

**THE UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY
COMMISSION AGENDA ITEM**

SUBJECT: Athens Justice & Memory Project’s Affordable Housing Preservation RFP Concept

DATE: April 25, 2023

BUDGET INFORMATION:

REVENUES: \$ 1,250,000 ARPA Allocation for Athens Justice & Memory Project (AJMP)
Affordable Housing Preservation Activities

EXPENSES:

ANNUAL:

CAPITAL:

OTHER:

FUNDING SOURCE: American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds

COMMISSION ACTION REQUESTED ON: June 6, 2023

To request that the Mayor and Commission:

- a. Approve the ARPA-funded Athens Justice & Memory Project Preservation of Affordable Housing RFP Concept (**Attachment #1**); and
- b. Authorize ACCGov staff to release a request for proposals and all related documents.

HISTORY:

1. On January 30, 2020, the World Health Organization declared the outbreak a Public Health Emergency of International Concern.
2. On June 9, 2020, Mayor Girtz drafted the Charge for an Athens Justice and Memory Project: Linnentown.
3. On June 25, 2020, the Athens Justice and Memory Project (AJMP) was appointed by Mayor Girtz. The members appointed to this advisory board were:
 - Hattie Thomas Whitehead (Linnentown community member);
 - Bobby Crook (Linnentown community member);
 - Geneva Johnson Blasingame (Linnentown community member);
 - Freddie Brown Jackson (Linnentown community member);
 - Christine Davis Johnson (Linnentown community member);
 - Dr. Jennifer Rice;
 - Charlene Marsh;
 - Commissioner Mike Hamby; and
 - Commissioner Mariah Parker

4. On September 2, 2020, the first public meeting of the AJMP was held virtually.
5. On February 2, 2021, Mayor Kelly Girtz signed a proclamation with an apology in recognition of Athenians displaced by urban renewal projects.
6. On February 16, 2021, the M&C unanimously approved a resolution in support of recognition and redress for Linnentown, its descendants, and Athens-Clarke County Black communities harmed by urban renewal. One of the most important details within the resolution is the following:

Direct the Linnentown Justice and Memory Committee to determine the total amount of intergenerational wealth lost to urban renewal and, under the Committee's advisement, shall, for as long as the Committee exists under its charge, make annual budgetary recommendations to the Mayor and Commission for operational and capital projects to provide equitable redress, including but not limited to affordable housing, economic development, telecommunication services, public transportation, and public art as redress for past harms caused by urban renewal and to foster future reinvestment in historically underfunded and impoverished neighborhoods in Athens-Clarke County.

7. On February 22, 2021, the AJMP gathered outside of City Hall to hear the reading of a Linnentown proclamation by Mayor Kelly Girtz, as well as hear from other speakers of the AJMP Committee and first descendants of the Linnentown Project.
8. On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic by stabilizing state and local government operations, households, and small businesses.
9. In mid-March 2021, ACCGov was granted \$57.6 million of ARPA Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) funding to allocate across defined categories by virtue of being both a city and a county.
10. On January 6, 2022, the Department of the Treasury released the Final Guidance for ARPA SLRF.
11. On March 1, 2022, the Mayor and Commission approved a budget allocating ARPA State and Local Recovery Funds to various programs including a budget of \$11,000,000 for Affordable Housing. This action included a strategic planning process, followed by an RFP, and the associated timeline. The M&C also designated the existing Georgia Initiative for Community Housing (GICH) Committee as the advisory committee for the affordable housing allocation.
12. On April 15, 2022, ACCGov released a Request for Proposals (RFP) for the Housing Affordability Investment Strategy. This plan will serve as the strategic plan that will inform future investments to promote affordable housing.

