



Affordable Housing Strategy Working Group

Summary of Working Group Meeting #1

Monday, May 1, 2017

The Working Group (Group) was brought up to speed on the history of the affordable housing strategy work in Greenville in recent years. The Group's task now is to figure out how to optimize, via the Housing Trust Fund (HTF), the public and philanthropic funds committed to address the affordable housing issue. This will include designing and operationalizing the HTF and, at the end of the year, recommending to the Greenville City Council how the HTF should fit into the larger housing equation in the region.

The Group understood the following:

- They are serving in an informal, advisory role, providing guidance to the City Council on a range of affordable housing issues, the principal one being the mission and operations of the new HTF.
 - They are a part of the process to create the HTF as a legal entity and organization.
 - The main components of the HTF – its charter, bylaws, criteria for selecting projects, etc. – should be well sketched out by Labor Day 2017.
 - The HTF is to be functional by Thanksgiving 2017.
 - The HTF is to be fully operational by the end of 2017.
- They will figure out which target markets are to be assisted via the HTF and how, understanding that those not assisted will be left to the remaining components of the housing system (market forces, other public programs, land use regulations, etc).

The Group had a robust discussion of target markets to understand the nuanced needs of various household types, the costs and opportunity costs of assisting different types, and the econometric complexity of tens of thousands of households in constant dynamic and fluid movement owing to household formation, age, job circumstance, and many other factors. They engaged in an exercise to allocate limited funds across a collection of household prototypes as a means of understanding choices and tradeoffs in the deployment of the HTF's finite resources. The Group did not make any decisions as to who the HTF should serve, nor in which order of priority. This conversation will continue throughout the course of the project. The group quickly noticed that the costs of helping one very low income family approximate the expense of helping three moderate income households, and that a key task ahead is for the group to evaluate the benefits and costs of one versus the other.

Before the next meeting, Group members will complete an exercise in which they develop their ideal affordable housing scenarios in small teams. They will then present their scenarios for group review and discussion. Related to this, czb will present a primer on housing finance as a way to illustrate opportunities, constraints, and choices and present additional affordable housing development scenarios to augment discussion of the Group's team exercise results.

Additional and more specific areas of conversation included:

What makes affordable housing development hard?

- Fear – Crime/Property Values/Traffic
- Free Market – Developer profit – Developers work in Special Emphasis Neighborhoods, purchase property, evict tenants, renovate units and sell/lease at high price
- Financing of affordable housing is difficult and complex
- Population shifts from rural to urban – everyone wants to return to City Of Greenville Affordable Housing is difficult to explain – uncertainty of term and who
- Preservation of existing affordable housing units

Working Group Norms

- Embracing Ambiguity...Expect the Best
- Continue to always ask Why?
- Encourage everyone to feel comfortable asking questions – Charles may ask clarifying questions
- Make comments
- Honesty
- Authenticity
- Transparency – no hidden agenda
- Be respectful
- Honor confidentiality

Communication Plan

- Updates to stakeholder group
- Updates to previous Steering Committee
- Each member of working group identify 10-20 people who really need to be made aware of the actions of this working group

Personal Biases

- Hate apartment living – realize that multifamily is needed to achieve scale to meet need
- Use the mixed-income model, not 100% affordable developments
- Race, class, education
- White, middle class, educated member of the community – how can I contribute to this problem?
- Pro Density – Supportive of density
- Pro Capitalist – the private sector has a role to play
- Pro-Density, Pro Mixed Use and Pro Mixed income – Affordable housing should be indistinguishable from market rate – use cheap \$\$\$, not cheap materials
- Free market is out of control– No controls in place to limit what developers are doing

