



Affordable Housing Ad Hoc Committee

Minutes

April 24, 2024

5:05 p.m.

Committee Meeting Room
301 University Ridge
Greenville SC

Pursuant to the Freedom of Information Act, notice of the meeting date, time, place and agenda was posted online, at 301 University Ridge, Greenville, and made available to the newspapers, radio stations, television stations and concerned citizens.

Present

Ennis Fant, *Chairman, District 25*

Benton Blount, *District 19*

Alan Mitchell, *District 23*

Others Present

Don Oglesby, *CEO, Homes of Hope*

Libba King, *Vice President of Real Estate and Capital Markets, Greenville Housing Fund*

Item (1) **Call to Order**

Chairman Fant

Item (2) **Invocation**

Councilor Blount

Item (3) **Homes of Hope**

Presenter: *Don Oglesby, CEO*

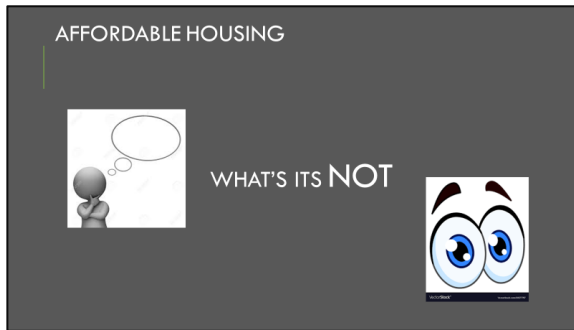


Mr. Oglesby stated Homes of Hope was established in 1998. He stated it had never been so difficult to do affordable housing in the Greenville community and across the state. Homes of Hope developed throughout the state and hired individuals local to those areas to perform the work. Mr. Oglesby stated that to date, Homes of Hope had built 702 houses. There were currently 222 houses in some form of construction phase, with approximately 100 future builds scheduled.

Homes of Hope had three core values:

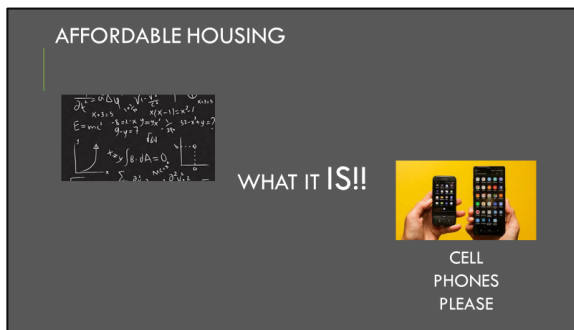
- Market quality
 - The homes had to be indistinguishable from the market
 - It was important that they did not look like affordable housing
- Connections to resources for economic mobility offered for each household
 - Affordable housing was a starting point and offered stability
 - Economic stability was unattainable with housing stability
 - Necessary to provide connections to services and opportunities

- Mixed-income development emphasis
 - Never want to congregate or segregate housing by income
 - Ensure diversity of income in every neighborhood developed
 - 30% - 120% AMI
 - 50% of developments for sale, 50% rentals
 - Unable to determine owners vs renters in a development



Mr. Oglesby asked the committee members to close their eyes for 10 seconds and try to picture affordable housing. He stated most people admitted they pictured something negative.

Mr. Oglesby stated affordable housing was a math equation. He stated if an individual or family was paying less than 30% of their monthly income on housing, they were living in affordable housing. It was not a type of housing, it was not high rise apartments. Affordable housing was not “crappy” housing and it was not housing in the back of the county with a fence around it.



Affordable Housing was housing that an individual or family could afford. Mr. Oglesby stated it was important to promote affordable housing, not stigmatize it. He stated it was hard enough to have low to moderate income, without being stigmatized for where you live or what you live in. Homes of Hope would never build houses out of discarded plastic straws from Starbucks or old shipping containers. Mr. Oglesby stated Homes of Hope would only build quality housing, in order to give residents the dignity they deserve to live in something they could afford.



