

Affordable Housing Commission Agenda

February 21, 2025 at Noon

City Administration Building – Council Chambers

Members Present: Mollie Fitzgerald, Solveig Spjeldnes, Megan Vogel, Zack Dye, Maria Modayil, Shay Meyers, Kimberlee Francis, Mary Abel, Polly Sumney

Members Absent: Meghan Jennings, Amy Lipka

Guests: Zach Reizes

1. Introduction – 5 minutes: Solveig welcomed everyone and stated the Commission’s mission: The Athens City Affordable Housing Commission is a commission of city government established to review best practices, investigate community affordable housing models, and identify needs and opportunities within Athens’ city limits to advance decent, safe, sustainable affordable housing for all city residents. The commission is tasked with providing advice and guidance on measures and policies that influence access to and needs within the local housing market.

She emphasized the Commission does not only look at low-income housing options. It is an advisory commission with a comprehensive view of all levels of housing for the entire community.

2. Establish Quorum – 1 minute: Quorum met.
3. Disposition of Minutes – 1 minute: Mollie Fitzgerald moved to approve the January minutes. Shay Meyers seconded. All in favor and the motion passed.
4. Speaker – Zach Reizes, Consultant/Organizer will explain Land Trusts – 25 minutes: Solveig introduced Zach as a consultant and organizer who is joining us to discuss Community Land Trusts (CLT). This approach has been deployed across the country for housing initiatives.

Zach is an advocate for housing and does research around affordable housing policy. CLTs are nonprofits that operate similarly to conservation trusts, although to maintain stock of affordable housing. This would be primarily to address the rapidly inflated housing market (not necessarily low income). As a 501c3, it would use legal mechanisms to preserve affordable housing stock. The trust would buy the house but not the land underneath. Rather the trust would give a 99-year land lease to the resident. Residents would upkeep property like any traditional homeowner. A primary difference is that the CLT, as a charitable org, will include some form of public subsidy to build units, and will sell below market value. With CLT owning the

land, they can permit that the owner sell house but limit the equity they can accrue from the sale. A portion will go back to the land trust which generates revenue for ongoing operations. CLTs also establish a formula that determines resale values. Homes always will sell below market value. CLTs ensures perpetual affordability, whereas programs such as Welcome Home Ohio only require resale below market value for the first sale.

CLTs are one tool in a larger tool kit to address housing needs at all spots on the income spectrum. They can push back against gentrification, appreciation, etc. Everything discussed so far are basic principals of a CLT. There are over 150 nationwide. Yellow Springs was the first community in Ohio to have a CLT.

The traditional structure of a CLT includes a board with topical experts, homeowners, policymakers, etc. They can also manage rental properties. This is a benefit because high end units can help subsize lower income projects.

Zach will send his presentation to Solveig to share with commission members. He can also provide other CLT resources.

Shay asked about intricacies around CLTs managing multiunit housing. Zach reiterated that CLTs are flexible and can do this if it wants a diversified portfolio that supports the organization. Shay also asked about home improvements. Can the CLT taking equity from the sales disincentivize owners making improvements to the home? Zach doesn't think so although it depends on the situation. It could do the opposite since the mortgage is lower and therefore could free up cash for improvements. This is a wealth-building tool and that is the reason why the structure exists.

Mary Abel asked about CLTs in Athens and southeast Ohio. Zach is not aware of any CLTs in Appalachia Ohio. Some landbanks near Youngstown may be exploring CLTs but he isn't certain. He clarified the differences between landbanks and land trusts. A landbank is a quasi-governmental agency created by the state and works with slum and blight removal. A land trust is a 501 c3 – there is no governmental direction. Zach is not aware of state-level incentives for land trusts. Additional assistance could go towards affordable housing construction. That would add incentive for communities to invest in housing. The CLT would need to determine who accepts and administers those funds.

Zach is a long-time fan of CLTs. He referenced the ACF housing report which shows interest from many stakeholders re: conversations around housing and the CLT as a tool. We need to figure out how to pay for it though.

Solveig asked about ORC restrictions on CLTs. Does zoning matter? Lot sizes? All of this is determined by regulations at the local level. The CLT can determine its own

focus areas and will need to engage with local authorities re: zoning regs. There are no state restrictions to prevent the CLTs model (sale of land, leases, etc.).

Solveig also asked about pushback from landlords and developers that see CLTs as a threat to their business? Zach referenced several larger land trusts that we could reach out to about this. There is more spotlight on the CLT model since COVID and the fallout from repercussions the pandemic had on housing. We can also post this question to the YS and Frankling County land trusts, although the market in Athens is unique. Our shortage is shaped by topography and our economic engines. In the case of CLTs, there isn't quite the stigma of serving lower-income folks. It can be a good tool for "workforce" housing.

