

**OneAthens Housing Implementation Team**  
**June 26, 2007 – 7-8:30PM**  
**Minutes**

Present from Team: Tom Rodgers (Chair), Heather Benham (Athens Land Trust), Oscar Cardenas (People of Hope), Rick Parker (Athens Housing Authority), Malisa Thompson (GA Dept. of Community Affairs), Wilson Elder (Real Estate Developer), Charles Cofer (Palm House Recovery Center), Patty Freeman-Lynde (Affordable Housing Advocate), Fred Moorman (Real Estate Developer), Andy Herod (ACC Commission), Larry Hill (Habitat for Humanity Board), Alvin Sheats (Hancock Community Development Corporation)

Present from Community: Katie Collins (Palm House), Steve Phillips (Housing Foundation), Howell O'Dillon (Fred's Historic Properties)

Present from Staff: Delene Porter

- I. Tom welcomed everyone and asked the group to introduce themselves.
  - i. Tom asked Steve to give an overview of his plans to create a Housing Foundation.
    - i. Steve said the target would be to move people from homelessness into housing.
    - i. The Foundation would work with clients in existing agencies like IHN and the Homeless Shelter to help with deposits, applications fees, security checks, etc.
    - ii. The Foundation could partner with land lords and possibly subsidize rents until families go settled in and could pay the full rent.
    - iii. The Foundation could also act as a developer in buying land, building homes and helping develop relationships with banks and other developers to get people into housing.
    - iv. The Foundation is not yet in place, but Steve is meeting with a small group to create a Board and look into setting up a non-profit.
    - v. Foundation could possibly protect existing rental by buying it and keeping it affordable.
    - vi. DCA has several programs that might be able to help- Transitional Housing, etc. Malisa will give Steve John Basset's contact information.
    - vii. Updates on Rental/GICH discussions
  - b. Building on our discussion of Rental housing last time, Tom found an article in Savannah's paper urging the city to offer tax breaks to property owners who keep their units affordable. This may be a possible way to get developers and property owners engaged in providing affordable housing.
    - i. Tom also talked about the survey done in Moultrie- they looked at Dilapidated and Substandard housing= Supply, but also studied Demand= how many people, what were they interested in, what was their capacity to rent/purchase

- ii. With this information- the developers knew exactly what to build to- they've gotten a lot of developers to the table
- iii. This study cost \$10,000, but it was also 4 hours away- could be done cheaper for Athens
- iv. Applying for the Georgia Initiative for Community Housing program could include this kind of study
- c. The Team noted a change of date on the minutes and approved the June 12 notes.

II. As requested last time, a sub-committee met to crunch numbers for the feasibility of a Lease Purchase Program. Tom, Delene, Rick, Charlie Gluodenis (AHA), Heather, Alvin, Susan, and Malisa put together a Brief Report of Financial Feasibility Task Force:

- a. Given that DCA Funds require new construction:
 

To build in Athens- House Price	\$130,000
With DCA Developer Subsidy	\$ 20,000
With DCA Owner's Subsidy	<u>\$ 20,000</u>
Mortgage Amount needed to buy	<u>\$ 90,000</u>

At first it looks like a Mortgage Pymt @ 6.5% \$ 577.39

- b. But we know that, to be affordable you have to include
 

Taxes	\$115.00
Insurance	\$ 40.00
Mortgage Insurance	<u>\$ 37.50</u>
Total other expense	\$192.50

Add this to the Mortgage Pymt @ 6.5% \$577.39  
Get Grand Total Payment \$769.89

And you still need Utilities per month \$150.00  
At. 30% affordability total **\$919.89**

- c. To determine how much a family needs to earn to have this payment not overwhelm them we can look at two measures:
  - i. The Mortgage Underwriting will allow the payment minus utilities to be 31% of your income = \$29,802 ( $\$769.89 / .31 \times 12$ )
  - ii. But, by the Federal Definition of no more than 30% of your income can be spent on housing plus utilities for it to be affordable you would have to earn= \$36,796 ( $\$919.89 / .30 \times 12$ )
- d. The Team Concluded:
  - i. Lease/Purchase does not help serve lower incomes than Purchase
  - ii. Lease/Purchase costs more than Purchase – Interest, admin, maintenance, turnover, etc.

