

PPA HOUSING AND TRANSPORTATION COMMITTEE
July 24, 2006

MEETING GOAL: Each PPA committee must identify the top 5 things learned thus far. Each H & T sub-committee will identify top issues and things learned, and then present these for consideration by the entire H & T committee.

H & T members split into their various sub-groups to develop a short list of top issues and things learned.

TOP SIX HOUSING & TRANSPORTATION “LEARNINGS”

- Gentrification, redevelopment and rising property values in older in-town neighborhoods are creating a barrier to affordable housing. Long time residents in these neighborhoods see their property taxes continue to increase while their income does not, and dramatic increases in land value also produce an almost irresistible pressure to sell.
- Serious deficiencies exist in getting information out to the public about existing assistance programs and where to apply for this assistance.
- Working families—those above the poverty level—can’t find homes they can afford to buy (\$80,000 to \$115,000) and the money people get from renting to UGA students pushes the cost of three and four bedroom rentals out of reach.
- Lack of affordable, reliable transportation is a real barrier to escaping poverty, because:
 - Without it, it is impossible to find and retain a steady job;
 - The costs of owning and operating an automobile are prohibitive for those near or below the poverty level;
 - Taxi service is not a viable transportation option for those near or below the poverty level;
 - The Athens Transit System is a vital service that currently does not serve some important areas and public facilities, and needs to require fewer transfers and more efficiency for the working lifestyles of dependent customers.
- Athens lacks transitional, affordable housing that can accommodate and/or support the needs of people with mental illness/drug addictions, disabilities, recent incarceration, and other special populations, and this is a source of much of our homeless population.
- NIMBYism—no one wants affordable housing next to them. This creates real difficulties when trying to address the issue.

AFFORDABLE HOUSING AVAILABILITY SUB-COMMITTEE

The affordable housing availability subcommittee initially discussed the members' homework from the previous meeting. Two members were present who had assignments from the June meeting. These assignments and what they learned are as follows:

- The first of the assignments was to see how other places encourage affordable housing. It was discovered that there are many techniques in use. A couple of these are, (1) charging developers of new residential developments fees to give the governing authority a revenue stream to develop new affordable housing, and (2) requiring a certain percentage of units in new residential developments to be affordable housing. It was also discovered that Athens-Clarke County does none of these types of things.
- The second assignment was to find out about the resources that are available to help tenants with landlord/tenant disputes. The group did discover that there are a resources available but that (1) some of the groups are not located in Athens (Legal Services is in Gainesville) and (2) most of these resources are just advice. In most cases people would still need their own funds to hire a lawyer for a significant situation or represent themselves in less complicated issues.

What We Have Learned

After the assignment update the group identified what they have learned so far during the PPA process. These are listed below:

- There are programs for low-income families but working families making \$35,000 or so who could afford a \$70,000 to \$115,000 home cannot find them in Athens. 3 and 4 bedroom rentals are also overpriced because of the amount landlords can get per bedroom from UGA students.
- Gentrification of older, in-town neighborhoods is pushing low-income people out. As property values rise long term residents cannot afford the taxes on their homes.
- When people who live in public housing go off welfare and get jobs the cost of their housing increases. For families with children this increase can make the housing unaffordable. This situation does not encourage people to find work.
- Many older people cannot afford to keep up their homes. There is a need for volunteers and financial resources to help these people with maintenance.
- There are people in the community that work and could afford house payments but cannot get financing. There is a need for a financing mechanism to help these people.
- There are beneficial programs to help those in need of affordable housing in Athens-Clarke County but many people do not know about the programs or where to go to get help. There is a real need for better communication and publicity about these programs.
- Athens-Clarke County is starting the process to update the comprehensive plan and there needs to be full consideration of the affordable housing issue during this process.
- There is not enough coordination and communication between Athens-Clarke County Departments on issues related to affordable housing.

HOUSING ISSUES FOR SPECIAL POPULATIONS SUB-COMMITTEE

Members of the group reported back from assignments at the last meeting. The discussion is summarized below:

What Is Being Done Elsewhere?

