

# **Affordable Housing Plan For The City of Statesboro, Georgia**



**Prepared for  
Statesboro Planning and Community Development  
Department**



**Prepared By the Coastal Regional Commission of Georgia**

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**What Does Affordable Housing Mean:** *Housing is considered affordable if that expense, including rent or mortgage paid by the occupant, is no more than 30% of family gross income. The current estimated annual median family income in Statesboro is \$29,000 (by the US Census Bureau). Thus, such families have an affordable housing expense potential of up to \$725 per month. The current median average housing expense for owner occupied homes in Statesboro valued at \$150,000 is estimated to be \$927 per month. The median average rent for a 2 BR apartment is estimated to be \$780 per month. These families and more than half of all Statesboro's families are very likely to be financially and severely burdened by their housing expense.*

## **INTRODUCTION**

As recommended in the City's Comprehensive Plan and the recently adopted Urban Redevelopment Plan, the City of Statesboro commissioned the preparation of both a comprehensive Housing Market Study and an Affordable Housing Plan. The *Citywide Housing Study and Needs Analysis*, prepared by KB Advisory Group, was completed in June 2021 and much of its base information, data and appropriate recommendations has been used to develop this Affordable Housing Plan report.

The housing market in Statesboro is complex and dynamic because of its very large resident student population, over 17,750, in relation to its overall population estimated at around 33,000. Significant on campus housing (4,500 beds) and off campus privately built student housing (11,750 beds) complicate the analysis of Statesboro's housing needs and resources.

*The Citywide Housing Study and Needs Analysis* has forecast the demand for all future housing needs to meet the current demands and that of a growing population. That forecast includes a substantial current and future demand for affordable family and individual housing for low- tier (\$35,000), mid-tier (\$35,000 - \$75,000) and upper-tier (+\$75,000) income ranges, and for a growing senior citizen population estimated to increase 55% by 2040 to nearly 6,000. The study also analyzes the supply of new housing for each income level tier to determine the "gap" between supply and demand for each. The gap identified for all housing types and income levels within Statesboro is extensive for all tier categories, **but most severe in the supply of lower tier affordable housing**. This housing need will require new initiatives and leadership by the City of Statesboro.

The purpose of this Affordable Housing Plan for Statesboro is to recommend specific actions, policies and initiatives that can be undertaken by the City, private interests, and the non-profit community to meet the demand for affordable housing. By adopting this plan, the City of Statesboro will acknowledge the need, establish policies, and put programs in place to meet that need. A prerequisite for those actions is to inform and educate the citizens of Statesboro of the need for this plan and how the long-term benefits resulting from the implementation of its recommendations will benefit the community.

*Please note, that data used in this report is, in most cases, estimated using base US Census data from 2010. As 2020 US Census data is released, the data in this report should reflect that most current data for housing and socio-economic conditions in Statesboro.*

## **AN AFFORDABLE HOUSING PLAN**

### **Background**

The City of Statesboro was incorporated in 1803 and was long a center for production of Sea Island cotton. As the county seat for Bulloch County, it was likewise the commercial center of the immediate region and home to Georgia Southern University (GSU) established there in 1908 as an agriculture college. Between 1990 and 2021, student enrollment on the Statesboro campus increased from less than 5,000 to nearly 19,000 on and off campus students. Statesboro and Bulloch County experienced the same rapid growth largely created by the increased student population. Statesboro's population has increased from 15,854 in 1990 to an estimated 32,859 today, a more than doubling over 30 years. Bulloch County likewise experienced rapid population growth expanding from 43,125 in 1990 to an estimated 80,000 today, an 85% increase over the same period. Much of the county's growth outside of Statesboro is within a three-mile radius of the city considered part of its metropolitan area.

The current population of Statesboro is dominated by students attending GSU. It is estimated that 17,750 students (of the 19,000 enrolled) actually reside in Statesboro. This results in an **estimated non-student resident population of Statesboro of approximately 15,000.**

Prior to the rapid growth and expansion of GSU, Statesboro was a typical small community with older neighborhoods surrounding a vibrant downtown of retail and government centers. Those older neighborhoods exist today, with homes approaching 50 years of age and older. Today, those neighborhoods are surrounded by new housing developed since 1980, and a significant number of private off-campus student housing complexes with more than 4,700 apartment units and nearly 12,000 beds. The University has on-campus student housing totaling 4,475 beds.

### **Socio – Economic Profile of Statesboro Residents**

Using data projected by the US Census Bureau for 2019 and 2021, the following is a profile of the socio-economic characteristics of Statesboro residents:

• Total estimated Population (US Census) 2021	32,859
• Total Daytime Population (US Census)	37,601
• Households	11,241
• Average Household Size	2.37
• Median Household Income	\$29,000
• Number of Households with Less than \$35,000 Income Base	42.2%
• Number of Households with \$35,000 - \$75,000 Income Base	41.1%
• Estimated Number of Families Below Poverty Levels*	42%

\*Federal defined level of \$21,719 for a family of 3

While this data is influenced by the student population, it is a reasonably accurate snapshot of the socio-economic profile of Statesboro residents. Compared to a similar profile of Bulloch County, the residents of Statesboro have a much lower Median Household Income (\$29,000 vs. \$50,000), a higher percentage living below poverty levels (42% vs 31%), have smaller households with 61% having 1 or 2 members, fewer homeowners (26% vs. 74%), and a higher number of families and individuals cost burdened by housing expense, 61% of renters and 27% of homeowners vs 54% and 23% in the County.

Employment opportunities in Statesboro are significant with over 16,000 local jobs. Interestingly, only 2,729 of these jobs are held by residents of Statesboro with 83% or 13,528 of those employed in the city commuting from outside the city. Most commute from the County in areas that have developed within the 3-mile ring around Statesboro. The second largest number who commute to jobs in Statesboro are from Savannah, 1 hour away. Many of Statesboro's employed labor force, 6,564 or 70%, commute to jobs outside the city. These phenomena relate to the lack of housing choices and availability of an adequate supply of affordable housing and to a lack of higher paying jobs in Statesboro and the surrounding area.

#### **EXISTING HOUSING SUPPLY IN STATESBORO**

As previously noted, the rapid growth of GSU over the past 20 years has brought increased numbers of students and University staff to the city and the surrounding area. Most students are housed in the city near the GSU campus in privately built student housing apartment complexes. Unfortunately, the city failed to capture much of that growth within its downtown commercial core area and adjacent neighborhoods which are located within a mile of the University campus. Thus, the impact students could have brought to the core area has not been felt.

The number of housing units in Statesboro totals 13,392 and is made up of 5,477 single-family residences (including townhomes), and 7,915 multi-family apartments, duplex, and small complexes of rental housing (Reference Exhibit 1). A substantial number of the single-family housing units, 3,255 or 60%, were built prior to 1980 and are found primarily in neighborhoods surrounding Downtown Statesboro (Reference Exhibit 2). Single-family units built after 1980 are largely found in neighborhoods surrounding the City's core to the East and South and total 2,200 units. Currently 38% of the City's single-family housing is over 50 years old and much of that over 50 years in age (39%). A significant amount of that housing needs moderate to extensive rehabilitation (Reference Exhibit 3).

Between 2010 and 2020, a total of 195 new single family residential units were developed in Statesboro, plus 105 new townhomes and 18 new duplex units. This represents a total of 318 housing units over a 10- year period: an average of just 32 units per year. During the same period, 1,193 new residential units were developed in the county, primarily single-

family housing (1,126). Obviously, demand for new and affordable single-family housing has been partially met by newly constructed single-family housing in the County.

Since 1990, most multi-family housing has been developed in the city because of the availability of public water and sanitary sewer service. Most multi-family rental housing has been developed for students enrolled at Georgia Southern University primarily around the perimeter highway to the South and East of the University. Currently, private student housing totals approximately 4,700 units with 11,745 beds (bedrooms). On-campus student housing totals approximately 4,475 beds. Current vacancy rates for both on and off-campus student housing are higher than normal due to the COVID 19 Virus Pandemic.

