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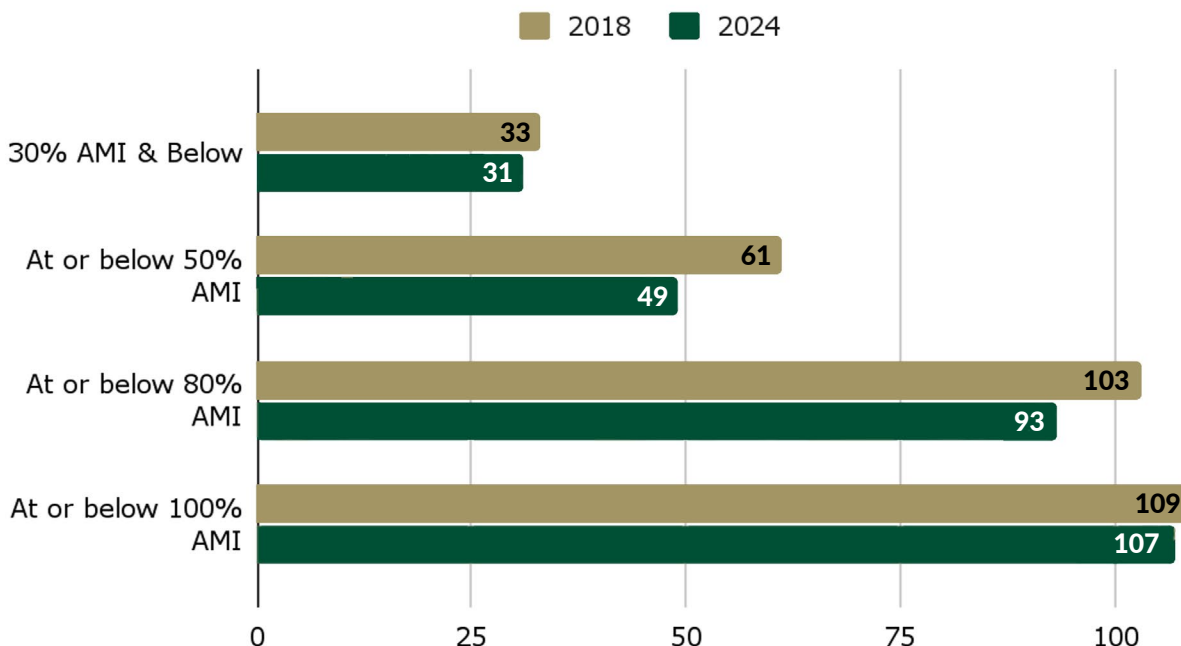
Housing affordability has become one of the most pressing challenges facing cities across the United States. The National Low Income Housing Coalition reported this year that there is no state or county nationwide where an individual working fulltime at minimum wage can afford a two-bedroom apartment.¹ Charlotte is no exception to this national issue. In 2014, more than one-third of homes sold in Charlotte were priced less than \$150,000. Today, less than 2% of homes in Charlotte are at that price point, with the median home price reaching \$443,850 in 2025. To purchase a home at this price point, a family would need to earn \$146,280,² nearly double the median household income for Mecklenburg County.³

Charlotte's significant affordable housing shortfall has grown over time and affects residents across the income

spectrum. Figure 1 displays affordable and available rental units (removes units occupied by households with incomes above the threshold) per 100 households across four income brackets. Households are divided into categories based on their earnings as a percentage of the Area Median Income (AMI), which is \$85,938 for 2024.⁴ This measure of affordability assumes that households pay 30% or less of their earnings toward rent.

When there is a lack of affordable housing supply, renters are forced to spend more than 30% of their income on shelter.⁶ As a result, half of all renters in Mecklenburg County are cost-burdened by their rent or mortgage payment, which is defined as spending more than 30% of one's income on housing.⁷ Cost-burdened residents have less disposable income to spend on items other than

FIGURE 1: Affordable and Available Rental Units Per 100 Households, Charlotte-Concord-Gastonia, NC-SC, 2018 & 2024⁵



¹Why we care: The problem. (n.d.). National Low Income Housing Coalition.

²State of housing 2025 report: Charlotte. (2026). Childress Klein Center for Real Estate.

³US Census Bureau. (2025). QuickFacts: Mecklenburg County, North Carolina.

⁴Census profile: Charlotte-Concord-Gastonia NC-SC Metro Area. (n.d.). Census Reporter.

