Ensuring Atlanta’s Inclusive Growth
A Discussion on Housing Affordability and the Value of Partnerships
A.J. Robinson
President,
Central Atlanta Progress
Penelope McPhee
President and Director,
The Arthur M. Blank Family Foundation

THE ARTHUR M. BLANK FAMILY FOUNDATION
CBA Board
Dr. Dan Immergluck
Professor, Urban Studies Institute, Georgia State University
Toward the Inclusive City: Affordable Housing as Infrastructure for a Strong, Diverse Atlanta

at
Ensuring Atlanta’s Inclusive Growth
September 19, 2017

Dan Immergluck
Professor
Urban Studies Institute
Georgia State University
The Cost-Burdens of Lower-Income Renters in the City of Atlanta, 2015

Data Source: American Community Survey, 2015 5-year estimates
The Loss of Low-Cost Rental Housing

Exiting through luxury conversions and local rent pressures

Low-Cost Units

Exiting through disinvestment and abandonment
## The Loss of Low-Cost Rental Units, 2010 to 2014
(Gross Rent <$750/month)

<table>
<thead>
<tr>
<th>City</th>
<th>2010</th>
<th>2014</th>
<th>4-Year Loss</th>
<th>% Loss over 4 Years</th>
<th>Annual % Loss Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nashville</td>
<td>46,626</td>
<td>38,848</td>
<td>7,778</td>
<td>16.7%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>32,490</td>
<td>27,181</td>
<td>5,309</td>
<td>16.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Memphis</td>
<td>53,560</td>
<td>45,517</td>
<td>8,043</td>
<td>15.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Miami</td>
<td>33,140</td>
<td>29,886</td>
<td>3,254</td>
<td>9.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>36,602</td>
<td>33,306</td>
<td>3,296</td>
<td>9.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Orlando</td>
<td>11,642</td>
<td>10,693</td>
<td>949</td>
<td>8.2%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Birmingham</td>
<td>24,348</td>
<td>23,147</td>
<td>1,201</td>
<td>4.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Tampa</td>
<td>19,319</td>
<td>18,523</td>
<td>796</td>
<td>4.1%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Nashville – mostly loss due to top-end pressure: upgrading and rent increases
Memphis – mostly loss due to bottom-end vacancy and abandonment
Atlanta – losses at both top and bottom ends

Increases in Rents -- July 2014 to July 2017

Venetian Hills
Oakland City
Grove Park
Midtown
Downtown
Old Fourth Ward
East Atlanta
Kirkwood

Cumulative Increase in Rent

Change in Area Median Income 2013 to 2017

Data source: Zillow.com
Major Development Projects Can Cause Big Affordability Problems
The Case of the BeltLine

From: Immergluck and Balan. 2017. *Urban Geography*. Sustainability for Whom?..
Evictions:
Bad for Kids, Bad for Schools, Bad for Neighborhoods

Eviction Filings in City of Atlanta (Fulton Only) 2015: 19,699
Estimated Completed Evictions in Atlanta (Fulton Only) 2015: 12,644
Eviction Filings in 2015 per 100 rented housing units: 20.3
Evictions Completed in 2015 per 100 rented housing units: 13.1

8 NPUs with >30 eviction filings per 100 rented units      V,H,R,K,L,S,P,Y

Data compiled and analyzed by: Elora Raymond et al., Federal Reserve Bank of Atlanta
Supply vs. Amenity Effects of Luxury Housing Density on Rents

Higher Housing Density

More population density

More income per acre

More amenities

Higher land values

Lower land cost/unit in short run

More Units

Filtering more supply/competition

RENT

Amenity Effects

Supply Effects
Density without Affordable Housing Policy ≠ Affordability

Data: American Community Survey 2015
Preserving NOAH Naturally Occurring Affordable Housing

From:
Costar Group, Inc. Naturally Occurring Affordable Housing.
NAAHL and ULI Symposium Presentation, October 11.
All U.S. Rental Housing

- 23.5 Million in 1-4 Unit Buildings (includes 1-4 NOAH) 55%
- 16.0 Million in Unsubsidized Multifamily Bldgs 37%
- 3.3 Million Subsidized 8%

Unsubsidized Multifamily Rental Housing

- 10.4 Million in 3-to-5-Star Multifamily Bldgs 24%
- 5.6 Million in NOAH (1&2-Star) Multifamily 13%

Data from: S. Lupton and E. Vaisman. 2016.
Some Recent Progress on Affordability in Atlanta