An estimated 1,280 newer traditional apartment units for families and individuals have been developed around the City's perimeter in recent years. Some of these units are occupied by student groups. The remaining smaller multi-family housing units totaling 1,935 are scattered throughout the city and are considerably older. These also include 803 subsidized multi-family rental units for both elderly and families. Little affordable rental housing has been developed in recent years and an increasing number of older single-family residences in older neighborhoods are being converted to rental housing.

Following is a statistical summary of housing types, age, and condition within Statesboro:

- **Total Estimated Number of Housing Units - Statesboro: 13,392 (Reference Exhibit 1):**
  - Total Single-Family Units (incl TH Duplex) – 5,477
  - Multi-Family Units (including student housing multi-bed units) – 7915.
    - Traditional Multi Family – 1280 Units
    - Student Apartments – Est. 4560 Units (11,750 Beds)
    - Subsidized units – 803
    - Other housing units – 1272
  - Total Occupied Rental Units – 74%
  - Total Owner–Occupied Units – 26%
  - Vacant – Est. 5% (mostly student housing)
- **Age of Single-Family Housing (Reference Exhibit 2):**
  - Pre 1960 – 1,425 (26%)
  - 1961 – 1980 - 1,830 (33%)
  - 1980 – 1999 – 1,472 (27%)
  - 2000 – 2019 – 750 (14%)
  - Note: Most multi-family housing has been built since 1990.

- **Condition of Single - Family Units (Reference Exhibit 3):**
  - Poor – 120 (2%) Requiring demolition or substantial rehabilitation.
  - Fair – 366 (7%) Requiring moderate rehabilitation.
  - Average–2627 (48%) 20% - 30 % to require modest rehabilitation.
  - Good and Excellent – 2354 (43%)
- **Median Value of Owner-Occupied Home** - \$133,685 (There are estimates ranging from \$115,000 to 145,000 for Median Home Values from other sources)
  - Owner-Occupied Housing Unit Value up to \$150,000 60%
  - Value Between \$150,000 - \$250,000 24%
  - Value Over \$250,000 16%
- **Median Family Household Income** – \$29,000
- **Median Gross Mortgage Payment** - \$927
- **Median Gross Rent Payment** - \$780
- **Calculated 30% of MHI for Housing Expense** - \$670/month.

From this socio-economic and housing data for Statesboro, it is easily seen that there are serious issues affecting the availability of supply of affordable housing within the City. This is not only true for lower cost housing but middle to upper income tier ranges for affordable housing. From an examination of housing sales data, it is highly likely that much of the affordable housing, in terms of required rent or mortgage payments, is being met by the purchase or rental of older housing in core neighborhoods and likely in substandard condition. Much of the middle- and upper-income tier housing need is being met outside of Statesboro in the County. These facts were recognized in the City's 2019 update of its Comprehensive Plan in its statement of Housing Goals, as follows:

- Provide safe, clean, and affordable housing choices to all Statesboro residents.
- Remove deteriorated structures throughout the city.
- Increase homeownership throughout the city.
- Supporting Policies
  - Redevelop some of the deteriorating manufactured housing stock into higher density and/or mixed-use development.
  - Acquire and demolish vacant and dangerous buildings that do not meet minimum property management codes.
  - Focus redevelopment activity in the central portion of Statesboro to promote a more defined town center.
  - Develop multi-family options for residents who may not be able to purchase single family- homes.
  - Partner with private sector and/or government agencies to develop housing assistance programs.
  - Utilize the urban redevelopment plan for development decisions.

Many of these steps have been taken by the City, most notably an increase in code enforcement staff, adoption of a Minimum Property Standards Code, establishment of an Urban Redevelopment Area and adoption of an Urban Redevelopment Plan.

### **THE STATESBORO URBAN REDEVELOPMENT AREA (URA)**

In January 2021, the Statesboro City Council approved the creation of an Urban Redevelopment Area (URA) for its downtown area and adjacent commercial corridor connecting downtown Statesboro to Georgia Southern University PLUS four surrounding neighborhoods in declining condition. This action was in response to the City's awareness of the deteriorating housing and neighborhood conditions in the URA.

Based on the declining physical condition of housing within four identified neighborhoods within the URA (Johnson Street, MLK, Whiteville and Mulberry), the City adopted an Urban Redevelopment Plan (URP) and selected the Johnson Street Neighborhood as its top priority for early code enforcement and housing rehabilitation activity. By doing so, the city has positioned itself to take advantage of certain grant programs to assist it with implementing Revitalization Area Strategy Plans for each neighborhood.

Following are the statistical profiles of population and housing characteristics for the URA (CRC Estimates based on US Census 2019 Census Block Group Estimates):

- Total Estimated URA Population: 5,690
- Estimated Households - 2400
- Average household size - 2.37
- Median Household Income – Estimated at \$20,000 – \$25,000.
- Number of Household with less than \$35,000 income base – 75%
- Estimated Number of Families Below Poverty Level – 45%

Following are the housing profiles for the four neighborhoods within the URA. (Largely obtained from the Bulloch County Tax Assessor and US Census 2019 Block Group Data)

#### **Total Number of URA Housing Units: Reference Exhibit 1**

- Total Estimated Single-Family Units – 1,539
- Multi - Family Units (including subsidized Public and Section 8 Housing) – 800
- Total SF Rental Units – 889 (58%)
- Owner – Occupied SF Units – 600 (42%)
- Vacant SF Units - 50 (3%)

#### **Age of Single-Family Housing: Reference Exhibit 2**

- Pre 1960 – 925 (60%)
- 1961 – 1980 - 614 (40%)
- 1980 – 2019– Insignificant



#### **Condition of Single-Family Units - URA: Reference Exhibit 4.**

- Poor – 113 (8%)
- Fair – 313 (20%)
- Average – 677 (44%)
- Good – 436 (28%)