13. On April 20, 2022, Dr. Jerry Shannon presented an overview of a research report related to the assessment of financial losses of urban renewal in Linnentown to the AJMP at their regularly scheduled meeting.
14. On August 2, 2022, M&C approved HR&A Advisors to develop the Housing Affordability Investment Strategy.
15. On October 11, 2022, at a regularly scheduled M&C work session, Dr. Jerry Shannon presented an overview of the research report on the assessment of financial losses of urban renewal in Linnentown. Hattie Whitehead, Chair of the AJMP, also shared a presentation related to the economic loss recommendations from the AJMP.
16. On October 26, 2022, the AJMP voted unanimously to accept the economic losses report prepared by Dr. Jerry Shannon and to formally recommend to the Mayor and Commission:
 - \$1.25M be allocated to affordable housing preservation via home rehabilitation and down payment assistance; and
 - \$1.25M be allocated for the buildout of the Athens-Clarke County Center for Racial Justice and Black Futures.
17. On December 6, 2022 the M&C accepted by unanimous vote the recommendation from the AJMP to designate \$1.25M to affordable housing preservation via home repairs and down payment assistance. The M&C directed staff to draw from the ARPA contingency fund and group with the existing ARPA Affordable Housing bucket.
18. On December 13, 2022, the M&C approved a substitute motion to partially fund six Phase I Affordable Housing Projects for a total of \$6.1M, using the remaining \$5M from the Affordable Housing bucket, plus \$1M from the ARPA Contingency fund.
19. During the March 16, 2023 AJMP committee meeting, staff presented a timeline for the Preservation of Affordable Housing activities. Committee members highlighted the importance of these activities to benefit lower-income residents.
20. During the April 20, 2023 AJMP committee meeting, staff presented the Preservation of Affordable Housing RFP Concept. Committee was supportive of the concept and provided some recommendations (e.g., requiring recipients to conduct community outreach to ensure eligible residents were aware of funding), all of which have been incorporated into **Attachment #1**.

FACTS & ISSUES:

1. There are four general eligible uses for SLFRF funds by cities and counties:
 - a. Replace lost public sector revenue, using this funding to provide government services up to the amount of revenue lost due to the pandemic;
 - b. Respond to the far-reaching public health and negative economic impacts of the pandemic by supporting the health of communities and helping households, small

businesses, impacted industries, nonprofits, and the public sector recover from economic impacts;

- c. Provide premium pay for essential workers;
 - d. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet; and
 - e. SLFRF funds may be used for administration of SLFRF programs and projects including costs to support effective management and oversight, compliance with legal and regulatory requirements, and accounting and reporting of SLFRF funds.
2. The U.S. Treasury Department requires that ARPA SLRF funds be obligated by December 31, 2024, and spent by December 31, 2026.
 3. The M&C were presented with staff recommendations on how to allocate the remainder of the SLRF. At the March 1, 2022 voting meeting, the M&C approved a Commission-Defined Option to allocate funds differently than was initially proposed (History #11). A summary of proposed, final, and current allocations is as follows:

Category	Proposed Allocation	Final M&C Allocation	Current Allocation (inc. additional projects approved after initial allocation)
Revenue Replacement/Budget Balancing	\$11.0M	\$3.4M	\$3.4M
Youth Development	\$5.6M	\$7.0M	\$7.5M
Affordable Housing	\$5.6M	\$11.0M	\$15.0M
Homelessness	\$5.6M	\$5.0M	\$10.0M
Business and Workforce Development	\$5.6M	\$4.0M	\$4.0M
Behavioral Health	\$0M	\$4.0M	\$4.0M
Future Needs/Contingency	\$5.6M	\$4.6M	\$605K
Administration	\$0.9M	\$0.9M	\$2.4M
Total	\$39.9M	39.9M	\$46.9M

4. Due to the long lead time required for affordable housing construction and due to funding shortfalls in the North Downtown Athens Redevelopment Project, all other funds in the ARPA Affordable Housing Bucket have been allocated. Projects currently funded by this bucket are:
 - a. Phase 1 Affordable Housing Projects (\$6.1M)
 - i. New construction of affordable housing – 3 projects
 - ii. Repair and weatherization of home-owner occupied units – 3 projects
 - b. North Downtown Athens Redevelopment Project (\$7.5M)
 - c. Housing Affordability Investment Strategy Consultant (\$161k)
5. The Attorney’s Office engaged a third-party consultant to assist with the interpretation of how ACCGov can use State and Local Fiscal Recovery Funds (SLFRF) or otherwise referred to

as ARPA funding. Specifically, the third-party consultant has weighed-in on how ACCGov may provide funding as it relates to this topic. The consultant has advised the following:

“SLFRF funds may be used to finance programs, services or capital expenditures that assist communities or classes of individuals in addressing the impacts they experienced due to COVID-19. While these communities or individuals may have suffered discrimination in housing policies and practices in the past, that history of discrimination, by itself, does not clear the SLFRF eligibility threshold. It is those communities’ or individuals’ demonstrated COVID-19 related impacts that justifies using SLFRF funds to provide necessary assistance.”

“SLFRF funds cannot be used to pay any debt moral or otherwise (judgements, etc.).”

