

June 1, 2012

VACo Achievement Award
1207 East Main Street, Suite 300
Richmond, VA 23219-3627

Dear VACo Award Committee:

Greensville County is pleased to submit an entry for the 2012 VACo Achievement Award, Community Development Category. Our submission encompasses the Washington Park Community Development Programs, Phase I and Phase II.

Thank you for the opportunity to showcase this inventive Community Development Program. Please contact me if you have questions or need additional information.

Respectfully,

Moses A. Clements
Director of Engineering

MAC/sdc

Enclosure

Greensville County

2012 VACo Achievement Award Submission

Community Development Category

Executive Summary

Greensville County successfully created and implemented a community improvement project in the Washington Park Neighborhood. The program focused on housing improvements, homeownership creation, and infrastructure improvements. It was a joint effort that partnered a local housing agency, the Virginia Department of Housing and Community Development, local government, community activists, utility service providers, VDOT, project area landlords, and project area families.

The program created single-family homeownership opportunities for households that previously rented units. It also provided infrastructure enhancements to improve pedestrian access, streetlights, storm drainage, and neighborhood traffic flow. The project accomplished all of its objectives. 100% of the rental property was converted to homeownership, 34 existing houses were demolished, 30 new homes were built, 7 existing units were rehabilitated, 24 units were offered as homeownership opportunities, 3000 lf of new sidewalk/curb and gutter were constructed, 1500 lf of new storm drainage piping was installed, 5000 lf of ditches were regarded, 1200 lf of new outfall ditches were installed, two dead-end streets were connected, and new streetlights were installed. The total cost of the improvements was over \$3.0 million.

The program provides a great example of eclectic groups working cooperatively. It positively impacted a group of disenfranchised citizens who had lost sight of the American Dream, homeownership. The program provides an excellent blue-print for dealing with substandard rental neighborhoods. It could easily be replicated by other jurisdictions.

Greensville County
2012 VACo Achievement Award Submission
Community Development Category



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2012 VACo Achievement Award Submission

Community Development Category

Project Name: Washington Park Community Development

Program, Phase I and II

Substandard housing is a problem for all of Virginia's Counties. To combat this problem, Greensville County has created an innovative community development program. The program, which is based in the Washington Park area of the county, addresses the needs within a specific geographic area by partnering local government, public service providers, nonprofit agencies, grant funding, community activists, and neighborhood residents.

History:

The Washington Park neighborhood is an area of central Greensville County that had become synonymous with absentee landlords, derelict housing, law enforcement issues, deteriorating infrastructure, and a multitude of social problems. The county started the program by conducting a needs analysis. In the summer of 2001 a Community Meeting was held in the neighborhood. It was attended by a majority of the Washington Park residents. Those residents clearly, and repeatedly, stated their areas of need - Housing Rehabilitation, Storm Drainage, Pedestrian Access, and Street Improvements.

After a thorough review of the community, the County Staff recognized that the project was too large for a single program. A phased approach was the only financially responsible method to address the community's needs. To implement this approach, specific geographic areas were delineated for Phases I and II.

The Challenge:

The Washington Park neighborhood's greatest need was housing. Approximately 90% of the housing units in the Phase I and II program areas were rentals. The County Staff

immediately realized that standard housing rehabilitation techniques would not be effective. Rehabilitating rental units would not address the problems with absentee landlords, lax property maintenance, vacant units, and abandoned structures. The staff set out to find a methodology to purchase the rental units, remove the existing structures, build new houses, and offer those units to the current tenants as homeownership opportunities.

The County Staff was initially overwhelmed by the size of the financial investment. Door-to-door surveys revealed that the cost to purchase the property and reconstruct the homes would require an initial investment of approximately \$1.90 million. Additionally, the infrastructure costs for sidewalks, road improvements, street lights and storm drainage were in excess of \$1 million. Local budgets could not underwrite these large expenses; so, the staff began searching for grant funds, cheaper methods of instituting the desired improvements, and agencies/individuals that could partner with the County.

