

OneAthens Affordable Housing Initiative  
Implementation Team Meeting  
July 16, 2007  
7:00-9:30PM, Fanning Institute

Present from Team: Tom Rodgers (Chair), Heather Benham (Athens Land Trust), Gabriela 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), Susan Bogardus (BB&T), Alvin Sheats (Hancock Community Development Corporation), Barbara Bacon (EADC), Anne Sweaney (UGA FCS), Matt Mruphy (ACC HED)

Present from Community: Howell O'Dillon (Fred's Historic Properties), Karin Foster (Power Properties), Ken Parker (Parker and Associates), Cyndi Kelly (Kelly Realty Services), Katie Collins (MSW), Winston Heard (EADC), Nancy Stangle (Athens Land Trust), Corky Warner (Joiner Management), Keith McNeely (ACC HED)

- I. Tom welcomed everyone and went over the 4 products that the Team is working on.

**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.

**Housing Team Products:**

1. Apply for GIGH 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 a comprehensive assessment of affordable housing demand and supply for both owner occupied and rental housing.
4. Identify strategies to immediately increase affordable housing supply.

**Ground Rules**

1. Start on Time and End on Time.
2. Keep an open mind.
3. Discussion must remain on the initiative being discussed.
4. Be respectful of one another, which includes not talking over each other.
5. No personal attacks – no personal agendas.
6. Our meetings are open to the public; everyone is welcome to attend.
7. Only team members will be allowed to participate in the discussion during the meeting.
8. Public comments and input related to items on the agenda will be welcome during the last 15 minutes of the meeting.

- II. Team approved the minutes and made introductions.

- III. Tom introduced conversation with Rental Property Managers. The Athens Housing Authority's study examined apartment complexes with more than 24 units. The Team needs more information about smaller apartment complexes, duplexes, and stand alone single

family houses. It is also learning about the rental market, prices, vacancy rate, and criteria required to rent.

- Ken Parker, Parker and Associates
  - Cyndi Kelly, Kelly Properties
  - Karin Foster, Power Properties
  - Corky Warner, Joiner Management
- A. Parker and Associates manages 900 units, mostly condos, and 850 are student.
  - B. Power Properties has more units for low-income renters. Rents starting at \$350 per month, but the trouble they have is qualifying people. They require a deposit of \$400 and do an income and credit check. Power Partners has 1265 units spread over 27 properties between \$350-\$1050. 90% are in ACC. Market rent is \$425 for two bedroom, \$570 is cheapest 3 bedroom, other 3 bedroom are \$725, high occupancy rate. Karin felt that there is affordable housing out there that is vacant, but need to have income and credit. Power has a constant turn over since all of the leases begin at different times- 35-50 units per month, 250 at end of July. 60-70% are non student.
  - C. Parker and Associates have 3 and 4 bedrooms that are vacant costing \$800-900 for 4 bedrooms and \$750 or \$800 for 3 bedrooms. They manager a lot of properties with many owners- 500 owners with an average of 5% vacancy, but have some owners who are 100% vacant. Mostly student.
  - D. Kelly Properties has 320 units, 310 are in ACC and she does more single family homes- have about 41 duplexes, concentrated in 2 areas but all over average rent is \$775 between 1-5 bedrooms. Most are 3 bedroom. 75% are non student.
  - E. Joiner Management has 450 units in 13 communities, no stand alone houses, all complexes, all one or 2 bedrooms, 7 have 3 bedrooms and they are condos. Their properties are 90% student. Some of the town homes are 1600 square feet, built for families, but converted to student housing. Part of problem is we have 3 bedrooms that we can't rent to 3 people- had to get students to stick together, but that is what the rent requires. Infill of cottages is attracting the student market away from condos/apartments. Can't give away a 4 bedroom apartments, everyone is interested in getting a house- large investors out of California buy the houses- like ones on Milledge and can charge \$500 a bedroom. Kids are looking for one bathroom per bedroom. Location for students does not seem as important as it used to be. Prices have come down on some other houses- not a tight market.
  - F. If you're looking for affordable housing, we have it, but we turn a lot away due to credit problems. Kelly and Power, that do the most family properties, both work with clients- work with Guarantors, sometimes take 1<sup>st</sup> and last month rent, don't just look at credit score, but analyze credit report and don't count medical or student loans, weigh against employment history and recommendation from previous landlord, and use gut to determination.
  - G. Most evictions are for nonpayment. Very hard to evict people- 3months in the whole and have to make repairs to turn it again- Power and Kelly do have to take people to court.
  - H. Kelly has all different types of renters depending on the community- single moms, men, professionals- depends on price and location. Duplexes attract single mom with kids because you don't have to deal with the lawn, single houses seem to be younger families. Duplexes start at \$400 a month up to \$525 (lawn and trash)
  - I. Parker has some 2 bedrooms for \$900 a month near campus, can find one friend but not 2. High turnover in 3 or 4 bedroom, but 40% renewal rate in 2 bedroom.
  - J. Have over 31,000 jobs in Athens that pay less than \$25,000 per year. (See Appendix A) Where are people staying? Many guess that there are more people in a unit than they've

