



**Town of Davidson
Affordable Housing and Equity Board Regular Meeting
Community Room 120
251 South Street
Thursday, March 20, 2025 at 6:30 PM**

I. CALL TO ORDER

II. WELCOME & INTRODUCTIONS

III. PUBLIC COMMENT

IV. REVIEW/APPROVAL OF MINUTES

a. Meeting Minutes

Summary: Approve meeting minutes from the January 16, 2025 Affordable Housing & Equity Board meeting.

V. OLD BUSINESS

VI. NEW BUSINESS

a. Group Agreements

Summary: These are the group agreements the Affordable Housing and Equity Board uses to guide deliberations.

b. Affordable Housing Department Update and DFI Housing Gaps Analysis

Summary: The Town of Davidson, North Carolina, remains steadfast in its commitment to fostering an economically diverse community through the provision and preservation of affordable housing. This item is an update on the Affordable Housing Program, reviewing what was accomplished in 2024, and providing a glimpse into what is coming in 2025.

- **Town-Owned Land Development:** The Town entered into a contract with the UNC School of Government's Development Finance Initiative (DFI) to aid in the selection of sites for developing affordable housing on Town-owned land, leading to a solicitation for a development partner and the development of a development agreement.
- **Parkside Commons Initiative:** In collaboration with the Davidson Community Foundation (DCF) and developer Taylor Morrison, the Town

facilitated the creation of eight permanently affordable townhomes in the Parkside Commons development on Jetton Street. The first 3 units were sold to income-qualified households in the fall of 2024, with the remaining 5 slated for completion in 2025 and 2026. This initiative underscores the Town's innovative approach to expanding affordable housing through public-private partnerships.

- **Essential Home Repair Program:** To support existing homeowners, the Town, in partnership with Mecklenburg County (ARPA), DCF, Habitat for Humanity of the Charlotte Region, and Rebuilding Together of Greater Charlotte. The program has completed 10 projects by the end of 2024. This effort is crucial in preventing displacement due to gentrification and ensuring safe living conditions for residents.

c. Discuss Future Direction of the Affordable Housing & Equity Board

Summary: Discuss what's next for this Board. Provide space for members to provide input into the direction of the Board.

VII. OTHER ITEMS

VIII. ADJOURNMENT



AFFORDABLE HOUSING & EQUITY BOARD

MINUTES

January 16, 2025, 6:30 p.m.
Community Room 120, Town Hall & Community Center
251 South Street, Davidson, NC

I Call to Order

Chair Tisdale called the meeting to order at 6:30pm. Town Staff ran meeting until election of officers.

II Roll Call

Present: Tisdale, Graf, Guernsey, Wilson, Roberts, Trovato, Robinson, Gray, Sponsel

Absent: Nathan

III Public Comment

There were no public comments made.

IV Approval of the Minutes from December 19, 2024.

Approved minutes by a vote of 8-0 (Wilson not yet present)

V Old Business

No old business items.

VI New Business

A. New Member Welcome

Discussion: Introduction and welcome of new members.

B. Election of Officers

Move to nominate Miriam Tisdale to serve another year as Chair (Graf 1st, Roberts 2nd). Chair Tisdale noted she would accept the nomination under the condition the Board understands she has at least one absence. Approved 8 – 0.

Move to nominate Jayme Sponsel as Vice-Chair (Guernsey 1st, Roberts 2nd). No discussion on the item. Approved 8 – 0.

Move to nominate Shellie Roberts to serve as Secretary (Tisdale 1st, Graf 2nd). No discussion on the item. Approved 8 – 0.

C. Equity Pillars

Discussion: The Chair noted the goal for the year was to 1) land an equity plan and 2) complete at least one item from it.

Past equity pillar work was framed by the Chair and Town Staff. At the October meeting, Equity Pillars were discussed around the concepts of social justice, economic justice, and environmental justice.

Commissioner Robinson offered the idea of using a framework around how we live, how we educate, how we work, and how we play and then identifying institutional barriers to each of these. The ensuing discussion was around using accessible language and terms and making this understandable for people.

The group workshopped and landed on the following pillars for equity: Live & Work, Restore, Educate, and Include. The next step was to identify approaches under each of these, including data analysis, assessment, the identification of gaps, and a landscape analysis.

Commissioner Guernsey offered the idea of either moving our meeting time, or adding additional meetings, where the Board goes out into the community and works with them on the equity work. This would include asking questions (Chair Tisdale added on) such as

- What is your experience here?
- What is true here?
- What would you like to see differently

Then the Board would come back and look at the data to see where it aligns with, and diverges from, community input.

Lastly, Chair Tisdale will send out an equity matrix for the Board to work on in between meetings.

VIII Staff Announcements

Update on DFI Housing Gap Analysis

IX Adjournment

Adjourned at 8:13pm

Town of Davidson

DFI Update

Meeting Agenda

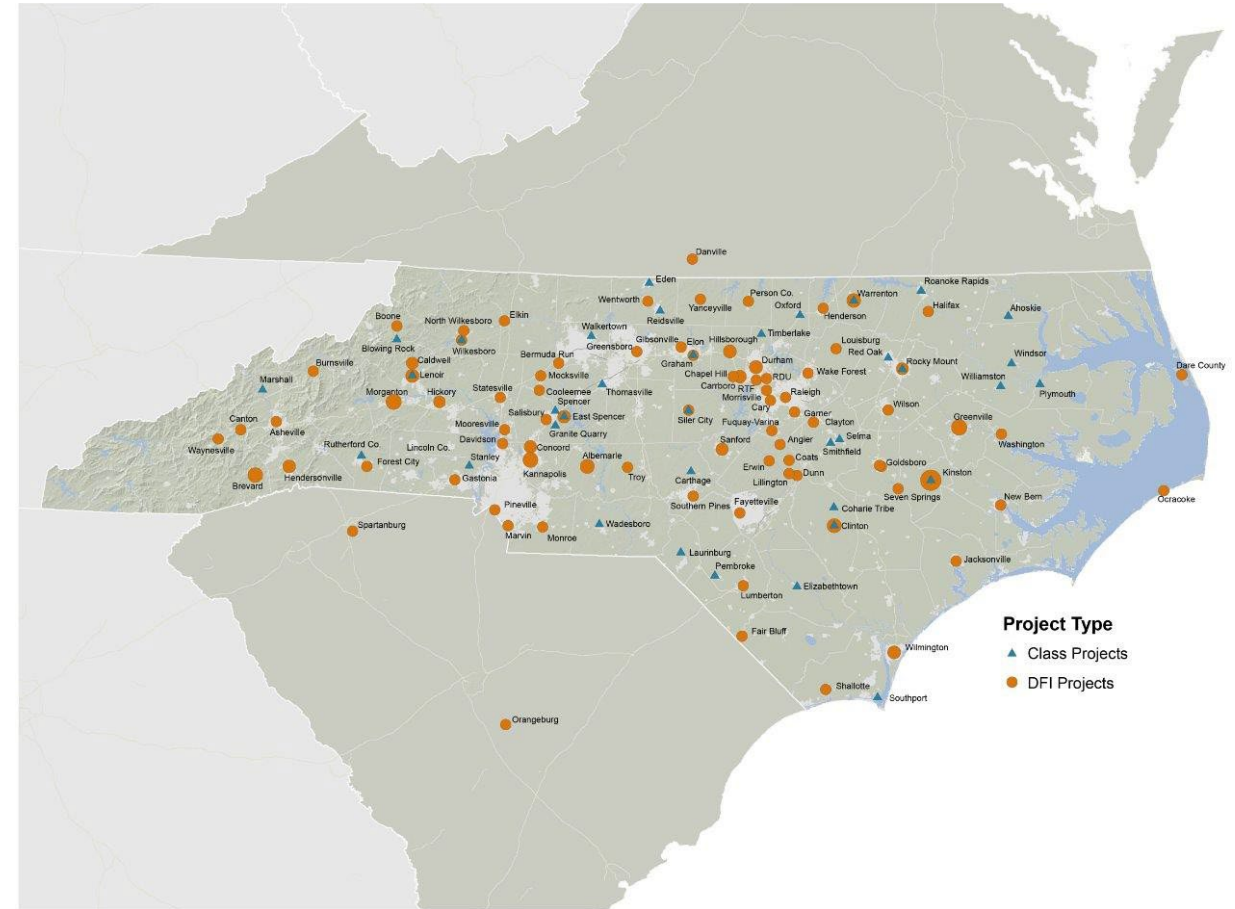
Review Davidson housing gaps analysis and confirm criteria for affordable housing site identification.





DFI is a program of UNC Chapel Hill's School of Government that advises communities in NC to attract private investment for transformative projects by providing specialized real estate development and finance expertise.