Homes of Hope’s mission statement was, “We open doors for economic mobility through housing, economic, and workforce development.” Housing was a staple and it was a place of stability. Along with the stability was economic workforce development.

Mr. Oglesby states Homes for Hope had a program for men overcoming addictions. A total of 331 men had graduated from the program. They reentered the community, fully equipped with a marketable job skill. He stated most of them had started jobs making \$40,000 - \$50,000 per year; most of them were on a growth track. The program had a 94% success rate.

VISION STATEMENT:

"Pursuing Generational change throughout South Carolina"

Mr. Oglesby stated Homes of Hope’s mission statement was pursuing generational change throughout South Carolina. Simply put, they would not be dealing with the same individuals or families over and over again. Homes of Hope’s “favorite client” would be somebody who did not need them any longer. Those same people would teach their children and grandchildren a new way of life.

SOME FINANCIAL TOOLS

- Patient or philanthropic capital
- Public/Private partnerships (Government/Churches/Corporations)
- Developer vs. General Contractor
- Equity Fund
- RGS fund (Rental Gap support)
- H.O. fund
- Tax Credits
- Bond issuances
- Market profits
- Leveraging!!!



Mr. Oglesby stated Homes of Hope used a number of financial tools. Government funds for affordable housing was not as plentiful as it used to be. Private philanthropic capital was a bit more difficult in some ways, because it was the new model. He stated there were donors and investors that wanted to invest in affordable housing, whether it was below market lending or patient capital.

Recently, a church loaned Homes of Hope \$500,000 at 0% interest and no payments for 10 years. Other individuals put money in donor advised funds; they would never see the money again. Homes of Hope was talking to individuals, corporations and money managers to find philanthropic or patient capital. They also partnered with churches, especially African American churches. Homes of Hope wanted to keep them as land owners and partner with them to develop their land, resulting in sustainability for the church.

Homes of Hope had a Rental Gap Support (RGS) fund. Mr. Oglesby stated rental support meant capturing a market rent and allowing the customer to continue to pay an affordable rent by filling in the gap between what was needed in the market to cover the debt. He stated a local foundation had committed \$35,000 per year in rent support for a period of 10 years. The Home Ownership Fund was a fund consisting of profits from the sale of their homes. Those monies were used to assist neighboring renters. Mr. Oglesby stated there were a number of tax credits that could be used for financing.

What are some issues and barriers???

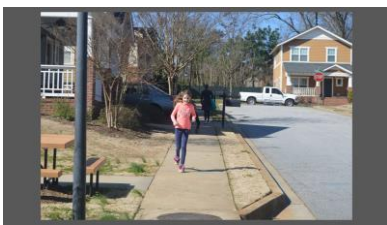
1. Speed of process
2. Fees/Costs
3. Equity capital—can be recycled
4. Today’s banking underwriting
5. Expecting the market to solve this

There were issues and barriers regarding affordable housing. The speed of the process was frustrating. It could sometimes take 5 years to get a project going. Fees and costs were also barriers. In Charleston, a project budget in 2019 of \$12 million was \$24 million in 2024. He stated the process in Greenville was not as bad, but it was slower than it should be. He would like for Council to mandate that affordable housing should be at the top of the list, with specific timeframes. Charleston had a rule that indicated there had to be a review response within 21 days; however, the rule did not state how many times the 21 days could be repeated. In one situation, Homes of Hope had to go through the process 17 times.

Mr. Oglesby stated reducing or waiving fees was important. The funds that were saved helped equity capital and could be invested in other affordable housing projects. He stated Homes of Hope was a “safe bet”; there was no lower risk in the world than affordable housing in Greenville County. It had a collection percentage of 99% and an occupancy percentage of 97%; those numbers had remained steadfast for 20 years. Banking underwriting had become a difficult hurdle. Homes of Hope was being held to standards because of what was happening in the rest of the country, but not in Greenville County. He stated the market was not going to solve the problem.