6. Pursuant to federal guidelines any program would have to be available to all citizens— regardless of race or whether they were descendants of former Linnentown residents—that meet the established eligibility criteria required to obtain “long-term housing security” assistance
7. Federal guidelines do allow for the prioritization of eligible applicants that are part of underserved populations. The U.S. Department of the Treasury defines this as: “populations sharing a particular characteristic, as well as geographic communities, that have been have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life ([31 CFR Part 35](#)).”
8. As part of the Affordable Housing Investment Plan process, HR&A Advisors have identified the following as key challenges faced by residents trying to access and sustain homeownership:
 - (1) ACC’s homeownership has decreased over the last 5 years (17% less than state- and nation-wide rates);
 - (2) there is inequitable access to mortgages, particularly among local Black/African-American households,
 - (3) nearly half of Athens’ low-income homeowners pay more than 30% of their income on housing costs and are thus vulnerable to rising maintenance costs and property taxes; and
 - (4) there are not enough good quality move-in ready homes.
9. As part of an initial list of potential strategies to address ACC’s affordable housing challenges, HR&A has suggested both down payment assistance and owner-occupied repair/rehabilitation programs as tools to support current and prospective low- and moderate-income homeowners.

10. This recommendation to preserve affordable housing via home repairs and down payment assistance helps address initial findings from the Affordable Housing Investment Plan. It also builds upon existing ARPA-funded affordable housing projects, and other local programs currently funded through CDBG and HOME.
11. The estimated timeline for these programs is:
- RFP Release: by June 30, 2023
 - Technical Assistance Period: July 17 – August 11, 2023
 - Pre-Proposal Meeting (webinar): July 17, 2023
 - Final Date for Questions: August 11, 2023
 - Q&A Addendum Released: August 16, 2023
 - Proposal Due: September 1, 4:00 PM
 - RFP Review and Recommendation of Submitted Proposals: September 4-26, 2023
 - Mayor and Commission Award Approval: November 7, 2023
 - Contracting: November – December 2023
 - Contract Period: Q1 2024 – December 2026
12. This recommendation meets the following ACCGov Strategic Plan Goals, Strategies, and/or initiatives:
- a. Strategy 1A, Initiative 1: Continue supporting the Athens Justice and Memory Project
 - b. Strategy 4A: Support home ownership by increasing opportunities for low income and middle-income people to own a home and help people retain and remain in homes.
 - c. Strategy 4E: Improve equitable housing opportunities in identified disinvested or underinvested areas.

OPTIONS:

1. Mayor and Commission:
 - a. Approve the ARPA-funded Athens Justice & Memory Project Preservation of Affordable Housing RFP Concept (**Attachment #1**); and
 - b. Authorize ACCGov staff to release a Request for Proposals and all related documents.
2. Mayor and Commission do not approve the ARPA-funded Athens Justice & Memory Project Preservation of Affordable Housing RFP Concept and related Request for Proposals.
3. Mayor and Commission defined option.

DEPARTMENT RECOMMENDED ACTION: Option #1 a & b

DEPARTMENT: Housing & Community Development
Prepared by: Alejandra Calva (HCD) and Paige Seago (GIO)

Roderick Wallace

Roderick Wallace
HCD Director

4/25/2023

Date

ADMINISTRATIVE COMMENTS:

ADMINISTRATIVE RECOMMENDATION: Option #1 a & b

John M. Williford

Manager

May 10, 2023

Date:

ATTACHMENTS:

Attachment #1 - AJMP Affordable Housing Preservation RFP Concept Overview

Attachment #1
Athens Justice & Memory Project
Preservation of Affordable Housing RFP Concept Overview

Introduction

The preservation and creation of affordable housing opportunities for lower income households continues to be one of the top priorities of the Athens-Clarke County Unified Government (ACCGov). The Mayor and Commission, stemming from a recommendation from the Athens Justice and Memory Project, has approved \$1.25 million in funding to increase and preserve affordable housing stock in Athens-Clarke County. To guide this effort, ACCGov will accept proposals from organizations for funding associated with home repair and rehabilitation projects and/or down payment assistance programs. Selected proposals will be funded through the American Rescue Plan Act (ARPA). All awarded funding must be expended by December 31, 2026.

