

Unified Government of Athens-Clarke County
Meeting Summary

Meeting Name: ARPA Affordable Housing Advisory Committee (GICH)

Meeting Date: July 28, 2023

Meeting Called to Order: 10:05AM

Location: Bobby M. Snipes Water Resources Center, Conference Room

Recording: <https://www.youtube.com/live/knXHTbJ5Y-g?feature=share>

Copy of presentation: <https://accgov.com/DocumentCenter/View/93623/7282023-ARPA-Affordable-Housing-Advisory-Committee-Meeting-Presentation>

Virtual? Yes / No

Public Input Requested or Received? Yes / No

Committee Attendees:

<input checked="" type="checkbox"/> Kelly Girtz	<input checked="" type="checkbox"/> Evan Mills	<input checked="" type="checkbox"/> Sharon Liggett (non-voting)
<input checked="" type="checkbox"/> Marqueta Swain	<input type="checkbox"/> Brad Griffin	<input type="checkbox"/> Spencer Frye (non-voting)
<input type="checkbox"/> Niki Jones	<input checked="" type="checkbox"/> Alice Kinman	<input checked="" type="checkbox"/> Charles Smith (non-voting)
<input checked="" type="checkbox"/> Rick Parker	<input type="checkbox"/> Shea Post	<input checked="" type="checkbox"/> Fred Smith (non-voting)
<input type="checkbox"/> John Spagna	<input checked="" type="checkbox"/> Matthew Hall	<input type="checkbox"/> Charlie Gluodenis (non-voting)
<input type="checkbox"/> Heather Benham	<input checked="" type="checkbox"/> Roderick Wallace	<input type="checkbox"/> Terris Thomas (non-voting)
<input type="checkbox"/> Laura Alexander	<input type="checkbox"/> Ovita Thornton	<input checked="" type="checkbox"/> Solomon Smothers (non-voting)
<input type="checkbox"/> Cecilia Mercer	<input checked="" type="checkbox"/> Jesse Houle	

Staff Attendees:

<input checked="" type="checkbox"/> Alejandra Calva	<input checked="" type="checkbox"/> Cameron McGlothen	<input checked="" type="checkbox"/> Hannah Savard
<input checked="" type="checkbox"/> Coral Rogers	<input checked="" type="checkbox"/> Paige Seago	<input type="checkbox"/> Melinda Lord

HR&A Attendees:

<input checked="" type="checkbox"/> Philip Kash (virtual)	<input checked="" type="checkbox"/> Sophie Danish (virtual)
<input checked="" type="checkbox"/> Vidhee Garg	<input checked="" type="checkbox"/> Austin Amandolia (virtual)

Items Discussed:

1. Alejandra Calva welcomed the committee and presented the day's agenda. The Committee did not vote on April meeting minutes because quorum was not met.

2. HR&A provided a recap of AHIS process and prior discussions with committee; then previewed the day's agenda to include a review with the committee about the current housing market conditions, and the draft housing strategy. HR&A provided a quick update on the next steps regarding the public comment period, culminating in M&C vote in September.
3. HR&A shared the three primary housing challenges in ACC: limited public funding allocated toward housing, lack of quality affordable rental homes, lack of support for local homeownership.
4. Specific to the three housing challenges, HR&A described 3 key recommendations to respond to ACC's housing market: (a) identify the ongoing local public funding, (b) build and preserve quality affordable rental homes, and (c) expand access to homeownership and protect existing homeowners.
5. HR&A explained that ACCGov will have to rely more on subsidy programs to meet its housing goals, and less so on land use (as land is generally limited in ACC) and tenants' rights (given state-level laws).
6. HR&A shared that the AHIS includes an implementation plan to deploy the recommended policies over the next few years, including:
 - a. Immediate term (in process now): (a)Expand down payment assistance program, and (b) increase funding for owner-occupied repair programs
 - b. Near-term (2023): (a) establish a local housing fund, (b) support low-income housing tax credit (LIHTC) project developments, (c) monitor and access voluntary inclusionary zoning policy, and (d) invest public monies in an acquisition strike fund.
7. In regard to the local housing fund, HR&A identified some benefits and drawbacks for ACCGov annually allocating dollars to the local housing fund (Slides 12-16 in PowerPoint). In spite of constraints stemming from state laws, ACCGov can (a) allocate existing dollars from the general budget, (b) create new funding sources (increase existing or levy a new tax), (c) allocate non-tax-based revenue, (d) establish more tax allocation districts, and (e) leverage philanthropic funding.
 - a. Discussion from committee on possible funding sources, their benefits and drawbacks included: an increase of a millage rate (property tax increase) vs. penny sales tax increase, vs. Other Local Sales Tax (OLOST). Possibly the sales tax increase may be more palatable to the public because everyone would be affected (vs. just property owners), though it would take a public vote vs. M&C action. A millage increase could be as early as next year, whereas an OLOST might be Jan 2025 at the earliest. Discussion of how university students could also contribute via either option. Some committee members also expressed concern that a millage increase would impact low-wealth elderly property owners, though such a policy might include exemptions.
 - b. Brief discussion about the committee's responsibility to communicate to the public on why this would be a worthwhile investment.
8. Next, as part of their recommendation to build and preserve quality affordable rental homes (Slides 18-26), HR&A provided the committee with three potential tools:

