A Housing Strategy For the City of Atlanta
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Housing Strategy for the City of Atlanta

The need for a Housing Strategy

It has been 8 years since the City of Atlanta had a comprehensive Housing Strategy. Since then, Atlanta’s housing market, its communities, and its citizens have faced the Great Recession and foreclosure crisis, while powerful demographic forces have continued to play out across the City and Region. Today in Atlanta:

• A growing number of families are paying an unsustainable share of their income for housing.
• The combined costs of housing and transportation are rising for many families as well.
• The areas in the City with the most jobs have the least amount of affordable housing.
• Too many neighborhoods have high concentrations of vacant, blighted properties.
• The City’s primary housing resources have been effective, but are now largely depleted.

The benefits of a Housing Strategy

Atlanta’s new Housing Strategy will help ensure that Atlanta remains a vibrant City of opportunity that retains its residents and attracts new ones based on a high quality of life. It will expand the supply and improve the quality of all types of housing for families across the City, with a particular focus on lower- and middle-income working families paying more than they can reasonably afford for their rent or mortgage. The Housing Strategy focuses on enhancing the quality of place with transit oriented development, and a broad mix of housing choice in rental and ownership, creating livable and walkable neighborhoods for families, seniors, and students. Innovative approaches such as micro units and community land trusts will be explored to create affordable housing options.

Aligning the Housing Strategy with other top priorities

The Housing Strategy will complement the City’s efforts to strengthen our schools, improve our infrastructure and transportation, and bolster economic development. Implementation will happen in close collaboration between Invest Atlanta, the City’s Office of Housing Strategic Community Investment report and Consolidated Plans, the Mayor’s Innovation Delivery Team’s homeless housing strategy, the Atlanta Housing Authority’s comprehensive real estate development plan, and efforts by the Atlanta Public Schools. A community development sub cabinet committee will be created to help inform the implementation of the Housing Strategy.

Goals of the Housing Strategy: What We Aim to Achieve

• Attract new residents to the City of Atlanta and retain current ones.
• Reduce the number of Atlanta residents who spend a disproportionately high percentage of their income on housing.
• Rehabilitate and remove vacant, blighted units.
• Create a broad mix of housing choices throughout the City to serve a diverse population and workforce.
• Create new financial resources, and improve existing ones, to help the City achieve its housing goals.
• Make Atlanta one of the nation’s most environmentally sustainable cities.

Metrics for the Housing Strategy: How We Will Measure Progress

• Grow Atlanta’s population by 10 percent (42,000) by 2020.
• Reduce the number of Atlanta low- and moderate-income households with paying more than 30 percent of their income for housing by 10 percent (7,500) by 2020.
• Reduce the number of vacant structures by 20 percent (1,500) by 2020.
• Produce or rehabilitate 10,000 residential units for a range of incomes, doubling the current rate of production, in redeveloping communities and job-rich areas by 2020.
• Generate $100 million in new investment to support part of the costs of these units by 2020.
• Ensure that at least 10,000 new and rehabilitated units meet nationally recognized sustainability and energy efficient criteria by 2020.

Policies for Implementing the Housing Strategy

• New issuance of the highly successful Housing Opportunity Bonds
• More housing dollars through the highly successful Tax Allocation Districts
• Greater City capacity to acquire and rehabilitate vacant, blighted properties
• Tax incentives for affordable housing development
• New zoning incentives and requirements based on proven models in other cities

Paying for the Housing Strategy

The Housing Strategy calls for $100 million in new investment by 2020. Much of that funding would come through tax incentives to the private sector and contributions from the private sector in exchange for expanded development opportunities. The Housing Strategy also anticipates that the City will invest a limited amount of additional funds – reflecting the critical importance of higher quality, more affordable housing to Atlanta’s future. The sources and uses of those funds will be carefully determined to ensure that any City investment achieves the maximum public benefit.

How the Housing Strategy Was Developed

Invest Atlanta, the City’s economic development agency, developed the housing strategy in close consultation with the Office of Housing and Housing Authority, with the support of HR&A Advisors and Enterprise Community Partners. The Strategy reflects an in-depth analysis of the most current demographic and housing data as well as a review of leading practices in other cities. The Strategy was directly informed by interviews with more than 30 local housing stakeholders and community engagement meetings with Atlanta residents in four quadrants of the City.
Executive Summary
The Project Team: HR&A Advisors and Enterprise Community Partners

HR&A Advisors, Inc.

- Industry-leading real estate, economic development, and public policy consulting firm.
- Recent experience working with Invest Atlanta and Atlanta Downtown Improvement District.
- Has advised on housing strategies in Austin, Los Angeles, Nassau County, Washington, DC, and other cities.

Enterprise Community Partners, Inc.

- Leading provider of capital and expertise for workforce housing and thriving communities across the U.S.
- Opened Atlanta office in 1994 and has been active on a wide range of housing issues and initiatives.
- Has advised on housing strategies in Baltimore, Cleveland, New York City, Seattle, and other cities.
The Assignment: A Housing Strategy for the City of Atlanta

The team developed Atlanta’s Housing Strategy through the following steps:

- Analyzed housing conditions, trends, and needs in the City.
- Reviewed past and present housing policies and programs.
- Identified best practices in other cities that could benefit Atlanta.
- Identified and interviewed housing stakeholders throughout the City.
- Conducted community engagement activities to gather citizens’ insights on housing needs.
- Developed a strategic plan for maximizing the effectiveness of Atlanta’s housing resources.
- Developed an implementation plan to guide the deployment of those resources.
Why a housing strategy?

- **Quality of life**
  - Good housing stock leads to strong neighborhoods

- **Connectivity among economy, education, community**
  - Building and renovating housing creates and maintains jobs
  - Strong housing stock can lead to strong communities with improved educational opportunities

- **Build an inclusive City instead of displacing long term residents**
  - Diversity of housing types throughout the City allows seniors to age in place as they downsize and hedges against displacement through gentrification

- **Eliminate concentrated poverty**
  - Concentrations of poverty often lead to negative outcomes for communities, schools, housing stock, and quality of life

- **Judicious use of resources**
  - Funding sources are dwindling
  - Scattered shot approaches do not make a lasting impact
Atlanta’s Housing Strategy must be set within a larger context of demographic changes.

- The City’s population growth has slowed while its share of the region’s population has declined.

- The number of Atlanta residents who spend more than 30% of their income on housing has increased significantly since 2000.

- The lowest cost housing is concentrated in the places with the fewest jobs.

![Atlanta Population as a Share of the region's Population](source: ESRI Online)
The number of “cost burdened” households remains high and has even grown in certain income brackets.*

* “Cost burdened” refers defined as individuals paying more than 30% of their income on housing.

Source: 2005 5-Yr ACS vs. 2012 5-yr ACS
Areas of Atlanta with the most jobs have the least affordable housing.

Map of Atlanta’s Employment, 2010

Jobs per tract

Source: Atlanta Regional Commission

Share of Homes Affordable to Families Earning below 80% AMI

Source: Policy Map, 2011 5-yr ACS
Atlanta’s Housing Strategy must also be set within a larger context of market conditions.

- The City’s residential vacancy rate remains high, despite recent improvements in home construction.
- Over the last twenty years, housing prices have grown faster than incomes.
- The majority of Atlanta’s housing units are more than 30 years old.

![Atlanta Housing Vacancy Rates Over Time](image)

Source: Census 2000 and The Department of Planning and Community Development Census Report, 2010
The Housing Strategy reflects the input of 32 local housing industry stakeholders representing a wide range of perspectives.

**Stakeholders:**

- Housing Public Agencies
- Housing Advocacy Nonprofits
- Housing Nonprofit and For-Profit Developers
- Transportation Agencies and Community Groups
- Foundations
- Lending Institutions
- Public Education Agencies and Institutions
- Public and Private Economic Development Organizations
Stakeholders expressed common themes about opportunities and challenges to a successful Housing Strategy.

### Opportunities

**Existing programs have worked.**

- **Hope VI mixed income model** — mixed income rental and ownership opportunities.
- **Housing Opportunity Bond** — available funding to subsidize affordable housing development.
- **Former Housing Task Force** — task force of housing development and community stakeholders informing and implementing policy and program.
- **Tax Allocation Districts** — flexible source of funds available for the inclusion of workforce housing in distinct geographic locations.
- **Invest Atlanta Down Payment Assistance** and mortgage assistance programs — for workforce homeownership opportunities.
- **Interagency Coordination** — enhance with a one stop shop housing resource portal.
- **Strategic Alignment** — build upon collaborative planning to include APS.

### Challenges

**New issues have emerged.**

- **Limited resources** — public sources are scarce; Housing Finance Authority needs sustainable funding sources.
- **Permanence of affordability** — loss of affordable housing units post-restriction period of 10 – 15 years.
- **Concentrated poverty** — most affordable housing and distress located south of I-20.
- **Age of housing stock** — majority of units more than 30 years old.
- **Current zoning** — does not promote the development of diverse housing opportunities.
- **Location of jobs** — job centers in the north, while most affordable housing is developed in the south.
- **Voluntary Inclusionary Zoning** — as opposed to mandatory inclusionary zoning limits effectiveness of promoting workforce housing.
The Housing Strategy also reflects extensive community engagement meetings in each quadrant of the City to gather residents’ feedback.

**Coordination:** Invest Atlanta and Enterprise Community Partners

**Polling and Meeting Assistance:** Atlanta Regional Commission

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**S1**
Council Districts 4, 11, 12
Atlanta Technical College
Nov. 21st 6-8 PM

**S2**
Council Districts 1, 2, 5
The Trolley Barn
Nov. 14th 6-8 PM

**S3**
Council Districts 3, 9, 10
Adamsville Recreation Center
Nov. 13th 6-8 PM

**S4**
Council Districts 6, 7, 8
Peachtree Christian Church
Nov. 19th 6-8 PM
Community residents expressed common themes about priorities and key issues for Atlanta’s Housing Strategy.

**Priorities**

- Address issues that impact quality of life alongside housing
- Support more multi-family high-rise housing
- Address blight
- Provide housing for all age groups, especially young families

**Key Issues**

- The dual goals of creating more housing options for young families and desiring a balance of ownership and rental
- Connectivity between the housing, economic development, and educational strategies
- The inclusion of other neighborhood infrastructure (sidewalks, bike paths, etc.)
- The necessity of continued community representation in the strategy process and implementation
Best practices and case studies in peer cities informed the Housing Strategy.

What innovative practices are these areas using to address their affordable housing challenges?

- **Inclusionary Zoning**
  - None: Yes
  - Voluntary: Yes
  - Mandatory: Yes

- **Ongoing financing for Housing Trust Fund**
  - No: Yes

- **Citywide affordable housing strategy**
  - No: Yes

- **Key information consolidated and accessible**
  - Room to Improve: Yes

- **Geographically-targeted affordable housing initiatives**
  - No: Yes

*Source: HR&A Analysis*
One example is Housing Trust Funds, which vary in form across the country.

- **Montgomery County:** (~$105 million)
  - Condo conversion sales fees
  - General fund
  - Property tax revenues

- **Washington, D.C.:** (~$320 million):
  - 15% of recordation and real estate transfer taxes

- **Austin:** (~$8.8 million)
  - General fund allocations
  - Tax increments from development on City-owned land

- **Boston:** ($81.5 million)
  - Fee (PSF) commercial developments larger than 100,000 SF

Source: HR&A Analysis
Atlanta’s Housing Strategy Goals: Set through community and stakeholder engagement and analysis of data and best practices.

1. Attract new residents to the City and retain current ones.

2. Reduce the number of Atlanta residents who spend a disproportionately high percentage of their income on housing.

3. Rehabilitate and remove vacant and blighted units.

4. Create a broad mix of housing choices throughout the City to serve a diverse population and workforce.

5. Create new financial resources, and improve existing ones, to help the City achieve its housing goals.

6. Make Atlanta one of the nation’s most environmentally sustainable cities.
Atlanta’s Housing Strategy Metrics: Specific milestones that mark success in achieving the Goals.

• **Grow Atlanta’s population** by 10 percent (42,000) by 2020.

• Reduce the number of Atlanta low and moderate-income households with **paying more than 30 percent of their income for housing** by 10 percent (7,500) by 2020.

• **Reduce the number of vacant and blighted structures** by 20 percent (1,500) by 2020.

• **Produce or rehabilitate 10,000 residential units for a range of incomes**, doubling* current rate of production, in redeveloping communities and job-rich areas by 2020.

• **Generate $100 million in new funding** to support part of the costs of these units by 2020.

• Ensure that at least 10,000 new and rehabilitated units meet **nationally recognized sustainability and energy efficient criteria** by 2020.

* Range of incomes is defined as between 50% and 120% of area median income.
In recent years, Atlanta has enacted several initiatives to make housing more affordable for residents.

- Established a Housing Opportunity Bond Fund, a Homeless Opportunity Fund, and the Atlanta BeltLine Affordable Housing Trust Fund
- Used Tax Allocation Districts to facilitate the development of mixed income communities
- Used Lease Purchase Bonds to create housing choices in high cost areas
- Redeveloped public housing as mixed income communities
- Created a housing subcabinet to improve inter-agency coordination
- Establishment of Project Based Rental Assistance (PBRA) that is sometimes combined with capital investments
Existing tools have worked, but are now limited by economic realities.

<table>
<thead>
<tr>
<th>Invest Atlanta Tools</th>
<th>Economic Realities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Exempt Bonds</td>
<td>Conventional taxable rates have been lower than Tax Exempt Bond Rates</td>
</tr>
<tr>
<td>Housing Opportunity Bonds</td>
<td>93% Expended; $40mm remains to be issued. Requires Council approval</td>
</tr>
<tr>
<td>HOME Investment Partnership</td>
<td>Federal funding decreased by 40% since 2010</td>
</tr>
<tr>
<td>BeltLine Affordable Housing Trust Fund</td>
<td>100% Allocated</td>
</tr>
<tr>
<td>Homelessness Opportunity Fund</td>
<td>99.9% Expended</td>
</tr>
<tr>
<td>Lease Purchase Bonds</td>
<td>Some success in providing workforce housing choice in higher cost areas</td>
</tr>
</tbody>
</table>
There are additional tools that could be used to create workforce housing in Atlanta.

Blue = significant use in Atlanta.
Green = sparse use in Atlanta.
Grey = not used in Atlanta.
National funding models for workforce housing are under-utilized in Atlanta.

### Allocations
- General fund
- Dedicated millage
- Tax increment
- State Trust Fund
- Funds From Partner Organizations
- Foundations
- Grants

### Fees
- Condo conversion sales fees
- Commercial development fees
- Impact fees
- % of Recordation fee
- Fee in Lieu of Inclusionary Zoning

### Levies
- Homeowner levy
- Per unit levy

### Taxes
- Real Estate Transfer Tax
- Sales taxes
- Car Rental Tax
- Hotel Tax

### Public/Private Partnerships
- Loan Funds

Highlighted items are currently used in Atlanta.
Tools other cities are using to create workforce housing could be implemented in Atlanta, but some tools are more difficult than others.

<table>
<thead>
<tr>
<th>Tool</th>
<th>Implementation</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Lien Acquisitions</td>
<td>Moderate</td>
<td>Land Bank has the power it needs to acquire tax delinquent properties, need agreement with Tax Commissioner.</td>
</tr>
<tr>
<td>Conservatorship</td>
<td>Moderate</td>
<td>Need a local conservatorship law. Potentially may need state legislation.</td>
</tr>
<tr>
<td>Dedicated Millage</td>
<td>Moderate</td>
<td>Need sign off from Mayor and Council.</td>
</tr>
<tr>
<td>Funds from Partner Organizations</td>
<td>Moderate</td>
<td>Need agreements with partner organizations.</td>
</tr>
<tr>
<td>Commercial development fees</td>
<td>Moderate</td>
<td>Program would need to be created, how large would development need to be to be impacted. Don’t want to discourage large developments.</td>
</tr>
<tr>
<td>Per Unit Levy</td>
<td>Moderate</td>
<td>Referendum probably needed to fund a housing trust fund. Used in several municipalities.</td>
</tr>
<tr>
<td>Car Rental Tax</td>
<td>Moderate</td>
<td>Was used previously to fund permanent supportive housing. If all future revenues are not currently allocated there may be enough money to support a new bond issue.</td>
</tr>
<tr>
<td>Condo conversion sales fees</td>
<td>Moderate</td>
<td>May only need local legislation. Currently not many conversions, but potentially more in the future so it’s difficult to determine impact.</td>
</tr>
<tr>
<td>Community Land Trusts</td>
<td>Moderate</td>
<td>CLTs need mechanism to fund themselves and acquire property.</td>
</tr>
<tr>
<td>Mandatory Inclusionary Zoning</td>
<td>Difficult</td>
<td>Would create the most workforce housing of all tools. Legal needs to review program components to ensure workforce housing is not considered a taking. Other jurisdictions have used density bonuses greater than workforce requirements to ensure legal compliance.</td>
</tr>
<tr>
<td>Fee in Lieu of Inclusionary Zoning</td>
<td>Difficult</td>
<td>Only works in the case of mandatory inclusionary zoning.</td>
</tr>
<tr>
<td>State Trust Fund</td>
<td>Difficult</td>
<td>Doesn’t exist. Would need state legislation.</td>
</tr>
<tr>
<td>Impact fees</td>
<td>Difficult</td>
<td>Impact fees could be increased however legal would need to determine what portion if any could be used for housing initiatives.</td>
</tr>
<tr>
<td>% of Recordation fee</td>
<td>Difficult</td>
<td>Fee is collected by county. May need state legislation to allow city to charge an additional fee.</td>
</tr>
<tr>
<td>Homeowner Levy</td>
<td>Difficult</td>
<td>Referendum probably needed to fund a housing trust fund. May be difficult to persuade homeowners, but used in several municipalities.</td>
</tr>
<tr>
<td>Transfer Tax</td>
<td>Difficult</td>
<td>Might require state legislation to allow city to charge additional fee.</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>Extremely Difficult</td>
<td>Probably not viable given Atlanta’s current sales tax rate.</td>
</tr>
<tr>
<td>Hotel Tax</td>
<td>Extremely Difficult</td>
<td>Would require state legislation to change uses. Probably not viable.</td>
</tr>
<tr>
<td>Eminent Domain</td>
<td>Extremely Difficult</td>
<td>Requires state legislation to change law from 20 year public use of land acquired.</td>
</tr>
</tbody>
</table>
The following existing and new tools can best help Atlanta achieve its housing goals.

<table>
<thead>
<tr>
<th>Policy Tool</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing policy tools to be enhanced</strong></td>
<td></td>
</tr>
<tr>
<td>The Housing Opportunity Bond Fund</td>
<td>Funds the development and preservation of workforce housing</td>
</tr>
<tr>
<td>Tax Allocation Districts</td>
<td>Contributes local tax revenues to local projects</td>
</tr>
<tr>
<td>The FC/CoA Land Bank</td>
<td>Acquires and holds blighted property for redevelopment</td>
</tr>
<tr>
<td>The Zoning Code</td>
<td>Facilitates more dense development around key urban amenities</td>
</tr>
<tr>
<td><strong>New policy tools to be created</strong></td>
<td></td>
</tr>
<tr>
<td>Inclusionary Zoning</td>
<td>Would link workforce housing development with market rate development</td>
</tr>
<tr>
<td>Expanded Tax Abatements</td>
<td>Would provide a long-term operating subsidy to fill the gap left by affordable units</td>
</tr>
<tr>
<td>Priority Purchasing of Tax Liens</td>
<td>Would help mitigate blight by purchasing tax liens to strategically rehabilitate units and buildings</td>
</tr>
</tbody>
</table>
The following existing and new tools can best help Atlanta achieve its housing goals.

<table>
<thead>
<tr>
<th>Policy Tool</th>
<th>Legislative Actions Required</th>
<th>Challenges to Implementation</th>
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<tr>
<td><strong>Existing policy tools to be enhanced</strong></td>
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<tr>
<td>The Housing Opportunity Bond Fund</td>
<td>Council legislation approving issuance the second series of the Housing Opportunity Bond Fund</td>
<td>Alternative source for debt service coverage needed</td>
</tr>
<tr>
<td>Tax Allocation Districts</td>
<td>Statewide Amendment to the Redevelopment Powers Law to allow for porting of funds and economic development uses</td>
<td>Need statewide buy-in/vote for amendments; need to convince the Atlanta Public Schools to participate in the City’s four newest TADs</td>
</tr>
<tr>
<td>The FC/CoA Land Bank</td>
<td>Funding needed to secure properties. Could come from Council approving Housing Opp. Bond</td>
<td>Must work with the Fulton County Tax Commissioner to secure tax liens; Need to improve processing time</td>
</tr>
<tr>
<td>The Zoning Code</td>
<td>Council approval</td>
<td>Resident concerns about the impact of increased density</td>
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<td><strong>New policy tools to be created</strong></td>
<td></td>
<td></td>
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<tr>
<td>Inclusionary Zoning</td>
<td>Inclusionary zoning legislation (local and/or state)</td>
<td>Potential opposition from development community</td>
</tr>
<tr>
<td>Expanded Tax Abatements</td>
<td>Council legislation offering a city-wide tax abatement for meeting certain housing goals</td>
<td>Loss of property tax revenue will need to be offset; ensure that only properties increasing tax revenues by 400% are eligible for abatement</td>
</tr>
<tr>
<td>Priority Purchasing of Tax Liens</td>
<td>Amendment to Memorandum of Understanding with Fulton County Tax Commissioner</td>
<td>Potential opposition to selling tax liens to Land Bank instead of private entities by Tax Commissioner</td>
</tr>
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</table>
Each Housing Strategy Tool addresses multiple Strategy Goals.

<table>
<thead>
<tr>
<th>Tool Recommendations</th>
<th>A</th>
<th>B</th>
<th>C</th>
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<tr>
<td>Housing Opportunity Bond Fund</td>
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A number of different entities play an important role in Atlanta’s housing landscape.

**City of Atlanta’s Housing Agencies**
- City of Atlanta: Office of Housing
  Distributes funding for housing development & preservation
- Invest Atlanta
  Provides financing for affordable housing development & homeownership
- Atlanta Housing Authority
  Acquires, manages and develops affordable housing

**Public Sector**
- Georgia Department of Community Affairs
  Distributes Low-Income Housing Tax Credits and offers down payment assistance
- United States Department of Housing & Urban Development
  Administers federal aid to local housing agencies that manage and finance housing for low income families
- MARTA and Atlanta Beltline, Inc.
  Make land available for development
- City of Atlanta / Fulton County Land Bank Authority
  Banks land for future development

**Private/Non-Profit**
- Enterprise Community Partners
  Provides capacity building for non-profits, funding for workforce housing and consulting services
- Foundations/Banks
  Provides funding for workforce development and/or place-based neighborhood revitalization
- Neighborworks
  Provides capacity building for non-profits, funding for workforce housing and consulting services
- CDCs/CHDO
  Acquires, owns, operates, and develop neighborhood-based workforce housing projects
- Developers
  Acquires, owns, manages and develops workforce housing
Atlanta’s housing agencies can improve coordination in several ways.

Actions that would support inter-agency coordination include:

• Be inclusive with other agencies that impact housing development and policies such as MARTA, Atlanta Public Schools, Department of Community Affairs
• Align Housing Subcabinet agencies’ annual goals and initiatives
• Create a consolidated annual report that tracks how many housing units have been created and preserved throughout the City
• Ensure that the Housing Subcabinet’s annual goals are reflected in City’s comprehensive and consolidated plans
• Deploy reserve funding to support City’s housing goals
• Create a one-stop-shop website where developers and residents can easily access housing resources and data from different agencies
• Establish a common application that developers can use to apply for funding from multiple agencies
The following existing tools, new tools and tactics can best help Atlanta achieve its housing goals.

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<thead>
<tr>
<th>Existing Policy Tools to be Enhanced</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Housing Opportunity Bond Fund</td>
<td>Funds the development and preservation of workforce housing</td>
</tr>
<tr>
<td>Tax Allocation Districts</td>
<td>Contributes local tax revenues to local projects</td>
</tr>
<tr>
<td>The FC/CoA Land Bank</td>
<td>Acquires and holds blighted property for redevelopment</td>
</tr>
<tr>
<td>The Zoning Code</td>
<td>Facilitates more dense development around key urban amenities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Policy Tools to be Created</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusionary Zoning</td>
<td>Would link workforce housing development with market rate development</td>
</tr>
<tr>
<td>Expanded Tax Abatements</td>
<td>Would provide a long-term operating subsidy to fill the gap left by affordable units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Tactics for Housing/Vacant Properties</th>
<th>New Tactics for Neighborhoods &amp; Community Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Workforce Housing Initiative</td>
<td>Neighborhood Agenda at the State Legislature</td>
</tr>
<tr>
<td>Vacant Property Registration System &amp; Database</td>
<td>Concentration of Housing Dollars and Code Enforcement</td>
</tr>
<tr>
<td>Vacant Property Receivership/Conservatorship</td>
<td>Synergize Community and Economic Development</td>
</tr>
<tr>
<td>For-profit and Non-profit Developer Collaboration</td>
<td>Enhance Neighborhood Gateways</td>
</tr>
<tr>
<td>Promote Purchase Rehab Lending</td>
<td>Improve Pedestrian Mobility</td>
</tr>
<tr>
<td>Implement the Use of a Smart Rehab Code</td>
<td>Collaboration with Public and Private Utilities</td>
</tr>
<tr>
<td>Enlist and Train Realtors, Builders, and Developers</td>
<td>Community Engagement</td>
</tr>
</tbody>
</table>

31
Each Housing Strategy tool addresses multiple Neighborhood Factors identified in the SCI Report.

<table>
<thead>
<tr>
<th>Tool Recommendations</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tool Recommendations</strong></td>
<td></td>
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<tr>
<td>A Housing Opportunity Bond Fund</td>
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<tr>
<td>B Tax Allocation Districts</td>
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<tr>
<td>C Tax Liens</td>
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<td>D FCCALBA</td>
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<td>E Zoning Code</td>
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<td>F Inclusionary Zoning</td>
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<table>
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<tr>
<th>Neighborhood Factors</th>
<th>A</th>
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<td>Housing Costs</td>
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<td>Permit Issuance</td>
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<td>Educational Attainment</td>
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<td>X</td>
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<td></td>
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</tr>
</tbody>
</table>
Additional policies and potential resources needed to implement the Housing Strategy.

