

CHARLOTTE HOUSING AUTHORITY:

An Economic Impact Analysis

An Economic Impact Analysis

400 East Boulevard
Charlotte, NC 28203
(704) 336-5183

www.cha-nc.org



Charlotte Housing Authority



Charlotte Housing Authority



A Message from the CEO

As one of our state’s leaders in affordable housing, the Charlotte Housing Authority (CHA) has a noble legacy of providing affordable housing for over 75 years to those most vulnerable in our community. The families we serve are at the heart of everything we do, as a result CHA has propelled the development and services of our region’s poor and working families. Guided by our mission, CHA seeks to help families become self-sufficient, ensure that seniors can age in place and enable the homeless in our community to find a safe harbor at last. While keeping this mission at the forefront, CHA is also a proud member of the Charlotte business community and plays a significant role as an economic driver.

To quantify CHA’s economic impact on the local and regional economy, CHA hired IMPLAN Group, LLC and Primm Research, LLC. Over the six years studied, CHA’s spending generated **\$799 million** in total economic output in the Mecklenburg County region. This is a summary of the 41 page report. A full copy is available on our web site www.cha-nc.org.

We have many exciting plans over the next few years and we will continue to serve our vulnerable families who need housing most.

Sincerely,

A. Fulton Meachem, Jr.
President and CEO



Our Mission:

To develop, operate and provide quality housing in sustainable communities of choice for residents of diverse incomes.

Our Regional Impact

Over the six years studied, 2009-2014, CHA's impact on the local economy included:

**1,011
JOBS**

**\$326
MILLION
EMPLOYMENT
INCOME**

**\$799
MILLION
ECONOMIC
OUTPUT**

In employment income including employment compensation (wages and benefits) and proprietor income.¹

CHA spending supported approximately 1,011 distinct jobs.

The total amount of economic output (intermediate and final goods & services) supported in the Mecklenburg County region.

Executive Summary

The Charlotte Housing Authority (CHA) was formed in 1939 because the City of Charlotte and its surrounding areas did not have safe and decent affordable housing for low income residents. CHA continues that proud legacy today and has become a leading mission-based non-profit real estate holding, development and property management company.

**LARGEST
AUTHORITY**

CHA is the largest public housing authority in North Carolina.

**22,000
RESIDENTS**

Serving more than 22,000 residents, including 10,294 children.

**57
COMMUNITIES**

CHA provides rental subsidies in 57 communities for individuals or families.

While working to achieve its mission, CHA has become a major contributor to the local economy in four key ways:

- creating job growth,
- engaging in residential construction and real estate development,
- providing rental payments to area housing providers, and
- assisting low income residents achieve self-sufficiency.

CHA hired IMPLAN Group, LLC and Primm Research, LLC to quantify its economic impact on the local and regional economy. This is a summary of the 41 page report. A copy of the full report is available on our web site at www.cha-nc.org.

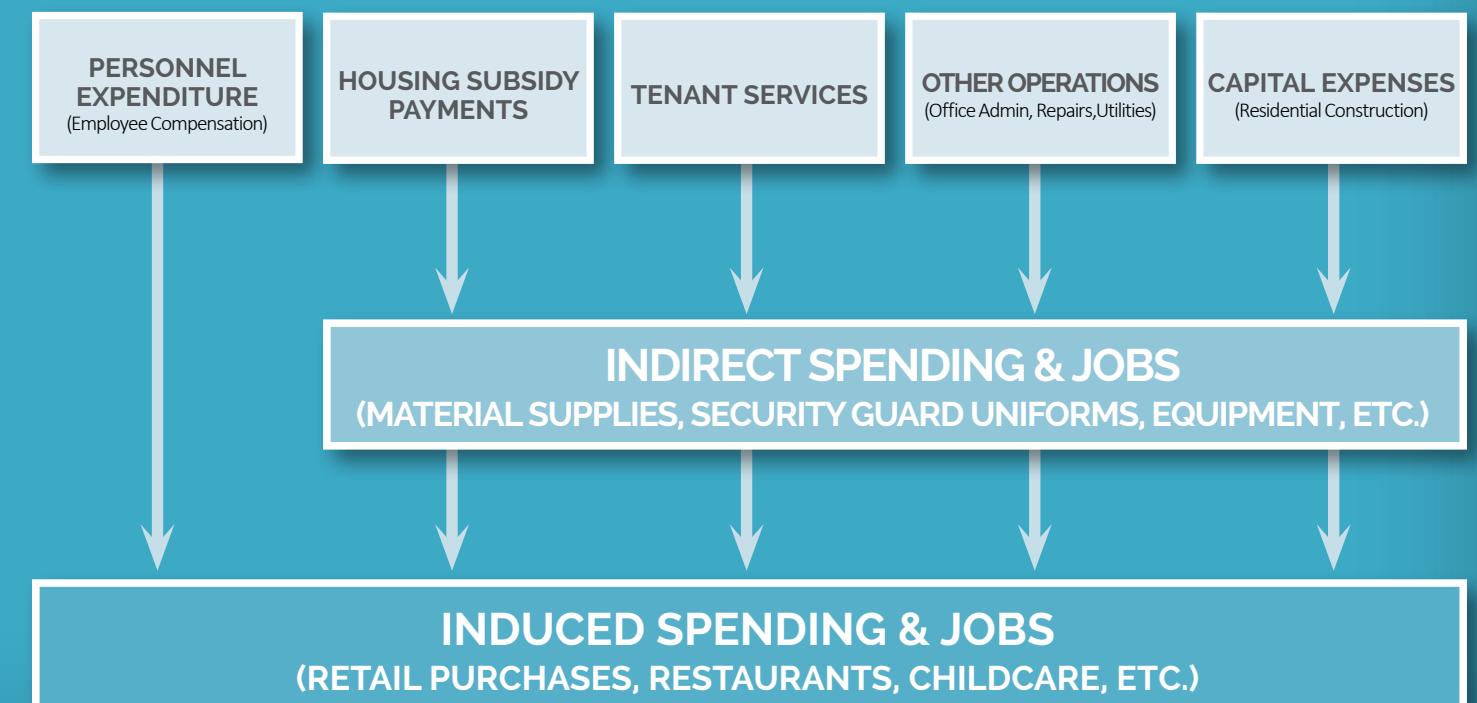
¹ Proprietor income consists of payments received by self-employed individuals and unincorporated business owners. This income also includes the capital consumption allowance and is recorded on Federal Tax form 1040C.

