, Bhutta N., Brevoort K.P., and Canne, G.B. 2012. “The Mortgage Market in 2011: Highlights from the Data Reported Under the Home Mortgage Disclosure Act.” Board of Governors of the Federal Reserve System. Federal Reserve Bulletin, Vol. 98, No. 6.

data in conjunction with information from loan files to assess an institution's compliance with fair lending laws.

Complete information regarding applicant race, ethnicity, and income is available for 18,902 home purchase loan applications in Gaston County (74.7% of the total loan records). Most applicants were white (80.5%); African American households made up 11.7% of the applicant pool, Asian households made up 1.8%, and Latino households made up 5.1%, and African American households comprised 0.5%. These shares are similar to the shares of these groups in the overall population of the county, although white households are slightly overrepresented (75.9% overall) and African American households slightly underrepresented (16.3%). The table below shows loan approval rates for completed loan applications by race and ethnicity at various income levels.<sup>24</sup> Not included in these figures are applications that were withdrawn or closed due to incompleteness such that no decision was made regarding approval or denial.

At low incomes, the average loan denial rate was 15.9%, but denial rates differed by race and ethnicity, ranging from 14.5% for white applicants to a rate more than twice that – 30.6% – for other race applicants. All other racial and ethnic groups had denial rates that were higher than both white applicants and the overall average. At middle incomes, disparities were similar for most groups, though denial rates were lower overall. About one-tenth of white households were denied a home loan, just below the average (10.7%), while denial rates for African American and Asian applicants were higher (around 15%). Latino applicants had the highest denial rate (18.7%). This rate is actually higher for middle income Latino households than for low income Latino households (18.2%). At the highest income level, denial rates were lowest for other race applicants (3.2%), and white households (7.4%) were also below the 8.2% average. African American households had the highest denial rate (16.6%), followed by Hispanics (11.9%) and Asians (10.3%). The low number of applications from some racial groups at various income levels, however, means that each loan decision has a more marked impact on that group's denial rate. Overall, disregarding income, about one-tenth of white applicants were denied a home loan (10.9%) compared to 18.0% of applicants of color. African American and other race applicants had the greatest disparity in lending access, with overall home purchase loan denial rates of 18.3% and 19.6%, respectively.

The table also provides data for home refinance loan applications. Information regarding race, ethnicity, and income is available for 14,814 refinance applications, or 68.6% of the total refinance applications in the County. This data also shows some disparity in denial rates by race and ethnicity. Denial rates for white applicants range from about 21 to 38%, depending on income. At each income level, households of color overall have higher refinance loan denial rates than white applicants; however, this is not true for each group individually. At the low income level, all other groups had significantly higher denial rates than white households. At middle incomes, denial rates were close for white and Hispanic and other race household applicants, while denial rates for African American and Asian households were higher. At high incomes, white, Hispanic, and other race households had similar denial rates, Asian applicants were slightly higher, and African-American households were significantly higher.

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<sup>24</sup> The low-income category includes applicants with a household income at or below 80% of area median family income (MFI). The middle income range includes applicants with household incomes from 81% to 120% MFI, and the upper income category consists of applicants with a household income above 120% MFI.

**TABLE 13 – LOAN APPROVAL RATES BY RACE AND ETHNICITY IN GASTON COUNTY, 2013 – 2017**

Applicant Income		Applicant Race and Ethnicity					Latino	All Applicants
		Non-Latino						
		White	Black or African American	Asian	Other			
<b>Home Purchase Loans</b>								
Low Income	Completed Applications	5,474	1,040	110	72	572	7,268	
	Denial Rate	14.5%	20.4%	22.7%	30.6%	18.2%	15.9%	
Middle Income	Completed Applications	3,459	469	91	35	150	4,204	
	Denial Rate	9.6%	14.9%	15.4%	11.4%	18.7%	10.7%	
High Income	Completed Applications	4,331	343	97	31	109	4,911	
	Denial Rate	7.4%	16.6%	10.3%	3.2%	11.9%	8.2%	
All Applicants	Completed Applications	13,264	1,852	298	138	831	16,383	
	Denial Rate	10.9%	18.3%	16.4%	19.6%	17.4%	12.2%	
<b>Home Refinance Loans</b>								
Low Income	Completed Applications	3,963	529	63	62	198	4,815	
	Denial Rate	37.6%	54.6%	55.6%	48.4%	49.0%	40.3%	
Middle Income	Completed Applications	2,518	291	40	22	76	2,947	
	Denial Rate	27.4%	44.3%	35.0%	27.3%	25.0%	29.1%	
High Income	Completed Applications	3,861	305	84	32	73	4,355	
	Denial Rate	21.1%	37.7%	26.2%	21.9%	19.2%	22.4%	
All Applicants	Completed Applications	10,342	1,125	187	116	347	12,117	
	Denial Rate	29.0%	47.4%	38.0%	37.1%	37.5%	31.1%	

**Note:** “Completed applications” includes applications that were approved but not accepted, denied, and approved with a loan originated. It does not include applications withdrawn by the applicant or closed for incompleteness.

**Data Source:** FFIEC 2013-2017 Home Mortgage Disclosure Act Data, Accessed via [www.consumerfinance.gov/data-research/hmda](http://www.consumerfinance.gov/data-research/hmda)

The table on the following page identifies reasons for denials by applicant race and ethnicity. A reason was provided in about 77% of home purchase loan denials and 71% of refinance loan denials. For purchase loans, credit history, which speaks to a household’s overall long-term ability to repay loans, was the most common denial reason for white applicants (24.5%), while debt to income ratio was the most common reason for African American, Asian, and Latino applicants (triggering between 27% and 29% of denials). Collateral was also a common denial reason regardless of race and ethnicity. For refinance loans, credit history, debt to income ratio, and collateral were also common reasons for denials regardless of applicant race and ethnicity.

While data regarding reasons for loan denials may provide relevant data to help financial counseling agencies better serve first time homebuyers, it does not show strong differences by race and ethnicity.

**TABLE 14 – REASONS FOR LOAN DENIAL BY APPLICANT RACE AND ETHNICITY IN GASTON COUNTIES, 2013-2017**

Reason for Denial	Applicant Race and Ethnicity					All Applicants
	Non-Latino				Latino	
	White	Black or African American	Asian	Other		
<b>Home Purchase Loans</b>						
Denial reason provided	77.5%	75.8%	78.5%	35.4%	81.1%	77.4%
Collateral	20.9%	10.5%	18.2%	8.7%	15.2%	18.3%
Credit application incomplete	10.2%	5.2%	6.8%	17.4%	4.8%	8.9%
Credit history	24.5%	28.6%	20.5%	13.0%	20.0%	24.6%
Debt to income ratio	19.5%	28.9%	27.3%	17.4%	29.0%	22.1%
Employment history	2.9%	3.4%	2.3%	13.0%	6.9%	3.4%
Insufficient cash	7.8%	11.4%	2.3%	17.4%	9.7%	8.6%
Mortgage insurance denied	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Other	10.8%	8.9%	20.5%	8.7%	11.0%	10.7%
Unverifiable information	3.3%	3.1%	2.3%	4.3%	3.4%	3.3%
Reason not provided	22.5%	24.2%	21.5%	64.6%	18.9%	22.6%
<b>Total denials</b>	<b>1,263</b>	<b>325</b>	<b>44</b>	<b>23</b>	<b>145</b>	<b>1,800</b>
<b>Home Refinance Loans</b>						
Denial reason provided	71.9%	68.5%	72.0%	61.8%	69.5%	71.2%
Collateral	22.1%	19.6%	7.8%	34.8%	18.4%	21.5%
Credit application incomplete	11.8%	9.4%	15.7%	8.7%	9.7%	11.4%
Credit history	28.0%	35.2%	25.5%	13.0%	29.1%	28.9%
Debt to income ratio	17.2%	16.1%	27.5%	13.0%	21.4%	17.3%
Employment history	1.4%	0.3%	2.0%	4.3%	3.9%	1.4%
Insufficient cash	4.5%	5.1%	3.9%	4.3%	4.9%	4.6%
Mortgage insurance denied	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	11.2%	11.5%	13.7%	21.7%	7.8%	11.2%
Unverifiable information	3.8%	2.8%	3.9%	0.0%	4.9%	3.6%
Reason not provided	28.1%	31.5%	28.0%	38.2%	30.5%	28.8%
<b>Total denials</b>	<b>2,366</b>	<b>392</b>	<b>51</b>	<b>23</b>	<b>103</b>	<b>2,935</b>

**Note:** Some applications were denied for multiple reasons; thus, the total number of denial reasons reported are greater than the total number of loans denied.

**Data Source:** FFIEC 2013-2017 Home Mortgage Disclosure Act Data, Accessed via [www.consumerfinance.gov/data-research/hmda](http://www.consumerfinance.gov/data-research/hmda)

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## ZONING, AFFORDABILITY, AND HOUSING CHOICE

Comprehensive land use planning is a critical process by which communities address a myriad of public policy issues such as housing, transportation, health, recreation, environmental protection, commercial and retail services, and land values, and address how the interconnection and complexity of these issues can ultimately impact the entire municipality. “The land use decisions made by a community shape its very character – what it’s like to walk through, what it’s like to drive through, who lives in it, what kinds of jobs and businesses exist in it, how well the natural environment survives, and whether the community is an attractive one or an ugly one.”<sup>25</sup> Likewise, decisions regarding land use and zoning have a direct and profound impact on affordable housing and fair housing choice, shaping a community or region’s potential diversity, growth, and opportunity for all. Zoning determines where housing can be built, the type of housing that is allowed, and the amount and density of housing that can be provided. Zoning also can directly or indirectly affect the cost of developing housing, making it harder or easier to accommodate affordable housing.

The following sections will explore (I) how North Carolina state law impacts local land use and zoning authority and decision-making and (II) how the zoning and land use codes of the City of Gastonia impact housing affordability and fair housing choice within its municipal borders.

### Intersection of Local Zoning with Federal and State Fair Housing Laws

One goal of zoning is to balance individual property rights with the power of government to promote and protect the health, safety, and general welfare of the overall community. Zoning codes regulate how a parcel of land in a community may be used and the density of development. Local governments may divide their jurisdiction into zoning districts by adopting a zoning map consistent with the comprehensive plan; define categories of permitted and special/conditional uses for those districts; and establish design or performance standards for those uses. Zoning may regulate the height, shape, and placement of structures and lot sizes or shapes. Jurisdictions also can expressly prohibit certain types of uses within zoning districts.<sup>26</sup> In this way, local ordinances may define the type and density of housing resources available to residents, developers, and other organizations within certain areas, and as a result influence the availability and affordability of housing.

While local governments have the power to enact zoning and land use regulations, that power is limited by state and federal fair housing laws (e.g., the North Carolina Housing Law, the federal Fair Housing Act, the Americans with Disabilities Act, constitutional due process and equal protection), which apply not only to private individuals but also to government actions. In *Texas Department of Housing & Community Affairs v. Inclusive Communities Project*, a recent landmark disparate impact case under the Fair Housing Act, the Supreme Court affirmed that part of the FHA’s central purpose is to eradicate discriminatory

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<sup>25</sup> John M. Levy. *Contemporary Urban Planning, Eighth Edition*. Upper Saddle River, NJ: Pearson Prentice Hall, 2009.

<sup>26</sup> Local government power to regulate land use derives from the State's expressly delegated police power, first to municipal governments and then to counties, as found in the various enabling statutes of the state constitution and North Carolina General Statutes. See N.C.G.S. § 160A-381 et seq. (zoning authority cities); N.C.G.S. § 153A-340 et seq. (counties). The zoning enabling statutes provide that any zoning regulations or amendments must be in accord with the local government’s adopted comprehensive plan.

housing practices, including specifically unlawful zoning laws and other housing restrictions. Besides intentional discrimination and disparate treatment, discrimination under the FHA also includes “[A] refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.” This provision has been held to apply to zoning and land use decisions by local governments.

Fair housing laws do not preempt local zoning laws but do apply to municipalities and local government units, and prohibit them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons. And even where a specific zoning decision does not violate a fair housing law, HUD entitlement communities must certify annually that they will set and implement standards and policies that protect and advance fair housing choice for all.

### **City of Gastonia Zoning Ordinance Review**

Although comprehensive plans and zoning and land use codes play an important role in regulating the health and safety of the structural environment, overly restrictive codes can negatively impact housing affordability and fair housing choice within a jurisdiction. Examples of zoning provisions that most commonly result in barriers to fair housing choice include:

- Restrictive forms of land use that exclude any specific form of housing, particularly multi-family housing, or that require large lot sizes or low-density that deter affordable housing development by limiting its economic feasibility;
- Restrictive definitions of family that impede unrelated individuals from sharing a dwelling unit;
- Placing administrative and siting constraints on group homes for persons with disabilities;
- Restrictions making it difficult for residents with disabilities to locate housing in certain neighborhoods or to modify their housing;
- Restrictions on occupancy of alternative sources of affordable housing such as accessory dwellings, mobile homes, and mixed-use structures.

The City’s treatment of these types of issues, mainly through its Unified Development Ordinance, are explored and evaluated in the tables and narrative below.

Because zoning codes present a crucial area of analysis for a study of impediments to fair housing choice, the latest available zoning and land use ordinances of Gastonia were reviewed and evaluated against a list of ten common fair housing issues. Taken together, these issues give a picture of (1) the degree to which exclusionary zoning provisions may impact affordable housing opportunities within those jurisdictions and (2) the degree to which the zoning code may impact housing opportunities for persons with disabilities. The zoning ordinance was assigned a risk score of either 1, 2, or 3 for each of the ten issues and was then given an aggregate score calculated by averaging the individual scores, with the possible scores defined as follows:

1 = low risk – the provision poses little risk for discrimination or limitation of fair housing choice, or is an affirmative action that intentionally promotes and/or protects affordable housing and fair housing choice;



2 = medium risk – the provision is neither among the most permissive nor most restrictive; while it could complicate fair housing choice, its effect is not likely to be widespread;

3 = high risk – the provision causes or has potential to result in systematic and widespread housing discrimination or the limitation of fair housing choice, or is an issue where the jurisdiction could take affirmative action to further affordable housing or fair housing choice but has not.