**Funding Needed to Implement the Housing Strategy**

- New issuance of the successful Housing Opportunity Bonds
- Funding to increase LBA capacity to acquire and rehabilitate vacant, blighted properties
- Creation of Housing Trust Fund from a variety of sources (payment in lieu of, dedicated millage, per unit levy)

**Policies for Implementing the Housing Strategy**

- Changes to TAD Policies to require developers to create workforce housing
- Priority tax lien purchase for the LBA
- Tax incentives for affordable housing development
- New zoning incentives and requirements based on proven models in other cities
- Inclusionary Housing policy that requires all new residential developments to have affordable/workforce housing component
## The Housing Opportunity Bond Fund

### Implementation components

<table>
<thead>
<tr>
<th>Key actions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Issue second series of bond ($40 million)</td>
<td>• Expand fund usage to purchase and rehabilitate vacant properties; cover soft development, infrastructure and demolition costs; support owner occupied rehabilitation; acquire financially distressed properties; and support land assemblage</td>
</tr>
<tr>
<td>• Combine fund dollars with private foundation dollars to support TOD development</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>Invest Atlanta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td>Invest Atlanta, Office of Housing, Atlanta Housing Authority, Fulton County / City of Atlanta Land Bank (FCCALBA)</td>
</tr>
<tr>
<td>Implementation challenges</td>
<td>Alternative source for debt service needed</td>
</tr>
<tr>
<td>Legislative action required</td>
<td>City Council to authorize the issuance of the second series of bonds</td>
</tr>
<tr>
<td>Metrics to track outcome</td>
<td>• Number of workforce housing units produced</td>
</tr>
<tr>
<td></td>
<td>• Number of vacant and blighted properties</td>
</tr>
<tr>
<td></td>
<td>• Number of cost-burdened Atlanta residents</td>
</tr>
</tbody>
</table>
## Tax Allocation Districts

### Implementation components

| Key actions                                                                 | • Consider additional ways to use BeltLine's Affordable Housing Trust Fund, including land acquisition and master development alongside infrastructure investments  
• Use TADs to subsidize green development  
• Close out any TADs that are no longer needed to allow for the creation of TADs in new areas  
• Ability to port funds from one TAD to another  
• Garner Atlanta Public Schools participation in the city’s newest TADs |
| City leadership responsible                                                                                                          | Invest Atlanta |
| Required agency coordination                                                                                                        | Fulton County and Atlanta Public Schools |
| Implementation challenges                                                                                                           | Need to convince the Atlanta Public Schools to participate in the City’s four newest TADs |
| Legislative action required                                                                                                         | Revise redevelopment laws to facilitate implementation of TAD strategy |
| Metrics to track outcome                                                                                                           | • Number of affordable units created  
• Amount of BeltLine Trust Funds used by developers  
• Number of green developments built in TADs |
## Tax Liens

### Implementation components

| Key actions                                                                 | • Give the City of Atlanta a priority position to purchase tax liens from the Fulton County Tax Commissioner  
| • Place foreclosed property in the City of Atlanta/FCCALBA to facilitate its redevelopment |
| City leadership responsible                                                  | City of Atlanta / FCCALBA |
| Required agency coordination                                                | • Fulton County Tax Commissioner  
| • City of Atlanta / FCCALBA                                                 |
| Implementation challenges                                                  | • Opposition to selling tax liens to the Land Bank Authority instead of private companies.  
| • Need funding to purchase the tax liens.                                   |
| Legislative action required                                                 | None |
| Metrics to track outcome                                                   | • Number of vacant and blighted parcels  
| • Number of code compliance violations.                                    |
# The Fulton County/City of Atlanta Land Bank

## Implementation components

<table>
<thead>
<tr>
<th>Key actions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide additional funding for land acquisition and property maintenance</td>
<td></td>
</tr>
<tr>
<td>• Alter In-Rem framework so the city can assume ownership of abandoned properties and place them in the land bank</td>
<td></td>
</tr>
<tr>
<td>• Give the City the right of first refusal before the Fulton County Tax Commissioner sells property tax liens</td>
<td></td>
</tr>
<tr>
<td>• Improve communication with Housing Subcabinet to facilitate workforce housing initiatives.</td>
<td></td>
</tr>
<tr>
<td>• Publicize benefits that could help potential buyers rehabilitate properties, such as the 203k lending program</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>City of Atlanta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td>Fulton County Tax Commissioner and FCCALBA</td>
</tr>
<tr>
<td>Implementation challenges</td>
<td>Work with the Fulton County Tax Commissioner to secure tax liens</td>
</tr>
<tr>
<td>Legislative action required</td>
<td>Council legislation authorizing issuance of Housing Opportunity Bond Fund to provide capital for acquisition of liens</td>
</tr>
<tr>
<td>Metrics to track outcome</td>
<td>• Number of vacant and blighted parcels</td>
</tr>
<tr>
<td></td>
<td>• Number of code compliance violations</td>
</tr>
<tr>
<td></td>
<td>• Increase in property taxes / home values in areas where the FCCALBA maintains and sells property</td>
</tr>
</tbody>
</table>
# Inclusionary Zoning

## Implementation components

<table>
<thead>
<tr>
<th>Key action</th>
<th><img src="https://example.com" alt="Text" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enact inclusionary zoning legislation that requires all multi-family developers building more than 20 units of housing to either include workforce units, build them off-site or pay an in-lieu fee.</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
<tr>
<td>• Coordinate with the re-write of the City’s zoning ordinance</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>Department of Planning and Community Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
<tr>
<td>• Invest Atlanta</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
<tr>
<td>• Atlanta City Council</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation challenges</th>
<th><img src="https://example.com" alt="Text" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Push back from private developers</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
<tr>
<td>• Legal issues</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Legislative action required</th>
<th><img src="https://example.com" alt="Text" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusionary zoning legislation (local and/or state)</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metrics to track outcome</th>
<th><img src="https://example.com" alt="Text" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of affordable units created in census tracts with above average median incomes</td>
<td><img src="https://example.com" alt="Text" /></td>
</tr>
</tbody>
</table>
## Tax Abatement

### Implementation components

| Key actions                                                                 | • Pass city council legislation to provide a 50% tax abatement for 15 years for developers who make at least 20% of their units affordable  
| • New development must increase property tax receipts by at least 400% in order to qualify for tax abatement |
| City leadership responsible                                                  | Invest Atlanta |
| Required agency coordination                                                 | Department of Planning & Community Development |
| Implementation challenges                                                   | • Reduction in property tax revenue for those projects  
| • Abatement approved by Fulton County Development Authority with no affordability requirement |
| Legislative action required                                                 | Legislation offering a city-wide tax abatement outside of |
| Metrics to track outcome                                                    | • Number of affordable units created in areas that previous lacked affordable units  
| • Percentage of market rate developments that include affordable units |
Absent of adequate financial resources, IA and the City have taken several steps to begin implementation of the Housing Strategy.

- Changes have been made to TAD policies to include a workforce housing requirement
- COA has applied and received a technical assistance scholarship from Center for Community Progress to evaluate current policy and procedures to address blighted properties
- IA working with Office of Planning to enhance Density Bonus ordinance
- IA working with LBA to acquire tax delinquent multifamily property
- COA is working with a local developer and non-profit to complete a place based strategy to address vacant land and blighted properties in the Mechanicsville neighborhood and Pittsburgh
- COA & IA have participated in two (2) workshops conducted by Enterprise focused on Transit Oriented Development (TOD) and Inclusionary Housing
- IA is working on strategy to strengthen the use of Lease Purchase Bonds to incentivize affordable workforce housing
- IA is developing a rezoning proposal to be submitted to the Office of Planning and considered as part of the evaluation and rewrite of the current zoning ordinance
Atlanta’s Demographics
Overview of City of Atlanta’s Demographics (2012)

Total Population: + 425,000

Number of Households: 179,000

Median Household Income: $46,000
Median Home Value: $219,000
Median Rent: $931

Population living in poverty: 23%

US Born: 92%
Foreign Born: 8%

African American: 54%
White: 39%
Hispanic: 5%

Source: 2008-2012 ACS
The City’s population growth has slowed while its share of the region’s population has declined.

Atlanta Population as a Share of the Metropolitan Statistical Area’s Population

Source: ESRI Online
More than 30% of Atlanta households earn less than $25,000 a year.

Source: U.S. Census (2012 5-YR ACS)
After increasing significantly from 1990 through 2007, Atlanta residents’ median income has recently decreased.

Source: Neighborhood Nexus
Since 2000, the number of higher income households has increased while the number of low-income households has fallen.
The City now has more young professionals and fewer children; also seniors ages 55-64 are the fastest growing population.

Age Trends Over Time

Source: U.S. Census (2012 5-YR ACS)
The demographic trends signal an Atlanta population with fewer children, more empty nesters and more singles.

Ramifications:

- More one and two bedroom rental and ownership units
- Greater development focus on urban living areas (walkable, dense, transit access)
- Greater need for diversity of unit types in neighborhoods (ability to age in place)
- A focus on affordable workforce housing units as 52% of population earns less than $50,000
- Greater mix of uses in an area (residential, commercial, retail)
- Potential residential uses for surplus school property
Atlanta’s Housing Characteristics
Atlanta has a diverse housing stock.
The City has more than 227,000 housing units.

**Occupancy Characteristics**
- Vacant: 19%
- Renter Occupied: 46%
- Owner Occupied: 35%

**Unit Mix**
- 1-unit, detached: 41%
- 1-unit, attached: 5%
- 2-4 units: 7%
- 5-19 units: 19%
- 20 or more units: 28%

Source: U.S. Census (2013 1-YR ACS)
A majority of households consist of individuals who either live alone or with non-family members.

Total Households: 179,000

Household Type

- Nonfamily households: 16%
- Married-couple family: 56%
- Male householder, no wife present, family: 4%
- Female householder, no husband present, family: 24%

Source: U.S. Census (2012 5-YR ACS)
The City’s average household size has decreased over the past two decades.

![Change in Average Household Size](chart)

Source: U.S. Census 1990 Decennial, 2000 Decennial, 2012 5-YR ACS
Vacancy and declining household size speak to new challenges.

• 19% of units in the City are vacant which means there are many existing opportunities to redevelop, rehab, lease, or purchase units in neighborhoods. However underlying causes of the vacancy must be addressed.

• Declining household size may mean less single family homeownership as singles and couples without children may choose to live in multifamily units.

• If fewer households have school age children, what are the ramifications for the neighborhood schools and the value of the housing stock
As of 2012, Atlanta’s median home value was $219,900.

Distribution of Home Values

46% of home values are < $200,000

- Less than $100,000: 18%
- $100,000 to $199,999: 28%
- $200,000 to $299,999: 17%
- $300,000 to $499,999: 17%
- $500,000 to $999,999: 14%
- $1,000,000 or more: 6%

Source: U.S. Census (2012 5-YR ACS)
As of 2012, Atlanta’s median monthly rent was $931.

**Distribution of Monthly Rents**

- 4% of units are < $200
- 5% of units are $200 - $299
- 7% of units are $300 - $499
- 17% of units are $500 - $749
- 28% of units are $750 - $999
- 29% of units are $1,000 - $1,499
- 11% of units are $1,500 or more

*Monthly rents listed above cover all occupied rental units in Atlanta.

Source: U.S. Census (2012 5-YR ACS)
Affordable housing is defined as housing that requires no more than 30% of a family’s income.

Housing options affordable to an Atlanta family earning $54,000* a year:

- Purchasing a home for $160,500
- Renting a home for $1,350 a month

* 80% of Atlanta’s Area Median Income for 2013.

Source: HR&A Analysis
There is a growing divide between market and affordable rates especially for families.

<table>
<thead>
<tr>
<th>Area Median Income %</th>
<th>STUDIO</th>
<th>1 BEDROOMS</th>
<th>2 BEDROOMS</th>
<th>3 BEDROOMS</th>
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<tbody>
<tr>
<td>50%</td>
<td>$563</td>
<td>$604</td>
<td>$725</td>
<td>$837</td>
</tr>
<tr>
<td>60%</td>
<td>$676</td>
<td>$725</td>
<td>$870</td>
<td>$1,005</td>
</tr>
<tr>
<td>80%</td>
<td>$901</td>
<td>$965</td>
<td>$1,158</td>
<td>$1,339</td>
</tr>
<tr>
<td>MARKET*</td>
<td>$955</td>
<td>$1,029</td>
<td>$1,470</td>
<td>$1,985</td>
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<tr>
<td>New Old 4th Ward Units**</td>
<td>$1,130</td>
<td>$1,240</td>
<td>$1,890</td>
<td>$2,455</td>
</tr>
</tbody>
</table>

*Market units are based on an average rate of $1.47psf.
**Prices in Old 4th Ward reflect lowest priced market unit in Bohemian House and 755 North Avenue.
## Affordable Housing Income Limits for the Atlanta MSA.

<table>
<thead>
<tr>
<th>2014 INCOME LIMIT</th>
<th>1 PERSON</th>
<th>2 PERSONS</th>
<th>3 PERSONS</th>
<th>4 PERSONS</th>
<th>5 PERSONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>$13,550</td>
<td>$15,450</td>
<td>$17,400</td>
<td>$19,300</td>
<td>$20,850</td>
</tr>
<tr>
<td>50%</td>
<td>$22,550</td>
<td>$25,800</td>
<td>$29,000</td>
<td>$32,200</td>
<td>$34,800</td>
</tr>
<tr>
<td>60%</td>
<td>$27,060</td>
<td>$30,960</td>
<td>$34,800</td>
<td>$38,640</td>
<td>$41,760</td>
</tr>
<tr>
<td>80%</td>
<td>$36,050</td>
<td>$41,200</td>
<td>$46,350</td>
<td>$51,500</td>
<td>$55,650</td>
</tr>
<tr>
<td>100%</td>
<td>$45,100</td>
<td>$51,600</td>
<td>$58,000</td>
<td>$64,400</td>
<td>$69,600</td>
</tr>
<tr>
<td>115%</td>
<td>$53,400</td>
<td>$61,000</td>
<td>$68,650</td>
<td>$76,250</td>
<td>$80,000</td>
</tr>
<tr>
<td>120%</td>
<td>$55,700</td>
<td>$63,650</td>
<td>$71,600</td>
<td>$79,550</td>
<td>$83,500</td>
</tr>
<tr>
<td>140%</td>
<td>$63,100</td>
<td>$72,100</td>
<td>$81,100</td>
<td>$90,100</td>
<td>$97,300</td>
</tr>
</tbody>
</table>
Affordable Workforce Housing Policy, which is based on family size, has to include working families across the spectrum of Area Median Income but cannot afford to buy or rent in many parts of the city.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>% of Area Median Income</th>
<th>Max Rent They Can Afford</th>
<th>Max Home Price They Can Afford</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,000</td>
<td>50%</td>
<td>$575</td>
<td>$69,000</td>
</tr>
<tr>
<td>$44,000</td>
<td>100%</td>
<td>$1,100</td>
<td>$132,000</td>
</tr>
<tr>
<td>$75,000</td>
<td>140%</td>
<td>$1,875</td>
<td>$225,000</td>
</tr>
<tr>
<td>$65,000</td>
<td>140%</td>
<td>$1,625</td>
<td>$195,000</td>
</tr>
</tbody>
</table>

$931 Median Rent; $219,000 Median Home Value as of 2012
The number of cost burdened residents has increased.

Atlanta residents who spend more than 30% of their income on housing* (2000 vs. 2012)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renters</td>
<td>29%</td>
<td>41%</td>
</tr>
<tr>
<td>Homeowners</td>
<td>24,649</td>
<td>48,027</td>
</tr>
</tbody>
</table>

*Homeowners statistic only includes those with mortgages.

Source: 2000 Census vs. 2012 5-yr ACS
Over the last twenty years, housing prices have grown faster than incomes.

Comparison of Atlanta’s Median Income, Rents, and Home Values

Sources: 1990 Decennial Census; 2000 Decennial Census; 2007 1-yr ACS; 2011 5-yr ACS
The recent upward trend in home prices could further increase the number of cost-burdened households.
Rising rents may also force households to spend a greater share of their incomes on housing.

*Listed rents reflect properties on the market.

Source: Zillow.com
The majority of Atlanta’s housing units are more than 30 years old.

**Atlanta Residences by Age**

<table>
<thead>
<tr>
<th>Year Built</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939 or earlier</td>
<td>13%</td>
</tr>
<tr>
<td>1940 to 1949</td>
<td>7%</td>
</tr>
<tr>
<td>1950 to 1959</td>
<td>13%</td>
</tr>
<tr>
<td>1960 to 1969</td>
<td>14%</td>
</tr>
<tr>
<td>1970 to 1979</td>
<td>10%</td>
</tr>
<tr>
<td>1980 to 1989</td>
<td>8%</td>
</tr>
<tr>
<td>1990 to 1999</td>
<td>10%</td>
</tr>
<tr>
<td>2000 to 2009</td>
<td>23%</td>
</tr>
<tr>
<td>2010 or later</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

58% of units were built before 1980.

Source: U.S. Census (2012 5-YR ACS)
The number of units lacking complete plumbing or kitchen facilities has changed little.

Number of Deficient Housing Units

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Lacking complete plumbing facilities</th>
<th>Lacking complete kitchen facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>2012</td>
</tr>
<tr>
<td>Number of Units</td>
<td>1,400</td>
<td>1,800</td>
</tr>
</tbody>
</table>

Source: U.S. Census (2012 5-YR ACS)
The number of “over-crowded”* units has fallen by 60%.

*The U.S. Census defines overcrowded units as those that have more than one person per habitable room (not including a living room or kitchen).

Source: U.S. Census (2011 5-YR ACS)
New housing production has outpaced population growth in the past decade.

Change in the Number of Housing Units & Households (2000 to 2012)

Source: U.S. Census (2012 5-YR ACS)
New housing development has been concentrated in the multi-family sector.

![Bar chart demonstrating the percent of housing stock for different types of units.](chart.png)

**Source:** U.S. Census (2012 5-YR ACS)
After falling during the recession, new housing production is picking up again.
Most new housing production has been in NE, SW, and Buckhead.

Change in Number of Total Housing Units (2000 to 2010)

Source: Neighborhood Nexus
Atlanta’s residential vacancy rates have been rising.

Source: City of Atlanta Department of Planning and Community Development
The high vacancy rates for owner-occupied housing have been driven in part by the foreclosure crisis.*

- Atlanta homeowners in all income levels and neighborhoods were affected.
- Between 2006 and 2009, ~49,000 foreclosure notices were issued in the City of Atlanta.

Source: 2011 Consolidated Plan
* The darker the color the greater the percentage of foreclosure filings.
City of Atlanta’s neighborhoods and current vacancy concerns

- 242 neighborhoods
- 160,207 total parcels
- 143,888 residential parcels
- 98% of residential parcels are single family (1-2 units)
- 9,664 vacant lots
- 7,974 vacant structures
  - 3,850 “blighted structures” (poor/deteriorated) (2.4% of total)

Source: 2013 City of Atlanta Strategic Community Investment Report
Subsidized housing is clustered near the City center and the west.

**HUD-Subsidized, HUD-Insured, HUD-Operated, and LIHTC properties**

Source: Policy Map, U.S. Department of Housing and Urban Development's LIHTC Database, which was last revised as of August 17, 2012.
Households with vouchers are concentrated in southern neighborhoods.

Percent of Households receiving Section 8 Vouchers as of 2009 by Census Tract

- Insufficient Data
- 3.00% or less
- 3.01% - 6.00%
- 6.01% - 9.00%
- 9.01% - 12.00%
- 12.01% - 15.00%
- 15.01% - 18.00%
- 18.01% or more

Source: Policy Map, U.S. Department of Housing and Urban Development's LIHTC Database, which was last revised as of August 17, 2012.
Seventy-five percent of HUD-subsidized units are in “adequate” or “good” condition.

Source: HUD REAC Report 2001-2011
Areas of Atlanta with the most jobs have the least affordable housing.

Map of Atlanta’s Employment, 2010

Jobs per tract
- 0 - 2,000
- 2,001 - 5,000
- 5,001 - 8,000
- 8,001 - 11,000
- 11,001 - 14,000
- 14,001 - 17,000
- 17,001 - 45,000

Source: Atlanta Regional Commission

Share of Homes Affordable to Families Earning below 80% AMI

Source: Policy Map, 2011 5-yr ACS
In the future, job growth will be in some of the City’s least affordable neighborhoods.
Atlanta’s Housing Policies and Programs
Over the past decade, Atlanta has released a number of plans that proposed various affordable housing initiatives.

Key recent affordable housing plans for the City of Atlanta include:

- A Vision for Housing in Atlanta (2002)
- Affordable Workforce Housing Implementation Task Force (2006)
- Consolidated Development Plan (2011)
- BeltLine Affordable Housing Study (2012)
- Transit-Oriented Development Implementation Strategy Assistance (2013)
- Strategic Community Investment Report (2013)
In recent years, Atlanta has enacted several initiatives to make housing more affordable for residents.

- Established a Housing Opportunity Bond Fund, a Homeless Opportunity Fund, and the Atlanta BeltLine Affordable Housing Trust Fund
- Used Tax Allocation Districts to facilitate the development of mixed income communities
- Used Lease Purchase Bonds to create housing choices in high cost areas
- Redeveloped public housing as mixed income communities
- Created a housing subcabinet to improve inter-agency coordination
- Establishment of Project Based Rental Assistance (PBRA) that is sometimes combined with capital investments

Successful Development Funded to Date

- Novare Skyhouse
- Lofts at Reynoldstown Crossing
- Adamsville Green Senior Apts.
- West Highlands Master-Planned Community
Four Citywide strategic initiatives are currently underway.

- Homelessness Strategy
  *Mayor’s Office on Innovation*

- Strategic Community Investment Report
  *Office of Housing*

- Transit-Oriented Development Strategy
  *Office of Planning*

- Housing Strategy
  *Invest Atlanta*

Linking these initiatives together will enhance their effectiveness.
A number of different entities play an important role in Atlanta’s housing landscape.
These entities support the development of affordable housing in similar yet unique ways.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Builds and Operates Affordable Housing</th>
<th>Finances Housing Development</th>
<th>Finances Homeownership</th>
<th>Facilitates Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta Housing Authority</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Invest Atlanta</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Office of Housing</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Department of Planning</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Land Bank Authority</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>MARTA</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Community Land Trusts</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Georgia Department of Community Affairs</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlanta Beltline</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Central Atlanta Progress</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
There are many different public funding streams that support the development of affordable housing:

- Community Development Block Grants
- HOME Funds
- Neighborhood Stabilization Program
- Low Income Housing Tax Credits
- Tax Exempt Bonds
- Housing Opportunity Bonds
- Choice Neighborhoods
- HUD’s Financing Programs, including Section 8
- Housing Opportunities for Persons with AIDS (HOPWA)
- Tax Allocation Districts
These funding streams run through many different entities.

CITY OF ATLANTA
OFFICE OF HOUSING
- Community Development
- Block Grants
- Neighborhood Stabilization Funds
- HOME Funds

INVEST ATLANTA
- Housing Opportunity Bonds
- Tax Exempt Bonds
- Down Payment Assistance
- BeltLine Affordable Housing Trust Fund
- Vine City Trust Fund

GEORGIA DEPARTMENT OF
COMMUNITY AFFAIRS
- Low-Income Housing Tax Credits
- State Home Funds
- Down Payment Assistance & Mortgage Program
- HOME Safe Program

ATLANTA HOUSING
AUTHORITY
- Section 8 / PBRA
- Choice Neighborhoods
- Down Payment Assistance
The Atlanta Housing Authority (AHA) acquires, leases and operates housing for low-income families. Key AHA initiatives include:

**Housing Choice Voucher Program:** Families use housing choice vouchers to secure apartments or homes for no more than 30% of their income. In 2012, 9,277 families used their vouchers to secure housing and many more are currently on the waitlist.

**Project-Based Rental Assistance Program:** This program helps developers if they agree to rent a percentage of their units to families earning up to 80% of AMI.

**Supportive Housing:** This program uses PBRA agreements to provide supportive housing for at-risk populations.

**AHA-Owned Properties:** AHA owns 11 senior-high rise communities and 2 small family communities.

**Down-Payment Assistance:** Low- and moderate-income, first-time homebuyers are eligible for down payment assistance.

Source: AHA 2012 Annual Report
There were approximately 21,000 units subsidized through Atlanta Housing Authority (AHA) programs as of 2011.

<table>
<thead>
<tr>
<th>AHA Subsidized Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number Subsidized Units</td>
</tr>
<tr>
<td>12,000</td>
</tr>
<tr>
<td>10,000</td>
</tr>
<tr>
<td>8,000</td>
</tr>
<tr>
<td>6,000</td>
</tr>
<tr>
<td>4,000</td>
</tr>
<tr>
<td>2,000</td>
</tr>
</tbody>
</table>

- **Public Housing**: 21%
- **Project-Based Subsidies**: 19%
- **LIHTC**: 12%
- **Tenant Vouchers**: 47%
- **Downpayment Assistance**: 1%

* AHA-Owned Residential Communities and Mixed-Income Communities (AHA 2012)
** AHA-Sponsored Mixed-Income and PBRA Mixed-Income Developments (AHA 2012)
*** LIHTC units as recorded in AHA 2012 Report.

Note that according to HUD’s LIHTC database there are approximately 20,000 LIHTC properties in Atlanta, this includes the 2,000 LIHTC units in the above graph.

Source: AHA Report; 2011 CDP; HUD Picture of Subsidized Housing, HUD LIHTC Database
In FY 2012, the Atlanta Housing Authority served approximately 21,000 families.

<table>
<thead>
<tr>
<th>Program</th>
<th>Households Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHA-Owned Residential Properties</td>
<td>1,943</td>
</tr>
<tr>
<td>Supportive Housing for At-Risk Populations</td>
<td>546</td>
</tr>
<tr>
<td>Housing Choice Vouchers</td>
<td>9,277</td>
</tr>
<tr>
<td>Project-Based Rental Assistance</td>
<td>4,087</td>
</tr>
<tr>
<td>Mixed-Income Communities</td>
<td>4,853</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,706</strong></td>
</tr>
</tbody>
</table>

Source: AHA 2012 Annual Report
Invest Atlanta, the City’s economic development engine, supports the development of affordable housing primarily through bond financing.

Invest Atlanta’s Urban Residential Finance Authority (UFRA) issues tax-free bonds to fund below-market interest rate loans to develop affordable rental housing and support affordable homeownership.