- Visitable (structures built to accommodate those with special needs)/easy to do and doesn't cost that much more.
 - Construction takes into account special needs like wheel chairs, strollers, walkers, etc.
 - At least one entrance at ground level
 - Doors on lower level at least 32 inches wide
 - Bath with chair – “Privacy”
 - A housing professional reports the cost is less than \$500.
 - <http://www.concretechange.org> is a good website for information on construction guidelines and cost estimates for barrier free design in new homes.
 - Three cities—Atlanta, one in Iowa and one out west do it.
- Need program for the elderly and disabled to get property taxes paid.
 - Similar to programs that help with home repair.
- Other needed information
 - How much housing for people that are low income and disabled
 - HED population according to age

People Transitioning from Homelessness

- Emergency, 30 days, 60 unmet
 - Probably low number, women and children.
- Transitional to renter, homeownership
 - Unmet need 90
- Mental health, development, disability
 - Unmet need 90
- 475 homeless, 85 unsheltered—(low estimate)
- Incarceration/mental health disproportionate
 - * great need exists / why?

Without Documentation & Low Income

- No documentation/no bank/no social security number
- No credit to buy house
- Victims of fraud—vulnerable
- Trailer=car (no equity building up)
- Don't change title/sign with afraid of person
- Trailers are in shambles—pre 1980's
- No where to go if the landlord pulls the rug out
- Where are homeless allowed—give them their own piece of land
- Gardens—feel freer
- In apartments it's restrictive, prefer trailers
- People of Hope – Athens

- If people can afford to buy trailer park they should get first dibs (up north it is done this way)
- Example of people coming together to avoid fraud—work through leaders.
- Mexican/from ranches/borrow money among themselves/don't trust police, establishment/no roots, in flux
- Need financial education for high school students
- Need for education.

Housing for the formerly incarcerated

Need more information and research on this issue

General Comments and Additional Needs

- Why are people staying in tent city?
 - Victimized
 - Population swells with weather
 - People carry food there
 - Lot of mental illness
 - No hostels like in Europe –Hostels are a workable idea for Athens
- Seniors with low incomes are seeking alternatives to nursing homes – change zoning? Come together, appropriate size together. Can the zoning be amended to permit older people to live together?
- How is the homeless population counted?
- People need support network/family structure
 - Churches can help
 - Churches need to reach out to those that have needs (across denominations)

What we have learned

- Great need still exists for supporting housing for formerly incarcerated, mentally ill, drug addicted.
- Need more visitability (better access for the disabled to new and remodeled structures).
- Seniors need help paying taxes and fixing up houses
- Poor and undocumented don't qualify for public housing
- Need more creative, supportive community. More collaboration in how we address these issues.
- Need livable spaces/ own their own homes. Gardens not sterile apartments.

HOUSING COSTS SUBCOMMITTEE

In attendance: Heather Benham, Charles Apostolik, Marilyn Appleby, Daniel Bourdua, Jared Harper, Elena Brown, Katie Orlemanski, Milner Ball, Pamela Turner, and Keith Johnson.

Heather Benham passed out handouts and a sign-in sheet to new members of the group. Elena Brown took notes. Heather mentioned that as we listen to our learnings we should think about what we think are the top five things that we've learned that we want to share with the others in the progress report that will be going out to the public.

We started out the meeting by going around and having individuals report back on the research they did since the last meeting.

Are corporations/larger employers helping with working poor/first-time homebuyers? How can they help?

Many communities across the United States are experiencing rapidly increasing housing costs and workers who leave the core of the community to find housing that meets their needs for size, price, and quality of life issues such as schools, shopping, and availability of family activities. For many workers, that means increasing their commuting time to and from work as they leave the city to enter the suburbs. Unfortunately, this is a situation that sets up stress and reduced productivity time for both employers and employees and often reduces employees' availability in emergency situations.

In communities where the cost of housing has increased beyond the affordability of many workers, public or private employers often have selected to aid with the development of partnerships that will provide rental and/or homeownership assistance. Employee Assisted Housing (EAH) programs tend to be linked to major community revitalization programs or as necessary tools for employee recruitment programs. Employers gain by having employees within an easy commuting time as those who take advantage of these programs may now only be a walk or short bus ride away from work. Communities gain by redeveloping neighborhoods and the following increase in property tax rolls, greater interest in public education performance, and redevelopment of businesses in the areas.