The following chart lists the ten issues reviewed and the City’s scores for each issue. A complete report including citations to relevant statutes, code sections, and explanatory comments, is included as an appendix to this document.

**TABLE 15 – ZONING CODE RISK SCORES**

Issue	Risk Score
<p>1a. Does the jurisdiction’s definition of “family” have the effect of preventing unrelated individuals from sharing the same residence? Is the definition unreasonably restrictive?</p> <p>1b. Does the definition of “family” discriminate against or treat differently unrelated individuals with disabilities (or members of any other protected class)?</p>	1
<p>2a. Does the zoning code treat housing for individuals with disabilities (e.g. group homes, congregate living homes, supportive services housing, personal care homes, etc.) differently from other single family residential and multifamily residential uses? For example, is such housing only allowed in certain residential districts, must a special or conditional use permit be granted before siting such housing in certain residential districts, etc.?</p> <p>2b. Does the zoning ordinance unreasonably restrict housing opportunities for individuals with disabilities who require onsite supportive services? Or is housing for individuals with disabilities allowed in the same manner as other housing in residential districts?</p>	1
<p>3a. Do the jurisdiction’s policies, regulations, and/or zoning ordinances provide a process for persons with disabilities to seek reasonable modifications or reasonable accommodations to zoning, land use, or other regulatory requirements?</p> <p>3b. Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for applicants with disabilities? If so, is the public hearing process only required for applicants seeking housing for persons with disabilities or required for all applicants?</p>	2
<p>4. Does the ordinance impose spacing or dispersion requirements on certain protected housing types?</p>	2
<p>5. Does the jurisdiction restrict any inherently residential uses protected by fair housing laws (such as residential substance abuse treatment facilities) only to non-residential zones?</p>	3

**TABLE 15 – ZONING CODE RISK SCORES (CONTINUED)**

Issue	Risk Score
<p>7. Does the zoning ordinance fail to provide residential districts where multi-family housing is permitted as of right? Are multifamily dwellings excluded from all single family dwelling districts?</p> <p>7b. Do multi-family districts restrict development only to low-density housing types?</p>	2
<p>7. Does the zoning ordinance fail to provide residential districts where multi-family housing is permitted as of right? Are multifamily dwellings excluded from all single family dwelling districts?</p> <p>7b. Do multi-family districts restrict development only to low-density housing types?</p>	2
<p>8. Are unreasonable restrictions placed on the construction, rental, or occupancy of alternative types of affordable or low-income housing (for example, accessory dwellings or mobile/manufactured homes)?</p>	2
<p>9a. Are the jurisdiction’s design and construction requirements (as contained in the zoning ordinance or building code) congruent with the Fair Housing Amendments Act’s accessibility standards for design and construction?</p> <p>9b. Is there any provision for monitoring compliance?</p>	1
<p>10. Does the zoning ordinance include an inclusionary zoning provision or provide any incentives for the development of affordable housing or housing for protected classes?</p>	2
<b>Average Risk Score</b>	<b>1.7</b>

The City’s total average risk score (calculated by taking the average of the 10 individual issue scores) is 1.7, indicating that overall there is low to moderate risk of the zoning regulations contributing to discriminatory housing treatment or impeding fair housing choice. In most cases, the zoning and other land use code sections are reasonably permissive and allow for flexibility as to the most common fair housing issues. The City received a “3” (high risk) score on one issue (#5) and also received a “2” (medium risk) score on certain issues where the zoning regulations have the potential to negatively impact fair and affordable housing. These medium and high-risk scores could indicate the City may be vulnerable to fair housing complaints where the ordinance is applied in a way that impacts a protected class of persons. In such cases, improvements to the rules and policies could be made to more fully protect the fair housing rights of all the area’s residents and to better fulfill the mandate to affirmatively further fair housing.

Our research has shown that restricting housing choice for certain historically/socio-economically disadvantaged groups and protected classes can happen in any number of ways and should be viewed on a continuum. The zoning analysis matrix developed for this report and the narrative below are not designed to assert whether the City’s codes create a per se violation of the FHA or HUD regulations, but are meant as a tool to highlight significant areas where zoning and land use ordinances may otherwise

jeopardize the spirit and intent of fair housing protections and HUD’s AFFH standards for its entitlement communities.

The issues chosen for discussion show where zoning ordinances and policies could go further to protect fair housing choice for protected and disadvantaged classes, and yet still fulfill the zoning objective of protecting the public’s health, safety, and general welfare. Specifically, the issues highlighted by the matrix inform, first, the degree to which the zoning ordinance may be overly restrictive and exclusionary to the point of artificially limiting the affordable housing inventory and directly contributing to higher housing and rental costs. And secondly, the matrix helps inform the impact the local regulations may have on housing opportunities for persons with disabilities, a protected class under state and federal fair housing law.

### **Impact of Zoning Provisions on Affordable Housing**

Academic and market research have proven what also is intuitive: land use regulations can directly limit the supply of housing units within a given jurisdiction, and thus contribute to making housing more expensive, i.e. less affordable.<sup>27</sup> Zoning policies that impose barriers to housing development and artificially limit the supply of housing units in a given area by making developable land and construction costlier than they are inherently can take different forms and may include: high minimum lot sizes, low density allowances, wide street frontages, large setbacks, low floor area ratios, large minimum building square footage or large livable floor areas, restrictions on number of bedrooms per unit, low maximum building heights, restrictions against infill development, restrictions on the types of housing that may be constructed in certain residential zones, arbitrary or antiquated historic preservation standards, minimum off-street parking requirements, restrictions against residential conversions to multi-unit buildings, lengthy permitting processes, development impact fees, and/or restrictions on accessory dwelling units. Where these zoning regulations are not congruent with the actual standards necessary to protect the health and safety of residents and prevent overcrowding, they may not be in express violation of fair housing laws but may nonetheless contribute to exclusionary zoning and have the effect of disproportionately reducing housing choice for moderate to low-income families, minorities, persons with disabilities on fixed incomes, families with children, and other protected classes by making the development of affordable housing cost prohibitive.

Overall the City’s design standards, density allowances, and housing-type diversity do not appear facially exclusionary, and the City received “1/low risk” score for Issue 6 and a “2/medium risk” score for Issue 7 regarding exclusionary zoning regulations for single and multifamily housing types. While the zoning ordinance may impact the feasibility of developing affordable housing within some low-density rural districts, such as the RLD, thus creating a barrier to fair housing choice in some neighborhoods, the current housing stock and code provide for lot sizes, design requirements, and densities that could accommodate

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<sup>27</sup> See Gyourko, Joseph, Albert Saiz, and Anita A. Summers, *A New Measure of the Local Regulatory Environment for Housing Markets: The Wharton Residential Land Use Regulatory Index (2007)*, available at [real.wharton.upenn.edu](http://real.wharton.upenn.edu); Randal O’Toole, *The Planning Penalty: How Smart Growth Makes Housing Unaffordable (2006)*, available at [independent.org/pdf/policy\\_reports/2006-04-03-housing.pdf](http://independent.org/pdf/policy_reports/2006-04-03-housing.pdf); Edward L. Glaeser and Joseph Gyourko, *The Impact of Zoning on Housing Affordability (2002)*, available at [law.yale.edu/system/files/documents/pdf/hier1948.pdf](http://law.yale.edu/system/files/documents/pdf/hier1948.pdf); The White House’s *Housing Development Toolkit, 2016*, available at [whitehouse.gov/sites/whitehouse.gov/files/images/Housing\\_Development\\_Toolkit%20f.2.pdf](http://whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf).

affordable housing elsewhere within the residential districts. But there are recommendations for how the City could use more permissive and flexible zoning and land use policy to support investment in its affordable housing stock.

The UDO divides the residential zoning districts into low-density "rural residential" districts (RLD, RSF, RSB, RSC) and four "urban residential" districts (RS-20, RS-12, RS-8 and RMF). Minimum lot sizes for single family dwellings range from 87,000 sq. ft. in the RLD, 20,000 sq. ft. in the RS-20, 12,000 sq. ft. in the RS-12, and 8,000 sq. ft. in the RS-8 and RMF districts. Compared to larger cities with higher populations and smaller lot size requirements, Gastonia's smallest minimum lot size of 8,000 sq. ft. is still relatively large compared to what is required for patio/garden homes, duplexes, zero-lot line homes, townhomes, and other varieties of single and two-family dwellings.

Two-family dwellings are allowed as a use by right on corner lots (except in the RS-8 district). Two-family dwellings on interior lots require a conditional use permit in the RLD, RMF, RS-20, and TMU districts. A conditional use permit also is required for a two-family dwelling in the RS-8 zone and must be on a corner lot.

More flexible design and a greater variety of housing types may be allowed with conditional permit approval under one of the Planned Development districts—Planned Residential District (PRD), Infill Residential District (IRD), Traditional Neighborhood District (TND), Planned Unit Development (PUD). However, residential density allowances are still limited, and planned communities do require additional design requirements and permitting and review processes than traditional residential zoning. In the PD districts, maximum density for single family projects is 3 u/a; for developments including single-family attached dwellings, maximum density is 5 u/a; and with multi-family components, maximum density is 7 u/a. A density bonus may be granted to projects with greater coverage of common open space. On approved IRD lots, minimum lot size is only 4,000 sq. ft. and allows for a variety of single-family housing types like no lot line homes, patio homes, village homes, and twin homes. Residential components, including single family detached and attached housing, also are permitted in the mixed-use districts—TMU, OLC, CBD, UMU, O-1, C-1, C-2, and IU zones.

Permitting or incentivizing conversion of single-family dwellings in high opportunity intown neighborhoods to two-family, 3-family, or multifamily dwellings on large lots also is a strategic way to address the need for more density and infill development in established neighborhoods.

While traditional single-family neighborhood lot sizes may have larger minimums than needed or than compared to other jurisdictions, the UDO does not impose minimum floor areas or housing size. Overall, the UDO's lot/area standards, design standards, density allowances, and housing-type diversity have not been identified as an impediment to affordable housing and should allow for affordable single family detached and attached housing within the jurisdiction, though as land costs increase the City could consider lowering the minimum lot size requirements and removing the conditional permit approval process for two-family and multi-family housing developments in some districts and instead rely on a less time-consuming and less expensive administrative site plan review process to maintain oversight.

Multifamily housing is permitted by right up to 8 u/a in the RMF residential district and in the mixed-use districts – TMU, OLC, CBD, UMU, O-1, C-1, and IU. However, densities greater than 8 u/a require conditional zoning approval. Permitted densities also are limited by the maximum height allowances, 45

feet in most zones or higher only with conditional zoning approval. The minimum lot size is 43,560. Developments on less than two-acre tracts may only require administrative approval, but tracts greater than 2 acres require planning commission and/or city council approval. In the TMU districts, maximum height is 50 feet but may be increased to 75 ft. if located 200 feet from a residentially zoned lot. In the OLC and O-1 mixed office districts, multifamily may be permitted on minimum lot sizes of 5,000 sq. ft. and maximum height of 50 feet. In the O-M district, the height may be increased to 125 feet if located 300 feet from a residentially zoned lot.

While low density multifamily may be permitted by right in most mixed-use zones, medium and higher density requires additional administrative and public hearing processes for approval through conditional use zoning or variances, which can impose higher costs on development and may artificially and unreasonably affect the feasibility of developing affordable and low-income housing within the jurisdiction.

As for Issue 8 regarding alternative affordable housing types, manufactured homes are allowed on individual lots in manufactured home subdivisions in the RLD, RS-12, RS-8, and RMF zones. However, the UDO puts a moratorium on new manufactured home parks or the expansion of existing manufactured home parks. The code allows “private residential quarters” (an accessory dwelling in the form of a guest house or garage apartment) as an accessory use to any single-family detached dwelling unit provided that (i) the accessory unit is not rented or occupied for gain (except in a Traditional Neighborhood District); (ii) it is occupied only by a disabled person, family member, an occasional guest or live-in servant; and (iii) the principal dwelling is owner-occupied. The city recognizes that “these innovative (but historically traditional) housing forms help to accommodate family situations and promote income diversity within the TND.” However, limiting the type of person who may occupy the accessory dwelling, such as a family member of the owner, could be challenged as an arbitrary regulation designed to preserve the existing racial makeup of a neighborhood rather than allowing for greater integration. On the other hand, the UDO’s recognition that accessory dwellings may “promote income diversity” could be applied in other districts besides just TNDs. There is opportunity to expand alternative and low-impact affordable housing options by permitting accessory dwelling units for rent, especially in low density areas where large lot sizes would easily accommodate accessory dwellings and additional off-street parking, and by removing the restrictions against the type of person who may occupy the accessory unit and by not requiring that the accessory unit count toward density calculations. Permitting or incentivizing conversion of single-family dwellings in high opportunity intown neighborhoods to two-family, 3-family, or multifamily dwellings also is a strategic way to address the need for more density and infill development in established neighborhoods.

Exclusionary zoning can happen on a continuum and there is more the City could do to use zoning and land use policies to further remove artificial barriers to development of and access to affordable housing across all residential zones. For example, to encourage more infill development in the traditionally low-density neighborhoods, minimum lot sizes could be further reduced; multifamily housing density and height standards could be increased by right instead of requiring conditional use or variance approval; accessory dwellings could be permitted for rent in more neighborhoods; conversion of established single-family dwellings to multi-unit dwellings permitted by right; and height restrictions relaxed to allow for more density on the same footprint.

