

The background of the slide is a high-angle, aerial photograph of the city of Athens, Georgia. The city is built on a hillside, with numerous buildings of varying heights and architectural styles. A major road or river cuts through the city, creating a central axis. The sky is a warm, golden-orange color, suggesting a sunset or sunrise. The foreground is dominated by the city's urban landscape, while the background shows the surrounding green hills and forests.

HR&A +



# Athens-Clarke County's Affordable Housing Investment Strategy

## Community Meeting

April 2023

# Agenda

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Aerial view of a city at sunset with a large blue vertical bar and the number 01.

01

# Introduction

[Introduction](#) | [Welcome](#)

HR&A has been holding a series of conversations with the Advisory Committee to develop the Affordable Housing Investment Strategy.



## Introduction | Meeting Context

ACCGov, with the support of HR&A Advisors, is developing an Affordable Housing Investment Strategy for Athens-Clarke County.

The Strategy will:



### **Evaluate housing needs**

How has housing need changed in Athens-Clarke County (ACC) over the last decade? Why?  
What housing options – rental and ownership – are available in ACC?



### **Analyze existing programs and policies**

What existing housing programs and policies in ACC addressing housing affordability?



### **Recommend strategic investments and policies for greater impact**

What new or expanded tools can help fill unmet housing need and build equity for a broad range of residents?

## Introduction | Today's Purpose

The purpose of today's session is to gather feedback on HR&A's research of housing needs and on proposed tools to address housing unaffordability in Athens-Clarke County.

1

### **Understanding Housing Needs**

- Present findings from HR&A's Housing Needs Assessment
- Share feedback to answer the following questions:
  - What do you see as the major housing issues facing Athens-Clarke County?
  - What issues should Athens-Clarke County prioritize in its Affordable Housing Investment Strategy?

2

### **Developing Housing Priorities and Tools**

- Present a list of preliminary priorities and tools
- Share feedback to answer the following question:
  - Which of these tools would best address Athens-Clarke's housing challenges?

A dark, semi-transparent overlay covers the background, which is an aerial photograph of a city at sunset. The sky is a gradient of orange, yellow, and blue. In the foreground, there's a vertical blue bar on the left side. The text '02' is in large, white, sans-serif font, and 'Housing Needs' is in a slightly smaller white font below it.

02

## Housing Needs

## Housing Needs | Definitions

Before beginning the presentation, we will define important terms that will come up in our discussion.



### Affordable Housing

A household lives in “Affordable Housing” if the **building is subsidized through local, state, or federal subsidy**. This includes the Low-Income Housing Tax Credit (LIHTC) program and Public Housing, among others.

A household can live in “Affordable Housing” and still be cost burdened.



### Affordable to a Household: Cost Burden

Housing is considered “affordable” when the **household spends 30% or less of its income on gross housing costs**, whether for renter or ownership housing.\*

Housing cost burden is defined by the cost of housing *relative to incomes*.

## Housing Needs | Overview

ACC has three primary housing challenges: lack of quality affordable rental homes and support for homeownership, and a modest affordable housing delivery system.



**Lack of quality, affordable rental homes**  
for low- and moderate-income households



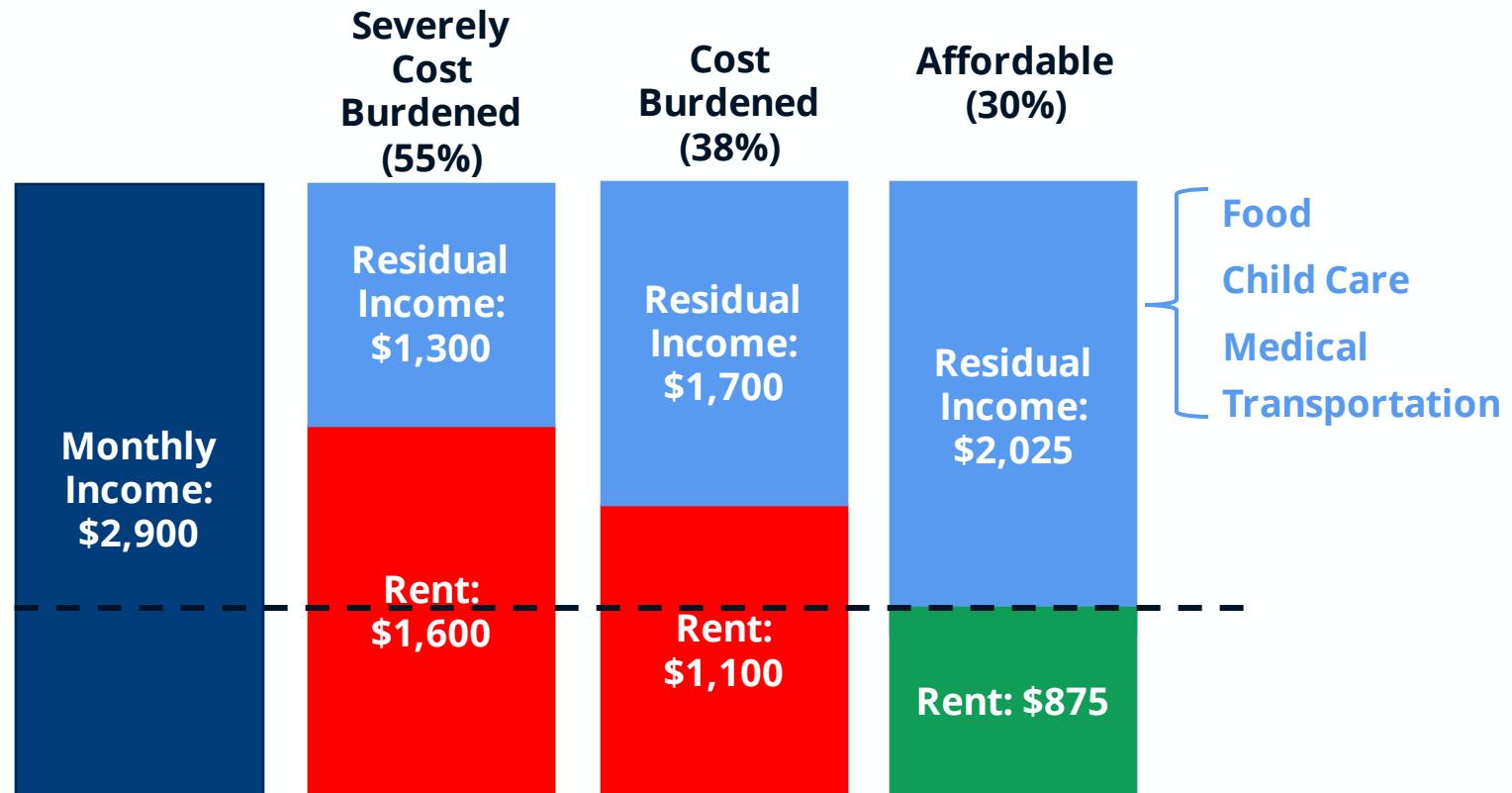
**Lack of support for homeownership** for existing and potential homeowners