² IMPLAN Group LLC's economic impact model overview. See page 5 of full report.

The Calculations: Impacting Jobs and Spending in Charlotte

Using CHA's annual comprehensive audits, CHA's spending on staff, goods and services (including construction) was tracked. IMPLAN Input-Output models were used to quantify the multiplier effect of CHA's direct spending and employment on the Mecklenburg County economy. This summary report refers to the indirect and induced spending together as the "multiplier effect."

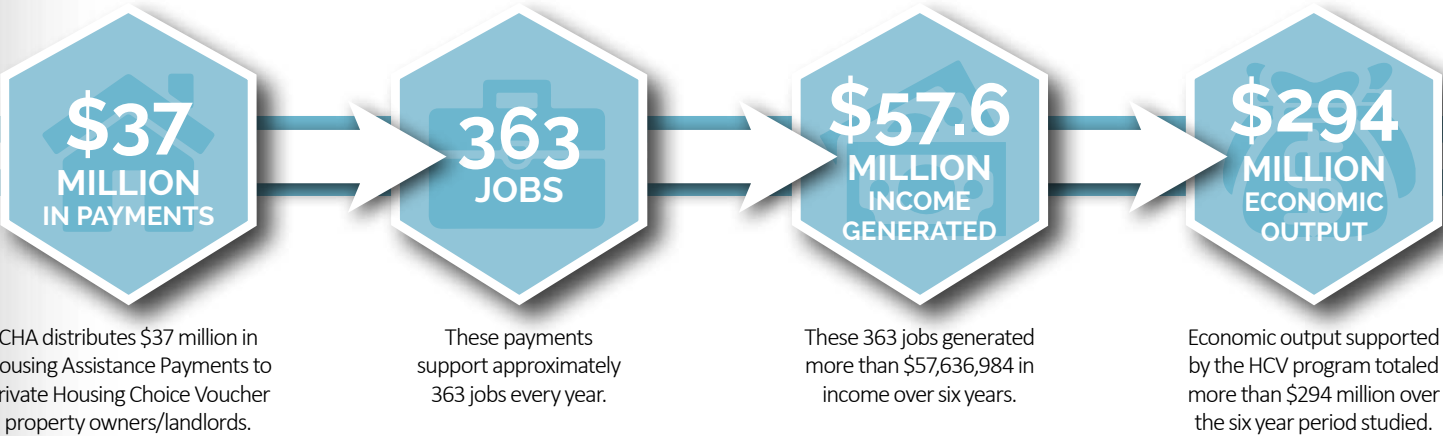
CHARLOTTE HOUSING AUTHORITY EXPENDITURES DIRECT SPENDING AND JOBS²



CHA Impact: Program by Program

Housing Choice Voucher (HCV) Program – Housing Providers Are Our Partners

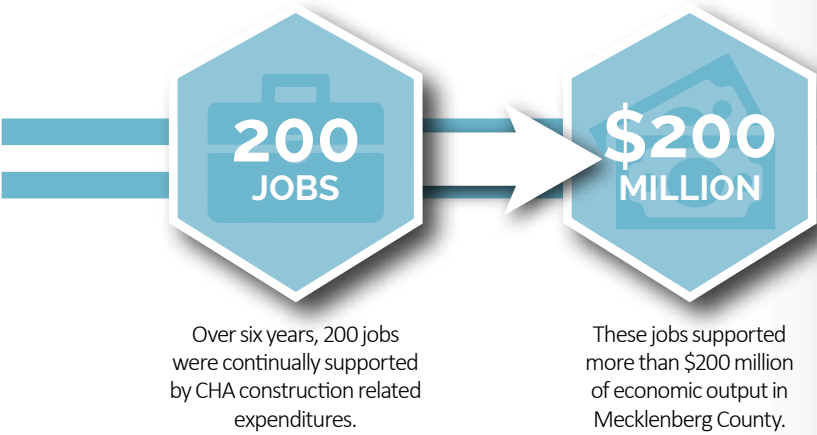
The Housing Choice Voucher (HCV or Section 8) program is the federal government’s major program for assisting very low income families, the elderly and the disabled to afford safe, decent and sanitary housing in the private market. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing developments. CHA currently has 5,078 HCV vouchers authorized.



Studies completed by UNC Charlotte dispel myths that HCV rentals bring down property values in their communities.

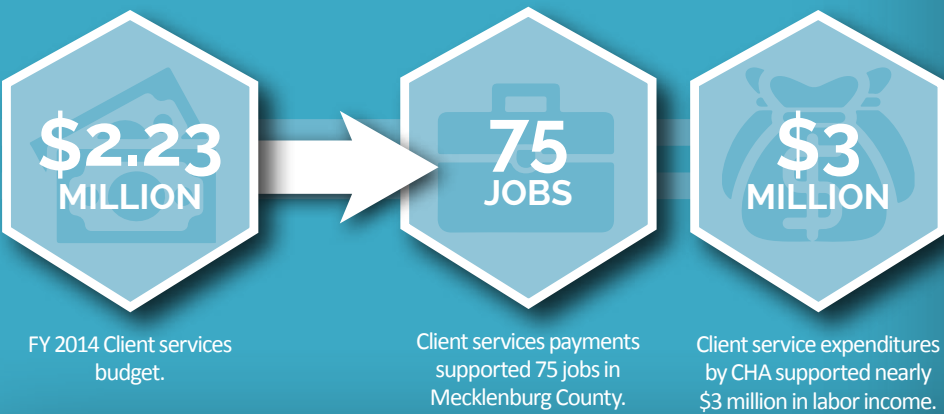
Real Estate Development: Building Communities Where All Charlotteans Can Thrive

- Construction activity fluctuates from year to year, from 2009-2014 CHA construction activity **continually** supported nearly **200 jobs** within the regional economy and supported more than **\$200 million** of economic output in Mecklenburg County.



