

# Missing Middle Zoning Policy Recommendations

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# Missing Middle Zoning Work Session

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Atlanta Regional Commission

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Georgia State University



# “Missing Middle” Housing Goals

What are we trying to achieve by re-allowing duplex, triplex and quadplex in single-family zoning districts?

- ❖ Preserve a community that is inclusive and welcoming for all, a diversity of housing for a diversity of people.
- ❖ Housing choices at varied income levels.
- ❖ Flexible housing options - rental and ownership.
- ❖ Increase supply of smaller housing units for attainability.
- ❖ Encourage subsidized and market-rate housing to diversify housing prices in our neighborhoods.



# Missing Middle Zoning Policy

How do we create policies to achieve desired goals?

- ❖ Enable smaller size homes to be built or subdivided.
- ❖ Recognize ability for reduced land cost over total developed units.
- ❖ Allow affordable and market-rate (unsubsidized).
- ❖ Maintain neighborhood character through maintaining scale and height of single-family home.
- ❖ Take community input into consideration as policies are crafted.



# "Missing Middle" Proposals for Housing Diversity

Affordable & Market Rate Options



Plug in and participate, May through August

City of Decatur

**HOUSING DIVERSITY = HUMAN DIVERSITY**

**TOGETHER WE CHOOSE INCLUSION**

Learn more about Decatur's efforts to bring **duplexes, triplexes, and quads** back to our neighborhoods.

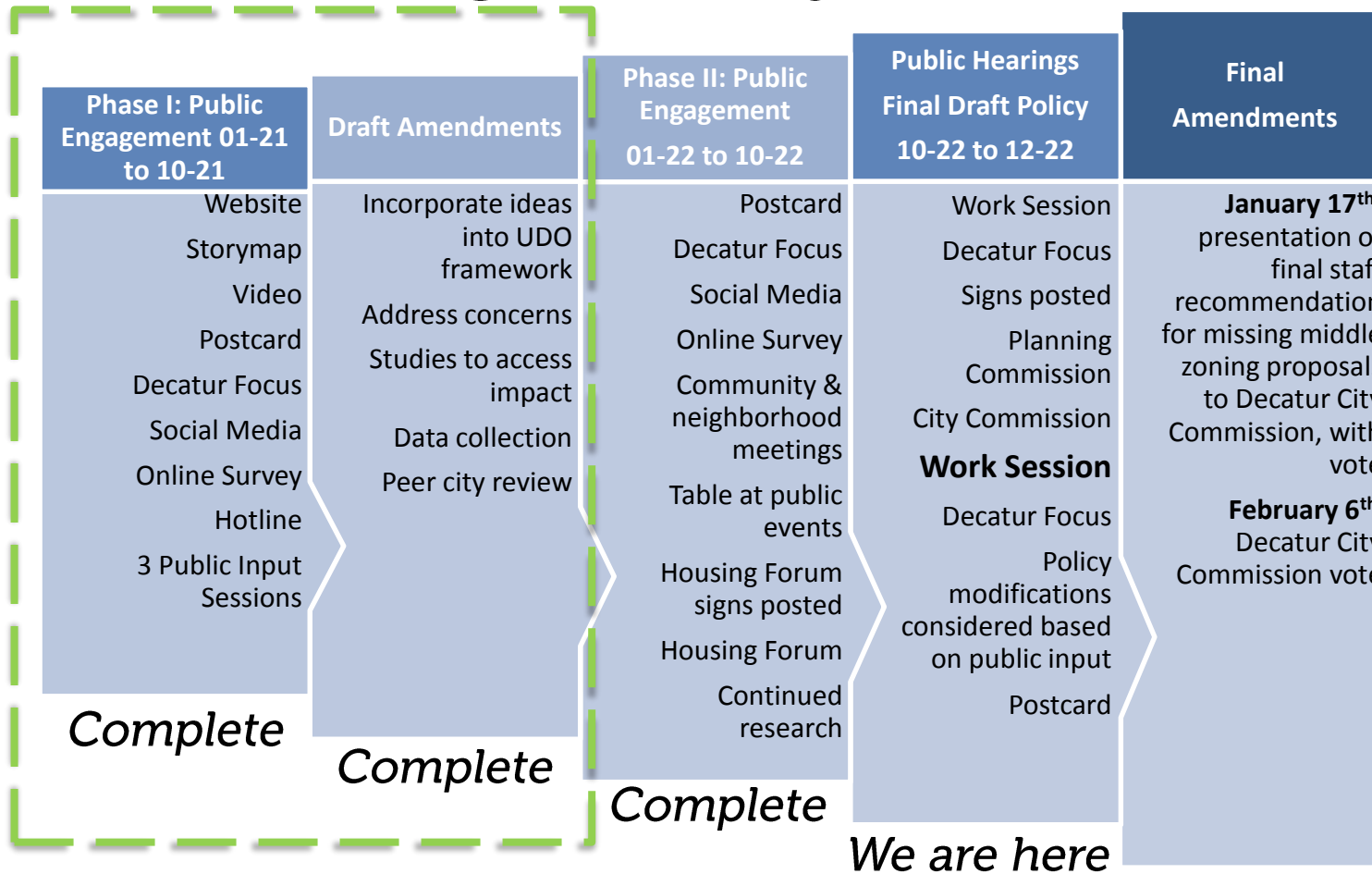


A Report on the Findings and Recommendations for Decatur's Future Affordability and Inclusivity