$1.2 billion in bonds → 15,000 units of housing → ~ 8,250 units affordable for families earning 60% of AMI

Source: 2011 Consolidated Plan
In particular, the URFA-administered Housing Opportunity Bond Fund has facilitated the development of affordable housing by:

- **Supporting the development of single and multi-family affordable housing units** by providing gap financing to housing developers and Community Housing Development Organizations (up to $25,000 per unit, $1.1 million cap per project)

- **Facilitating homeownership** by offering second-mortgage financing to homeowners

$19.8 million in Housing Opportunity Bonds  

**2,072 units of workforce housing**

Source: 2011 Consolidated Plan
Invest Atlanta also administers the City’s 10 Tax Allocation Districts, which have produced more than 1,800 affordable housing units.

The Lofts at Reynoldstown Crossing provides affordable home ownership along the Atlanta BeltLine. 15% of all the BeltLine TAD’s bond issuances will be set aside for affordable housing, which is expected to create 5,600 affordable units. Eighty-six workforce units have been produced to date.

Tribute Lofts is a new condominium development located in the Eastside TAD. 29 of the units are affordable. The Eastside TAD is considered to be one of the most effective in terms of producing affordable housing. As of 2011, 559 new affordable units have been created.

The City of Atlanta’s Office of Planning oversees its Urban Enterprise Zones.

- Developments in Urban Enterprise Zones can qualify for a 10-year property tax abatement.

- Residential projects in UEZs are required to have:
  - 20% of rental units affordable to families earning 60% of AMI
  - 20% of homeownership units with prices no more than 2.2x AMI

- Projects in Economic Development Priority Areas are automatically eligible for the UEZ program

Source: Office of Planning’s Urban Enterprise Zone Program Guide
The Office of Housing oversees the development of community development plans and millions of dollars in federal funding.

Funds include:

- **HOME funds** help non-profit and for-profit developers create and rehabilitate units affordable to families earning 80% of AMI. This funding also facilitates home ownership through Invest Atlanta’s down payment assistance program.

- The **Neighborhood Stabilization Program** helps to combat blight by helping the City of Atlanta purchase abandoned, bank-owned foreclosed properties.

- **Community Development Block Grants** support the rehabilitation of elderly residents’ units and the development of new affordable units.

Source: Office of Housing’s website
Given Atlanta’s anticipated growth, there has been emphasis on designating land for affordable housing development in the future.

The City of Atlanta / Fulton County Land Bank Authority helps transform blighted, non-tax revenue producing property into productive sites containing affordable and/or market rate housing, public space, or commercial tenants. It also allows nonprofits to bank acquired land for future development.

Source: Interviews and Atlanta Land Bank mission statement
The Atlanta Land Trust Collaborative helps low-to-moderate income households buy homes at below market rate prices.

The Collaborative was launched in 2008 and now supports three affordable homeownership projects in two Atlanta BeltLine neighborhoods and provides technical assistance to non-profits.

CLTs use public and private subsidies to make homes affordable for low to moderate income families.

Homeowners agree to limit their financial gain when they sell their homes.

Homes remain affordable for perpetuity.
Existing tools have worked, but are now limited by economic realities.

<table>
<thead>
<tr>
<th>Invest Atlanta Tools</th>
<th>Economic Realities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Exempt Bonds</td>
<td>Conventional taxable rates have been lower than Tax Exempt Bond Rates</td>
</tr>
<tr>
<td>Housing Opportunity Bonds</td>
<td>93% Expended; $40mm remains to be issued. Requires Council approval</td>
</tr>
<tr>
<td>HOME Investment Partnership</td>
<td>Federal funding decreased by 40% since 2010</td>
</tr>
<tr>
<td>BeltLine Affordable Housing Trust Fund</td>
<td>100% Allocated</td>
</tr>
<tr>
<td>Homelessness Opportunity Fund</td>
<td>99.9% Expended</td>
</tr>
<tr>
<td>Lease Purchase Bonds</td>
<td>Some success in providing workforce housing choice in higher cost areas</td>
</tr>
</tbody>
</table>
There are additional tools that could be used to create workforce housing in Atlanta.

- Federal Tax Credits
- Tax Exempt Bonds
- Mandatory Inclusionary Zoning
- Other federal programs
- Tax abatements
- Density bonuses
- Grants
- Low interest/Forgivable debt
- Tax Lien Acquisitions
- Conservatorship
- Eminent Domain
- Community Land Trusts

Blue = significant use in Atlanta.
Green = sparse use in Atlanta.
Grey = not used in Atlanta.
National funding models for workforce housing are under-utilized in Atlanta.

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Fees</th>
<th>Levies</th>
<th>Taxes</th>
<th>Public/Private Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>• General fund</td>
<td>• Condo conversion sales fees</td>
<td>• Homeowner levy</td>
<td>• Real Estate Transfer Tax</td>
<td>• Loan Funds</td>
</tr>
<tr>
<td>• Dedicated millage</td>
<td>• Commercial development fees</td>
<td>• Per unit levy</td>
<td>• Sales taxes</td>
<td></td>
</tr>
<tr>
<td>• Tax increment</td>
<td>• Impact fees</td>
<td></td>
<td>• Car Rental Tax</td>
<td></td>
</tr>
<tr>
<td>• State Trust Fund</td>
<td>• % of Recordation fee</td>
<td></td>
<td>• Hotel Tax</td>
<td></td>
</tr>
<tr>
<td>• Funds From Partner Organizations</td>
<td>• Fee in Lieu of Inclusionary Zoning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Foundations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Highlighted items are currently used in Atlanta.
Tools other cities are using to create workforce housing could be implemented in Atlanta, but some tools are more difficult than others.

<table>
<thead>
<tr>
<th>Tool</th>
<th>Implementation</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Lien Acquisitions</td>
<td>Moderate</td>
<td>Land Bank has the power it needs to acquire tax delinquent properties, need agreement with Tax Commissioner.</td>
</tr>
<tr>
<td>Conservatorship</td>
<td>Moderate</td>
<td>Need a local conservatorship law. Potentially may need state legislation.</td>
</tr>
<tr>
<td>Dedicated Millage</td>
<td>Moderate</td>
<td>Need sign off from Mayor and Council.</td>
</tr>
<tr>
<td>Funds from Partner Organizations</td>
<td>Moderate</td>
<td>Need agreements with partner organizations.</td>
</tr>
<tr>
<td>Commercial development fees</td>
<td>Moderate</td>
<td>Program would need to be created, how large would development need to be to be impacted. Don’t want to discourage large developments.</td>
</tr>
<tr>
<td>Per Unit Levy</td>
<td>Moderate</td>
<td>Referendum probably needed to fund a housing trust fund. Used in several municipalities.</td>
</tr>
<tr>
<td>Car Rental Tax</td>
<td>Moderate</td>
<td>Was used previously to fund permanent supportive housing. If all future revenues are not currently allocated there may be enough money to support a new bond issue.</td>
</tr>
<tr>
<td>Condo conversion sales fees</td>
<td>Moderate</td>
<td>May only need local legislation. Currently not many conversions, but potentially more in the future so it’s difficult to determine impact.</td>
</tr>
<tr>
<td>Community Land Trusts</td>
<td>Moderate</td>
<td>CLTs need mechanism to fund themselves and acquire property.</td>
</tr>
<tr>
<td>Mandatory Inclusionary Zoning</td>
<td>Difficult</td>
<td>Would create the most workforce housing of all tools. Legal needs to review program components to ensure workforce housing is not considered a taking. Other jurisdictions have used density bonuses greater than workforce requirements to ensure legal compliance.</td>
</tr>
<tr>
<td>Fee in Lieu of Inclusionary Zoning</td>
<td>Difficult</td>
<td>Only works in the case of mandatory inclusionary zoning.</td>
</tr>
<tr>
<td>State Trust Fund</td>
<td>Difficult</td>
<td>Doesn’t exist. Would need state legislation.</td>
</tr>
<tr>
<td>Impact fees</td>
<td>Difficult</td>
<td>Impact fees could be increased however legal would need to determine what portion if any could be used for housing initiatives.</td>
</tr>
<tr>
<td>% of Recordation fee</td>
<td>Difficult</td>
<td>Fee is collected by county. May need state legislation to allow city to charge an additional fee.</td>
</tr>
<tr>
<td>Homeowner Levy</td>
<td>Difficult</td>
<td>Referendum probably needed to fund a housing trust fund. May be difficult to persuade homeowners, but used in several municipalities.</td>
</tr>
<tr>
<td>Transfer Tax</td>
<td>Difficult</td>
<td>Might require state legislation to allow city to charge additional fee.</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>Extremely Difficult</td>
<td>Probably not viable given Atlanta’s current sales tax rate.</td>
</tr>
<tr>
<td>Hotel Tax</td>
<td>Extremely Difficult</td>
<td>Would require state legislation to change uses. Probably not viable.</td>
</tr>
<tr>
<td>Eminent Domain</td>
<td>Extremely Difficult</td>
<td>Requires state legislation to change law from 20 year public use of land acquired.</td>
</tr>
</tbody>
</table>
Innovative Housing Policies and Programs in Other Cities
Case Studies
What affordable housing challenges are these five areas facing?

- **High or increasing land values**
  - Yes: Boston, Massachusetts
  - No: Austin, Texas; Montgomery County, Maryland; Seattle, Washington
  - High: Boston, Massachusetts
  - Low: Austin, Texas; Montgomery County, Maryland; Seattle, Washington

- **Income Disparity**
  - Yes: Washington, District of Columbia
  - No: Austin, Texas; Montgomery County, Maryland; Seattle, Washington
  - High: Washington, District of Columbia
  - Low: Austin, Texas; Montgomery County, Maryland; Seattle, Washington

- **Unemployment rate above national average**
  - Yes: Montgomery County, Maryland
  - No: Austin, Texas; Boston, Massachusetts; Seattle, Washington
  - High: Montgomery County, Maryland
  - Low: Austin, Texas; Boston, Massachusetts; Seattle, Washington

- **Vacancy rate**
  - Yes: Atlanta, Georgia
  - No: Austin, Texas; Boston, Massachusetts; Montgomery County, Maryland; Seattle, Washington
  - High: Atlanta, Georgia
  - Low: Austin, Texas; Boston, Massachusetts; Montgomery County, Maryland; Seattle, Washington

- **Foreclosure rate**
  - Yes: Atlanta, Georgia
  - No: Austin, Texas; Boston, Massachusetts; Montgomery County, Maryland; Seattle, Washington
  - High: Atlanta, Georgia
  - Low: Austin, Texas; Boston, Massachusetts; Montgomery County, Maryland; Seattle, Washington

Source: HR&A Analysis
What innovative practices are these areas using to address their affordable housing challenges?

- **Inclusionary Zoning**
  - **Austin, Texas**: No
  - **Boston, Massachusetts**: No
  - **Montgomery County, Maryland**: Room to Improve
  - **Seattle, Washington**: No
  - **Washington, District of Columbia**: Yes
  - **Atlanta, Georgia**: Room to Improve

- **Ongoing financing for Housing Trust Fund**
  - **Austin, Texas**: No
  - **Boston, Massachusetts**: None
  - **Montgomery County, Maryland**: Yes
  - **Seattle, Washington**: Yes
  - **Washington, District of Columbia**: Room to Improve
  - **Atlanta, Georgia**: None

- **Citywide affordable housing strategy**
  - **Austin, Texas**: No
  - **Boston, Massachusetts**: No
  - **Montgomery County, Maryland**: Yes
  - **Seattle, Washington**: Yes
  - **Washington, District of Columbia**: No
  - **Atlanta, Georgia**: Yes

- **Key information consolidated and accessible**
  - **Austin, Texas**: No
  - **Boston, Massachusetts**: No
  - **Montgomery County, Maryland**: Strength
  - **Seattle, Washington**: No
  - **Washington, District of Columbia**: Yes
  - **Atlanta, Georgia**: Room to Improve

- **Geographically-targeted affordable housing initiatives**
  - **Austin, Texas**: No
  - **Boston, Massachusetts**: Yes
  - **Montgomery County, Maryland**: No
  - **Seattle, Washington**: Yes
  - **Washington, District of Columbia**: No
  - **Atlanta, Georgia**: No

Source: HR&A Analysis
Housing Trust Funds vary in form.

**Montgomery County:**
(∼$105 million)
- Condo conversion sales fees
- General fund
- Property tax revenues

**Seattle:**
(∼$145 million)
- Homeowner levy (∼$65/yr. per household)

**Washington, D.C.:**
(∼$320 million):
- 15% of recordation and real estate transfer taxes

**Austin:**
(∼$8.8 million)
- General fund allocations
- Tax increments from development on City-owned land

**Boston:**
($81.5 million)
- Fee (PSF) commercial developments larger than 100,000 SF

Source: HR&A Analysis
Seattle’s Housing Levy has helped fund over 10,000 affordable apartments.

- Since 1981, Seattle voters have approved one bond and four levies to finance the creation of affordable housing.

- The 2009 Housing Levy will raise $145 million over seven years. It will produce or preserve 1,850 affordable homes and assist another 3,420 households.

- On average, Seattle households pay $65 a year to support the levy.

- Key initiatives include:
  - Rental Housing & Preservation
  - Operating & Maintenance Fund
  - Rental Assistance, Homebuyer Assistance
  - Acquisition & Opportunity Loan Fund

Source: HR&A Analysis
Austin waives development fees and offers faster development reviews to stimulate affordable housing development.

Austin’s Safe Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented (SMART) program:

- Jointly administered by the Austin Housing Finance Corporation (AHFC) and the Neighborhood Housing and Community Development Department
- Incentivizes affordable housing through waivers of development fees and faster development reviews on an increasing scale based on the percentage of affordable housing provided.
- All housing units must also meet Austin Energy Green Building Program (GBP) minimum standards.

Source: HR&A Analysis
Boston’s Middle Income Housing Initiative is designed to boost homeownership and property values.

Goals:

1. Increase the number of middle-income homebuyers in Boston
2. Support property values in high-foreclosure neighborhoods
3. Generate business for local contractors and builders

Over the next two years, Boston expects to sell one million square feet of vacant land to developers at below-market prices to help create between 200 to 300 new homes.
Montgomery County’s Workforce Housing Program helps moderate income families rent and purchase affordable homes.

- The Workforce Housing Program was created in 2006 to provide affordable housing for the county’s public employees and other moderate income workers.

- Developments with more than 35 residential units must set aside at least 10% of units for households earning between 70% and 120% of AMI.

- While applications are selected at random, priority points are given to first responders and City and county employees.

- A 20-year and 99-year resale price control for rental units helps to preserve affordability.

The Village at King Farm offers 49 units of workforce housing close to retail centers and a metro station.
D.C.’s Tenant Opportunity to Purchase Act (TOPA) helped preserve 1,000 units of affordable housing between 2002 and 2008.

• Under TOPA, owners looking to sell their buildings must give the tenants’ association the opportunity to purchase a property before it is sold to a third party.

• Tenants can either turn their property into a resident-owned cooperative, partner with a third-party management company and become partial property owners, or choose a third-party to buy their building and rent it to them under a contract guaranteeing improvements and stable rent.

• Low-income tenants can receive funds from D.C.’s Housing Production Trust Fund to help purchase and renovate their buildings.

TOPA helped a tenant association in Washington D.C.’s Logan Circle neighborhood purchase their building at 1417 N. St. NW in 2006. The tenants received a loan from D.C.’s Department of Housing and Community Development to help them purchase the property.
Baltimore’s Vacants to Value Initiative aims to reduce the number of vacant, blighted properties.

Vacants to Values combats blight by:

1) Streamlining the disposition of city-owned properties
2) Streamlining code enforcement to help rehabilitate scattered vacants in strong neighborhoods
3) Establishing Community Development Clusters with developers on high-vacancy blocks
4) Targeting homebuyer incentives
5) Supporting large-scale redevelopment in distressed areas
6) Demolishing and maintaining severely distressed blocks

Source: HR&A Analysis
Community Engagement Process
The team talked to numerous community members and stakeholders.
Stakeholders expressed common themes about opportunities and challenges to a successful Housing Strategy.

**Opportunities**

*Existing programs have worked.*

- **Hope VI mixed income model** — mixed income rental and ownership opportunities.
- **Housing Opportunity Bond** — available funding to subsidize affordable housing development.
- **Former Housing Task Force** — task force of housing development and community stakeholders informing and implementing policy and program.
- **Tax Allocation Districts** — flexible source of funds available for the inclusion of workforce housing in distinct geographic locations.
- **Invest Atlanta Down Payment Assistance** and mortgage assistance programs — for workforce homeownership opportunities.
- **Interagency Coordination** — enhance with a one stop shop housing resource portal.
- **Strategic Alignment** — build upon collaborative planning to include APS.

**Challenges**

*New issues have emerged.*

- **Limited resources** — public sources are scarce; Housing Finance Authority need sustainable funding sources.
- **Permanence of affordability** — loss of affordable housing units post-restriction period of 10 – 15 years.
- **Concentrated poverty** — most affordable housing and distress located south of I-20.
- **Age of housing stock** — majority of units more than 30 years old.
- **Current zoning** — does not promote the development of diverse housing opportunities.
- **Location of jobs** — job centers in the north, while most affordable housing is developed in the south.
- **Voluntary Inclusionary Zoning** — as opposed to mandatory inclusionary zoning limits effectiveness of promoting workforce housing.
Community Engagement: Community meetings were held in each quadrant of the City to gather residents’ feedback.

Coordination: Invest Atlanta and Enterprise Community Partners
Polling and Meeting Assistance: Atlanta Regional Commission

Council Districts 4, 11, 12
Atlanta Technical College
Nov. 21st 6-8 PM

Council Districts 1, 2, 5
The Trolley Barn
Nov. 14th 6-8 PM

Council Districts 3, 9, 10
Adamsville Recreation Center
Nov. 13th 6-8 PM

Council Districts 6, 7, 8
Peachtree Christian Church
Nov. 19th 6-8 PM
**Community Priority:** Address issues that impact quality of life alongside housing

<table>
<thead>
<tr>
<th></th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td>19%</td>
<td>22%</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Crime</strong></td>
<td>24%</td>
<td>21%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>19%</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Access to Good Jobs</strong></td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Access to Public Transportation</strong></td>
<td>18%</td>
<td>19%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>
**Community Priority: Address blight and property distress.**

Is your community challenged with this type of housing? How much of this type of building is in your community?

<table>
<thead>
<tr>
<th>Opinion Type</th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much/Strongly Agree</td>
<td>100%</td>
<td>100%</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Too Little/Somewhat agree</td>
<td>0%</td>
<td>0%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Just Right/Disagree</td>
<td>0%</td>
<td>0%</td>
<td>22%</td>
<td>14%</td>
</tr>
</tbody>
</table>
**Community Priority:** Support more multi-family high-rise housing and diverse housing choices in general.

How much of this type of housing is in your community?  
(multifamily high-rise)

<table>
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<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much</td>
<td>15%</td>
<td>0%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>Too Little</td>
<td>50%</td>
<td>53%</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Just Right</td>
<td>35%</td>
<td>47%</td>
<td>30%</td>
<td>58%</td>
</tr>
</tbody>
</table>
**Community Priority:** Provide housing for all age groups

**Are there enough housing choices for all ages in your community?**

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<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45%</td>
<td>28%</td>
<td>22%</td>
<td>58%</td>
</tr>
<tr>
<td>No</td>
<td>55%</td>
<td>72%</td>
<td>77%</td>
<td>42%</td>
</tr>
</tbody>
</table>

**Who needs more housing choices in your community?**

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<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young Families</td>
<td>50%</td>
<td>39%</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>Elderly Residents</td>
<td>18%</td>
<td>44%</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>Single Residents</td>
<td>32%</td>
<td>11%</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>6%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Summary of Community Engagement

Priorities

• Address issues that impact quality of life alongside housing
• Support more multi-family high-rise housing
• Address blight
• Provide housing for all age groups, especially young families

Key Issues

• The dual goals of creating more housing options for young families but desiring fewer rental units in some neighborhoods
• The need for connection between the housing strategy, economic development, and educational initiatives
• The inclusion of other neighborhood infrastructure in the housing study (sidewalks, bike paths, etc.)
• The necessity of continued community representation in the strategy process and implementation
Housing Strategy and Tools for Atlanta
Atlanta’s Housing Strategy Goals: Set through community and stakeholder engagement and analysis of data and best practices.

1. Attract new residents to the City and retain current ones.

2. Reduce the number of Atlanta residents who spend a disproportionately high percentage of their income on housing.

3. Rehabilitate and remove vacant and blighted units.

4. Create a broad mix of housing choices throughout the City to serve a diverse population and workforce.

5. Create new financial resources, and improve existing ones, to help the City achieve its housing goals.

6. Make Atlanta one of the nation’s most environmentally sustainable cities.
Atlanta’s Housing Strategy must be set within a larger context.

The City of Atlanta is inextricably tied to its metro area, which has grown at a much faster rate than the City itself.

### Virtually no population growth in the City.

<table>
<thead>
<tr>
<th></th>
<th>2000 Pop.</th>
<th>2010 Pop.</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>416,000</td>
<td>420,000</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

### While the region grew by 24% and benchmark* cities 5-8%.

<table>
<thead>
<tr>
<th></th>
<th>2000 Pop.</th>
<th>2010 Pop.</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta MSA</td>
<td>4,263,000</td>
<td>5,286,000</td>
<td>24%</td>
</tr>
<tr>
<td>Boston</td>
<td>589,000</td>
<td>618,000</td>
<td>5%</td>
</tr>
<tr>
<td>Denver</td>
<td>555,000</td>
<td>600,000</td>
<td>8%</td>
</tr>
<tr>
<td>Seattle</td>
<td>563,000</td>
<td>609,000</td>
<td>8%</td>
</tr>
</tbody>
</table>

* Benchmark cities based on Garner Economics’ 2012 report: Without Limits: Atlanta’s Strategy for Jobs and Competitiveness, which sites them as being chosen by Invest Atlanta.
Atlanta’s Housing Strategy must be set within a larger context.

**Urban fundamentals** (transportation, crime, education etc.) outside of housing will significantly impact the efficacy of Atlanta’s Housing Strategy. For example, Atlanta’s relatively high commute time underscores the importance of creating more housing around transit.

![Average commute time chart](source: U.S. Census Bureau; American Community Survey 2010)
Atlanta’s Housing Strategy must be set within a larger context.

Existing and new residents need solid urban fundamentals and Atlanta is making progress on some of these.

Neighborhood Amenities: the Atlanta BeltLine will provide public parks, multi-use trails and transit by reusing 22-miles of historic railroad corridors circling downtown and connecting 45 neighborhoods.

Transit: the Atlanta streetcar will connect 2.7 miles of the downtown core. By improving access to the core of the city, it will draw people from across the region.

Crime: through Mayoral initiatives such as community policing, Atlanta’s crime rate has dropped 27% between 2002 and 2011.
HR&A and Enterprise investigated how a number of tools and initiatives could support Atlanta’s Housing Strategy goals.

**Development incentives**
- Expedited permitting
- Reduced impact fees
- Property tax abatements
- Density Bonus

**Funding mechanisms**
- Housing levies
- Housing trust fund (perpetual)
- Public / private TOD funds
- Low-Income Housing Tax Credits
- Atlanta BeltLine Affordable Housing Trust Fund

**Development requirements**
- Inclusionary zoning

**Location-based initiatives**
- Tax-allocation districts
- Urban Enterprise Zones
- The zoning code

**Other key tools**
- Interagency collaborations
- Interagency financial partnerships
- Middle-income housing initiatives
- Land bank
- Mixed-income communities
- Project-based rental assistance
- Housing Choice Voucher Program
- Down-payment assistance
- Tax liens
- Enhanced In-Rem & Code Enforcement Powers
- Conservatorship
Atlanta already has some of these tools.

**Development incentives**
- Expedited permitting
- Reduced impact fees
- Property tax abatements
- Density Bonus

**Funding mechanisms**
- Housing levies
- Housing trust fund (perpetual)*
- Public/private TOD funds
- Low-Income Housing Tax Credits
- Atlanta BeltLine Affordable Housing Trust Fund*

**Development requirements**
- Incentive zoning

*Atlanta’s current housing trust funds rely on bond issuances and does not have a perpetual funding source.

**Location-based initiatives**
- Tax-allocation districts
- Urban Enterprise Zones
- The zoning code

**Other key tools**
- Interagency collaborations
- Interagency financial partnerships
- Middle-income housing initiatives
- Land bank
- Mixed-income communities
- Project-based rental assistance
- Housing Choice Voucher Program
- Down-payment assistance
- Tax liens
- Enhanced In-Rem & Code Enforcement Powers
- Conservatorship
Through careful analysis, HR&A and Enterprise selected a subset of tools that can best help Atlanta achieve its housing goals.

The following criteria was used to determine which tools can best help Atlanta achieve its housing goals.

- Which tools can more effectively address the housing strategy’s goals?
- Which tools will have the greatest impact?
- Which tools are the City currently using that could be used better?
- Which tools have produced results in other markets?
The following existing and new tools can best help Atlanta achieve its housing goals.

**Existing policy tools to be enhanced:**
1. The Housing Opportunity Bond Fund
2. Tax Allocation Districts
3. Land Banking (The Fulton County/City of Atlanta Land Bank)
4. The Zoning Code

**New policy tools to be created:**
5. Inclusionary Zoning
6. Expanded Tax Abatements
7. Priority Purchasing of Tax Liens
Goal 1: Attract new residents to the City and retain current ones.

<table>
<thead>
<tr>
<th>Strategy Goals</th>
<th>Strategy Tools</th>
</tr>
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<td>percentage of their incomes on housing.</td>
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<td>3. Rehabilitate and remove vacant and blighted units.</td>
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<td>4. Create a broad mix of housing choices throughout the City to serve a</td>
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<td>City achieve its housing goals.</td>
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<tr>
<td>6. Make Atlanta one of the nation’s greenest cities.</td>
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Goal 2: Reduce the number of Atlanta residents who spend a disproportionately high percentage of their incomes on housing.

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Goal 3: Rehabilitate and remove vacant and blighted units.

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Goal 4: Create a broad mix of housing choices throughout the City to serve a diverse population and workforce.

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Goal 5: Create new financial resources, and improve existing ones, to help the City achieve its housing goals.

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### Goal 6: Make Atlanta one of the nation’s greenest cities.

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</tr>
</tbody>
</table>
Atlanta should focus on using seven major policy tools to achieve its housing goals

1. The Housing Opportunity Bond Fund
2. Tax Allocation Districts
3. Tax Liens
4. Land Banking (The Fulton County/City of Atlanta Land Bank)
5. The Zoning Code
6. Inclusionary Zoning
7. Tax Abatements
The Housing Opportunity Bond Fund

**The imperative:** the current issuance is nearly exhausted.

**Existing Fund Status**

- $35 million of the $75 million Housing Opportunity Bond issued in 2007
- 93% of the initial $35 million issuance is now expended
- ~$2.8 million in annual debt service covered by general funds
- Since 2007, the trust fund has created nearly 2,100 units of housing and leveraged $230 million in private funding.