Client Services: Helping Families Toward Independence

Self sufficiency programs are a centerpiece of CHA’s Moving Forward strategy. These services not only help the families receiving them but also help the community deal with homelessness. As one CHA family becomes self-sufficient and moves to market rate rental housing or home ownership, their subsidized unit is made available for another family needing the affordable housing. These residents, many dealing with generational poverty, need assistance to move up and out of assisted housing. We provide them with guidance via individualized case management, and assistance with transportation, child care, education and referrals to job training and many other programs that assist families in becoming financially independent.



Nationally there is a **24%** self sufficiency program graduation rate.⁴

Currently CHA has a **46.7%** graduation rate.

³ Metropolitan Studies Group, University of North Carolina North Carolina at Charlotte. 2008. “Section 8 Households and the Relationship to Residential Property Values in Charlotte, NC. and “Section 8 Households and the Relationship to Property Crime in Charlotte, NC”. Copies available from CHA upon request.

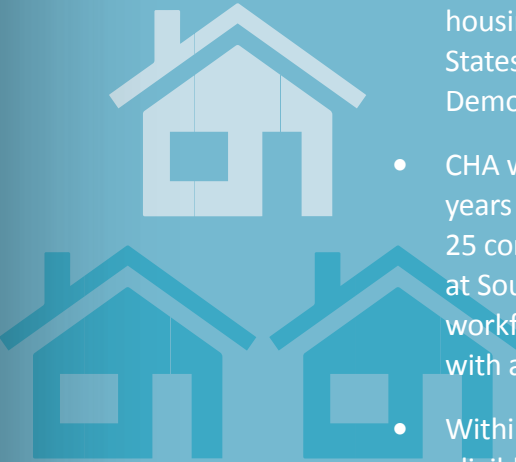
⁴ A study prepared for HUD’s Office of Policy Development and Research in 2011 by Planmatics, Inc. and Abt Associates, Inc. entitled Evaluation of the Family Self-Sufficiency Program: Prospective Study found that 24% of participants completed the program requirements and graduated from FSS. A larger study is currently underway by MDRC.

