

# Housing and Neighborhood Development

DRAFT PRESENTATION

*October 27, 2022*

**City Council Work Session**



# Purpose / Intention

DRAFT PRESENTATION

## → *Program updates and overviews* ←

1. GSO Housing Fund
2. Community Heroes Homebuyer Program
3. Home Repair GSO
4. Permanent Supportive Housing

# Housing GSO:

## City of GSO: 10-Year Housing Plan

Adopted: October 20, 2020

- The Gap of rental homes affordable to those earning \$30,000 and below is expanding.
- Greensboro has an existing shortage of over 4,000 affordable rental homes for households earning \$30,000 a year or less.
- Based on historical trends, Greensboro is annually losing about 800 units with rents affordable to those earning less than \$30,000.
- If current trends continue, the city's housing gap is projected to expand to a gap of 11,000 units by 2030.
- The City can help address this affordable housing shortage by supporting production of new affordable rental units and preserving existing units to meet the needs of Greensboro's low-income renters.



# The Greensboro Housing Fund

## The Purpose of The Fund:

- A \$32.5 million-dollar fund that will leverage public-private capital to make below-market interest rate loans to developers.
- The Greensboro Housing Fund will preserve affordability while improving housing quality.
- The Fund will preserve anywhere from 900-1,100 units in Greensboro, primarily serving those at the 30%- 60% AMI.
- The Fund will also support the construction of new multi-family affordable housing structures.

## Private Capital Committed:

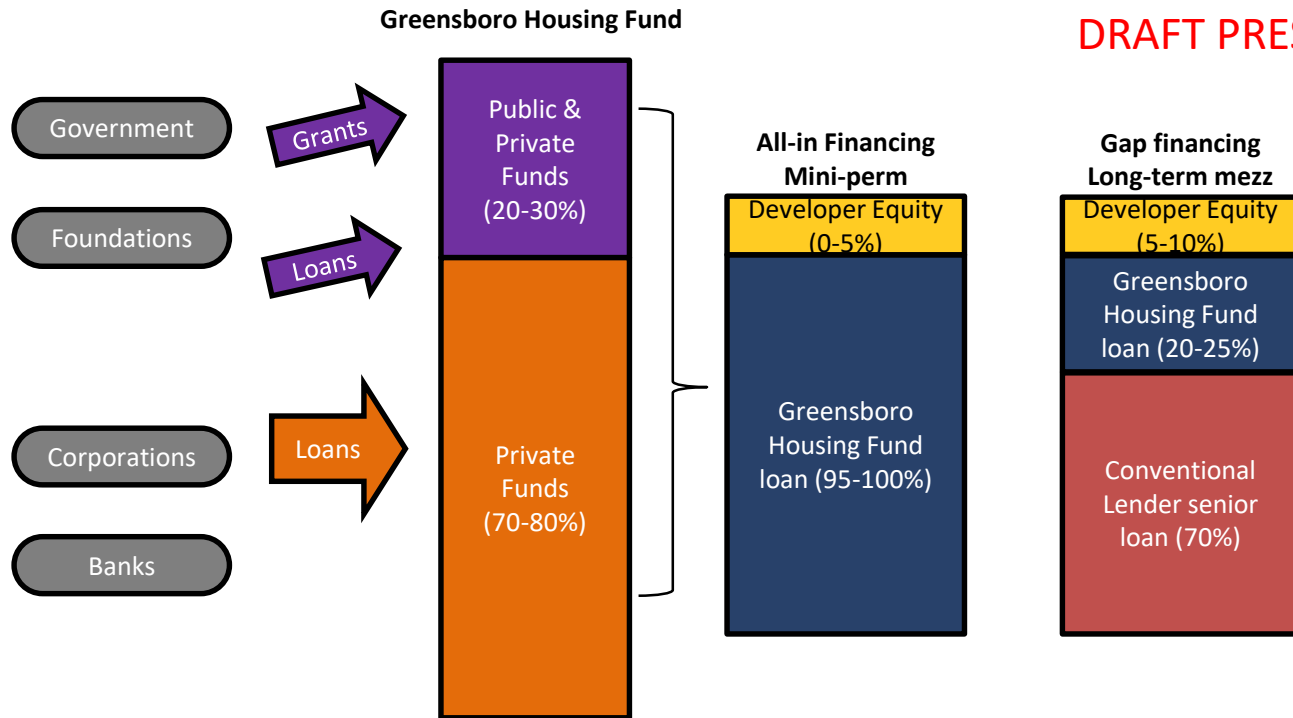
- Southern First- \$1 Million
  - Wells Fargo- \$2.850 Million
  - Pinnacle Financial Partners- \$5 Million
  - Truist- \$8 Million
  - CFGG & Donors- \$3.1 Million
- Total Committed: \$19.950 Million**