**Median Owner-Occupied Home Value** (Primarily single family) - \$115,000 and less

**Median Gross Mortgage Payment** - \$700 - \$850/ month

**Median Gross Rent Payment** - \$600 - \$750.00/ month

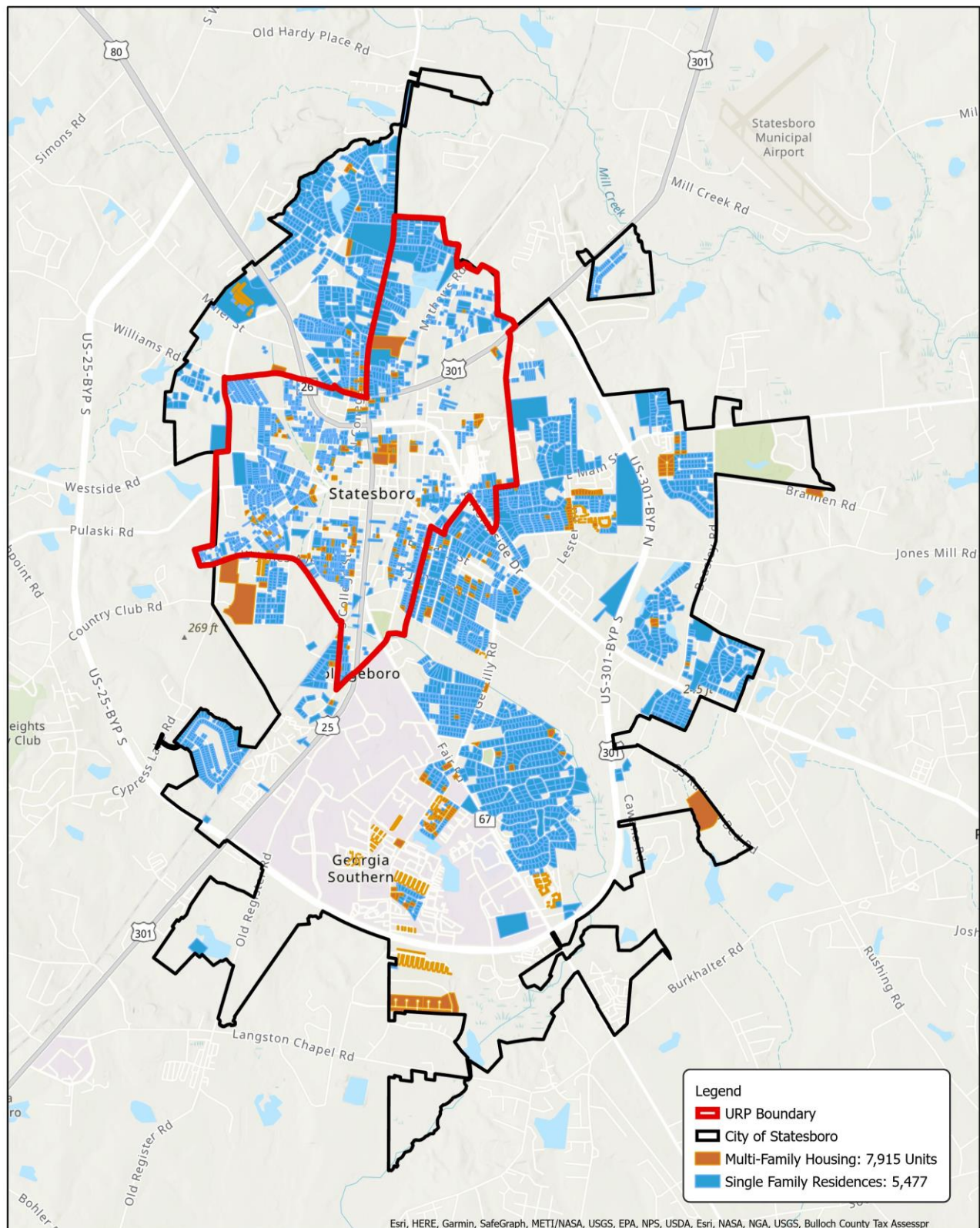
**Calculated 30% of Average MHI for Housing Expense** - \$540.00/ month.

These socio economic and housing conditions highlight a real challenge for the City to improve and expand the availability of decent safe and adequate affordable housing. For example, the Median Gross Rental required for units within the URA, causes an affordability “gap” of \$100 – \$210 / month for many of its families and individuals. For home ownership, the “gap” is even larger, \$160 – \$310 per month.

Housing sales data for the period between January 2015 through April 2021, indicates that most home sales in an affordable range have occurred within the URA targeted neighborhoods. However, a closer examination of these sales, particularly in ranges below \$100,000, indicated that these units likely require moderate to major rehabilitation. Many have been purchased by investor individuals and groups for apparent rental income purposes. Few newly constructed homes were sold within the URA.

Other factors influencing housing conditions and the lack of new housing development within the URA, include vacant and dilapidated housing structures, visually estimated to total over 100, throughout the neighborhoods. There is likewise a proliferation of trash filled lots and abandoned vehicles which is currently being addressed by the City’s code compliance staff. The recent funding of major park improvements in two of the target neighborhoods will have a positive effect on the Johnson Street and MLK neighborhoods, as will the correction of several major drainage issues.

An underlying major issue is the economic condition of many families living in the URA. Access to employment opportunities offering upward mobility is limited and need to be addressed. The City has recently funded a public transportation program which will improve access for residents in the URA to better employment opportunities. The revitalization of Downtown Statesboro and the completion of the Blue Mile corridor initiative will likewise bring economic opportunity to many of the nearby residents within the URA.