Prepared and Presented by  
Decatur Affordable Housing Task Force  
February 2020



# Status: Zoning Policy Process



# Phase I: Community Priorities and Concerns

*Three public input sessions fall 2021, online Missing Middle survey results.*

Priorities	Concerns
Increased diversity in Decatur. Creative ways to deliver missing middle housing. Ensure new missing middle looks and feels like a single-family home.	How to address affordability. Tear-downs and the waste they create. Community impacts: property values, taxation, schools, traffic, historic districts
Provide for a better sense of community. Decreased parking requirements for multi-units.	Maintenance of multi-units, ownership. AHTF recommendation of increasing FAR from 0.4 to 0.6 may hurt neighborhood character.
Increase tiny homes and cottage courts. Options for housing for retirees/stage of life. Make existing homes in Decatur affordable through reduced taxes or other means.	Developer interest. Short-term rentals. Renters vs. owners and transiency.
Opportunities for moderate-income homeownership, wealth building.	Loss of existing multi-family units in neighborhoods.



# Draft Amendments

## UDO Amendment #1:

Allow up to four units per lot to be allowed by limited use in R-85, R-60, R-50, and RS-17 single-family residential zoning districts.

Area, setbacks, height, and lot coverage of a 2-4 unit house cannot exceed the requirements of a detached single-family house.

## UDO Amendment #2:

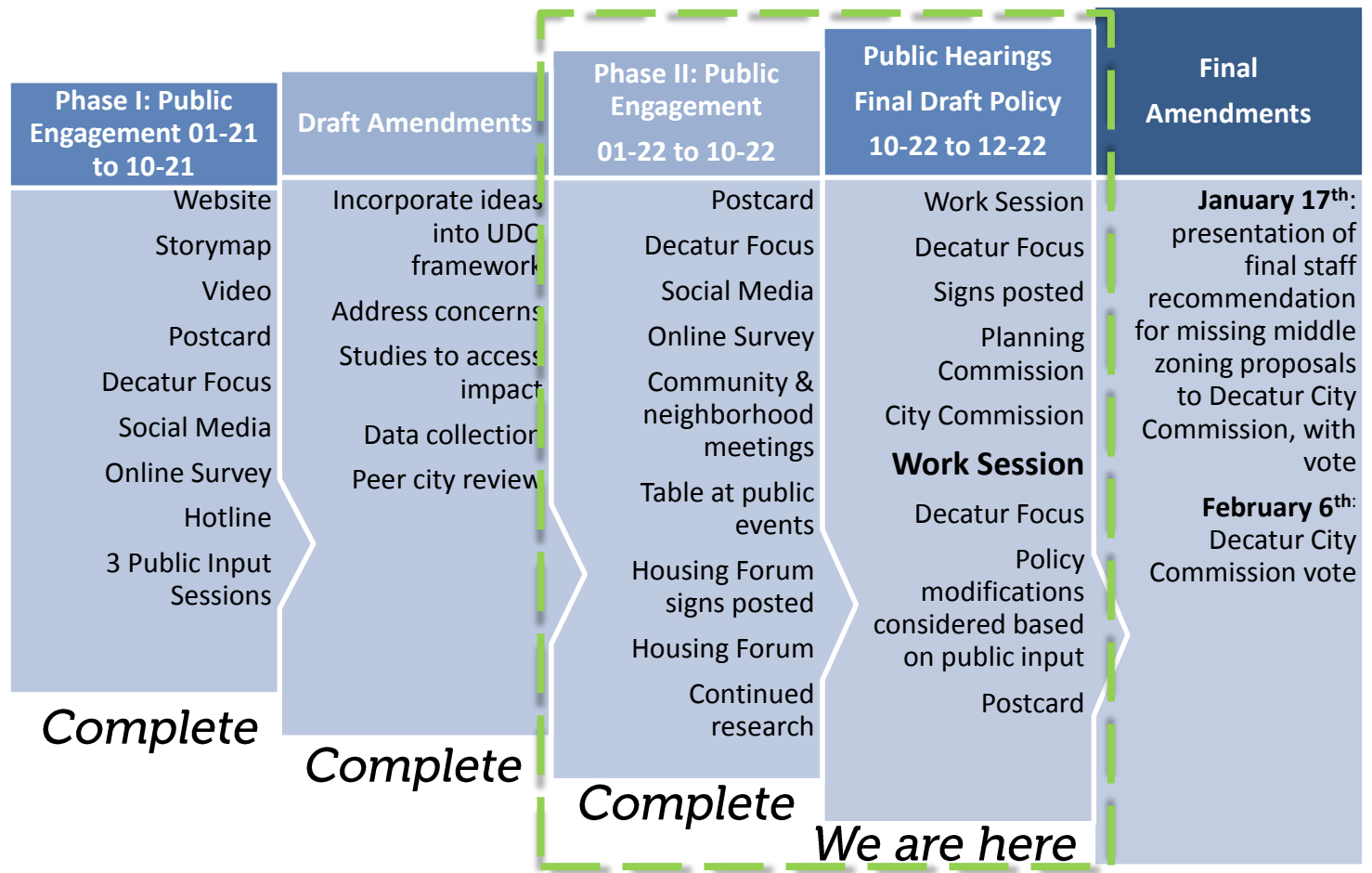
Allow qualifying on-street frontage to account for up to 50% of parking requirements for duplex and walk-up flat dwellings.