Project Goals

1. Fund projects that enhance affordable housing preservation via **home repairs** and/or **down payment assistance** for low income prospective homeowners. ACCGov anticipates funding one application from each focus area, but may fund a project in only one focus area or multiple projects within a focus area depending on number and quality of applications received.
2. Projects should generally align with existing recommendations from the [GICH Report](#), [Envision Athens Agenda](#), [Workforce Housing Study](#), [Comprehensive Plan](#), or [ACCGov Strategic Plan](#)
3. Emphasis will be placed on supporting projects within a [Neighborhood Revitalization Strategy Area](#) (Census tracts 6, 9, 301, and 302) and/or a [Qualified Census Tract](#) (Census tracts 1, 4.01, 6, 9, 21, 301, 302, 1404, 1405, 1504, and 1505).
4. Projects should prioritize serving underserved populations, including those with a maximum of 80% AMI in Qualified Census Tracts (QCT) or a maximum of 65% AMI outside of QCTs.
5. Prioritize projects that leverage external resources.

Scope of Work

All proposals must include major/minor rehabilitation assisting lower income households, and/or down payment assistance programs assisting lower income households in order to be accepted as complete. No proposals for affordable housing construction or other housing support programs are being accepted at this time.

All proposals must include community outreach strategies, ideally in coordination with the Athens Justice & Memory Project committee and/or other relevant local entities, to help ensure eligible households are aware of availability of funded programs and related application processes.

Housing Rehabilitation, Renovation and Weatherization

- Home repair, rehabilitation, and weatherization projects assisting eligible households as defined below (minimum request \$250,000)
- Recipient will facilitate a zero percent interest forgivable loan (in a prorated basis) to the homeowner that covers the costs associated with the home repair, rehabilitation and/or weatherization projects. The length of the loan will be determined on the investment, as outlined below. Recipients will be required to secure an executed Promissory Note and Deed to Secure Debt from the homeowner, as part of this process to protect long-term affordability.

Rehab Investment	≤ \$5,000	\$5,001 - \$15,000	\$15,001 - \$25,000	\$25,001 - \$80,000	≥ \$80,001
Life of Loan/ Affordability Period	Grant	5 Years	10 Years	15 Years	20 years, only within QCTs

- If applicable, recipient may offer or facilitate title-clearing services for households who may otherwise be eligible for home repair, rehabilitation, and weatherization programs.

Down Payment Assistance

- Affordable housing down payment assistance programs (minimum request \$750,000).
- Recipient will provide 0% interest, second mortgage loans covering up to 10% of the total home price or up to \$25,000, whichever is lower, to eligible households as defined below.
- The down payment assistance loan must be structured to be repayable (in a prorated basis) if the homebuyer sells the home within 20 years, with funds redirected to a new homebuyer at that time.
- All households receiving down payment assistance must complete a homebuyer education workshop provided by a HUD-approved housing counseling provider. Applicants may partner with a second organization to administer the class, provide homebuyer education workshops in-house, or refer applicants to a [HUD-approved housing counseling agency](#). Homebuyer education classes must be offered at least quarterly and must be offered to prospective homebuyers free of charge.

NOTE: Each unique project idea should be submitted as a unique proposal, with an agency submitting no more than two proposals. If multiple submissions are approved by the Mayor and Commission, ACCGov may aggregate these multiple submissions under a common contract. *For example: An agency may submit one proposal for down payment assistance programming, and a second proposal for a renovation and repair program for existing low income homeowners.*

Program Participant Eligibility (Population Served)

All proposal projects must:

- Only assist households located within Athens-Clarke County;

- Assist households that, at the time of their application to the program, are 80% AMI or below AND located within a Qualified Census Tract (QCT), or are 65% AMI or below and located outside a QCT; and
- Prioritize underserved populations, defined by the U.S. Department of the Treasury as “populations sharing a particular characteristic, as well as geographic communities, that have been have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life ([31 CFR Part 35](#))”.

Down payment assistance programs. In addition to the general eligibility requirements listed above, households participating in DPAs shall also meet the following criteria:

- First time homebuyer, OR have not owned a home in at least 3 years;
- Purchasing a home in Athens-Clarke County as their principal residence;
- Must have been a resident of Athens-Clarke County for at least 1 year;
- Meet loan credit requirements;
- Ability to contribute a minimum of \$1,000 toward down payment or closing costs; and
- Willing to attend a homebuyer education workshop as part of the down payment assistance program.

Applicant Eligibility

- Applicants can be public or private non-profit entities, incorporated by or licensed in the State of Georgia. No proposals will be accepted from individuals or for-profit entities.
- Applicants may choose to partner with a second organization for this proposal. For example, a nonprofit agency with experience administering grant funding may partner with a local contractor who will be completing home repairs.
- At least 1 year of organizational experience operating a similar service or program in the area(s) of home repair and renovation, or down payment assistance.

Timeline

- RFP Release: by June 30, 2023
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