## Fund To Be Administered By:

- National Institute of Minority Economic Development-Institute Capital Division
- Self-Help Credit Union- Ventures Fund Division



# AFFORDABLE HOUSING LOAN FUND – STRUCTURED TO LEVERAGE PUBLIC AND PRIVATE FUNDS FOR COMMUNITY IMPACT



# Community Heroes Homebuyer Program

DRAFT PRESENTATION

## *Why Community Heroes?*

- Fosters wealth-building opportunities for moderate-income residents serving our community.
- Enables our workforce to live in the place they serve.
- Encourages stability in Greensboro neighborhoods.
- Promotes the Affordable Homeownership goals of Housing GSO.
- Strengthens Greensboro as an employer of choice.



# Community Heroes Homebuyer Program

DRAFT PRESENTATION

## *What is Community Heroes?*

### → Homebuyer Assistance

- Public service workers
- 80.01%-120% Area Median Income (AMI)
- Buying in Greensboro city limits

Household Size	Income Range
1 person	\$40,901 - \$61,300
2 person	\$46,751 - \$70,100
3 person	\$52,601 - \$78,850
4 person	\$58,400 - \$87,600
5 person	\$63,101 - \$94,600
6 person	\$67,751 - \$101,600
7 person	\$72,451 - \$108,600
8 person	\$77,101 - \$115,650



# Community Heroes Homebuyer Program

DRAFT PRESENTATION

- Funded with 2022 Bond dollars
- Up to \$25,000 for down payment and closing cost assistance
- \$5,000 bonus for home buying in Reinvestment Areas and choice Redevelopment Areas
  - up to \$30,000 program maximum







## DRAFT PRESENTATION

### Public service workers include:

- City of Greensboro, Guilford County, State of North Carolina, and federal government employees;
- Guilford County public school teachers and administrators;
- university and college faculty and staff;
- non-profit organization employees;
- Military (Active duty, Reservists, National Guard members & Coast Guard Personnel);
- Military Veterans; and
- other first responders (i.e. EMS/paramedics, healthcare workers).

# Community Heroes Homebuyer Program

DRAFT PRESENTATION

*Changes from previous bond program:*

- Income limit up to 120% AMI
- Loan is forgiven and satisfied at end of loan term
- No minimum investment from buyer
- Buyers can receive up to \$2,500 back at closing
- No front end ratio / 45% back end



# Community Heroes Homebuyer Program

DRAFT PRESENTATION

## *Next Steps*

- November 15 - City Council program approval
- Implement the new program guidelines

# Home Repair GSO

DRAFT PRESENTATION

## *What is Home Repair GSO?*

- ✓ Addresses major system failures, remediates dangerous conditions, or provides additional accessibility to low-income homeowners.
- ✓ Provides a resource for housing stabilization and to prevent future deterioration.
- ✓ Gets ahead of major repairs by fixing things early.
- ✓ Works in partnership with other local housing repair program resources.
- ✓ Increases homeowner eligibility for weatherization, energy efficiency, or modification programs.



# Home Repair GSO

DRAFT PRESENTATION

## *Why a Home Repair Grant versus Rehabilitation Loan Program?*

- ✓ Does not impact a homeowner's equity.
- ✓ Heir property, title issues, marital status, insurance and credit qualification are not barriers.
- ✓ Less likely to trigger expensive federal rules – lead paint, historic windows/doors, relocation.
- ✓ Can significantly increase number of units completed without increasing staff capacity
- ✓ Lower costs per unit spreads the limited assistance to more eligible applicants.
- ✓ Allows for more geographic targeting, leveraging the impact of more improved units in a concentrated area.
- ✓ Grant terms match better with other available program resources.



# Home Repair GSO

## Eligibility

DRAFT PRESENTATION

### Participants

- Households under 60% AMI
- Fee Simple Ownership
- Homeowner must have owned property for at least 5 years and live there as principal residence
- Homeowner may not own additional real property
- Homeowner must not have outstanding City or County liens or must be on a payment/resolution plan.

### Properties

- Residential properties located within Greensboro city limits
- Maximum property value limits as annually determined by HUD
- No known environmental contamination, untreated infestations, or hoarding conditions.
- Properties under a Minimum Housing Order to Repair must be repaired to a point where the assistance will bring the property into compliance.



# Home Repair GSO

DRAFT PRESENTATION

## Program Funds

- Funding contracted as a *grant award* to a non-profit agency.
- Services provided as a *grant* to the homeowner.
- Homeowners are eligible for one repair grant in a 10-year period. Recorded document to establish timeframe.