**Limited funding and local capacity** for affordable housing development and management

## Housing Needs | Rental Affordability

The 11,000 renter households in Athens-Clarke County who earn \$35,000 or less annually, can only afford to pay \$875 a month for rent and utilities.



### Discussion:

- *Has your rent increased in the last 5 years? By how much?*
- *How have rising rents impacted you?*
- *How much do you spend on rent (absolute number, or as a percentage of income)?*

**Residual Income:** The amount of money a household has to spend on necessities after paying for housing

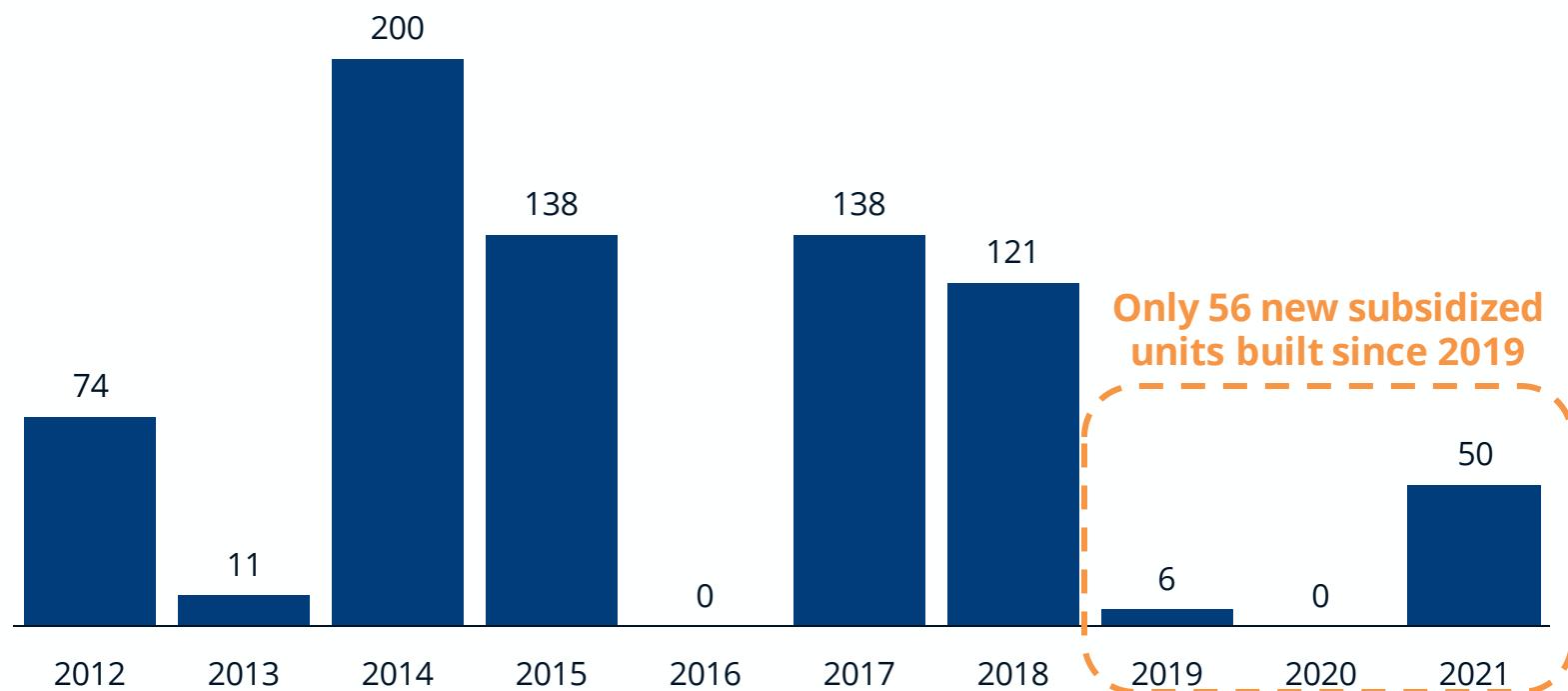
**Cost burden:** When a household spends more than 30% of its gross income on housing costs