Listed below is information about EAH programs established by some public and private sector organizations and some of the dynamics of those communities. It is important to know that, in each case, there is a strong partnership between the public or private entity, several local banks or credit unions, National Historic Trust, Fannie Mae or Freddie Mac (providing funds to lenders for mortgages), a redevelopment or housing organization with financial and management abilities to handle large-scale projects, and, sometimes, labor unions or other employee or community organizations. Private sector employers may gain a tax break for a certain time period by providing these types of programs.

Colleges and Universities

A number of public and private colleges and universities have selected to participate in EAH programs. At universities such as Harvard, Yale, Johns Hopkins, and the University of Pennsylvania, it is obvious that the cost of housing and often the condition of housing in some areas surrounding those schools has made it difficult to recruit and retain workers at all levels.

Many people are pushed out of the local housing market and find affordable housing in surrounding communities. There is usually a good mass transit system that makes the commutes easier to deal with. In addition, in some of these areas, housing may be in extremely dilapidated condition and the university community has initiated the EAH program as a way to aid in the redevelopment of the area. Communities in the Northeast tend to have extremely high housing costs. It is not unusual for a one-bedroom, one bath condo to be sold for more than \$200,000. A home more appropriate for a family would certainly be in the range of \$300,000 - \$400,000. In larger cities in the Northeast, several of the universities are offering EAH programs to all staff members – faculty, professional, administrative, skilled and unskilled workers. Many of these programs allow the staff member to access up to \$15,000, depending upon the cost of the home and the amount of the mortgage. In some areas, matching funds from local or state programs may be matched or combined with the university EAH.

Other college and university communities have made a commitment to aiding in the revitalization of adjacent areas. Jackson State (MS), Syracuse University, the University of Buffalo, Canisus College, Rensselaer Polytechnic Institute, Union College and Ohio State all offer EAH programs to all staff members, including faculty, willing to purchase, and in many cases, renovate homes in target areas. These are communities that once had an industrial base and many of the neighborhoods are now in distress. The average sales prices for homes in the metro area of these communities is in the range of \$85,000 to \$95,000. The EAH of between \$3,000 and \$5,000 is offered to all staff members. The goal of these EAH programs is to revitalize and enhance the city core, increase property values, and, to a degree, add students to a school district.

Mercer University and Hospital in Macon partnered with Historic Macon Foundation, banks, housing redevelopment groups, and local foundations to redevelop the Huguenin Heights area. Mercer offered employees a 5% stipend to purchase in this neighborhood which is near the university. Housing prices for the area tended to be about \$55,000 - \$70,000 in the very beginning of the program. The partnership redeveloped and sold 25 of 85 homes in the area. Mostly private development renovated the remaining homes.

Hospitals

Many university centers with hospitals and large community hospitals have used EAH programs to recruit and retain employees, especially nurses. Most of the programs encourage employees to buy homes in the area surrounding the hospital to reduce commute times, reduce the cost of the housing, and to revitalize neighborhoods. The Metropolitan Planning Council of Chicago partnered with several organizations including unions to develop an EAH program at several area hospitals. Employee salaries had to be less than \$75,400 and they could access \$5,000 in down payment assistance and were also eligible for additional grants through a local bank and state funds to increase down payment funds. Most employees' salaries averaged \$37,000, with household income averaging \$53,000.

Other local corporation started to work with the Council. About 50 corporations now offer an EAH program to employees in the Chicago area. Families who purchase tend to have an average median income of between 80 and 104% of the average median income (AMI for family of 4 is more than \$75,000).

School Districts and Local Governments

Many school districts and local governments in California and the Pacific Northwest have EAH programs to attract and retain teachers, police officers, and firefighters. Usually they are provided with between 3 and 5 percent of the sales price for down payment assistance. There may also be matching funds from other local or state programs that can be utilized for closing costs. The nature of these programs is to use the EAH program to retain good workers in a housing market where prices continue to increase. In some instances, there is a target area that the individual or family must purchase their home.