All together, these zoning tools could potentially allow for more supply of housing, which helps put downward pressure on rental and sale prices, so that moderate and low-income families have access to those neighborhoods and all the congruent benefits that come with higher opportunity areas such as access to jobs, better schools, access to transportation, and access to cultural amenities and public accommodations.

Moreover, the City's land use regulations could go beyond just meeting the minimum FHA standards and affirmatively further and incentivize the development of affordable housing with inclusionary zoning policies (Issue 10). One tool the City has codified to help protect existing affordable housing stock is found in Chap. 16, Minimum Housing Standards, of the Code of Ordinances, which provides that whenever the housing inspector determines that a dilapidated building must be vacated or demolished, notice must be given to registered affordable housing organizations to allow opportunity for the organization to negotiate to make repairs, lease, or purchase the property for the purpose of providing or preserving affordable housing. (See Code of Ordinances Sec. 16-132(b)(6).) But otherwise, Gastonia has not adopted specific development incentives like density bonuses, reduced parking, or design waivers, variances, or expedited permitting for the development of affordable or low-income housing or housing for protected classes.

# CHAPTER 7.

## PUBLICLY SUPPORTED HOUSING

Publicly supported housing encompasses several strategies and programs developed since the 1930s by the federal government to ameliorate housing hardships that exist in neighborhoods throughout the country. The introduction and mass implementation of slum clearance to construct public housing projects during the mid-1900s signified the beginning of publicly supported housing programs. Government-owned and managed public housing was an attempt to alleviate problems found in low-income neighborhoods such as overcrowding, substandard housing, and unsanitary conditions. Once thought of as a solution, the intense concentration of poverty in public housing projects often exacerbated negative conditions that would have lasting and profound impact on their communities.

Improving on public housing's model of high-density, fixed-site dwellings for very low-income households, publicly supported housing programs have since evolved into a more multi-faceted approach overseen by local housing agencies. The Housing and Community Development Act of 1974 created Section 8 rental assistance programs. Section 8, also referred to as the Housing Choice Voucher (HCV) program, provides two types of housing vouchers to subsidize rent for low-income households: project-based and tenant-based. Project-based vouchers can be applied to fixed housing units in scattered site locations while tenant-based vouchers allow recipients the opportunity to find and help pay for available rental housing on the private market.

The Tax Reform Act of 1986 created the Low-Income Housing Tax Credit (LIHTC) program to incentivize development of affordable, rental-housing development. Funds are distributed to state housing finance agencies that award tax credits to qualified projects to subsidize development costs. Other HUD Programs including Section 811 and Section 202 also provide funding to develop multifamily rental housing specifically for disabled and elderly populations.

The now-defunct HOPE VI program was introduced in the early 1990s to revitalize and rebuild dilapidated public housing projects and create mixed-income communities. Although HOPE VI achieved some important successes, the Choice Neighborhoods Initiative program was developed to improve on the lessons learned from HOPE VI. The scope of Choice Neighborhoods spans beyond housing and addresses employment access, education quality, public safety, health, and recreation.<sup>28</sup>

Current publicly supported housing programs signify a general shift in ideology toward more comprehensive community investment and de-concentration of poverty. However, studies have shown a tendency for subsidized low-income housing developments and residents utilizing housing vouchers to continue to cluster in disadvantaged, low-income neighborhoods. Programmatic rules and the point allocation systems for LIHTC are thought to play a role in this clustering and recent years have seen many states revising their allocation formulas to discourage this pattern in new developments.<sup>29</sup> The reasons

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<sup>28</sup> Department of Housing and Urban Development. *Evidence Matters: Transforming Knowledge Into Housing and Community Development Policy*. 2011. [www.huduser.gov/portal/periodicals/em/EM-newsletter\\_FNL\\_web.pdf](http://www.huduser.gov/portal/periodicals/em/EM-newsletter_FNL_web.pdf).

<sup>29</sup> Dawkins, Casey J. *Exploring the Spatial Distribution of Low Income Housing Tax Credit Properties*. US Department of Housing and Urban Development, [www.huduser.gov/publications/pdf/dawkins\\_exploringliht\\_assistedhousingrcr04.pdf](http://www.huduser.gov/publications/pdf/dawkins_exploringliht_assistedhousingrcr04.pdf).

for clustering of HCVs is more complicated since factors in decision-making vary greatly by individual household. However, there are indications that proximity to social networks, difficulties searching for housing, and perceived or actual discrimination contribute to clustering.<sup>30</sup> This section will review the current supply and occupancy characteristics of publicly supported housing types and its geographic distribution within the study area.

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## SUPPLY AND OCCUPANCY

Gastonia’s housing authority administers the Housing Choice Voucher program for Gaston County. These are included along with all other publicly-supported housing units in the table below. Taken together, these programs account for 5.8% of the housing units in Gastonia, and 3.0% of Gaston County’s housing units. However, because the programs are all rent-based, the share of rental units in the area supported in some form by a public subsidy is considerably higher.

**TABLE 16 – PUBLICLY SUPPORTED HOUSING UNITS BY PROGRAM CATEGORY**

Housing Units	City of Gastonia		Gaston County	
	#	%	#	%
Total housing units	31,500	-	98,080	-
Public housing	399	1.3%	744	0.8%
Project-based Section 8	416	1.3%	647	0.7%
Other multifamily	137	0.4%	232	0.2%
HCV program	877	2.8%	1,358	1.4%

In the city of Gastonia, 62.6% of households identify as white, yet white households make up only 25.5% of public housing units and 15.5% of voucher holders in the city. The representation of white families in project-based Section 8 units (64.4%) and in other family housing (56.5%) is approximately even with their general population share. African American households are overrepresented in public housing units and the voucher program compared with their shares of the city’s population (68.4% for public housing and 82.9% for the voucher program compared to 26.5% of the total households in the city). Though their share of the total households is small, Hispanic and Asian households are nonetheless underrepresented in all public housing programs. These same trends appear in the county data as well.

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<sup>30</sup> Galvez, Martha M. *What Do We Know About Housing Choice Voucher Program Location Outcomes? A Review of Recent Literature*. What Works Collaborative, 2010. [www.urban.org/sites/default/files/publication/29176/412218-What-Do-We-Know-About-Housing-Choice-Voucher-Program-Location-Outcomes-.PDF](http://www.urban.org/sites/default/files/publication/29176/412218-What-Do-We-Know-About-Housing-Choice-Voucher-Program-Location-Outcomes-.PDF).



**TABLE 17 – PUBLICLY SUPPORTED HOUSING RESIDENTS BY RACE/ETHNICITY**

Housing Type	Race/Ethnicity							
	White		Black or African American		Hispanic		Asian or Pacific Islander	
	#	%	#	%	#	%	#	%
<b>City of Gastonia</b>								
Public Housing	97	25.5%	260	68.4%	20	5.3%	3	0.8%
Project-Based Section 8	246	64.4%	126	33.0%	6	1.6%	2	0.5%
Other Family	52	56.5%	34	37.0%	6	6.5%	0	0.0%
HCV Program	124	15.5%	664	82.9%	13	1.6%	0	0.0%
0-30% AMI	2,235	43.8%	1,989	39.0%	595	11.7%	65	1.3%
0-50% AMI	3,870	40.2%	3,534	36.7%	1,295	13.4%	95	1.0%
0-80% AMI	6,960	48.2%	4,904	33.9%	1,564	10.8%	165	1.1%
<b>Total Households</b>	<b>16,822</b>	<b>62.6%</b>	<b>7,134</b>	<b>26.5%</b>	<b>2,114</b>	<b>7.9%</b>	<b>359</b>	<b>1.3%</b>
<b>Gaston County</b>								
Public Housing	235	33.2%	448	63.3%	20	2.8%	5	0.7%
Project-Based Section 8	377	62.9%	211	35.2%	6	1.0%	2	0.3%
Other Family	120	69.0%	46	26.4%	8	4.6%	0	0.0%
HCV Program	289	23.1%	944	75.3%	19	1.5%	1	0.1%
0-30% AMI	10,047	71.1%	2,942	20.8%	713	5.1%	83	0.6%
0-50% AMI	16,830	62.2%	5,365	19.8%	1,717	6.4%	163	0.6%
0-80% AMI	29,190	68.1%	7,886	18.4%	2,421	5.7%	277	0.7%
<b>Total Households</b>	<b>65,661</b>	<b>79.0%</b>	<b>12,016</b>	<b>14.5%</b>	<b>3,433</b>	<b>4.1%</b>	<b>770</b>	<b>0.9%</b>
<b>Charlotte-Concord-Gastonia Region</b>								
Public Housing	694	13.6%	4,219	82.7%	150	2.9%	25	0.5%
Project-Based Section 8	1,306	31.1%	2,785	66.3%	82	2.0%	13	0.3%
Other Family	349	53.8%	288	44.4%	10	1.5%	0	0.0%
HCV Program	1,217	11.5%	9,158	86.4%	204	1.9%	12	0.1%
0-30% AMI	51,675	50.3%	37,399	36.4%	9,350	9.1%	1,868	1.8%
0-50% AMI	88,650	44.4%	66,399	33.3%	19,373	9.7%	3,585	1.8%
0-80% AMI	173,730	51.0%	104,354	30.7%	32,132	9.4%	6,413	1.9%
<b>Total Households</b>	<b>580,534</b>	<b>68.4%</b>	<b>182,773</b>	<b>21.5%</b>	<b>52,969</b>	<b>6.2%</b>	<b>20,012</b>	<b>2.4%</b>

**Note:** Data presented are number of households, not individuals.

**Source:** Decennial Census; CHAS; APSH

**TABLE 18 – DEMOGRAPHICS OF PUBLICLY SUPPORTED HOUSING DEVELOPMENTS BY PROGRAM CATEGORY**

Development Name	# Units	% White	% Black or African American	% Hispanic	% Asian	% Households with Children
<b>City of Gastonia</b>						
<b>Public Housing</b>						
Weldon Heights	190	19%	77%	4%	N/A	62%
Mt. View	109	13%	79%	9%	N/A	86%
Linwood Terrace	100	51%	42%	4%	3%	N/A
<b>Project-Based Section 8</b>						
Arp Manor	100	76%	21%	3%	N/A	N/A
Arc/Gaston Co Housing Corp.	5	N/A	N/A	N/A	N/A	N/A
Arc/Gaston Co. Housing Corp. #1	5	N/A	N/A	N/A	N/A	N/A
Arc/Gaston Co Housing Corp. #3	8	N/A	N/A	N/A	N/A	N/A
Village Square	150	85%	12%	3%	N/A	3%
Hoffman Homes	81	25%	74%	1%	N/A	83%
<b>Other Multifamily Housing</b>						
Catherine Booth Garden Apts	82	53%	39%	8%	N/A	N/A
Gaston County Group Home 07	5	N/A	N/A	N/A	N/A	N/A
Gaston County Group Home 06	5	N/A	N/A	N/A	N/A	N/A
Gaston County Group Home 05	5	N/A	N/A	N/A	N/A	N/A
Western NC Community Home	6	N/A	N/A	N/A	N/A	N/A
Kinross Place	12	83%	17%	0%	N/A	N/A
Arc/Gaston Co Housing Corp #4	6	N/A	N/A	N/A	N/A	N/A
CAC Of Gaston County	10	N/A	N/A	N/A	N/A	N/A
Western NC Community Home	6	N/A	N/A	N/A	N/A	N/A
<b>Gaston County</b>						
<b>Public Housing</b>						
Holly Hill Apartments (Mt. Holly)	46	26%	71%	2%	N/A	83%
Flowers Court (Belmont)	50	37%	57%	0%	6%	73%
Kings Mountain Housing Authority	249	45%	54%	0%	0%	38%
<b>Project-Based Section 8</b>						
Carolina Gardens	50	15%	83%	0%	2%	76%
Colonial Oaks Apartments	30	100%	N/A	0%	N/A	N/A
Myrtle Terrace	32	87%	10%	0%	3%	N/A
Rollins Apartments	34	50%	50%	0%	N/A	65%
Stanley	40	50%	50%	0%	N/A	76%

**TABLE 18 – DEMOGRAPHICS OF PUBLICLY SUPPORTED HOUSING DEVELOPMENTS BY PROGRAM CATEGORY (CONTINUED)**

Development Name	# Units	% White	% Black or African American	% Hispanic	% Asian	% Households with Children
<b>Gaston County (continued)</b>						
<b>Project-Based Section 8 (continued)</b>						
Stonecroft Village Apartments	72	47%	44%	1%	3%	77%
<b>Other Multifamily Housing</b>						
Mercy Place-Belmont	39	95%	N/a	5%	N/a	N/a
Ric Redbud Apartments, Inc	8	N/a	N/a	N/a	N/a	N/a
Kings Mountain Manor	42	72%	28%	0%	N/a	N/a
Mountain Ridge Home, Inc.	6	N/a	N/a	N/a	N/a	N/a

**Note:** Percentages may not add to 100 due to rounding error.

**Data Sources:** APSH

Data on the occupancy of some project-based Section 8 and other multifamily properties was generated for this report from HUD databased and, in some cases, was not available. The information available for developments within the City of Gastonia provides a more detail on the general trends in Table 18. In the three public housing units, white households are underrepresented and African American households overrepresented to various degrees, with Linwood Terrace closer to proportional than the other two. In project-based Section 8 properties, the situation is reversed in two of the three, with white residents overrepresented and African American residents underrepresented. Hoffman Homes is the exception. Hispanic households are underrepresented in publicly-supported housing overall but slightly overrepresented in two properties: Mt. View and Catherine Booth Garden Apartments. Asians are underrepresented overall, and Linwood Terrace is the only property in the city with Asian households reported. The data for the county shows the same facilities as the city and several additional properties located outside the city limits. These properties show some of the same trends as those in the city, though their population distribution is closer to proportional.