Since 2011, DFI has worked on **240+ projects** across **73 NC Counties**, and projects have led to **\$1 Billion+** in private investment to support local community development goals.



Project Team

Sr. Project Manager: Sonyia Turner
 Assoc. Director Housing: Sarah Odio
 Asst. Director: Frank Muraica

Opportunity Site Identification Process

The Town of Davidson engaged DFI to support the Town in evaluating and prioritizing sites for affordable housing for low- and moderate-income households. DFI's scope of work includes:

1. Housing Gaps Analysis

- Goal: determine demand for different housing types based on economic drivers and current housing market conditions

2. Stakeholder Engagement

- Goal: engage stakeholders (1:1 and small group discussions) to inform the Town's priorities for affordable housing development

3. Site Identification

- Goal: identify sites that meet the Town's priorities for future affordable housing development

4. High-Level Site and Financial Feasibility

- Goal: determine type and scale of housing development possible, and estimate potential private funding sources and minimum funding gap for each scenario

Potential Phase 2: Site-specific pre-development services for two sites and development partner solicitation.

Davidson Snapshot

14,852

Population

Davidson grew by 23% from 2017 – 2022

\$152,969

Median HH income

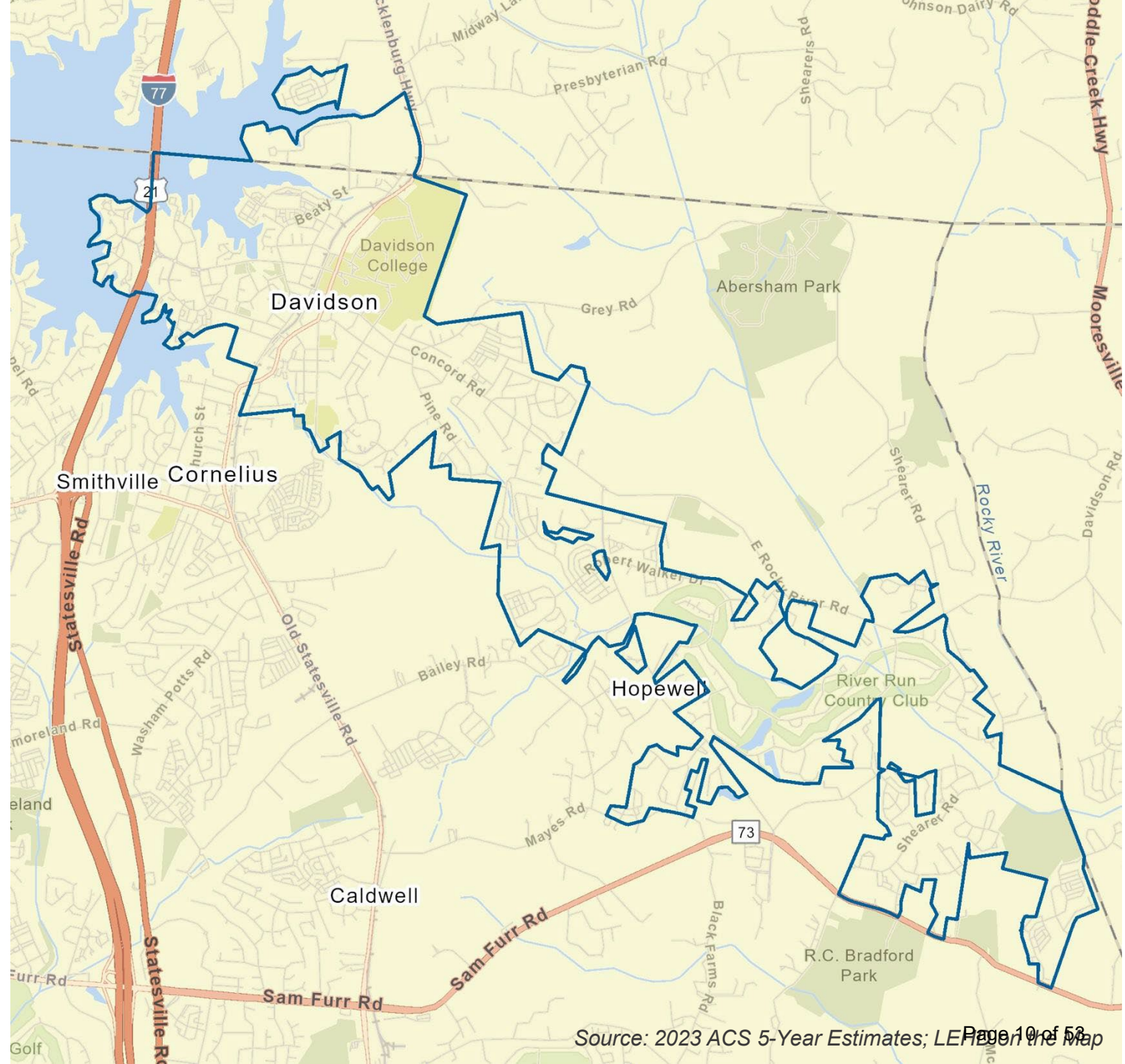
Mecklenburg County: \$84,593

79%

Homeownership rate

90%

workers in Davidson live outside of the Town



Source: 2023 ACS 5-Year Estimates; LEPP on the Map

Housing Gaps Summary

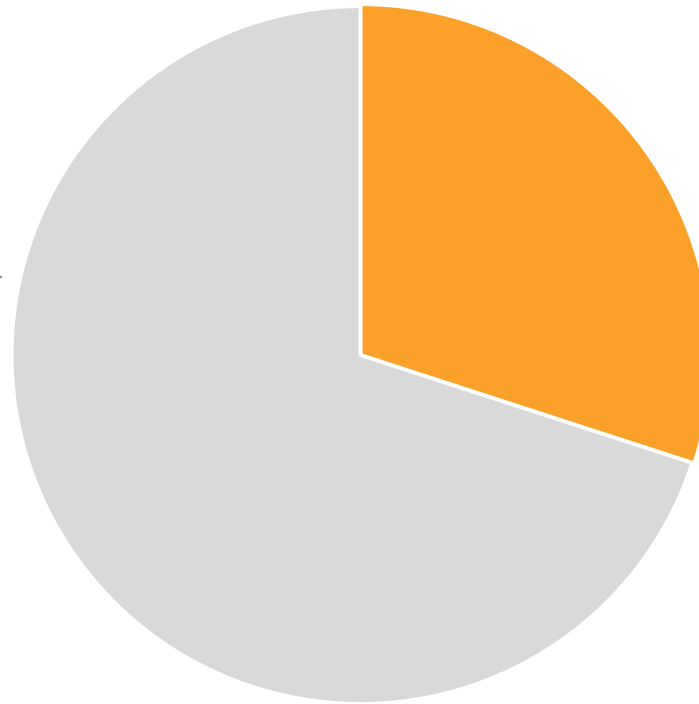
- 23% of Davidson households earn 80% or less of the area median income
- There are limited rental options, and no market homeownership options for low-to-moderate income (LMI) households
- Davidson experienced the 2nd highest household growth among neighboring communities, but housing production has lagged comparatively
- Davidson rents are increasing, and home sales prices are the highest among neighboring communities
- A majority of LMI renters in Davidson are cost burdened (82%), and individuals have the greatest need

Housing Gaps Analysis



What is affordable housing?

Families are cost burdened when over 30% of their annual income is spent on **housing-related expenses**.



Families living in affordable housing have more income than cost burdened households to cover other expenses like health care, transportation, or food.

Housing expenses include rent plus utilities or mortgage, insurance, and property taxes plus utilities.

Who can the Town of Davidson assist?

State constitution and statutory requirement:

- Housing for “low income” or “poor”
 - All households can earn up to 80% AMI if all units are reserved for 80% AMI and below
 - If one or more households earn > 80% AMI, 20% of units must be restricted to households earning <60% AMI
- Serves a public purpose
 - “only when the planning, construction, and financing of decent residential housing is not otherwise available”
 - Because “private enterprise is unable to meet the need”
- No authority to aid unrestricted (market) units



Who is considered low-to-moderate income (LMI) in Mecklenburg County?

Occupations earning <60% AMI
\$44,520 for 1-person household

Earning 80% AMI
\$59,360



Social Security Income
\$24,390 / year



Nursing Assistants
\$37,240 / year



Fire Engineer
\$44,760 / year



Elementary Teacher
\$56,840 / year

23% of Davidson households are LMI
40% for Mecklenburg County

What can LMI households afford?