- iii. Lease/Purchase main advantage – allows time for occupant to clean credit history while living in the target home
  
- e. The Team made several recommendations that would increase the volume of housing available and clean up credit more productively (the key is credit, down payment assistance is relatively easy to find, income is still difficult though so need to know the price range)
  - i. DCA hold a workshop for local Developers so that they know about all the financing and subsidy programs offered by DCA. This may enable them to produce more affordable housing. It would also give the an opportunity to gage interest in a Demand Study- if the developers would use this information to fill the need
  - ii. Survey City Employees as the potential participants in a demand study. Many fire fighters and teachers can already afford a home, but need to talk to para-pros and janitors.
  - iii. Comprehensive Credit Counseling Program- rather than using DCA financial resources for a lease purchase program, see if DCA will support an expanded Credit Counseling Program that could help more participants over a longer period of time to clean up their credit.
    - 1. The focus would be on strengthening financial health for overall health and would not have to lead to homeownership, but would have positive affects on many things including employment and rent.
    - 2. Marketing is a key to delivery.
    - 3. One-on-one, time intensive and peer-to-peer format will work best.
    - 4. Group discussed surveying the existing Housing Counseling Providers (EADC, Hancock CDC, HELP, ACTION, Cooperative Extension) to see what would help them increase their volume and take a wholistic approach:
      - What does their current program look like?
      - What works and what would they like to change/add to?
      - What is the success rate?
      - What could help them expand their volume of clients improving their credit scores?
  
- f. In addition to talking to Counseling providers, the team is interested in building on the AHA study of how much rental is available at the single family detached and duplex level. This kind of survey would be costly, but we might try to survey property management companies:
  - i. Group recommended inviting Delta, Joiner, Parker and Associates, and Powers
  - ii. Questions would include:
    - How many units they manage
    - The turnover rate
    - Vacancy Rage
    - Rent and Utility costs
    - Their Screening Process for renters
    - Cost of renting (app fee, etc.)

- How we could help them fill/expand the number of affordable units

- III. Team discussed gathering information and creating an overarching Plan/Recommendation of Housing Team.
- Team began with 4 possible products: Apply for GICH, Pilot a DCA Lease Purchase Program, Complete a comprehensive assessment of demand and supply, and Identify strategies to immediately increase affordable housing.
  - The Lease Purchase program may not be best use of resources, but a Comprehensive Housing/Financial Counseling Program and a workshop for Developers are needed.
  - Group needs to talk about what else to move forward on:
    - A group of Affordable Housing Developers Group have been meeting and are working on several recommendations that are in line with the PPA recommendations. A representative from this group will attend next meeting to present their findings.
  - Group discussed the need for transit oriented development and Delene mentioned the work of the Transit Team as well as the other Teams in supporting human development as well. Cross over will occur and places of overlap can be brought to the other teams through Chairs meetings, etc.
- IV. Next meetings are set for Monday, July 16<sup>th</sup> from 7-9pm and Tuesday, July 31<sup>st</sup> from 7-9pm at Fanning.
- Next meeting will cover:
    - Recommendations from the Affordable Housing Developers Group
    - Report from Property Managers
    - Report from Housing/Financial Counseling agencies.

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### **Housing Team Charge:**

**Develop an innovative housing strategy by July 2008 that preserves diverse communities and increases the supply of affordable housing across the continuum of housing needs, from homelessness to rental to homeownership, so that every resident is living in adequate, safe, and affordable housing by 2015.**

Calendar:

Mid-Summer – report progress to PPA Steering Committee

Early-Fall – report to large PPA Community Meeting