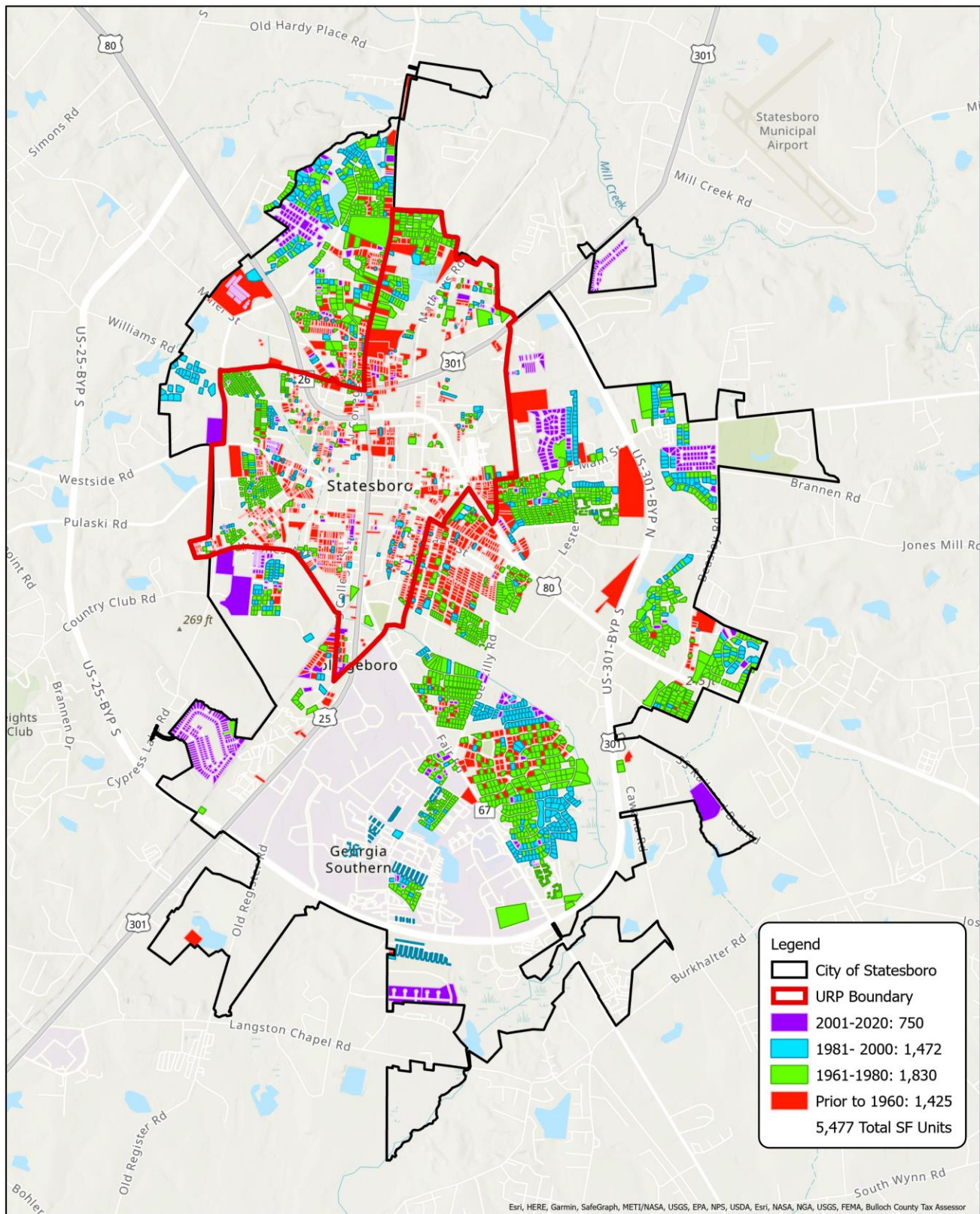


## Exhibit 1

## Single and Multi-Family Residences City of Statesboro, Georgia





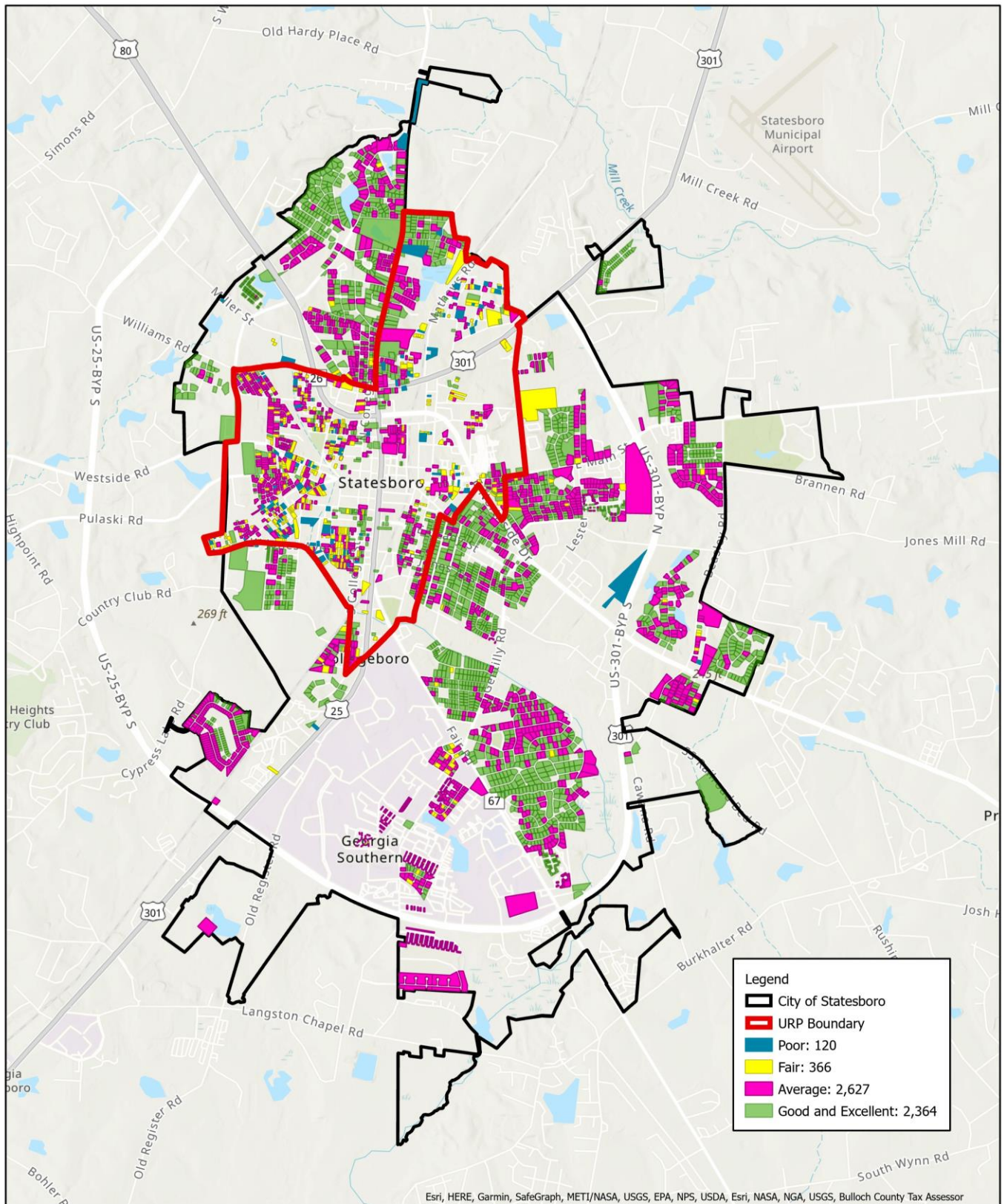


**Exhibit 2**

Age of Single Family Housing  
City of Statesboro, Georgia





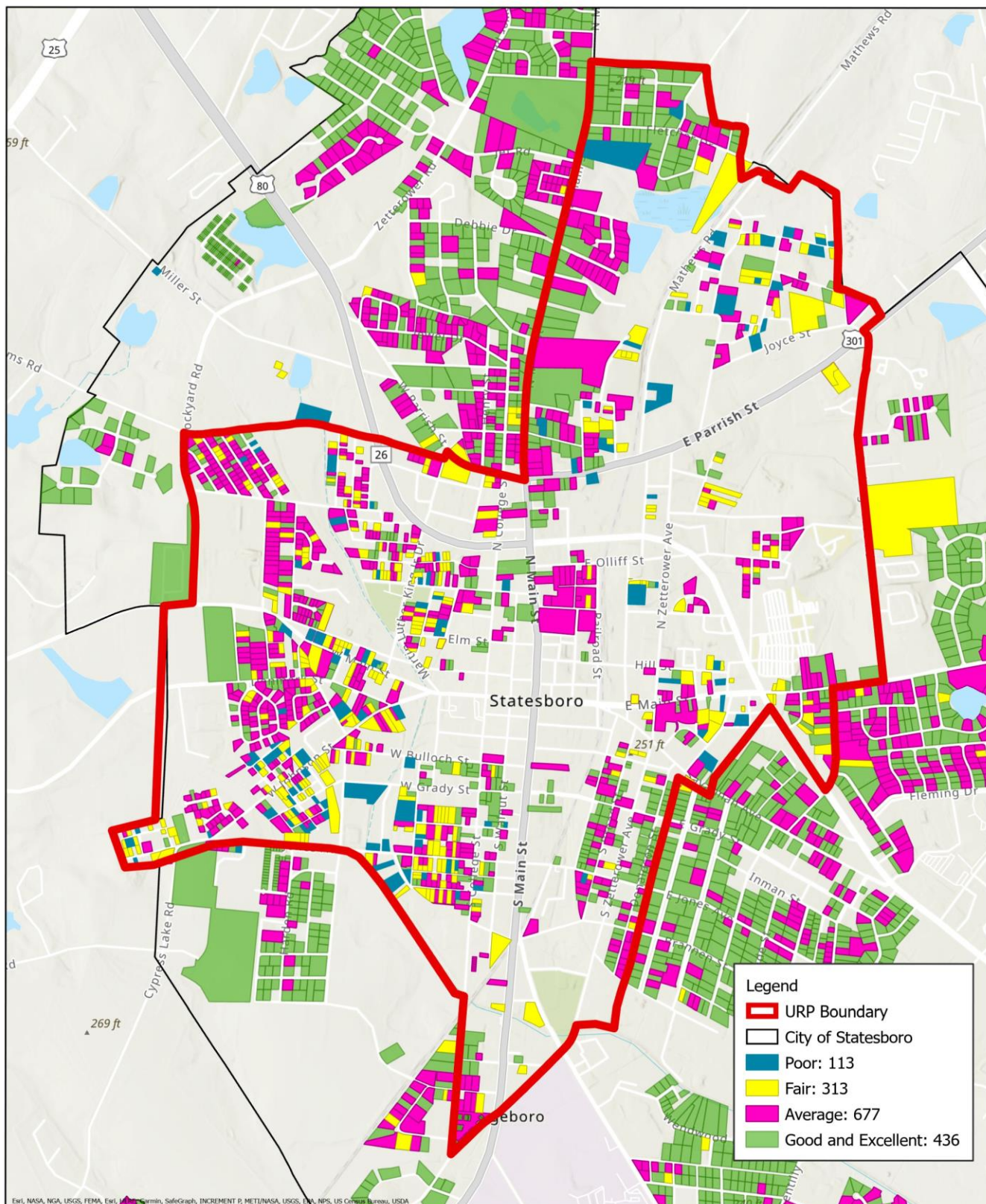


## Exhibit 3

## Single Family Housing Conditions City of Statesboro, Georgia







**Exhibit 4**

Single Family Housing Conditions  
Urban Redevelopment Area  
City of Statesboro, Georgia



### **Current Housing Programs and Opportunities in Statesboro:**

New “starter homes” generally priced at around \$150,000 require a Median Family Income (MFI) of at least \$40,000/year. Most starter home units (over 85%) are currently being built outside the City in Bulloch County. The selling price of these homes currently exceeds \$150,000 and is rising rapidly due to higher building material costs. This exceeds the affordability limits of many families seeking lower tier housing opportunities.