**Severely cost burdened:** When a household spends more than 50% of its gross income on housing costs.

## Housing Needs | Rental Affordability

In the last decade, ACC has not produced enough subsidized affordable housing to match need.

### SUBSIDIZED UNIT PRODUCTION (2012-2022)



Source(s): National Housing Preservation Database, 2022

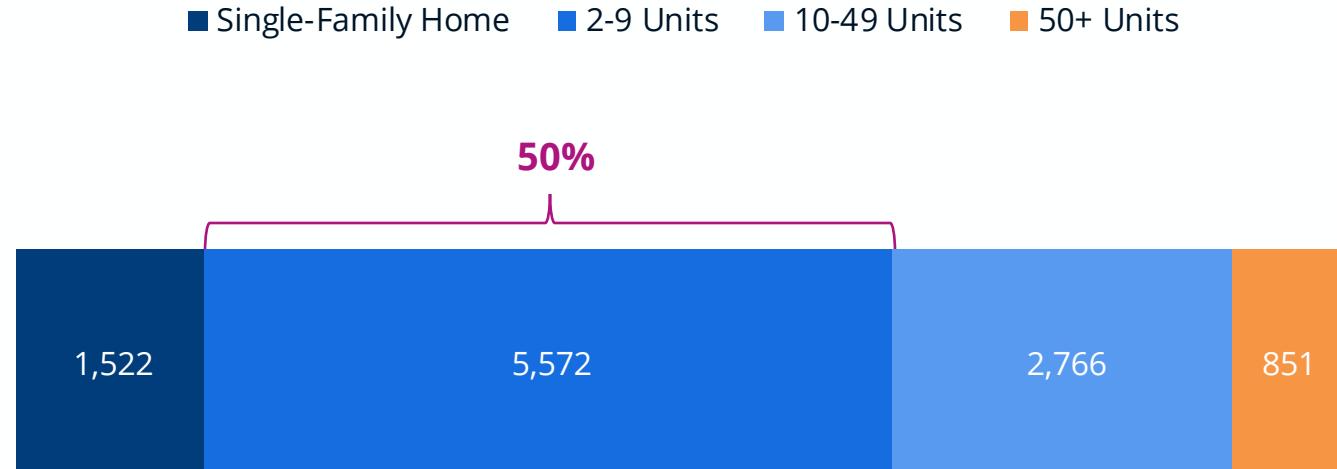
#### Discussion:

- *What has been your experience trying to access subsidized housing?*
- *Did your previously subsidized housing convert to market-rate? Did rents increase?*
- *Are you able to access other affordable housing resources such as rental assistance?*

## Housing Needs | Market Pressure on NOAH Stock

Older multifamily buildings form the bulk of **Naturally-Occurring Affordable Housing (NOAH)** in ACC. However, investment activity might be putting NOAH at risk.

### UNITS BUILT BETWEEN 1960 AND 1999 WITH RENTS UNDER \$875 BY TYPOLOGY (2020)



#### Discussion:

- *Where is NOAH in your community? What does it look like? Who owns it?*
- *Have you observed or experienced NOAH being bought and resold at higher prices?*
- *Have you observed or experienced displacement or risk of displacement?*

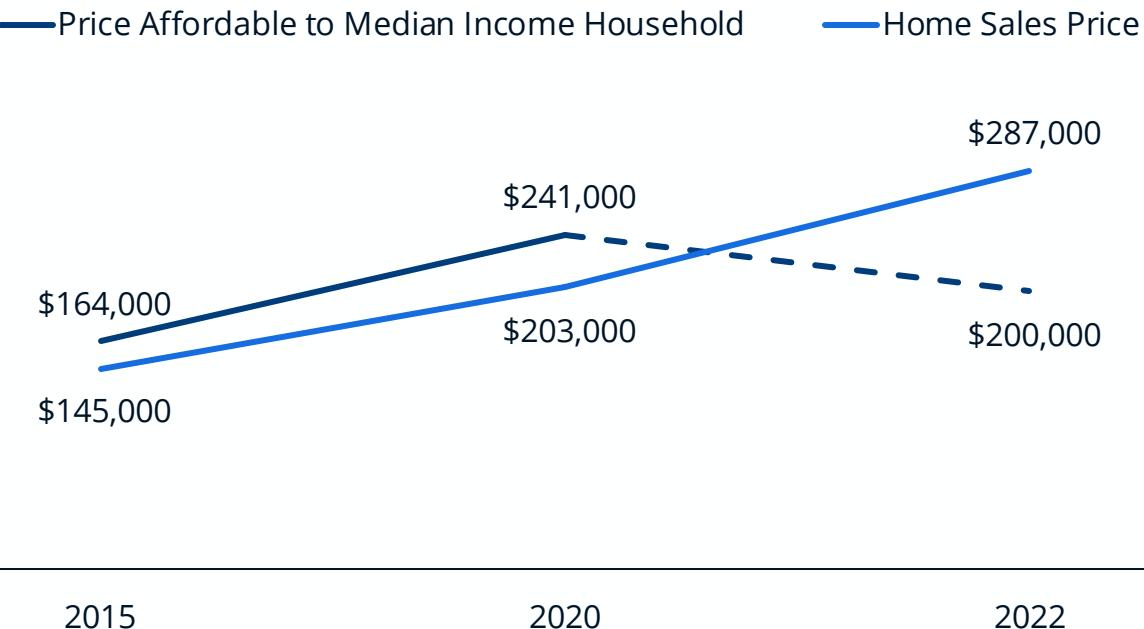
**Note:** Excludes on-campus student housing, which is counted as "group quarters" per the Census.