⁵Emmanuel, D., Harati, R., Colon-Bermudez, E., & Eutsler, T. (2026). The gap: A shortage of affordable homes. National Low Income Housing Coalition.

⁶Colon-Bermudez, E., Emmanuel, D., Harati, R., & Renzi, K. (2025). Out of reach: The high cost of housing 2025. National Low Income Housing Coalition.

⁷Priester, M. A., Hoyle, K., & Tice, M. (2026). Charlotte-Mecklenburg state of housing instability & homelessness report 2025. Mecklenburg County Community Support Services.

housing, which has demonstrated negative impacts for both individuals (health consequences,⁸ increased risk of homelessness⁹) and communities (labor market distortion,¹⁰ reduced consumer spending¹¹). Although low-income renters are more likely to experience this type of cost burden, by 2024 many more households with moderate incomes were also cost-burdened. As with the housing shortage, cost burden extends across the income spectrum and has grown over time, as demonstrated in Figure 2.

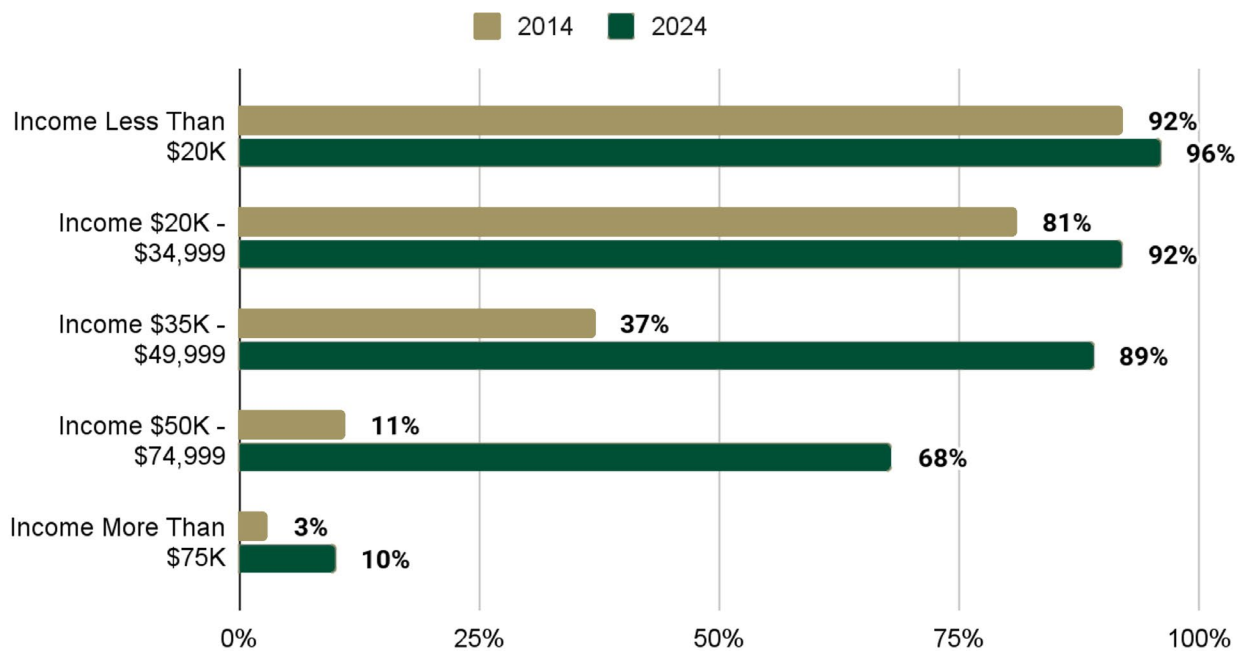
Although Charlotte and Mecklenburg County have seen rapid growth in housing in recent years, affordable housing continues to be limited. The private market alone cannot solve this problem. It costs approximately \$315,000 per unit to build a unit of housing in Charlotte today,¹³ meaning that, without public subsidies, buyers across the income spectrum do not have an adequate supply of affordably priced homes available.¹⁴

Disparities In Access to Affordable Housing

The disappearance of naturally occurring affordable housing and a private market that produces new housing supply that is incompatible with the current wage structure¹⁵ has created an affordability crisis for families across the income spectrum. From the postwar era through the 1990s, a home typically cost about three times the annual median income of a household. That number reached a record high almost six times the annual median household income in 2022 and remains at 5 times the annual median household income today.¹⁶ However, lower income households, particularly in communities of color impacted by past discriminatory policies, experience the affordability crisis more severely.¹⁷

Charlotte’s contemporary housing landscape developed as the product of policy decisions made at the federal, state,

FIGURE 2: Percent of Cost-Burdened Households by Income Level, 2014 & 2024¹²



⁸Robert Wood Johnson Foundation. (2019, March 19). [County Health Rankings Show Burden of Severe Housing Cost Tied to Poor Health.](#)

⁹Priester, M. A. (2025, July 7). Out of Reach 2025: What the Data Means for Charlotte-Mecklenburg. Mecklenburg County – Housing & Homelessness Dashboard.