• Affordable housing’s rise on the local policy agenda
• $40 MM Housing Opportunity Bond
• $26 MM Homeless Opportunity Bond
• Requirement for 10-15% affordable set-aside for multifamily subsidy
• Increased accountability of BeltLine on affordability issues
• Examples of increased local innovation:
  ➢ Enterprise Community Partners & Tapestry Development R&D on financing for preservation of affordable housing
  ➢ Westside fund for property tax assistance
• Housing development activity at Atlanta Housing Authority
More is Needed for a Strong A-H Infrastructure

- Larger Housing Opportunity Bond or other major source of affordable housing funding -- households <50% of median income
- Mandatory inclusionary zoning w/in-lieu options
  - households <50% median income; compensating benefits to owners
- Low-cost financing for NOAH and subsidized housing
  - with requirements to keep rents affordable
- Property tax restructuring for NOAH and subsidized housing,
  - with requirements to keep rents affordable
- Acquire and repurpose more vacant, distressed properties
- Low-cost financing for low-to-moderate-income homeowners
- More legal aid to tenants threatened with eviction, poor housing
- Property tax circuit breakers/deferrals for lower-income homeowners
Henry Cisneros
Founder and Chairman of CityView,
Former Secretary of the U.S. Department of Housing and Urban Development
Cross-Sector Partnerships Panel Discussion

Egbert Perry, President/CEO
Integral

Bobbie Ibarra, Executive Director
Miami Homes for All

Robin Koskey, Strategic Advisor
City of Seattle
Gentrification and Housing Affordability

Egbert L. J. Perry
September 19, 2017
1. Context - 25 years in CD and CRE (not the same thing)
   A. Atlanta, SE, NE, Denver, SF, LA and Dallas 1990’s - Current
   B. Fannie Mae since 2008
   C. Issues/solutions differ by City, and stage in cycle

2. Housing Definitions (by Area Median Income)

   \[
   \begin{array}{c|c|c|c}
   \hline
   & \text{Affordable} & \text{Workforce} & \text{Market} \\
   \hline
   \text{Rental} & < 60\% & 61\% - 120\% / 140\% & > 120\% / 140\% \\
   \hline
   \text{Ownership} & < 80\% & 80\% - 120\% / 140\% & \\
   \hline
   \end{array}
   \]

   Housing Definition Notes:
   A. \textbf{Affordable} – As used here, the term is meant to coincide with the eligibility under the low income housing tax credit program for rental housing.
   B. \textbf{Workforce} – The use of the term workforce housing is misleading, as it implies that the other households do not contain workforce participants. Indeed, they do. We use the term because it has become ubiquitous. In our use of the term for the income range shown, we are merely acknowledging that the housing affordability challenge is most acute for those households, as there are no subsidies or other standard tools available to those persons to improve housing affordability.
   C. \textbf{Market} – This segment pays whatever the market demands, without any financial assistance with their payments.
Holistic Community Development Solution

JOBS

- Education
  - Early
  - K - 12
- Transportation
- Housing

Quality of Life Infrastructure

Services

Economic Center / CBD
Program Components

1 – Rental Units
2 – Branch Bank
3 – Elementary School
4 – YMCA
5 – Community Center
6 – Condominiums and Town Homes
7 – Sewer Upgrades
8 – Historic Building
9 – Lighting/Streetscapes
10 – Police Mini-Precinct
11 – Mixed-Use Center
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Join the Conversation!
@CBAtlanta @BlankFoundation #HousingForumATL
• $290 million over 7 years

• Rental Housing Preservation and Production – create 2,150 affordable apartments, 60% of funding aimed at those earning less than 30% of AMI

• Acquisition and rehab fund for preservation of existing affordable housing, Homeownership, Homelessness prevention

• Since 1981 created 13,000 affordable homes in Seattle
Housing Seattle: A Roadmap to an Affordable and Livable City

An Action Plan to Address Seattle’s Affordability Crisis

Final Advisory Committee Recommendations
To Mayor Edward B. Murray and the Seattle City Council

July 13, 2015

Proposed by Mayor Ed Murray
HALA strategies as a system

- Increased land for multifamily housing
- Mandatory Housing Affordability
- Permitting process improvements
- Parking reform
- Multifamily Tax Exemption
- Tenant Counseling & Relocation Assistance
- New Financing Tool to preserve existing market affordability
- New Preservation Tax Exemption
- Improved access for people with Criminal Records
- New capital and operating funds for affordable housing
- Preservation through Acquisition
- More variety of housing types in single family areas
HALA in action

Invest in housing for those most in need

Create new affordable housing as we grow

Prevent displacement and foster equitable communities

Promote efficient and innovative development
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