

OneAthens Affordable Housing Initiative
Implementation Team Meeting
August 14, 2007
7:00-9:30PM, Fanning Institute

Present from Team: Tom Rodgers (Chair), Heather Benham (Athens Land Trust), Barbara Bacon (EADC), Gabriela Cardenas (People of Hope), Alvin Sheats (Hancock Community Development Corporation), Anne Sweaney (UGA FCS), Larry Hill (Habitat for Humanity), Matt Murphy (ACC-HED), Courtney Davis (Athens Area Homeless Shelter)

Present from Community: Joshua McLaurin (UGA), Charlie Gluodenis (Athens Housing Authority)

Staff: Delene Porter

- I. Tom welcomed the group and made introductions. Team reviewed the minutes from 7/31 and approved them.

- II. Following up from discussion started on 7/31, Matt Murphy discussed the pros and cons of the Rental Assistance Rehab Program Team.
 1. The Manager's Office discontinued the program in 1994 as a result of a HUD review.
 2. To run the program, HED had to conduct an annual review of the units as well as verify that residents met income requirements- this took a lot of oversight and HED did not have enough staff
 3. HED does not currently have the funds to run this program properly- a source other than Federal would need to be found and would be more flexible than the Federal funds
 4. HED has a lot of good programs already in place and those should be supported
 5. This program may make it more difficult to preserve affordable housing in the long run because the funds are used to improve the housing and, once the required time has passed, land lords can raise the rents and evict the low-income residents
 6. Really need to decide who we're trying to help and get the subsidy to them- make it most valuable to people living in poverty
 7. Even those at 80% of AMI and up can't afford rents
 8. Over the course of the program 20-30 units were rehabbed- mostly single apartments, small apartment complexes, or duplexes
 9. HED had a larger staff 16-17 people contracted as building inspectors and contractors

10. Rather than supply subsidy to market rate landlords, consider approaching this through the recommendation of Rehabbing and Reusing existing multifamily by partnering with nonprofit developers
 11. Group decided that reinstating a rental rehab program would not be a recommendation of the Team
- III. At the last meeting the Team discussed the need to define Affordable Housing for people who are unfamiliar with the different variables that determines whether housing is affordable.
1. Tom introduced a definition. (See Appendix B)
 2. Matt pointed out that currently 50% of Athens' renters are paying more than half their income to rent. And, 30% of those are paying even more than half their income. Even if you take out the 18-24 year olds, the numbers are still similar- 40% of Athens' renters are paying more than half their income to rent. And, 25% of those are paying even more than half their income.
 3. The Housing Team's recommendations create a climate for the production and preservation of affordable housing all along the housing continuum. Not sure this team needs to define a target population.
 4. Bottom line is that we have to subsidize and that subsidy has to come from somewhere. For-profit builders build for the median income and above. The 2003 modeled census data puts Athens' median income at \$29,634.
 5. Any definition of Affordable has to be appropriate for the buyer/renter.
- IV. Team agreed to add the allowance of manufactured housing in the Revised Zoning Ordinances and preserving existing manufactured housing parks as part of the Rehab/Reuse Existing Multi Family recommendations. (See Appendix A)
- V. Team discussed creating a coordinated and consolidated effort for housing counseling, credit repair, financial literacy, and foreclosure prevention in ACC.
1. This could provide a 2-3 year program with case management
 2. This could provide group programs in workplaces
 3. Could include a Peer to Peer program
 4. Mentors could also be used
 5. UGA is working on a Financial Counseling center and would be willing to support a community center
 6. There are currently so many agencies, all doing their best, but there could be a more effective and efficient way of serving the clients
 7. Current agencies have few staff that have additional roles in the agency and multiple services they have to provide (Pre- and

Post- Purchase Housing Counseling, Credit Counseling, Financial Literacy, Foreclosure Prevention, Reverse Mortgage, Mortgage Readiness, Default/Delinquency)