## GEOGRAPHY OF SUPPORTED HOUSING

In the first map that follows, the locations of publicly supported housing developments are represented along with levels of Housing Choice Voucher use in the City of Gastonia. The map is overlaid with dots representing racial/ethnic demographics. The second map contains the same elements but displays the entire two-county study area.

The blue markers on the maps indicate the locations of public housing. Linwood Terrace is the dark blue marker located southwest of downtown in an area with an above average percentage of African-American and Hispanic residents. The other two light blue markers, indicating scattered sites, are located north and south of downtown. These areas have even higher African-American populations but a lower percentage of Hispanic residents.

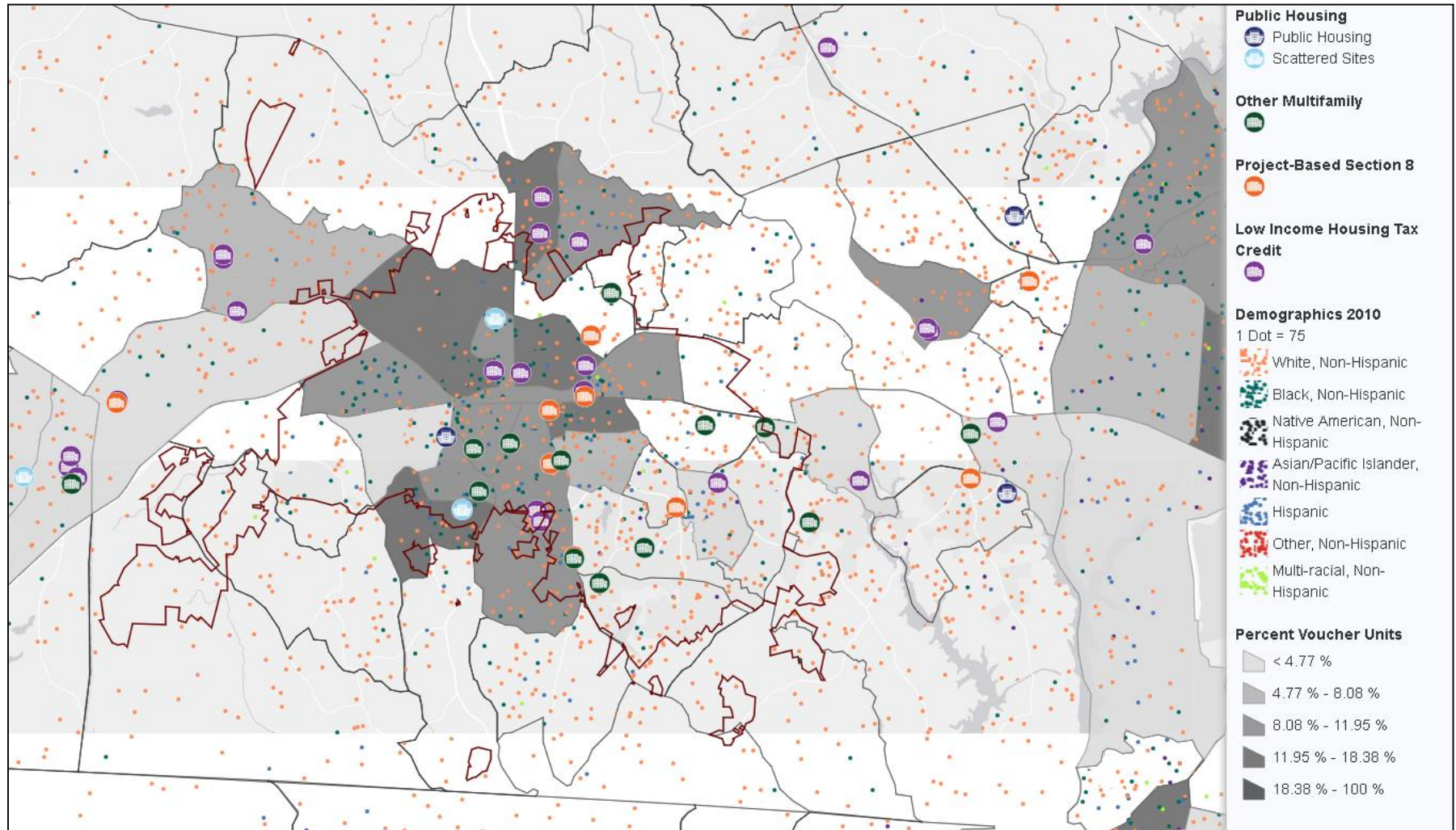
The orange markers on the maps indicate that the locations of Project Based Section 8 units. These are generally located in eastern Gastonia. The tracts containing these properties are racially diverse. Some are majority non-white, while others are closer to the overall demographic makeup of the city. The green markers indicate other multifamily complexes. These are more dispersed than the other properties, and are located in areas with differing racial and ethnic composition, though only one is located in northern Gastonia.

Finally, the maps also depict the locations of Low Income Housing Tax Credit developments. The Low Income Housing Tax Credit (LIHTC) program is the primary source of subsidy for development of affordable housing by the private market. Created by the Federal Tax Reform Act of 1986, the LIHTC program makes available an indirect federal subsidy for investors in affordable rental housing. The value of the tax credits awarded to a project may be syndicated by the recipient to generate equity investment, offsetting a portion of the development cost. As a condition of the LIHTC subsidy received, the resulting housing must meet certain affordability conditions. These are primarily located near downtown, with a cluster in northern Gastonia and another pair in southern Gastonia.

The rates at which Housing Choice Vouchers (HCVs) are used are represented by the shading on the maps. HCVs are issued to households and may be used at a rental unit of the tenant's choosing to reduce the tenant's share of rent payments to an affordable level. Therefore, unlike the publicly supported developments marked on the map, HCVs are portable and their distribution throughout the city is subject to fluctuate over time. The current maps show that, voucher usage is highest in northern Gastonia, with three tracts ranging from 13% to 17%. Just east of downtown is another area of high voucher usage.

When the map of publicly supported housing locations is compared with the maps of opportunity index scores in Chapter 5 of this report, it is clear that different housing locations all carry with them different positive and negative opportunity attributes. Evaluating tradeoffs in access to opportunity is an important exercise because it demonstrates that no one neighborhood has all the markers of high opportunity – and neither are high scores on all the opportunity indices likely to be imperative for any one person or household. A family with children may opt for an affordable housing option in a neighborhood with access to better schools, even if it offers lower proximity to jobs and a longer, costlier commute. Conversely, a retiree who is no longer employed and does not have school-aged children may choose a neighborhood with many services nearby over one with good schools or jobs proximity. The relative dispersion of publicly supported housing types across Gastonia means that, to the degree housing units in those developments have vacancies and are available for rent, residents have the opportunity to access opportunity factors of particular importance to them.

**FIGURE 22 – PUBLICLY SUPPORTED HOUSING AND RACE / ETHNICITY IN THE CITY OF GASTONIA**



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## POLICY REVIEW

As a public housing authority, GHA is the entity responsible for administering over 1,200 Housing Choice Vouchers that are used in many communities across the Gastonia region and the organization also project-based vouchers placed in many different properties and locations throughout the area. GHA no longer owns any traditional public housing as all of its former public housing units have been converted to vouchers under the Rental Assistance Demonstration (RAD) program. As required by HUD, the GHA maintains a comprehensive Five-Year PHA Plan, with annual plan updates, as well as other program-specific policies. The most pertinent of these policies for review in this analysis is the GHA's Administrative Plan for the Housing Choice Voucher and Project-Based Voucher programs. This document sets policy for who may be issued a voucher by the GHA and how those tenant households are selected. Four different aspects of the Administrative Plan are examined here: tenant selection, local preference, tenant screening, and subsidy standards. These four policy types all allow some degree of local determination by GHA and are among the most central to matters of fair housing choice.

HCV assistance is competitive and housing authorities often maintain lengthy waiting lists of potential tenants. For its voucher programs, the GHA implements a multi-step system for filling vacancies. To be considered, applicants must first submit a preliminary application. Application forms may be obtained and submitted through GHA's website and alternative methods of application are available for those applicants needing other accommodations. Applications are received continuously and all completed applications are added to the wait list. The GHA keeps enough applications on its waiting list to fill expected vacancies over a 24-month period. When the waiting list is sufficiently long that GHA estimates new applicants will not reach the top within 24 months, the list will be closed and no new applications will be accepted. An applicant's position on the waiting list is determined first by any targeted funding or local preference criteria and then by the date and time of their completed application. As a family approaches the top of the waiting list a through screening and eligibility review are conducted. Families submitting an initial application when the waiting list is less than 60 days may proceed directly to this eligibility review step.

The process by which applicants are ranked on and selected from a waiting list is guided by a tenant selection policy. Selection of applicants from the GHA's waiting list is determined first by any targeted funding or preference categories for which the applicant may qualify, followed by the date and time of the prospective tenant's application. Targeted funding refers, in GHA's case, to a specific stream of designated voucher funding for non-elderly disabled households. Applicants meeting criteria for this program may be served with the designated non-elderly disabled funding ahead of others on the waiting list who do not qualify. Ordinarily, a "date and time" standard for waiting list selection can be somewhat problematic for disadvantaging applicants who have inflexible, hourly work schedules or transportation and childcare challenges. In the case of the GHA, however, application date and time is more akin to a tie-breaker given the targeted funding and preference criteria that are applied first.

HUD allows public housing authorities to, within narrow boundaries, set local preferences for the applicants who will be selected from their waiting lists. Local preferences must be constructed carefully to avoid discrimination against protected classes, but can be helpful tools to strategically adapt public housing programs to local housing needs and priorities as determined through data-driven planning

processes. For its voucher programs, GHA applies a set of local preference criteria to the tenant selection process. Applications selected from the waiting list will be ordered by the following preferences, in order of priority:

- 4 preference points - Any family that has been terminated from GHA's HCV program due to insufficient program funding.
- 3 preference points – Gaston County families (consisting of more than one person OR a single-member family who is elderly or disabled.)
- 2 preference points – Gaston County single-member families
- 1 preference points – All other families

The first of these preferences is designed to direct housing opportunities to households that are in particularly vulnerable or precarious housing situations due to no fault of their own. The second and third criteria are residency preferences favoring local resident families. The GHA defines a "Gaston County family" as one that lives, works, or has been hired to work in Gaston County. When narrowly tailored to a single specific community, residency preferences can have the effect of limiting housing choice on a regional basis. In GHA's case, this preference, based on countywide region, largely avoids this criticism as it allows for a degree of mobility within the wider Gastonia area. However, Gaston County is economically tied to the greater Charlotte region and the GHA's preferences could also serve to close off housing opportunities in Gaston County from residents elsewhere in the region who have a connection to Gastonia other than living or working in the immediate area.

Tenant screening, specifically policies regarding criminal background checks, is another aspect of this review. For Housing Choice Voucher (HCV) programs, tenant screening is optional for the housing authority. Recognizing that people of color are disproportionately more likely to have experienced an encounter with the criminal justice system and to have arrest records or criminal convictions, HUD issued guidance in 2016 warning that blanket policies of refusal to rent to people with criminal records could be discriminatory. Although criminal history is not a protected class, under the Fair Housing Act, restricting housing access on the basis of criminal history could be unlawful if it results in a disparate impact on people of a specific race or ethnicity. Rather than blanket policies, exclusions of persons with criminal histories must be tailored to the housing provider's legitimate interests, be applied consistently to all applicants, and take into account the type of crime, time since conviction, and other factors.

GHA has made efforts to moderate the influence of criminal background on tenant eligibility, while also supporting the safety of its residents and communities. The GHA conducts criminal background checks on all adult household members named on a voucher application and may deny housing to a family because of drug-related criminal activity, violent criminal activity by family members, and/or registration on the National Sex Offender Registry. Federal regulations govern the barring of applicants in some of these cases, but where regulations afford it discretion, GHA's policy allows for the consideration of individual circumstances before choosing to deny voucher assistance. The factors GHA may consider include the effect that denial of assistance may have on other non-implicated members of the family, whether the history is associated with a family member who was a minor or who has a disability, and whether, in the case of drug or alcohol abuse, the culpable household member is participating in a supervised drug or alcohol rehabilitation program.

Finally, individual housing authorities are required to include in their policies the criteria by which they determine the number of bedrooms needed to house families of various sizes and compositions; these are known as subsidy standards. HCV families are not required to actually seek or rent dwellings with the number of bedrooms determined by the subsidy standard, but rather the standards determine the amount of the subsidy the family qualifies for based on its size. The GHA's subsidy standards are based on the number of people in a household, generally without regard for age, gender, or family relationship. The subsidy calculation allows for up to one bedroom for the head of household and co-head, and one bedroom for every two additional household members. This is a rather neutral and objective method for determining subsidy standards and does not appear to raise any fair housing issues.



# CHAPTER 8.

## HOUSING FOR PEOPLE WITH DISABILITIES

According to the U.S. Census Bureau, 19% of the population reported having a disability in 2010. Research has found an inadequate supply of housing that meets the needs of people with disabilities and allows for independent living. The U.S. Department of Housing and Urban Development identified that approximately one third of the nation's housing stock can be modified to accommodate people with disabilities, but less than 1% is currently accessible by wheelchair users.<sup>31</sup>

Identifying and quantifying existing accessible housing for all disabilities is a difficult task because of varying needs associated with each disability type. People with hearing difficulty require modifications to auditory notifications like fire alarms and telecommunication systems while visually impaired individuals require tactile components in design and elimination of trip hazards. Housing for people that have difficulty with cognitive functions, self-care, and independent living often require assisted living facilities, services, and staff to be accessible.