**Source(s):** ACS 2020 5-year estimates

## Housing Needs | Access to Homeownership

Home sales prices increased steadily from 2012 until the COVID-19 pandemic after which prices have increased significantly.

### HOME SALES PRICE (2010-2021)



**Note:** Assumes incomes continue to increase at the same rate they did from 2015 to 2020. The affordable price to the median income households in 2022 assumes a 6% interest rate. Excludes students.

**Source(s):** ACS 2015-2020 5-year estimates,  
Zillow, HR&A Analysis

### Discussion:

- *How have rising home prices impacted you?*
- *Have high home prices prevented you from becoming a homeowner?*
- *Has this raised your owned property's assessed value/property taxes?*

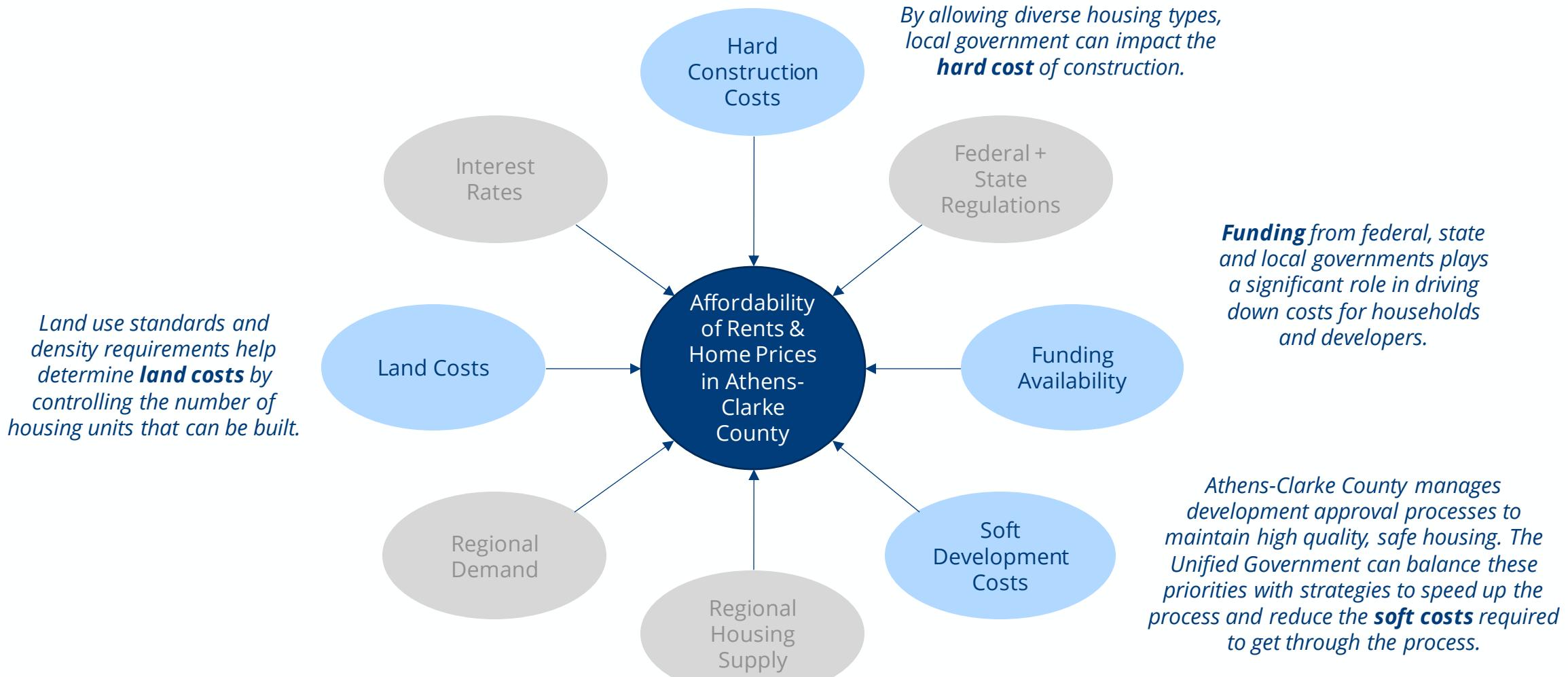
The background of the slide is a dark, semi-transparent aerial photograph of a city at sunset. The sky is a gradient of orange, yellow, and blue. In the foreground, there are several buildings of various heights and architectural styles, including a prominent yellow building on the left and a large white building on the right. A vertical blue bar is positioned on the left side of the slide, containing the number '03'.