Mr. Oglesby provided the following slides, depicting Homes of Hope affordable housing units.






My contact:

Don Oglesby—President/CEO
864-546-4637
don@homesofhope.org

QUESTIONS?

Councilor Fant thanked Mr. Oglesby for stating that affordable housing was a math equation, not a type of housing. There was a misconception that affordable housing units were “dumps”, with residents sitting on the front porch drinking beer and playing cards. Mr. Fant stated in terms of how long it took to get building permits, even developers who were not doing affordable housing complained about how long it took to get permits, causing budget issues. He stated the problem was across the board. If a developer was attempting to do affordable housing, there should be limits on how long it took. Mr. Fant stated affordable housing developments were low risk. Individuals and families should only spend 30% of their income on housing; there were families in District 25 spending 70% of their income on rent and utilities.

Councilor Mitchell inquired about Homes of Hope’s ability to offset financing problems.

Mr. Oglesby stated he recently spoke with Senator Tim Scott’s office about affordable housing. Senator Scott was the Chairman of the Senate Banking Committee. Mr. Oglesby stated the larger banks were holding affordable housing developers to nationwide standards, due to what was happening across the country. Those standards were unattainable for affordable housing rental projects. He stated the banks were also putting affordable housing developers “in the same bucket” as commercial real estate developers, due to the fact that they owned the property and were a corporation. Mr. Oglesby stated there were some smaller banks that were not holding them to nationwide standards.

Councilor Mitchell stated he would like for the Committee to discuss that issue in more detail; he requested additional information from Mr. Oglesby, and the Greenville Housing Fund, as to what was actually needed in order to be more favorable to affordable housing developments.

Councilor Blount inquired about working with credit unions.

Mr. Oglesby stated Homes of Hope had actually found that working with credit unions, and some non-profit lenders, much easier than banks. They were stepping up in terms of financing.

Councilor Blount stated he recently spoke with a federal credit union. They had indicated they would be making an announcement in the near future about some things they wanted to do in the County for people who were unable to access loans, due to bad credit and other issues.

Mr. Oglesby stated more than likely it was one of the credit unions they were currently working with; they appeared eager to assist.

Item (4) Greenville Housing Fund

Presenter: Libba King



Ms. King stated the Greenville Housing Fund as was investor and lender in affordable housing in the City of Greenville and Greenville County. The agency had a land bank, with parcels in both the County and the City. Ms. King stated the Greenville Housing Fund was also an advocate for affordable housing.

The Greenville Housing Fund was created in 2018 under Community Works Carolina; verging off in 2021, becoming its own separate entity.



Since its startup, the Greenville Housing Fund had facilitated 1465 affordable homes, as well as land bank and advocacy efforts. Currently, the agency owned approximately 1200 affordable units, with 1000 of those located in Greenville County.

Defining Affordable Housing

Affordable Housing: Housing is considered affordable if a family spends no more than 30% of their gross income on rent/mortgage and utilities (water, sewer, gas, trash, and electricity). As such, affordable housing differs according to family income. HUD's definition¹ of family incomes:

- At or below 80% AMI = Low Income
- At or below 50% AMI = Very Low Income
- At or below 30% AMI = Extremely Low Income

Workforce Affordable Housing: Often, affordable and workforce housing are terms used synonymously because most low-to-moderate income families are working and are in need of affordable housing near their employment. Income levels for this type of housing range from 60% AMI to 120% AMI (with 80% to 120% AMI considered moderate)



¹HUD Resources

Ms. King stated housing was considered affordable if a family spent no more than 30% of its monthly income on rent/mortgage and utilities.