Modifications and assisted living arrangements tend to pose significant costs for the disabled population, which already experiences higher poverty rates compared to populations with no disability. Studies have found that 55% of renter households that have a member with a disability have housing cost burdens, compared with 45% of those with no disabilities.<sup>32</sup>

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### RESIDENTIAL PATTERNS

In the City of Gastonia, an estimated 9,546 persons 5-years-old or older have a disability, representing 14.5% of the total population. People aged 18-64 have the highest disability rate (9.1%), and the rate for those over 65 is 5.4%. In contrast, just 1.3% of children between the ages of 5 and 17 are disabled. This pattern of disabilities for these three age groups is the same in Gaston County, but the rates are slightly higher for those over 18.

Ambulatory disabilities are the most common type in the city, county and region, affecting 9.2% of the City of Gastonia, 10.1% of Gaston County, and 6.3% of the region. Cognitive disabilities are the next most common across all three areas, followed by independent living, and hearing. Self-care and vision difficulty are the two least common disabilities in all three areas. The map that follows shows the geographic distribution of persons with disabilities throughout the city of Gastonia. Although the population with disabilities is relatively dispersed throughout Gastonia and into Gaston County, southern Gastonia has a large population of people with disabilities; 15% of this area's population aged 18-64 has a disability.

Looking at opportunity indicators in the southern Gastonia area shows that there are several tradeoffs with the location. It has reasonably good access to proficient schools, good proximity to jobs but poor

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<sup>31</sup> Chan, S., Boshier, L., Ellen, I., Karfunkel, B., & Liao, H. . L. (2015). Accessibility of America's Housing Stock: Analysis of the 2011 American Housing Survey. U.S. Department of Housing and Urban Development: Office of Policy Development and Research.

<sup>32</sup> America's Rental Housing 2017. (2017). Joint Center for Housing Studies of Harvard University.

labor market engagement, fairly good access to transit and low transportation costs, and above average levels of poverty. People with many different types of disabilities are limited in their ability to drive, so transit access and walkability are highly attractive opportunity features. Relatively low levels of labor market engagement and high rates of poverty in these areas may make them less attractive for some, but for others, the access to nearby jobs and schools make be worthwhile.

**TABLE 19 – DISABILITY BY TYPE**

Disability Type	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region	
	#	%	#	%	#	%
Hearing difficulty	2,577	3.9%	9,484	4.7%	64,802	3.1%
Vision difficulty	2,029	3.1%	6,402	3.2%	42,387	2.0%
Cognitive difficulty	4,005	6.1%	13,783	6.9%	90,277	4.3%
Ambulatory difficulty	6,046	9.2%	20,210	10.1%	131,877	6.3%
Self-care difficulty	1,852	2.8%	6,885	3.4%	47,949	2.3%
Independent living difficulty	3,875	5.9%	12,673	6.3%	83,714	4.0%

**Note:** All % represent a share of the total population within the jurisdiction or region.

**Source:** ACS

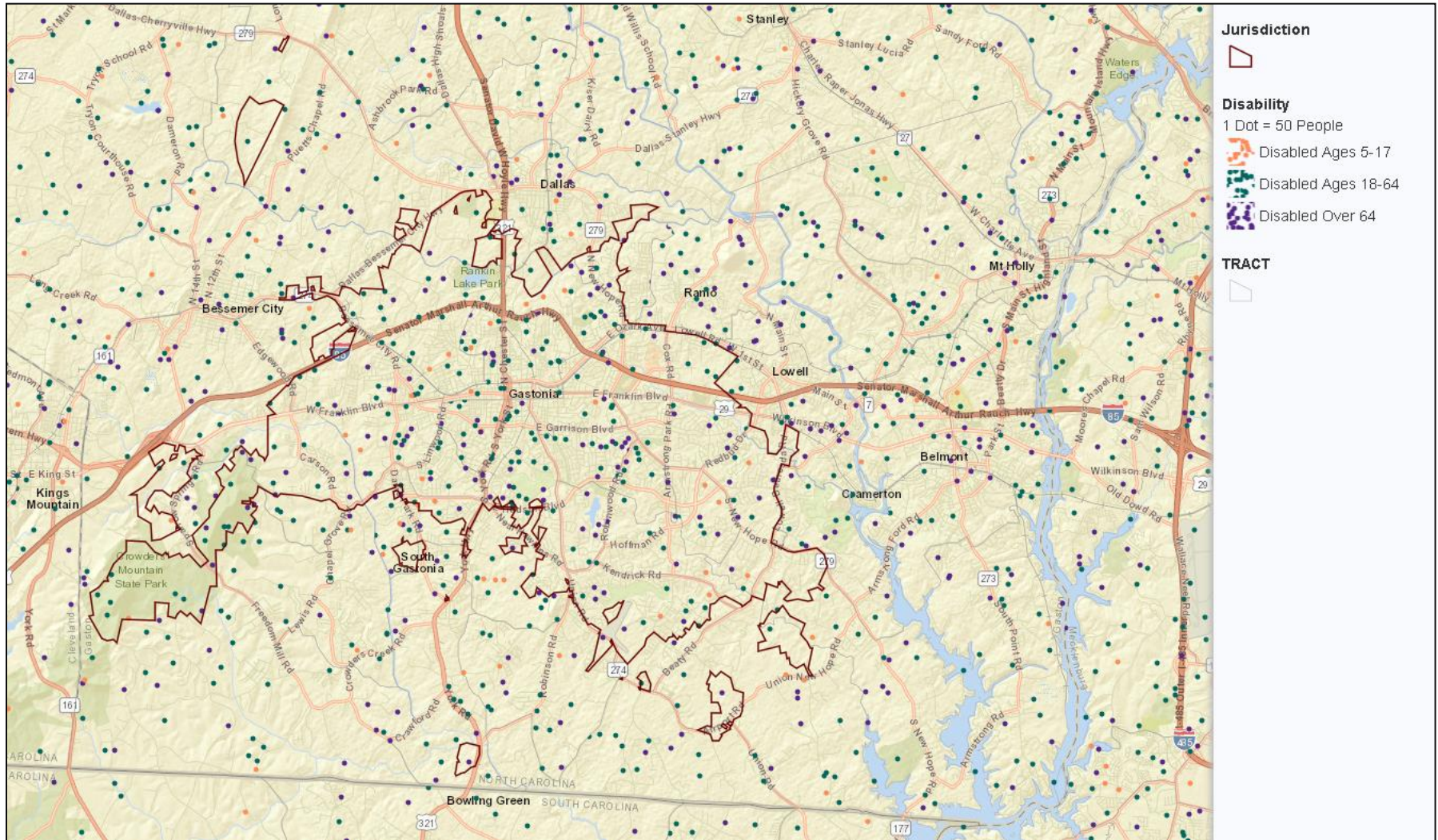
**TABLE 20 – DISABILITY BY AGE GROUP**

Age of People with Disabilities	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region	
	#	%	#	%	#	%
Age 5-17 with disabilities	872	1.3%	2,645	1.3%	18,954	0.9%
Age 18-64 with disabilities	5,985	9.1%	20,141	10.1%	133,187	6.4%
Age 65+ with disabilities	3,561	5.4%	11,877	5.9%	89,689	4.3%

**Note:** All % represent a share of the total population within the jurisdiction or region.

**Source:** ACS

**FIGURE 23 – PEOPLE WITH A DISABILITY BY AGE IN THE CITY OF GASTONIA**



## ACCESSIBLE HOUSING SUPPLY AND AFFORDABILITY

A search using HUD’s Affordable Apartment Search Tool was conducted to identify affordable rental properties in the City of Gastonia designed to serve people with disabilities. The search returned 18 results; 12 properties specifically designated for people with disabilities, three listed as being for elderly households, and three serving family households. A similar point-in-time search on socialserve.com for affordable apartments currently for rent in the city of Gastonia returned 55 results, 47 of which had some accessible features. Of the 55, 39 had waiting lists.

Based on a standard Supplemental Security Income (SSI) payment of \$750 per month (equating to an affordable rent of \$225 or less), it is highly likely that people with disabilities who are unable to work and rely on SSI as their sole source of income, face substantial cost burdens and difficulty locating affordable housing. Publicly supported housing is often a key source of accessible and affordable housing for people with disabilities, and in the study area, these subsidized housing options are much more likely to contain households with at least one member with a disability than the housing stock in general. The table below shows that persons with disabilities are able to access all types of publicly supported housing.

**TABLE 21 – DISABILITY BY PUBLICLY SUPPORTED HOUSING PROGRAM CATEGORY**

Housing Type	People with a Disability					
	City of Gastonia		Gaston County		Charlotte-Concord-Gastonia Region	
	#	%	#	%	#	%
Public Housing	49	12.9%	89	12.4%	912	17.5%
Project-Based Section 8	107	26.6%	133	21.1%	667	15.3%
Other Multifamily Housing	11	8.2%	11	4.7%	142	14.7%
HCV Program	183	21.9%	265	20.5%	1,889	17.3%

**Note:** The definition of “disability” used by the Census Bureau may not be comparable to reporting requirements under HUD programs.

**Source:** ACS

Supportive housing, a typically subsidized long-term housing option combined with a program of wrap-around services designed to support the needs of people with disabilities, is another important source of housing for this population. Unique housing requirements for people with an ambulatory difficulty may include accessibility improvements such as ramps, widened hallways and doorways, and installation of grab bars, along with access to community services such as transit. For low- and moderate-income households, the costs of these types of home modifications can be prohibitive, and renters may face particular hardships as they could be required to pay the costs not just of the modifications, but also the costs of removing or reversing the modifications if they later choose to move.

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## ZONING AND ACCESSIBILITY

From a regulatory standpoint, local government measures to control land use typically rely upon zoning codes, subdivision codes, and housing and building codes, in concurrence with comprehensive plans. Local zoning authority is directed by the state enabling laws as part of the local government's police power but limited by superseding state laws related to specific land use, for example the regulation of public property, flood plains, utilities, natural resources, airports, housing regulated by a state licensing authority for persons with disabilities, higher education institutions, etc. Conditions of Gastonia's zoning code affecting accessibility are assessed in this section. Several elements of the following analysis refer back to the zoning code review presented in Chapter 6.

### The Definition of "Family" and Group Housing for Persons with Disabilities

Often one of the most scrutinized provisions of a municipality's zoning code is its definition of "family." Local governments use this provision to limit the number of unrelated persons who may live together in a single dwelling. Unreasonably restrictive definitions may have the unintended or intended (depending on the motivations behind the drafting of the jurisdiction's definition) consequence of limiting housing for nontraditional families and for persons with disabilities who reside together in congregate living situations. The City of Gastonia defines "family" under its Unified Development Code (UDC) to include "an individual, or two or more persons related by blood, marriage or adoption...or a group of not more than six persons who need not be related by blood, marriage, or adoption living together as a single housekeeping unit." Under this definition, foster care and other guardianship relationships are not treated as equally related as relationships by blood or marriage or adoption, which is problematic under due process scrutiny. Further, limiting a family to no more than 6 unrelated individuals is neither the most permissive nor most restrictive under case precedent, but does fail to treat nontraditional, but functionally equivalent, household relationships equal with those related by blood or marriage, and may violate fair housing, privacy, and due process protections if challenged.

More permissive and neutral definitions of family do not distinguish between related and unrelated occupants as long as the residents live together as a functionally or factually equivalent family or common household sharing common space, meals, and household responsibilities, and/or leave maximum occupancy per dwelling as a matter of safety under occupancy standards rather than the zoning regulations. While the Supreme Court has recognized a local government's right to limit the number of unrelated individuals who may live together as constitutionally permissible, the restriction must be reasonable and not exclude a household which in every sense but a biological one is a single family. An unreasonably, or arbitrarily, restrictive definition could violate state Due Process and/or the federal FHAA as it may have a disproportionate impact on people with disabilities, minorities, and families with children. Another option is to amend the ordinance to add an administrative process for rebutting the presumption that a group exceeding the permitted maximum number of unrelated persons is not otherwise residing together as a single housekeeping unit and functional family. Accordingly, Gastonia received a "2/medium risk" score on Issue 1 of the matrix.

The family definition does not distinguish between or treat persons with disabilities differently *because of their disability*, rather supportive housing services for persons with disabilities are regulated under the term "family care home."

A “family care home” is a defined use under North Carolina state law and Gastonia’s local code referring to a home with support and supervisory personnel that provides room and board, personal care, and habilitation services in a family environment for up to 6 residents with disabilities (or unwed mothers and their babies or battered persons with their children). Under state law, a family care home “shall be deemed a residential use of property for zoning purposes and shall be a permissible use in all residential districts of all political subdivisions. No political subdivision may require that a family care home, its owner, or operator obtain, because of the use, a conditional use permit, special use permit, special exception or variance from any such zoning ordinance or plan; provided, however, that a political subdivision may prohibit a family care home from being located within a one-half mile radius of an existing family care home.” (N.C.G.S. § 168-22.) Under Gastonia’s UDO, a family care home (for up to 6 residents) is an expressly permitted use in all residential districts and in the TMU, O-1, OLC, UMU, and C-1 districts, which is consistent both with its definition of “family” and with state law regarding zoning of family care homes.

Under Gastonia’s UDO, a “group home” is a licensed home for 7-30 residents requiring support and supervisory care services. Group homes are permitted with supplemental regulations in the OM, O-1, and OLC mixed-use districts and as a conditional use in the UMU, C-1, and CBD districts. However, this is not more restrictive than similarly situated housing for 6 or more unrelated individuals not requiring in-home, supportive services for disabilities. Gastonia received a “1/low risk” score for Issue 2.

However, on Issue 4 regarding spacing / dispersion requirements for certain types of housing, Gastonia received a “2/medium risk” score. Under state law, a political subdivision may—but is not required to—prohibit a family care home from being located within a one-half mile radius of an existing family care home. Gastonia imposes a one-quarter (1/4) mile spacing limitation between family care homes unless a special exception for reduced separation is granted by the BOA following the public hearing process.

