



Decatur Affordable Housing Task Force

PRESENTATION OF RECOMMENDATIONS
TO CITY OF DECATUR COMMISSION
DECEMBER 16, 2019

Overview



- ▶ Affordable Housing Task Force: Charge and Working Framework
- ▶ Data and Housing Trends: National, Regional and City Contexts
- ▶ Defining Affordable for Decatur
- ▶ Task Force Recommendations
- ▶ Conclusions and Next Steps

Affordable Housing Task Force History & Charge

Established 2019 to Address

- ▶ Severe shortage of both rental and for-sale housing
- ▶ Severe cost burden faced by households
- ▶ Redevelopment of Decatur's naturally occurring affordable housing stock
- ▶ Need for a wider range of housing options to build a more resilient city for decades to come

Task Force Charges

- ▶ To define 'affordable'
- ▶ Analyze and evaluate current policies, programs, and initiatives
- ▶ Develop recommendations for the creation of new policies programs
- ▶ To create a housing study and path forward

Affordable Housing Task Force Members and Staff

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Affordable Housing Task Force Committees

Defining
Affordability
Committee

Preservation of
Existing Units
Committee

Land
Committee

People &
Programs
Committee

Policy &
Codes
Committee

Revenue
Committee

Community
Education
Committee

Past Housing Recommendations 2008-2018



Decatur Reflects National Challenges

- ▶ **New construction:** disproportionately serves the affluent.
- ▶ **Housing subsidies:** benefit only a fraction of those in need.
- ▶ **Market pressures and gentrification:** are pushing people with lower incomes out of their communities.
- ▶ **Housing costs:** are rising faster than income and earnings.
- ▶ **Wages remain stagnant** as rents rise substantially.

Decatur-Specific Challenges



LAND

Cost of land in Decatur exceeds metro average at \$1.5-\$2M per acre.

Tear-down value \$300-400k



HOME PRICES

Average Home Sale Price 2018-2019: \$543,870 (FMLS)



LACK OF FUNDING

Decatur is not a "Participating Jurisdiction"

Therefore ineligible for HOME / CDBG funds.



EXTREME MARKET

Market forces incent replacement of existing affordable homes and units.

Decatur-Specific Challenges

	AMI	Median Home Value (Zillow)	Average Detached Home Sale Price (FMLS)	Average Attached Home Sale Price (FMLS)	Median Rent (Zillow)	Population Increase 2010-2019
Atlanta-Metro	\$79,700	\$264,500	\$319,397	\$273,684	\$1,742	12.0%
Decatur	\$92,263	\$542,300	\$667,618	\$345,273	\$1,782	30.6%

- ▶ Higher costs burden for renters due to lack of homestead exemptions for rental properties.
- ▶ In 2007, 28% of households earn over \$100k. In 2017, 46% earn over \$100k
- ▶ ARC projects Decatur population, jobs and households to increase from 2020-2040.

Decatur-Specific Challenges

Housing does not just affect those that need it.



HEALTH

Many seniors rely on Home Health Care workers.



EDUCATION

Schools struggle to reopen after severe weather due to CSD employee proximity.



JOBS

High turnover rate for employees due to transit issues & distance.



