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ABOVE: The Biloxi Housing Authority's Hope VI Project lost 62 percent of its units to Hurricane Katrina. The Project was implemented to meet affordable housing needs and it was hoped that it would serve as a national model.

Infrastructure

AFFORDABLE HOUSING

Chairman: Craig Bounds

Purpose

The U.S. Housing Act of 1949 establishes an entitlement to housing that is “decent, safe and sanitary,” and the continuing challenge is to assure that it is “affordable” to all households. “Affordable” typically has meant a cost of no more than 30 percent of a household income for renters and 35-40 percent of household income for owners, including mortgage, insurance and taxes. The purpose of this committee is to make recommendations to allow the City of Biloxi to encourage the construction of housing for all income levels, but to concentrate its efforts on supporting the construction of low-cost housing, the most difficult to replace in the aftermath of Hurricane Katrina. In this current climate of rising construction costs and interest rates, our greatest concern is for the residents of Biloxi who do not have the financial wherewithal to meet their housing needs. Biloxi’s economy is based upon service industries like gaming, retail, tourism and the military, and without readily available affordable housing, the workforce for these industries will be insufficient to sustain them.

Recommendations

1. *Adopt the ABFE (Advisory Base Flood Elevations).* Uncertainty about adoption of new advisory base flood elevations is proving problematic for developers wishing to submit tax credit applications in the next funding round, and is creating equal stress and confusion on private home-owners trying to make their rebuilding plans. The committee urges the City Council to resolve this question as soon as possible.

2. Utilize existing GPS Mapping System to advise citizen property owners of elevation requirements and available financial assistance. The GPS Mapping System would overlay final advisory flood elevations on existing maps with individual parcels identified by street address or parcel numbers. The system would list the elevation requirements for each parcel and identify available assistance programs such as:
- > CDBG Grant funds administered by the Mississippi Development Authority
 - > City of Biloxi HOPE Funds
 - > Mississippi Home Corp low interest rate loans and down payment assistance
 - > FEMA Grant Funds for Disaster Assistance, Mitigation and Increased Cost of Compliance
 - > SBA Low Interest Rate Homeowner Loans
 - > HUD 203K Mortgage Program
 - > HUD Disaster Voucher Section 8 Rental Assistance
 - > USDA Section 502 Direct Loans

BELOW A "Katrina Cottage" is shown as a solution to vast affordable housing needs.



- > USDA Guaranteed Single Family Housing Loans
- > USDA Section 504 Repair Loans and Grants

3. Assess workforce housing needs throughout Biloxi. The Stennis Center has received funds from the Rockefeller Foundation to perform a detailed housing survey for the Mississippi State Legislature. This survey will provide a "Pre-Storm" and "Post-Storm" housing analysis.

While the primary focus of the study will be affordable housing, the committee recommends they include an analysis of workforce housing needs in Biloxi.

The results can be used to locate funding sources to underwrite better quality affordable and workforce housing. The results of this survey should be made available to developers and the Biloxi Housing Authority so they can properly respond to needs.

4. Utilize “scattered site” multi-family and single-family low-income tax credit projects. The Biloxi Housing Authority should take advantage of all Gulf Opportunity Zone (GO-Zone) Incentives and Low Income Housing Tax Credits awarded through Mississippi Home Corporation to provide these units. The rents on these units would be affordable to most lower-income households.



5. City Zoning officials should work with Modular Housing Providers to streamline the application and approval process for this type of housing.
6. Rehabilitate and repair low-income projects damaged by Hurricane Katrina. The Biloxi Housing Authority has rehabilitation projects underway in East Biloxi at Hope IV South of Bayou, Hope IV North of Bayou and Oakwood Village totaling 302 units; in West Biloxi, projects at Fernwood, Covenant Square and SunCoast total 202 units. In East Biloxi, new construction underway should provide 109 units of elderly and East End housing by November 2006.

7. *Utilize the Biloxi Housing Authority to build additional units using the Hope IV model. The BHA has a \$20 million Fannie Mae line of credit to acquire land for new projects and building sites are being sought in all areas of Biloxi. The BHA is also studying how Keesler's Harrison Court Housing area could be used for affordable housing and mixed-use housing.*

8. *Resist the efforts of developers to convert apartments into condominiums, thereby preserving affordable housing. Private development plans indicate sufficient new condominium units will be built without need to convert existing apartments into condos. The City Council should investigate ordinances prohibiting such conversion, thus preserving affordable housing.*

9. *Develop a land bank. The Biloxi Housing Authority, through its non-profit entity, should use part of its \$20 million line of credit to establish a land bank to provide sites for future affordable housing development.*