2024 Greenville AMI¹

Household Size	30% (Extremely Low)	50% (Very Low)	60%	80% (Low Income)
1	\$18,630	\$31,050	\$37,260	\$49,680
2	\$21,270	\$35,450	\$42,540	\$56,720
3	\$23,940	\$39,900	\$47,880	\$63,840
4	\$26,580	\$44,300	\$53,160	\$70,880
5	\$28,710	\$47,850	\$57,420	\$76,560
6	\$30,840	\$51,400	\$61,680	\$82,240

¹Source: Rent & Income Calculator, 2024 data

UNDERSTANDING AFFORDABLE HOUSING

Affordable workforce housing is often needed for income levels that are 80% of the area median income (AMI) or below. According to a 2022 Bureau of Labor Statistics report:



Ms. King stated the 2024 AMI (area median income) limits were released about 10 days prior to the meeting. For a family of four at 60% AMI, the yearly income limit was about \$53,000, the average salary of a teacher, with a Master's Degree, in Greenville County. In terms of affordable housing needs, the majority of qualifying families in Greenville County fell in the 60% and 50% AMI tiers.

The following slides provided an overview of professions falling in the 60%, 50% and 30% AMI tiers, the connection between AMI and rent limits, and average salaries for certain professions in Greenville County.

Life, physical and social science

60% AMI

- Arts, design, entertainment, sports and media
- Education instruction and library
- Installation, maintenance and repair
- Construction and extraction

50% AMI

- Community and social services
- Sales
- Production
- Protective service
- Office and administrative support
- Farming, fishing, and forestry
- Transportation and material moving
- Health care support
- Personal care and service
- Building and grounds cleaning and maintenance

30% AMI and below

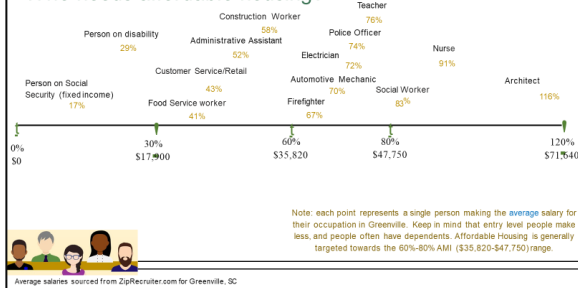
- Food preparation and serving related

Connection between AMI and 2024 Rent Limits

% of AMI	Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
30%	\$465	\$498	\$598	\$691	\$771	\$850
50%	\$776	\$831	\$997	\$1,151	\$1,285	\$1,418
60%	\$931	\$997	\$1,197	\$1,382	\$1,542	\$1,701
80%	\$1,242	\$1,330	\$1,596	\$1,843	\$2,056	\$2,269



Who needs affordable housing?





Greenville Housing Fund Summary 2023

Development	Homes	AMI	Investment	Notes
Production				
Riley at Overbrook	88	20%-60%	\$2,129,000	9% LIHTC with GHF equity
Gateway at the Green	72	20%-60%	\$576,000	9% LIHTC with GHF equity
Total:	160		\$2.705 million	
Preservation				
Century Plaza	212	30% - 100%	\$5,000,000	501c3 bond with GHF equity
2023 YTD Total:	372		\$7.705 million	Prior Year's Total: 486

Greenville Housing Fund developments:

- Gateway at the Green – Woodruff Road and Bell Road
- Century Plaza – Century Drive
- Riley at Overbrook – partnership with Drew and Holly Douglas Schamber

Ms. King stated 75% of Greenville Housing Fund’s units had to be at or below 80% AMI, with a subset within that of 50% AMI. The remaining could be 25% market rate. In large complexes like Century Plaza, there was the ability to have affordable housing vouchers on the property along with residnets paying market rates.

