

Affordable Housing Coalition

May 10, 2022

Ed Stansberry, Director of Voluntary Action Center (VAC), reported getting through some state approvals since the last meeting towards the purchase of property for the Opportunity Center.

Darren Prius, Director of Central Missouri Community Action (CMCA), reported that they are now assisting clients with State Assistance for Housing Relief (SAFHR) applications. CMCA has obtained funds to build 2 homes in FY 2032 - one 3 bedroom, 2 bath home and one 4 bedroom, 2 bath home.

Josh Baker – reported they are hoping to close on the purchase of 4 hotels in July.

Randy Cole, Director of Columbia Housing Authority (CHA) reported:

- CHA will probably be receiving an additional 10-12 vouchers for non-elderly disabled and homeless individuals
- Kinney Point resolution will be submitted mid-June to MHDC. Will take a couple of months to hear back. Construction will start in either late 2022 or early 2023.
- Commitment from anonymous donor and local Bank to build one single family residential home on vacant lot owned by CHA.
- Randy gave presentation on housing gap and strategies to increase affordable housing. Randy also reported that there is some overlap between the Affordable Housing Coalition and the Upward Mobility Housing group.

Recommended Approach for Columbia/Boone County

- We are missing an Affordable Housing Policy
- Establish stated policy goals city/county for increasing affordable housing
- Appoint a policy recommending body.
- Procure affordable housing consulting firm to conduct a housing study.
- Utilize housing study to set actionable policy goals.
- Identify policies to foster development of affordable housing
- Funding – identify an additional local source to invest in development of affordable housing and relate it to economic development.

What Creates Housing Affordability

Communities across the U.S. foster the creation and stewardship of affordable housing primarily through large investments of resources to fill the gap between total development costs and the desired income level of households in need of assistance. Communities also utilize policy, programs and support institutions to maximize the utilization of resources needed to fill the gap between housing costs and local wages, while also maximizing the local market's ability to create entry level housing. A key to identifying solutions involves ensuring that key stakeholder groups have input into the process.

There is no standalone solution or silver bullet to addressing affordable housing. Communities effectively addressing affordable housing begin with a thorough analysis of the barriers to creating affordable housing and follow through with the implementation of a comprehensive set of strategies and priorities. Some of the common policies, programs and support entities that help communities implement affordable housing goals are as follows:

Affordable Housing Policy	
Density bonus	Density bonuses are the most common affordable housing incentive offered by communities and allow for the development of more housing units than what the zoning code otherwise would allow. A density bonus is intended to allow for additional profit for the developer by getting more units sold, however for additional site specific infrastructure and design costs can negate a portion of those gains.
Parking reductions	Some programs allow for the reduction of parking spaces for new development for sites with good pedestrian access to employment, amenities or public transportation. The reduction in materials and labor to produce parking spaces reduces development costs.
Expedited processing	Expedited zoning and permit processing can reduce predevelopment costs including interest payments for financing, insurance on land, real estate taxes, engineering fees, mowing and other land holding costs.
Tax abatement	Property taxes can be a significant portion of housing costs. Some communities offer partial abatement or waiver of property taxes to owners of projects with affordable housing to increase the level of affordability.
Fee reductions/waivers	Many communities offer partial or full waivers of planning, permitting or impact fees to projects that include affordable units.
Inclusionary Policies	Some communities incentivize the inclusion of affordable units within developments over a specific size. Larger and more urbanized communities with both rapidly appreciating markets, as well as increasing rates of development may mandate the inclusion of affordable units, or fees in lieu thereof to help create more affordable units.
Up zoning	Up zoning is an affordable housing tool that lifts restrictions in zoning requirements that the number of homes per lot. Up zoning can help slow displacement in older neighborhoods by ensuring more modest affordable choices are available.
Accessory Dwelling Unit (ADU) Ordinance	Many communities including Columbia allow for the development of accessory dwellings on existing lots with a primary residences.
Commercial Linkage	Commercial linkage fees are a form of impact fee assessed on new commercial developments or major employers. Revenues are used to fund the development of affordable housing.
University/City Partnerships	A number of colleges and universities have formalized their commitments to affordable housing through partnerships with the local municipality. Examples include the University of Iowa, Duke University and the University of Chicago.