- said on the lease. Many younger moms are living with their parents- trying to move out on their own, but with a job at McDonald's they can't afford a house.
- K. Have to be careful about renting above people's ability to pay- don't want to contribute to them getting into debt when they can't afford it. Use the 3 times the rent plus 100\$ is the gross income they need to take their application.
  - L. How many people to you turn down- more than they qualify. Social Security Benefits- \$660 a month can't pay.
  - M. If you have to turn them down- most give them a list of places that can get help- Section 8, GRFA.
  - N. Owners and managers don't understand how GRFA works. It's a complicated program- you now sign lease with tenant and GRFA takes care of it but does not pay for broken things. They'll come through and do an inspection and tell you have to fix it up. And if you don't have an internal maintenance crew, you have to fix things expensively or they stop paying and then, once you've fixed it, pay takes paperwork. Reviewers use Federal standards- pass red tape to land lord- DCA does not run program standards. Does not differentiate between customer abuse and something the landlord has to fix.
  - O. Kelly has 24 Section 8 units, and has learned how to do it, have relationship with a case-worker, but it is time consuming.
  - P. There are units available at \$400-\$420, One bedroom \$395 bottom, \$350 for an efficiency, Duplexes start at \$400 and \$425- gas heat and gas hot water- expensive have to pay year round and requires extra deposit- changing them out is a big investment on a low-income- Credit score determines rate you get- most go with Scana- GA Natural gas- SCANA \$150 deposit, and gas rate is determined by, Hook up GA Power 22\$ if your credit is good but iffy or non-existent- up to \$100-150 will put some towards bills, Water- charge \$40 for hook up- apartments usually include water, if duplexes tenant pays water and trash
  - Q. Need to control the whole community, fragmented ownership, can tell when they don't include the grass and the trash in the rent.
  - R. Code enforcement is needed- but they'll "go out and do" to a certain point, other owners don't care and will pay the fine, enforcement is not reliable, not even enforcement- look for changes in property records
  - S. Is there a Systemic poverty penalty- poor credit- higher deposits, higher hook up rates for utilities
  - T. Is there a supply and demand issue or is it a credit problem- there is housing to house everyone, but they need credit counseling
  - U. It comes down to education- K-12- on fiscal responsibility and what it means to have deposits and down-payments, before the kids have had opportunity to lead own life the parents have taken out credit cards or utilities in their names
  - V. Apartment Association may have some demographics on units in town. 2004- 82% occupancy for county wide. Have to pay per unit to join. Aimed at large owners- flat fee per unit.
  - W. To get people in a home, how many months of continuous pay would you like to see- last two months rent or first two months on a renewal year, if you can come up with cash you'll get them in- can't use hold money if you miss a rent. If they're working with some agency standing behind them- I would take 3 or 4 months- Parker. If there is someone else to call- a case worker- to help that would be helpful. Power works with Advantage and others, Athens Pregnancy Center, willing to work with people.

X. What would be number one barrier you'd like to see removed- what would help the most- Credit counseling, Enforcement issue- unrelated party doesn't make sense there is inconsistent enforcement- nit picky enforcement

IV. Rick Parker presented the recommendations from the Affordable Housing Developers Group (HED, ALT, EADC, Habitat for Humanity, Athens Housing Authority).