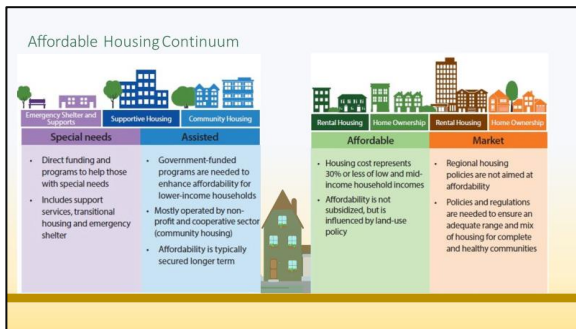
Ms. King stated the Greenville Housing Fund had seen not only rent assistance contributions but capital repair assistance, as well. It was important to keep rents low; however, expenses usually rose every year and continued to rise rapidly. She stated insurance costs had risen 30% in the last four years. It was important for non-profit agencies to be able to sustain financial sustainability without having to tap into government coffers. Greenville Housing Fund was working to support local neighborhoods and non-profits.

Where We Are: GHF’s Current Project Pipeline

Development	Units	Location	Area Median Income	GHF Investment	Total Project Cost
Southernside East	93	Southernside	30% - 60%	\$744,000	\$22 million
Southpointe Senior	90	Woodruff Road	20% - 60%	\$720,000	\$23 million
The Alliance	100	Laurens Road	30% - 80%	\$800,000	\$30 million
Unity Park Site 4 RFQ	38	Southernside	30% - 120%	TBD	\$10 million
Unity Park Site 1 RFQ	15	Southernside	30% - 80%	TBD	\$4.5 million
Total:	336 homes		540 residents	\$2,264,000	\$89.5 million

Greenville Housing Fund had several new developments in the planning stages:

- Southernside East, a 55 plus development, was a 9% LIHTC deal to be located across from Miracle Hill
- Southpointe Senior on Woodruff Road was very similar to Southernside East
- The Alliance on Laurens Road
- Unity Park at Southernside



Ms. King stated it took partnerships throughout the community to meet the community’s affordable housing needs. As part of the Greenville Housing Fund’s neighborhood strategy, they were looking to bolster the capacity and housing resources for special emphasis neighborhoods.

2024 GHF Priorities

- Deployment & Development at Unity Park
- Support City of Greenville Affordable Housing development through GHF's Neighborhood Strategy
- SC Housing Affordable Housing Programs (LIHTC, SCHTC, SRDP, SCHTF)
- Increase Public and Private Investment Resources
- Support Deployment of Greenville County Investment for Affordable Housing
- Support Implementation of County Affordable Housing Incentive
- Launch Greenville Community Home Trust ("GCHT")
- Support GAHC and partners Collective Impact!

Neighborhood Strategy

- Infill/homeownership through Community Home Trust
- Financial services/products to support our partners
- Access to lower cost capital

Greenville Community Home Trust – Shared Equity Homeownership

Home prices in Greenville are growing faster than incomes, especially for Greenville County's Essential Worker population, who is increasingly priced out of homeownership opportunities. An effort to keep a portion of Greenville's Single-Family homes accessible and available to our working population is therefore critically important to ensure these vital members of our community continue to work and serve locally.

Year	Greenville County Average Single Family Home Price*	Year	Greenville County Median Household Income*
2016	\$162,000	2016	\$55,342
2018	\$192,000 (+19%)	2018	\$63,889 (+15%)
2020	\$212,000 (+12%)	2020	\$68,548 (+12%)
2022	\$286,000 (+34%)	2022	\$72,738 (+6%)
2023	\$294,000 (+2.8%)	2023	In process

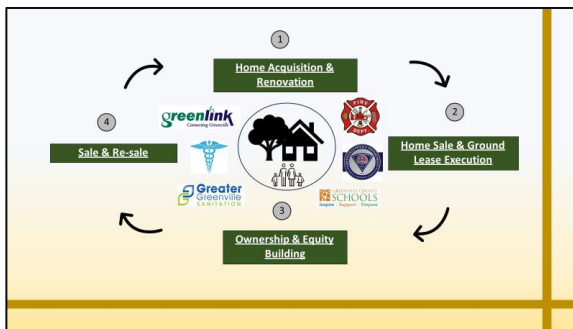
Greenville Community Home Trust ("GCHT") is a shared equity homeownership program where the rights, risks, and rewards of owning residential property are shared between an Essential Worker (homebuyer) and GCHT (legal steward and land owner).