¹⁰Manu, G., & Garriga, C. (2026). When Houses outrun paychecks: The lost decades of housing affordability. St. Louis Fed On the Economy.

¹¹Airgood-Obrycki, W., Hermann, A., & Wedeen, S. (2025). The rent eats more: Residual income housing cost burdens from 2019-2023. Joint Center for Housing Studies of Harvard University.

¹²Priester, Hoyle & Tice, 2026

¹³Englehart, M. (2025). *Re: 2026 qualified allocation plan* [Comment Letter]. City of Charlotte.

¹⁴Blumenthal, P, Handelman, E., & Tilsley, A. (2016). How affordable housing gets built. Urban Institute.

¹⁵Joint Center for Housing Studies of Harvard University. America’s Rental Housing 2024.

¹⁶Hermann, A. & Whitney, P. (2024). Home Price-to-Income Ratio Reaches Record High. Harvard University Joint Center for Housing Studies.

¹⁷DeSilver, D. (2018, Aug 7). [For most Americans, real wages have barely budged for decades.](#) Pew Research Center.

and local levels over the better part of a century. These decisions systematically shaped who could own property, where housing was built, and who could access the credit needed to buy it. Policies such as racially discriminatory federal mortgage policy¹⁸ and restrictive deed covenants¹⁹ in the 1930s, urban renewal in the 1960s,²⁰ and predatory subprime mortgage lending in the 2000s²¹ all contributed to suppression of homeownership, limits on intergenerational wealth transfer,²² as well as serial forced displacement for Black families.²³ Communities of color have also been systematically denied the same opportunities to earn higher wages and by extension to increase their buying power.²⁴ This has led to the disparate outcomes we see today.²⁵ For example, in Mecklenburg County, white households own their homes at a rate of 68%, compared to 43% of Black households.²⁶ In addition, Black households are more likely to experience homelessness relative to their share of the population.²⁷

The Housing Trust Fund

The City of Charlotte's **Housing Trust Fund (HTF)**, established in 2001, serves as the primary local public funding mechanism for creating and preserving affordable housing in Mecklenburg County, providing gap financing, which fills the "gap" between developer costs and affordable rent, allowing developers to build new affordable units or restore existing ones at a reasonable profit. The Charlotte HTF program is one of at least 132 city housing trust funds across the United States.²⁸ Over the past two decades, Charlotte's HTF has contributed more than \$231.2M

to support the creation and preservation of 11,000+ affordable units in the City of Charlotte, placing it amongst the more productive city funds nationally.^{29,30}

HTF funds often support multi-family housing financed with federally funded **Low-Income Housing Tax Credits (LIHTC)**, which are administered by the North Carolina Housing Finance Agency. LIHTC-financed housing is the primary vehicle the federal government uses to support the construction of affordable multi-family rental housing. Developers receive the tax credits, which help lower construction costs in exchange for offering below-market rents. Federal law requires that LIHTC-funded units remain income-restricted for a minimum of 30 years.³¹ While much of the HTF funds focus on multi-family rental properties, the program supports homeownership efforts as well.

The HTF has been sustained and expanded through a series of voter-approved general obligation bond referenda, demonstrating consistent public support for the City's affordable housing investment. Voters approved \$50M for the program in 2020,³² and again in 2022,³³ followed by \$100M in 2024.^{34,35}

Stable, Long-Term Affordability

The most effective affordable housing programs are structured as long-term commitments, rather than short-term interventions, because the underlying conditions that create housing need, particularly the persistent gap between wages and housing costs, do not resolve quickly. In Charlotte, this gap is substantial and well above the national average.³⁶

¹⁸Thomas, L., Idzikowski, S., Gaines, A., & Lane, J. (2019). The racial wealth gap Charlotte-Mecklenburg. UNC Charlotte Urban Institute.

¹⁹Rose, J. (2010, February 6). Hidden In Old Home Deeds, A Segregationist Past. [National Public Radio](#).