<p>Earning 30% AMI <i>Social Security Recipient</i> \$24,390 / year</p>	<p>Earning 50% AMI <i>Nursing Assistant</i> \$37,240 / year</p>	<p>Earning 60% AMI <i>Fire Engineer</i> \$44,760 / year</p>	<p>Earning 80% AMI <i>Elementary Teacher</i> \$56,840 / year</p>
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\$610 / month
 \$68,000 home price



\$930 / month
 \$115,000 home price



\$1,120 / month
 \$140,000 home price



\$1,420 / month
 \$186,000 home price



Maximum affordable housing costs

Source: MTSP Income Limits 2024, NC Department of Commerce

Home prices are based on 30% max affordable housing cost with a 30-year fixed rate mortgage at 6.6% interest,

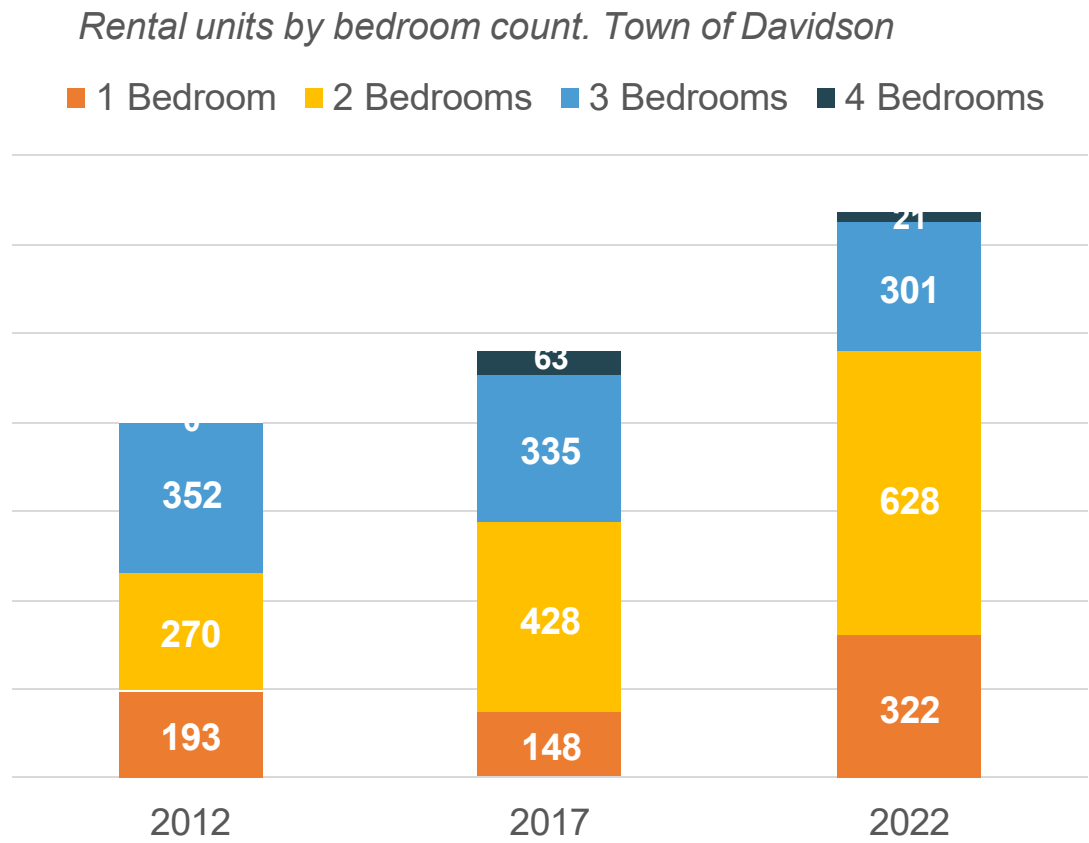
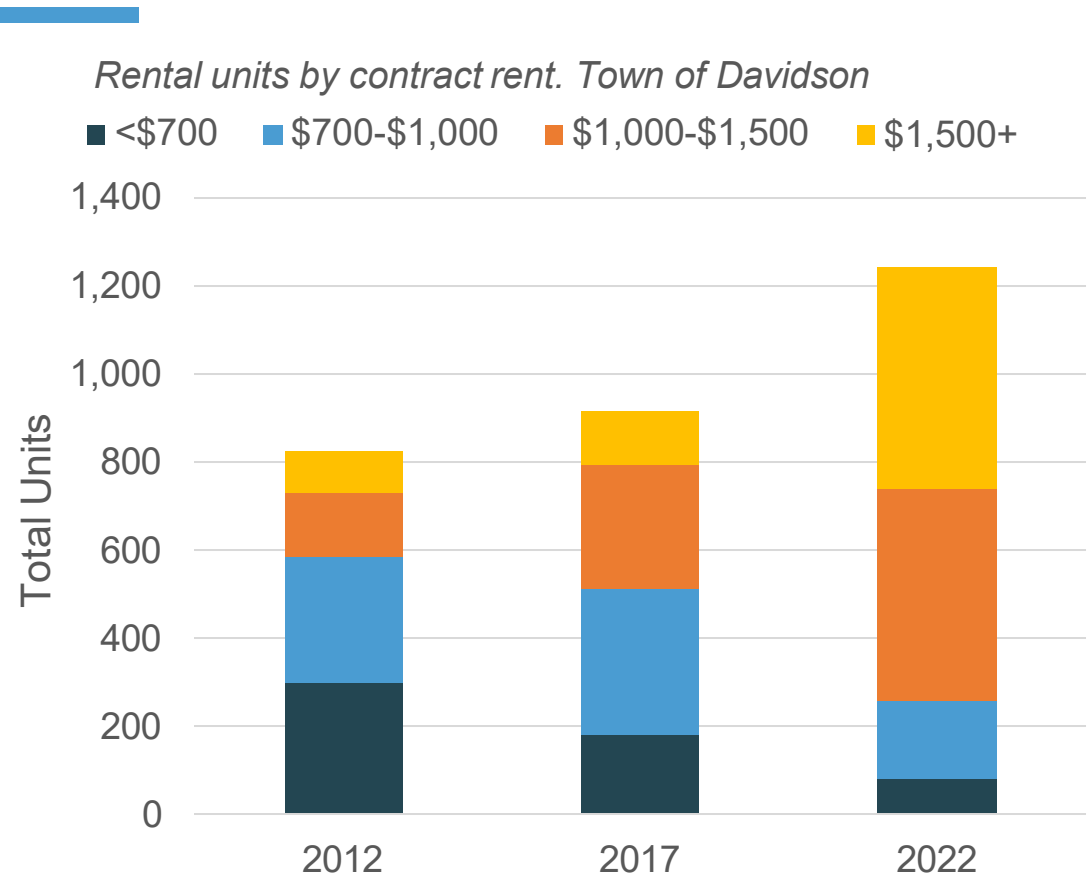
Town's downpayment assistance program, no PMI

Area Median Income for Mecklenburg County

AMI	One Person	Two Person	Three Person	Four Person
30%	\$22,260	\$25,440	\$28,620	\$31,800
50%	\$37,100	\$42,400	\$47,700	\$53,000
60%	\$44,520	\$50,880	\$57,240	\$63,600
80%	\$59,360	\$67,840	\$76,320	\$84,800
100%	\$74,200	\$84,800	\$95,400	\$106,000



What rental options are available for LMI households in Davidson?



79% of all rental units in Davidson have rents over \$1,000

What homeownership options are available for LMI households in Davidson?