Source: Invest Atlanta
# The Housing Opportunity Bond Fund

**How it would work:** expand housing choices by funding existing initiatives and supporting new ones.

## Existing Uses of Funds
- Down payment assistance
- Multi-family loans for rental housing development
- Community Housing Development Organization loans to acquire, construct, renovate or preserve workforce housing

## Enhanced Uses
- Purchase, demolition, and rehabilitation of vacant, abandoned, and/or nuisance properties
- Soft costs and infrastructure costs associated with developing workforce housing
- Single Family Builder Loans
- Owner-occupied home rehabilitation
- Seed money for transit-oriented development
- Land assemblage for qualified for-profit and non-profit developers
- Participation in public / private funds
- Acquire financially distressed properties to preserve workforce housing options
The Housing Opportunity Bond Fund

**Precedent:** the Denver Transit Oriented Development Fund has successfully facilitated transit-oriented development.

- **How it works:** This $15M revolving loan fund provides capital to purchase and hold sites near transit corridors to create and preserve workforce housing. Denver provided a $2.5M top loss investment in the fund. Enterprise Community Partners contributed the initial $15M to launch the fund.

- **Partners:** Urban Land Conservancy, Enterprise Community Partners, City and County of Denver and several foundations and private lenders, including the Mile High Community Loan Fund and Wells Fargo.

- **Impact:** 8 properties acquired to preserve or create 626 workforce housing units and 120,000 SF of community space.

2140 S. Delaware Street, originally purchased with Denver’s TOD funds, was sold for the development of a new, mixed-use transit oriented development that will include 50 units of workforce housing.

Source: Denver Transit-Oriented Development Fund (Urban Land Conservancy)
The Housing Opportunity Bond Fund

Additional consideration: These funding sources could help Atlanta cover its debt service payments on a second bond issuance.

Funding sources may include:

- **Increased impact fees**: the City currently charges impact fees ranging from $743 to $850 per 1,000 SF. Increasing impact fees by $100 per 1,000 SF could raise approximately $340,000 a year, depending on the amount of real estate built, based on recent production levels.

- **Reserve Funds From Partner Organizations**: The Atlanta Housing Authority currently has $100 million in reserve funding.

- **Document Recording Fees**: the City could charge a fee based on property value, a flat fee, or the number of pages recorded. Fees could range from 10 to 25 basis points.

- **Real Estate Transfer Tax**: the City may need to get state approval in order to increase its real estate transfer taxes.

- **Property taxes and sales taxes**: securing tax revenues will be a tough sell politically but may be able to provide a small amount of funding.

- **Inclusionary Zoning Fee In Lieu of Payments**: this option is only available if mandatory Inclusionary Zoning is enacted.
The Fund’s impact will depend on how its funding is allocated. For example, setting aside $15 million multi-family housing development could facilitate the development of approximately 600 residential units.

<table>
<thead>
<tr>
<th>Amount of HOBF set aside for multi-family development</th>
<th>Expenditure per unit</th>
<th>Total units created</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15 million</td>
<td>$25,000*</td>
<td>600</td>
</tr>
</tbody>
</table>

* Current Fund subsidy
# The Housing Opportunity Bond Fund

## Implementation components

<table>
<thead>
<tr>
<th>Key actions</th>
<th></th>
</tr>
</thead>
</table>
| • Issue second portion of bond ($40 million)  
• Expand fund usage to purchase and rehabilitate vacant, abandoned, and/or nuisance properties; cover soft development, infrastructure and demolition costs; support home rehabilitation; acquire financially distressed properties; and support land assemblage  
• Combine fund dollars with private foundation dollars to support TOD development. |  |

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>Invest Atlanta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td>Invest Atlanta, Office of Housing, Atlanta Housing Authority, Fulton County / City of Atlanta Land Bank</td>
</tr>
<tr>
<td>Implementation challenges</td>
<td>Alternative source for debt service coverage needed</td>
</tr>
</tbody>
</table>
| Legislative action required | • City Council bill to issue second portion of debt fund  
• City Council and possibly state legislation to raise revenue to support debt service coverage |
| Metrics to track outcome | • Number of workforce housing units produced  
• Reduction in the number of vacant and blighted properties  
• Reduction in the number of cost-burdened Atlanta residents |
The imperative: Atlanta’s TADs have been very effective at producing workforce housing, but could do more.

Existing TAD Status

• Major investments being made in the City’s TADs are helping to create dynamic urban neighborhoods. Since 1992, Atlanta’s TADs have created 11 million square feet of market rate housing and 2.7 million square feet of workforce housing.
• However, some TADS are more effective at producing workforce housing than others.
  • The Eastside TAD has produced 1,421 units of housing, 559 of which are workforce housing units.
  • The BeltLine TAD is expected to create and close on 498 units with 291 affordable 259 units of workforce housing by the end of 2014.
• The most recent TADs created in Atlanta are pay-as-you-go TADS, which means that they are funded by incoming property tax revenues, rather than bonds. In additional APS does not participate in these TADS which results in less funding for infrastructure.

Sources: Eastside TAD Annual Continuing Disclosure Report 2013. Stakeholder interview with Atlanta Beltline. HR&A Atlanta Tax Allocation Districts (Strategic Review)
How it would work: strengthening TAD will help to create a more diverse array of housing options around key amenities.

- For the BeltLine TAD, the City should strengthen incentives for developers to apply for funding from the Beltline Affording Housing Trust Fund. The Beltline could do this by:
  - Offering density bonuses or parking reductions to projects with affordable units.
  - Providing more explicit guidance on how to combine gap funding from the Beltline TAD with other workforce housing funds from the City.
  - Acquiring and preparing key redevelopment parcels alongside infrastructure investments.

- New TADs should offer funding bonuses for green buildings to incentivize the development of green housing across the city.

- Convincing the Atlanta Public Schools to contribute tax revenues to the newest four commercial corridor TADs would increase the amount of funding available to support infrastructure improvements and new development in these areas.

- Pay-as-you-go TADs should enhance policies to incentivize workforce housing, particularly for blighted parcels/properties within TADs.
Precedent: Atlanta’s Eastside TAD programs has been highly successful.

- **Perception:** many stakeholders identified the Eastside TAD as being the most effective at producing workforce housing.
- **Requirement:** the Eastside TAD has required developers to make 20% of the units affordable.
- **Impact:** more than 559 units of workforce housing have been created in the Eastside TAD thus far.

The Tribute Lofts Condominiums is a result of the Eastside TAD.

**Projected impact:** TADs have already helped finance nearly 20M SF of new development and their success can be expected to continue.

<table>
<thead>
<tr>
<th>TAD-Financed Development (1)</th>
<th>SF (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.0M SF (Market Rate)</td>
<td>69%</td>
</tr>
<tr>
<td>2.7M SF (Affordable)</td>
<td></td>
</tr>
<tr>
<td>3.0M SF (Office)</td>
<td>15%</td>
</tr>
<tr>
<td>2.4M SF (Retail)</td>
<td>15%</td>
</tr>
<tr>
<td>0.6M SF (Hotel) (2)</td>
<td>3%</td>
</tr>
</tbody>
</table>

(1) Also financed 8.3 million square feet of structured parking.
(2) Residential square footage estimated using average unit size of 1,200 square feet; hotel square footage estimated using ratio of 650 square feet per room (includes pro rata share of common spaces).

Source: Atlanta Tax Allocation Districts: Strategic Review (HR&A Advisors, 2012)
Tax Allocation Districts

Implementation components

| Key actions | Consider additional ways to incentive use of the BeltLine’s Affordable Housing Trust Fund  
• Use TADs to subsidize green development  
• Close out any TADs that are no longer needed to allow for the creation of TADs in new areas  
• Garner Atlanta Public Schools participation in the city’s newest TADs |
| City leadership responsible | Invest Atlanta |
| Required agency coordination | • Fulton County  
• Atlanta Public Schools |
| Implementation challenges | Need to convince the Atlanta Public Schools to participate in the City’s four newest TADs |
| Legislative action required | • None |
| Metrics to track outcome | • Number of affordable units created  
• Percentage of BeltLine Affordable Housing Trust Fund used by developers  
• Number of green developments built in TADs |
Tax Liens

The imperative: Selling tax liens to private investors limits the city’s ability to repair blighted property.

• The Fulton County Tax Commission currently collects property taxes for the City of Atlanta.

• To improve collection rates, the Fulton County Tax Commissioner sells tax liens on homes with unpaid property taxes to private investors. Fulton County is the only county in Georgia that does this.

• These private investors can seize and sell these homes if homeowners do not pay back taxes plus interest within a year.

• Private investors may choose to let properties linger with code violations, contributing to increased blight throughout the City.
Tax Liens

How it would work: The City of Atlanta should have first opportunity to purchase tax liens so it can rehabilitate blighted property.

• The City of Atlanta should have a priority position that it enables it to purchase tax liens before private investors do so that it can prevent blight and advance redevelopment efforts.

• To strategically purchase tax liens, Atlanta would use funding from the Housing Opportunity Bond Fund.

• The City would only purchase properties after homeowners have exhausted their opportunity to clear their tax debt.

• The City would place the properties it purchases in the City of Atlanta/Fulton County Land Bank, where properties could be maintained and sold for redevelopment.
Tax Liens

Projected Impact: Allowing the City of Atlanta to purchase tax liens would help prevent blight.

• By placing properties in the Land Bank, the City can ensure that the properties are properly maintained.

• Keeping properties in good repair and positioning them for redevelopment will boost properties values in previously distressed neighborhoods over the long term.
**Tax Liens**

**Additional considerations**: Additional data needed on how many tax liens are sold each year.

- Little accessible data exists on how many tax liens the Fulton County Tax Commissioner currently sells to private entities.

- However, Fulton County has a 98.6% collection rate, which means that many delinquent properties are sold to private investors.

- It is critical that Invest Atlanta obtain information on this and work with the Fulton County Tax Commissioner to allow the Fulton County / City of Atlanta Land Bank to take over vacant property.
## Tax Liens

### Implementation components

<table>
<thead>
<tr>
<th>Key actions</th>
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<tbody>
<tr>
<td>• Give the City of Atlanta a priority position to purchase tax liens from the Fulton County Tax Commissioner</td>
<td></td>
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<tr>
<td>• Place tax delinquent property in the Fulton County/City of Atlanta Land Bank to facilitate its redevelopment</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>Invest Atlanta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td>Fulton County Tax Commissioner, City of Atlanta / Fulton County Land Bank</td>
</tr>
<tr>
<td>Implementation challenges</td>
<td>Opposition to selling tax liens to the Land Bank instead of private companies</td>
</tr>
<tr>
<td>Legislative action required</td>
<td>None</td>
</tr>
<tr>
<td>Metrics to track outcome</td>
<td>• Reduction in the number of vacant and blighted parcels</td>
</tr>
<tr>
<td></td>
<td>• Reduction in code compliance violations</td>
</tr>
</tbody>
</table>
The Fulton County/City of Atlanta Land Bank

The imperative: addressing vacant and blighted property is a top City priority.

Current Status

- 12.5% parcel vacancy rate citywide
- 9,664 vacant lots citywide, 13.8% of which are in poor condition
- 7,974 vacant structures citywide

Current Challenges

- The City’s ability to rehabilitate blighted property is limited due to two policies:
  - Fulton County is currently the only county in Georgia that sells tax liens to private investors, which takes a potential tool away from Atlanta in revitalizing neighborhoods.
  - The structure of the City’s In-Rem Program currently does not allow the City to assume ownership of blighted properties even after it demolishes unsafe structures.

Source: Strategic Community Investment Report, 2013
The Fulton County/City of Atlanta Land Bank

**How it would work:** Provide land bank additional property and funding so that it can combat blight and facilitate development.

**Existing Situation**
- FCCALB holds properties for 3-5 years, erasing past tax liens and issuing development RFPs.
- In July, the Georgia Land Bank Reform Act became law. This gives agencies the power to acquire land to place in a land bank and creates a faster “redemption time for tax foreclosures.”

**Proposed Changes**
- Facilitate the redevelopment of more blighted properties by placing them in the land bank. Specifically:
  - Give the City the right of first refusal to purchase property tax liens
  - Enhance the City’s judicial In-Rem process so that the land bank can assume ownership of distressed property after the City demolition and/or foreclosure.
- Maintain existing properties in the land bank so that they are ready to be redeveloped
Precedent: The Cuyahoga Land Bank in Ohio has acquired more than 1,000 properties to facilitate redevelopment.

- **Capabilities:** acquires vacant and foreclosed properties. Works closely with Case Western to track where vacant properties are located.
- **Funding sources:** funded by penalties and interest on delinquent property taxes, supplemented by grants, property sales and donations
- **Impact:** obtained over 1,000 abandoned properties to be rehabilitated and developed
- **Innovations:** Wells Fargo and Bank of America have donated property to the land bank. Bank has a fixer-upper loan program for home buyers.

Source: Cuyahoga Land Bank website
The Fulton County/City of Atlanta Land Bank

**Projected impact:** increasing the amount of blighted property placed in the Land Bank will facilitate redevelopment efforts.

Publicizing existing public funds and creating new funding streams that can help new owners rehabilitate distressed properties could also increase property sales and further revitalization efforts.
Additional considerations:

• The Fulton County / City of Atlanta Land Bank should work closely with Atlanta’s Office of Code Enforcement to monitor and address blight.

• Strengthening communication between the Land Bank and the Atlanta’s Housing Subcabinet would facilitate the preservation and development of workforce housing.
## The Fulton County/City of Atlanta Land Bank

### Implementation components

| Key actions | • Provide additional funding for land acquisition and property maintenance  
• Alter In-Rem framework so the city can assume ownership of abandoned properties and place them in the land bank  
• Give the City the right of first refusal before the Fulton County Tax Commissioner sells property tax liens  
• Improve communication with Housing Subcabinet to facilitate workforce housing initiatives.  
• Publicize benefits that could help potential buyers rehabilitate properties, such as the 203k lending program |

| City leadership responsible | Invest Atlanta / Fulton County City of Atlanta Land Bank |
| Required agency coordination | Fulton County Tax Commissioner |
| Implementation challenges | Must work with the Fulton County Tax Commissioner to secure tax liens |
| Legislative action required | Council legislation issuing portion of the Housing Opportunity Bond Fund to provide capital for tax lien acquisitions |
| Metrics to track outcome | • Reduction in the number of vacant and blighted parcels  
• Reduction in the number of code compliance violations  
• Increase in property taxes / home values in areas where the FCCALB maintains and sells property |
The Zoning Code

The imperative: many areas of Atlanta with excellent neighborhood amenities could support more housing.

Overview of Current Situation

• The Department of City Planning and Community Development is currently undertaking a major zoning analysis.

• This proactive zoning code update is an opportunity for the City to expand housing options around desirable amenities such as MARTA’s transit stops, the new downtown street car, the BeltLine, Turner Field, and other assets.
The Zoning Code

**How it would work:** by facilitating more dense development around key urban amenities.

- Atlanta should capitalize on the progress that it has made in providing desirable urban amenities by doing the following:
  
  - Allow for density bonuses around these amenities for developments that include workforce housing
  
  - Require ground floor retail for development along corridors to support more active street life that will in turn increase demand
  
  - Enact form based zoning and proactive rezoning when community plans are adopted (via the Atlanta Regional Commission’s Livable Communities Initiatives and charettes etc.) and include a workforce housing requirement
The Zoning Code

**Precedent:** Proactive zoning changes along the High Line in NYC has increased development and density around the new amenity.

- **Zoning changes:** the rezoning of West Chelsea from manufacturing to mixed residential / commercial uses facilitated the creation of new, denser housing and facilitated the development of the High Line

- **Impact:** since the rezoning, 1,374 housing units and 132 affordable units have been created

- **Innovations:** allows development rights to be transferred from the High Line to adjacent properties

Source: New York City Department of City Planning website: West Chelsea Zoning Proposal
Projected impact: walkable neighborhoods with new multi-family developments attract residents and businesses.

- Facilitating the development of walkable, mixed-use communities can help to attract young professionals and aging baby boomers to Atlanta.

- Atlantic Station – a new mixed-use community facilitated by the creation of a TAD – helped to attract more than 1,000 new residents to this area over the last decade. Atlantic Station has a diverse housing stock, offering condominiums, apartments and town homes.

Source: 2010 Census
The Zoning Code

Implementation components

| Key actions | • Increase allowable multi-family density and/or allow for density bonuses around key amenities when developments include workforce housing
  • Reduce parking requirements
  • Stack parking in lieu of allowing decks to be located alongside new high rise developments
  • Require ground floor retail to support more active street life that will create more vibrant neighborhoods |
| City leadership responsible | Department of Planning & Community Development |
| Required agency coordination | • Department of Planning & Community Development
  • Invest Atlanta |
| Implementation challenges | Resident concerns about the impact of increased density |
| Legislative action required | • Council approval |
| Metrics to track outcome | • Increased density around key amenities |
Inclusionary Zoning

The imperative: Atlanta has a limited supply of workforce housing in job-rich areas.

Map of Atlanta’s Employment, 2010

Jobs per tract
- 0 - 2,000
- 2,001 - 5,000
- 5,001 - 8,000
- 8,001 - 11,000
- 11,001 - 14,000
- 14,001 - 17,000
- 17,001 - 45,000

Share of Homes Affordable to Families Earning below 80% AMI

Source: Atlanta Regional Commission

Source: Policy Map, 2011 5-yr ACS
Inclusionary Zoning

**How it would work: by linking workforce housing development with market rate development.**

- Market rate developers building developments of 20 or more units would be **required** to either:
  - Make 10-20% of units affordable to families earning between 30%-80% of AMI for rental units or 80-120% of AMI for homeownership units.
  - Pay an in-lieu of fee instead of including affordable units. In other cities, fees have ranged from $100,000 (Boulder) to $200,000 (Boston).

- Number of workforce units required would be based on a sliding scale, depending on the units’ level of affordability.

- Developers must build workforce units onsite or within a half-a-mile of the development site, within the same neighborhood planning unit.

*Source: HR&A Analysis*

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The 77 12th Street development has 330 units, none of which are affordable. Under an inclusionary zoning policy, the developer would either have to include affordable units or pay an in lieu of fee.
Inclusionary Zoning

**Precedent:** other cities’ inclusionary zoning policies can inform Atlanta’s decisions.

<table>
<thead>
<tr>
<th>City</th>
<th>Who is required to include affordable units?</th>
<th>% Affordable Units Required</th>
<th>What do developers receive in return?</th>
<th>In lieu fee</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston, MA</td>
<td>Developers building 10+ residential units who need zoning relief, financing or land from the City.</td>
<td>13%</td>
<td>Density and cost-offsetting bonuses</td>
<td>$200K per unbuilt unit</td>
<td>1,200 units (2000 to 2009)</td>
</tr>
<tr>
<td>Boulder, CO</td>
<td>All</td>
<td>20%</td>
<td>Waive development excise tax</td>
<td>$100-$120K per unbuilt unit</td>
<td>364 units as of 2009</td>
</tr>
<tr>
<td>Montgomery County, MD</td>
<td>Developers building 20+ residential units</td>
<td>12.5% to 15%</td>
<td>Density bonus</td>
<td>NA</td>
<td>13,200 units since the late 1970s</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>Developers building 10+ residential units</td>
<td>8%-10%</td>
<td>Density bonus</td>
<td>NA</td>
<td>18 units as of 2012 and 1,100 on way</td>
</tr>
</tbody>
</table>

Inclusionary Zoning

**Projected impact:** create between 150 to 300 affordable units per year.

<table>
<thead>
<tr>
<th>Avg. number of apartments built in Atlanta over the last 5 years</th>
<th>Affordable units produced with 10% IZ Requirement</th>
<th>Affordable units produced with 15% IZ Requirement</th>
<th>Affordable units produced with 20% IZ Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500*</td>
<td>150</td>
<td>225</td>
<td>300</td>
</tr>
</tbody>
</table>

If 50% of developers decided to pay a $100,000* fee in lieu of incorporating affordable units, Atlanta would raise between $5 and $10 million.

* Estimate of the number of units being built in Atlanta, based on recent news reports.

Source: HR&A Analysis
## Inclusionary Zoning

### Implementation components

<table>
<thead>
<tr>
<th><strong>Key action</strong></th>
<th>Enact inclusionary zoning legislation that requires all multi-family developers building more than 20 units of housing to either include workforce units, build them off-site or pay an in-lieu fee.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City leadership responsible</strong></td>
<td>Department of Planning and Community Development</td>
</tr>
</tbody>
</table>
| **Required agency coordination** | • Invest Atlanta  
• City Council |
| **Implementation challenges** | Push back from private developers  
Legality |
| **Legislative action required** | • Inclusionary zoning legislation (local and/or state) |
| **Metrics to track outcome** | • Number of affordable units created in census tracts with above average median incomes |
Tax Abatement

The imperative: for-profit developers building in desirable areas require subsidies to include affordable units.

- In some neighborhoods, the housing market favors new construction (market rate housing) over renovation of existing and aging structures (more workforce housing).

- Vacant or blighted properties may not attract investment unless a financial incentive, such as a tax abatement, is associated with their redevelopment.
Tax Abatement

How it would work: by providing a long-term operating subsidy to fill the gap left by affordable units.

- Offer a 50%, 15 year property tax abatement to developers who make 20% of rental units affordable to families earning less than 30 to 80% of AMI or 20% of ownership units affordable to families earning up to 120% of AMI. After ten years, the property tax abatement would wind down for the remaining five years (similar to UEZs).

- In order to receive the tax abatement, developers would have to significantly increase the value of their property so that even with the abatement, the property is generating 400% more in property taxes than it did before.

- Offering this tax abatement citywide, instead of just in Urban Enterprise Zones, would help to expand to availability of workforce housing across the City and facilitate the redevelopment of vacant and blighted property.
Tax Abatement

**Precedent:** Portland’s Limited Tax Exemption has been a success.

- **How it works:** provides an annually renewed tax abatement on land and improvements for qualified units owned by non-profit housing developers
- **Impact:** more than 14,000 units currently receive a tax abatement

A new owner-occupied home that qualifies for Portland’s Limited Tax Exemption program.

Source: Portland Housing Bureau
Offering a private developer who is building a $25 million project on a previously vacant parcel a tax abatement for 15 years would be worth $1.9 million. Assuming that workforce housing units cost $100,000 each to build, this savings could facilitate the development on 19 workforce housing units. Atlanta’s 2012 property tax rate was 3.36%.

**Projected impact:** a $1.9 million tax abatement over 15 years would facilitate the development of 19 workforce housing units.

**Assumptions:**

1. Calculations use Atlanta’s 2012 tax rate and assume that property will be assessed at 40% of its market value (per Georgia state law).
2. Property is conservatively assumed to gain 2% in value each year. Property taxes discounted at 3.5% discount rate each year. Tax abatement is projected to steadily decrease after year 10.
# Tax Abatement

## Implementation components

<table>
<thead>
<tr>
<th>Key actions</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Pass city council, legislation to provide a 50% tax abatement for 15 years for developers who make at least 20% of their units affordable</td>
<td></td>
</tr>
<tr>
<td>• New development must increase property tax receipts by at least 400% in order to qualify for tax abatement.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City leadership responsible</th>
<th>Invest Atlanta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required agency coordination</td>
<td>Department of Planning &amp; Community Development</td>
</tr>
</tbody>
</table>
| Implementation challenges   | • Reduction in property tax revenue  
                              | • Fulton County Development Authority could provide similar benefit without requiring workforce housing |
| Legislative action required | Legislation offering a city-wide tax abatement |
| Metrics to track outcome    | • Number of affordable units created in areas that previous lacked affordable units  
                              | • Percentage of market rate developments that include affordable units |
Each Housing Strategy tool addresses multiple Neighborhood Factors identified in the SCI Report.

<table>
<thead>
<tr>
<th>Tool Recommendations</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Housing Opportunity Bond Fund</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>B Tax Allocation Districts</td>
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<td>C Tax Liens</td>
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<td>E Zoning Code</td>
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<td>F Inclusionary Zoning</td>
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<td>G Tax Abatements</td>
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<table>
<thead>
<tr>
<th>Neighborhood Factors</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
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Atlanta’s housing strategy will be implemented by a number of different entities.

- Atlanta’s Housing Subcabinet, including:
  - Invest Atlanta
  - Atlanta Housing Authority
  - City of Atlanta’s Office of Housing

- Mayor’s Office

- City of Atlanta Department of Planning and Community Development

- Fulton County / City of Atlanta Land Bank

- Community Housing Development Organizations

- For-Profit Developers
As many agencies touch the housing strategy there is a need for data integration and interagency coordination.

• Data integration allows:
  
  • Tracking of goals among agencies
  
  • Reporting to be streamlined by agencies
  
  • Agencies to have information to make decisions regarding programs and policies ensuring effectiveness
  
  • The public to have access to information in a timely fashion
  
  • The development community to access information as to where the City is looking to make investments
Atlanta’s housing agencies can improve coordination in several ways.

Actions that would support inter-agency coordination include:

- Formalize the Housing Subcabinet to include MARTA and Atlanta Public Schools
- Align Housing Subcabinet agencies’ annual goals and initiatives
- Create a consolidated annual report that tracks how many housing units have been created and preserved throughout the City
- Ensure that the Housing Subcabinet’s annual goals are reflected in City’s comprehensive and consolidated plans
- Deploy reserve funding to support the City’s housing goals
- Invite the Georgia Department of Community Affairs to join the Housing Subcabinet to improve coordination of city and state initiatives
- Create a one-stop-shop website where developers and residents can easily access housing resources from different agencies
- Establish a common application that developers can use to apply for funding from multiple agencies
Other cities are improving interagency cooperation to bolster effectiveness.

• In 2013, the City of Los Angeles consolidated agencies to create the new Los Angeles Housing and Community Development Department.

• The City has also created a 2013-2017 Transit-Oriented Consolidated Plan, which will be used to leverage the city’s annual allocations of federal funding for produce decent housing and expand economic opportunities for low- and moderate-income persons.

• Los Angeles has also developed a unified application process for its workforce housing initiatives.

