



2012 Hawaii Family Financial Empowerment Symposium

**Public Sector Investments in Financial
Empowerment – Strategies for
Affecting Funding & Policy Changes**

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Introduction

- This presentation will highlight how the City of Savannah leverages public money to address its affordable housing problem. To illustrate this, we will focus on three areas:
 1. Policy Making
 2. Collaboration
 3. Results





POLICY MAKER SUPPORT



Vision and Priorities

- City of Savannah's strategies to affecting funding and policy changes are shaped by Mayor and Council's Vision and Priorities.

VISION: Savannah will be a safe, environmentally healthy, and economically thriving community for all of its citizens.



- **Public Safety**
- Health & Environment



- **Neighborhood Vitality**
- Culture & Recreation



- **Economic Growth/Poverty Reduction**
- High Performing Government
- Ambassadorship



- **Public Safety** – “I want to be safe and feel safe from crime, fire and other hazards anywhere in the community.”
- Health & Environment – “I want to live in a community that promotes health through good infrastructure while preserving the environment for future generations.”
- **Neighborhood Vitality** – “I want to live in a city of strong and vibrant neighborhoods that are clean, safe, and encourage a sense of community.”
- Culture & Recreation – “I want to live in a community that provides recreational and cultural opportunities that will keep my mind and body healthy and that recognizes the diversity of its citizens.”
- **Economic Development & Poverty Reduction** – “I want to live in a community that has appropriate economic growth that creates jobs, expands city revenue and improves neighborhoods and commercial corridors, while reducing poverty by empowering motivated people to become economically self-sufficient.”
- High Performing Government - “I want a fiscally responsible, accessible and responsive government that maximizes use of public resources for services I need.”



Policy Maker Support

- The City has worked hard to revitalize neighborhoods, attracting national attention for its work and its use of public funds to leverage substantial and necessary private investment for affordable and workforce housing.



Affordable Housing & Regulatory Reform Task Force

- Mayor and Aldermen of the City of Savannah established an Affordable Housing & Regulatory Reform Task Force (Task Force)
- As a result of a year long study in 2007, the Task Force set forth a definition for “affordable housing.”



Affordable Housing Defined

- *Affordable housing in Savannah, GA is privately or publicly owned housing, in good condition, for households who generally earn less than \$48,000 a year and who pay no more than 30% of their gross household income to rent or purchase a dwelling.*



Discovery

- *There is a crisis of affordable housing in Savannah.*
- It is not simply a matter of high housing costs, which many communities face. Low wages in many downtown service-related businesses, coupled with depressed earning power of Savannah families living in the high-poverty census tracts, combine to complicate the affordable housing picture.



Crisis of Affordable Housing

| Year | Savannah Households | # Cost Burdened | % Cost Burdened |
|-------------|----------------------------|------------------------|------------------------|
| 2000 | 51,375 | 20,425 | 40% |
| 2008 | 57,456 | 23,696 | 41% |
| 2018 | 65,057 | 24,513 | 40% |
| 2023 | 66,014 | 25,208 | 40% |

Source: U.S. Census and Carl Vinson Institute of Government



Historical Perspective of Affordable Housing

| Activity | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Total |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| Home Buyer Programs | 54 | 58 | 71 | 71 | 75 | 87 | 83 | 100 | 599 |
| Homeowner Programs | 156 | 279 | 434 | 269 | 300 | 350 | 320 | 294 | 2402 |
| Rental Programs | 50 | 105 | 252 | 38 | 440 | 110 | 211 | 40 | 1246 |
| Infill Construction | 6 | 28 | 42 | 23 | 30 | 59 | 76 | 57 | 321 |
| Total | 266 | 470 | 799 | 401 | 845 | 606 | 690 | 491 | 4568 |
| Public Investment (Millions) | \$ 4.53 | \$ 3.10 | \$ 4.50 | \$ 3.71 | \$ 9.03 | \$ 4.40 | \$ 4.72 | \$ 5.76 | \$ 39.75 |
| Private Investment (Millions) | \$ 1.84 | \$ 3.80 | \$26.49 | \$ 7.99 | \$42.65 | \$19.80 | \$23.81 | \$21.04 | \$157.42 |
| Total Investment (Millions) | \$ 6.37 | \$ 6.90 | \$30.99 | \$11.70 | \$51.68 | \$24.20 | \$28.53 | \$26.80 | \$197.17 |
| % Public | 71.11% | 18.34% | 14.52% | 31.71% | 17.47% | 18.18% | 16.54% | 21.49% | 20.16% |
| % Private | 28.89% | 81.66% | 85.48% | 68.29% | 82.53% | 81.82% | 83.46% | 78.51% | 79.84% |