The UDO provides, “The BOA must consider whether reduced separation will result in further clustering of family care homes that could promote the cloistering and isolation of handicapped persons instead of the integration and interaction of handicapped persons with the community mainstream.” Although the spacing requirement is written in such a way as to protect persons with disabilities from being concentrated and segregated in limited areas of the city, where a certain number of unrelated persons are permitted by local ordinance to reside together in a home, the spacing requirement against unrelated persons residing in a family care home could violate the FHAA because it would be a condition imposed on persons with disabilities that is not imposed on similarly-situated, unrelated persons without disabilities.

Spacing requirements for protected classes like persons with disabilities are generally inconsistent with the FHAA, unless the jurisdiction could make a showing that the ordinance was passed to protect a compelling governmental interest (e.g. over-concentration of residential treatment homes could adversely affect individuals with disabilities and would be inconsistent with the goal of integrating persons with disabilities into the wider community) and that the spacing requirement is the least restrictive means of protecting that interest. The City’s spacing/dispersion requirements limit the overall aggregate capacity of housing for persons with disabilities even if the need in the community or region is greater than the thresholds permit. It is recommended that a provision be adopted specifically directing providers of family care homes to an administrative process for requesting a reasonable accommodation or otherwise

provide a means of rebutting the UDO's presumption of overconcentration by allowing the family care home to show the need for more housing for persons with disabilities through an administrative, rather than public hearing, process.

### **Reasonable Accommodations**

Adopting a reasonable accommodation ordinance is one specific way to address land use regulations' impact on housing for persons with disabilities. Federal and state fair housing laws require that municipalities provide individuals with disabilities or developers of housing for people with disabilities flexibility in the application of land use and zoning and building regulations, practices, and procedures or even waive certain requirements, when it is reasonable and necessary to eliminate barriers to housing opportunities, or "to afford persons with a disability the equal opportunity to use and enjoy a dwelling." (The requirements for reasonable accommodation under the Americans with Disabilities Act (ADA) are the same as those under the FHAA.) However, the FHAA does not set forth a specific process that must be used to request, review, and decide a reasonable accommodation.

Gastonia has not adopted a clear and objective process by which persons with disabilities may request a reasonable accommodation to zoning, land use, and other regulatory requirements. Specified minor modifications may be administratively approved—for example to allow a ramp designed to accommodate handicapped persons to encroach into a required front, side, or rear yard. But otherwise, the jurisdiction would appear to rely on the variance process for reasonable accommodation matters with the Board of Zoning Adjustment holding power to hear and decide applications for variances following the public notice and hearing process. This is required for any applicant seeking a variance and is not limited to housing for persons with disabilities.

The purpose of a variance is not congruent with the purpose of requesting a reasonable accommodation, as a variance requires a showing of special circumstances or conditions applying to the land. In contrast, a reasonable accommodation is to allow individuals with disabilities to have equal access to use and enjoy housing. The jurisdiction does not comply with its duty to provide reasonable accommodation if it applies a standard based on the physical characteristics of the property rather than considering the need for modification based on the disabilities of the residents. Accordingly, Gastonia received a "2/medium risk" score on Issue #3.

Whereas simple administrative procedures may be adequate for the granting of a reasonable accommodation, the variance procedures subject the applicant to the public hearing process where there is the potential that community opposition based on stereotypical assumptions about people with disabilities and unfounded speculations about the impact on neighborhoods or threats to safety may impact the outcome. Although the FHAA does not require a specific process for receiving and deciding requests for reasonable accommodation, as a matter of equity, transparency, and uniformity, it is advisable that local jurisdictions adopt a standardized administrative process.

### **Transitional Housing for Persons Requiring Supportive Services**

The scope of the FHAA applies only to a "dwelling," but the distinction between a covered dwelling and other types of facilities where people may seek shelter is not well defined. The Act defines a dwelling as

“any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families . . .” 42 U.S.C. § 3602(b). Courts that have adjudicated the issue have found that a residence/dwelling can be temporary or permanent as long as the occupant intends to return for some period of time rather than a transient visit. Although emergency shelters, hotels, hospitals, and prisons have been found to not qualify as a dwelling/residence for purposes of FHAA protections, other types of facilities viewed as “temporary” such as boarding homes, halfway houses, nursing homes, children’s homes, domestic violence shelters, drug rehabilitation centers, summer vacation rentals, and the like have been held to be dwellings under the FHAA. There is some precedent for applying the FHAA to homeless shelters as well. Courts assess whether a facility operates as or is intended as a residence by determining if the occupants (1) intend to remain at the facility for a significant period and (2) view it as a place to return to during that period. Courts have found that a “significant period of time” is more than one would typically stay in a hotel but can still be temporary, even as little as two weeks. Where the housing serves classes of persons protected by the FHAA, it cannot be excluded from residential zones unequally to other types of dwellings.

Gastonia’s UDO defines a “transitional housing facility” as one that provides support services, such as counseling, on an ongoing basis to residents to assist with needs such as homelessness, employment, health and behavioral matters, and life skills. It must be “operated and funded by a nonprofit, charitable, religious, or governmental organization that provides temporary housing, which may also include meals, to not more than twelve (12) persons.” In this case, temporary means limited to 90 days or “a progressing (stepped) program toward client independence that does not exceed eighteen (18) months.” Gastonia’s UDO limits the siting of “transitional housing facilities” to the C-2, C-3, and IU zones only, and thereby excludes such facilities from the other residential districts. The transitional housing facilities contemplated by the UDO could meet the scope of protected temporary dwellings under the FHAA, and therefore their complete exclusion from residential zones may have a disproportionate impact on persons with disabilities, persons of color, families with children, or other protected groups and may violate the FHAA under certain applications and be open to challenge. Accordingly, Gastonia received a “3/high risk” score on Issue 5 of the matrix.



# CHAPTER 9.

## FAIR HOUSING ACTIVITIES

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### FAIR HOUSING RESOURCES

In 1983, North Carolina adopted a parallel version of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, known as the State Fair Housing Act. Both the federal and state laws prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on sex, race, color, disability, religion, national origin, or familial status. The state law does not extend protections to any other class of persons outside of those protected by the federal FHAA. While the State Fair Housing Act closely tracks the discriminatory acts prohibited by the federal FHA, it contains several key differences related to its prohibitions and exemptions.

For instance, the State FHA expressly provides that discrimination may be established by a showing of either: (1) disparate treatment (intentional discrimination), or (2) disparate impact (discriminatory effect). Although disparate impact has long been recognized as a viable theory of liability by the district and circuit courts of appeals that have considered it, and was affirmed by the U.S. Supreme Court in the *Inclusive Communities* lawsuit, this standard is more explicitly included within the language of the State FHA: “It is a violation of this Act if ...[a] person's act or failure to act has the effect, regardless of intent, of discriminating.”

Further, the State FHA covers certain single-family dwellings that are exempted under the federal FHAA. The federal FHAA exempts the sale or rental of a single-family home when (a) the owner does not own more than three single-family homes at any one time, and (b) the sale or rental is done without the use of advertising or a real estate broker. The State FHA does not provide for this exemption. The State FHA does exempt the rental of rooms in a private home occupied by the owner and also exempts the rental of a unit in a one- to four-unit building if the owner *or one of the owner's family members* occupies one of the units.

Currently, the State FHA does not extend protections to any other class of persons outside of those protected by the federal FHAA—sex, race, color, disability, religion, national origin, and familial status. However, in 2009, the N.C. General Assembly adopted amendments to the State FHA to include as an additional unlawful discriminatory housing practice for a local government to discriminate against “affordable housing” in land-use decisions or in the permitting of development. According to the Act, a local government “intends to discriminate” if, in making the decision, the local government “was motivated in full, or any part at all, by the fact that a development or proposed development contains affordable housing units for families or individuals with incomes below eighty percent (80%) of area median income.” A local government also may unlawfully discriminate if the act has the effect, regardless of intent, of discriminating against affordable housing. It is not a violation of this provision if the local land-use decision or permitting of development is based on considerations of limiting high concentrations of affordable housing or “if a local government whose action or inaction has an unintended discriminatory

effect proves that the action or inaction was motivated and justified by a legitimate, bona fide governmental interest.”

At times, and as recently as 2015, state lawmakers have proposed eliminating the state’s Human Relations Commission and the State Fair Housing Act, purportedly for budgetary reasons. However, the latest state budget leaves the Commission and Act in place for now.

In addition to the state Act, the City of Gastonia has adopted a local fair housing ordinance, Code of Ordinances Sec. 19-1 *et seq.* The local fair housing task force has the authority to “receive, initiate, investigate, seek to conciliate, hold hearings on and pass upon complaints, and to mediate alleged violations” of the ordinance. The fair housing agency may assess a penalty against the respondent and may seek enforcement of its orders from the Gaston County superior court. Gaston County has not adopted its own specific fair housing ordinance.

HUD has certified North Carolina’s State Fair Housing Act as “substantially equivalent” to the “rights, procedures, remedies, and the availability of judicial review” provided in the FHAA. Substantial equivalence certification allows the state fair housing enforcement agency to apply for federal funding under HUD’s Fair Housing Assistance Program (FHAP). HUD has designated North Carolina’s Human Relations Commission (under the Department of Administration) as a participating FHAP agency.<sup>33</sup> The Commission, created by the legislature to administer and enforce the state’s antidiscrimination laws, partners with HUD and receives annual funding through the FHAP to receive, investigate, and enforce charges of housing discrimination.

Under its Fair Housing Initiatives Program (FHIP), HUD awards grant money to local fair housing advocacy organizations who assist persons believed to have been harmed by discriminatory housing practices; to help people identify government agencies that handle complaints of housing discrimination; to conduct preliminary investigation of claims; to carry out testing and enforcement activities to prevent or eliminate discriminatory housing practices; and to educate the public and housing providers about equal opportunity in housing and compliance with the fair housing laws.

On December 4, 2018, HUD announced that for FY2018 it was awarding more than \$23 million through its FHIP grant program. Legal Aid of North Carolina, Inc. (LANC) has pledged to use its \$300,000 multi-year PEI (private enforcement initiative) grant to provide a full-service fair housing project to residents throughout North Carolina, targeting underserved populations including racial and ethnic minorities, people with disabilities, individuals with limited English proficiency, low income rural residents, and families with children. LANC expects to conduct intake on 300 allegations of discrimination, provide fair housing counseling to 90 households, refer 60 cases to HUD, FHAPs, DOJ, courts, and private attorneys; provide direct advocacy to 30 households to achieve policy changes; conduct 18 market reviews; conduct 24 systemic investigations; recruit and train 60 testers; conduct 390 rental test parts, 60 sales test parts, 60 D&C test parts, and 30 lending test parts; monitor 12 settlement agreements; conduct 51 fair housing trainings (including 6 for people with disabilities, 6 for rural residents, and 15 for LEP communities); conduct 3 Fair Housing Month Conferences; attend 72 hours of staff training; organize 6 Fair Housing

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<sup>33</sup> Five local agencies also have been certified by HUD as FHAP participating enforcement agencies: the City of Charlotte/ Mecklenburg County Community Relations Committee, Durham Human Relations Commission, Greensboro Human Relations Department, Orange County Human Relations Commission, and the Winston-Salem Human Relations Commission.

Working Group meetings; distribute 18,000 brochures in English and 3 other languages; monitor 150 online advertisements or publications; distribute PSAs to 36 media outlets; conduct outreach to 30 religious organizations; attract 24,000 website views; and conduct 2 CLE seminars (on fair housing litigation and fair housing and land use).

LANC was contacted with a request for data regarding housing discrimination complaints it has received and processed in the past 5 years. However, the organization declined to provide any information and instead made a referral to HUD and to the State's Human Relations Commission.

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## FAIR HOUSING LAWSUITS AND COMPLAINTS

An individual in Gastonia or Gaston County who believes he or she has been the victim of an illegal housing practice under the FHA may file a complaint with the Human Relations Commission or with the appropriate HUD Regional Office of Fair Housing and Equal Opportunity (FHEO) within one year of when the discriminatory practice occurred. The aggrieved party also may file a lawsuit in federal district court within two years of the discriminatory act (or in the case of multiple, factually-related discriminatory acts, within two years of the last incident) or in state superior court within one year of the alleged discriminatory act. Where an administrative action has been filed with HUD, the two year statute of limitations is tolled during the period when HUD is evaluating the complaint.

Typically, once certified, HUD will refer complaints of housing discrimination that it receives back to the state or local FHAP agency for investigation, conciliation and enforcement activities except matters involving the legality of state or local zoning or other land use law are referred to the Department of Justice for further enforcement. HUD policy favors having fair housing professionals based locally where the alleged discrimination occurred because it has found that a state or local agency's closer proximity to the site of the alleged discrimination provides greater familiarity with local housing stock and trends and may lead to greater efficiency in case processing. Because the North Carolina Human Relations Commission is a certified FHAP agency, most complaints filed with the HUD FHEO office will be referred back to the Commission for investigation and enforcement.

For cases that remain within HUD's jurisdiction, the process goes as follows: after the FHEO receives a complaint, it will notify the alleged discriminator (respondent) and begin an investigation. During the investigation period, the FHEO will attempt through mediation to reach conciliation between the parties. If no conciliation agreement can be reached, HUD must prepare a final "Determination" report finding either that there is "reasonable cause" to believe that a discriminatory act has occurred or that there is no reasonable cause. If the FHEO finds "reasonable cause," HUD must issue a "Charge of Discrimination." If the FHEO determines that there is no "reasonable cause," the case is dismissed. The advantages of seeking redress through the administrative complaint process are that HUD or the applicable FHAP agency takes on the duty, time, and cost of investigating the matter for the complainant and conciliation may result in a binding settlement. However, the complainant also gives up control of the investigation and ultimate findings.