LMI Households Up to \$195,000 home price



325 Sloan Ave.
\$300,000
720 SF | 2 bed / 1 bath

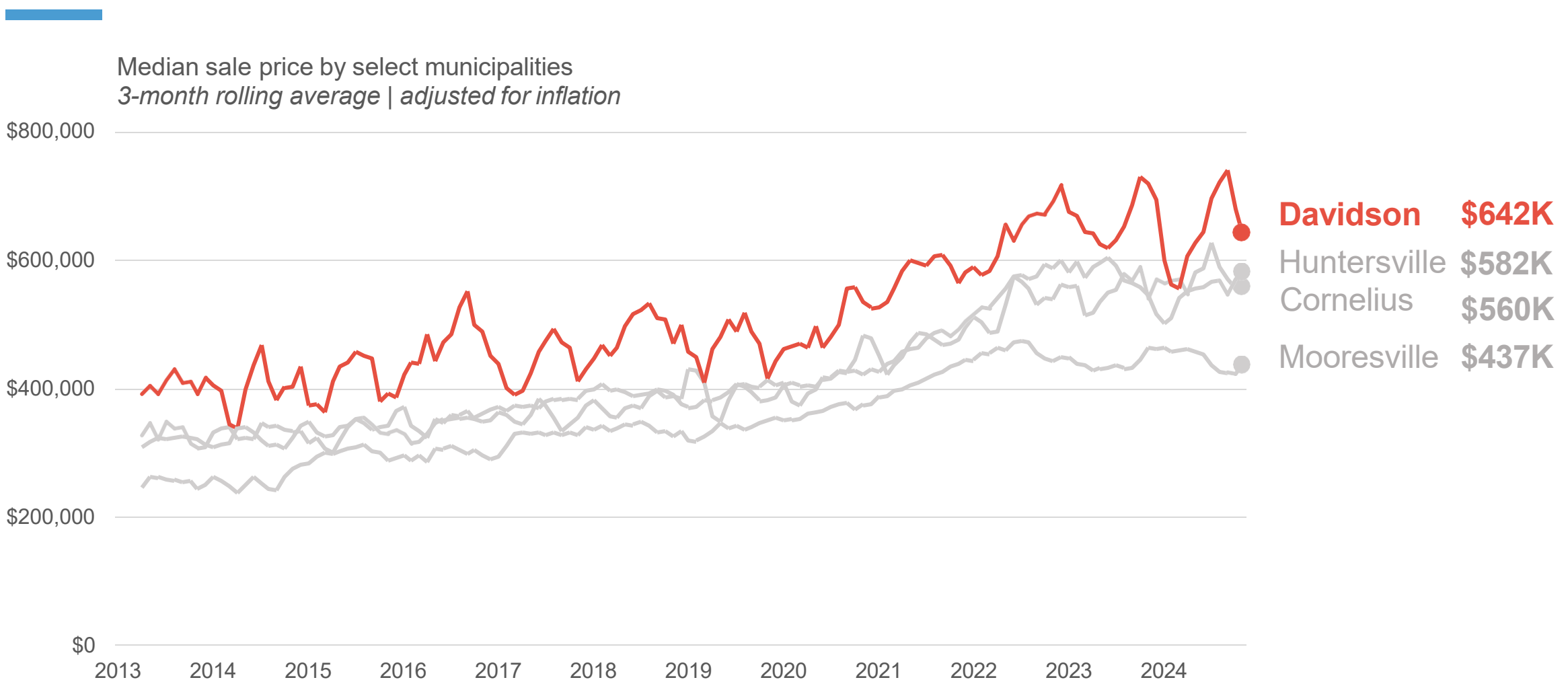


15862 Kiser Corner Ln.
\$475,000
2,008 SF | 3 bed / 2.5 bath



207 Davidson Gateway Dr.
\$620,900
1,928 SF | 3 bed / 3.5 bath

Davidson has the highest median home sale price among neighboring communities



Households need to earn \$180,000 to afford the median home sale price in Davidson

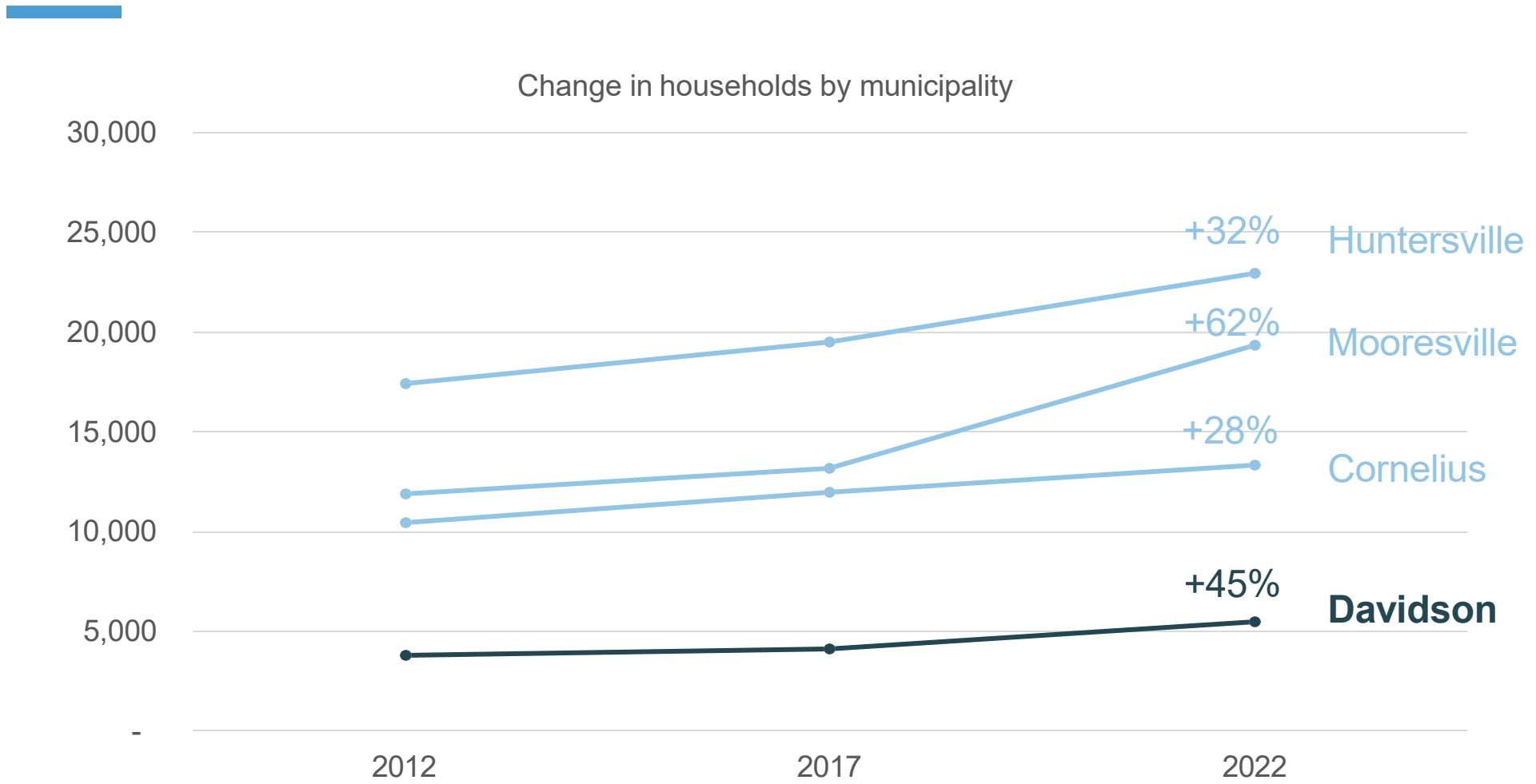
	November 2020	November 2024
Median Home Price	\$440,000	\$640,000
Interest Rate	2.75%	6.75%
7% Downpayment	\$30,800	\$44,800
Monthly Mortgage Costs	\$1,671	\$3,860
Monthly Taxes, Insurance	\$550	\$800
Annual Income Needed	\$86,000	\$180,000