Source: City of Los Angeles Consolidated Plan
Policy Tool Implementation Summary

Enhance:

1. The Housing Opportunity Bond Fund
2. Tax Allocation Districts
3. Land Banking (The Fulton County/City of Atlanta Land Bank)
4. The Zoning Code
5. Tax Lien

Enact:

6. Inclusionary Zoning
7. Tax Abatement

Focus:

• On inter-Agency coordination
• On streamlining housing resources available to the public
• On integrating Housing Strategy with other city-wide policy efforts such as economic development and transportation.
Tools to be Enhanced: Lease Purchase Bond Financing

- Tool can be administered by Invest Atlanta or Development Authority of Fulton County; used for job creation, retention, or other public benefit.

- IA created policy in 2013 to ensure that projects demonstrated a clear public benefit beyond construction jobs. For residential deals this includes workforce housing.

- Partial abatement of property taxes ~23-25% savings over 10 year period; the savings is effectively an operating subsidy to the development.

- It can facilitate geographic dispersion of workforce housing; however only if the issuer chooses to create and enforce as a policy.

- Lease Purchase Financing Since 2013:
  - Invest Atlanta: 1 Residential Project; **320 luxury units; 16 workforce units**; $63M bond amount and $3M tax savings to developer
  - Development Authority of Fulton County: 15 Residential Projects, **4,274 luxury units; 0 workforce units**; $1.1B in aggregate bond amount and $53.9M in tax savings to developers
New Tools to be Enacted: Inclusionary Zoning/ Housing

• Links affordable housing with market rate development

• Could be voluntary and incentive based or mandatory

• A portion of new development is geared towards workforce housing and is either fixed at a certain percentage of AMI or is based on a sliding scale of AMI (i.e., deeper affordability leads to less workforce housing required)

• Used in some southern cities as well as peer cities: Boston, Seattle, Washington DC, Charlotte, Tallahassee

• Ensures geographic dispersion of workforce housing

• Requires a policy decision from the City and its citizens as opposed to a financial contribution

• IA working with Office of Planning to enhance Density Bonus ordinance
New Tools to be Enacted: Housing Trust Fund

• Would fund the development of workforce housing and affordable senior housing, and support blight reduction efforts

• Used by several municipalities to address workforce housing needs: Seattle, Chicago, Washington DC, Boston, Austin

• Several ways to fund:
  • General Fund: Direct financial support from the tax base
  • Fee in Lieu of Inclusionary Housing: Fee paid by developers not wanting to participate in the inclusionary housing program
  • Per Unit Fee: Fee charged per housing unit. At 227,000 housing units, a $20/yr fee would generate $4.5million/yr
The $20.00 difference.

- Would foregoing a movie and large popcorn reduce dilapidated houses in your neighborhood and throughout Atlanta?
- Could trading 5 cups of Starbucks lead to the opportunity to live closer to a MARTA station?
- Would passing on a burger and beer at a football game result in a de-concentration of poverty?

- At 227,000 housing units, a $20/unit/yr. fee would generate ~$4.5 million annually to support better quality housing and neighborhoods, blight reduction, and creation of more housing options near MARTA and throughout Atlanta.
- So would you be willing to invest $20 annually in a better quality of life?
Absent of adequate financial resources, IA and the City have taken several steps to begin implementation of the Housing Strategy.

- Changes have been made to TAD policies to include a workforce housing requirement
- COA has applied and received a technical assistance scholarship from Center for Community Progress to evaluate current policy and procedures to address blighted properties
- IA working with Office of Planning to enhance Density Bonus ordinance
- IA working with LBA to acquire tax delinquent multifamily property
- COA is working with a local developer and non-profit to complete a place based strategy to address vacant land and blighted properties in the Mechanicsville neighborhood and Pittsburgh
- COA & IA have participated in two (2) workshops conducted by Enterprise focused on Transit Oriented Development (TOD) and Inclusionary Housing
- IA is working on strategy to strengthen the use of Lease Purchase Bonds to incentivize affordable workforce housing
- IA is developing a rezoning proposal to be submitted to the Office of Planning and considered as part of the evaluation and rewrite of the current zoning ordinance
The Call to Action

Policies for Implementing the Housing Strategy

• New issuance of the highly successful Housing Opportunity Bonds

• More housing dollars through the highly successful Tax Allocation Districts

• Greater City capacity to acquire and rehabilitate vacant, blighted properties

• Tax incentives for affordable housing development

• New zoning incentives and requirements based on proven models in other cities
 Atlanta Housing Strategy  
Appendix A  

Best Practices from Other Cities 
Detailed Case Studies  

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<thead>
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<th>City</th>
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<tbody>
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<td>Austin, Texas</td>
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<td>Washington, District of Columbia</td>
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Austin, Texas

Existing Conditions

The City of Austin, TX has a diverse and growing population of 842,592\(^1\), with significant student, senior, and immigrant groups. While its growth was slower than the surrounding suburban communities (partially due to rising housing costs and limited housing stock), Austin grew by 20% between 2000 and 2010\(^2\). While a young city, with 57% of the 2010 population 35 years or younger, the Baby Boomer generation is fastest growing segment in Austin, with 55% growth since 2000\(^3\). Austin is also seeing a decline in the percentage of households with children; only 19% of households contain a married couple with children. Austin’s Hispanic population is on the rise, and almost 83% of children under five living in poverty as of 2010 were Hispanic\(^4\). In addition, many of the Hispanic residents reside in concentrated areas with higher poverty rates and less access to opportunity\(^5\).

Although the city benefitted significantly from the technology boom, Austin was also disproportionately impacted by the burst of the technology bubble, and growth in high tech jobs has slowed. While Austin’s 5.1% unemployment rate is still well-below the national average of 8.7%, \(^7\) its job growth has been centered on lower paying service related positions resulting from the city’s significant population growth, including food service, arts, entertainment and health care\(^6\). As of 2011, the City’s Median Household Income stood at $51,596, lower than the US Median Income for the same period at $52,762. Austin also has a higher rate of poverty than the US as a whole for the same period, with 18.5% of Austin residents below the poverty level, compared to 14.3% of the US as a whole.

Austin’s housing stock consists of 351,397 housing units, 45.5% of which are owner occupied and 54.5% of which are renter occupied\(^8\). At these rates, Austin’s housing tenure is similar to Atlanta’s. Austin’s vacancy rates are relatively low, with a 6.3% rental and 2.2% owner vacancy rate in the city,\(^9\). Even with more multi-family properties under construction than any time since 2001, Austin’s rental prices are at an all-time high and are out of reach for most\(^10\).

From 2000 to 2010, Austin gained nearly 10,000 households earning less than $15,000 per year; residents in this income range have less than 7,150 units affordable to them. Housing costs overall are on the rise in Austin as the city becomes an increasingly desirable place to settle. Over the last 10 years, costs have risen by 85%, with a 2008 median housing value of a single family home at $240,000.\(^12\) In Austin, a homeowner must earn at least $50,000 before they can afford one-third of the available attached units and 16% of detached units.\(^13\) As the supply of affordable housing in the city has decreased, affordability

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\(^1\) US Census Quick Facts, 2012 Estimate.

\(^2\) Imagine Austin; 2012.

\(^3\) Imagine Austin; 2012

\(^4\) Comprehensive Housing Market Study; BBC Research and Consulting; 2009.

\(^5\) Ibid.

\(^6\) Ibid.

\(^7\) American Community Survey, 2007-2011.

\(^8\) Imagine Austin.


\(^11\) Comprehensive Housing Market Study; BBC Research and Consulting; March 3, 2009.

\(^12\) Comprehensive Housing Market Study; BBC Research and Consulting; March 3, 2009.

\(^13\) Comprehensive Housing Market Study; BBC Research and Consulting; March 3, 2009.
has increased outside the city in the Southwest and Northern areas. However, the fact that these areas are less accessible via transit may increase overall household costs.14

Key Plans and Objectives

Imagine Austin Comprehensive Plan

As outlined in the Imagine Austin comprehensive plan, Austin’s priority issues include traffic congestion (partially due to commuters from outside of the city), Central Austin housing affordability, unbalanced growth in low wage jobs versus higher paying ones, and the potential to price out lower income families15. Certain areas of Austin are seeing an increase in concentrated poverty due to the presence of housing affordable to those residents. Challenges outlined in Atlanta’s Consolidated Plan include increasing land prices, legislative/regulatory barriers, lack of funding, and lack of market rate developer engagement in affordable housing development.

The City of Austin is focused on addressing issues of sustainability from environmental, equity, and economic lenses, with affordability and density as priorities.16 The Imagine Austin plan seeks to increase diversity of housing type as well as the availability of affordable housing; to increase access to jobs and services (through TOD policies); and to utilize preservation, new construction and renovation to maintain and increase supply.17 The plan calls for the City to take into account transportation, utilities, and access when assessing affordability and to look at both market rate and subsidized possibilities. The plan highlights the need for partnerships with various government entities including the regional planning organization, the school district, and the transportation authority.

Housing Market Study

The City of Austin conducted a Housing Market Study in 2008 to identify current and future housing needs.18 The study outlined some significant challenges in need of attention: a gap in low income rental housing, increases in housing value and property taxes, and a decrease in affordability in central Austin. The plan recommended an assessment of zoning and development controls to support affordable housing provision. This process19 includes the following: utilization of neighborhood plans (similar to Atlanta’s NPU system, Austin has 53 neighborhood planning areas which submit neighborhood master plans to the City to guide development,20; development of a strong comprehensive plan (completed); increasing density; and educating residents.21

In addition, the plan calls for the city to set strong affordable housing targets, including a focus on rental units affordable at 30% of the Median Family Income (MFI) roughly equal to $20,730 per year (about the wage of an average retail worker).The plan also calls for at least 10% of homeownership units in new developments to be affordable to households earning 80% of the MFI and less (about $55,000)22. While the City of Atlanta Consolidated Development Plan also prioritizes serving the very low income, it does not

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14 Comprehensive Housing Market Study; BBC Research and Consulting; March 3, 2009.
15 Imagine Austin
16 Imagine Austin
17 Imagine Austin
18 Comprehensive Housing Market Study; BBC Research and Consulting; 2009.
19 http://www.austintexas.gov/newldc
20 http://austintexas.gov/department/neighborhood-planning
21 Comprehensive Housing Market Study; BBC Research and Consulting; 2009.
22 Comprehensive Housing Market Study; BBC Research and Consulting; 2009.
appear to have established quantifiable goals. Austin’s study also recommends an assessment of regulatory barriers, an increase in incentives available, an increase in funding for affordable housing, land banking, and seeking alternative funding through CDFIs.23

Key Players

Neighborhood Housing and Community Development Department (NHCD)

The Neighborhood Housing and Community Development Department (NHCD) is the primary policy maker for affordable housing and community development in Austin. It focuses on providing housing, community development, and small business development services to benefit eligible residents.24 NHCD is designated by the Austin City Council as the single point of contact with HUD for the CDBG, HOME, HOPWA, and ESG grants. This department implements the SMART Housing Program, a rental and owner occupied development assistance program, a multi-family bond program, and additional supportive programs including lead remediation, accessibility, home repair/replacement, home buyer training, down payment assistance, an IDA program, small business loans, and microenterprise technical assistance. By 2005, NHCD had exceeded its goals of serving 60,000 households through housing, community development and public service programs.25 In Atlanta, the city’s Office of Housing takes on some of the same roles as Austin’s NHCD, including the management and distribution of HOME and CDBG funds. Invest Atlanta also bears similarities to NHCD as an entity that implements residential and developer financing programs.

Austin Housing Finance Corporation (AHFC)

The Austin Housing Finance Corporation (AHFC) is authorized by the Texas Housing Finance Corporations Act and governed by the Austin City Council. The primary goals and activities of the AHFC include:

• Issue single-family and multi-family bonds for the financing of reasonably priced housing.
• Assist the City in the delivery of reasonably priced housing programs using HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) funds granted to the City by the U.S. Department of Housing and Urban Development (HUD).26

AHFC has created almost 7,000 affordable rental units and more than 3,500 down payment assistance loans since 1984 to help low to moderate income residents access housing.27 AHFC has a similar financing role as Invest Atlanta; however NHCD implements the programming, while Invest Atlanta manages the entire process when working with bond financing and Tax Increment Districts.

23 ibid.
24 www.austintexas.gov/department/housing
26 www.austintexas.gov/department/austin-housing-finance-corporation
Housing Authority of the City of Austin (HACA)

The Housing Authority of the City of Austin (HACA) manages 19 public housing developments with 1,929 units and 22 single-family homes. It also administers the housing choice voucher program which subsidizes housing for more than 5,000 individuals and families. Similar to the Atlanta Housing Authority, HACA is an independent, public agency.

The Housing Authority has two nonprofit subsidiaries:

- The Austin Affordable Housing Corporation (AAHC) is a nonprofit subsidiary which provides first time homebuyer assistance to residents of public housing, owns one retail shopping center, and implements the Six Star Resident Program, which supports residents in transitioning out of public housing.

- The Southwest Housing Compliance Corporation (SHCC) is the performance based contract administrator for HUD for Project Based Section 8 in Texas and Arkansas.

Community Action Network (CAN)

The Community Action Network (CAN) also plays a significant role in Austin. CAN is a partnership of governmental, non-profit, private and faith-based organizations which leverage resources to affect social, health, educational and economic issues. Each year, CAN and its partners review how the community is doing through the lens of the Community Dashboard and the Strategic Framework for Action. A Work Plan is developed with input from the CAN Policy Palooza, CAN Community Council forums and recommendations, and the CAN Board Work Session. The CAN Dashboard currently includes 16 indicators which provide population-based accountability by measuring community conditions. Performance measures help assess how well current service systems are working to move community indicators in the right direction.

The 2012 CAN Policy Palooza was attended by about 135 community, business and non-profit leaders. The goal of the event was to explore issues facing the community and engage in out-of-the-box thinking to help achieve a shared vision for the future. Participants learned about economic, political and demographic trends, worked with other community leaders to identify cross-cutting and collaborative strategies to promote equity and opportunity for all people, and considered how to overcome common challenges with ingenuity and creativity.

Austin HousingWorks

Austin HousingWorks engages in education and advocacy focused on addressing affordable housing in Austin. They advocate on issues such as the 25% affordability goal in the TOD plan, preservation of affordable properties, passage of funding for affordable housing, and engage in

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29 [http://www.hacanet.org/about/aahc.php](http://www.hacanet.org/about/aahc.php)
30 [www.shcnet.org/about](http://www.shcnet.org/about)
planning efforts with the city. In Atlanta, this role is played by the Atlanta Housing Association of Nonprofit Developers (AHAND).

Community Development Commission

The Community Development Commission in Austin advises the City Council on development and implementation of programs designed to serve the poor and the community at large, primarily with regards to federally funded programs. Members are nominated both by City Council members and residents of seven geographic areas determined by recreation center or neighborhood center location.

Key Strategies

The City uses the Imagine Austin plan, the Comprehensive Plan and yearly Housing Action Plan submitted to HUD, a TOD Plan, and a Community Development Commission to guide housing priorities and actions. The Imagine Austin plan includes Housing as one of its priority areas and speaks to issues of equity, access and opportunity. NHCD, Planning and Development, Economic Growth and Redevelopment, Health and Human Services, and Code Compliance all contributed to the development of the housing components of the plan.

The 2009-2014 Consolidated Plan, developed by NHCD, outlines the following strategy:

<table>
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<th>Current Examples</th>
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<tr>
<td>Long Term Affordability</td>
<td>Affordable Protection Policy</td>
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<td>Geographic Dispersion</td>
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<td>Deeper Levels of Affordability</td>
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<tr>
<td>Developer Incentives</td>
<td>S.M.A.R.T.</td>
</tr>
<tr>
<td>Public/Private Partnerships</td>
<td>Robert Mueller Municipal Airport Redevelopment (RMMA) – Twenty-five % of all rental and ownerhousing units, or approximately 1,200 homes, will be affordable for residents making below Austin’s median family income.</td>
</tr>
<tr>
<td>General Obligation Funds</td>
<td>$55 million for affordable housing.</td>
</tr>
<tr>
<td>Housing Trust Fund</td>
<td>$8.8 Million from Austin City Council; 40% of Tax Increment from new development on City owned land.</td>
</tr>
<tr>
<td>Shared Equity</td>
<td>The homeowner agrees to share a portion of</td>
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</table>

32 http://housingworksaustin.org/events/celebration-2008-recap.php
33 http://www.ci.austin.tx.us/edims/document.cfm?id=134359
Austin’s Action Plan, which is submitted to HUD, outlines priorities including homeless/special needs assistance, renter assistance, homebuyer assistance, homeowner assistance, housing development assistance, small business assistance, commercial revitalization and financial empowerment. These programs are funded with federal and local funds.

The Austin TOD Plan highlights housing affordability as an issue in alignment with TOD goals and priorities. The plan calls for at least 25% of new housing in each TOD to service households at 80% MFI for ownership and 60% MFI for households seeking rental housing. The plan also calls for incentives to be provided to developers, such as increased height or FAR or a waiver of other standards. Atlanta’s Metropolitan Atlanta Rapid Transit Authority (MARTA) includes a goal of 20% affordable housing units in developments around its transit stops, and the City of Atlanta is developing a TOD Strategy which will likely identify some goals for affordable housing, as well.

It should be noted that in Texas Inclusionary Zoning is illegal. However cities can provide incentives to encourage affordable housing.

Key programs

Safe, Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented (S.M.A.R.T.) Housing

The S.M.A.R.T. Housing program is jointly administered by the Austin Housing Finance Corporation (AHFC), which develops partnerships and financing, and NHCD, which facilitates S.M.A.R.T. Housing Developments and addresses housing policy issues. The development of housing which meets these standards is encouraged through granting waivers of development fees and faster development reviews on an increasing scale based on the percentage of affordable housing units provided. All housing units must also meet Austin Energy Green Building Program’s (GBP) minimum standards. All new developments applying for other funding, such as RHDA or A&D programs described below, are required to meet S.M.A.R.T. standards.

Gap Financing for Developers

The City of Austin employs two programs providing developer financing, one focused on rental housing and one on ownership. These programs are implemented by NHCD and AHFC, with NHCD interfacing with developers and AHFC administering funding. The Rental Housing Development

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34 Fiscal Year 2013-2014 Annual Action Plan; City of Austin Neighborhood Housing and Community Development Office.
35 www.austintexas.gov/page/austins-tod-process
36 http://www.austintexas.gov/sites/default/files/files/Housing/Application_Center/SMART_Housing/smart_guide_0708.pdf
**Assistance (RHDA)** program seeks to increase the supply of affordable rental and supportive housing through provision of gap financing to developers. The **Acquisition and Development Program (A&D)** provides gap financing to increase the supply of affordable ownership housing. These programs are funded through federal funds (HOME, CDBG, and NSP) and non-federal funds including the Housing Trust Fund and General Fund.

**Multi-Family Bonds**

The Austin Housing Finance Corporation issues single and multi-family bonds to finance rental developments, down payment assistance and low interest mortgages, and tax credits. Multi-family bonds are repaid through rents collected from the bond-financed property and through the homeowner’s monthly mortgage payments.

**Housing Authority of the City of Austin Programs**

AAHC administers three programs on behalf of HACA to encourage and support families moving out of public housing. It does this via down payment assistance and the Six Star Resident Program, which provides an opportunity to live in an AAHC apartment home below market rate. The AAHC also owns a shopping center and supports an entrepreneurial resource center.

**Funding Sources**

**General Fund Dollars for Housing**

City of Austin Voters then approved a $55 Million Bond Package for affordable housing in 2006 including $33 Million for rental and $22 Million for owner-occupied housing over seven years; 84% of bonds have been expended or committed, with 3,055 new or rehabilitated units produced.

**Housing Trust Fund**

The City established a Housing Trust Fund in 1999 capitalized with General Fund dollars. Since 2000, the Austin City Council has directed $8.8 million in local funds to the Housing Trust Fund. The Housing Trust Fund is financed through 40% of incremental tax revenues derived from developments built on city owned lands. General funds are also added each year by City Council. The City of Atlanta Comprehensive Plan for 2011 calls for the creation of a Trust Fund to better leverage private investment.

**Sustainability Fund**

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39 [www.austintexas.gov/department/return-on-investment](http://www.austintexas.gov/department/return-on-investment)
41 Affordable Housing Best Practices and Funding Study; Bay Area Economics; 2010.
The Sustainability Fund was created in 2001 and provides resources for sustainable economic, environmental, and equitable infrastructure. It is funded via transfers of operating funds from Solid Waste Services, Drainage Utility, Transportation, and Austin Water Utility.

The University Neighborhood Overlay Housing Trust Fund
This Fund generates funding for affordable housing targeted near the University of Texas. This was created in 2004-2005 and established with the University Neighborhood Overlay Zoning District.

Key Lessons for Atlanta
Key lessons that can be derived from Austin’s policies and programs include:

• The City of Austin created a Housing Trust Fund, financed through tax increment from development on city owned land and general fund allocations. The HTF also supports gap financing of rental projects and Austin’s Acquisition and Development Program to increase the supply of affordable homeownership opportunities.

• In 2006, Austin voters approved an issuance of $55 million in bonds for affordable housing. As a result, more than 3,000 new or rehabilitated units of housing in the past seven years. With operating funds from Solid Waste Services, Drainage Utility, Transportation, and Austin Water Utility, Austin the Sustainability Fund to provide resources for economic, environmental and equitable infrastructure needs.

• Austin’s Safe Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented (SMART) green and sustainable housing program incorporates fee waivers and expedited development reviews as incentives for builders to include and develop affordable housing.

• The Comprehensive Plan, the yearly Housing Action Plan submitted to HUD and a TOD plan aligns with the Imagine Austin citywide adopted plan priorities. A coordinated effort among the Neighborhood Housing and Community Development Department, Planning and Development, Economic Growth and Redevelopment, Health and Human Services and Code Compliance contributed to the development of the housing component in the Imagine Austin Plan.

• The Austin TOD plan quantifies its housing policy requirements by specifying that at least 25% of new housing should serve households at 80% of area median income (AMI) for ownership and 60% AMI for rental. The city has included height and FAR bonus incentives and waiver allowances to encourage meeting their affordable housing policy.
Boston, Massachusetts

Existing Conditions

Boston’s disparate economy has pressured lower-income residents to either struggle under the city’s high cost of living or leave the area altogether. Like Atlanta, the City of Boston struggles with socioeconomic disparity. Boston’s GINI co-efficient of 0.465 is lower than Atlanta’s of .571, which puts Boston in line with the national score for income inequality. Looking at Boston’s occupational data shows that 44% of Boston's roughly 300,000-employee workforce holds high-paying professional and managerial jobs, while an equivalent 44% possess low-skill, low-wage jobs. Higher-income workers along with active student and aging in place populations drive the region’s tight housing market, while workers in low-wage jobs struggle to keep pace. In 2008, more than 32,000 low-wage households spent more than 50% of their income on rent. Given Boston’s high home purchase prices (median sales price was $374,000 in 2007 and stands at $430,000 today), many of the 22,000 large and small-related renter households with household incomes over 80% of median are likely to need financial assistance in order to be able to buy their first home.

Like Atlanta, Boston will need to address its cost burdened aging in place demographics. Nearly 6,000 (36%) of Boston’s approximately 16,500 1-2 person elderly homeowner households have housing cost burdens, including a little over 1500 extremely low income seniors with a severe cost burden (worst case needs). Over 60% (9,537) of Boston’s elderly 1-2 person households are low-income (household income under 80% of area median) and 4,711 (49%) have housing cost burdens. Most of these 4,700 low-income senior homeowner households will need financial assistance in order to be able to keep their homes repaired.

Of Boston’s 63,121 cost burdened renters, 47% have incomes under 30% AMI. There are also substantial numbers of renter households with severe and moderate rate housing cost burdens at all income levels up to 80% AMI. Above 80% AMI, there are still a significant large number of “all other households” with moderate housing cost but otherwise, housing cost burden does not seem to be an issue. In 2011 in Atlanta, 27.4% of working households faced a severe housing burden, down slightly from 2010’s level of 28.0%. By comparison, the percentage of Boston’s working households facing a severe housing cost burden in 2011 was 23.9.

Foreclosures in Boston have risen exponentially since 2004. As in other American cities, foreclosures in Boston began to climb in 2004, rose sharply in 2006, and peaked in 2008 at 1,215 foreclosed deeds. While the foreclosure crisis has not ended – 2012 saw 308 foreclosures, down 75% from 2008 – Boston’s housing market weathered the proverbial storm better than most cities. However, more than 46% of 2012 foreclosures occurred in three of Boston’s poorest neighborhoods – Dorchester, Mattapan, and Roxbury – suggesting that the issue lingers in communities already struggling to keep pace with the city’s rebounding housing market.

According to one study of select U.S. cities, the Boston region is the most restrictive environment for developing affordable housing. In response, Boston boasts several innovative programs to preserve or create affordable housing, including a housing trust and program linked to development fees and land

45 [http://www.nhc.org/media/files/Landscape2013.pdf](http://www.nhc.org/media/files/Landscape2013.pdf)
sales, respectively; an executive order for inclusionary zoning; financial and technical support for multi-family affordable housing; and a powerful community land trust.

Indeed, Boston has confronted its affordable housing challenge in three critical ways:

1. Boston’s inclusionary zoning tool requires developers to reserve 13% of each residential project for affordable housing in exchange for density bonuses and other negotiated off-sets.

2. Boston is home to the only community land trust with eminent domain authority, facilitating land assembly and redevelopment for affordable housing.

3. The City recently initiated a new program to transform one million square feet of vacant property into housing for middle-income earners.

Major Issues and Goals/Objectives

According to the City of Boston’s 2013 Strategic Plan, the city’s key affordable housing challenges include:

High Land Costs

Among the most significant barrier to the development of affordable housing in the City of Boston and throughout the Boston metro area is the high cost of land, which is closely tied to the lack of large, buildable parcels. For example, according to the Lincoln Land Institute’s most recent data, land costs account for 59% of the cost of building housing in Metro Boston compared to just 37% in nearby Providence, Rhode Island and 27.9% in Hartford, Connecticut.

In addition, most of the remaining large, buildable parcels have environmental or geological issues such as ledge. One of the ways the City of Boston has addressed this problem is by providing city-owned (tax foreclosed) land and buildings at nominal costs for the development of affordable housing. This helps to address both the supply and cost of buildable land, but most of these parcels are concentrated in areas that may already have a concentration of affordable housing.