If a charge is issued, a hearing/trial will be scheduled before an administrative law judge. The ALJ may award the aggrieved party injunctive relief, actual damages, and also impose civil penalties, but unlike

federal district court, may not impose punitive damages. Administrative proceedings are generally more expedited than the federal court trial process.

However, the aggrieved party or the respondent may elect to have the administrative proceeding terminated and the case instead adjudicated in federal court. The Department of Justice will prosecute the case on behalf of the aggrieved party. Additionally, the DOJ may bring suit on behalf of individuals based on referrals from HUD in the case of a “pattern or practice” of discriminatory actions, a case of particular importance to the public interest, or when there has been a breach of a conciliation agreement. An aggrieved party may intervene in any action filed by the DOJ.

Like the federal FHEO complaint process, the State Human Relations Commission is empowered to receive complaints of alleged housing discrimination, investigate claims, subpoena witnesses and documents, seek conciliation and settlement between parties, conduct reasonable cause hearings, and commence civil actions in the appropriate county superior court to seek redress of unlawful housing discrimination.

If after investigation, conciliation efforts fail and the Commission finds no reasonable ground to believe that an unlawful discriminatory housing practice has occurred or is about to occur it shall dismiss the complaint and issue to the complainant a right-to-sue letter enabling him to bring a civil action in superior court. If conciliation efforts fail and the Commission finds there is reasonable grounds to believe an unlawful discriminatory practice has occurred, the parties may elect to have the issues adjudicated in superior court or the Commission may apply to the Director of the Office of Administrative Hearings for the designation of an administrative law judge to preside at a hearing of the case.

The advantages of seeking redress through the administrative complaint process are that administrative proceedings are generally more expedited than the federal court trial process, and the enforcement agency takes on the duty, time, and cost of investigating the matter and conciliation may result in a binding settlement. However, the complainant also gives up control of the investigation and ultimate findings.

Housing discrimination claims may be brought against local governments and zoning authorities and against private housing providers, mortgage lenders, or real estate brokers.

If an individual has evidence that his/her rights under the FHA or state fair housing law have been violated in a final land use or zoning decision, the aggrieved person may file a complaint with the Commission or with HUD, or file a lawsuit directly in state or federal court within the statute of limitations period. (HUD refers matters involving the legality of state or local zoning or other land use law or ordinance to the Department of Justice for further enforcement.

### **Complaints Filed with HUD**

Region IV of the Office of Fair Housing and Equal Opportunity (FHEO) receives complaints by households regarding alleged violations of the Fair Housing Act for cities and counties throughout North Carolina (as well as Alabama, Florida, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee). The mission of the FHEO is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities. To achieve this mission, the FHEO receives and investigates complaints of housing

discrimination, and leads in the administration, development, and public education of federal fair housing laws and policies.

A request was made to the North Carolina field office for complaints received regarding housing units in Gastonia and Gaston County for the period January 1, 2013 through December 31, 2018. The Greensboro Field Office of the FHEO maintains data reflecting the number of complaints of housing discrimination received by HUD, the status of all such complaints, and the basis/bases of all such complaints occurring in North Carolina. HUD's response, detailed in the table on the following page, included complaints filed with the Department itself as well as complaints filed with the North Carolina Human Relations Commission under HUD's Fair Housing Assistance Program (FHAP).

From January 1, 2013 to December 31, 2018, HUD reported the filing of five complaints alleging housing discrimination; disability status (sometimes in combination with another protected characteristic) was a factor in four of the five complaints, one case was based on race, one on gender, and one on familial status. The issues identified included: discriminatory lending, brokering of residential real property, and financing; discriminatory terms, conditions, privileges, or services and facilities; discriminatory advertising, statements and notices; denial of housing; using ordinances to discriminate in zoning and land use; discriminatory refusal to rent; discriminatory acts under Section 818 (coercion, retaliation, etc.); and failure to make reasonable accommodation.

One case was closed after the complainant withdrew following successful resolution of the claims; another was closed after the complainant withdrew without a resolution; one case was a no cause determination; one case was closed due to failure of the complainant to cooperate; and the final case remained open as of the date HUD's data was reported.

### **Complaints Filed with the North Carolina Human Relations Commission**

The North Carolina Human Relations Commission, under the Office of Administration, is tasked with ensuring equal opportunities in the areas of employment, housing, public accommodations, recreation, education, justice, and governmental services for all North Carolina citizens. The Commission has authority to enforce the State Fair Housing Act.

A request was made for information regarding housing discrimination complaints the Commission has received for properties in Gastonia and Gaston County over the last 5-year period. Although multiple follow-up attempts were made, the Commission never provided the requested data.

### **Fair Housing Lawsuits and Litigation**

For the period January 2013 through December 31, 2018, no significant cases or precedential decisions of alleged housing discrimination occurring in Gastonia or Gaston County were found to have resulted in federal or state litigation or a HUD ALJ decision.

**TABLE 22 –FAIR HOUSING COMPLAINTS RECEIVED FROM JANUARY 2014 THROUGH DECEMBER 2018**

Violation City	Filing Date	Closure Date	Basis	Closure Reason	Issues
<b>Complaints to HUD</b>					
Gastonia	11/21/16	01/27/17	Race	No cause determination	Discriminatory financing (includes real estate transactions); Discrimination in the brokering of residential real property; Discriminatory brokerage service
Belmont	06/03/16	02/15/17	Disability	Complaint withdrawn by complainant without resolution	Discriminatory terms, conditions, privileges, or services and facilities; Otherwise deny or make housing unavailable; Using ordinances to discriminate in zoning and land use
<b>Complaints to FHAP</b>					
Gastonia	02/20/15	04/07/15	Disability	Conciliation/settlement successful	Discrimination in terms/conditions/privileges relating to rental; Failure to make reasonable accommodation
Lowell	04/06/17	06/26/17	Sex, Disability	Complainant failed to cooperate	Discriminatory refusal to rent; Discriminatory terms, conditions, privileges, or services and facilities; Discriminatory acts under Section 818 (coercion, etc.); Failure to make reasonable accommodation
Mount Holly	12/12/17		Disability, Familial Status		Discriminatory advertising, statements and notices; Discriminatory terms, conditions, privileges, or services and facilities; Discriminatory acts under Section 818 (coercion, Etc.); Failure to make reasonable accommodation

Source: HUD Office of Fair Housing and Equal Opportunity – Greensboro Field Office

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## PAST FAIR HOUSING GOALS AND RELATED ACTIVITIES

The City of Gastonia last completed an Analysis of Impediments to Fair Housing Choice in 2014. That AI identified impediments in two categories – private sector and public sector – and recommended remedial actions to address each. The impediments and recommended activities from the 2014 AI are shown below, along with progress made toward addressing them over the last five years.

### Private Sector Impediments

Impediment 1: More frequent denial of home purchase loans to racial and ethnic minority residents.

- *Recommended Action*: Educate buyers through credit counseling and home purchase training.
- *Progress Made*: The City of Gastonia provides a Home Buyers Club Class (HBCC), which is a twelve-month-long class that meets once a month. Topics covered during the HBCC include budgeting and couponing, opening checking and savings accounts, credit and building or repairing credit, mortgage loans and mortgage loan applications, working with a real estate agent, fair housing rights, home inspections, contracts, and escrow. The class size is limited to 25 individuals or households per year.

The City also offers a First Time Homebuyer’s class, which has about 200 participants each year. This program assists low- and moderate-income households who are purchasing a home to be used as their primary residence. Its objective is to provide thorough homebuyer education and counseling, ensure the applicant is ready to buy and can sustain homeownership, and assist with funding through down payment and closing cost assistance.

Impediment 2: Differential impact of predatory style lending on members of racial and ethnic minority groups.

- *Recommended Action*: Educate buyers through credit counseling and home purchase training.
- *Progress Made*: The City of Gastonia offers homebuyer education classes through its Home Buyers Club Class and First Time Homebuyer’s programs, which include information about fair housing and predatory lending. A total of about 225 households typically participate in these programs annually.

Impediment 3: Unequal distribution of Community Reinvestment Act loans.

- *Recommended Action*: Contact local lenders to discuss barriers to lending in low-income areas and solicit recommendations on how to promote lending there.
- *Progress Made*: The City of Gastonia maintains a distribution list of local lenders, mailing them monthly regarding First Time Homebuyer’s and HBCC classes and any updates to these programs. Local lenders are welcomed as guest speakers during these classes and may also work with class participants. The City of Gastonia looks for lenders who can offer prospective homebuyers mortgage loans without PMI (private mortgage insurance) or MIP (mortgage insurance premiums) or who can provide additional funding toward down payment, thereby reducing the loan principal.

Through its First Time Homebuyer's program, the City works closely with Self Help Credit Union, which offers \$5,000 toward down payments or closing costs and a \$10,500 Re-Invest Loan for down payment to minority women householders with children. Combined with the City's \$5,000 in down payment assistance, a total of \$20,500 for down payment and closing costs is available to these households.

Fair housing information is provided to all homebuyer class participants both in written material and during class discussions.

The City attends events throughout the year to speak with attendees about its homebuyer programs and its Housing Rehab program. The City participated in 6 events (conferences, fairs, church events, workshops, and Realtor events) last year and talked to about 20 people at each event.

Impediment 4: Discriminatory terms, conditions, privileges, or facilities relating to rental.

- *Recommended Action*: Enhance testing and enforcement activities and document the outcomes of enforcement activities.
- *Progress Made*: The City of Gastonia adopted a Fair Housing Ordinance in 1982 and last updated it in 2002. The City has a Fair Housing Officer through whom residents can file complaints regarding housing discrimination. The City also operates a Fair Housing Hotline to receive complaints; the line receives 2 to 3 calls specifically related to housing discrimination annually.

Impediment 5: Failure to make reasonable accommodation for people with disabilities.

- *Recommended Actions*: Enhance testing and enforcement activities and document the outcomes of enforcement activities. Educate housing providers about requirements for reasonable accommodation or modification. Conduct audit testing on newly constructed rental units. Consider appropriate incremental change in building codes to allow enhanced design features for accessibility and visitability.
- *Progress Made*: The City partners with Reinvest in Communities, Gaston Residential Services, and senior housing communities to ensure needed reasonable accommodations are made. The City has also modified City-constructed homes to make accommodations for people with disabilities, and provides accommodations for all public meetings and hearings.

Impediment 6: Insufficient understanding of fair housing laws.

- *Recommended Action*: Conduct outreach and education to the public for several perspectives related to housing.
- *Progress Made*: The City periodically holds fair housing events to disseminate information about fair housing rights and responsibilities, and looks for opportunities to incorporate fair housing information into various community events. The City held a poster coloring contest in local schools and issues a Fair Housing Proclamation during April.



## Public Sector Impediments

Impediment 1: Insufficient fair housing outreach and education.

- *Recommended Actions*: Conduct outreach to private sector personnel on the advantages of enrolling in training opportunities that are available. Participate with other fair housing entities operating in the county to hold a fair housing seminar during Fair Housing Month (April).
- *Progress Made*: The City periodically holds fair housing events to disseminate information about fair housing rights and responsibilities, and looks for opportunities to incorporate fair housing information into various community events. The City held a poster coloring contest in local schools and issues a Fair Housing Proclamation during April.

Impediment 2: Insufficient fair housing testing and enforcement activities.

- *Recommended Action*: Contact Legal Aid of North Carolina to discuss possibilities for partnership on fair housing testing and enforcement.
- *Progress Made*: The City is currently in discussions with Legal Aid of Gaston County to identify possible partnership opportunities. Through the City's homebuyer programs, about 225 households per year are provided with fair housing information. The City also promotes its homebuyer classes and Housing Rehab program at events (conference, fairs, church events, workshops, and Realtor events). The City participated in 6 events last year and spoke with about 20 attendees at each.

Impediment 3: Some local policies and practices foster NIMBYism.

- *Recommended Action*: Hold a meeting every year during Fair Housing Month (April) to provide outreach and education as well as to receive public input on the state of fair housing in the city.
- *Progress Made*: The City adopts a Fair Housing Proclamation each year and has held fair housing meetings at local churches. The City also provides fair housing information at the events it attends, including conferences, fairs, church events, workshops, and Realtor events. The City provided fair housing information at 6 such events last year.

# CHAPTER 10.

## IDENTIFICATION OF IMPEDIMENTS

Described below are the fair housing impediments identified in this Analysis of Impediments to Fair Housing Choice, along with associated contributing factors. Contributing factors are issues leading to an impediment that are likely to limit or deny fair housing choice or access to opportunity. Recommended activities to address priority contributing factors are provided in the table that follows, along with associated activities, goals, timelines, and responsible parties.

### **Impediment 1: Affordable Housing Needs Disproportionately Impact Protected Classes**

The housing issue most commonly identified by community members who provided input for this report was affordability. Participants noted that housing in Gastonia and Gaston County is often difficult to afford for people employed in low-wage jobs, seniors, and people with disabilities. For many of these households, when a unit is affordable it may be poorly maintained or below minimum quality standards. Housing needs data from Chapter 6 shows that housing problems, including cost burdens, are more acute for all other racial or ethnic groups than they are for white households.

In Gastonia, households of color have housing problems (cost burden, overcrowding, or lack of complete kitchen or bath facilities) at a rate that is 1.7 times that of white households. More specifically, about one-third of white households have a housing need (33%), compared to 60% of Hispanic households and 55% of African American households. Severe difficulties affording housing (i.e., spending more than 50% of income on housing costs) impact 13% of white households in Gastonia versus 26% of African American and 23% of Hispanic households. Other racial groups (Asians, Native Americans, and other races) are also disproportionately impacted by housing problems and severe housing cost burdens relative to white households in Gastonia.