03

## Housing Tools

## Housing Tools | Role of Local Government

ACCGov can impact housing affordability through funding and regulatory mechanisms.



## Housing Tools | Proposed Tools for Athens-Clarke County

HR&A is exploring new and improved tools to address the key housing needs in ACC.

### KEY HOUSING NEEDS

#### **Affordable Housing Systems**

ACC's affordable housing system is constrained by limited public funding and the lack of strong regional partners.

#### **Rental Affordability**

Rental housing is increasingly out of reach for low- and moderate-income households.

#### **Support for Homeownership**

ACC's homeownership challenges are about both the ability to access homeownership and the ability to sustain it.

### POTENTIAL TOOLS

#### **Expand and Sustain Funding**

- Housing (Trust) Fund

#### **Develop More Subsidized Rental Homes**

- Gap Financing for New LIHTC Development
- Redevelopment of Public Housing into Mixed-Income
- Public Land Disposition

#### **Limit the Rate of Rent Increases**

- Preservation Fund

#### **Make Access to Mortgage Financing More Equitable**

- Down Payment Assistance
- Local Mortgage Pool

#### **Increase the Supply of Move-In Ready Homes**

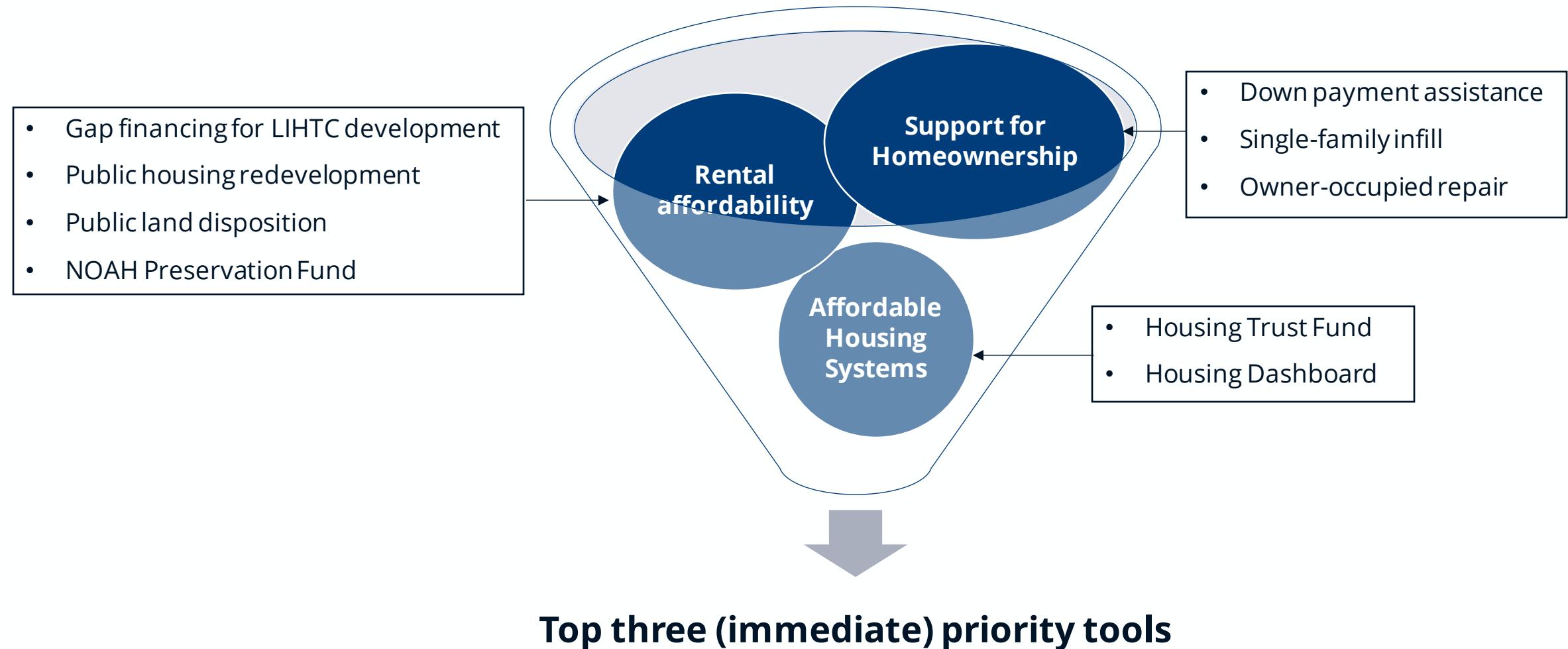
- Single-family Rehabilitation and Infill

#### **Support for Lower-Income Homeowners**

- Owner-Occupied Repair

## Housing Tools | Prioritization of Tools

Based on a detailed evaluation and stakeholder feedback, HR&A will prioritize tools to develop recommendations around.