TRAFFIC

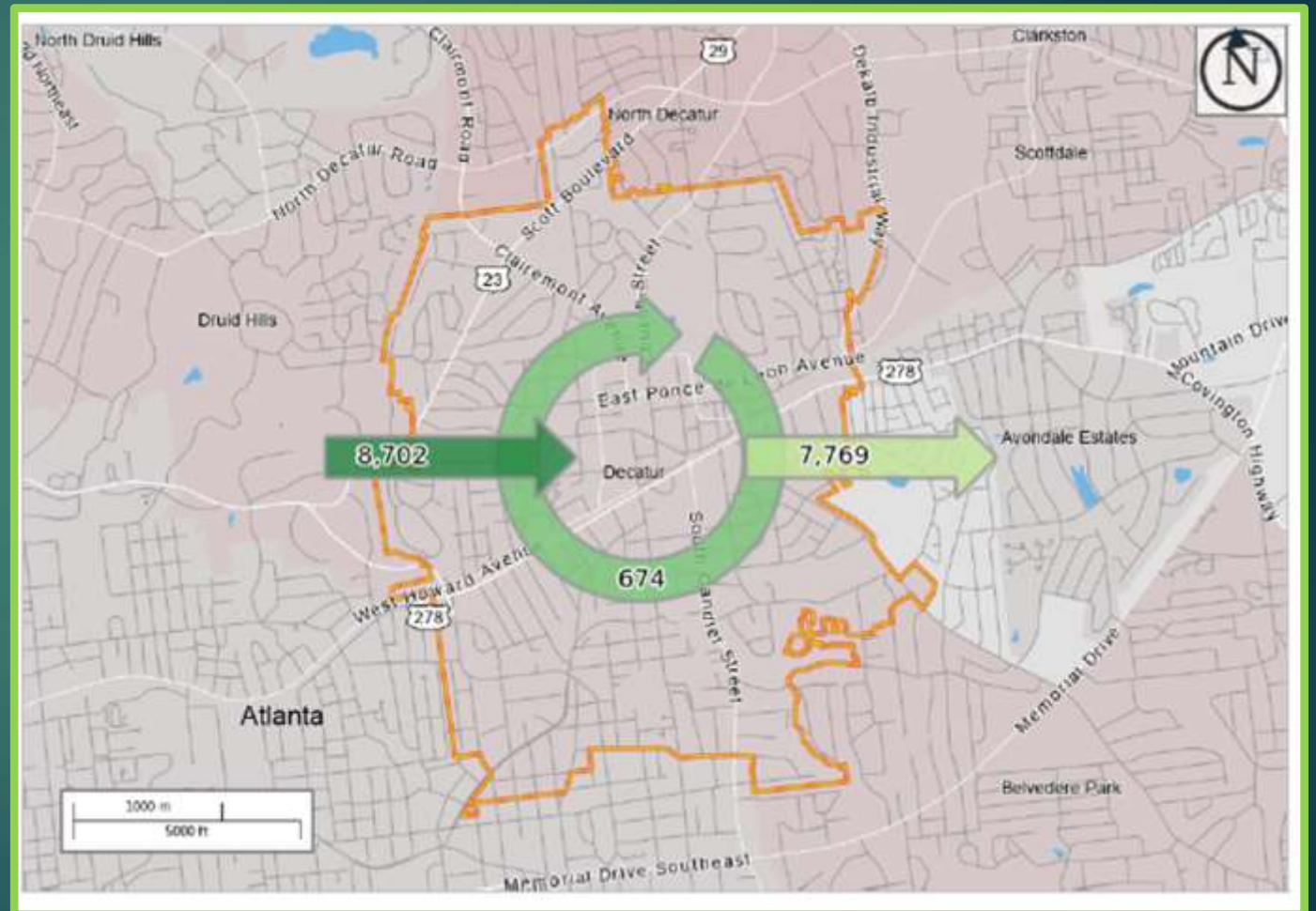
Travel into Decatur by employees increases traffic.

Decatur-Specific Challenge

Jobs/Housing Imbalance

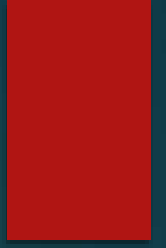
Housing Also
Affects Traffic
Flows.

Only 4% live and
work in Decatur



What is “affordable?”

Defining Affordability for Decatur



Defining Affordable Housing

- ▶ Affordable housing is defined as **housing that cost no more than 30% of annual gross income** inclusive of basic utilities.
- ▶ Area Median Income is used to illustrate **City of Decatur's need for a range of affordable housing options** for current and potential residents, from 30% to 120% AMI.
- ▶ For policy and implementation purposes we will use **Atlanta MSA AMI of \$79,700** for a family of four.
- ▶ In Decatur, **49% percent of renters and 24% of homeowners** spend over 30% of income on housing.