- a. Support projects using LIHTC by providing gap financing and streamlining the development process to support the projects, specifically: (a) developing an annual competitive process for LIHTC gap financing, (b) streamline local development approval process, (c) identify additional zoning barriers, (d) leverage public land, and (e) build underwriting capacity within ACCGov staff
- b. HR&A recommended that ACCGov continue to assess its inclusionary zoning ordinance and codify administrative procedures for utilizing the ordinance. Examples include: (a) calibrate the inclusionary zoning policy, (b) assess the unit mix, (c) develop for-sale policy, and (d) deploy an inclusionary zoning manual.
 - i. Discussion on inclusionary zoning: The Atlas project on Lexington Rd is going to include some affordable units but was approved before IZ policy was adopted by M&C. There are a couple of projects that are in the IZ application phase at HCD. ACCGov is in the process of updating the comprehensive land- use plan over the next 18-24 months and will reexamine/potentially update the policy during that timeline. Generally, committee feels like it's too early to tell whether the current policy has been successful. Also, its impact has to do a lot with market dynamics (40-50 bedrooms per acre, for example, leads to the need for structured parking).
 - c. HR&A also suggests investing public funding in an acquisition strike fund, whereby ACCGov would acquire an rehabilitate rental properties while limiting rent increases below market level.

9. There was a brief discussion about the need to use actual income figures vs. relying solely on AMI percentages, both in final plan and in related discussions. This is particularly important given that the HUD AMI for the Athens area is inflated, given that it also includes Oconee County. HR&A will edit final plan to ensure this is reflected.

10. HR&A recommended that ACCGov implement programs that support existing and prospective low- and moderate-income homeowners in Athens-Clarke County. The two primary methods included (a) expanding local down payment assistance programs and (b) increasing funding for owner occupied rehabilitation.

- a. Discussion on homeowner rehabilitation included: HCD is currently revising current policy to possibly increase limit on how much funding each OOR project could receive, via CDBG & HOME to allow more funding per project. Similar updated policy is now in place for ARPA Phase 1 Affordable Housing programs that allow up to \$80K in rehab for homes in QCTs, with a longer affordability period attached. Additionally, committee members pointed out that administrative costs seem too high.
- b. Committee members shared that contracting process with ACCGov often takes too long; Mayor Girtz acknowledged this and said Manager's Office is working to help ameliorate it. HCD will also be implementing a new online grant management system to streamline the RFP and monitoring process.

11. In response to a question from committee, HR&A and ACCGov staff shared that the AHIS does not include specific recommendations for rapid rehousing or homelessness

strategies, but will be addressed in the forthcoming Strategic Plan to Reduce & Prevent Homelessness (SPRPH). HR&A shared that they and Cloudburst Group (consultant working on SPRPH) are aware of the contents of each other's plan, thanks to staff coordination. Staff shared that the public and M&C will have access to a document that shows points of connection between both plans, to be released as part of public input process. Staff also explained, in response to a committee question, that the timelines for both plans are staggered by 1 month (AHIS will be up for an M&C vote on 9/5, and SPRPH on 10/3) to allow for more focused public input process and avoid confusion between both efforts.

12. Committee member asked if the full AHIS will include details as to what changes ACCGov might consider for the Inclusionary Zoning policy. HR&A shared that the key recommendation is to assess the effectiveness; since it was just adopted in April 2022, it's too early to give concrete recommendations now. ACCGov HCD staff shared that they have already provided some suggested updates (for clarity's sake) to the planning commission for review.
13. There was also a discussion that the final AHIS should clarify whether the 30% of "housing costs" includes utilities, or if it's only rent/mortgage. HR&A stated that for purposes of this AHIS, it includes utilities and that it will be clarified in the final version of plan.
14. Alejandra Calva provided an overview of the forthcoming public input process, starting on August 7 and culminating on September 5, when M&C are expected to vote on the acceptance of the AHIS.

Meeting adjourned at 11:55 AM