Affordable Housing Programs

Homebuyer Down Payment Assistance	Down payment assistance programs are typically used to help low to moderate income homebuyers purchase a home. Assistance is often provided as a forgivable loan that is also secured to the property for specific timeframe.
Production of Rental Units	Many communities fund the development of affordable rental housing by providing a development subsidy to qualified projects. A per unit subsidy is provided to developers in exchange for renting the units at affordable below market rates. The subsidy level and rent rates are determined by unit size and income level of households desired to be served.
Single Family Owner Construction	Communities often fund the construction of new single family residential owner occupied units with both private entities and non-profit community housing development organizations. Assistance is provided as a development subsidy determined at a rate to fill the gap between the total development cost and a price that is affordable to the desired income and household size to be served.
Home Rehabilitation Program	Funds allocated for these common programs are used to rehab and repair older housing stock through roof replacement, foundation repair, HVAC repair and replacement, lead hazard mitigation, radon mitigation, window replacement and other activities designed to preserve housing stock.
Demolition of Dilapidated Properties	Many communities offer a program to demolish vacant and dilapidated structures to prepare lots for redevelopment of affordable housing.
Tenant-Based Rental Assistance	Communities with a significant supply of housing units and specific populations in need of emergency housing often use additional HOME funds to provide additional rental vouchers. These programs are often limited in scope and number of vouchers due to the primary need of producing additional units.

Affordable Housing Support Entities

Public Housing Authority	Public Housing Authorities are typically the primary provider of affordable rental housing in communities across the country. These entities provide housing through public housing, housing choice voucher programs or project based voucher programs. Most PHAs, including the Columbia Housing Authority provide an extensive set of additional supportive services.
Community Housing Development Organization (CHDO)	Community Housing Development Organizations (CHDOs) are nonprofit community-based organizations that meet organizational governance criteria established by the Department of Housing and Urban Development (HUD). CHDOs maintain the development of affordable housing as its primary purpose and have a three part board structure that includes 1/3 as representatives of the low-income community and no more than 1/3 as public officials.
Community Land Trust	Community Land Trusts (CLTs) are non-profit community based organizations that's primary function is preserving permanently affordable housing. CLTs often help plan a role in creating affordable housing, however stewardship of permanent affordability are their primary role.
Land Bank Authority	Many larger communities with a significant number of vacant and abandoned housing units or land will create land bank authority organizations to maintain ownership of the land, clear and mitigate the site, obtain clear title and prepare the lot for redevelopment.
Community Development Financial Institutions	Community Development Financial Institutions (CDFI) are private organizations that help bring financial products and services in low-income communities. Through unique programs and specific resources that leverage federal dollars with private capital, the CDFI Fund supports creating jobs, building businesses, and revitalizing neighborhoods.
Community Development Corp.	Community Development Corporations (CDCs) are nonprofit, community-based organizations focused on revitalizing low-income areas through providing affordable housing, economic development and neighborhood planning.
Local Community Banks	Local community banks are key partners in funding the construction and sale of affordable housing. The Community Reinvestment Act (CRA) encourages banks to meet CRA requirements by providing loans and financial services in lower income neighborhoods.
Local Developers, Builders and property Managers	Local builders, developers and property managers play a critical role in constructing and managing affordable entry level homes. Communities that are expanding access to affordable housing leverage the skills and production capacity of private sector development partners.