Several years ago, the Athens Housing Authority developed a program for local police officers. Officers who commit to living in an AHA neighborhood for two years, live rent free and funds are placed into an escrow account for the officer. At the end of the period, the officer uses the escrow as a down payment on a home in Athens Clarke County. To date, one officer purchased a home and two more are participating in the program.

Private Business

Tyson Foods in Rodgers, AR started an EAH program several years ago as a way to retain employees, many from an immigrant population. Working with the Tyson Credit Union, National Credit Union Foundation, Freddie Mac, and a financial counseling organization, Tyson was able to provide up to \$3,000 as a second mortgage. Employees earning less than \$54,500 could qualify for the program for the purchase of a single-family home. The purchase of mobile homes was not eligible for this program because of the depreciation of unit. Tyson was able to help employees with the purchase of a home in an area with limited, often adequate housing.

AFLAC in Columbus Georgia has an EAH in which they partner with Neighborhood Works (NWC) Columbus to offer housing programs to their employees. Columbus also received HOPE VI funds from HUD for redevelopment. The HR person at AFLAC stated that they have offered this program for about six or seven years. AFLAC makes a donation to the not-for-profit NWC to assist with housing counseling and downpayment assistance. For most people who have purchased a home through this program, it takes about five years from starting the housing classes to actually purchasing a home (participants have to continue with the program until house is purchased). The biggest issues to resolve are credit repair, money management and saving money. About four families have purchased homes so far and several families attend housing counseling. All homes must be purchased in a target area. The majority of the homes are less than \$100,000 and most incomes (this is for all people in the NWC program, not just AFLA employees) are between \$14,200 and \$21,200. Most of the mortgage payments are less than \$585.

Private Business – Service Sector

Many communities know that tourism is the big draw to their area. They also know that many service sector employees may be somewhat transient. They move from area to area based on the season or move frequently in their own community to find affordable housing. Many of these individuals prefer a stable rental situation.

The restaurant and hotel workers union in Boston negotiated to have employers donate \$.05 per hour per employer to a fund established by the union. Union employees may access the fund for assistance with security deposit payments and moving expenses.

In recent years, the housing market in Minnesota has been particularly stressed. A general lack of housing with more people moving to the state created a dearth of affordable housing. In areas that have been developed with resorts and casinos, many of the employers committed funds for the development of multifamily affordable housing in the communities where their employees live. Rents are in the affordable housing price range and styles range from apartments to townhouses.

Conclusions

In all of these situations, EAHs have aided the communities with providing housing and often redeveloping a core area.

Some basics of these programs include:

- Criteria for the different programs are similar – length of employment before accessing the EAH; prorating of the second mortgage which is often paid back at the sale of the home; expectation that the employee will stay at least five years.
- Different markets choose to utilize their programs differently to accommodate the community needs. Most of these cities have had extreme housing prices for several years. Many of these cities also offer excellent alternates for people to get around without cars on a daily basis, making the move to an urban area easier. The community infrastructure is in place, making it easier to redevelop areas and also attract businesses.
- Most of the communities researched have larger populations than ACC, especially in their metro areas and have a large swath of suburban area surrounding the cities. In addition, most of these communities have a highly developed mass transit system. For organizations that have used EAHs as a way to revitalize a nearby residential area, some older areas were mainly in designated revitalization zones that the community or development organization had obtained due to blight issues.
- Providing rental assistance in some areas was an important acknowledgment that people first need to stabilize their living situations before considering the purchase of a home.
- The majority of the programs designated the areas families in which families could purchase homes, so choice can be limited.
- Housing counseling was the cornerstone for all of these programs. These programs aid with financial literacy but also allow people to better select what housing choice may be best for them.

Local Thoughts

- Recruitment of qualified staff for hospitals is not much of an issue. Recruitment of qualified staff locally for other kinds of job positions in the community is more of an education/skill level problem.
- Many workers – from university to manufacturing plants, highly skilled to unskilled – try to live outside ACC because of the perception that the schools and school district are not doing enough. Sort of an “any place but here” thinking.