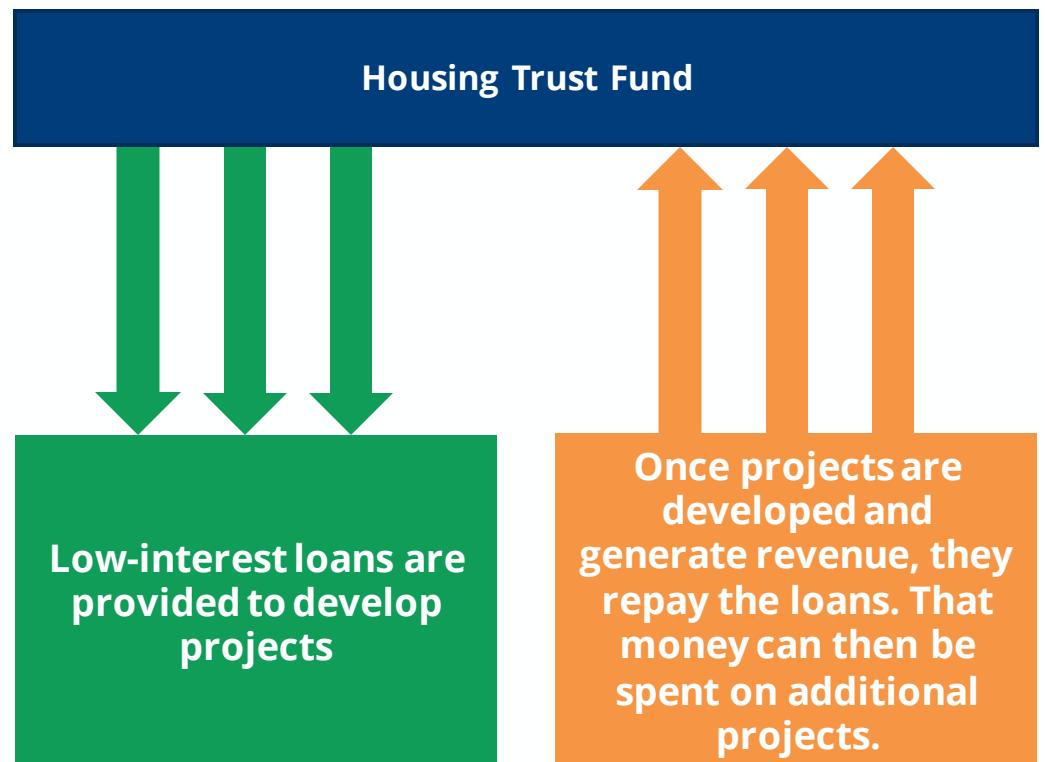
## Housing Tools | Affordable Housing Systems

The following tool can help build and sustain a robust ecosystem to foster the development of affordable housing.

### Local Housing Fund

A housing fund is the primary way for local jurisdictions to support housing in their community, by dedicating money towards a range of local housing programs.

- A Housing Fund can **support local housing goals** including:
  - Single-family homeownership;
  - Multifamily new development and preservation;
  - Affordable housing development; or
  - Other community housing needs.
- Housing Funds across the country **leverage up to \$10 of other federal, private, and philanthropic funding for each \$1 of financing** supporting a project.