- **Up to \$20,000**
- **Up to 3 eligible systems**

No approved homes will be left with major code violations.

All approved homes will receive basic safety installations.



# Home Repair GSO DRAFT PRESENTATION

*Eligible system repairs and examples include:*

Roof repair or  
replacement

Plumbing or hot water  
system repair or  
component replacement

HVAC repair or  
replacement

Electrical or gas  
system repair or  
replacement

Structural system failure

Fire safety  
installation or  
replacement

Foundation structural  
repair

Flood danger  
mitigation

Tree danger  
mitigation





# Home Repair GSO

DRAFT PRESENTATION

## ***Referrals to other local agencies if available:***

- Handicapped Accessibility modifications
- Weatherization or conservation costs for water and energy efficiency

## ***Ineligible repairs:***

- Mold remediation
  - unless incidental to and localized to a leak repair
- Asbestos removal
  - unless it is incidental to and localized to an eligible repair
- General weatherization
  - unless it is incidental to an eligible repair



# Home Repair GSO

DRAFT PRESENTATION

## Typical Costs

- **Roofing:**
  - Re-roof: Remove/Discard and install new shingles: \$ 400.00 per square (100 square feet).
  - Average roof prices \$5,000-7,000.00
- **Plumbing:**
  - Water Heater replacement: Electric: \$1,200.00 Gas: \$1,900.00
  - Water **OR** Sewer Line Replacements (Interior): \$2,500.00
  - Water **OR** Sewer Line Replacements (Exterior to the City water or sewer stubs): \$3-5,000.00
- **Heating:**
  - Furnace: Remove and Replace \$2,600.00
  - Heat Pump: Remove and Replace \$8,750.00
- **Electrical:**
  - Replace Fuse Box with 200 Amp service: \$2,500.00
  - Replace duplex outlet with GFI outlet: \$ 100.00
  - Smoke Alarm installation (battery powered) or
  - Carbon Monoxide Alarm installation (battery powered) \$ 85.00



# Home Repair GSO

DRAFT PRESENTATION

## *Next Steps*

- November 15 - City Council program approval
- Implement the new program guidelines

# Permanent Supportive Housing

DRAFT PRESENTATION

## Regency Current Status

- Property is currently held by Partnership Homes in vacant status pending resolution of the rehabilitation and re-use plans.
- Total transition cost estimated to be \$13.5M.
- City plans to use the Regency as the White Flag shelter site accommodating 50 individuals.
- Housing & Neighborhood Development staff worked to secure other temporary shelter options for the winter months and beyond as we await conversion completion.

## Regency History

- November 2021 – Council approved \$3M to Partnership Homes for property acquisition.
- January 2022 – City contracted with Corporation for Supportive Housing (CSH) for capacity development, Request for Proposals development, and operations plans.
- March 2022 – Partnership Homes submitted \$6.5M ARPA request to Guilford County for rehabilitation funding.
- Present – Conversion progress delayed due to lack of funding commitments.



# Permanent Supportive Housing

## Public/Private Conversion Option **DRAFT PRESENTATION**

- In a public/private partnership model, private investment funds the development (acquisition and rehabilitation).
- Allows the government to simply fund supportive services and the rent with housing vouchers.
- Public/private conversion delivers housing faster and less expensively while yielding more units.

*PSH essential components:*

- Source of funds for development;
- Source of the rent payment; and
- Source of funds for supportive services.

# Permanent Supportive Housing

## Public/Private Conversion Option

DRAFT PRESENTATION

Housing and Neighborhood Development staff have been meeting with Step Up America, the national leader in private/public motel conversion.

Step Up currently provides PSH and wraparound case management services to over 1,850 chronically homeless individuals.

### Step Up structure:

- Co-developer – works with investment partners.
- Service provider – housing-first agency with case managers located onsite working with tenants day-to-day.
- Property management – staff serves as the Resident Manager living onsite.

### Step Up will:

- Hold the asset long-term.
- Maintain affordability and use for homeless individuals while vouchers and supportive services dollars are dedicated to the project.



# Permanent Supportive Housing

Local Commitment

DRAFT PRESENTATION

→ Greensboro Housing Authority provides  
project-based vouchers to cover rent payment

→ City and/or County fund supportive services

- *Annual cost of services is \$6,000 per client/per year*



# Permanent Supportive Housing

**Current Proposal**

**DRAFT PRESENTATION**

- Step Up provided an MOU for the City and GHA to confirm intent regarding local commitment (vouchers and supportive services) for two site-based conversion projects.
- Two projects would provide 175 PSH units.
- If Step Up acquires Regency, the \$3M invested in property acquisition would be converted to offset supportive services funding.



# What's To Come

DRAFT PRESENTATION

- Community Land Trust
- Land Banking