Kimberlee asked how properties are acquired for the CLT. Zach clarified can buy land, but this can be an initial hurdle. Many public funds don't allow for property acquisition. Welcome Home Ohio does. Local philanthropy or lending is another option. Kimberlee asked how properties for trusts are identified. CLTs can acquire properties from a landbank. You would also need to identify the priority/focus of the CLT and then go after the properties that meet that priority. This drives the strategy of the trust. Zach's opinion is that any CLT in Athens should first prioritize market rate rentals that are safe and of a higher standard. This would subsidize operating staff and property management. He also said as a 501c3 they could accept charitable contributions and houses with reduced sale prices from landlords that gives them a tax benefit as well. That would play into the unique economics of Athens. Kimberlee clarified the only way to acquire property, in short, is to buy it or have it deeded over to the CLT.

Audience member asked if a lease on the land would replace lease fees to land trust? It depends on how the CLT is structured. Usually this isn't the case and instead the lender who services the mortgages is scaled to the size of the value of improvements sold. The trust then gets paid when the property sells.

Shay asked about stacking on other tools like the CRA to drive down development costs overtime. Zach listed several economic development tools that can be used too. He gave an example of stacking CRA, land trusts and a New Community Authority (NCA). The downside is that once fees are added back in (energy efficiency programs for example), the homeowner doesn't necessarily see those savings. It's legally convoluted and would require good attorneys. You could end up breaking even on dollars saved with fees owed.

Solveig discussed the new housing units in the NCA at the Ridges. Could we bring up a land trust model to the NCA? Yes, this could absolutely be done but it would require management and oversight. It can become overly complicated. A CLT could focus on both city and county projects.

Mollie question – has the CLT conversation been had with the landbank yet? Are they interested in pursuing this? Zach confirmed they hadn't had that conversation yet, but it is important to remember they operate in different ways. The land bank and CLT would have different goals and different governance structures that could complicate how they play together.

Solveig asked how do we get started, and what models work the best? The first thing we need is cash to acquire a property for a trial run/pilot project. More broadly, defining the needs at various income levels. Zach suggests structuring the CLT with the following in mind: right the balance of rental units vs owner occupied homes; acquiring enough units with grant funding that generates enough revenue to offset operations; have entity whose job is to secure/pre-negotiate MOUs with landowners; acquire properties to be improved rather than all new builds (generally the former is more affordable).

Could LIHTC work with a CLT? Fundamentally they are different concepts. LIHTC is mostly done by private developers with federal funding and specific regulations. They could play together if CLT acquired a large enough piece of land and then secured a developer for a LIHTC project with lease fee/develop fee to subsidize the CLT. They could also have a LIHTC developer donate a percentage of land to the trust to develop owner-occupied units. Solveig also shared that opponents to the Pomeroy LIHTC project say it can lead to owner occupied units. Is this true? Zach isn't familiar enough with the program to know. It could be that they are talking about after the 30-year term expires. Shay shared they would also need to be turned into condominiums which isn't a common practice. Zach shared that LIHTC has its flaws, but it is the most efficient way to build new units.

5. City Updates – Meghan Jennings will be OOT, Solveig (City Council) and Shay (Board of Zoning Appeals) - 5 minutes:
6. Pomeroy Landing Status – 10 minutes – Solveig asked if the commission wanted to voice its support for the rezoning of the Pomeroy Road property from R1 to R3 regardless of Spire rescinding its rezoning request. Council still needs to discuss this and the commission could advise/recommend. The options are YES, NO, or TABLE. Shay shared that often the integrity of the developer comes up rather than focusing on land use plans for the community. He thinks this is a good move for this particular project because it allows for the types of development we really need. Solveig has been very supportive of the rezoning and opposes the arguments brought up re: flooding and traffic/safety. The engineers and service safety director assured her nothing would be built unless those issues were addressed. She added that there is an abundance of research showing this would be good for folks at lower-income levels. She has spoken with the Woda Cooper leadership and it seem as though they assist renters with things like services and ameliorating issues in partnership with HAPCAP.

Does the commission want to make a recommendation or table? This is separate from a development proposal; it's just the rezoning peice. It could provide another opportunity for a future developer to build there. Single family development is not likely but larger projects like the one proposed are better in the sense that they require civil engineering, permits, etc. Megan asked what is the downside? Kimberlee shared we wouldn't what a next use would be so this may be premature. Spire seemed to back out due to the spread of misinformation. Shay shared that there is nothing in zoning code that binds developers into building anything in particular. Polly doesn't believe she personally has enough information to vote in favor of the rezone. Will the city only address flooding issues if there is development? Yes, because no developer will pay for civil engineering until they are certain the development opportunity exists.

Mollie suggested finding a way to more clearly communicate this to residents who are concerned and want to see something more tangible. The commission decided not to make a recommendation to the council ahead of their meeting.

7. Committee Reports/Updates – 10 minutes – Progress on Projects and Goals
 - a. Nominating Committee (Ad hoc) - *Mary, Megan, and Amy Lipka:*
 - b. New Development Committee - *Mary, Megan V, Amy, Meghan J, Mollie and Shay:*
 - c. Neighborhood Revitalization - *Maria, Zach, Solveig, Polly, Kimberlee, Megan AND Michelle Papai as our consultant:*
 - d. Communication/Education Committee (Ad hoc) – *Polly and Amy:*
8. For the Good of the Order – 5 minutes:
9. Concluding Remarks – 5 minutes:
10. Motion to Adjourn: Maria moved to adjourn at 1:03pm.