Individual Affordable & Workforce Salaries

▶ **30%-50% AMI (\$16,750 - \$27,900)**

- ▶ Retail worker
- ▶ Afterschool Program Coordinator
- ▶ Home Care Provider
- ▶ Line Cook
- ▶ Barista
- ▶ Reggio Emilia Teacher FAVE
- ▶ Daycare Teacher
- ▶ Approximately \$8-\$13/hour

▶ **60% AMI (\$33,480)**

- ▶ Firefighter I, II
- ▶ Active Living Supervisor
- ▶ Teacher 1-4
- ▶ RN School Nurse
- ▶ Parking Attendant
- ▶ Sanitation Equipment Operator I & II
- ▶ Automotive Mechanic
- ▶ Plumbing Tech
- ▶ Approximately \$16/hour

▶ **80% AMI (\$44,640)**

- ▶ Fire Inspector
- ▶ Master Police Officer
- ▶ Teacher 5-7
- ▶ Community Education Manager
- ▶ Health & Wellness Coordinator
- ▶ Sous Chef/Manager
- ▶ Field Project Mgr
- ▶ Approximately \$21/hour

▶ **100% AMI (\$55,800)**

- ▶ Police Captain
- ▶ Barber
- ▶ Active Living Director
- ▶ Children & Youth Services Coordinator
- ▶ Deputy Fire Chief
- ▶ Insurance Team Member
- ▶ Elementary School Assistant Principal
- ▶ Approximately \$26/hour

What is affordable in 30030: Rental

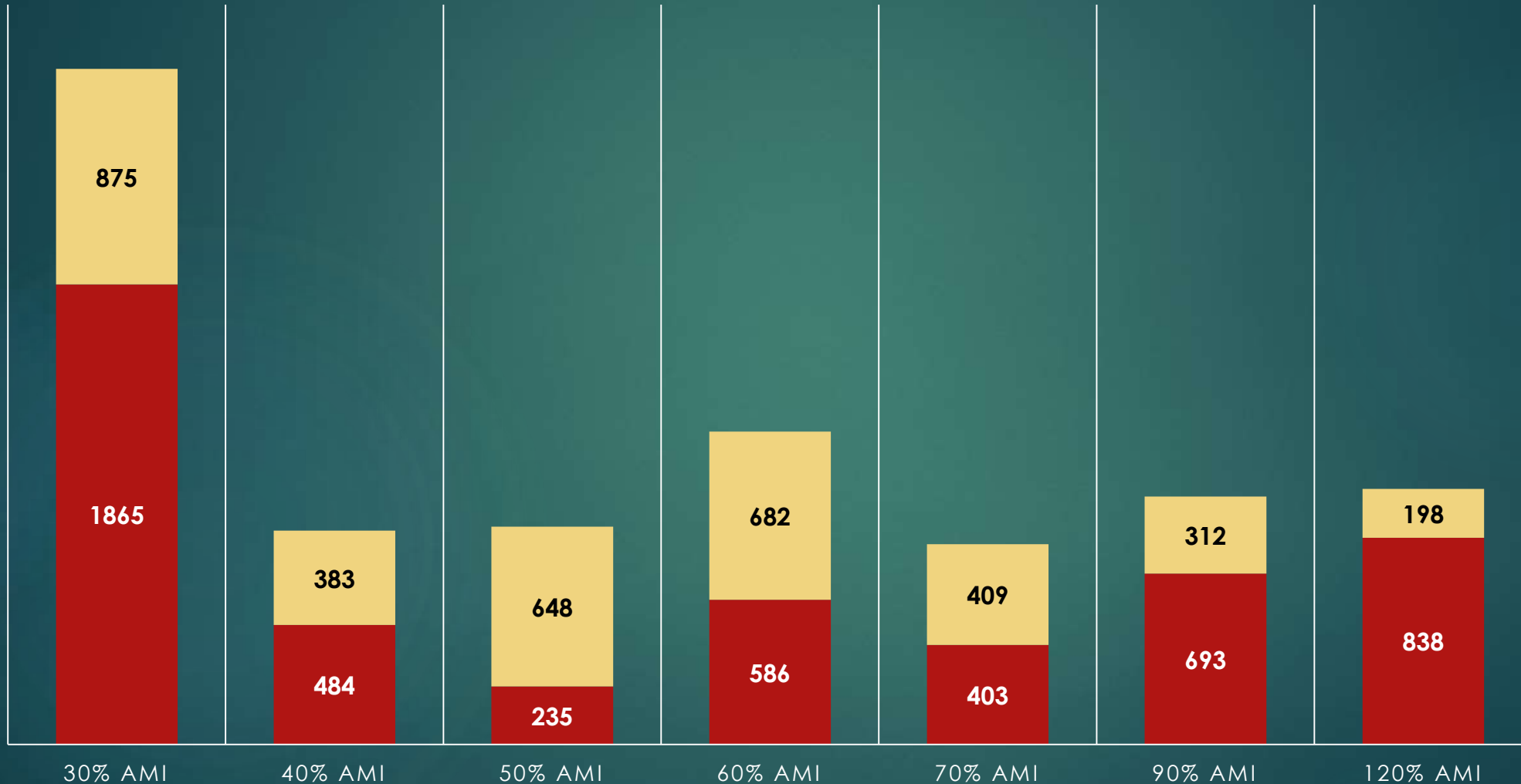
AMI Level	Yearly Income Family of Four	Monthly Affordable Rent (2 bedroom)	Median Rent 2-bedroom (FMLS)*	Gap Between Affordable & Med. Rent
30% AMI	\$25,750	\$538	\$2275	\$1737
50% AMI	\$39,850	\$897	\$2275	\$1378
60% AMI	\$47,820	\$1,077	\$2275	\$1198
80% AMI	\$63,760	\$1,436	\$2275	\$839