LMI Households
Earn \$59,360 or less

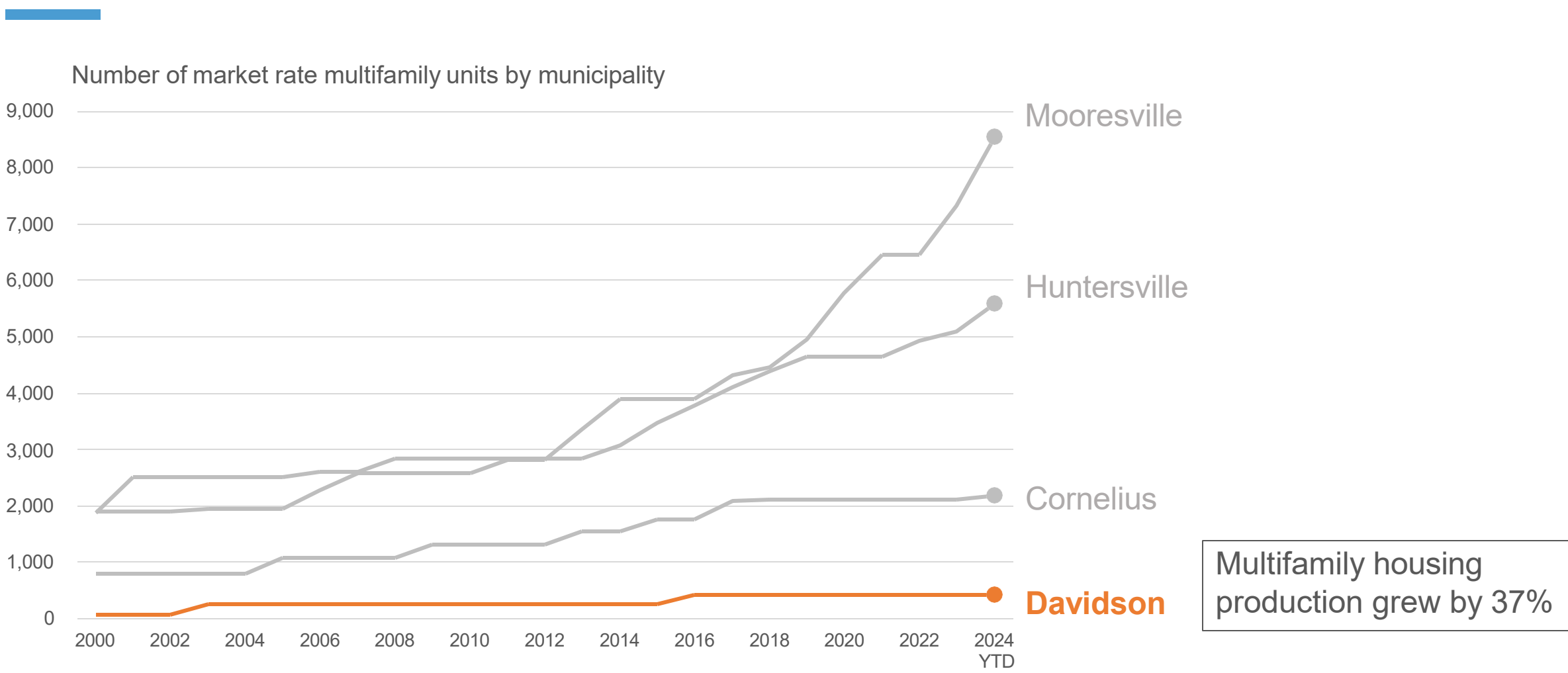
Davidson's Housing Supply



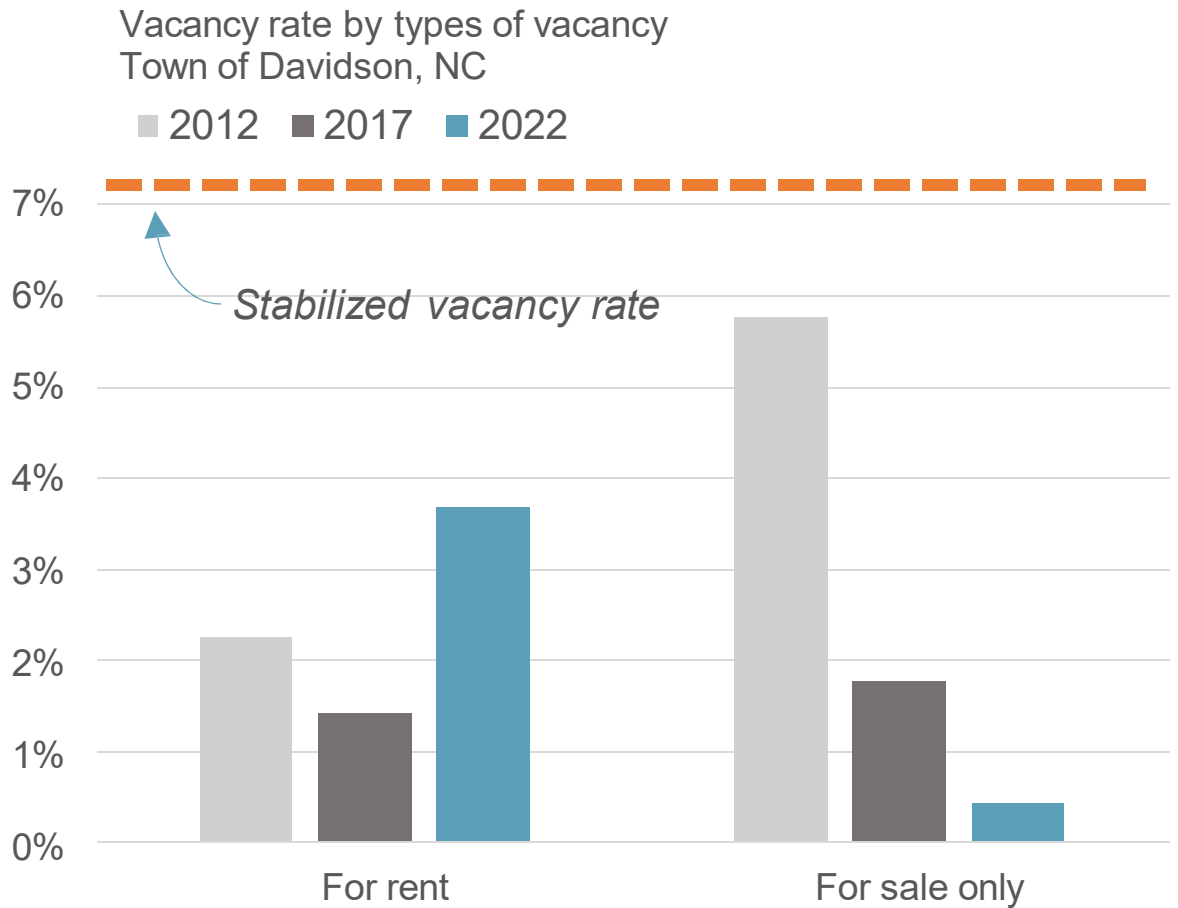
Davidson experienced the 2nd highest household growth among neighboring Towns



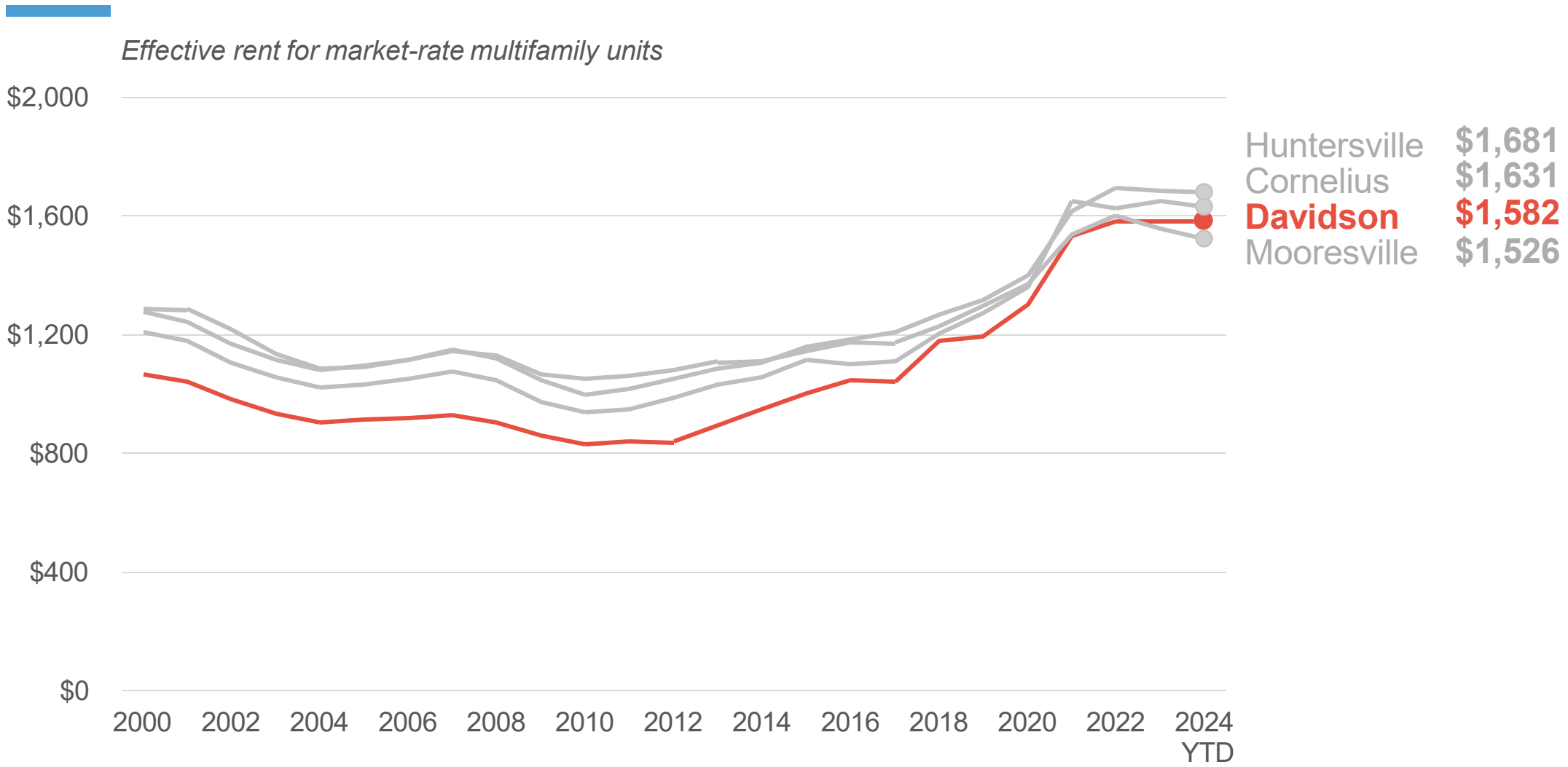
Davidson's multifamily production has not kept pace with neighboring communities