High Construction Costs

The high cost of labor and materials is another significant barrier to the production of affordable housing in Boston. This obstacle has proven more intractable in part due to state prevailing wage and Federal Davis-Bacon Act requirements that apply to most housing developments assisted with either CDBG or HOME funds. The City does require construction contracts to be competitively bid and expects costs to be within a reasonable range based on the costs for comparable projects. On larger development projects, construction bids are often currently

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49 http://parkdalecommunityeconomics.files.wordpress.com/2012/05/bunce-parkdale-clt-presentation.pdf
50 http://www.dsni.org/history
51 http://www.cityofboston.gov/dnd/remss/Middle_Income_Housing_Initiative.asp
52 http://www.lincolninst.edu/subcenters/landvalues/metro-area-land-prices.asp
coming in above estimated costs due to the approximately two year time period that elapses between the predevelopment period and the actual bidding of a project. Boston's signature housing strategy is "Leading the Way", born of the success of Mayor Menino's "Housing 2000" campaign. Having surpassed that campaign's goal by creating more than 2,200 new units, the City expanded its efforts and developed the first "Leading the Way" campaign.

The first two iterations of this housing strategy, Leading the Way I and Leading the Way II, focused primarily on the production of new market rate and affordable housing, and the prevention of the loss of existing affordable housing to market rate conversion or to financial or physical distress.

With early indications of a changing economic landscape on the horizon, Boston hosted a national conference in the spring of 2007 as it looked to create its next overarching housing policy. At Boston 2012, which drew accomplished housing leaders from around the country, best practices were conceived and distilled for the consideration of the Mayor's Housing Advisory Panel, convened by Mayor Menino in 2008.

In March of 2009, Mayor Menino unveiled the City's "Leading the Way III" housing strategy, the third comprehensive campaign designed to meet Boston's evolving housing needs. This strategy focuses on making progress in four areas:

1) workforce housing production;
2) rental housing preservation;
3) revitalization of high foreclosure neighborhoods; and
4) 50% reduction of long-term and family homelessness by 2012.

Each of these goals has specific and defined targets associated with it, and in the latest available quarterly progress report, several targets were identified as having been accomplished.53

Key Players

Department of Neighborhood Development

The mission of the Department of Neighborhood Development (DND) is to make Boston the most livable city in the nation by working with communities to build strong neighborhoods through the strategic investment of public resources.

Administration and Finance (A&F), the Director's Office, The Boston Home Center (BHC), Neighborhood Housing Development (NHD), Office of Business Development (OBD), Policy Development and Research (PDR) are also active in affordable housing issues. PDR staff also oversee the citizen participation process for the City of Boston's annual formula grant allocations from HUD and prepare the required five-year Consolidated Plan and one-year Action Plans. Real Estate Management and Sales (REMS) manages the City's portfolio of tax-foreclosed land and buildings, as well as surplus properties, with the goal of working with the community to determine suitable re-use of each property as housing, commercial development, or other uses.

Boston Redevelopment Authority (BRA)

The Boston Redevelopment Authority directs the City’s planning, economic development, and workforce development initiatives, providing research and analysis to non-profits and policy makers and collaborating with a diverse set of disciplines. Created in 1957, the BRA assumed the responsibilities of both the Boston Housing Authority and the now-defunct Boston Planning Board, allowing it to acquire property by eminent domain, grant tax concessions, and buy and sell property, all without City Council approval.\(^{54}\)

In order to maximize the benefit of the affordable housing, the BRA employs decision-making criteria that promote affordability for those who need it most. The criteria include (listed in order of preference): income level; households requiring accessible units; urban renewal displace; Boston resident; minimum household size; and first-time homebuyer. \(^{55}\)

**Boston Housing Authority (BHA)**

Housing 10% of the population, the Boston Housing Authority is the city’s largest landlord and promotes two housing programs: public housing and Section 8. BHA manages 14,000 housing units in 60 public housing developments, including 24 family properties, and administers nearly 11,000 rental-assistance vouchers for 25,000 participants to pay 30% to 40% of their income toward rent. \(^{56}\)

**Statewide Partners**

Boston’s affordable housing market benefits from statewide requirements and assistance.

- **Massachusetts General Law 40B**: The Bay State’s so-called comprehensive permit allows developers to override density limits in communities with less than 10% of the housing is affordable to 80% AMI earners, so long as 25% of the project includes long-term affordability restrictions. \(^{57}\)

- **Massachusetts Housing Agency (MassHousing)**: Since 1966, MassHousing has provided loans for increasing affordable rental and for-sale housing. To date, the independent public authority has provided more than $13 billion in financing. The agency’s Affordable Housing Trust Fund provides $2.5 million for pre-development, $5 million for modernization, and other funds for permanent housing for residents earning 110% AMI or less. \(^{58}\)

- **Massachusetts Department of Housing and Community Development (DHCD)**: DHCD administers several affordable and workforce housing programs, including the Capital Improvement and Preservation Fund to address expiring affordability covenants, the Commercial Area Transit Node Housing Program to support rental housing production and rehabilitation, and the Local Initiative Program to allow municipalities greater flexibility in providing affordable housing. \(^{59}\)

\(^{54}\) [http://www.bostonredevelopmentauthority.org/HomePageUtils/About_Us.asp](http://www.bostonredevelopmentauthority.org/HomePageUtils/About_Us.asp)

\(^{55}\) [http://www.bostonredevelopmentauthority.org/HomePageUtils/About_Us.asp](http://www.bostonredevelopmentauthority.org/HomePageUtils/About_Us.asp)

\(^{56}\) [http://www.bostonhousing.org/housing_services.html](http://www.bostonhousing.org/housing_services.html)

\(^{57}\) [http://en.wikipedia.org/wiki/Massachusetts_Comprehensive_Permit_Act:_Chapter_40B](http://en.wikipedia.org/wiki/Massachusetts_Comprehensive_Permit_Act:_Chapter_40B)


Boston Community Capital

Boston Community Capital (BCC) is a community development financial institution whose mission is to build healthy communities where low-income people live and work by investing in projects that provide affordable housing, good jobs, and new opportunities in low-income areas. BCC’s investors and supporters include individuals, religious organizations, foundations, financial institutions and community-based nonprofit organizations.60

Since 1985, BCC has invested more than $900 million in supporting organizations and businesses that benefit underserved communities. Their loans and investments have helped:

• Build or preserve over 14,800 units of affordable housing
• Support child care facilities serving over 9,800 children
• Finance schools and youth programs serving over 3,700 low-income students
• Health care facilities providing a comprehensive range of care to over 66,000 patients
• Renovate over 1.5 million square feet of commercial real estate and community facilities in distressed communities
• Create more than 4,000 jobs in low-income communities
• Generate over 9.6 million kilowatt hours of solar energy
• Provide fixed-rate mortgages that have allowed over 400 families facing foreclosure to remain in their homes.61

BCC is comprised of:

• Boston Community Loan Fund (BCLF), which lends money to community projects such as affordable housing, child care facilities, schools, youth programs and community facilities.
• Boston Community Venture Fund (BCVF), which makes equity investments in businesses that create jobs or provide services for LICs.
• Boston Community Managed Assets (BCMA), which develops new business initiatives and innovative funding vehicles for low-income individuals and communities.
• Aura Mortgage Advisors (Aura), which, as a licensed mortgage lender, helps people understand the mortgage process and own homes they can afford.
• NSP Residential (NSP), which develops and implements real estate and mortgage loan acquisition strategies aimed at stabilizing communities threatened by the foreclosure crisis.
• Solar Energy Advantage (SEA), which evaluates and finances energy conservation & renewable energy improvements in existing multifamily properties.

60 http://www.bostoncommunitycapital.org/who/investors-funders
61 http://www.bostoncommunitycapital.org/who
A developer has two options, which s/he may use in combination, for paying the fee:

1. Contribute the fee to NHT, which will distribute funds to development entities or private individuals who are current on taxes and who have no record of fair-housing violations for qualified projects, including construction, rehabilitation, or conversion of properties for affordable ownership, rental, co-operative, permanent, or transitional housing. Projects must support residents who earn less than 80% AMI, and must maintain affordability for 30 years (with a 20-year option), while rental units must remain affordable in perpetuity.

2. Create or assist in the creation of housing for low- and moderate-income residents, equivalent to the amount the developer would have paid and in compliance with Boston Redevelopment Authority (BRA) regulations.  

Inclusionary Development Policy

Boston is the only major city in the nation to administer its inclusionary zoning regulation through executive order. Administered by the BRA, the program benefits from the quasi-governmental agency’s ability to acquire, sell, and lease property, issue bonds, and provide financial assistance to programs and projects — all without City Council approval. However, the Policy’s cash-out option allows developers to pay $200,000 per affordable unit instead of building it into the project.

In 2000, Mayor Thomas Menino signed an executive order to require developers of 10 or more residential units that either need zoning relief or receive financing or land from the City to set aside 13% of each project as housing for moderate-income earners (up to $99,000 for a family of four) in exchange for increased density allowances and other negotiated cost-offsetting bonuses. Due to the City’s archaic zoning codes, over 90% of residential development required zoning relief. Through the third quarter of 2009, this program has produced approximately 1,200 inclusionary units. To mid-2008, the program had also generated $19.5 million in fees-in-lieu. This represents roughly another 100 units.  

Ownership affordable units carry particular conditions: at least half of ownership affordable units must be available to residents earning less than 80% AMI, while the remainder must be available

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62 http://www.cityofboston.gov/dnd/pdfs/NHT.pdf
63 http://www.cityofboston.gov/dnd/pdfs/NHT.pdf
to below 100% AMI earners; furthermore, average home sales prices must be affordable to 90% AMI earners. Rental units must be affordable to 70% AMI earners.\(^6\)

**Boston Home Center (BHC)**

BHC offers income-eligible first-time homebuyers educational courses, financial assistance, and information on available homes. BHC’s Homeowner 101 and 201 courses prepare participants to purchase and maintain a home in Boston. Graduates of these free courses who earn less than 120% AMI may receive up to $20,000 or 3% of the purchase price for down-payment and closing costs for one of the city’s iconic triple-deckers or foreclosed properties, which BHC lists on its website. The City also subsidizes home improvements, working with local businesses and homeowners to maintain the market-rate affordable homes.\(^6\)

**Neighborhood Housing Development (NHD)**

NHD works with non- and for-profit developers to create and preserve affordable housing and open spaces, enhancing neighborhoods by renovating abandoned properties and providing housing and services for Boston’s most vulnerable residents. NHD’s homeownership programs provide loans to create first-time homeownership opportunities for both newly constructed and rehabilitated one- to-four family buildings. Its rental program provides loans to create and improve rental units for low- and moderate-income families through new construction and rehabilitation of existing buildings.\(^6\)

**Dudley Street Neighborhood Initiative (DSNI)/Dudley Neighbors, Inc. (DNI)**

Formed in 1984 in response to disinvestment, red-lining, and neglect, DSNI promotes neighborhood revitalization for 24,000 residents of Boston’s Roxbury/North Dorchester neighborhood. Comprised of African American and Cape Verdean (72%), Latino (24%), and white (4%) residents who earn, on average, $12,332 annually per capita, approximately 27% of the community’s population earns below the federal poverty level ($17,092 for a family of four) while 62% earn below the Family Economic Self-Sufficiency standard ($37,591). Despite sitting only two miles from Downtown Boston, 1,300 vacant lots can be found in the neighborhood.\(^7\)

Focused on revitalizing the neighborhood without displacing its residents, in 1988 DSNI received the authority of eminent domain from the Boston Redevelopment Authority and $2 million from the Ford Foundation to establish DNI as the only community land trust (CLT) in the country empowered with eminent domain authority. With this authority, DNI assembles and redevelops vacant properties inside Dudley Triangle, an area of 60 acres bounded by two vital commercial corridors. DNI initially issues 99-year ground leases to private and non-profit developers for building affordable housing consistent with DSNI’s master plan, and then leases new homes to individual homeowners, co-operative housing corporations, and other limited partnerships. In this way, DNI can dictate its properties’ affordability and re-sale terms.\(^7\)

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69 [http://www.cityofboston.gov/dnd/D_Housing_Programs.asp](http://www.cityofboston.gov/dnd/D_Housing_Programs.asp)
70 [http://www.dsci.org/history](http://www.dsci.org/history)
71 [http://www.dsci.org/dudley-neighbors-inc](http://www.dsci.org/dudley-neighbors-inc)
To date, DNI has issued leases for 225 new homes and two community spaces. In the next decade, DNI expects to welcome 250 new homes, a community green house, open space, and retail to Dudley Triangle.\textsuperscript{72}

**Middle Income Housing Initiative (MIHI)**

Complementing DNI’s work, the City launched the Middle Income Housing Initiative in 2013 to increase the number of middle-income homebuyers, to support property values in high-foreclosure neighborhoods, and to generate business for local contractors and builders. Over the next two years, the City expects to sell one million square feet of vacant lots at below-market prices to create between 200 and 300 new homes in the city’s disinvested neighborhoods.\textsuperscript{73-74}

**Lessons for Atlanta**

Key lessons that can be derived from Boston’s policies and programs include:

- The Boston Redevelopment Authority’s active inclusionary zoning policy requires developers of 10 or more unit projects that need rezoning, land or financing from the City to set aside 13% of each project for moderate income earners in exchange for density bonuses or other negotiated allowances. A cash-in-lieu policy is also offered. This inclusionary zoning program has developed over 1,200 units of moderate income housing, and generated more than $19.5 million in fees from the in-lieu option.

- The Neighborhood Housing Trust, initiated by the City, has created $81.5 million in revenues and assisted in the development of 6,159 units of affordable housing through a per square foot fee on commercial, industrial and office developments of greater than 100,000 square feet and needing a zoning variance.

- The Boston Redevelopment Authority’s use of a Community Land Trust model for strategic community redevelopment, authorizing the Dudley Street Development Community to use eminent domain as a neighborhood stabilization strategy to address vacancy and blight while minimizing displacement.

- To address the foreclosure crisis and strategically invest in hard hit communities, the City proactively created the Middle Income Housing Initiative (MIHI) to increase the number of middle-income homebuyers, to support property values in high-foreclosure neighborhoods, and to generate business for local contractors and builders. Over the next two years, the City expects to sell one million square feet of vacant lots at below-market prices to create between 200 and 300 new homes in the city’s disinvested neighborhoods.

- “Leading The Way” is Boston’s citywide housing strategy plan and is on its third iteration since 2000. The City has created a larger vision with the Housing Boston 2020 goal - a ten-year initiative calling for the production of 30,000 new units by 2020. The Mayor created a new housing advisory panel to create a comprehensive plan that will lay the groundwork for the creation of these new units.

\textsuperscript{72} http://www.dsni.org/dudley-neighbors-inc
\textsuperscript{73} http://bostonherald.com/news_opinion/local_politics/2013/01/mayor_announce_housing_plan
\textsuperscript{74} http://www.cityofboston.gov/dnd/rem/MIHI_Initiative.asp
• All City departments create and direct programs to meet “Leading the Way” goals. The Mayor created a housing advisory panel which has framed its goals around “Leading the Way”.
Montgomery County, MD

Existing Conditions

A northwest neighbor to Washington, D.C., Montgomery County has proactively responded to mounting pressures on affordable housing. To address mounting housing-cost burdens, the County developed a landmark inclusionary zoning program and empowered its community development department to partner with a quasi-governmental affordable housing authority. Moreover, it established a housing trust fund to reliably support the acquisition, preservation, rehabilitation, and creation of affordable housing.

Despite programs to build publicly assisted housing, according to Montgomery County’s General Plan, none of these efforts has been able to satisfactorily address the need for housing affordable to a large segment of County residents and workers.75 The County’s population increased 11.3% between 2000 and 201076 and passed one million residents in 2012, when 1,004,709 people lived there.77 The County experienced a 3.4% population increase from 2010 to 2012. Growth is anticipated to continue, as forecasts expect 172,000 more residents between 2010 and 2030, requiring 75,500 additional housing units in the next 20 years.78

Recent Census statistics in employment and housing help to quantify the need for continued programmatic intervention:

- Of the 552,551 residents of Montgomery County over 16 years of age and in the labor force in 2011, 5.7% were unemployed. Half of all workers served in the financial, scientific, administrative, educational, and health care industries.79

- The County’s median household income was $95,660 – more than $23,000 above Maryland’s median household income. Despite this relative wealth, 4.2% of families and 6.3% of individuals live in poverty.80

- Montgomery County estimates that, by 2030, prospective residents earning $120,000 annually may not be able to afford a home there.81

- Among renters, median gross rent in Montgomery County was $1,473, with 47.5% of the population paying $1,500 or more.82

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76 http://www.montgomeryplanning.org/research/data_library/census/2010/
77 http://quickfacts.census.gov/qfd/states/24/24031.html
79 http://factfinder2.census.gov/faces/tables services/jsf/pages/productview.xhtml?src=bkmk
80 http://factfinder2.census.gov/faces/tables services/jsf/pages/productview.xhtml?src=bkmk
82 http://factfinder2.census.gov/faces/tables services/jsf/pages/productview.xhtml?src=bkmk
Major Issues and Goals/Objectives

Montgomery County General Plan

The Housing Element of the County’s General Plan outlines three goals and four objectives to increase housing affordability.83

Goals:

1. Conserve and care for existing neighborhoods and the existing housing stock.
2. Concentrate new housing in mixed-use, transit-oriented areas.
3. Encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate locations and densities. Implement policies to bridge any housing affordability gaps.

Objectives:

1. Housing and Neighborhood Connectivity: Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
2. Diverse Housing and Neighborhoods: Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.
3. Housing and the Environment: Provide economically and environmentally sustainable housing and neighborhoods.
4. Housing and Neighborhood Design: Create more balanced, attractive, and walkable neighborhoods through regulatory reform of private developments and leadership in design of public projects.

Executive Priorities

In addition to these goals and objectives, County Executive Ike Leggett has identified several priorities, including.84

1. Create healthy and sustainable communities with diverse opportunities for recreation and the arts;
2. Provide safe streets and secure neighborhoods to ensure the safety and security of all residents;
3. Keep Montgomery moving with investments in transit and trails; and
4. Create and preserve affordable housing to ensure an inclusive community.

2012 Housing Policy

Finally, the 2012 Housing Policy set by the Department of Housing and Community Affairs lists the following priorities:

- Preserve the existing regulated affordable housing stock, striving for no net loss of

84 http://www.montgomeryserves.org/volunteers/strategic-priorities
income-restricted affordable housing.
• Increase the number of affordable housing units.
• Conserve and care for Montgomery County’s residential neighborhoods, and develop and invest in quality communities.
• Strive to prevent homelessness and find homes for the homeless.
• Support the development of new housing, especially in transit-oriented areas.

Key Players

Department of Housing and Community Affairs (DHCA)

Montgomery County’s DHCA has proactively responded to mounting pressures on affordable housing by managing a number of programs, including the Moderately Priced Dwelling Unit (MPDU) and Workforce Housing (WFH) programs. (See “Innovative Programs” for further discussion of these and other DHCA programs.) DHCA posts newly available affordable units on its websites and helps to place qualified residents in them.

Housing Opportunities Commission (HOC)

HOC is a quasi-governmental organization that, since splitting from the County in 1968 and receiving new authorization in 1974, has acquired and operated housing; obtained financing from public and private sources for housing construction, renovation, and other housing activities; and arranged social services in line with its housing mission. HOC may issue bonds to finance mortgage loans for income-eligible persons or for multi-family construction projects that provide affordable units. The County guarantees the principal and interest on HOC bonds up to $50 million.\textsuperscript{85}

HOC administers several housing programs, including 1,500 public housing units and 5,600 Housing Choice Voucher units.\textsuperscript{86} In addition, HOC provides several resident service programs, including:

• Family Self-Sufficiency Program
• Employment Initiative Program
• Housing Stabilization Program (Emergency Services)
• Financial/Credit Counseling
• Scholarship program for high school seniors who reside in HOC units\textsuperscript{87}

Affordable Housing Task Force

On February 28, 2007, County Executive Isaiah Leggett issued Executive Order 84-07 forming the Affordable Housing Task Force and instructed its members to develop strategies that would result in more affordable housing in Montgomery County. On March 31, 2008, the Task Force presented their strategies. The number one priority identified by the Task Force was the need to

\textsuperscript{85} http://www.hocmc.org/Explore-HOC/About-HOC.aspx
\textsuperscript{86} http://www.hocmc.org/Additional-Pages/Housing-Programs.aspx
\textsuperscript{87} http://www.hocmc.org/For-Our-Customers/Resident-Services.aspx
preserve the existing housing stock. Further, the Task Force recommended creating a short term property acquisition fund—now known as the “Housing Acquisition and Rehabilitation Program”—as a tool to enable experienced organizations to purchase at-risk properties and increase the public and nonprofit ownership of affordable rental housing.\(^8^8\)

The County’s FY 2009 Budget included a $25 million Bond issue for the Housing Initiative Fund to support the Housing Acquisition and Rehabilitation Program. By January 2009 the first use of the Acquisition Fund was made—a $3,635,000 loan to Montgomery Housing Partnership for the purchase of the Maple Towers apartments. Through March 2011, the Housing Acquisition and Rehabilitation Program has been used to make twenty-one (21) loans totalling over $53 million. The loans helped with the acquisition and development of 11,479 units, including 750 affordable units.\(^8^9\)

**Key Programs and Strategies**

DHCA responds to residents’ housing pressures with several innovative programs, including the MPDU program, the WFH program, the Housing Initiative Fund (HIF), and more.

**Moderately Priced Dwelling Unit Program:**

The County developed the MPDU program in the 1970s to ensure low and moderate income earners’ access to affordable housing. A developer building more than 20 new units must reserve between 12.5% and 15% of those units, depending on density bonus, for low- and moderate-income renters or buyers.\(^9^0\) The MPDU law requires the County to offer 40% of these MPDUs to the HOC and other non-profit housing agencies to income-qualified residents through a lottery of income-qualified certificate holders.

Before receiving a building permit, the developer must submit to DHCA an Agreement to Build MPDUs, which lists individual addresses of MPDUs and market rate units, specifies the MPDUs’ restrictive covenants, and highlights in the approved site plan the MPDUs. The Agreement to Build requires that:

- a specific number of MPDUs must be constructed on an approved time schedule;
- in single-family dwelling unit subdivisions, each MPDU must have 3 or more bedrooms; and
- in multi-family dwelling unit subdivisions, the number of efficiency and one-bedroom MPDUs each must not exceed the ratio that market-rate efficiency and one-bedroom units respectively bear to the total number of market-rate units in the subdivision.
- MPDUs are built along with or before other dwelling units;
- no or few market rate dwellings are built before any MPDUs are built;
- the pace of MPDU production reasonably coincides with the construction of market rate units; and

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• the last building built must not contain only MPDUs.91

Once DHCA has approved the Offering Agreement, it notifies HOC and certain non-profit organizations of the offering. These agencies have 21 days to review the offering and select up to 40% of these units. If any of these agencies choose to purchase some of the MPDUs, that agencies' staff will work directly with the developer/builders sales agent.92

Concurrent with notification, DHCA schedules a 90-day priority offering period when the department may offer an MPDU to pre-qualified certificate holders through a lottery process. DHCA selects between two and three times the number of MPDUs available and forwards that list to the developer’s sales agent, who contacts the certificate holders in order to arrange sales meetings.93

To date, over 13,200 MPDUs have been created, approximately 70% for sale and 30% rental.94

Workforce Housing Program

Created in 2006, the WFH program complements the MPDU program by supporting moderate-income earners. The WFH Program offers affordably priced condominiums to homebuyers with household incomes in three groups relative to the region’s area median income (AMI): Group A between 71% and 90% AMI; Group B between 91% and 105% AMI; and Group C between 106% and 120% AMI. In 2013 the median income for a family of four in the Washington, DC region was $107,300.95

Priority to purchase a WFH home is given to participants who are eligible for the most "Priority Points." Eligible households meeting the income requirements receive a maximum of ten priority points based on:

• Primary employer, supporting local and public-sector employment (maximum 3 points)
• Place of primary residence, supporting local and County residents (maximum of 3 points)
• First responders, supporting families with at least one household member primarily employed as police officer, firefighter, or emergency medical technician (maximum of 2 points)
• A household member who participates in an employer housing assistance program as defined by DHCA (1 point)

95 http://www6.montgomerycountymd.gov/content/DHCA/housing/housing_P/multifamily/PDFs/ri2013.pdf
The household currently owns or rents an MPDU within Montgomery County or local jurisdiction (1 point). The County’s Fiscal Year 2013 budget included $874,385 for the WFH program.

**Housing Initiative Fund**

In addition to its innovative MPDU and WFH programs to create affordable housing, the County’s Housing Initiative Fund (HIF) utilizes various funding sources to provide loans to HOC and other partners for renovating, preserving, and creating affordable housing and neighborhoods. Key funding sources include a portion of condo conversion sales fees, the county’s general fund, and 2.5% of the County’s property tax revenue. In Fiscal Year 2014, County Council cleared the minimum $25 million appropriation, budgeting more than $40 million to HIF for acquisition and new construction.

HIF provides subordinate debt and gap financing in the form of loans only, which DHCA may forgive but typically structures on a cash-flow basis over a 30- to 40-year term at 2% interest or below rate. HIF has a continuously open application cycle. A developer inquires or submits an application to DHCA, which reviews and matches the request with an appropriate funding source (HIF, federal sources, etc.) DHCA prefers this approach to issuing an annual RFP as it allows them to best respond to market activity, while still giving developers relatively prompt access to funding. According to its 2008-2009 Annual Report, HIF preserved just over 1,700 units of housing and produced 1,550 units.

Funds appropriated, allocated to, or otherwise contributed or dedicated to the HIF may be expended or committed by the Director of DHCA for any of the following purposes:

- Construct new affordable housing units;
- Acquisition of land upon which affordable housing may be constructed;
- Buy and rehabilitate existing rental units that might otherwise be removed from the supply of affordable housing.
- Participate with non-profit and for-profit sponsors of projects containing affordable housing in mixed income developments.
- Make loans for the development or rehabilitation of housing that will enhance the affordability of some or all of the units;
- Provide rent subsidies to low and moderate income tenants.

DHCA must observe the following restrictions:

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100 [http://www6.montgomerycountymd.gov/content/dhca/housing/housing_p/multifamily/PDFs/hifregs_web.pdf](http://www6.montgomerycountymd.gov/content/dhca/housing/housing_p/multifamily/PDFs/hifregs_web.pdf)
• No more than 20% of HIF funds appropriated in any fiscal year may be spent on activities other than the acquisition of land for new affordable housing construction or on activities which result in the construction of new affordable housing, unless specifically authorized by the Director.