- a. They've been looking for ways to cooperate, establish guiding principles, identifying problems and barriers (both local and national issues), and are working on a paper to inform and shape local debate using the Center for Housing Policy model to create an ACC product (national model identifies 22 barriers in 6 strategy areas)
- b. Group asked 5 key questions for ACC
  - A. Who are we trying to help?
  - B. Who pays?
  - C. Who does the job?
  - D. Are we willing to work together?
  - E. Are we willing to accept our neighbors?
- c. Guiding Principles
  - A. Non-profit developers are government's partners
  - B. Community must identify target populations
  - C. Dispersal of affordable housing throughout our community
  - D. Both rental & homeownership are important
  - E. Non-federal money/funding is essential
  - F. Local commitment and initiative
  - G. Utilize a tiered layer of strategies
- d. Center for Housing Policy Model
  - A. National "blue ribbon" think tank
  - B. Identified 22 high impact solutions at work in local & state governments across USA
    1. Expand availability of sites
    2. Reduce red tape
    3. Harness power of strong markets
    4. Generate additional capital
    5. Preserve and recycle resources
    6. Empower Residents
    7. [http://www.nhc.org/pdf/pub\\_hwf\\_solutions\\_01\\_07.pdf](http://www.nhc.org/pdf/pub_hwf_solutions_01_07.pdf)
- e. Local Housing Policy Recommendations
  - A. Revise Zoning Policies
    1. Revise Zoning Ordinance to provide density bonuses for affordable units
      - a. Incentive to include a modest number of affordable units within new developments
      - b. Promotes private developer participation
      - c. Benefits developer by lowering land costs through higher density
      - d. Way to achieve mixed-income
    2. 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
- 3. 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
- 4. Reduce Taxes
  - a. Temporary waiver for non-profit developers
  - 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
- 5. 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
- 6. 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...which could go to housing
- 7. Innovative Financing Mechanisms
  - a. TAD incentives
  - b. Tax credits
  - c. Tax-exempt bonds
- 8. 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
- 9. 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
10. 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.
11. Identify specific, local positive factors
12. Enlightened self-interest

- f. Could OneAthens supply the support and pressure to fund these things...
- g. \$100K every year goes from AHA into the general fund could begin financing a dedicated funding source
- h. But, if Affordable housing is a priority, then some of the ACC budget needs to be invested
- i. Southbend Indiana- similar population- has model program building new homes using condemned properties
- j. Need to not forget that we must put the focus on building people- rental managers just said main problem is credit and income.
- k. This Team could adopt these 10 for OneAthens Team strategy plus investment in people through Credit Counseling, but is it needed- managers think there is enough housing- More affordable housing is needed!
  - A. Need to consider that the market is bad now, but when the market swings we’ll be back to where we started- they were speaking to rental
  - B. Still a need for homeownership
  - C. Also, didn’t discuss the quality of the units
  - D. And, also many of their units are smaller the affordable were too small for families
  - E. \$420 plus \$100 in utility- \$20800 per year (\$10 an hour)
  - F. \$450, first month, and last month rent, \$150 gas, \$225 deposit- \$17,075 just to get in to a rental (GA power will go up to \$300- \$2075 for a rental)

- V. Conversation with the Housing and Financial Education agencies
- Alvin Sheats, Hancock Community Development Corporation
  - Barbara Bacon and Winston Heard, EADC
  - Sandra Cunningham, ACTION
- a. Hancock CDC- Brought in examples of a rental charging \$1300 a month and a sale asking \$289,000 in the Hancock neighborhood- A change in state policy in 2000 made it possible for communities to rezone their entire county all at once. The put minority and low-income communities in Athens at risk for gentrification.