Various models of shared equity are used nationally (Burlington, Asheville, Durham, Atlanta, etc.) as an anti-displacement tool, by means of the creation and legal memorialization a permanent supply of Single-Family homes.

The GCHT ensures a permanent, and growing, portion of Single-Family homes will always be affordable to Greenville's Essential Workers.

- Benefit 1: Prevent displacement of the Essential Workforce in high-growth areas of Greenville.
- Benefit 2: Create avenues of wealth building for target populations via shared equity.
- Benefit 3: Lessen long-term, recurring need for public subsidy to maintain and protect affordable housing stock.

Ms. King stated home prices in Greenville were growing faster than the area's incomes, especially for the essential worker population. They were increasingly priced out of homeownership opportunities. In an effort to keep single-family homes accessible and available, the Greenville Community Home Trust (GCHT) was established. It was a shared equity homeownership program where the rights, risks, and rewards of owning residential property were shared between an essential worker and GCHT. The goal of the program was to prevent displacement of essential workers and keep that portion of the workforce in Greenville County.



Pre-Renovation

Post-Renovation

Address:	32 5th Avenue
Neighborhood:	Pro Mill
Purchase Price:	\$101,000
Purchase Date:	Jun-23
Post Renovation Price:	\$215,000
Post Renovation Sale Date:	Sep-23

Questions?

Thank you!

Councilor Fant inquired if the sale price of a home, with the price of the land not included in the financing, was recorded with the land value or without.

Ms. King stated it would be recorded at the full price, to include the cost of the land, therefore, not lowering the property value.

Councilor Fant stated there were more vouchers available in Greenville County than properties; landlords would not accept them. He asked if it was easier with mixed income developments.

Ms. King stated the Greenville community was able to bifurcate by zip code the actual amount of rent that a voucher paid. Some landlords in high rent areas were actually taking vouchers more often than others in lower market areas. There were some requirements, such as inspections.

Councilor Fant stated the process was extremely burdensome. As a landlord, he used to accept the vouchers but no longer did so. He stated there should be a way to make it more "landlord friendly." Mr. Fant stated he had heard that if a landlord wanted \$1300 a month in rent, but had accepted a voucher for \$1000, the tenant was not required to pay the remaining \$300,

Ms. King stated the voucher holder (tenant) would pay 30% of their income towards the rent, regardless of the "gap amount." The program was created to incentivize landlords to take vouchers. It could be in these areas. But really tough to close those gaps, leading to underutilization of the vouchers.

Councilor Mitchell asked if the Greenville Housing Fund had considered a self-insurance fund to control expenses. He stated he previously ran a corporation that decided to establish one and discovered it was much less expensive to do so.

Ms. King stated the Greenville Housing Fund had not explored that concept. They had explored the market for brokers that understood how they could be more competitive and provide better service. She stated she was very interested in the self-insurance fund and would look into it.

Councilor Mitchell stated it would be a good idea to look at all the things that were costing more than they were 10 years ago and look for solutions to bring those prices back down.

Ms. King stated she understood what Mr. Michell was saying. The Greenville Housing Fund had recently run into problems with mulch. The price had risen drastically and they were looking for ways to bring the cost down. It was important to be creative about expenses, but not to the point where too much time was being spent.

Councilor Blount asked if the Greenville Housing Fund had relationships with other non-profit affordable housing organizations that worked with supply companies providing materials, such as mulch. Some of those expenses could be written off instead of having to pay such high prices.

Ms. King stated they were doing that with some small scale efforts. For bigger projects, it was a bit tougher, given the fact that there were a number of regulations attached.

Councilor Fant thanked both presenters.

Item (5) Adjournment

Action: Councilor Blount moved to adjourn.

Motion carried and the meeting was adjourned at 6:00 p.m.

Respectfully submitted:

Jessica Stone
Deputy Clerk to Council