What is Affordable in 30030: Ownership

AMI Level	Yearly Income Family of Four	Max Affordable Home Cost (3 bedroom home)	Average Cost Townhome / Condo (FMLS)	Gap Between Affordable & Average Townhome Cost	Average Cost SF Home (FMLS)
60% AMI	\$47,820	\$149,220	\$343,946	\$194,726	\$663,440
80% AMI	\$63,760	\$198,960	\$343,946	\$144,986	\$663,440
120% AMI	\$95,640	\$298,440	\$343,946	\$45,506	\$663,440

Number of Units vs. Need at 30% - 120% AMI

■ # Households ■ # Units Available



Units Needed Per Year 2020-2030 (Developed & Preserved)



Approximately 90 “affordable” units per year between 30-60% AMI

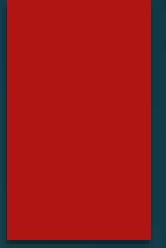


Approximately 100 “workforce” units per year between 60-120% AMI



933 existing affordable and workforce units preserved, and maintenance of existing DHA properties.

Affordable Housing Task Force Committee Recommendations





Goal #1: Residents

Preserve Units &
Keep Existing Residents in Place

Preserve Existing Units Rental Affordability Program

Program Summary

Voluntary tax abatement for apartment complexes that agree to limit rents.

- ▶ ALL units affordable to 80% and below AMI
- ▶ Agree to term of 5 years
- ▶ Landlord gets 50% tax abatement
- ▶ Tax values frozen for any renovations performed

Commentary & Analysis

Tax Abatement Economics

Multifamily properties (590 units)

Average tax per unit	\$	1,241.09
Abatement level		50%
Abatement amount	\$	620.55
Monthly rent equivalent	\$	51.71
Abated taxes for ALL units	\$	366,122

Individually owned properties

Detached affordable units		133
Total abatement	\$	286,571
Attached affordable units		210
Total abatement	\$	271,489

TOTAL Abatement	\$	924,182
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For ALL 933 affordable units

Preserve Existing Units

RS-17 Zoning Changes

Zoning change summary

Proposal is to amend zoning code for RS-17 properties as follows:

- ▶ Conditional use permit required for demolition of existing structures and re-development into new single family homes or townhomes.
- ▶ Conditional use permit will require planning commission and city commission approval.

Commentary

Gives Planning and City Commission ability to influence the preservation of existing affordable rental stock.

Deter demolition of existing affordable apartments to produce high density (high cost) townhomes.

Make preservation of affordable housing a criteria for evaluating conditional use permit.

Preserve Existing Units & Keep Residents in Place: Homestead Exemption

Program Summary

Extend and modify the current senior homestead exemption to ensure low and moderate income seniors can stay in place.

- ▶ Use income limits and/or housing value to target program to those that need it in order to stay in place.
- ▶ Explore lowering age trigger to serve wider range of burdened seniors.