Habitat for Humanity currently sells and builds 2 – 3 homes per year. The Habitat homes will generally be within reach of families whose family income is at or slightly above the MFI for Statesboro. Habitat has been limited in its ability to provide affordable housing due to a lack of funding to support the program and the lack of volunteer labor to build them. It is a well-developed program of meeting the needs of families seeking affordable homeownership.

Federal and State Tax Credit Housing Programs have recently sparked interest among developers of affordable housing with the recent establishment of the Urban Redevelopment Area and adoption of an Urban Redevelopment Plan. Currently, a project is being developed for a phased development of as many as 100 units of elderly housing on a site owned by the public school system and within the Urban Redevelopment Area.

The City recently adopted a Subdivision Incentive Ordinance offers developers a basket of financial assistance to help lower development costs of subdivisions within the city. The program is designed not only to assist affordable housing development but mid to upper market housing subdivisions as well. The first applications for the program were received in March 2021.

### **SUPPLY OF AFFORDABLE HOUSING UNITS**

As identified by the data, the supply of housing in recent years for the Statesboro market has been primarily for student housing in large multi-unit complexes and “starter homes” built and sold in the \$150,000 - \$200,000 range for families. Virtually all multi-family housing has been developed inside the City of Statesboro because public water and sanitary sewer service is only available there. Most, about 85%, of new single-family housing has been developed in the County, primarily within a three-mile ring surrounding Statesboro in the lower, middle, and upper tier income and pricing categories.

### **Building Permits for New Housing**

Within the City of Statesboro, between the years 2010 and 2020, 318 residential structures were built: 195 single family, 105 townhomes and 18 duplexes, for an average of 30 units per year. During the same period, over 1,000 units of multi-family student housing was developed.

During the same period, 2,052 residential units, virtually all single family, were built in Bulloch County. Most of these homes, 1,193, were located within a 3-mile radius of the

Statesboro City Limits. This represents around 200 new housing units per year, nearly a 7-fold increase above the city.

Beginning in the late 1990's and until the early 2000's, the city experienced a significant surge in multi-family housing primarily to serve a rapidly increasing student enrollment at Georgia Southern University. During this period, nearly 3,000 units of student purposed multi-family housing was built providing approximately 7,500 student beds. A scant 200 – 250 units of traditional multi-family housing was developed during this period in addition to approximately 300 units of assisted multi-family rental housing.

The current average annual supply of multi - family housing units within the city is estimated at 53 units per year and, specifically for students, 211 units per year. It should be noted that, currently, the University has no plans to develop student housing on campus.

### **Sales of New Housing**

The sales of newly built housing have been most prominent in the County, particularly in the afore mentioned three-mile ring around Statesboro.

Between 2015 and through 2020, a total of 888 single family homes were sold in Bulloch County for an average of 150 per year. During the same period, only 34 single family units and 28 townhomes were sold in the city for a combined average 10 units per year.

Sales prices for new homes in Statesboro have tended to be lower on average than in Bulloch County, with most homes selling for slightly less than \$150,000. On the other hand, homes in the County have been selling in the \$150,000+ range and in recent years, above \$200,000 and \$250,000, to middle tier income purchasers.

In summary, 83% of all new home sales over the past 5 years have occurred in the County.

It should be noted that there has been a significant increase in home building costs, over 40% for some building materials, which has and will continue to impact the sales price for entry level homes pricing.

### **Availability of Existing Single-Family Housing for Resale**

From an examination of home sales data provided by the Tax Assessor, the re-sale of homes within the city tends to average 25 – 30 units per year. It is noted from this data, that as many as 50% - 60% are transactions below \$100,000. About half of these sales went to investors indicating that the units are likely to enter the rental market. At these sales prices, these units could be a source of affordable housing for many families. However, it is also noted that the location of these units being sold are within declining neighborhoods situated in the city's core area and within the Urban Redevelopment Area. This would indicate than many of these homes, whether being purchased by an investor intending to create an income property

or another homeowner, require modest to major rehabilitation based on inspection by the Tax Assessor's staff.

### **Multi-Family Housing (Other than Student Housing)**

There are an estimated 2,400 family or individual rental housing units in Statesboro, plus 803 units of rent subsidized housing. Current rental rates are in the \$750 to \$1,200 range depending on location, size of unit and amenities. A typical 2 bedroom, modern and recently constructed unit will rent in the \$1100 per month range. Older and perhaps less desirable 2-bedroom rental units typically rent for \$750 per month.

Typically, for families and individuals to be able to find affordable rental property in Statesboro, they must look to subsidized rental housing, older and smaller rental unit complexes or older single family or duplex homes. These units often require rehabilitation and are in declining neighborhoods. Rental rate data for these units is not readily available, however US Census estimates indicate the rental rates for such units ranges from \$400 to \$750 per month.

Vacancies for non-student multi-family rental housing are currently estimated at 2.5%.

### **Conclusions – Supply of Affordable Housing:**

- Most sources concede there are virtually NO vacancies in most lower tier affordable housing categories within Statesboro. Currently, all subsidized rental housing has waiting lists.
- Most of the affordable low and middle tier new home opportunities can only be found in the County within the 3 – mile ring surrounding the city and even that is limited in the lower price ranges at around \$150,000.
- There is only a very limited supply of new affordable housing being developed within the city in either single family or multi-family units and even less at affordable rates.
- The opportunity to find affordable housing in the re-sale market is difficult, unless the purchaser is willing to invest in a home requiring modest to significant rehabilitation. The location of this housing will most often be found in declining city core neighborhoods.
- **Thus, it can be concluded that the availability of decent, safe, and sanitary housing in Statesboro is severely lacking.**



## **THE DEMAND FOR AFFORDABLE HOUSING**

There are many factors affecting the demand for affordable housing.

First, is household income. Generally, families and individuals with annual incomes of \$35,000 or less will be looking for affordable housing in the lower tier of the housing marketplace. This typically means a purchase price of around \$110,000 or a rent rate of no more than \$850 per month. Over 60% of Statesboro's families have annual incomes less than \$35,000.

For Statesboro, the Median Family Income is currently estimated at around \$29,000, even lower within the core area neighborhoods in the Urban Redevelopment Area. This represents a purchase capacity for a home of \$100,000 or less or a rent rate of under \$650/month that can be considered affordable for many families.

Second, is the type and size of housing desired or required by families. From a survey conducted as part of the *Citywide Housing Study*, respondents, 25% of which had family incomes \$35,000 or less:

- Preferred homeownership in a single-family detached home (67%) although a number would choose or consider a townhome (50%)
- Preferred to live in the city of Statesboro (56%)
- Looking for housing priced at \$200,000 or less (50%)
- Looking for monthly rental housing at \$750 or less (42%)
- Want to live closer to their place of employment (40%)
- Those seeking alternative housing to what they have now are looking for purchase (54%) or rental (46%).

Most respondents, however indicated they were basically satisfied with their current housing in terms of size, location, and condition. 20 – 25% indicated dissatisfaction with one or more of these factors.

Third, much of Statesboro's labor force, 13,000 out of a total labor market having 16,257 jobs, or 83%, commute daily into the city from either the County or the surrounding area, including Savannah 40 miles away. This is an exceptionally high number for any community, and it can reasonably be concluded that the lack of housing opportunities in Statesboro has had a direct effect on this pattern.

Lastly, is population growth and, in the case of Statesboro, student growth. Since affordable student multi-family housing demand is either met by the provision of on-campus dorms or privately built student housing, this report will focus on the affordable housing needs of non-student Statesboro residents and potential growth of the City and County.