Columbia Housing Authority
Housing Coalition Session

May 11, 2023

4:00pm

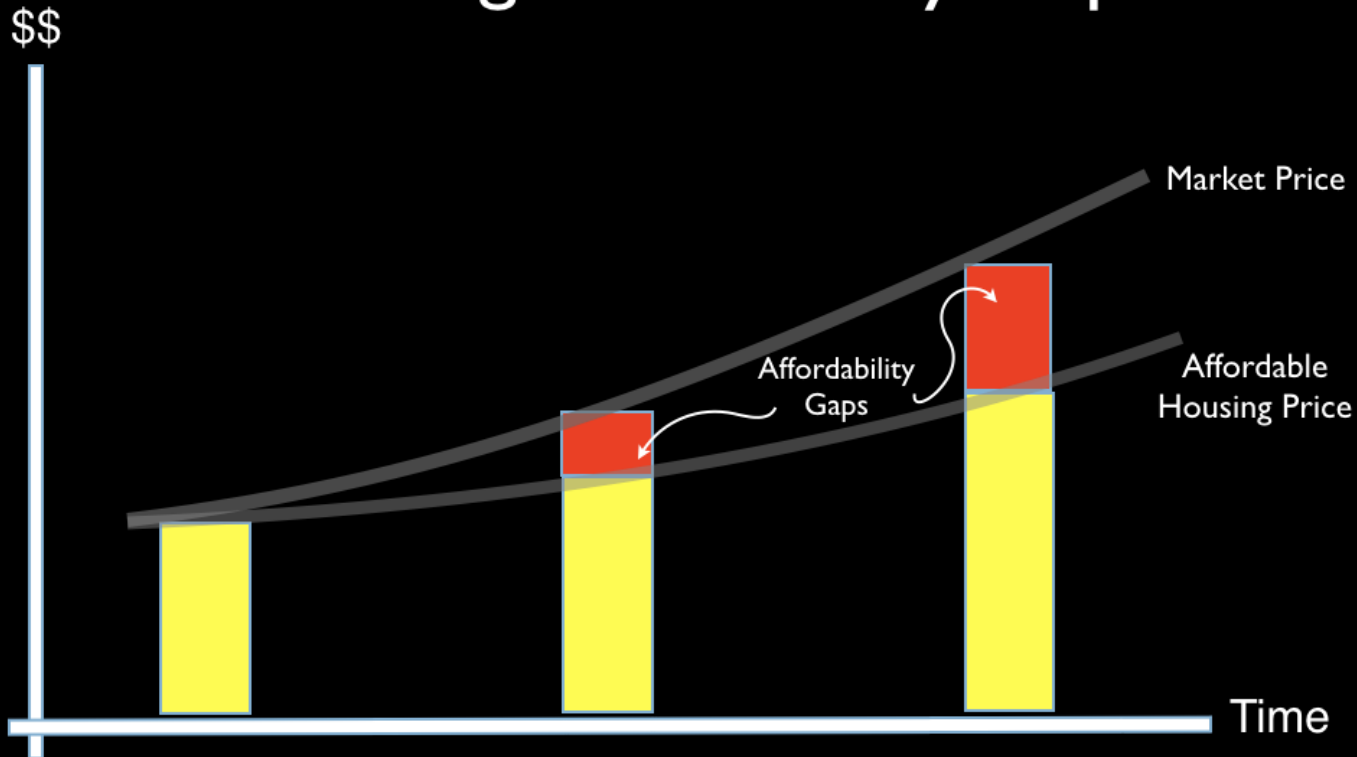
Love Columbia

Market Challenges

- Lack of supply of affordable housing.
 - Over 7,000 Columbia households housing cost burdened greater than 50%
 - 179 homeless individuals on Community Prioritization list
 - 240 homeless CPS children
 - 1,200 households on the Columbia Housing Authority's Waitlists
- Regularly less than 40 advertised apartments for rent at less than \$1,000 per month.
- September 2021 Columbia Board of Realtors (CBOR) Stats
 - Available housing inventory is down 37% this time last year at 1.12 months. (CBOR)
 - *"...in the September stats the average price for an existing property was higher than new construction, which is something I've never seen in our market." (Columbia Board of Realtors, Sept 2021 data)*

Creating Affordable Housing

Housing Affordability Gaps



What Widens the GAP?

- Development costs
- Level of income served

What Fills the GAP?