Commentary

Target homestead exemption to ensure it serves low and moderate income seniors.

Keeping senior homeowners in place will help reduce tear-downs.

Keep Existing Residents in Place

Program: MLK Every Day

Program Summary

- ▶ In addition to MLK Jr. Service Project, provide owner-occupied rehab services to low and moderate seniors throughout the year.
- ▶ Depending on income, rehab services provided for free or for soft-loan program.

Commentary

- ▶ Program funded through dedicated revenue sources.
- ▶ Determine eligible repairs, construction partners, AMI levels and program management.

Keep Existing Residents in Place Program: Anti-Displacement Fund

Program Summary

- ▶ Develop anti-displacement fund to help low-income seniors pay rising property taxes.
- ▶ Support provided through a grant or soft-loan on property to be repaid upon sale of home.

Commentary

- ▶ Program funded through dedicated revenue sources.
- ▶ See model of The Anti-Displacement Tax Fund For Legacy Homeowners (Westside Future Fund).
- ▶ Determine eligibility, potential payback structure, grant/loan parameters.

Keep Existing Residents in Place Program: Rental Assistance

Program Summary

- ▶ Rental grants or soft-loan program for help with upfront rental costs (first, last month rent deposit).
- ▶ Don't give full amount so renter has "skin in the game."

Commentary

- ▶ Program funded through dedicated revenue sources.
- ▶ See model Lilburn, GA "motel-to-home" pilot.



Goal #2: Housing Supply

Increase Supply of Affordable Housing

*“We can’t build our way out of the housing crisis,
but we won’t get out without building.” (Jacobus, 2016)*

Increase Supply of Affordable Housing Land Use

Potential Land Sources

- ▶ Government-Owned Land (City of Decatur, DeKalb County, Federal)
- ▶ Non-profit Owned Land
- ▶ Church-Owned Land
- ▶ Land requiring one to three variances to be developed
- ▶ Land available above current buildings and parking structures.

Commentary

- ▶ Dedicated revenue source necessary for strategic land acquisition.
- ▶ Critical partnerships necessary with government, non-profits and churches to access underdeveloped land.

Increase Supply of Affordable Housing Inclusionary Zoning



Adopt mandatory Inclusionary Zoning as soon as possible, with an option for in-lieu fees.



Preliminary recommendations:

Trigger: 10 or more units.

of Units: 10% at 60% AMI or 15% at 80% AMI.

In lieu fees: \$135,000 per unit.



Incentives may include:

Density Bonus

Transfer of development rights

Adjustments to parking requirements

Priority plan and permitting reviews.

Tax Abatement

Increase Supply of Affordable Housing

Decatur Land Trust (DLT)

Program Summary

DLT to acquire affordable SF properties that can be preserved as permanent affordable housing.

- ▶ DLT maintains ownership of land, sells structure to a qualified buyer.
- ▶ DLT maintains deed restriction to preserve affordability for 99 years.

Commentary

Identify public and private sources to capitalize revolving acquisition fund.

The DLT currently plans to acquire 3 units in a Decatur development.

Program focus on ownership of attached units.

Increase Supply of Affordable Housing

Duplex / Triplex

Program Summary

- ▶ Include duplexes or triplexes in existing “R” zones
- ▶ Reduce minimum lot sizes in subdivision ordinance to encourage smaller duplexes or triplexes
- ▶ Maintain FAR for SF homes at 0.4 but increase FAR for duplexes and triplexes.

Commentary

- ▶ Duplexes and triplexes allow for increased density and reduced land cost over developed units.
- ▶ Duplexes and triplexes are part of our existing housing stock.
- ▶ Approximately 70% of Decatur land is zoned SF Residential.
- ▶ Need to develop incentives and approaches to keep duplex/triplex affordable.



Goal #3: Funding Sources

Revenue Recommendations

Funding Sources

Impact Fees

Program Summary

- ▶ Impact Fees are levied on new construction to pay for specific services impacted by the development.
- ▶ Allowable services include: **libraries, recreation, water supply, roads and bridges, public safety, wastewater treatment and stormwater management.**
- ▶ As Impact Fees are collected, general revenues can be redistributed to affordable housing.