Source: City of Savannah, Department of Housing



Resolutions

- City leaders adopted two resolutions that stated its commitment to address the problem with affordable housing in the City of Savannah.
 1. Affordable Housing Policy Statement, adopted August 16, 2007
 2. Savannah Affordable Housing Fund Resolution, adopted December 1, 2011





COLLABORATION



Strategy 2: Collaboration

Along with our own Housing Department, the City utilizes these key players to leverage private investment:

- Step Up Savannah
- Housing Authority
- Housing Trust Fund
- Land Bank Authority
- Community Housing Services Agency
- HUD Public Housing programs including HOPE-VI
- HUD Section 8 Voucher and Project Based Certificate programs
- HUD Section 202 and other elderly housing programs



Strategy 2: Collaboration



- Poverty Reduction is a key strategic priority that Step Up helps the City of Savannah to fulfill.
- As key partner, Step Up was instrumental in the creation of the Affordable Housing Fund.

Focus: Asset Building

- Step Up and the City of Savannah jointly focus on strategies with individuals and their families that will increase their financial security.



Community Housing Services Agency

- Community Housing Services Agency, Inc. (CHSA) is a partnership between the city, local banks, and community leaders.
- CHSA's primary function is to help fund the creation and retention of affordable rental housings.
- Projects range from single family houses to multi-family apartments.



Housing Authority

- The Housing Authority of Savannah was organized on January 10, 1938 as a public housing authority in accordance with the Georgia State Housing Authority's Law of 1937, as established by the U.S. Housing Act of 1937.
- Thus, its mission is to effectively and efficiently address the housing needs of Savannah's low income population while focusing on the educational, job training and economic self-sufficiency needs of the residents of public housing neighborhoods and the Housing Choice Voucher Program.



Housing Trust Fund

- The Fund is a financing tool to complement programs that create affordable housing communities and is intended to help fill the void left by as U.S. Department of Housing and Urban Development funding continues to decline.



Land Bank Authority

- The Land Bank Authority's function is to facilitate the conversion of abandoned and tax-delinquent properties to productive use. This conversion returns property from non-productive use to a utilization that can produce housing, new industry, jobs and tax revenue for the County.



HUD's Public Housing Program

- The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local housing agencies (HAs) that manage the housing for low-income residents at rents they can afford.
- HUD furnishes technical and professional assistance in planning, developing and managing these developments.



Strategy 2: More Collaboration

The City also utilizes these types of organizations, government programs and funds to leverage private investment.

- CDBG, HOME, Shelter Care Plus, and other HUD funded programs
- State and Federal low income housing tax credit & bond programs
- State Housing Trust fund programs
- Historic tax credit programs
- Federal Home Loan Bank Affordable Housing programs
- Urban Redevelopment Act programs
- Enterprise Zones programs
- SPLOST and General Fund programs
- Foundation funded programs
- Volunteer programs





RESULTS



Strategy 3 : Results

- In 2009, the City of Savannah established a Housing Trust Fund.
- Initial investment - \$150,000 from the 2012 budget, *with the hope for*
 - \$150,000 from the 2013 budget
 - \$150,000 from the 2014 budget



Strategy 3: Results

| Product | Units | City Investment | Private Investment |
|---|-------|---|--------------------|
| <p>Savannah Gardens (Phases 1,2,and 3)</p> <ul style="list-style-type: none"> • East Savannah • 44 acres of land • Addressed conditions of blight in the neighborhood formerly known as Strathmore Estates • An Earthcraft Coastal Community <p><i>*figures represent total units/investment once all phases have been completed</i></p> | 550 | \$22,000,000 | \$66,000,000 |
| <p>Sustainable Fellwood (Phases 1, 2, 3 and 4)</p> <ul style="list-style-type: none"> • West Savannah • 27+ acre site • A LEED/ Earthcraft Coastal Community <p><i>*figures represent total units/investment once all phases have been completed</i></p> | 333 | \$3,600,000 SPLOST \$ 800,000 HOME/NSP | \$40,000,000 |



Lessons Learned

1. Stay engaged
2. Have clear, straightforward and relevant data to support your position
3. Don't reinvent the wheel