The *Citywide Housing Study and Needs Analysis* has projected annual housing demand for Statesboro over the next ten years as follows:

- **A total annual housing demand annually over the next ten years of 645 units made up of:**
- 235 single family units
- 88 townhome units
- 163 small multifamily units (duplex, Triplex and quads)
- 159 units in large multi-family complex (including student housing)

The annual demand for sales housing totals 176 new units and is made up of:

- 105 single family units
- 61 townhome units
- 10 large or small multi-family units (condo)

The annual demand for rental housing totals 467 new units annually and is made up of:

- 130 single family units
- 27 townhome units
- 158 small multi-family units
- 154 large multi-family units

Student housing needs are included in the above demand; most of that demand being for multi-family housing and most likely in large units offering “multiple bedrooms”. For purposes of this study, it is assumed that the demand for traditional (non-student) multi-family housing will be around 150 – 175 units each year.

The following income groups make up that demand:

- 60% with annual family income of \$35,000 or less. (Lower Tier)
- 18% with annual family income of \$35,000 - \$50,000 (Lower – Middle Tier)
- 13% with annual family income of \$50,000 - \$75,000 Upper Middle Tier)
- 9% with annual family incomes greater than \$75,000 (Upper Tier)

It is forecasted that those families earning \$35,000 or less will likely look to fill their housing needs with new sales or re-sale housing (77-unit demand) or rental housing (310-unit demand) with a strong preference for single family rental housing.

#### **Summary and Conclusions:**

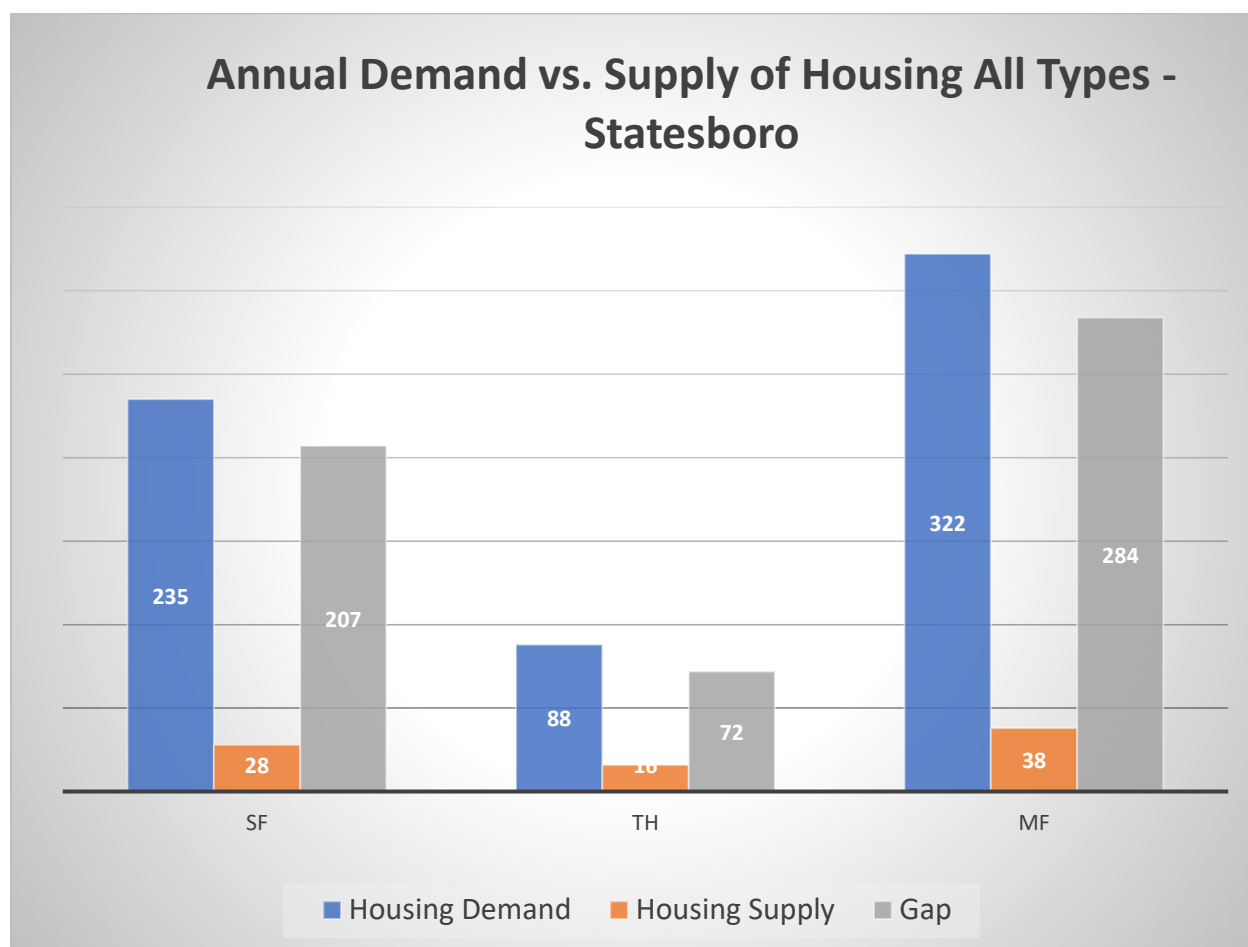
**The affordable housing demand for Statesboro families with incomes \$35,000 or less totals approximately 387 units per year when student housing is not included. That demand is split between sales (homeownership) 77 units and rental 310 units.**

## THE GAP BETWEEN SUPPLY AND DEMAND FOR AFFORDABLE HOUSING

The *Citywide Housing Study* has determined the gap, or unmet demand, for various types of housing in Statesboro. This Affordable Housing Plan will focus on the gap between housing supply and demand for the annual family income group at \$35,000 or less.

To begin with, the gap between demand and supply for all housing demand and income groups within the Statesboro market is extremely large, ranging from 82% to 88%. **For the lower income group that gap is 98%.**

**Thus, this Affordable Housing Plan must focus on recommendations to increase supply almost as though NONE of the demand for affordable housing has been or is currently being met by private, non-profit, or public enterprises.**



## **A PLAN TO STIMULATE THE DEVELOPMENT AND RETENTION OF AFFORDABLE HOUSING**

There are numerous tools municipalities can use to promote the development of affordable housing. ***No one tool is more effective than establishing affordable housing as a city priority and then implementing policies and programs directed toward the retention and additional supply of affordable housing and revitalization of deteriorating neighborhoods.***

The City of Statesboro has already taken these initial steps to address the issues of affordable housing.

- Commissioning the preparation of a Citywide Housing Study and Needs Analysis and this Affordable Housing Plan as recommended in its Comprehensive Plan.
- Establishment of an Urban Redevelopment Area.
- Adoption of an Urban Redevelopment Plan.
- Became a Georgia Housing Initiative Community (GHIC) member.
- Re-established the Bulloch County – Statesboro Land Bank Authority; and
- Appointed a new Board of Directors for the Statesboro Housing Authority.

By considering and then adopting the following tools and policies and perhaps others, the City will be better able to attack and solve its substantial affordable housing needs particularly for low tier income demand:

### **Retention of Affordable Housing Through Housing Rehabilitation and Neighborhood Revitalization – Implementation of the Urban Redevelopment Plan – A Top Priority:**

Most of the affordable housing in Statesboro is existing single-family homes and small clusters of multi-family housing (duplex, triplex, quadplex and apartments) located in core area neighborhoods surrounding Downtown Statesboro. The total number of these housing units is approximately 1,800 with 60% - 70% of these being rental units. A large percentage (75%) of these units were built before 1980; 50% before 1960. Only 30% are considered in good or better condition.