Commentary

- ▶ The City of Decatur is currently studying how to best structure Impact Fees.
- ▶ The City of Decatur will need approval from the Department of Community Affairs to implement Impact Fees.

Funding Sources

Bonds

Program Summary

Housing Opportunity Bond

- ▶ Publically issued municipal bonds secured by City of Decatur General Funds.
- ▶ Lend at low-rate for affordable housing projects, support programs.

Tax Increment Financing Bonds

- ▶ City creates Tax Allocation District and issues a TIF Bond based on the TAD.
- ▶ As property values rise in the TAD, a portion of the new taxes pay off the bond and a portion are used for projects within the TAD.

Commentary

- ▶ Neither Housing Opportunity Bonds nor TIF Bonds require an increase in property taxes.
- ▶ The City of Decatur currently has the East Decatur TAD / TIF financing.
- ▶ Potential TAD site: downtown Decatur.
- ▶ Potential investment strategy could include development on govt/church/non-profit land.

Funding Sources

General Revenues

Program Summary

- ▶ General revenues should be allotted to affordable housing activity, including planning, land acquisition, development and subsidy.

Commentary

- ▶ Because the City of Decatur is not a Participating Jurisdiction under HUD regs, Decatur does not have direct access to Federal funds.
- ▶ Therefore, the City must rely on locally-generated, philanthropic and private-sector funds for affordable housing.

Funding Sources

Strategic Partnerships – DHA

Decatur Housing Authority Roles

- ▶ Grants management and compliance
- ▶ Audit, including DCA Reviews
- ▶ Real Estate Development
 - ▶ Market Rate
 - ▶ Affordable
 - ▶ Workforce Housing
- ▶ Property Management of Assisted and Market Rate
- ▶ Low Income Housing Tax Credits Compliance
- ▶ Income and Eligibility Certification for Participants

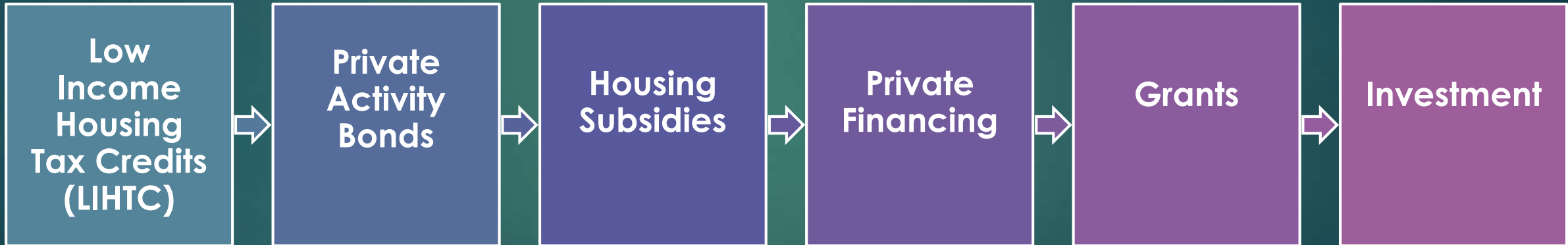
Commentary

- ▶ The City should to partner with high-functioning organizations to move quickly on addressing affordable housing needs.
- ▶ DHA has significant experience and capacity in core affordable housing functions: financing, construction, property management, grants management and compliance.

Funding Sources

Strategic Partnerships: DHA

DHA Financial Resource Access



Funding Sources

Strategic Partnerships

Program Summary

- ▶ Financial institutions via Community Reinvestment Act (CRA)
- ▶ DCA (Georgia Department for Community Affairs) for access to state administered funds.
- ▶ Financial intermediaries

Commentary

- ▶ City needs to create and staff an external fund development plan with focus on these strategic partnerships.

Solving the Puzzle:
Responsible
community
development is a
puzzle with many
pieces.





Goal #4

Community Education & Engagement

Community Education & Engagement Messaging

Program Summary

Create messaging to address potential arguments against affordable housing.

- ▶ Decreased property values
- ▶ Inappropriate for neighborhood
- ▶ Strains to schools and local services
- ▶ Increased local traffic
- ▶ Preconceived notions of bad design
- ▶ Urban blight and crime
- ▶ Resistance to change

Commentary

It is a misconception that multi-unit housing in neighborhoods of predominately single-family dwellings don't fit in architecturally, or that these will lower overall values.