- Many people see ACC as being hemmed in. Some people just prefer to own land, even if their housing choice becomes a mobile home to save expenses.
- Commuting distance and time is still not perceived as a huge problem.
- Issue of employee performance after they have obtained EAH and issues that could be out of employer's control such as layoffs.
- Public arena is helping to create affordable housing and have down payment assistance, but employers realize that there's only so much in the way of funding to initiate programs.
- One employer mentioned that "we are not so far removed from the generations that 'owed my soul to the company store' and wondered if EAHs might be stigmatized. Would EAHs be perceived as a power/control over the employee, especially since there are requirements/benchmarks for housing counseling, etc? Even though the employer is not conducting these type of classes and not administering EAH funds, there may be a perception of the employer having too much info about the employee.

Are rising taxes forcing people out of their homes?

According to Mitch Schrader at the Tax Commissioner's office, there is no general tax freeze to help with the increasing taxes that go along with gentrification, however there is a floating tax exemption that may provide some relief.

Is predatory lending an issue in Athens-Clarke County?

According to Cathi Watkins at East Athens Development Corporation, predatory lending does occur in Athens-Clarke County, but many of those taken advantage of don't realize that they are victims of predatory lending. They have an annual seminar that is not well attended.

What programs assist with upkeep of owner-occupied homes?

Athens-Clarke County Office of Human and Economic Development provides funding for several programs, including ACTION's emergency repair program and Athens-Clarke Heritage Foundation's Hands on Athens. The money for these programs comes from HUD (Housing and Urban Development).

What programs are out there to help with rental assistance?

Essentially, Daniel found out that there are programs to assist, but that currently most of those programs are stressed.

What programs already exist to help lower-income would-be homebuyers?

Athens Housing Authority ACT I Homes – The Athens Housing Authority builds new houses for sale to low-income, first-time homebuyers for sale with monthly payments less than \$700. To date, AHA has completed 11 homes. For more information about ACT I Homes, call the Athens Housing Authority at 706.425.5413.

Athens Land Trust Affordable Housing Program – The Athens Land Trust (ALT) is a nonprofit organization that provides affordable housing for residents of Athens-Clarke County. They have build or renovated eight houses in the Hancock Corridor and East Athens. They currently have three houses for sale ranging in price from \$50,000 to \$72,000. These houses will have payments ranging from \$400 to \$600 at current interest rates. Their goal is to help people buy

homes so that they aren't forced to rent their entire lives. For more information call 706.613.0122.

East Athens Development Corporation (EADC) – EADC builds new houses for sale to low-income buyers. The houses range in price from \$110,000 - \$120,000. They also provide downpayment assistance and housing counseling. More information at 706.208.0048.

Hancock Community Development Corporation (HCDC) – HCDC provides housing counseling to low-income, first-time homebuyers helping them to repair their credit and obtain a mortgage.

Housing and Economic Leadership Partnership (H.E.L.P.) - H.E.L.P. Provides housing counseling services to residents of Athens-Clarke County. They used to be the largest provider of houses for sale to low-income buyers, but in recent years they have focused their attention out of Athens-Clarke County.

People of Hope - People of Hope, Inc. (PoH) is a Georgia non-profit organization, founded by low-income, but resourceful multi-cultural families who have been displaced, sometimes more than once, as mobile home parks have shut down. They are working to create their own resident-owned mobile home park.

Loan Programs are available through the Department of Community Affairs, Bank of America, and several other banks that provide low-interest loans, closing costs grants, and other helpful products to help first-time homebuyers get into homeownership.

Section 8 and the Housing Voucher Programs

Created in 1974 to assist low income families with safe, decent, and affordable housing. In 1977 Georgia Department of Community Affairs (DCA) was assembled to help local governments. Then in 1996, DCA was merged with Georgia Housing and Finance Authority (GHFA).

The office in Athens serves 29 counties in Georgia. As I was told that they have not taken any applications since 2001!!!! The woman that I spoke with had no information available on Clarke county, and referred me to their website.