On The Horizon

Looking forward, CHA and its wholly owned subsidiary, Horizon Development Properties Inc. (HDP), has a number of exciting developments in its pipeline that will continue CHA’s economic impact on the Mecklenburg County economy for years to come:

- \$11.2 million redevelopment of Tall Oaks in the historic Cherry neighborhood, supported by funding from the City of Charlotte Housing Trust Fund (HTF) and the North Carolina Housing Finance Agency (NCHFA).
- \$12.7 million for new construction at Park Rd. and Marsh Rd. in the Sedgefield neighborhood, supported by funding from HTF and NCHFA.
- Supported by a \$20.9 million dollar federal grant, The Renaissance, a \$76.3 million development at the intersection of Billy Graham Parkway and West Boulevard, is nearing completion. When completed, the Renaissance will include 334 modern, affordable apartment homes, a CMS Pre-K - 8 school and a child development center. Funding for this development was provided by a federal HOPE VI grant, as well as, HTF and NCHFA.
- CHA is working with consultants and community partners and will soon announce exciting redevelopment plans for a 16 acre site in the historic Dilworth neighborhood. This multi-million dollar project will preserve affordable units while becoming a mixed-use and income community in a vibrant neighborhood of choice.

Jobs Plus



- In 2015, CHA was one of nine public housing authorities in the United States selected to receive a Jobs Plus Demonstration Grant.
- CHA will receive \$2.24 million over four years and will work in collaboration with 25 community partners to help adults at Southside Homes either enter the workforce or to gain better employment with a career track.
- Within six weeks of launch, 1/3 of all eligible households had enrolled in the Jobs Plus program!



Tall Oaks



For new construction of Phase I Redevelopment of Tall Oaks in the historic Cherry Neighborhood



The Tall Oaks development includes 81 apartment units



These payments support approximately 119 jobs



The Renaissance



Supported by HOPE VI, NCHFA and Housing Trust Fund dollars, The Renaissance is nearing completion



The Renaissance development includes 334 apartment units



These payments have supported 811 jobs, split between the construction, retail and wholesale sectors in Mecklenburg County



Park Rd. & Marsh Rd.



For new construction at Park Rd. & Marsh Rd. in the Sedgefield neighborhood.



The Park Rd. & Marsh Rd. development includes 92 apartment units



These payments will support 135 jobs, split between the construction, retail and wholesale sectors in Mecklenburg County

Supportive Housing Saves the Community Money

\$39,000

per year to the community when an adult is left homeless

- \$13,983

per year to provide supportive housing ⁶

\$25,017

The savings is approximately \$25,017 per person per year ⁷

Overview

- Since 2008 CHA has worked closely with a number of community partners to end homelessness in our community. In each case, the partner provides much-needed case management while CHA provides the rental subsidy.
- This conservative analysis uses housing units as the estimate base. There are approximately 1,500 individuals (adults and children) within supportive housing contributing additional long-term fiscal benefits associated with the physiological and psychological benefits of supportive housing.



Since July 2014, CHA and partners provided 718 units of supportive housing



Supporting 1,468 Mecklenburg County transitional and vulnerable homeless individuals



Savings in annual public costs on services such as health care, emergency shelters, and correctional facilities.

CHA Supportive Housing Programs and Partners

Community Partner	# Units	# HOH	# Total Residents	Estimated Monthly Savings	Estimated Annual Savings
McCreesh Place- PH	63	62	62	\$131,812	\$1,581,741
McCreesh Place- HCV	25	25	25	\$52,306	\$627,675
Moore Place- HCV	51	51	51	\$106,705	\$1,280,457
Moore Place- PH	34	34	34	\$71,137	\$853,638
YWCA Families Together	10	7	35	\$20,923	\$251,070
Charlotte Family Housing	50	26	123	\$104,613	\$1,255,350
Family Unification Program (FUP)	200	117	622	\$418,450	\$5,021,400
Veterans Administration Supportive Housing (VASH)	225	208	325	\$470,756	\$5,649,075
Supportive Housing Innovative Partnership (SHIP)	60	60	191	\$125,535	\$1,506,420
Total	718	660	1,468	\$1,502,236	\$18,026,826



⁵ www.urbanministrycenter.org.

⁶ This analysis is illustrative of CHA's supportive housing properties operated with their partners. The example is not associated with the economic impact findings. The example assumes a housing-based approach to homelessness is more cost-effective than a shelter-based approach.

⁷ CCHA has expanded its supportive housing footprint to 932 units (including units under development) by November of 2015.