



Affordable Housing Investment Strategy

Community Forums Handout

What is the Affordable Housing Investment Strategy?: ACCGov, with the support of HR&A Advisors, is developing an Affordable Housing Investment Strategy for Athens-Clarke County. The Strategy will: 1) evaluate housing needs, 2) analyze existing programs and policies, and 3) recommend strategic investments and policies.

Purpose: ACCGov hopes to gather feedback on HR&A's research of housing needs and on proposed tools to address affordable housing needs in Athens-Clarke County. This handout outlines key definitions to guide a discussion about housing affordability.

\$1,214 Median Rent

\$287K Median Home Price

\$733 Rent Affordable To Median Renter

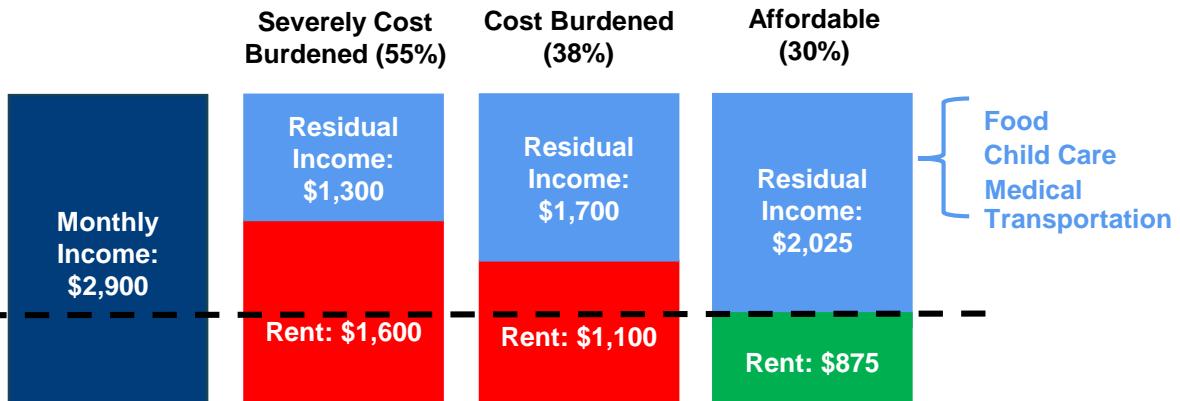
\$200K Home Price Affordable To Median Renter

Definitions

- Area Median Income (AMI):** The midpoint income in a region, meaning half of all households make more than the AMI and half make less than the AMI. Athens-Clarke County has a median household income at \$51,000.
- Cost Burden:** Households are considered cost-burdened when they spend at least 30% of their income on housing.
- Extreme Cost Burden:** Households that spend more than 50% of their income on housing are extremely cost-burdened.
- Residual Income:** What a household has left over every month after paying for housing costs. This is income available for costs such as childcare, healthcare, transportation, food.

Who is most impacted by housing costs in Athens-Clarke County?

- Households that make less than \$35,000 per year are particularly impacted by housing cost burden.
- Homeownership is increasingly unattainable to low-to-moderate income households, older householders, and first-time homebuyers.



Sources: American Community Survey, Zillow, Economic Policy Institute.

Want to learn more? Visit www.acgov.com/arpa

Housing Types that Support Affordability

Housing affordability can be achieved through many different types of housing. Some housing is affordable because the cost is subsidized through federal, state, or local funds. Other housing is affordable *without* subsidy because it is smaller, older or located in an area that is less expensive. Athens-Clarke County needs a mix of housing types to meet different housing needs and price points.

Affordable Housing Types by Amount of Public Funding Required

- **Naturally Occurring Affordable Housing (NOAH):** Market-rate housing (for rent or purchase) that is priced at levels that are affordable to low- or moderate-income residents without public subsidy. NOAH is often more affordable because of its age, size and/or location. Because NOAH is not protected by the regulations that come with public subsidy, this type of housing is most vulnerable to being lost through redevelopment.
- **Subsidized Housing:** Housing that receives public subsidy, such as Low-Income Housing Tax Credits (LIHTC), which is generally affordable to households making up to 80% area median income (\$61,500 for a family of four). Subsidized affordable housing is usually developed by affordable housing developers, and affordability is maintained over time.
- **Public Housing:** The Department of Housing and Urban Development (HUD) offers federal funding for housing through several programs, such as project-based vouchers, which reduce the amount of rent that a tenant has to pay based on their income level. These vouchers can also be given directly to the tenant (Section 8) to use in the private market. Public housing generally serves households at lower income levels, such as 25% to 50% of Area Median Income.
- **Permanent Supportive Housing:** A model that combines housing, healthcare, and supportive services to help individuals and families lead more stable lives. This type of affordable housing generally serves the most vulnerable households and individuals, such as those experiencing homelessness and mental health challenges.

Examples of Housing that Supports Affordability in ACC



Naturally Occurring Affordable Housing
Various Houses in Athens-Clarke County



Subsidized Housing
Athens Land Trust home on Waddell St



Public Housing
Clarke Gardens Apartments



Supportive Housing
Advantage Behavioral Health transitional housing program



No subsidy

Highest subsidy