Major findings

We then discussed what we thought were the major findings of our group:

- Gentrification, redevelopment and rising land values are a barrier to affordable housing.
- Rental assistance is strained
- There are deficiencies in getting information out.
- Perceptions of bad schools keeps some from living in Athens
- People don't make enough to afford rent or mortgage payments in Athens
- Only 60 families in Clarke County are on traditional welfare (TANF)
- There needs to be an educational component that continues on after a first-time homebuyer purchases their home.

TRANSPORTATION SUB-COMMITTEE

The meeting began with presentations by sub-group members who had researched specific transportation issues. Members discussed each topic during the presentations. Note that, other than the topic of transportation for disabled and elderly persons, presentations on specific issues had already been made and documented during a previous meeting, so these comments will be limited to a summary, new information and discussion.

What we've learned

- (1) ATS service gaps adversely affect those living in poverty.
- (2) Cost of car ownership has disproportionately adverse affects on low-income persons.
- (3) Current taxi service model is inadequate.

[A] Transportations for Disabled & Elderly Persons (not previously presented)

Community Transportation for All Georgians (CTAG) is a state-administered federal program designed to meet the transportation needs of disabled persons and seniors within their communities. The program addresses both the actual provision of transportation, and increasing access to transportation through added flexibility in scheduling and longer hours of operation.

Early project newsletters and maps that describe sources of funding for various transportation programs will be made available through the PPA website. Department of Labor Commissioner Thurmond has stated that money is available.

[B] Taxi Service

The current structure of the Athens taxi service is not compatible with the needs of the low-income community. The taxi service is setup to service the student population through the use of vans (move large numbers) and by running time consuming routes to pick up multiple fares. Regulations are minimal and limited mostly to ensuring serviceability of vehicles and a physical home office and dispatcher for each company.

It was suggested that a point-to-point, pay-by-the-mile system could attract greater overall ridership and provide a more efficient, accessible, and affordable service for the low income community.

A point was also raised concerning the use of the Police Department to oversee and regulate the taxi service. It was suggested that another ACC department would be more suitable (e.g., transportation).

Further research on the taxi issue:

- Other kinds of taxi services to see if one of them would be financially viable and better serve the needs of low-income residents

- Alternatives to taxi service, such as ride sharing programs, volunteer drivers, employment-based car sharing.

[C] Athens Transit System (ATS)

Issues with the ATS include route coverage, frequency of stops on current routes, and coordination of schedules for multiple transfer riders. The group noted the recently implemented expanded hours of operation. It was also noted that the ATS recognizes service issues but operates with funding limitations.

The group will continue to research ATS-related issues, such as the match between routes and the locations of service providers, retail providers, low-income residences, etc. We have requested and are awaiting a map showing Transit routes overlaid with housing, services, schools, employers, to help us determine where there are gaps.

One groups member is going to "field test" the flexibility of the ATS in providing customized special-needs services. She must coordinate transportation in order to attend several teacher-parent conferences.

[D] Cost of Car Ownership

The cost of car ownership covers a variety of issues, including the financial ability to purchase a vehicle and expenses for operation, maintenance, and insurance. It cost an average of \$7,834 annually to operate a vehicle. Driving a car consumes a high percentage of resources for low-income persons, and consequently diminishes wealth accumulation. Transportation costs should be considered as part of the cost of housing, because housing can't be truly considered affordable if its location requires exorbitant spending on transportation to work, school, services, etc.

[E] Bicycle Recycling

BikeAthens repairs and donates bikes to low-income and homeless persons. BikeAthens is working with ACC to occupy an unused facility in Dudley Park. The facility would allow BikeAthens to move bicycle recycling operations from an ill-suited storage warehouse to one with climate control and electrical power. This would substantially increase production capacity. BikeAthens also conducts bike repair workshops, as well as bike safety classes. A letter of support from PPA was prepared and delivered to ACC officials.

[F] Other

Pawn shop title loan programs that exploit the poor need to be researched. It was suggested that we recruit law students to conduct research on fair lending legislation and related issues.

A survey of ACC sidewalks had recently been completed by volunteers from the Safe Routes to Schools program. We will ask for a copy.