• Rent subsidies to low and moderate income tenants may be provided from the Montgomery Housing Initiative fund only to increase the affordability of newly constructed housing, unless specifically authorized by the Director.101

Right of First Refusal (ROFR)

Montgomery County law confers ROFR on the sale of multi-family housing properties on DHCA and HOC. Working in collaboration with DHCA, HOC has used its ROFR to preserve the affordability of properties through purchase or “preservation by persuasion.” In exchange for purchasers not exercising their rights of first refusal, HOC and DHCA have been able to persuade owners to agree to maintain the affordability of a certain percentage of the properties.102

Single-Family Rehabilitation Loan Program

The County provides financial and technical assistance to eligible owner-occupied homeowners to make vital repairs on eligible single-family homes in order to comply with housing code. Applicants must meet income guidelines and have lived in the home for the previous two years. Properties must be valued under $450,000. Repairs may improve accessibility, energy conservation, roofing, floors, and bathrooms. The County bases loan terms on the recipient’s ability to pay, with low interest rates and terms as long as 20 years.103

Group Home Rehabilitation Loan Program

The County’s CDBG fund provides for the rehabilitation of group homes occupied by low and moderate income earners who are elderly or disabled. Public agencies and non-profit organizations with two years of experience operating a group home may apply. Loan amounts cannot exceed $10,000 to correct housing code violations and deficiencies or $15,000 if installing a sprinkler system. The County may require the recipient to operate the property in the same manner for a number of years.104

Lessons for Atlanta

Key lessons that can be derived from Montgomery County’s policies and programs include:

• The County has done well in formally and publicly prioritizing affordable housing through its general plan. Two examples of neighborhood level planning efforts in the County include:

  □ Long Branch Neighborhood: In early 2013, the County Planning Board and staff explored necessary actions to preserve market-rate affordability in this diverse neighborhood. County planners anticipate rents to increase 10% to 20% when a new light rail line opens in approximately five years, displacing low and moderate income residents. Proposed


101 http://www6.montgomerycountymd.gov/content/dhca/housing/housing_P/multifamily/PDFs/hifregs_web.pdf
zoning would preserve 75% of current affordable units, and the Council may adopt new inclusionary zoning regulations increase density and affordable housing.105

- The county’s Moderately Priced Dwelling Unit (MPDU) law requires that developers include between 12 - 15% low to moderate income housing in developments with 20 units or more. Percentage of inclusionary housing is calculated based upon density bonus allowances for a particular project. As a result of this inclusionary program, over 13,200 MPDU units have been created.

- A structured Workforce Housing Program, funded through the County’s annual fiscal budget, focuses on moderate income earners to promote homeownership opportunities for public employees, local residents, and first responders. The program also compliments employer assisted housing programs.

- The creation of the local Housing Investment Fund, sourced by a portion of condo conversion sales fees, general budget funds and 2.5% of the County’s property tax, provides low interest loans to partners for acquiring, preserving and creating affordable housing and neighborhood redevelopment.

- Montgomery County DHCA has an open application cycle for its Housing Investment Fund, along with its federal subsidy programs, allowing for resource leveraging and alignment for projects on a rolling basis.

105 http://www.gazette.net/article/20130405/NEWS/130409344/1081/long-branch-affordable-housing-under-further-county-evaluation&template=gazette
Seattle, Washington

Existing Conditions

Seattle is a growing and diverse city facing the challenges of meeting the various needs of aging baby boomers, single person households and families. As of 2012, 634,535 people lived in the City of Seattle\(^{106}\), and while unemployment is relatively low at 4.8\(^{107}\), many occupations do not pay wages sufficient to afford fair market rents. Service sector jobs are increasing, and future job growth is anticipated in high and low skill positions, but little growth in middle skills jobs is expected\(^{108}\).

Like Atlanta, Seattle grapples with a wide gap between income levels: Nearly 70\% of Seattle households are either low income or wealthy. The City's 2009-2012 Consolidated Plan identifies 38\% of households as low income (incomes of 80\% of median income or less) and 31\% as wealthy (incomes of 151\% of median income or more). Only 31\% of Seattle households are middle income, with incomes between 81\% and 150\% of median income.

The homeownership rate in Seattle is 48\%\(^{109}\), but homeownership is on the decline\(^{110}\). The 2007-2011 median rent in Seattle stood at $1003, with 47.4\% of households expending more than 30\% of their income towards rent\(^{111}\). According to the National Low Income Housing Coalition’s 2013 Out of Reach report, the average wage in Seattle is $18.52. At that rate, an affordable rental unit would cost $963. To be affordable for a household earning 30\% of area median income, monthly rent would have to be $650. Single-family homes and townhomes are even less affordable. The median-priced home in Seattle ($484,025) requires an hourly wage of $51.18 to be affordable. Workers in a number of common occupations cannot afford to purchase this median priced home with the average wages that employers in the Seattle area pay. Ensuring an affordable mortgage payment for such a home would require an annual income of $106,500 – 145\% of the HUD-published median income for a 3-person household.

Main Goals and Objectives

The City of Seattle’s Consolidated Plan outlines challenges in four key areas:

1) Changing Demographics as baby-boomers age and families move to suburban communities.

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\(^{106}\) U.S. Census Bureau: State and County QuickFacts 2012
\(^{107}\) U.S. Census Bureau, 2007-2011 American Community Survey
\(^{108}\) Ibid.
\(^{109}\) U.S. Census Bureau: State and County QuickFacts 2012
\(^{110}\) 2009-2012 City of Seattle Consolidated Housing and Community Development Plan
\(^{111}\) U.S. Census Bureau, 2007-2011 American Community Survey
2) Transportation remains a key focus, with increased desire among residents for multi-modal transit options, and connectivity challenges for service sector and low income workers evident.

3) Housing affordability both in rental and for sale housing is a significant issue, with almost 50% of renters paying more than 30% of their income towards rent, and for sale housing being out of reach for many workers.

4) Seattle has implemented a 10 Year Plan to End Homelessness to focus on this critical issue.112

Seattle Consolidated Plan for Housing and Community Development

The Seattle Human Services Department, Office of Housing, Housing Authority, Office of Economic Development, and Mayors Office all contribute to the plan, which represents an agreement between the City of Seattle and the U.S. Department of Housing and Urban Development (HUD) that guides grant expenditures in four federal grants totaling approximately $21 million. The four federal grant programs covered in this 2009-2012 Consolidated Plan are: Community Development Block Grant (CDBG) ($12 million to $13 million per year), HOME Investment Partnership (about $5 million annually), Emergency Shelter Grant Program (ESGP) (about $1.6 million annually), and Housing Opportunities for Persons with AIDS (HOPWA) (about $540,000 annually). The plan outlines long-term strategies to address the housing, homeless, community, and economic and human development needs of Seattle’s low- and moderate-income residents.

Goals of the plan are:113

1) Increase availability of affordable housing
2) Increase use of affordable housing as catalyst for distressed neighborhood economic development
3) Improve infrastructure and community resources in distressed neighborhoods to promote economic development and quality of life (by target area)
4) Increase and maintain the supply of affordable rental housing in Seattle
5) Increase opportunities for low-income households to purchase and maintain their homes

Seattle’s 2013 Annual Action Plan

Seattle’s 2013 Action Plan builds upon the three priorities identified in the 2009 - 2012 Consolidated Plan. These priorities are:

1) Public services targeted to homeless families and individuals as guided by the Ten-Year Plan to End Homelessness;
2) Building, acquiring and / or rehabilitating low-income housing through private non-profit and public housing developers; and

112 2009-2012 City of Seattle Consolidated Housing and Community Development Plan
3) Encouraging economic development through neighborhood revitalization investments and small business loans, including targeting resources to the Southeast Seattle Neighborhood Revitalization Strategy Area.

Key Players

Two agencies are primarily charged with addressing housing in the City of Seattle: the Seattle Office of Housing and the Seattle Housing Authority. Other key partners are the Seattle Planning Commission and the robust nonprofit community.

Seattle Office of Housing

As part of Seattle City Government, the Office of Housing (OH) funds affordable workforce housing and supportive housing, and also implements initiatives to incentivize affordable housing construction. Programs are funded by the usual Federal programs - CDBG, HOME, and HOPWA - but OH also has access to several additional funding and incentive programs to finance its housing goals. These are the Housing Levy Fund, the Community Cornerstones Program and a suite of four development incentive programs. In 2012, the Rental Housing Program funded the production of 508 new units in eight projects utilizing $26.7 million in Seattle Housing Levy and other sources; provided bridge loans to purchase three properties and maintain affordable rents for 152 units; and preserved two previously funded projects through $2.7 million used for critical repairs.

In 2012, private developers committed to incorporate 42 affordable units in seven new multifamily projects, taking advantage of additional development capacity provided under incentive zoning. In addition, almost $3 million in prior-year developer contributions were awarded to nonprofit housing developers as part of the Rental Housing Program.

In 2012, OH also awarded $1.3 million to lending programs that will assist about 33 additional buyers in the coming months, and $1.2 million to purchase 20 bank-owned foreclosed homes for rehabilitation and resale to eligible buyers through a community land trust. The Office of Housing made four short-term loans totaling $7.8 million in Levy and other City funds enabling sponsors to acquire and preserve affordable rental and ownership housing.

The Seattle Housing Authority

The Seattle Housing Authority (SHA) is an active and highly successful developer of low and mix-income housing in the City of Seattle. SHA issues tax exempt bonds and uses Low Income Housing Tax Credits to finance affordable housing development. It provides long-term rental housing and rental assistance to more than 26,000 people with low incomes through provision of public housing (32 properties of varied size), section 8 Housing Choice Vouchers, Senior Housing (23 properties), and Scattered Site Units. SHA also operates several mixed income communities, as well as a Special Portfolio of properties.

Seattle Planning Commission
The Planning Commission advises the Mayor, City Council and City departments on a broad array of issues related to land use, transportation, and neighborhood planning, goals and policies. The Commission released an Affordable Housing Action Agenda that includes background information on affordable housing in the region and nine key strategies for increasing the amount of affordable housing in Seattle. Another major report from the Seattle Planning Commission is “Housing Seattle”, which was released in 2011 and provided among other things an analysis of housing costs, affordable housing gaps, and goals of the Comprehensive Plan which cannot be adequately measured.

Non-Profit Organizations

Seattle boasts a strong network of community-based non-profit organizations that provide a wide range of high-quality housing and human services for area residents in need. Eight of Seattle’s public development authorities (PDAs) are independent entities of Seattle government with a volunteer council that sets policies and oversees municipal activities, including affordable housing. Twelve non-profit community based development organizations (CBDOs) carry out neighborhood stabilization, economic development, and energy conservation programs. These CBDOs carry out neighborhood stabilization, economic development, and energy conservation programs. The City has active contracts with nearly 200 human services provider agencies that form the basis to support low and moderate-income persons.

Key Programs and Strategies

Seattle’s Office of Housing administers three important programs that support affordable housing: the Seattle Housing Levy Fund, the Community Cornerstones program, and a suite of developer incentive programs.

Seattle Housing Levy Fund

The Seattle Housing Levy Fund (HLF) is a $145 Million fund, in place for seven years. On average, Seattle households pay $65 per year to support this levy. Levy loans assisted 19 first-time homebuyers and the Rental Assistance Program helped 554 households who were at risk of homelessness maintain stable housing. The HLF funds five programs:

1) Rental Production & Preservation: funds construction or rehabilitation of apartment buildings for low to moderate income residents. These properties must maintain affordability for at least 50 years.
2) Operating & Maintenance Fund: provides subsidy to housing that serves the elderly, disabled and mentally ill, as well as veterans suffering from physical and/or mental trauma sustained during service to fill the gap between operating income (rent) and expenses (utilities, maintenance, staff costs).
3) **Rental assistance:** provides financial assistance to low-income families and individuals at risk of homelessness due to a family crisis such as job loss, illness, divorce or a death in the family. It is also used for “rapid rehousing” when families or individuals already have lost their homes.

4) **Homebuyer Program:** assists first-time buyers earning up to 80% of area median income, and provides loans to low to moderate income homebuyers.

5) **Acquisition & Opportunity Loan Fund:** utilizes funds to purchase property to secure long term affordability when it otherwise might become a market rate property.

**Community Cornerstones Program**

The Community Cornerstones Program was developed in November 2011, when the City of Seattle was awarded a three year, $3 million HUD Community Challenge Grant to implement several strategies intended to increase affordable housing along transit and forestall displacement of low income households in Southeast Seattle. The resulting program brings together multiple City departments, financial institutions, and other partners to implement a new model for equitable development in the Southeast Seattle light rail station areas. Community Cornerstones focuses on three integrated community development strategies:

1) **Equitable Transit-Oriented Development (ETOD) Loan Program:** This program works with public and private partners to secure key sites for mixed-use transit-oriented development (TOD) projects that include market-rate and affordable residential space, and dedicated small business and community space. Securing sites in an accelerating real estate market is a key challenge to preserving or building affordable or mixed income housing and community facilities near transit.

2) **Commercial Stability Strategy:** This strategy supports economic development around station areas by supporting job creation opportunities and increasing the performance of existing small locally-owned businesses to enhance their economic competitiveness and position them to better access new markets open due to proximity to light rail. Building owners also receive technical assistance to activate vacant commercial space that is affordable and appropriate for local- and ethnically owned businesses.

3) **Capacity Building to Plan for a Shared Multicultural Center:** With City staff support, capacity building funding, and a broad community outreach strategy, this steering committee will create the organizational infrastructure and direct the preliminary feasibility analysis needed as the foundation of a shared multicultural community center. This center will support community-building activities of the existing culturally and ethnically diverse communities. Through the neighborhood planning process, communities came to understand that sharing across cultural lines allows them to more easily address shared agendas, increase their political presence, and improve their ability to exercise self-determination.

Community Cornerstones benefits from partnered management and evaluation. The OH works in partnership with the Office of Economic Development, Department of Planning and Development, and the Department of Neighborhoods to run this program. The University of Washington’s Evans School of Public Affairs monitors and evaluates the project. Additional partners in the ETOD Loan Program — such as Enterprise Community Partners, Impact Capital, and the Rainier Valley Community Development Fund — bring expertise and potential funding.
The third significant component of the Office of Housing is the suite of four incentive programs that encourage development of affordable housing.

1) The Multi-family Property Tax Exemption (MFTE) Program provides developers with a tax exemption for residential improvements to multi-family projects, based on housing type, in exchange for a 20% set aside for moderate-wage workers: studios accommodate 65% AMI; one-bedroom units house 75% AMI; and units with two or more bedrooms welcome 85% AMI. This program has led to development of over 2,000 new affordable housing units over the last twelve years.

2) Transferable Developer Rights Potential and Transferable Developer Rights Programs enable a developer to purchase additional density (FAR or base height increase) for a project from a low-income housing area designated for preservation for use in a residential or non-residential use; these proceeds are then used for preservation of affordable units.

3) The Residential Bonus program provides opportunity for developers to achieve extra Floor Area above the base height limit in exchange for affordable housing that is either purchased through the City’s transfer of development rights program, built as part of the development (14% of the extra floor area), or funded through a contribution to the City of $15.15 per gross square foot of bonus floor area. (Seattle’s Downtown and South Lake Union areas’ fees will soon increase to $21.68.) Affordable housing provided on-site or off-site must be affordable for 50 years for a household making 80% AMI for rental and 100% AMI for occupant-owned units, except in Downtown where it is also 80% for occupant-owned units.

4) The Non-Residential Bonus program provides a similar opportunity, with developers achieving additional FAR through either direct provision of affordable housing or childcare, or funding of these initiatives through payments directly to the City.\(^{114}\)

Lessons for Atlanta

Key lessons that can be derived from Seattle’s policies and programs include:

• Structured incentive programs, managed by Seattle’s Office of Housing, have resulted in the creation of more than 2,000 units of affordable housing over the past 12 years. Property tax exemptions encouraging the inclusion of 20% affordable housing, transferable development rights, density bonus and payment in lieu methods were the mechanism for achieving this.

• Successful framing of the advantages of affordable housing persuaded voters to support funding strategies, such as The Housing Levy Fund, which helped create a 7 year $1.45 million flexible source of funding. The Levy, administered by Seattle’s Office of Housing, capitalizes five funds addressing

\(^{114}\) Seattle Office of Housing: [http://www.seattle.gov/housing/incentives/default.htm](http://www.seattle.gov/housing/incentives/default.htm)
affordable housing rental production, preservation and operational needs, as well as an acquisition fund to secure property for future development, thus ensuring long term affordability.

• A high degree of cross department partnership, such as the Community Cornerstone’s program, brings a wide range of stakeholders together to execute housing projects, economic development programs, and community outreach. Another example can be found in the Consolidated Plan, in which the Seattle Office of Economic Development (OED) has taken a multi-pronged approach to support community economic development that supports the City’s overarching goals. OED’s approach will: a) target high-priority geographic areas in need of public investments and attention; b) continue to invest in projects that will catalyze economic revitalization; and c) simultaneously invest in projects that preserve affordability and ethnic vitality in neighborhoods.

• An established citizen’s engagement process with the creation of the Seattle Planning Commission (SCP). The SCP, comprised of 15 residents from different neighborhoods within the city, advises and makes recommendations to the Legislature and City departments on matters relating to the city’s physical development and redevelopment. Housing Seattle, a report completed by the SCP, provides the city with a review of data-driven insights on housing affordability in Seattle, measurements of progress towards meeting Seattle’s Comprehensive Plan housing goals, and findings, recommendations, and priorities for city housing policies and programs.

• A unified Notice of Funding Availability process for supportive housing provides an example of how funders can come together to develop programs and housing that supports multiple goals. The City of Seattle, King County, United Way, Seattle and King County Housing Authorities, and A Regional Coalition for Housing (ARCH) provide funds through a single application process. In July 2013, these seven public and private funders will allocate approximately $45.5 million in combined funds through this NOFA. The combined NOFA is accessed through the Office of Housing’s website. [http://www.seattle.gov/housing/development/NOWA2013/2013_CombinedNOFA.pdf]
Washington, D.C.

Existing Conditions

Washington, D.C. is the center of one of the highest-cost and most active metropolitan housing markets in the country. The District’s population of more than 632,000 is growing by 2.1% annually, and is projected to reach 676,000 by 2020. Over the past five years, the District has benefitted from rising home prices and lower vacancy levels. The rate of enrollment in public schools is at an all-time high since the 1970s, as individuals and families move to the District. Unlike Atlanta, D.C. boasted one of the nation’s lowest unemployment rates through the recession and economic recovery. Like Atlanta, D.C. continues to expand its transit system and has seen significant population growth and rental pressure in its urban core.

D.C.’s housing market weathered the recession well, too, issuing more housing permits in 2012 than at the peak of the housing boom in 2005. Most new development activity has focused on previously light industrial, commercial, or vacant areas, limiting the amount of involuntary residential displacement. However, rents have continued to rise dramatically, resulting in estimates that D.C. has lost over half of its low-cost rental units since 2000.

One feature that D.C. and Atlanta share is income disparity. According to a 2011 report from the US Census Bureau, Atlanta had the highest GINI coefficient (a measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 maximal inequality; the higher the score, the greater the income disparity) in the country at 0.571. The District was not far behind in third place, with a GINI score of 0.540. In D.C. the 2012 area median income (AMI) for a family of four reached $107,500, and roughly 22% of all households earned less than 30% of this AMI and 25% earned 150% of AMI or more. The District struggles to keep up with demand for higher-end, market rate housing while also providing and maintaining housing for households at or below 60% AMI.

Through the Tenant Opportunity to Purchase Act (TOPA), the Site Acquisition Fund Initiative (SAFI), and a handful of other Department of Housing and Community Development (DHCD) programs, the local government continues to be responsive to this pressure and make ambitious goals to produce and preserve housing throughout D.C.

Major Issues and Goals/Objectives

115 http://www.huduser.org/portal/datasets/il/il2012/2012summary.odn
In February 2012, responding to a loss of 20,000 affordable housing units over the last decade, Mayor Vincent Gray appointed 36 housing professionals, service providers, and government leaders to the Comprehensive Housing Strategy Task Force 2012, which helped to quantify the District’s affordable housing needs and opportunities for addressing them. This report and year-long strategic planning initiative built upon the 2003 Comprehensive Housing Strategy Task Force, which published the Homes for an Inclusive City report in 2006.118

Since publishing the report in 2006, D.C. has allocated more resources to affordable housing, financing over 8,000 units across the District. However, the need for additional affordable housing solutions – addressing both the demand and supply sides of the equation – has outpaced this effort. According to the report:

• In 2010 over 42% of residents paid more than 30% of their incomes to housing;
• more than 67,000 qualified applicants sit on the D.C. Housing Authority’s wait-list public housing or housing choice vouchers; and
• The District will need 2,700 units of permanent supportive housing for homeless individuals and families, including 600 homeless children.119

Intending to improve the full continuum of housing from homelessness to market rate homeownership, the report recommends three strategic goals by 2020:

1) Preserve approximately 8,000 existing affordable housing units with expiring subsidies;
2) Produce and preserve 10,000 net new affordable housing units (so called “10 by 20” effort);
3) Support the development of 3,000 market rate units annually.

Key Players

The Department of Housing and Community Development (DHCD):

The mission of DHCD is to “create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.”120 DHCD primarily administers affordable housing gap financing, competitive 9% Low-Income Housing Tax Credit, and 4% Low-Income Housing Tax Credit. DHCD has also been active in the production of Permanent Supportive Housing for Homeless Individuals and Families, both through the purchase of existing units and the development of new units.

Bridges to Opportunity: A New Housing Strategy for D.C.

Vision: D.C. is a city that provides housing that is affordable for all who wish to live, work and play here.

Objective: Create a comprehensive housing strategy that provides action items to increase the supply of affordable housing and decrease the demand for affordable housing.

Strategic goals by 2020:

1) Preserve approximately 8,000 existing affordable housing units with expiring subsidies;
2) Produce and preserve 10,000 net new affordable housing units (10 by 20);
3) Support the development of 3,000 market rate units annually.

Key Players

The Department of Housing and Community Development (DHCD):

The mission of DHCD is to “create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.”120 DHCD primarily administers affordable housing gap financing, competitive 9% Low-Income Housing Tax Credit, and 4% Low-Income Housing Tax Credit. DHCD has also been active in the production of Permanent Supportive Housing for Homeless Individuals and Families, both through the purchase of existing units and the development of new units.

120 http://dhcd.dc.gov/service/about-dhcd
Credits, and other programmatic housing initiatives. The parallel agency in Atlanta is the Department of Planning and Community Development at the City of Atlanta.

DHCD's Development Finance Division (DFD) provides funding for the development of affordable rental and homeownership developments, as well as community facilities. As the key division for both the creation and preservation of affordable housing units, DFD plays a prominent role in helping the agency achieve its annual multifamily housing production goals. For 2013, DFD will be responsible for implementing the Tiered Target Area Investment Strategy.

Through the Five-Year Consolidated Plan's city-wide citizen participation process, several areas were identified for targeted investment. Tier One focuses on projects that complement DHCD's Livability Principles, Tier Two focuses on high priority projects where coordination with other District agencies is developed, Tier Three focuses on areas of general poverty and Tier Four focuses on distributing mixed income housing more equitably across the entire city. This initiative will be implemented through Requests for Proposals and other future funding opportunities, an increase in the percentage of dollars expended in the Tiered Target Areas and the fulfillment of NSP2 grant expenditure requirements, which parallel the goals of the Tiered Target Area Investment Strategy.

The District of Columbia Housing Authority (DCHA)

DCHA provides “quality affordable housing to extremely low- through moderate-income households, fosters sustainable communities, and cultivates opportunities for residents to improve their lives.” DCHA owns and manages over 8,000 public housing units across the city and administers over 14,000 federal and locally funded housing vouchers. The parallel agency in Atlanta is the Atlanta Housing Authority.

The District of Columbia Housing Finance Agency (DCHFA):

Per its mission, DCHFA “stimulates and expands homeownership and rental housing opportunities in Washington, D.C.” DCHFA primarily issues mortgage revenue bonds that lower the homebuyers’ costs of purchasing homes and the developers’ costs of acquiring, constructing, and rehabilitating rental housing. Other city agencies that play an important role in the affordable housing market include the Department of Mental Health, the Department of Human Services, and the Office of the Deputy Mayor for Planning and Economic Development (DMPED).

Nonprofit Sector Partners

The D.C. affordable housing market benefits from a strong, non-profit capacity network. For example, the Coalition for Nonprofit Housing and Economic Development (CNHED) serves as the leading non-profit training and advocacy organization in D.C., advocating for better District programs and resources as well as training and engaging the affordable housing sector. In addition, CNHED partnered with the Urban Institute to manage the D.C. Preservation Catalog, a database of rental properties with units affordable to households earning 80% AMI and below.

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121 http://dchousing.org/default.aspx?about=1
Various government and community organizations use the Catalog to track and monitor properties at risk of losing their affordability.\textsuperscript{123}

HAND, the Housing Association of Nonprofit Developers, is the regional membership association serving DC metro area nonprofit housing developers.

City First Homes is a nonprofit created by City First Enterprises, and partially funded by DC City Government and other nonprofit resources. City First Homes leverages a shared appreciation model to create permanently affordable workforce housing. City First Homes’ low-rate second mortgage enables homeowners to purchase homes in neighborhoods they may not otherwise be able to afford. As a trade-off for increased affordability, if a homebuyer chooses to sell, part of the home’s appreciated value is retained to keep the home affordable for the next owner, who receives a direct grant when purchasing the home.\textsuperscript{124}

**Key Programs/Strategies**

DHCD manages many funding and technical assistance programs, several of which support the production and preservation of affordable housing and may be of particular relevance to the City of Atlanta.

**Housing Production Trust Fund (HPTF)**

Administered by DHCD since its inception in 2002, HPTF has enabled non-profit housing providers, mission-driven for-profit developers, and tenant associations to preserve or create over 7,500 affordable homes across the continuum of housing (supportive, affordable rental, and affordable ownership) for more than 15,000 residents.\textsuperscript{125} DHCD primarily disperses HPTF funds as low- or zero-interest loans through an annual competitive RFP process. Since 2002, DHCD has dispersed 89 loans.\textsuperscript{126} HPTF also provides essential gap financing to make projects feasible.

Fifteen percent of the District’s real estate recordation and transfer tax primarily go into the HPTF, along with principal and interest repayment of HPTF loans, interest earned on investments, grants and donations.\textsuperscript{127} Linking HPTF funding to point-of-sale recordation tax fees ensures that HPTF revenue will be tied to the strength of the housing market; in stronger markets more dollars will be available to ensure housing is affordable to the most vulnerable households.