8. Macon had one housing counseling agency for the county
9. People now have to call all the agencies- especially with foreclosure prevention- to find the right one and by then they could be another month behind
10. One location- that is neutral and welcoming to everyone- could help
11. One location could also help get more funding because so many agencies are going after a few dollars it becomes political- HUD would continue to fund so many HUD approved agencies (5) in such a small county. Athens has more agencies than Cobb County
12. Why not try something new- if it does not work, we can go back
13. The agencies who do credit counseling should not go away- they provide other services that are need and they have very good housing counselors- just need another way to use the housing counselors we have
14. Credit counseling is not just for low income people- it is supposed to be available to everyone
15. The Family Enrichment team is looking at financial fitness in their center
16. Need to go where people are- in neighborhoods and at places where people work, with at 28% poverty rate we don't want to put the center out of reach or out of people's comfort zone
17. HED used to have a full blown program and used a Washington St. office as a neutral location that did not intimidate people
18. Even if we moved main operations into one building we would still want other outlets to reach people. Could do programs at the library, businesses, churches, Lay and Memorial Park
19. You can get people engaged through a group setting, but don't want that to be the only contact. Eventually you want to have a one on one relationship with a counselor for it to be most effective.
20. Need case managers that can do outreach and have a case load small enough that they have time to follow up.
21. Peer to Peer may be a piece of the solution, but it is hard to develop this relationship even for a professional let alone a volunteer- need to be careful with using volunteer mentors- may not be appropriate for working through someone else's finances and need to know the ins and outs of the system to connect them with other resources.
22. There still is a Housing Counselor at HED even though HED does not provide the service

23. There is a need to connect the Housing Counselors like the Affordable Housing Developers group is doing at monthly roundtable meetings.
24. Counselors do get together, but they do not have the final say- it is up to the agency directors
25. Even if each counselor stayed in their own location, the collaboration and coordination would still need to happen so everyone knows who is doing what
26. Maybe a hotline that could refer people to the right agency would help- just one call
27. Still need outreach events and case managers on a larger scale
28. Sounds a little like Credit Counseling Services of Atlanta- we also have a large need for Spanish language counseling
29. Prevention is hard to sell- also need a marketing campaign so people know what to do and where to go- NeighborWorks foreclosure prevention campaign is a good example
30. Need to convene the groups that are doing counseling and talk about specialization, sharing workload, unified programming- need the E.D.s and HED, not just the counselors
31. There is duplication in the back-office paperwork for all of these grants- grant writing takes up a lot of the counselors' time
32. UGA could also be tapped to help- Housing and Consumer Economics majors and graduate students as well as faculty
33. Can't just throw more money at the problem
34. Habitat for Humanity homeowners might be interested in Peer to Peer program, but there is not one to create the materials or run the program- need some central coordination
35. Have to make investment in people to- HOME money is going into houses that are coming up for foreclosure because there is no one to follow up with them
36. Do we need to look at a leaner operation- less services to less people
37. Who do we really want to serve- the 28%
38. Many underserved populations in town as it is- no case managers currently
39. In the end it comes back to a need for job creation as well- service industry is not enough

VI. The Team agreed to add a recommendation of adding financial literacy to the High School curriculum throughout ACC. (See Appendix A)

VII. Set Next Meeting

APPENDIX A- HOUSING TEAM PRODUCTS (14)

1. Apply for GICH status under the Department of Community Affairs' Georgia Initiative for Community Housing 3 year support program.
2. Develop a comprehensive Credit Counseling/Homebuyer Education Program with local providers and DCA.
3. Complete an assessment of affordable housing demand with local employers.
4. Revise Zoning Ordinance to provide density bonuses for affordable units
 - a. Incentive to include a modest number of affordable units within new developments (need to further define "affordable" and number of units)
 - b. Promotes private developer participation
 - c. Benefits developer by lowering land costs through higher density
 - d. Way to achieve mixed-income
 - e. Allow manufactured housing as in-fill
5. Address Regulatory Obstacles
 - a. Expedited permitting process
 - b. Simplified codes/design guidelines for in-fill
 - i. Set-backs
 - ii. Lot size
 - iii. Parking
 - c. Flexible variance process
 - d. Incentives for private developers to partner with public & non-profit developers
6. ACC In-kind Incentives
 - a. Infrastructure improvements
 - i. Sewer, water, etc
 - ii. Streets, sidewalks, etc.
 - b. Waive Fees
 - i. Inspection fees
 - ii. Permit
 - iii. Plan review
 - iv. Variances
 - v. Water & Sewer taps
7. Reduce Taxes
 - a. Temporary waiver for non-profit developers- when taxes continue to build on undeveloped land as the developer prepares to build, the cost is passed on to the purchaser
 - b. Differential for affordable rental
 - c. Homeowner Property Tax Relief
 - d. Freeze for low-income elderly
 - e. Raise & index Homestead exemption
 - f. Adjust income thresholds
8. Rehab/Reuse Existing Multi-Family
 - a. Lack of available, properly zoned land
 - b. Existing properties are aging and deteriorating
 - c. High vacancies as properties age