- A. Doing credit counseling and families realize they can't afford a home locally, have to move to another county. Fear that improving quality of life will reduce their affordability. \
- B. Families can afford about \$500 per month without utilities, but still have trouble. May do 10 people a month.
- C. Dealing with hopelessness. HCDC has multiple programs (credit, financial, housing pre and post counseling).
- D. All the employees have multiple hats- 2 paid people and 5 volunteers, paid mostly by CDBG funds.
- E. HCDC sees 55-60 clients per year, new Econ Development Op program begin July 1, working with local businesses in Hancock with jobs.
- b. EADC- does housing programs and micro enterprise. Sometimes have overflow of people since people need training in both.
  - A. Housing program has been successful, but could be more successful- limited funds for counseling. Funded to target East Athens, but have a hard time serving residents from rest of county. Focusing on homeownership, but found that it isn't affordable for everyone.
  - B. Credit is major for rental and purchase, even for employment. Focused on financial fitness, had to look outside CDBG, collaborate with partners (AHA, ALT, HfH). Try to get other grants which takes away from counselors time doing the counseling (like HUD) they have requirements as well.
  - C. Have limited staff doing some of the same things with little money and trying to figure out what is effect and what is really being done- wearing so many hats, that if you get a referral for financial literacy but you're working on Foreclosure prevention, people don't get served. EADC is supposed to be counseling anyone not just low income (HUD requirements).
  - D. To deal with the fragmentation, ACC needs to work with the people in need and enhance counseling programs. ACC has 3 agencies with between 1 and 3 people and all doing multiple things at same time.
  - E. Case management is needed- EADC seeing 30 people a week, once a month class 50-75 people, have to work with them individually so leave workshop and go one-on-one and have to stay with them for a long time- a year or two. So have follow-ups and new people.
  - F. Have agencies coordinate and need more funding to grow capacity. Not just first time homebuyers, but really need to start dealing with foreclosure prevention. EADC is starting to see more and more foreclosures. And, need to catch some of our youth so catch them before. Educate early on. Seeing many elderly dealing with predatory lending.
- c. Difficult to get into the Schools for youth education- Susan Bogardus teaches financial literacy at Prince Avenue high school, but there are more lenders who want to volunteer but can't get them into the High Schools. Need to open the doors to get into the other schools. Runs course for whole semester and brings in HR professionals and they fill out applications and do interviews the FDIC is 10 modules- better with an instructor- could be done in 10 weeks or less. Once a week for 1 hour- had 12 students last year, then 26 this year. Also an Economics Group in GA is mandating a financial fitness curriculum in the schools. Can't get in the schools. Georgia REAL- entrepreneurship and economic development and jobs- in two middle schools but not in rest.
- d. ACTION- similar to EADC, does more foreclosure counseling. Last month did 38 foreclosure preventions- only 2 seniors- only 1 had to get. Getting some early- 1

- payment behind, but some are \$10,000 behind. If people are better educated about exactly where they are, what their options are, and where they can get the resources are is key. With Hickam- can't leave to their children.
- e. Is it a capacity problem versus a utilization problem- all could use more help.
  - f. Atlanta is in top 10 in nation for foreclosures. Susan could figure out how many in ACC per month. ACC is high in risky loans.
  - g. Excited that private sector wants to get involved

**VI. Next Meetings: Tuesday, July 31<sup>st</sup>, 7-9pm and Tuesday, August 14<sup>th</sup> 7-9pm, both at the Fanning Institute. We'll begin drafting the Housing Team strategy and discuss how to present the strategy to PPA and co-conveners for support.**



Appendix A: Wage Data

ATHENS GEORGIA

U.S. DEPT. OF LABOR MAY 2006 WAGE ESTIMATES

JOB TITLE	NUMBER EMPLOYED	YEARLY MEDIAN WAGE
TEACHER ASSISTANTS	1,350	16,870
PHARMACY TECHS	200	23,200
HEALTHCARE SUPPORT	1,570	22,790
SECURITY GUARDS	310	22,700
FOOD PREPARATION	7,190	16,920
BUILD. GROUNDS MAINT.	2,400	20,920
PERSONAL CARE	1,580	20,820
CASHIERS	1,940	16,000
RETAIL SALES	2,910	22,060
TELEMARKETERS	880	20,420
BANK TELLERS	410	23,200
SWITCHBOARD OPERATORS	100	19,500
RECEPTIONIST	590	22,900
STOCK CLERKS	910	20,300
SECRETARIES	1,740	24,800
OFFICE CLERKS	2,120	18,890
CONSTRUCTION LABORERS	350	23,300
TIRE REPAIRERS	130	23,600
INSTALLATION HELPERS	140	20,600
WELDERS CUTTERS	120	23,700
LAUNDRY	180	15,000
PACKAGING	240	19,900
PRODUCTION WORKERS	230	20,800
TRANSPORTATION	4,300	24,200
TOTAL	31,890 JOBS	PAYING LESS THAN \$25,000