**For this reason, the City of Statesboro has established an Urban Redevelopment Area (URA) within its central core area which includes its commercial and government centers and surrounding residential neighborhoods. It has also adopted an Urban Redevelopment Plan (URP) with broad objectives for revitalizing these neighborhood areas and the redevelopment of Downtown Statesboro as the major activity center for the city.**

A major focus of the URP is the revitalization of four core area neighborhoods (Johnson Street, MLK, Whiteville and Mulberry) within the URP through housing rehabilitation, development of new affordable housing, removal of dilapidated structures and blighting influences, improvements to basic infrastructure and enhancement of neighborhood amenities. Successful implementation of such a program can create diverse housing opportunities for

mixed income groups and bring new employment and economic opportunities not currently available to its residents.

Likewise, **without this neighborhood revitalization aspirations of a vibrant downtown and a connecting entertainment and retail corridor connecting it to the University will be difficult to achieve.**

The city has made affordable housing a priority. It should task the Planning and Development Department to develop a plan to add housing and neighborhood revitalization as a function within the Department for consideration by the City Council. **By approving and implementing such a plan, the city will greatly enhance its chances in obtaining competitive grants through the Community Development Grant Program (CDBG), the Community Housing Investment (CHIP) Programs and other Federal and State Programs that might become available in the future.**

#### **CDBG and CHIP GRANTS:**

The preparation of a Revitalization Area Strategy and Plan (RAS) for the Johnson Street Neighborhood (top priority neighborhood within the URA) is currently underway. City staff has begun a series of neighborhood meetings with the assistance of neighborhood non-profits, churches, and the local NAACP organization. Adoption of the RAS for Johnson Street is expected by the end of 2021 in time to be included as a part of the submittal of a CHIP HOME grant application in early 2022 and followed by a CDBG Application in mid - 2022. Completion of the RAS will entitle the city to earn bonus points in the scoring of their CDBG applications by DCA as well as bonus points for the CHIP grant through the adoption of this Affordable Housing Plan.

The major focus of these financial assistance programs administered by the Georgia Department of Community Affairs, will be for existing housing rehabilitation, the construction of new affordable housing opportunities (using CHIP funds), removal of blighted structures and other conditions adversely affecting the neighborhood and improvements to public infrastructure. This will begin a long but badly needed and focused program to retain affordable housing and desirable living conditions within Statesboro's core neighborhood areas. It is estimated that it will take 15, perhaps 20 years, to complete the program within all neighborhoods in the URA.

For the city to position itself to be awarded competitive grants for housing rehabilitation and neighborhood revitalization, it is recommended that the following be undertaken:

1. Implement a plan to create a Neighborhood Revitalization and Housing Rehabilitation Program within the Planning and Development Department. This will need to include the addition of experienced staff or contracting for those services with private firms and/or assistance from the Coastal Regional Commission.

2. Develop policies and procedures to assist property owners in rehabilitating their homes, including investor – owned properties. These policies and procedures should also address loans and grants that might be available through a city sponsored Revitalization Area Strategy Program.
3. Encourage and seek commitments from property owners, including investor owners, to support and participate in the neighborhood revitalization program through the rehabilitation of their property.
4. Continue an aggressive Property Maintenance Code enforcement program and, with statistics, show that the City has achieved specific goals.
5. Develop an inventory of completed housing inspections, work write ups and improvement cost estimates for homes in concentrated Target Areas and solicit property owner agreements to participate should needed and qualifiable financial assistance be available.
6. Design infrastructure projects to improve the physical characteristics and appearance of the Target Area and Neighborhood.
7. Complete a Revitalization Area Strategy (RAS) for each target neighborhood within the URA and identify specific projects and project areas within each neighborhood. Seek neighborhood participation and buy-in to the program and plan.
8. Conduct an annual review of the implementation of the recommendations included in this Affordable Housing Plan.

### **GICH Committee**

The Georgia Initiative for Community Housing Initiative (GICH) offers communities a three-year program of collaboration and technical assistance related to housing and community development. The objective of the initiative is to help communities create and implement a locally based plan to meet their affordable housing needs.

The City of Statesboro became a Georgia Initiative for Community Housing (GICH) participant in 2019 and is now in the second year of its activities. The GICH Committee has become increasingly engaged in the following work to promote and facilitate the development of affordable housing being undertaken by the city:

1. Initiated a community socio-economic survey within the Johnson Street neighborhood.
2. Hosted neighborhood meetings within the Johnson Street Neighborhood to provide knowledge of potential programs being considered by the city.
3. Held monthly meetings to review and provide input for housing policies and programs being considered by the City.
4. Conducted periodic reviews of the progress being made in developing this Affordable Housing Plan and the Revitalization Area Strategies (RAS) plan for core City neighborhoods.

It is recommended that the GICH Committee serve as the vehicle for outreach to the non-profit and faith-based organizations in the community to enlist their support and participation in the creation of affordable housing.

### **Expand the Supply of Affordable Housing with Temporary or Interim Units**

There is a current and urgent need for decent safe and sanitary housing in Statesboro. There is strong visual and verbal evidence (from community police force officers) that families are living in unsafe and unsanitary housing that likely will require demolition. In most cases, it is reported that the families have no affordable options nor are affordable “standard condition” units available. The Statesboro Housing Authority reports only one vacancy with a waiting list.

It is recommended that the city take immediate steps to create a supply of decent, safe and sanitary housing. For example, mobile homes could be leased, placed on public or leased land, connected to utilities and be made available as temporary housing for families in need. Also, as an option, residential, commercial, or even industrial buildings could be re-purposed as temporary housing. Steps such as these and certainly others could ease the immediate needs of families until permanent housing can be developed through new construction or rehabilitation of existing units.

### **Develop the Capacity of Non-Profit Organizations to Provide Affordable Housing**

In early 2000, the City of Statesboro developed a partnership with the Statesboro Chapter of Habitat for Humanity to assist in completing the construction of 25 units of affordable housing funded by CDBG and CHIP Programs. That partnership could be duplicated with other non-profit entities in the city to increase the local capacity to provide decent, safe and affordable housing within the community.

Given that the city has a priority of increasing its very low home-ownership percentage (currently around 25%), non-profit entities could help the city not only by providing affordable housing but increased homeownership as well. Churches and other non-profits could become sponsors of new affordable housing the URA neighborhoods where dilapidated or abandoned housing or lands were cleared by the city.

The City should consider providing the necessary leadership and resources to develop the capacity of non-profits to become partners in solving the city’s affordable housing challenge.

### **Bulloch County/City of Statesboro Land Bank Authority:**

Both the County and the City have previously created a Land Bank Authority and are now in the process of forming its Board of Directors and operating policies. Land Banks are a potentially useful and valuable tool in returning tax-delinquent properties to the tax rolls by acquiring the interest in the property, clearing ownership issues, extinguishing delinquent tax and utility fines and liens, and then turning over the property to an entity who will develop

affordable housing and return the performing property to the tax rolls. The Land Bank Authority can receive donations of property from private or public interests.

### **Statesboro Housing Authority**

The Statesboro Housing Authority currently manages 148 units of family and elderly public housing in Statesboro. Public housing is no longer a core affordable housing development tool, but the Housing Authority can greatly assist by being an information conduit for Section 8 housing vouchers (a program designed to replace public housing using privately developed and owned affordable housing). Currently, families and individuals must contact the Georgia Department of Community Affairs in Atlanta to obtain assistance and the Section 8 vouchers to obtain affordable housing. Likewise, the Housing Authority can be an advocate for the preservation and development of affordable housing and assist in attracting affordable housing developers to Statesboro.

### **Use of Publicly Owned Land for Affordable Housing**

Tax records show there are numerous sites within Statesboro owned by the city, Board of Education and Bulloch County that could be suitable for the development of affordable and perhaps market rate housing. The city should initiate and complete an inventory of all publicly owned land and make such appropriate sites available for affordable housing if not needed for other public purposes.

### **Encourage and Facilitate Non-Profit and Civic Entities to Sponsor and Develop Affordable Housing**

Non-profit entities including churches and other organizations having places of worship, civic clubs, and social organizations have not historically engaged in the development of affordable housing as a sponsor/owner in Statesboro.