Data shows that school populations are not negatively impacted by percentage of student growth.

When housing is available for those who live and work in Decatur, public transit, bicycling and walking become commuter options.

Community Education & Engagement

Existing Forums

Program Summary

Existing forums for engagement

- ▶ Public gatherings and open forums
- ▶ Existing Decatur website, social media and internet presence
- ▶ Decatur Focus magazine, city postcards and brochures
- ▶ Decatur Business Association
- ▶ Decatur FM Radio
- ▶ Local news sources
- ▶ Community engagement for Strategic Plan, Comprehensive Plan, and LCI.

Commentary

The proposed changes need a variety of platforms to educate the public on affordable housing initiatives.

We hope to reach all citizens and use these opportunities for to build allies who will share this knowledge with other residents.

This will decrease the sense of “otherness” when speaking on diverse housing. “They” become “us.”

Community Education & Engagement

New Forums

Program Summary

New forums for engagement

- ▶ Faith leaders and communities spreading the Yes In My Backyard (YIMBY) message
- ▶ Speakers bureau
- ▶ Video clips of personal stories from Decatur residents and workforce.
- ▶ Mythbusters art (Signage and other installations promoting facts)
- ▶ Diverse/Affordable housing expo

Commentary

By educating community leaders on the facts of affordable and diverse housing facts, they can speak to their established audiences.

With multifaceted outreach that gives Decatur residents a chance listen and ask questions, we can work to remove surrounding myths and stigmas.

Next Steps

- ▶ Final report to the City Commission by the end of January 2020.
- ▶ Anticipate the City Commission to accept the final report in February of 2020.
- ▶ Recommendations in the final report will serve as the basis for affordable housing discussions/decisions in the upcoming 2020 Strategic Plan Update.



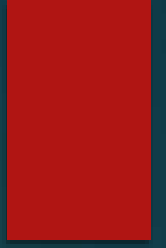
“Achieving this vision requires more than incremental tinkering with today’s market institutions and public policies. It requires bold innovation by changemakers at all levels of government and in the private and nonprofit sectors.”

Next50 Housing, Urban Institute

Resources

- ▶ O'Neil, M., and Sweetland, J. (2018). *Piecing it together: A framing playbook for affordable housing advocates*. Washington, DC: FrameWorks Institute.
- ▶ American Community Survey, 2017. Census Data aggregated 2013 – 2017. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- ▶ Decatur 360: Comprehensive Plan
- ▶ 2018 Housing Summit Report
- ▶ Inflow/Outflow Map: <https://OnTheMap.ces.census.gov>
- ▶ Next50 Housing, Urban Institute
- ▶ ARC: Regional Plan
- ▶ Jacobus, R. 2016. Why We Must Build: We can't build our way out of the housing crisis...but we won't get out without building. Shelterforce. March 10. https://shelterforce.org/2016/03/10/why_we_must_build/

Appendix



Progress in Affordable Housing Since 2008 Affordable Housing Study

▶ **DHA Affordable Units***

- ▶ 2007 Talley St Lofts, 15 units
- ▶ 2010 Allen Wilson I, 40 Units
- ▶ 2012 Oliver House (AWII), 80 Units
- ▶ 2014 Allen Wilson III, 71 Units
- ▶ 2017 Trinity Walk I, 52 Units
- ▶ 2018 Oakview Walk, 34 Units
- ▶ **DHA has access to federal funding opportunities for affordable housing up to 80%AMI, which includes some teacher and city worker pay ranges.*