Throughout Gaston County, similar patterns exist: households of color experience housing problems at a rate that is 1.7 times that of white households (50% versus 30%). As in the city, severe affordability difficulties impact white households less frequently than other racial and ethnic groups. Together with input regarding housing conditions, these rates point to a continued need to maintain and expand the supply of affordable housing available in Gastonia and Gaston County. This may include development and preservation of affordable for-sale and rental product. Further, several stakeholders note the specific need for housing assistance directed toward lowest income groups (households with incomes under 30% of area median income), people experiencing or at risk for homelessness, and people with mental and physical disabilities.

In some publicly supported housing developments, often some of the most affordable housing options, resident populations are disproportionate to local demographics. For example, the 100 residents of Village Square Apartments are 85% white while the Hoffman Homes Apartments are only 25% white, with an African American population making up 74%. These demographic patterns may well be the product of legitimate personal choices and preferences of the properties' residents, but the disparities bear further exploration to rule out any other cause. A review of GHA's and private property managers' marketing materials and strategies should be conducted to ensure that available units are marketed to the widest

and most diverse group of potential residents possible. An examination of the racial composition of resident-facing staff, the holidays celebrated with residents, and other elements of each property's culture could also be beneficial for understanding unconscious drivers of racially disproportionate residency patterns.

To promote greater opportunities for multifamily development, which is often a lower-cost alternative to single-family homes, the City of Gastonia should consider amending its zoning code with respect to multifamily development. While low density multifamily may be permitted by right in most mixed-use zones, medium and higher density requires additional administrative and public hearing processes for approval through conditional use zoning or variances, which can impose higher costs on development and may artificially and unreasonably affect the feasibility of developing affordable and low-income housing within the City. Multifamily housing density and height standards could be increased by right instead of requiring conditional use or variance approval.

### **Impediment 2: Uneven Access to Opportunity**

Several neighborhoods in Gastonia have seen improvement and investments in revitalization including housing rehabilitation, infill development, infrastructure improvements, code enforcement efforts, and support for new affordable homeownership units. However, with limited CDBG, HOME, and other public funding available, there is continued need for reinvestment within Gastonia's low and moderate income neighborhoods. Opportunity indices and maps developed by HUD indicate that people of color in Gastonia have the lowest levels of access to proficient schools, labor market engagement, and the greatest exposure to high-poverty neighborhoods. Projects like the FUSE development and the redevelopment of Loray Mills are promising for the improvement of opportunity features within downtown Gastonia, but stakeholder input often suggested the need for better access to grocery stores, public transportation, and good jobs, particularly in Westside neighborhoods. While encouraging affordable housing options, ideally in high-opportunity neighborhoods, is an important fair housing goal, addressing resource gaps and fostering opportunity-in-place is also crucial.

The City should identify in its Consolidated Plan and other applicable planning documents place-based strategies for improving physical resources and building human capital in low-opportunity and high-poverty areas. Strategies should address issues such as improving property conditions, adult education and employment opportunities, improving access to shopping and employment through enhanced transit, and supplemental youth education and development programs.

### **Impediment 3: Racial Disparities Exist in Access to Homeownership**

Many households desire homeownership as a housing option in order to build equity and increase stability. However, homeownership rates and data regarding home mortgage applications indicate that households of color – both locally and nationally – face greater difficulty purchasing a home than do white households. In Gastonia, about two-thirds of white households own their homes (68%), compared to 35% of African American households and 27% of Latinos. African Americans are also somewhat less likely to apply for mortgage loans, and comprised only 12% of the loan applicant pool in Gaston County from 2013 to 2017, despite comprising 16% of the population overall.

While not the only factor impacting homeownership rates, difference in home mortgage approval rates play a role. Home Mortgage Disclosure Act data shows that African American applicants for a home

purchase or mortgage refinance loan in Gaston County are more likely to be denied than white applicants at all income levels. Overall, purchase loan applications by African Americans are denied 1.7 times as frequently as those by white applicants. The disparity is most pronounced at high income levels, where the denial rate for African American applicants is 2.2 times that of white applicants. Latinos' home purchase and refinance loans are also more likely to be denied than white applicants. Here the most pronounced disparity is among middle income mortgage loan applicants: Latino applicants are 1.9 times as likely as white applicants to be denied a loan.

Lending disparities were previously identified in the City of Gastonia's 2014 *Analysis of Impediments*, and the Gastonia Consortium has consistently dedicated HOME funding to provide down payment and closing cost assistance to low- and moderate-income households countywide. To continue to address disparities in homeownership rates, the City and Consortium should continue to work with first time buyers and ensure that its program is available and marketed to all households.

#### **Impediment 4: Housing Options for People with Disabilities are Limited**

In the fair housing survey conducted as part of this analysis, over half of the respondents named lack of housing options for people with disabilities as a barrier to fair housing in the city and county. Nearly 75% of respondents agreed that either "some more" or "a lot more" housing for people with disabilities is needed in Gastonia. Compounding this need are reported instances of NIMBYism directed toward group home operators and also provisions of Gastonia's zoning code that could have the effect of limiting housing options for people with certain types of disabilities who live in transitional housing. Transitional housing, which provides integrated supportive services such as counseling, can be an important source of housing for people recovering from drug or alcohol abuse, domestic violence victims, and people who were formerly homeless or incarcerated. In Gastonia, transitional housing facilities are not permitted in any residential zoning district which prevents these populations from participating in the normal experiences of living in a neighborhood. The City also prohibits the establishment of any overnight homeless shelter within the city limits except for the Salvation Army's shelter which existed prior to the City's ordinance. These restrictions may have a disproportionate impact on persons with disabilities, persons of color, families with children, or other protected groups and should be reevaluated in this context.

Gastonia also lacks a reasonable accommodation provision within its zoning ordinance. Such a provision creates a separate administrative process for someone to request accommodation of a disability without the undue burden of following a typical variance process, which is designed for handling special conditions associated with a lot or property rather than for ensuring equal access to housing. A reasonable accommodation process is often quicker, less expensive, and bypasses the public hearing requirements usually associated with a variance request.

#### **Impediment 5: Need for Continued and Expanded Fair Housing Activities**

The City of Gastonia dedicates a portion of its annual CDBG allocation toward fair housing awareness, education, and enforcement. Enforcement activities include operation of a fair housing hotline and the designation of a Fair Housing Officer who receives and follows up on housing discrimination complaints. The City also celebrates Fair Housing Month during April of each year with an official proclamation and activities such as fair housing poster and coloring contests in schools. While City staff have held fair

housing education seminars, attendance is typically low. The City is now looking for ways to provide fair housing information in conjunction with other, well-attended community events.

While several stakeholders who participated in interviews were aware of the City's Fair Housing Officer and hotline or knew that fair housing complaints could be filed with HUD, many did not. Additionally, a few interviewees noted that such information was generally not common knowledge for the public. In the community survey, four-out-of-five respondents report understanding or somewhat understanding their fair housing rights. A smaller share – about one-half – know or somewhat know where to file a complaint. These results indicate that education efforts have reached some residents, but there is still a need for continued outreach to the public and other community organizations. Further, as part of its efforts, the City should consider ways to expand fair housing awareness among landlords and facilitate conversations with lenders regarding gaps in home mortgage and refinance loan approvals.

**TABLE 23 – FAIR HOUSING GOALS AND ACTIVITIES**

Contributing Factors	Recommended Activities, Goals, and Timeframes	Responsible Parties and Partners
<b>Impediment 1: Affordable Housing Needs Disproportionately Impact Protected Classes</b>		
Limited supply of affordable housing disproportionately impacts households of color	<ul style="list-style-type: none"> <li>Continue using HOME and CDBG funds to increase and maintain the availability of affordable rental and for-sale housing in the city and county through new construction and rehabilitation, including by working with local CHDOs. Consider ways CDBG funding may be used for infrastructure improvements that would enable the development of new affordable rental or for-sale units. (Ongoing, beginning Q3 2019)</li> <li>Review North Carolina’s allocation process for Low Income Housing Tax Credits (LIHTCs) to identify ways the City may be able to impact the competitiveness of developers’ applications, including local nonprofit developers. For developers proposing LIHTC projects in areas with access to key community resources/opportunity factors or areas experiencing a loss of affordable rental units, work with them to increase the competitiveness of their applications through letters of support, provision of information, and other assistance. (Ongoing, beginning Q1 2020)</li> <li>Monitor rent levels, home prices, and property taxes in Gastonia neighborhoods at risk for gentrification. As redevelopment occurs, consider ways to encourage the development of mixed-income housing or to incentivize the inclusion of affordable housing units. (Ongoing, beginning Q3 2019)</li> </ul>	City of Gastonia
Racial disparities exist in the occupancy of some publicly supported housing developments	<ul style="list-style-type: none"> <li>GHA and, where applicable, the private property managers of properties containing Project-Based Section 8 units should review their Affirmative Marketing Plans and consider new and creative marketing techniques to reach applicants of a wide variety of backgrounds. (Q2, 2020)</li> </ul>	City of Gastonia
Zoning in the City of Gastonia limits as-of-right multifamily density	<ul style="list-style-type: none"> <li>The zoning ordinance and table of permitted uses should be reviewed to consider where allowances for denser as-of-right multifamily development may be made. (Q4, 2020)</li> </ul>	City of Gastonia

Contributing Factors	Recommended Activities, Goals, and Timeframes	Responsible Parties and Partners
<b>Impediment 2: Uneven Access to Opportunity</b>		
Need for neighborhood revitalization and improvements in underserved areas of the city	<ul style="list-style-type: none"> <li>• During the Consolidated Planning process, the City should identify place-based strategies focused on improving physical resources and building human capital in specific, defined high-poverty areas. (Q3, 2019)</li> <li>• Continue to fund projects that address unsafe property conditions, sidewalks, and public facilities. (Q3, 2019)</li> <li>• Address adult education needs in areas such as employment readiness, GED classes, or job training programs designed to serve residents living in high-poverty areas. (Q3, 2019)</li> <li>• Consider a place-based strategy in the Consolidated Plan to provide business and entrepreneurial support to new or expanding businesses that fill a market niche and create jobs for low-income residents. (Q3, 2019)</li> </ul>	City of Gastonia
Transit service hours limit job opportunities for transit-dependent workers	<ul style="list-style-type: none"> <li>• Explore potential funding opportunities for limited expansion of transit service past 6:30 pm to better connect workers with jobs. (Q2, 2020)</li> </ul>	City of Gastonia
<b>Impediment 3: Racial Disparities Exist in Access to Homeownership</b>		
<p>Smaller shares of African American households apply for home mortgage loans compared to white households</p> <p>Home purchase and refinance loan applications by African American and Latino households are more likely to be denied than those by white households</p>	<ul style="list-style-type: none"> <li>• Continue using CDBG funding to support homebuyer education classes that connect graduates with downpayment and closing cost assistance. Continue working with Gastonia Housing Authority to connect families in their Family Self Sufficiency program transition to homeownership. Offer homebuyer education and downpayment/closing cost assistance material in Spanish, with Spanish interpretation available if needed. (Ongoing, beginning Q4 2019)</li> <li>• Follow-up with homebuyer education class participants to identify barriers inhibiting home purchases and potential curriculum changes that may help address these barriers. (Ongoing, beginning Q4 2020)</li> <li>• Conduct outreach efforts to local lenders to discuss disparities in homeownership rates and lending access. Explore possibilities to recognize local lending institutions that have shown a commitment to expanding homeownership, possibly by working with graduates of the City's and other homebuyer education classes. (Ongoing, beginning Q2, 2020)</li> </ul>	City of Gastonia

Contributing Factors	Recommended Activities, Goals, and Timeframes	Responsible Parties and Partners
<b>Impediment 4: Housing Options for People with Disabilities are Limited</b>		
<p>The City’s zoning code restricts transitional housing facilities from all residential zoning districts</p> <p>The City of Gastonia does not have a clear and objective process by which persons with disabilities may request a reasonable accommodation</p>	<ul style="list-style-type: none"> <li>• The zoning ordinance and table of permitted uses should be reviewed to consider where allowances for transitional housing facilities may be made within residential zoning districts. (Q4, 2019)</li> <li>• Draft and adopt local code amendments that would expand transitional housing facility siting options and provide an administrative alternative to a variance application for people requesting accommodation or modification related to a disability. (Q1, 2020)</li> </ul>	City of Gastonia
<b>Impediment 5: Need for Continued and Expanded Fair Housing Education Activities</b>		
<p>Stakeholder input and survey responses indicate that more fair housing education is needed for the general public and housing industry professionals</p>	<ul style="list-style-type: none"> <li>• Design and coordinate delivery of a fair housing education program that reaches members of the public who are most vulnerable for housing discrimination, including racial and ethnic minorities, low-income populations, people with limited English proficiency, and people with disabilities. Focus efforts on incorporating fair housing education components into other scheduled events (e.g., a fair housing booth at a community or school event) or working through existing organizations with ties to various community groups. (Ongoing, beginning Q4 2019)</li> <li>• Raise awareness of the City of Gastonia Fair Housing Officer and Fair Housing Hotline by continuing to distribute posters, brochures, and other materials. Provide material in English and Spanish, with translation to other languages as needed. (Ongoing, beginning Q4 2019)</li> </ul>	City of Gastonia
<p>Some landlords take advantage of renters with limited housing options through discriminatory leasing practices and unfair or illegal leases</p>	<ul style="list-style-type: none"> <li>• As part of the City’s fair housing education program, develop a curriculum that helps prospective renters recognize discriminatory leasing practices and unfair or illegal lease terms. (Ongoing, beginning Q2, 2020)</li> <li>• Consider a fair housing testing program targeted toward identifying discrimination in the rental market. (Q4, 2020)</li> <li>• Offer a seminar focused on “Landlord Rights and Responsibilities” targeted to private landlords with units in Gastonia and Gaston County to review fair housing laws and best practices regarding tenant selection, accommodations for people with disabilities, lease terms, and other key topics. (Annually, beginning Q4, 2020)</li> </ul>	City of Gastonia