- Capital Funding: Fed/State Local Grants, Foundations, Donations, Below Market Financing
- Participant subsidy: rent vouchers or down payment assistance
- Volunteer labor
- Public policy requirements/incentives

What Creates and Maintains Affordable Housing?

Programs that fund capital investments in affordable housing and/or fund direct assistance to the end user for that specific purpose.

- ✓ *Requires funding source(s), oversight body, funding process, program guidelines and staff expertise to ensure intended goals are met and on-going compliance.*

Policies that require and/or incentivize the development of affordable housing.

- ✓ *Require a collaborative approach among leaders, as well as in-depth analysis of our community's specific market needs.*

Organizations/Institutions that help implement the development, funding and stewardship of affordable housing resources.

- ✓ *Requires mission, governance, experience, expertise and organizational capacity specific to their role in further affordable housing.*

Affordable Housing Programs

Dedicated Local Funding Sources

- ✓ CDBG
- ✓ HOME
- ✓ Local Dedicated fee, tax or bond financing (Housing Trust Fund)

Affordable Housing Programs

- ✓ Construction of Single Family Residential
- ✓ Homebuyer Down payment Assistance
- ✓ Production of Rental Units
- ✓ Project or Tenant-Based Rental Assistance
- ✓ Rehabilitation and Preservation of Housing
- ✓ Demolition of Dilapidated Properties

Affordable Housing Policy

- ✓ Inclusionary housing policies
- ✓ Density bonus
- ✓ Parking reductions
- ✓ Up zoning
- ✓ Fee reductions/waivers* limited to homeownership and CHDO
- ✓ Expedited development review
- ✓ Accessory dwelling unit (ADU) ordinance*some limits with lot size and width
- ✓ Tax abatement
- ✓ Commercial linkage fees
- ✓ University/City Partnerships

Organizations/Institutions

- ✓ Public Housing Authority
- ✓ Community Housing Development Organization (CHDO)
- ✓ Community Land Trust
- ✓ Land Bank Authority
- ✓ Community Development Financial Institutions
- ✓ Community Development Corporation
- ✓ Local Community Banks
- ✓ Local Developers and Builders
- ✓ Property Managers

Public, Private and Non-profit Partnership

Public Entities

- Provides policy and resources towards shared community goals strategies.

Private For-Profit Entities

- Provides expertise, skills, knowledge and private capital to most efficiently and effectively execute task(s) necessary to achieve a public goal.

Non-profit Entities

- Receives grant and charitable funds to ensure the charitable mission of implementing affordable housing in our community.

Public, Private and Non-profit Partnership-Where can it go wrong....

Public Entities and Nonprofits.

- Blending of roles and increasing risk of conflicts.
- Investment solely driven by emotion of project
- Lack of project underwriting and planning.

Private for-Profit Entities

- Removal of too much risk or over profiting of private sector entity.
- Under estimation subsidy required.

When do things go right?

- When each entity/sector leverages its role to further a shared goal(s), while also mutually benefitting each partner (policy, mission, ROI).

Recommended Approach for Columbia/Boone County

- What we have been missing as a community: “Affordable Housing Policy”
- Establish stated policy goals City/County for increasing affordable housing.
- Appoint a policy recommending body.
- Procure an affordable housing consulting firm to conduct a housing study.
- Utilize the housing study to set actionable policy goals.
 1. Policy
 - Identify policies to foster the development of affordable housing.
 2. Funding
 - Identify an additional local source to invest in the development of affordable housing and relate it to economic development.



LOVE
COLUMBIA

22 Ways to Step Into the Housing Crisis in 2022

BECOME INFORMED AND INSPIRED

1. Learn about Columbia's housing crisis and the Affordable Housing Coalition by clicking the link below:

<https://lovecolumbiamo.org/columbias-housing-crisis>

HELP WITH AN IMMEDIATE CRISIS

2. Pay for a one week stay for a family at a local hotel.
3. Provide an “essentials” care basket to a newly homeless family.

