Making it work: Sharing the Macon Affordable Housing Experience

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On charting a course, and your vision for your community

- Plans are established by seeking advice (Proverbs 20)
- George H. W. Bush and ‘the vision thing.’
- Vision is the act of seeing what is invisible to others
- Good leaders:
  - Create a vision
  - Articulate the vision
  - Own the vision
  - Drive the vision to completion
- Where there is no vision, the people perish (Proverbs 29)
Where we started:

- It’s 1999
- Tom Hanks in Castaway – nobody is coming
- The terror and the freedom!
- Board strategic planning
  - Budgeted $350,000 in non-fed funds
  - Sent me to town to buy a magic bean
- 15 years and $150M+ later…. 
Major Goals:

• Ours, not necessarily yours
• Supply, of course, but…
• Revitalize neighborhoods and build communities
• Build tax base and stop population loss
• Preserve affordable housing, both structures and assistance
• Address homelessness
• And other special housing needs
• Make it all pay for itself
• Go for the WOW!
Code enforcement and land acquisition strategies help recycle neighborhoods.
And transforms urban wastelands into vibrant communities!
Creative preservation strategies improve neighborhoods and save housing
Pushing the limits on gut rehab

“Preserves” the housing

More importantly, preserves the housing assistance
Throw away everything but the doorknob, then…

Replace the doorknob!

Turns around a college neighborhood, while preserving 10s of millions in housing assistance over the next 20 years!
Adaptive reuse recycles the built environment, preserves neighborhoods.
Two dozen tours before it was even completed!
Derelict buildings become showcase senior housing
Would you believe…

PH in the Vineville historic district?
Baltic Park
In-fill senior housing builds tax base
Grove Park Village
Joint venture with DCA and regional mental health center for special needs housing
A little planning yields handicapped access and “visitability”
Homeownership
HOPE VI Tattnall Place: mixed finance turns obsolete Public Housing into mixed income complex in the In-town Historic District
Former public housing site becomes centerpiece of revitalized University neighborhood
We’re not just in Macon anymore!

- Fort Valley – College Square Apartments
- Gordon – Prairie Summit Apartments
- Forsyth – Brentwood Place
- Blackshear – Village at Blackshear
- Rome – Greystone Apartments
Our Current Project – Hunt School Village
“Plan your work! Work your plan!”

• First: planning for implementation is integral to the plan itself
• To succeed, the planning process must produce:
  • The vision, of course, but also:
  • The consensus, if possible
  • The will,
  • The commitment,
  • The resources, and
  • The organizational structure
Plan for realistic financing

Broad principles:

• Learn to use all the tools, but don’t be captive to any
• Use all the public sector resources, but
• Tap the private capital pipeline
• Expect to pay dear for good financial advisors and transaction lawyers
Get out of your own way:

**Identify and root out obstacles**

Some of the more obvious targets:

- Cumbersome permitting
- “Incentives” that are too complex to use
- Prohibitive fees
- “Smart growth”, if run into the ground
  - Moratoria
  - Environmental craziness
Would you believe it?
Infill **AND** modular in a Historic District!
Identify and root out obstacles, cont.

The special case of infill development

• Remember, “bean field” (suburban) happens!
• But infill has to be planned deliberately:
  • Land assembly issues
  • Jump starting the market, which includes
  • A plan that builders and buyers / renters accept
  • Deliver the same “product” to the builder/ developer that the suburban subdivision developer can offer
• No way around it:
  • Local government must take the lead
  • But not alone
Some plain talk about capacity

- Paving material specified for the road to hell
- Everybody wants a CHDO or CDC, but
- By themselves, small, inexperienced non-profits don’t have much chance
  - Housing is capital intensive, and
  - Requires heavy lifting capacity that small non-profits don’t often have
Question: What’s three feet tall, costs $200,000 and weighs 75 lbs.?

Answer: Two MHA LIHTC apps
Don’t despair, pardner, just partner!

- Implementation requires hard objectives
  - Measurable, accountable and on time!
- That means capacity, but
- The University of Maryland epiphany
  - Rent, borrow, broker, joint venture with the brains you need, but
  - You drive the bus!
A plug for your friendly neighborhood Housing Authority

- Your local (or one nearby) Housing Authority has **powers**:  
  - Issue bonds  
  - Create subsidiaries 
- They have resources, sorta  
  - Can’t use Federal funds for non-fed projects, but  
  - They do have their overhead covered 
- Often good at property management, and 
- A few are experienced project and construction managers as well
The payoff:

- In last 15 years:
  - $150M+, 15 developments, 1000+ units multi
  - $10M+ single family
- Transforming the landscape of Macon
- Stacks-o-plaques
  - Community acceptance and support
  - Market rate renters trying to get in!
- Captains of our own ship
Failure is too an option; depending on how you define it.

In 2001, “Macon Housing Authority” was the punch line at the fall GAHRA meeting.

More recently, we look across the street from our Central Office at a “three-time failure”.
The need for good partners

- We were shocked when DCA told us we needed partners or consultants.
- How dare they—we’d been in business since 1938!
- Very wise on their part; you get in trouble very quickly otherwise.

How do you find partners or consultants?

- Like anything else, do your own due diligence.
- We partnered with a for profit developer.
  DCA allows joint ventures or consulting arrangements
- The lights went on—they had built more affordable housing in the last five years than MHA had built in the last twenty!
We were very fortunate...

• They weren’t slick and greedy developers
• We weren’t mindless bureaucrats
• From 2001-2004 we did four deals together until DCA gave us our “union card”
• Steep learning curve those early years!

• RFPs are useful. It’s not just knowledge you’re looking for—but the right fit
  • Will they value your business?
  • Will they listen to you and understand your needs?
  • Do your due diligence carefully
QUESTIONS & ANSWERS