An Innovative Approach:

The County Staff quickly realized that changing the character of the community hinged on homeownership. It was imperative to eliminate the rental units. The idea was to replace them with single-family residential structures, which would be offered to the existing renters. The largest homeownership obstacle was that the mortgage payments for the new units had to be approximately equal to the current monthly rental amounts. It was a wall that seemed much too high.

The Staff identified the major partners that would be needed for this undertaking as a housing agency, a grant provider, the Greenville County Board of Supervisors, the Greenville County Building & Planning Department, the project area residents, and the project area landlords. It was also determined that local utility providers and VDOT would need to lend assistance. It was an eclectic group. The varying interests/policies of each organization

presented enormous challenges for the steering committee. Slowly, the participant's roles began to take shape.

The obvious choice for the housing agency was a local group named the Southern Virginia Development Corporation (SVDC). The SVDC is a local nonprofit housing agency. Their mission is to supply safe, decent, affordable housing to the residents of Greenville County. That group was extremely interested in the project and became the first partner to commit. Likewise, the Board of Supervisors and the Building/Planning Departments were equally interested. Unfortunately, identifying and convincing the remaining entities was a challenge.

The steering committee overcame all of the issues. Months of staff planning sessions, public meetings, individual conferences, and multitudes of problem solving sessions resulted in the acquisition of a planning grant from the Virginia Department of Housing and Community Development (DHCD). That grant provided funding to employ a consulting engineer to study the infrastructure issues and allowed the steering committee to focus on housing.

By far the most difficult task was convincing the project area residents that the program was viable, cost efficient, and possible. The neighborhood was filled with the disenfranchised. These were people that society had largely forgotten. They were so far removed from the American dream of homeownership that the concept was like a foreign language.

The steering committee began holding public meetings, conducting in home face-to-face discussions, and distributing flyers/other printed materials. Slowly a spirit of cooperation and trust began to develop. At a public hearing a Greenville County Staff, Lin Pope blurted out a sentence that became a slogan for the program: "A new house, for an old house price." The slogan stuck and it changed people's attitudes. At every turn, steering committee members were

asked the same question, “Can I really own a new house for the same payment I’m currently paying in rent?” The answer was always, “Yes, yes you can.”

Once the residents bought into the housing activity the remaining pieces fell into place. It resulted in the following plan:

- The Board of Supervisors (BOS) would support and apply for Community Development Grants from DHCD to implement the Phase I and Phase II improvements.
- If the applications were funded, the BOS would appoint the SVDC to act as the Housing Rehabilitation Board.
- The County Building Department would strictly enforce the property maintenance code on the existing structures in the project area.
- The SVDC would try to purchase the existing rental properties in the project areas.
- The County Staff would supply the SVDC with administrative support for the large undertaking.
- The area residents would commit to a homeownership program.

The County Staff worked closely with DHCD to produce and submit two applications for funding the Washington Park Phase I and Phase II grant. The Phase I grant application was submitted in 2003 and the Phase II grant was submitted in 2006. The total cost of both projects was almost \$2.9 million. DHCD supplied \$1.9 million, the SVDC supplied approximately \$0.5 million, and the County supplied the remaining \$0.5 million. The good news – grant funding was received; the bad news – now we had to make the housing program work.

The Results:

The Phase I grant was awarded in 2003 and the actual work began in 2004. The Phase II grant was awarded in 2006 and the work began in 2007. All of the improvements were completed in calendar year 2011.

All of the rental property was purchased, 34 existing houses were demolished, 30 new homes were built, 7 existing units were rehabilitated, 24 units were offered as homeownership opportunities, 3000 lf of new sidewalk/curb and gutter were constructed, 1500 lf of new storm drainage piping was installed, 5000 lf of ditches were regarded, 1200 lf of new outfall ditches were installed, two dead-end streets were connected, and new streetlights were installed. The total cost of the improvements was over \$3.0 million.