\textsuperscript{123} http://www.dc.gov/DC/DMPED/Programs+and+Initiatives/New+Communities/New+Communities+Initiative+NC+Program+Sheet
\textsuperscript{124} http://cfhomes.org.customers.tigertech.net/cgi-bin/CFH
\textsuperscript{125} http://www.taskforce2012.org/Portals/1/docs/HPTF-Decade-of-Progress.pdf
\textsuperscript{126} http://www.taskforce2012.org/Portals/1/docs/HPTF-Decade-of-Progress.pdf
\textsuperscript{127} http://www.taskforce2012.org/Portals/1/docs/HPTF-Decade-of-Progress.pdf
However, during the real estate crash and subsequent challenging budget years, the fund experienced dramatic shifts in funding levels. To date, the fund has invested $320 million in D.C. neighborhoods and leveraged an additional $794 million of financing from private and other sources, and the City Council budgeted $63 million for HPTF in the FY2014 budget.\textsuperscript{128} During tight budget seasons, local advocacy organizations have been vital to maintaining consistent investment in the HPTF.

HPTF has also been a source of funding for other programs such as the Site Acquisition Funding Initiative and New Communities Initiative.

**Site Acquisition Funding Initiative (SAFI)**

In 2005, with $25 million from HPTF, DHCD created SAFI to expedite their funding process and help non-profit developers purchase property for production, rehabilitation, or preservation of affordable housing. SAFI requires selected lenders (all CDFIs) to match at least one-to-one SAFI funding they receive and provide loans to qualified non-profit developers at below-market interest rates for acquisition and pre-development.\textsuperscript{129} Delegated SAFI lenders handle all underwriting, while DHCD has the opportunity for final approval or rejection. As SAFI is administered under the HPTF, impact is included in above results.

**New Communities Initiative**

Modeled off the HOPE VI approach, in 2005 D.C. established the New Communities Initiative (NCI). NCI comprehensively revitalizes four neighborhoods in D.C. — all with high rates of poverty, high unemployment, and blighted housing stock (with a large concentration of public housing) — by focusing on four principles: promoting one-for-one replacement of deeply subsidized units; introducing new mixed-income housing; ensuring that all current families have the opportunity to return and remain in the neighborhood after redevelopment; and building new housing on publicly controlled lands before demolishing distressed housing.\textsuperscript{130}

**Tenant Opportunity to Purchase Act (TOPA)/First Right Purchase Assistance Program**

As enacted through legislation in 1980, TOPA requires that an owner seeking to sell a building provide the tenant association with an opportunity to purchase the property at the same price for which they have a contract with a third-party buyer. Tenants may also assign their rights to a developer, and low-income tenants often assign their rights to a non-profit developer in partnership. The tenants must then respond within a set period of time indicating their interest to purchase the property. Low-income tenants, via tenant associations, may receive funds through the HPTF to help purchase and renovate their buildings, which often require significant repairs. DHCD monitors TOPA filings from owners and notifies tenants of the sale. Several non-profit, housing counseling organizations in D.C. work aggressively with tenants to notify them of their rights and assist low-income tenants in the process of becoming a co-op or assigning their rights to another developer.

\textsuperscript{128} http://www.cnhed.org/policy-advocacy/we-won-council-budget-vote-closely-mirrors-cnhed-priorities/
\textsuperscript{129} http://www.taskforce2012.org/Portals/1/docs/HPTF-Decade-of-Progress.pdf
\textsuperscript{130} http://www.dc.gov/DC/DMPED/Programs+and+Initiatives/New+Communities/New+Communities+Initiative+NCI+Program+Sheet
Responding to the District’s strong residential market and high turnover, the First Right Purchase Assistance Program supports tenants who wish to purchase their for-sale buildings. From 2002 to 2008, 29 properties were purchased through this program, with more than 1,000 units preserved as affordable housing.131

**Home Purchase Assistance Program (HPAP)**

HPAP supports low- and moderate-income individuals and families looking to purchase affordable housing in D.C., providing interest-free five-year deferred loans of up to $40,000 in gap financing and $4,000 in closing-cost assistance, depending on income level, household size, and amount of applicant match.132

HPAP applications are prioritized based on the following:

- low-income, elderly, handicapped, disabled or displaced District residents;
- other District residents;
- non-residents who have been employed in the District for one year prior to application; and
- Nonresidents who have lived in the District for three years as an adult.133

In the FY2014 budget, the City Council restored $1 million to HPAP cut in previous years.134 To date this program helped 13,000 low-income renters become D.C. homeowners.135

**Inclusionary Zoning (IZ)**

Authorized in 2007 and administered by DHCD, IZ requires that new rental or condominium buildings over 10 units or more set aside 8% to 10% of their units for low- and moderate-income households (50% to 80% AMI). Some argue that the program has stalled in its effectiveness due to severe understaffing at DHCD, too rigid application and selection processes for tenants, and lack of compliance between local IZ legislation and FHA lending criteria, a common mortgage lender for private residential developments.136 One regulatory issue has been addressed - the Zoning Commission voted in early 2013 to adjust the IZ program to allow inclusionary units to be released at foreclosure, thus allowing a bank to recoup costs at market rate.137 The District Council requires DHCD to submit an annual report to it and the Zoning Commission outlining the activity.

In 2012, above grade permits were issued that will result in 4,162 new units of, many of which have affordable units that meet or exceed IZ requirements. Nine projects with 18 Inclusionary Units

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132 [http://dhcd.dc.gov/service/home-purchase-assistance-program](http://dhcd.dc.gov/service/home-purchase-assistance-program)
133 [http://dhcd.dc.gov/service/home-purchase-assistance-program](http://dhcd.dc.gov/service/home-purchase-assistance-program)
started above grade construction in 2012 and the Office of Planning is tracking another 104 IZ applicable projects in pre-development that will provide another 1,079 Inclusionary Units.138

Permanent Supportive Housing Program (PSHP)

The Department of Human Services administers PSHP to provide permanent housing and supportive services to chronically homeless individuals and families with histories of homelessness to ensure housing stabilization, maximum levels of self-sufficiency and an overall better quality of life. DHS first assesses chronically homeless individuals and families with histories of homelessness who are living on the streets, in shelters and other institutions. Then, it places individuals and families into long-term housing. Finally, it provides effective case management to ensure that individuals and families are connected to needed support services and achieve the highest degree of stabilization and self-sufficiency possible.139

Homeless individuals and families in the District of Columbia with a disabling condition who have either been continuously homeless for a year or more or have had at least four episodes of homelessness in the past three years are eligible to apply for the PSHP program.140 The District’s FY2014 budget includes $2.2 million for PSHP.141

Employer Assisted Housing Program (EAHP)

The Employer Assisted Housing Program (EAHP) provides assistance to employees of the DC Government who are first-time homebuyers. DC Government employees are eligible for matching down payment funds up to $1,500; a deferred loan of up to $10,000; and, for the first five years of the loan, a property tax reduction (based on a sliding scale) and an income tax deduction.142

Lessons for Atlanta

Key lessons that can be derived from Washington D.C’s policies and programs include:

• DC created the Housing Production Trust Fund (HPTF), a locally funded and dedicated resource for housing and strategic community development. Tying the capitalization of the fund to recording fees and other real estate transactional costs allows the Fund to build up in strong markets and provide housing in leaner times. It can also create a source of flexible funding to try new programs like the Site Acquisition Fund Initiative (SAFI) and the New Communities Initiative (NCI).

• DC integrated department coordination into the creation and implementation of comprehensive strategies in the Bridges to Opportunity Housing Task Force Plan, and the Development Finance Division’s Tiered Targeted Investment strategy.

139 http://dhs.dc.gov/service/permanent-supportive-housing
140 http://dhs.dc.gov/service/permanent-supportive-housing
141 http://www.cnhed.org/policy-advocacy/we-won-council-budget-vote-closely-mirrors-cnhed-priorities/
142
• D.C. complemented the publication of its new strategic housing report, Bridges to Opportunity, with a five-year economic-development strategy report ensuring that multiple sectors coordinate short- and long-term plans.

• The D.C. affordable housing market benefits from a strong, non-profit capacity network. For example, the Coalition for Nonprofit Housing and Economic Development (CNHED) serves as the leading non-profit training and advocacy organization in D.C., advocating for better District programs and resources as well as training and engaging the affordable housing sector.

• The DC Preservation Catalog, a database of rental properties in D.C. with units affordable to households earning 80% AMI and below, helps various government and community organization to track and monitor properties at-risk of losing their affordability. The Coalition of Nonprofit and Economic Development (CNHED) partners with the Urban Institute to manage the D.C. Preservation Catalog. The preservation catalog is a tool using data to inform strategic preservation strategies.

• The strategic approach of DC’s New Communities Initiative, which builds upon the success of the HOPE VI mixed community model, is helping DC to continue its redevelopment efforts in distressed communities.

• DC is a participating jurisdiction (PJ) of Low Income Housing Tax Credits (LIHTC). Cities such as New York and Los Angeles have been able to secure their own allocation of LIHTC as a PJ, in addition to the State housing finance agencies. This allows for greater strategic prioritizing of affordable and mixed income community redevelopment initiatives.

• Structuring an inclusionary Zoning policy which requires low- and moderate-income set asides in new developments has created a pipeline of more than 1000 units of new affordable housing in the past five years. Addressing the lenders’ regulatory issues within the IZ legislation is critical to a successful program.

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143 [http://www.dc.gov/DC/DMPED/Programs+and+Initiatives/New+Communities/New+Communities+Initiative+NC+Program+Sheet]
Appendix B: Public Comments and Data from Community Engagement Sessions
Four (4) Citywide Community Engagement Sessions were coordinated by Invest Atlanta and Enterprise Community Partners, with survey polling and meeting activity assistance by the Atlanta Regional Commission.

**COA Group 1**: Council Districts 3, 9, 10  
11/13/13 Adamsville Recreation Center 6 – 8 pm  
In attendance: 33

**COA Group 2**: Council Districts 1, 2, 5  
11/14/13 The Trolley Barn 6 – 8 pm  
In attendance: 20

**COA Group 3**: Council Districts 6, 7, 8  
11/19/13 Peachtree Christian Church 6 – 8 pm  
In attendance: 15

**COA Group 4**: Council Districts 4, 11, 12  
11/21/13 Atlanta Technical College 6 – 8 pm  
In attendance: 49
What the community told us.

% Agree

>88%  • Atlanta should be a City that attracts new residents, while ensuring residents have the quality services they deserve.

100%  • Atlanta should have a variety of housing choices, throughout the City, that provide safe and decent housing for its diverse population.

>93%  • Residents of Atlanta should be able to afford safe and decent homes, with enough monthly income left over to pay for other living expenses.

>82%  • As a city, we should allocate more resources to eliminate vacant and abandoned houses and properties.

>80%  • City of Atlanta should find or create new sources of dollars to help us achieve housing goals.

>50%  • As a city, we should be trying to make more buildings (homes, schools, businesses, hospitals, etc.) more environmentally friendly and healthier.
Atlanta should be a City that attracts new residents, while ensuring residents have the quality services they deserve.

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>63%</td>
<td>88%</td>
<td>60%</td>
<td>81%</td>
</tr>
<tr>
<td>Agree</td>
<td>19%</td>
<td>12%</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>Neutral</td>
<td>12%</td>
<td>0%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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</tbody>
</table>
Atlanta should have a variety of housing choices, throughout the City, that provide safe and decent housing for its diverse population.

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<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>82%</td>
<td>100%</td>
<td>80%</td>
<td>86%</td>
</tr>
<tr>
<td>Agree</td>
<td>6%</td>
<td>0%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>Neutral</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Disagree</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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</tbody>
</table>
Residents of Atlanta should be able to afford safe and decent homes, with enough monthly income left over to pay for other living expenses.

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<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>80%</td>
<td>94%</td>
<td>60%</td>
<td>81%</td>
</tr>
<tr>
<td>Agree</td>
<td>13%</td>
<td>6%</td>
<td>40%</td>
<td>17%</td>
</tr>
<tr>
<td>Neutral</td>
<td>67%</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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</tbody>
</table>
As a city, we should allocate more resources to eliminate vacant and abandoned houses and properties.

<table>
<thead>
<tr>
<th>Opinions</th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>76%</td>
<td>47%</td>
<td>50%</td>
<td>85%</td>
</tr>
<tr>
<td>Agree</td>
<td>12%</td>
<td>35%</td>
<td>40%</td>
<td>7%</td>
</tr>
<tr>
<td>Neutral</td>
<td>6%</td>
<td>12%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>6%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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</tbody>
</table>
City of Atlanta should find or create new sources of dollars to help us achieve housing goals.

<table>
<thead>
<tr>
<th>Opinions</th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>53%</td>
<td>47%</td>
<td>50%</td>
<td>66%</td>
</tr>
<tr>
<td>Agree</td>
<td>29%</td>
<td>35%</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Neutral</td>
<td>6%</td>
<td>6%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Disagree</td>
<td>6%</td>
<td>12%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

STRONGLY AGREE: 53%
AGREE: 29%
NEUTRAL: 6%
DISAGREE: 6%
STRONGLY DISAGREE: 6%
As a city, we should be trying to make more buildings (homes, schools, businesses, hospitals, etc.) more environmentally friendly and healthier.

<table>
<thead>
<tr>
<th>Response</th>
<th>Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>47%</td>
<td>53%</td>
<td>40%</td>
<td>74%</td>
</tr>
<tr>
<td>Agree</td>
<td>41%</td>
<td>29%</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Neutral</td>
<td>6%</td>
<td>18%</td>
<td>30%</td>
<td>7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
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</tbody>
</table>
What are the most important issues facing your neighborhood today?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
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<tbody>
<tr>
<td>Education</td>
<td>19%</td>
<td>22%</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td>Crime</td>
<td>24%</td>
<td>21%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Housing</td>
<td>19%</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Access to Good Jobs</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Access to Public Transportation</td>
<td>18%</td>
<td>19%</td>
<td>15%</td>
<td>15%</td>
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</tbody>
</table>
Do you think that quality of housing has an impact on the issues facing your neighborhood?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>76%</td>
<td>82%</td>
<td>70%</td>
<td>90%</td>
</tr>
<tr>
<td>No</td>
<td>24%</td>
<td>18%</td>
<td>30%</td>
<td>10%</td>
</tr>
</tbody>
</table>
HOW MUCH OF THIS TYPE OF HOUSING IS IN YOUR COMMUNITY? (multifamily high-rise)

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much</td>
<td>15%</td>
<td>0%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>Too Little</td>
<td>50%</td>
<td>53%</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Just Right</td>
<td>35%</td>
<td>47%</td>
<td>30%</td>
<td>58%</td>
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</tbody>
</table>
HOW MUCH OF THIS TYPE OF HOUSING IS IN YOUR COMMUNITY?
(mid-rise garden style)

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much</td>
<td>35%</td>
<td>0%</td>
<td>10%</td>
<td>27%</td>
</tr>
<tr>
<td>Too Little</td>
<td>40%</td>
<td>65%</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>Just Right</td>
<td>25%</td>
<td>35%</td>
<td>70%</td>
<td>49%</td>
</tr>
</tbody>
</table>
HOW MUCH OF THIS TYPE OF HOUSING IS IN YOUR COMMUNITY?
(low-rise multifamily older stock)

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
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</thead>
<tbody>
<tr>
<td>Too Much</td>
<td>76%</td>
<td>6%</td>
<td>20%</td>
<td>46%</td>
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<tr>
<td>Too Little</td>
<td>10%</td>
<td>39%</td>
<td>50%</td>
<td>12%</td>
</tr>
<tr>
<td>Just Right</td>
<td>14%</td>
<td>56%</td>
<td>30%</td>
<td>41%</td>
</tr>
</tbody>
</table>
**HOW MUCH OF THIS TYPE OF HOUSING IS IN YOUR COMMUNITY? (Single Family)**

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
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<tbody>
<tr>
<td>Too Much</td>
<td>32%</td>
<td>56%</td>
<td>67%</td>
<td>7%</td>
</tr>
<tr>
<td>Too Little</td>
<td>32%</td>
<td>22%</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Just Right</td>
<td>36%</td>
<td>22%</td>
<td>22%</td>
<td>71%</td>
</tr>
</tbody>
</table>
HOW MUCH OF THIS TYPE OF BUILDING IS IN YOUR COMMUNITY? 11/21/13
revision: Is your community challenged with this type of housing? (vacant)

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much/Strongly Agree</td>
<td>100%</td>
<td>100%</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Too Little/Somewhat Agree</td>
<td>0%</td>
<td>0%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Just Right/Disagree</td>
<td>0%</td>
<td>0%</td>
<td>22%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Are there enough housing choices for all ages in your community?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
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<tbody>
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<td>Yes</td>
<td>45%</td>
<td>28%</td>
<td>22%</td>
<td>58%</td>
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<tr>
<td>No</td>
<td>55%</td>
<td>72%</td>
<td>77%</td>
<td>42%</td>
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</table>
Who needs more housing choices in your community?

<table>
<thead>
<tr>
<th>Category</th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young Families</td>
<td>50%</td>
<td>39%</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>Elderly Residents</td>
<td>18%</td>
<td>44%</td>
<td>22%</td>
<td>15%</td>
</tr>
<tr>
<td>Single Residents</td>
<td>32%</td>
<td>11%</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>6%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Council Districts 4,11,12 had 5% students within “other” calculation.
Do you think housing is affordable in your community? 11/21/13 revision: Do you think housing is affordable in your community to our workforce (i.e. retail or manufacturing workers, restaurant servers, police officers, teachers, health workers, etc.)?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
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<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>76%</td>
<td>44%</td>
<td>22%</td>
<td>66%</td>
</tr>
<tr>
<td>No</td>
<td>24%</td>
<td>56%</td>
<td>78%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Would you support the creation of new sources of public dollars to address housing goals?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26%</td>
<td>44%</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>No</td>
<td>17%</td>
<td>22%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Maybe</td>
<td>57%</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>
How much rental housing do you have in your community?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3,9,10</th>
<th>Council Districts 1,2,5</th>
<th>Council Districts 6,7,8</th>
<th>Council Districts 4,11,12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Much</td>
<td>60%</td>
<td>28%</td>
<td>60%</td>
<td>77%</td>
</tr>
<tr>
<td>Too Little</td>
<td>30%</td>
<td>17%</td>
<td>30%</td>
<td>7%</td>
</tr>
<tr>
<td>Just Right</td>
<td>10%</td>
<td>56%</td>
<td>10%</td>
<td>16%</td>
</tr>
</tbody>
</table>
What is most important for the “greening” of your neighborhood?

<table>
<thead>
<tr>
<th></th>
<th>Council Districts 3, 9, 10</th>
<th>Council Districts 1, 2, 5</th>
<th>Council Districts 6, 7, 8</th>
<th>Council Districts 4, 11, 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Parks, Trails and Open Space</td>
<td>33%</td>
<td>29%</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>Green/Healthy Housing</td>
<td>44%</td>
<td>26%</td>
<td>44%</td>
<td>28%</td>
</tr>
<tr>
<td>Recycling Options</td>
<td>11%</td>
<td>22%</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Storm Water Management</td>
<td>11%</td>
<td>22%</td>
<td>11%</td>
<td>23%</td>
</tr>
</tbody>
</table>
Which is the hardest for you to get to?

<table>
<thead>
<tr>
<th>Service</th>
<th>Council Districts 4,11,12 (only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transportation</td>
<td>14%</td>
</tr>
<tr>
<td>Good jobs</td>
<td>12%</td>
</tr>
<tr>
<td>Adequate health care</td>
<td>19%</td>
</tr>
<tr>
<td>Grocery stores</td>
<td>21%</td>
</tr>
<tr>
<td>Shopping &amp; entertainment</td>
<td>33%</td>
</tr>
</tbody>
</table>
Meeting Group 1, Districts 3,9,10, 11/13/21, Public Comments

- One abandoned building is too much
- Greenspace expansion – Someone at Invest Atlanta works on acquiring space
  - Joseph E Boone needs more
  - BT Westlake & Holmes
  - Need larger park than Anderson Park
  - 1545 Joe Boone into park
- District 3 lack of resources – no TAD or Empowerment
- Invest ATL finance affordable housing throughout city
- All project must go through NPU meeting
- Concerned about too many rental – want tax allocation district – city is maxed out/no more TADS – need to pay bonds and neighborhood criteria
- What does Invest Atlanta have for existing homeowners; need owner occupied rehab; need to help existing business owners; need help for City of Atlanta seniors
- Commitment of Mayor to figure out projects; $2 designated from Falcons
- People need to work together – plan and engagement
- Need to work with organizations to dismantle blighted property and give owners opportunity to have resources to fix homes
- Sidewalks on Payton Road; need sidewalks at West Lake MARTA and nearby school – going around curve
- Owners of house pay for sidewalks; need to find solution
Meeting Group 2, Districts 1,2,5, 11/14/13, Public Comment Period

- Disabled/Housing options (Integrated)
- Folks on fixed income need affordable housing. LIHTC was still too high.
- Inclusionary housing
- Starter homes — a quality product that is affordable
- Intown district 2. Good for singles. But if you have children - will move - need larger units!!
- More micro units — studios — affordable
- Education is hand in hand with housing
- Preservation of existing affordable housing.
- Permanent affordability in mixed income communities
- CLT models — need to be more intentional
- Age of housing — can we dig deeper on where to address aging stock
- Young families to qualify for funding to renovate and green housing
- Available funds to retrofit existing housing (for homeowners)
- Post information on available funds (ie. HUD 203k, green)
- Education #1 issue — need to tie into the housing redevelopment
- More housing option downtown — core of the city
- Look at the policy issue on education and development. Not just in one neighborhood
- Need housing diversity in the city
- Single family accessory units — zoning to permit
- Goals/Objectives and investments should be tied to transportation
- Need balanced investment citywide
- Make a “note” of historic neighborhoods. (local & national)
- Material is wasted in rehab and demolition. Programs should include storm windows and insulation — don’t waste
- Repair rather than replace
- Condo’s turning into rental. We need to create incentives to turn historical sites into residential.
- Local sidewalk connection, and crosswalk connection is hazardous
- Lots of sidewalk in Grant Park and Peoplestown. However, some are unusable. Trees are protruding
- 30% Retentions of affordable units. Need policy to address this.
- Stronger code enforcement on sidewalks and oversight of vacant homes
- City should be establish priority areas as mandatory, density zones, streamline permitting process, expedite or have rezoning to encourage affordable development near transit stations
- TOD/HOB need to figure out new mechanisms to incent developers
- Incentives should be created to bring investment
- Fulton County — giving incentives without requiring affordable units
- Educate community
- Developers choose to build in Fulton vs City of Atlanta
Meeting Group 3, Council Districts 6, 7, 8, 11/19/13, Public Comment Period

- Sidewalks
- More affordable housing; student housing
- Senior housing near transit
- NPU-S Senior housing needs
- City take control over vacant single family and community
- Mixed income housing
- Loss of affordable housing along Peachtree
- Good percentage of affordable rental; preserve
- Accessing foreclosure in condo buildings – based on foreclosure
  - And how to address?
  - Association in control of amount of rental
- Single family not enough – too much rental (different in neighborhoods)
  - A lot of absent landlords – units not taken care of – Single family rental not multifamily
- Mix of tenure is important – need single family
- Why would retailer come if not enough density?
- Not enough sources NPU’s
- Education critical different ways of approaching life and stability
Meeting Group 4, Council Districts 4,11,12, 11/21/13, Public Comment Period

- Blight/Pittsburgh (HUD $2.1 million NSP) and Vine City – maintain and lift up residents to become home owners (LBA)
- Larger impact in a “place” strategy when addressing blight
- #1 need to go after federal and state dollars to demolish blight and distress (CJJ)
- Mixed income strategy
- Demolition is needed for retail/commercial current request is for residential
- Need to get equity back in houses
- When and how will the community be at the table when the strategies are being developed
- SCI – guide strategy and investment with the “housing strategy plan”
- People – community amenities – community ownership
- Connection to employment center
- Access to healthcare in communities
- Market to companies to bring jobs! – Assets critical
- Job creation, attract new companies
- Jobs for the residents within the community they operate
- Adopted industrial land use is needed. We need to understand where – include, empower citizens in this conversation
- Private investors (Eg: $200mm into Grady Hospital) Think big about transformation – placed base strategy at scale
- Need to utilize LBA
- Building communities through ownership, sweat equity programs
- Problem absentee landlords
- Private/Public partnerships (locating resources to incentivize responsible investment)
- Housing: Jobs, Education, Business, Training – Housing taskforce with community residents represented
- Eminent domain may be needed
- Grassroots sweat equity approach (Cleveland $5k – purchase of a home and renovation in partnership with nonprofit – Portland was an example
- Legislation activities to address these concerns
- Housing for students – then get them jobs to keep them here
- Need restaurants, retail and other r to create jobs and maintain residents. How can they community contribute to the redevelopment
- Workforce. 22 years ago same conversation; need to replace retiring employees; apprenticeship program – Invest Atlanta be an employment arm
- Stronger and more efficient homeownership program and Invest Atlanta
- Getting residents involved
- Neighborhood fabric and construction continuity. SPI’s have design requirement set by the NPU/Community
- ECO Districts
- Livable Learning Labs (Atlanta Tech College Programs)
### 2014 Income Limits for Atlanta MSA - $64,400 = Area Median Income

<table>
<thead>
<tr>
<th>2014 INCOME LIMIT</th>
<th>1 PERSON</th>
<th>2 PERSONS</th>
<th>3 PERSONS</th>
<th>4 PERSONS</th>
<th>5 PERSONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>$ 22,550</td>
<td>$ 25,800</td>
<td>$ 29,000</td>
<td>$ 32,200</td>
<td>$ 34,800</td>
</tr>
<tr>
<td>60%</td>
<td>$ 27,060</td>
<td>$ 30,960</td>
<td>$ 34,800</td>
<td>$ 38,640</td>
<td>$ 41,760</td>
</tr>
<tr>
<td>80%</td>
<td>$ 36,050</td>
<td>$ 41,200</td>
<td>$ 46,350</td>
<td>$ 51,500</td>
<td>$ 55,650</td>
</tr>
<tr>
<td>115%</td>
<td>$ 53,400</td>
<td>$ 61,000</td>
<td>$ 68,650</td>
<td>$ 76,250</td>
<td>$ 80,000</td>
</tr>
<tr>
<td>120%</td>
<td>$ 55,700</td>
<td>$ 63,650</td>
<td>$ 71,600</td>
<td>$ 79,550</td>
<td>$ 83,500</td>
</tr>
<tr>
<td>140%</td>
<td>$ 63,100</td>
<td>$ 72,100</td>
<td>$ 81,100</td>
<td>$ 90,100</td>
<td>$ 97,300</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Housing and Community Development