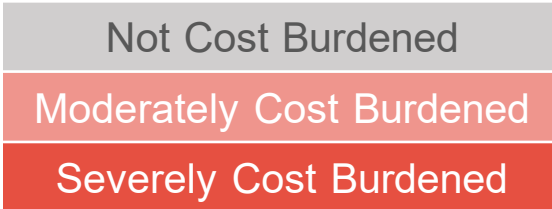
Low vacancy rates suggest high demand for housing but not enough inventory



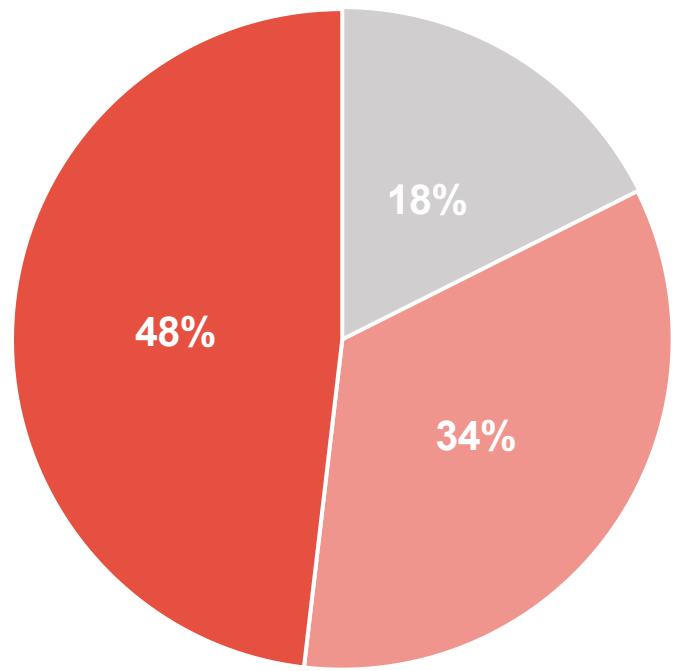
Davidson rents, once lowest among neighboring Towns, are increasing



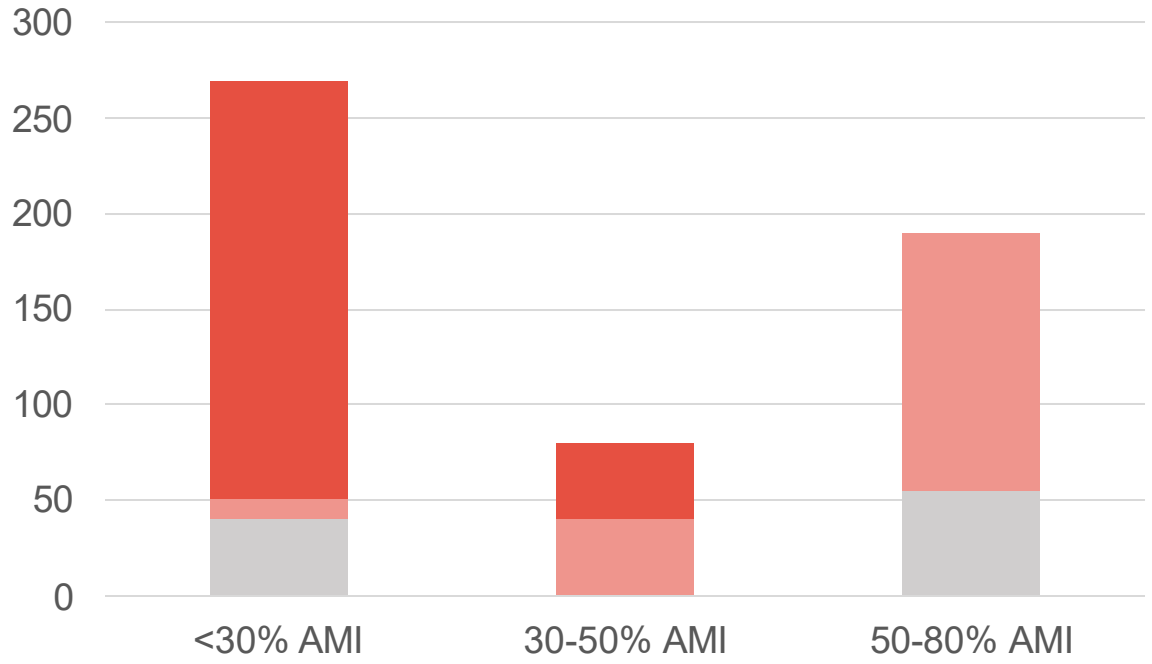
82% of LMI renters in Davidson are cost burdened



Davidson LMI Renter Cost Burden

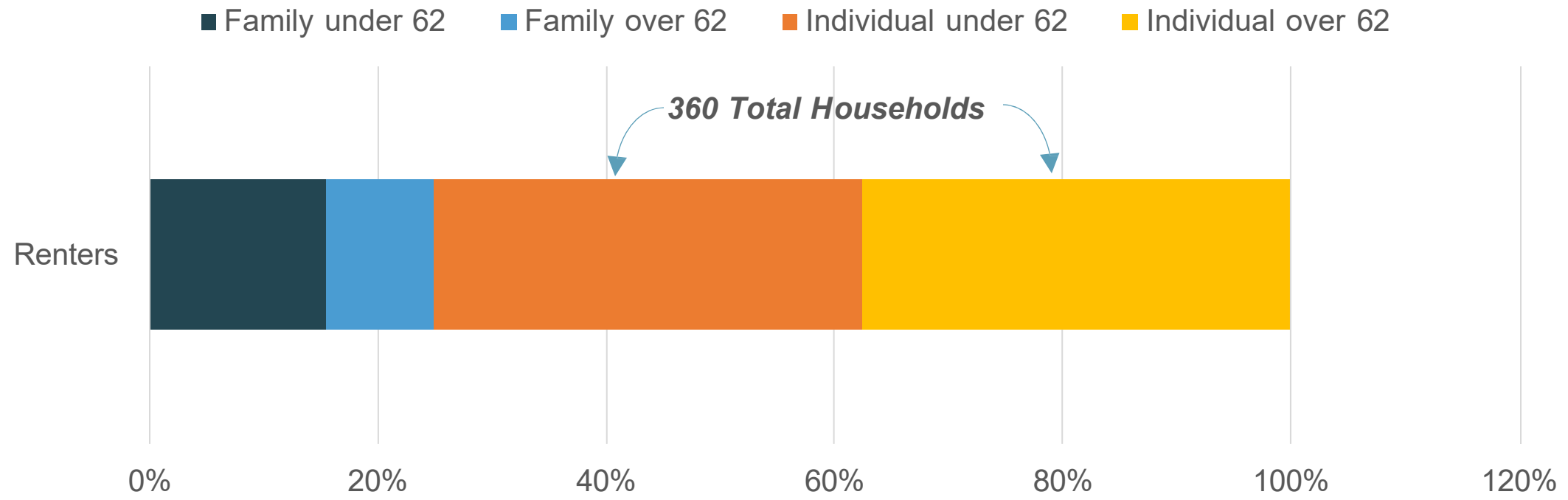


Davidson LMI Renter Cost Burden by AMI



Individuals have the greatest need among LMI renters

LMI households with 1 of 4 housing problems by household type



Housing Gaps Summary

- 23% of Davidson households earn 80% or less of the area median income
- There are limited rental options, and no market homeownership options for low-to-moderate income households
- Davidson experienced the 2nd highest household growth among neighboring communities, but housing production has lagged comparatively
- Davidson rents are increasing, and home sales prices are the highest among neighboring communities
- A majority of LMI renters in Davidson are cost burdened (82%), and individuals have the greatest need

Housing Priorities for Site Identification



Housing priorities we have heard

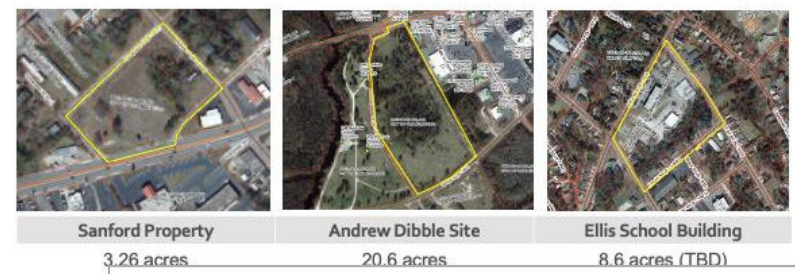
- Increase number of new rental units for LMI households
- Development should be mixed income and mixed-use
- Leverage partnerships
- Repurpose underutilized land owned by the Town
- Distribute affordable housing across the Town, but start near downtown
- Preserve existing affordable stock with a focus on West Davidson
- Optimize public investment, maximize private investment