VOLUNTEER TO HELP PEOPLE GET AND STAY HOUSED

4. Become a Love Columbia housing search coach (help people find affordable housing, enhance their rentability, and view properties/talk with prospective landlords).
5. Become a Love Columbia housing maintenance coach (teach basic cleaning, simple home maintenance skills, and tenant rights/responsibilities).
6. Become a Love Columbia financial or career coach (teach basic financial and career success practices).
7. Help people furnish their homes (join a Love Seat furniture bank delivery team or help a family in transition move their belongings).
8. Help people on the path to home ownership (coach an individual or teach a class).

DONATE INDIVIDUALLY OR AS A GROUP

9. Pay an old utility bill preventing a family from securing permanent housing.
10. Sponsor an Extra Mile transition home by paying utility bills for one month, one year or ongoing.
11. Sponsor an Extra Mile Homes family (provide welcome basket and family activities).
12. Donate unneeded furniture and housewares to The Love Seat furniture bank.
13. Host a neighborhood furniture drive for The Love Seat furniture bank.

CREATE AFFORDABLE HOUSING

14. Learn about projects currently planned by affordable housing coalition partners and financially support them.
15. If you own property, lend a unit to the Extra Mile Homes program (where families with kids transition from homelessness to affordable housing).
16. If you own property, learn about housing choice vouchers and new landlord support program. Consider renting to someone with a voucher.
17. If you own property, consider renting at less than market rate.

CREATE AFFORDABLE HOUSING

18. Buy property for Steps 15, 16 or 17, either individually or as a faith community or other group. Promote neighborhood revitalization by choosing to repair an abandoned/neglected property.
19. If you are a developer, learn about funding options to build affordable housing and work with others to build a multi-unit complex with supportive services in scale with its neighbors.
20. Dream big and collaborate with others to finance and build transitional and affordable housing. Look at Columbia with new eyes to see current unused property that could become affordable housing.

ADVOCATE FOR OUR UNHOUSED NEIGHBORS

21. Help inform city, county and state officials and your neighbors about the Columbia housing crisis and urge them to make solutions a priority.

22. Believe Columbia can become a model city where our neighbors who want housing can find and keep it. Then, converse with others to stimulate creative solutions.



LOVE
COLUMBIA

Columbia's Housing Crisis & Why It's Happening

WHY ARE SO MANY PEOPLE UNHOUSED?

They Are Priced Out

Renters need to make \$17.12 per hour to afford a modest, two-bedroom rental in Columbia for an average market value of \$890 without being housing cost burdened (paying more than 30% of income in rent).*

The typical renter earns \$15.28 per hour. Rent increased an average of 10% nationwide in 2021, but wage increases haven't kept pace.** At minimum wage, a renter would have to work 55 hours per week to afford a two-bedroom

* <https://reports.nlihc.org/oor/missouri>

** <https://www.bloomberg.com/news/articles/2021-09-29/u-s-rents-are-accelerating-at-shocking-rates-of-more-than-10>

Fewer Affordable Rental Units Are Available

2,367 rental units were added in Columbia over the last 5 years, but the number of affordable housing units declined by 1,246. Market pressures diminished existing stock, and few income-based public housing units were built in Columbia in the last 45 years.

Over 9,000 households in Columbia are extremely low-income, earning less than 30% of the area median income.* Income-based housing and housing vouchers combined can only accommodate one-fourth of these households.

* <https://www.huduser.gov/portal/datasets/cp.html>

FAMILIES IN TRANSITION

In March 2022, Columbia Public Schools identified 271 students as homeless. School buses pick up 105 students from hotels.

In the first quarter of 2022, Love Columbia provided transitional housing to 56 households (102 children) using Extra Mile Homes and local hotels.

Kathryn and her 5 children had never experienced homelessness prior to the pandemic.

She relates, “I was so scared. I did not want to lose my kids. My whole family got Covid, then my daycare providers got it, too. I lost my job and my housing. I had very little family that could take us in.

I’m very independent, but no one at Love Columbia judged me or made me feel bad about myself. Instead, they have helped me every step of the way and showed me what I need to do to get my own place. I needed a home until I could get all that worked out.

Now, we have a roof over our heads. A place we can call home.”