▶ **Private Affordable Units**

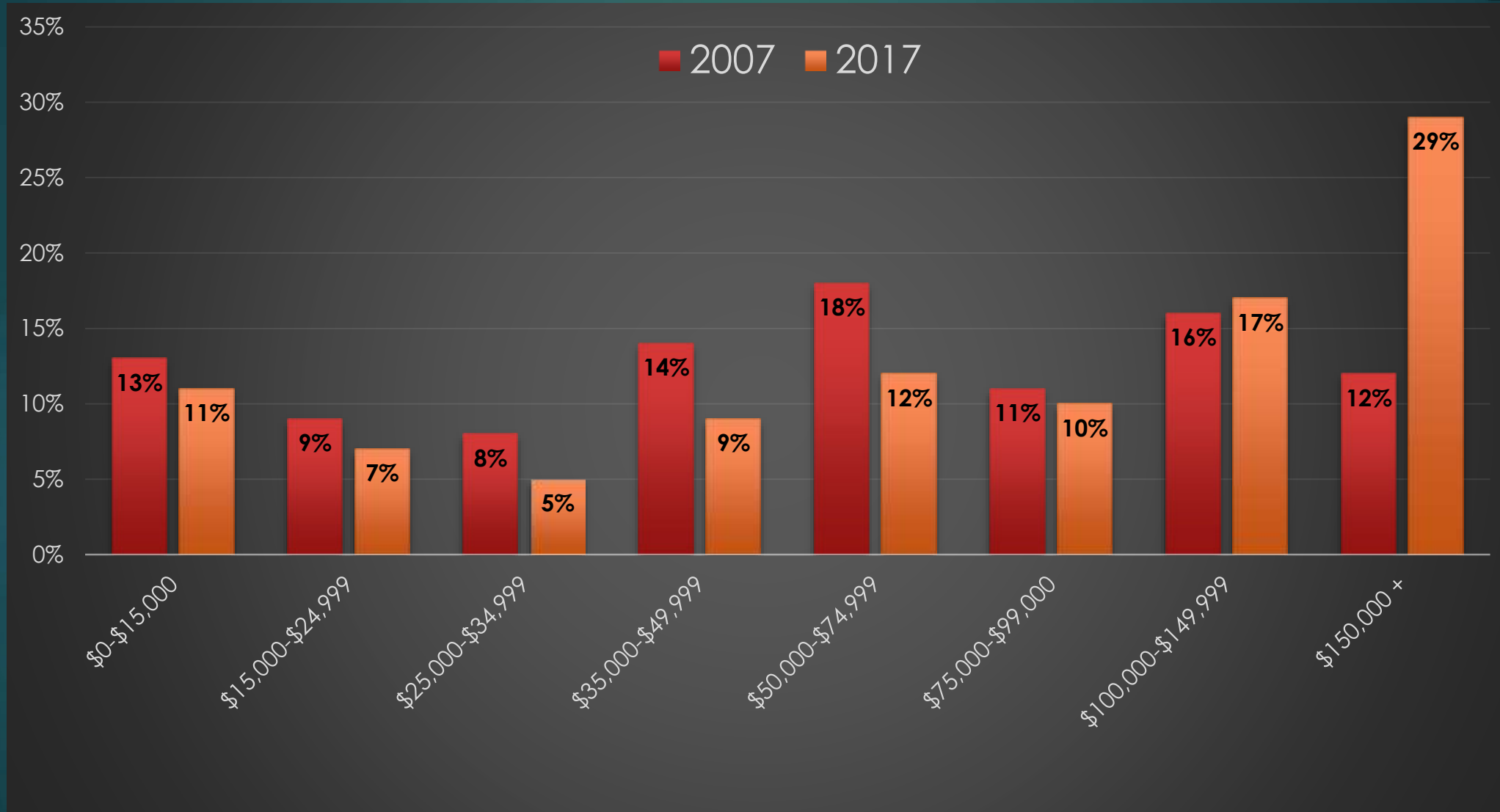
- ▶ 21 ADU permits, 2014-2018
- ▶ Arlo Affordable Rentals, 21 units through Lifecycle Density Bonus Program at 80%AMI, 2017

▶ **Housing Tools & Solutions**

- ▶ Housing Trust Fund Created
- ▶ Decatur Land Trust Created
- ▶ Cottage Court Approval
- ▶ Legacy Park Purchase
- ▶ Lifecycle Density Bonus Program Adoption through voluntary IZ

Decatur Median Household Income

In 2007, 28% of households earn over \$100k. In 2017, 46% earn over \$100k



2007 Data from the 2008 Affordable Housing Report for Decatur. 2017 Data Source: ACS 2013-2017: B19001
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2017 INFLATION-ADJUSTED DOLLARS)