The Homeownership Program was a huge success. The program required households to participate in a one year lease-purchase program. The one year period is used to determine if the household is ready for homeownership. During the twelve month period, the households attended household budgeting classes, first-time homebuyer classes, and home maintenance instruction. The classes are arranged by the County Staff in cooperation with the Cooperative Extension Service and private consultants. The classes have been well attended and provide the skills necessary for the households to be successful homeowners. Additionally, the program participants must properly maintain their homes and grounds, and make timely, in-full monthly lease-purchase payments.

The monies paid during the lease-purchase phase are escrowed so that the household will have an adequate down payment and funds for the transactional closing costs. The only items deducted from the escrow account are the insurance costs, real estate taxes, and repairs. These costs are typically less than \$500 over the one year period. Most households accumulated an escrow account value of approximately \$4,000. Having these monies available was a large part of the program's success.

Another activity that made the program successful was the customization of the homes. The SVDC allowed the residents a varying array of options on the home's interior, exterior, upgraded heating/AC systems, the addition of porches, and storage sheds. Each housing

program participant provided input on colors, floor coverings, door locations, driveway placement, floor plan arrangement, etc. These inputs turned the residents into stakeholders; it gave them ownership in the process.

Each household was counseled that the homeownership program was a hand-up, not a handout. Changing the attitudes of the disenfranchised was a slow process, but, it happened. This is most obviously demonstrated by the success rate, which is at approximately 90%.

Each household was required to seek commercial financing for the purchase of their unit. If they are unable to obtain market financing, the SVDC will provide a mortgage for the purchase. In an amazing display of interagency cooperation, the Greenville County Water and Sewer Authority (GCWSA) agreed to accept the monthly payments for the SVDC. All of the households in the project area are utility customers of the GCWSA; therefore, the residents are provided with a convenient payment location. Most importantly, the program fulfilled the promise of “a new house for an old house price.”

This program would not have been successful without the efforts of numerous Greenville County Staff members.

The County Building Inspectors acted as the Rehabilitation Specialists for the grant project. The Building Department also assisted by enforcing the property maintenance code and being proactive on the diverse issues that arose.

- The County Planning Department oversaw the combination of property parcels and the subdivision of existing properties. This resulted in residential lots that adhere to modern zoning requirements and enhanced the positive impacts of the housing program.
- The County Finance Department processed all of the financial items, including the drawdown requests for grant monies, and assisted in locating financing for the purchase of the properties by the SVDC.

- The County Administrative personnel prepared reports/agendas for the SVDC meetings, maintained the grant files, and acted as the point of contact for the grant agency and the housing program participants.
- The GCWSA receives tracks and reports the monthly mortgage payments for the SVDC.

Lastly, but most importantly, the Greenville Board of Supervisors and the County Administrator endorsed and supported the staff's efforts. BOS Chairperson Peggy R. Wiley, BOS members – Michael W. Ferguson, Dr. Margaret T. Lee, James C. Vaughan and County Administrator, K. David Whittington are worthy of special recognition for their vision. Their display of confidence and leadership was directly responsible for the success of this project.

This housing program could be duplicated in other jurisdictions. Mortgage rates are at an all time low. Utilizing that financial engine provides the opportunity to offer mortgages at less than standard rental rates. The difficult part is getting started. Once the ball is rolling, it picks up momentum. That is clearly evidenced in Greenville County. We are currently working on Phase III and Phase IV of the Washington Park Community. Eventually, an entire neighborhood will transition from rental units to the fulfillment of the American Dream – homeownership.

PHOTOS

AND

PROJECT LOCATION MAP

80 Easter Street – BEFORE – SUBSTANDARD RENTAL



80 Easter Street – AFTER – NEW HOMEOWNERSHIP