²⁰Hanchett, T. (1998). *Sorting Out the New South City: Race, Class, and Urban Development in Charlotte, 1875-1975*. Chapel Hill: University of North Carolina Press.

²¹Massey, D., & Rugh, J. (2010). Racial segregation and the American foreclosure crisis. *American Sociological Review*, Vol. 75(5), 629-651.

²²Rothstein, R. (2017). *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York: Liveright.

²³Fullilove, M.T. & Wallace, R. (2011). Serial forced displacement in American cities, 1916-2010. *Journal of Urban Health*, Vol. 88(3), 381-389.

²⁴Thomas et al., 2019

²⁵Ibid; Yun, L., Lautz, J., Evangelou, N., Snowden, B., & Dunn, M. (2025). *Snapshot of race and home buying in America*. National Association of Realtors Research Group.

²⁶Thomas et al., 2019

²⁷Priester, Hoyle & Tice, 2026

²⁸Bourret, V. (2025). State & local housing trust fund. National Low Income Housing Coalition.

²⁹National Low Income Housing Coalition. (n.d.). *Charlotte housing trust fund*.

³⁰Bourret, 2025

³¹Hanchett, T. (2025). *Affordable Housing in Charlotte: What One City's History Tells Us About America's Pressing Problem*. Chapel Hill: University of North Carolina Press.

³²Gillis, E. (2020, November 4). 'Tremendous victory': Charlotte voters support affordable housing, road improvements.

³³Shropshire, F. (2022, October 22). \$50M housing bond back on the ballot to tackle Charlotte's population boom. [WCNC](#).

³⁴Portillo, E. (2024, August 15). Charlotte refines affordable housing bond plans. [WFAE](#).

³⁵Graham, K. (2024, November 6). CLT Voters Approve Bonds & More Election Results. [Greater Charlotte Apartment Association](#).

³⁶Colon-Bermudez, et al., 2025

Therefore, **the demand for affordable housing units reflects a long-term need that impacts vulnerable, low income and communities of color disproportionately and is the product of historical structural policies and wage stagnation, as well as current market supply.** The current housing gap in the City of Charlotte will not be resolved without sustained investment, because wages have not kept pace with housing costs, and the private market is disincentivized from producing more affordable housing without public subsidies. As Charlotte continues to grow, sustained investments in affordable housing should be viewed as critical infrastructure, essential to ensuring that the workers who support the City's growth can afford to live in the City they serve.

Understanding the Impact of the Housing Trust Fund

Given the scale of Charlotte's housing challenge and the critical role of public subsidies to bridge the gap between development costs and affordable rents, it is essential to understand how the HTF has performed over time. The research briefs in this series provide the foundation for that pursuit.

Research Briefs:

- **Housing Trust Fund Tenant Data: What data is collected and how to access it** – Contains the results of an inventory to identify what types of data are available about tenants who live in HTF's multi-family, rental properties. The brief identifies a promising source and includes recommendations for maximizing the use of available data resources.
- **Expected Outcomes for Residents of Multi-Family Rental Properties Supported by LIHTC & the Charlotte Housing Trust Fund** – Reviews the existing research literature on outcomes for residents living in LIHTC-supported properties, finding evidence that affordable housing supports housing stability and reduces an individual's cost burden.
- **Financing Affordable Housing through the Charlotte Housing Trust Fund: Impact on Housing Stability at the Neighborhood Level** – Investigates the effect of affordable housing on neighborhoods, comparing outcomes in neighborhoods with HTF-financed properties to similar neighborhoods without them and finding evidence that the presence of HTF properties may improve neighborhood stability.
- **Assessing Level of Access to Public Transit for Charlotte Housing Trust Fund Financed Properties** – Measures transit accessibility for the 82 HTF-financed properties in the City of Charlotte, finding that HTF-properties are slightly less connected to transit than other multifamily units.
- **Examining Supports Beyond Rental Assistance for Residents of Affordable Housing Units** – Examines the literature on support service programs offered to residents of affordable housing units, finding mixed but promising evidence that services such as employment assistance, financial coaching, and health integration can improve earnings, household stability, and health outcomes for residents.
- **Expected Outcomes for Individuals and Families Participating in Homeownership Programs Supported by the Housing Trust Fund** – Reviews the research literature on affordable homeownership programs, finding that multi-component approaches combining financial assistance with long-term affordability mechanisms produce the most durable outcomes for low- and moderate-income homebuyers.



Prepared for the City of Charlotte.