The City should reach out through its Planning and Development Department housing staff to these institutions and encourage them to develop affordable housing for low-income families and individuals (including the elderly) as well as help develop financing plans using loan and grant programs from State and Federal sources.

### **Federal Tax Credit Programs**

There are two Federal and State Housing Tax Credit programs that can be made available to developers to facilitate and encourage the development of affordable housing. The Housing Tax Credit Program allocates federal and state tax credits of 9% and 4% to developer - owners of qualified rental properties who reserve all or a portion of their units for occupancy for low-income tenants.

The Georgia Department of Community Affairs offers a streamlined, single application process to access funds available through the HOME Rental Housing Loan and Housing Tax



Credit programs. Applicants can apply for 9% Tax Credits through the yearly Competitive Scoring Round and/or 4% Tax Credits (for Bond Financed Developments).

DCA's process for allocating funds through the Georgia Housing and Finance Authority is outlined in Georgia's Qualified Allocation Plan (QAP). This document describes (1) the federal and state resources available for financing rental housing through the plan, (2) the legislative requirements for distributing these resources, (3) the State's preference for the location and type of such housing, (4) the process used for evaluating applications and awarding these resources, and (5) program compliance requirements and procedures.

### **Creation of a Community Housing Development Organization (CHDO)**

A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

CHDOs are established solely to provide access to a certain set-aside of federal HOME program funds. Federal regulations require the participating jurisdiction (PJ) to set aside 15 percent of each fiscal year's HOME fund allocation specifically for CHDO development-related activities. The HOME Regulations permit the PJ to spend up to 5 percent of its fiscal year's HOME fund allocation on operating expenses for qualified CHDOs; *however, this is not mandatory.*

CHDO funding may be available for the following types of activities:

- **Development projects:** Including new construction or acquisition and/or rehabilitation of rental housing, transitional housing units or single-family homes for homeownership opportunities (including project-specific down payment/closing cost assistance)
- **Operating funds:** In conjunction with a development project.

The CHDO must have a formal process for allowing low-income housing program beneficiaries to advise the organization in its decisions regarding the design, development, and management of all HOME-assisted or HOME-eligible affordable housing developments. The organization's governing body should have up to one-third of its membership residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. The organization must have a history of serving the service areas where HOME-assisted or HOME-eligible housing is located and employ staff that have the capacity to carry out affordable housing development.

The Department of Housing and Urban Development can aid communities that wish to establish a CHDO. In many communities, the local Public Housing Authority acts as the CHDO and partners with developers of affordable housing to access the HOME set aside.

## **Housing Choice Voucher Program (Section 8 Housing Certificates)**

The Housing Choice Voucher Program, also known as Section 8, is part of Georgia's comprehensive housing program administered by the Georgia Department of Community Affairs (DCA). This is a tenant-based rental assistance program that assists extremely low moderate-and low-income individuals and families to rent safe, decent, and affordable dwelling units in the private rental market. The program was created by the Housing and Community Development Act of 1974 and is funded by the United States Department of Housing and Urban Development (HUD).

The goals of the Housing Choice Voucher Program (HCV) are to:

1. Provide improved living conditions for extremely low- and low-income individuals and families while maintaining their rent payments at an affordable level.
2. Affirmatively further fair housing for individuals and families.
3. Promote freedom of housing choice and integrate lower income and minority persons into mainstream neighborhoods.
4. Provide decent, safe, and affordable housing for eligible participants.
5. Provide an incentive to private property owners to rent to lower income persons by offering timely subsidy payments.

The Department of Community Affairs provides the subsidy payment directly to the landlord on behalf of the program participant. The amount of the subsidy is based primarily upon the participant's income. DCA administers the program in Statesboro.

Families who meet program and income eligibility are selected from DCA's wait list when funding and vouchers are available. Once a family is selected for a Housing Choice Voucher, they are required to attend an informational briefing about the program rules and their obligations to the program. When the family receives their voucher, they are responsible for finding a housing unit that meets their voucher size. Once the family finds a unit that meets their voucher standard and the unit passes HUD's Housing Quality Standards, DCA will begin the subsidy payment, on behalf of the family, directly to the landlord.

## **Tax Allocation Districts**

Two Tax Allocation Districts (TAD) have been duly established by the City that encompasses the Downtown Redevelopment Area and Blue Mile Project plus a sports complex South of the University. The City should consider expanding the existing district to encompass the entire URP Area so that the financial resources offered by a TAD could be used to facilitate housing and neighborhood revitalization in the target URP Neighborhoods. Such a process would not be difficult and the expected development to be generated in the neighborhoods would generate additional property tax income for the TAD.

## **Evaluation of City Comprehensive Plan, Land Subdivision and Zoning Code**

The Planning and Community Development Department should evaluate all land use plans and implementing tools and ordinances to assure that none of these either recommend or have provisions that hinder the development of affordable housing. For example, restrictions on minimum lot sizes, building lot coverage maximums, residence square foot minimums, often preclude the development of smaller and less expensive homes. Allowing auxiliary rental structures (ie. garage apartments) within certain residential zoning districts can often increase the supply of affordable housing, particularly for the elderly as well as allowing small rental apartments within larger dwelling units. Promoting mixed use commercial/residential uses likewise can increase the supply of affordable housing as well as offering incentives, like increased density, for affordable housing projects. Allowing the conversion or re-purposing of non-residential structures for affordable housing is also an option that could be explored with residential developers.

## **Re-examine the Recently Adopted Subdivision Incentive Program by the City**

In early 2021, the City of Statesboro Commission adopted an incentive program to attract developers of residential subdivisions to the city. The focus of the program was for both upper tier owner-occupied homes as well as lower tier affordable owner-occupied housing. The objective was to create more housing opportunities within the city by providing economic incentives to lower per lot development costs through direct and indirect subsidies and payments. To date, the program has met with limited response.

It is recommended that this program be re-examined, including seeking input from the residential subdivision and housing development community, to improve its ability to attract the creation of new residential communities with a variety of affordable housing options.

By taking some or all of these steps, the City of Statesboro can begin the process of revitalization of its core area neighborhoods while the redevelopment and revitalization of Downtown and the creation of “The Blue Mile” is underway. TOGETHER, these initiatives will likely spur the re-birth of a vibrant core city area diverse in population, opportunity and participation in entertainment and cultural activities. The city should continually look for other actions it can take to stimulate neighborhood revitalization and the preservation and development of new affordable housing opportunities for all of Statesboro’s residents.

**Photos of Existing Substandard and New Infill Housing  
Within Target Area Neighborhoods  
In The  
Urban Redevelopment Area Neighborhoods**



**Vacant and Dilapidated Home on Rackley Street – Johnson Street Neighborhood**



**Vacant and Dilapidated Home on Inman Street - Johnson Street Neighborhood**





**New Duplex Housing on West Inman Street - Johnson Street Neighborhood**



**Habitat Home Neighborhood in MLK Neighborhood**





**Vacant Dilapidated Home in MLK Neighborhood**



**Occupied Mobile Home in Whiteville**



**Vacant Dilapidated Home in Whiteville Neighborhood**



**Vacant Substandard Condition Duplex Home in Mulberry Neighborhood**





**Substandard Apartment Structure Adjacent to The Blue Mile Corridor  
Johnson Street Neighborhood**



**Occupied Housing Johnson Lane – Across from Public Housing  
Johnson Street Neighborhood**



**125 Morris Street – Rehab House**

**MLK Neighborhood**



**215 Johnson Street – Rehab House**

**Johnson Street Neighborhood**





**324 Johnson Street Corner of Brown – Rehab Home**  
**Johnson Street Neighborhood**



**314 Denmark Street – Rehab Homes**  
**MLK Neighborhood**





**141 Williams Street – Rehab Quads**  
**MLK Neighborhood**



**Johnson Street Neighborhood – Rehab Single Family**