- d. Quality of life issues
 - e. Acquisition, rehab & management by non-profits
 - f. Use tax-advantaged financing
 - g. Preserve existing manufactured housing parks
9. Provide Local Funding
- a. Federal funds are flat or shrinking
 - b. Many outside funds require match
 - c. Nationwide more than 300 cities/counties have housing trust funds
 - d. ACC government budget is ~ \$98M
 - e. No ACC funds go to affordable housing
 - f. AHA contributes ~ \$100K /yr in PILOT (payment in lieu of taxes)...which could go to housing
10. Innovative Financing Mechanisms
- a. TAD incentives
 - b. Tax credits
 - c. Tax-exempt bonds
11. Use Shared Equity Strategies
- a. Shared appreciation
 - i. Provide long-term affordability
 - ii. Protects the public investment
 - iii. Proven tool with history in other communities
 - iv. Housing costs rising faster than incomes
 - v. Athens Land Trust
 - vi. Other shared equity models
12. Reuse Abandoned, Vacant & Tax-delinquent Properties
- a. Provides low-cost lots and enhances tax digest
 - b. 160 houses currently on CPD demolition list
 - c. Work with CPD and Tax Commissioner to acquire properties
 - d. Plug loopholes in local ordinance
 - e. Provide real “teeth” for enforcement
 - f. Take action to clear titles to land if appropriate
 - g. Remove hazardous properties even without reuse
13. Employer-assisted Housing
- a. Local government not solely responsible
 - b. Major employers, (hospitals, schools, etc.) suffer from the effects on their employees of a lack of affordable housing
 - c. Can reduce sprawl, commute times and congestion
 - d. Specific employee benefits/perks (not always \$)
 - i. Financial literacy & housing counseling
 - ii. Down-payment assistance, matches, etc.
14. Add financial literacy to the High School curriculum throughout ACC

APPENDIX B- DEFINING AFFORDABLE HOUSING

Workforce Housing, Affordable Housing: What Is It, and What Do We mean?

Ed Phillips, Executive Director of the Home Builders Association of Georgia uses the phrase "Housing Affordable to All Income Levels"

Whatever the term, housing affordability depends on the income of the person seeking and needing decent housing convenient to employment and basic services. For example, the median household income for the state of Georgia is \$42,433. Based on housing expenditure of 30 percent, the average Georgian can afford a rent or mortgage payment of no more than \$1,000 per month. To get the real picture of affordability we need to look at household income of the locale. The median household income for Fayette County is \$71,227. The median family in Fayette County can afford a housing rent or payment of \$1,700 while the median family in Clay County can afford a housing rent or payment of \$500. Since we are talking about the median half the families in each of these two counties earn less than the median household income.

Currently 50% of Athens' renters are paying more than half their income to rent. And, 30% of those are paying even more than half their income. Even if you take out the 18-24 year olds, the numbers are still similar- 40% of Athens' renters are paying more than half their income to rent. And, 25% of those are paying even more than half their income.

I use this example to demonstrate that housing affordability is a moving target based on household income variability, and for tens of thousands of Georgia families, the cost of rent or ownership is a significant burden. To address affordability, we have two choices, lower the cost of the housing or raise the household income. Neither is easy to accomplish.

Perhaps the easier of the two choices is to lower the cost of housing by removing barriers to affordability. The cost of the home can be lowered by lowering the cost of the lot, or lowering the cost of construction. Let's look first at lot cost.

Lot cost is influenced by:

- 1) minimum lot size
- 2) erosion regulations
- 3) impact fees
- 4) utility charges
- 5) zoning applications
- 6) inspection and permit fees

Construction cost is influenced by:

- 1) slow and burdensome permitting
- 2) obsolete building codes
- 3) minimum square footage and setbacks
- 4) lengthy approval process
- 5) slow and burdensome inspections
- 6) subdivision regulations
- 7) utility charges
- 8) bonds escrows and sureties

This list of cost influences is certainly not complete, and not all are significant barriers in most communities, but in some communities the regulation itself or the interpretation of the regulation can add thousands of dollars to the overall cost of the home.

So what can be done? HUD with its "America's Affordable Communities Initiative" encourages local government to examine their regulations related to housing to identify those that unreasonably impact the cost of housing, and to revise or eliminate. Local task forces are recommended. The task force should be representative of those that are impacted by the cost of housing to include local officials, builders and developers, bankers, and realtors.