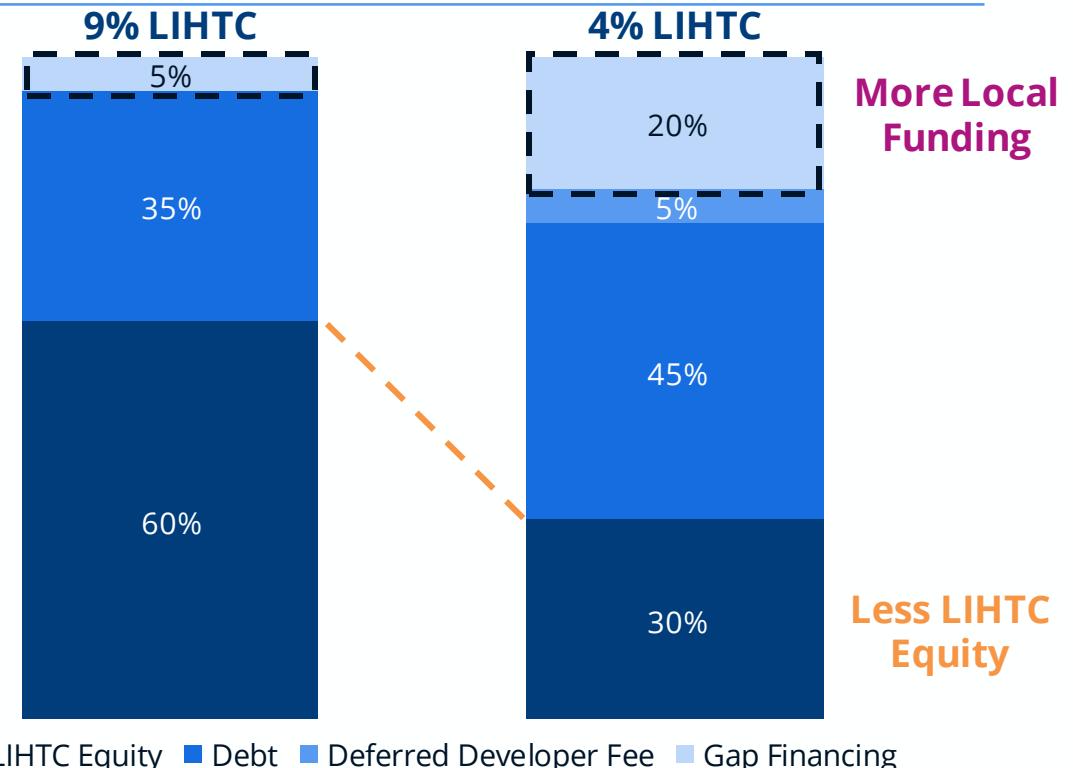
## Housing Tools | Rental Affordability

The following tool can help support the provision and upkeep of affordable rental housing in Athens-Clarke County.

### Gap Financing for New Low-Income Housing Tax Credit (LIHTC) Development

Low-interest loans or grants to bridge the gap between the cost of LIHTC development and the funding sources available through typical sources including LIHTC equity, developer contributions, and the traditional debt that can be supported by rental income.

- LIHTC creates approximately **90%** of all new affordable housing nationwide
- **Leverages public dollars** in the form of credits on federal income taxes in **exchange for investments** in the construction or preservation of affordable housing
- **Providing local gap financing will better position the ACC to win LIHTC awards and develop new affordable rental homes.**



## Housing Tools | Rental Affordability

There are additional tools that can help support the provision and upkeep of affordable rental housing in Athens-Clarke County.

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### **Redevelopment of Public Housing Into Mixed-Income**

Modernization of public housing, generally deploying public-private partnerships and including construction of market-rate housing, retail and community spaces to subsidize public housing.

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### **Public Land Disposition**

Disposition of publicly owned sites to support affordable housing development either by discounting the sale price of land or providing funding through proceeds from land sales to increase production of affordable housing.

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### **Preservation Fund**

A dedicated pool of capital used to acquire existing market-rate or subsidized affordable housing in order to preserve affordability and housing quality.

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## Housing Tools | Support for Homeownership

The following tool can help support existing and prospective low- and moderate-income homeowners in Athens-Clarke County.

### Down Payment Assistance

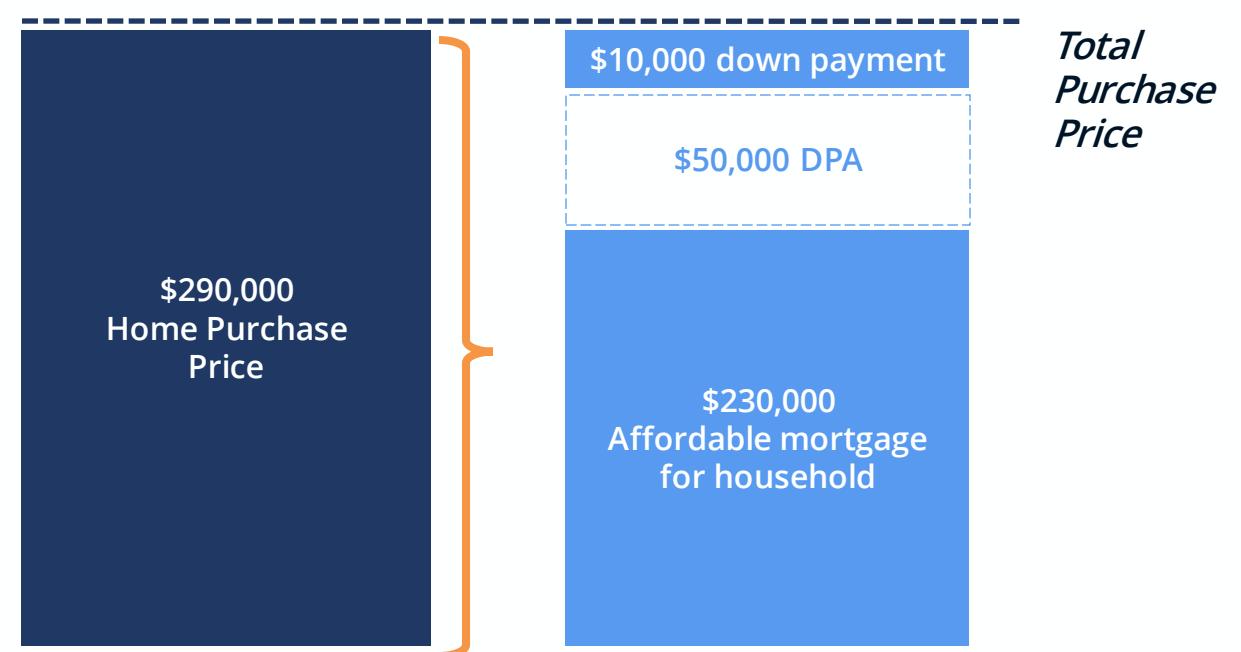
Improves access to affordable homeownership by reducing the upfront cost of homeownership through grants or forgivable loans provided to income-qualified households to cover a portion of the down payment and closing costs for a home.

**Down payment assistance (DPA)** improves access to affordable homeownership for households that **lack the assets required for down payment and closing costs**.