DFI Site Identification Criteria

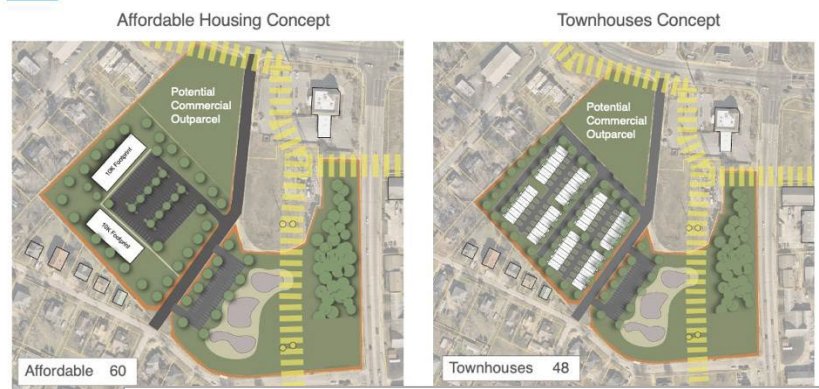
DFI will identify sites with the following characteristics:

- Town-owned or clear path to site control
- Minimum of 2 acres for a development up to 4 stories, and up to 60-units with surface parking
- Potential to leverage partnerships
- Proximity to downtown
- Likely competitive for 9% Low Income Housing Tax Credits (LIHTC)

Selected Opportunity Sites for affordable housing in the City of Orangeburg



Midway: FBC Development Options



Midway Affordable Housing Concept



Rent Limits	1 BR	2 BR
30% AMI	\$530	\$640
50% AMI	\$880	\$1,060
60% AMI	\$1,060	\$1,270

- Considerations**
- Site is competitive for the 9% Low Income Housing Tax Credit
 - Proximity to the utility substation limits amount of land that can be developed for affordable housing
 - Estimated financial gap assumes a \$0 acquisition cost for developer

Estimated Total Development Cost \$15M
Est. Affordable Housing Financial Gap \$950K
Does not include skate park and streetscape costs
 Investment Per Unit \$16K

Next Steps

- DFI site visit (Jan 31)
- DFI site and financial analysis
 - DFI will review all sites presented by the Town (town-owned and private) against criteria
 - DFI will analyze compatibility with funding programs





SCHOOL OF GOVERNMENT
Development Finance Initiative

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL



Executive Summary

DFI Housing Gap Analysis

The Development Finance Initiative (DFI), part of UNC Chapel Hill’s School of Government, has partnered with the Town of Davidson to identify and prioritize sites for affordable housing development. This initiative aims to address the housing gaps for low- and moderate-income (LMI) households and attract private investment to support community development.

As part of the contracted services for Phase I with the Town, DFI performed and provided a Housing Gap Analysis. This analysis builds on the Affordable Housing Needs Assessment from 2022 and provides the Town with the most current data and numbers to help inform the site selection process.

Key Findings

- **Housing Gaps:**
 - 23% of Davidson households earn 80% or less of the Area Median Income (AMI); and
 - Limited rental options and no market-provided homeownership options are available for Low-Moderate Income (LMI) households; and
 - The Town of Davidson has experienced rapid household growth, but housing production has lagged; and
 - A healthy stabilized vacancy rate is generally considered to be 7%; the Town of Davidson rentals are hovering under 4%; and
 - Rising rents and home sales prices are pushing affordability out of reach for many; and
 - 82% of LMI renters in the Town of Davidson are cost-burdened, spending more than 30% of their income on housing.

- **Demographic Snapshot:**
 - Population: 14,852¹, with a 23% growth from 2017 to 2022 (State demographers office certified population estimate as of 2023 is 15,826); and

¹ DFI used U.S. Census data for their population numbers. The Town uses the state demographer certified estimate population of 15,826 for budget purposes.

- Median household income in the Town of Davidson for a household of two is: \$152,969, significantly higher than the Mecklenburg County average of \$84,593; and
- High homeownership rate (79%), but most workers live outside of Davidson (90%).
- **Current Housing Market Challenges:**
 - Davidson has the highest median home sale price among neighboring communities, requiring an income of \$180,000 to afford the median home price; and
 - 360 households fall into the low-to-moderate income category; and
 - Based on the U.S. BLS data², one dollar (\$1) in January 2012 would have been equivalent to \$1.24 in January 2022 (the time frame shown on the graph). Or said differently, one dollar (\$1) in January 2022 had the buying power of \$0.81 cents in 2012. Therefore, although the share of multifamily rental units available in Davidson under \$1,000 has decreased over time – which might be expected – a household’s purchasing power has also decreased over that same period; and
 - Multifamily housing production has not kept pace with demand, contributing to low vacancy rates and increased rents (household growth over the period from 2000 to 2024 was 45%; production of rental housing during the same period was 37%).

Strategic Approach

- **Site Identification Criteria:**
 - Sites should be Town-owned or have a clear path to control; and
 - Sites should be a minimum of 2 acres, support 4 stories, 60 units, and utilize surface parking; and
 - Proximity to downtown; and
 - Potential for partnerships are prioritized; and
 - Sites should be competitive for 9% Low Income Housing Tax Credits (LIHTC).
- **Stakeholder Engagement:**
 - Engage stakeholders to inform priorities, including:
 - Davidson Community Foundation
 - Davidson Housing Coalition
 - Affordable Housing & Equity Board
 - Davidson College
 - Community Housing Partners

² U.S. Bureau of Labor Statistics, Accessed January 2025.

- Ada Jenkins Center
- Habitat for Humanity of the Charlotte Region
- Lake Norman CDC
- Rebuilding Together of Greater Charlotte
- DreamKey Partners
- The Pines at Davidson
- Consortium of faith-based organizations including Reeves Temple, DCPC, DUMC, St. Albans Episcopal, Gethsemane Baptist, Davidson Presbyterian, and Storyhill Church.
- Focus on mixed-income and mixed-use developments.
- **Next Steps:**
 - Continue site analysis and review sites against criteria and funding programs.

Conclusion

This initiative aims to alleviate housing affordability challenges in the Town of Davidson by utilizing public and private investments to develop appropriate sites for low-to-moderate-income (LMI) housing, responding to the pressing need for affordable living options in the community. DFI is performing a site and financial feasibility analysis to help the Town identify affordable development opportunities to address the gap of 360 LMI units identified in the analysis. The Town expects to receive DFI's recommendations and share an update by late April 2025.



Affordable Housing Program Update

Austin Nantz
Assistant Town Manager
Affordable Housing & Equity Board Meeting
March 20, 2025

www.townofdavidson.org

Affordable Housing: History

1995:
Davidson Land
Planning
Committee and
the Affordable
Housing Task
Force forms

2001:
Affordable
Housing
provision
added to the
Davidson
Planning
Ordinance

2015:
Affordable
Housing
Steering
Committee
formed

2022:
Affordable
Housing Needs
Assessment
completed

2024: Town
engages with
DFI

1999: 32-unit
affordable
rental project
known as "The
Bungalows"
constructed on
land donated
by the Town

2008: Town
assists in the
renovation of
the 72
affordable
rentals at Oak
Hill
apartments

2020: Town
hires first full-
time
Affordable
Housing and
Equity
Director

2023:
Implementation
Strategy adopted

Strategic Alignment

Core Values

- Davidson’s historic mix of people at all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

Comp Plan

- Goal 5.2: Diverse and inclusive housing options. Davidson will have a variety of housing options (both by tenure and by type) affordable to all households, with special attention to low-income families, as well as accessibility to transit, employment, services, parks, and daily needs.

Community Survey

- Residents were asked specifically to rate how much of a priority, if any, each of the items was to maintaining or improving the quality of life in Davidson. The intent was to gauge the importance of these topics as they relate to overall quality of life; the responses are not a ranking of topics. A total of **73%** of survey respondents indicated that ***Access to Affordable Housing*** is either a high (40%) or moderate (33%) priority as it relates to maintaining or improving the quality of life in Davidson over the next 5 years.

Strategic Plan

- Affordable Living, Equity, and Inclusion- Work together to create a culture of belonging, address our past inequities, provide opportunities for all, treat everyone with respect and dignity and recognize every voice

AH Needs Assessment

- The Town of Davidson developed a data- and context-driven Affordable Housing Needs Assessment for guidance and direction in addressing the Town’s affordable housing needs.