- It helps low- and moderate-income households secure stable housing and **build wealth**.

DPA is often paired with **homeownership counseling** to provide first-time homebuyers **assistance in planning for purchasing a home**.

#### Sample Down Payment Assistance



## Housing Tools | Support for Homeownership

There are additional tools that can help support existing and prospective low- and moderate-income homeowners in Athens-Clarke County.

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### **Local Mortgage Pool**

Participating financial institutions and funders jointly fund a program that originates mortgages with favorable terms to help low-income first-time homeowners access homeownership.

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### **Single-family Rehabilitation and Infill**

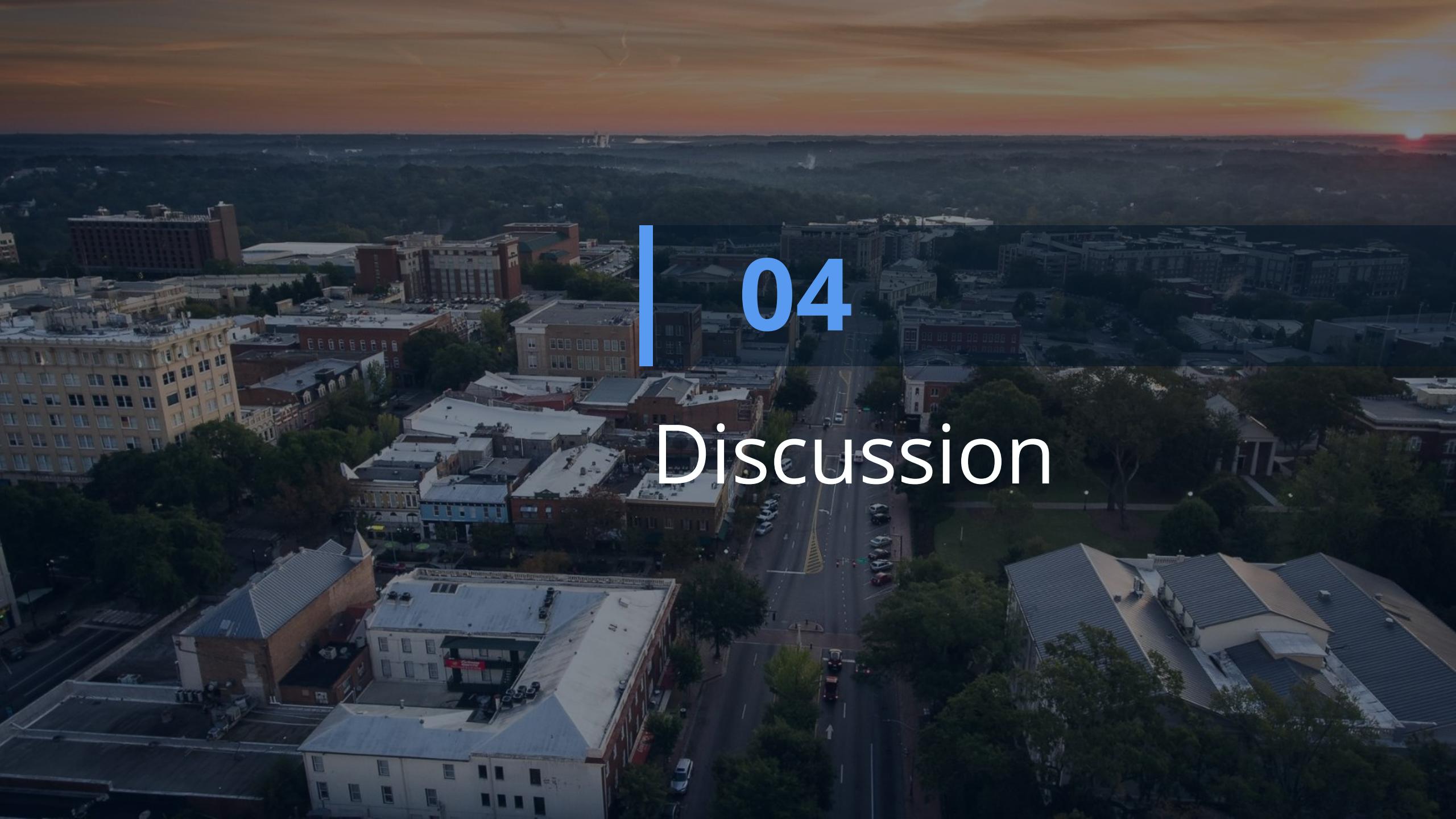
Supports the large-scale rehabilitation of single-family housing in target areas and creates a pipeline of move-in ready units for new homeowners, often paired with down payment assistance.

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### **Owner-Occupied Repair**

Help maintain the affordability of homeownership by ensuring that income-qualifying homeowners can make necessary repairs to make their homes safe.

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A wide-angle aerial photograph of a city at sunset. The sky is a vibrant orange and yellow. In the foreground, there's a mix of modern and older buildings, including a prominent yellow multi-story structure on the left. A large, solid blue vertical bar is positioned on the left side of the image, containing the white text '04'.

04

# Discussion

## Discussion

- **What else is happening?**
- **Which of these tools would best address Athens-Clarke County's housing affordability challenges?**

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