Strategic Framework:



AFFORDABLE HOUSING STRATEGIC FRAMEWORK



Affordable Units in Davidson

Owner	Number of Units
Town of Davidson	4
Community Housing Partners	72
Davidson Housing Coalition	75
Habitat for Humanity	199*
Private (DPO Required)	96
Total	451

Housing Gaps Analysis

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Median HH income

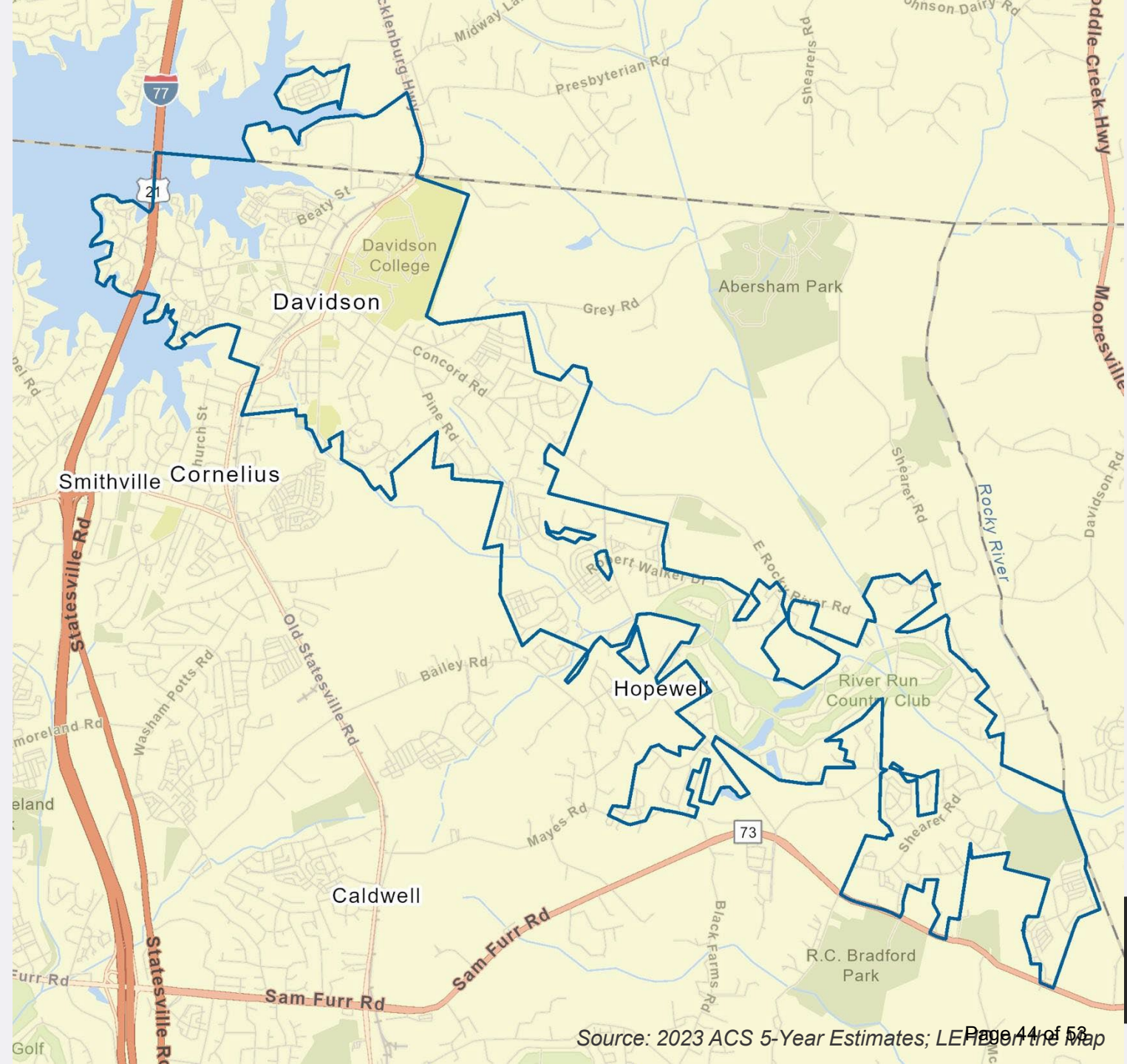
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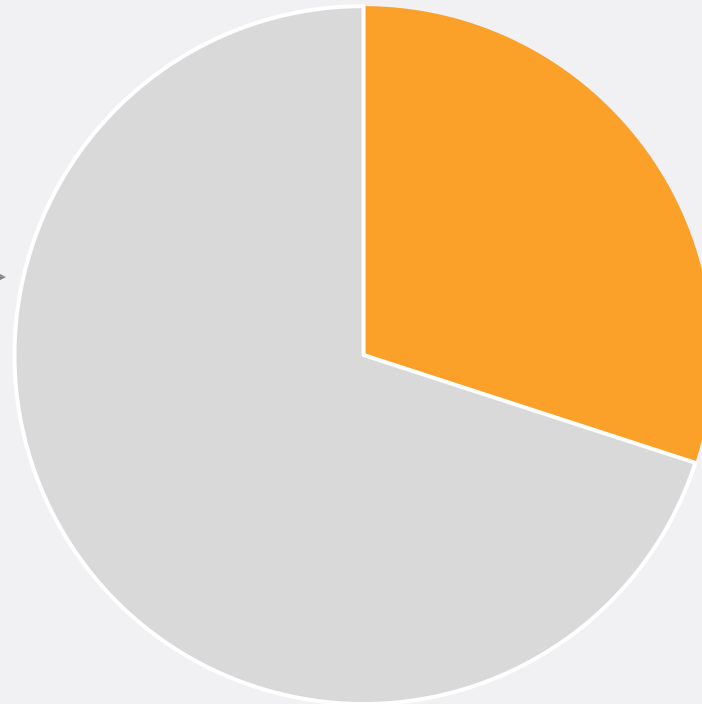


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Maximum affordable housing costs

Source: MTSP Income Limits 2024, NC Department of Commerce
Home prices are based on 30% max affordable housing cost with a 30-year fixed rate mortgage at 6.6% interest, Town's downpayment assistance program, no PMI

What's Next With DFI?

- This initiative aims to alleviate housing affordability challenges in the Town of Davidson by utilizing public and private investments to develop appropriate sites for low-to-moderate-income (LMI) housing, responding to the pressing need for affordable living options in the community.
- DFI is performing a site and financial feasibility analysis to help the Town identify affordable development opportunities to address need for LMI units identified in the analysis.
- The Town expects to receive DFI's recommendations and share an update by late April 2025.

Partnerships and Engagement

- Partnered with **Mecklenburg County (ARPA), Ada Jenkins Center and Davidson Housing Coalition** to administer tenant based rental assistance program.
- Collaborated with **Davidson Community Foundation** to offer 8 affordable resale units to households earning 80% or less of the Area Median Income at Parkside Commons.
- Partnered with **Mecklenburg County (ARPA), Habitat for Humanity, Davidson Community Foundation and Rebuilding Together** to complete Essential Home Repair projects.
- Partnered with **DreamKey Partners** to administer Down Payment Assistance.
- Partnered with **Lake Norman Community Development Corporation** to Launch Affordable Housing Helps All campaign.
- Partnered with **Trane and Legacy on the Westside** to support the Community Navigator Demonstration Program.
- Sponsored **Lake Norman Chamber Diversity Luncheon**
- Participating sponsor for Affordable Housing Awareness Month (May) breakfast hosted by **Affordable Housing for the Carolinas**.

Ongoing Commitment to Affordable Housing (2025-2026)

- Conducting a thorough analysis and reevaluation of leadership and capacity needs of the Department
- Work continues with DFI on Town-Owned Land Development
- Continue with sale of Parkside Commons Units (3 units sold, 5 more units completed and sold over the next 18 months)
- Davidson Cottages (units should be available in April, Town will income qualify buyers)
- Narrow Passage (units should be available in June, Town will income qualify buyers)
- Assist with resale of DPO units (two scheduled for April)
- Work with Planning and the developer on the Haley Development Affordable Housing Plan will present to Board for approval.
- Continue Down Payment Assistance program
- Grant Administration for:
 - Hoke Grant (\$400k)
 - HUD Land Acquisition Grant (\$850k)
- Participate in executive planning for Mecklenburg County Consolidated Plan for HUD (CDBG)
- Participate in North Mecklenburg Housing Preservation Grant (5-6 Critical Home Repairs)
- List and sell 153 Mock Road by June 30
- Wrap-up Rental Subsidy program (concludes 4/30/25)
- Present proposed DPO text amendments to the Board for consideration and approval.

DISCUSSION & QUESTIONS