For every 15 feet of street frontage of lot width, one qualifying on-street space may be counted towards 50% of the off-street parking requirements.





# Status: Zoning Policy Process



# Phase II & Public Hearings: Community Priorities and Concerns

Priorities	Concerns
Increase starter home options in Decatur, wealth creation for market rate units.	Increased density leading to more traffic, people, and school enrollment.
Allow more housing types and tiny homes, cottage courts in residential districts.	Investor purchase of homes and rentals, short-term rentals.
Partner with or encourage non-profit builders who can create "missing middle" that is affordable.	Taxation of single-family vs. multi-units in residential zones.
Preserve existing Missing Middle.	Potential rise in land/home values related to upzoning.
Design multi-units to fit in the neighborhood.	Impact on city services, trees, stormwater.
Eliminate parking requirements to further reduce the costs of constructing multi-units.	Tear-downs of older, smaller homes, displacement of legacy residents.
Enable more options for down-sizing for older residents of Decatur.	Street parking and safety for pedestrians and cyclists.
Encourage new housing types near transit.	Increased gentrification, neighborhood character, historic districts.
ADA compliance and more accessible housing.	Codes enforcement, safety of properties.



# Tonight's Work Session 12.5.22

- ❖ Trajectory of Decatur after *Missing Middle* "disallowed" in 1988
- ❖ Future outlook: population growth, households
- ❖ Address concerns from Commission Public Hearings
- ❖ Professional studies and recommendations
- ❖ Peer cities and *Missing Middle* zoning reform
- ❖ Examples of *Missing Middle* housing
- ❖ *Missing Middle* policy recommendations to date
- ❖ Next Steps



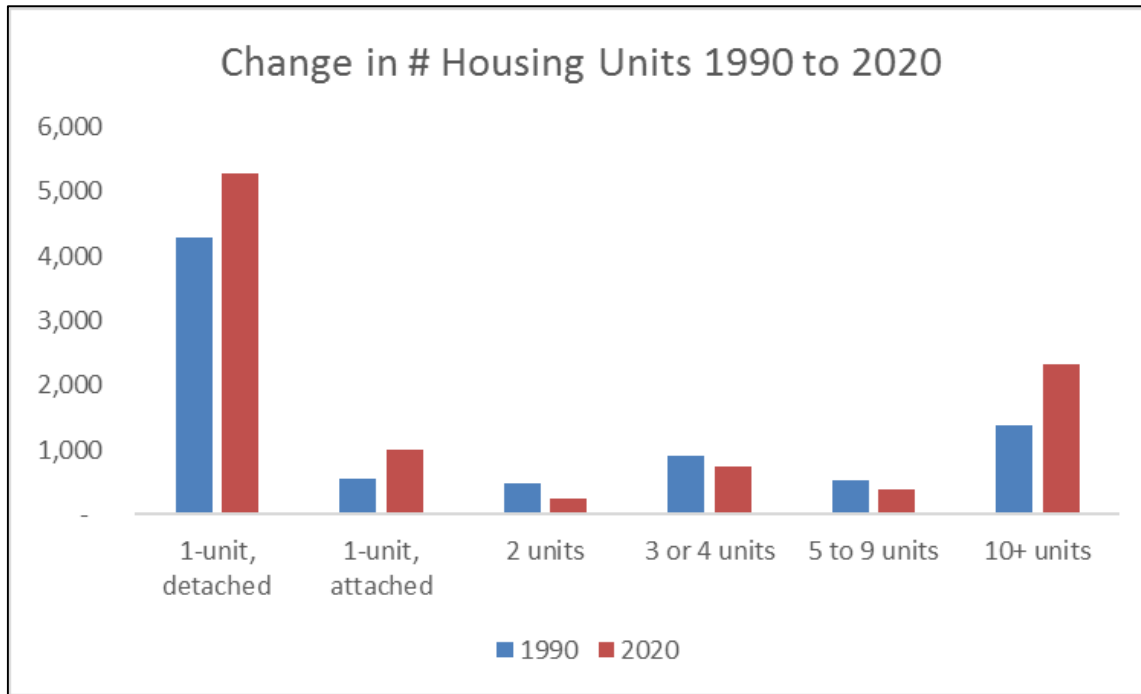
# Why Missing Middle “Disallowed” in 1988

- ❖ Not Decatur-specific but across the U.S.
- ❖ Reaganomics “The 1980s: (TOO) EASY MONEY FUELS A NEW building boom!” (Freeman, 1999) *wealthmanagement.com*
  - ❖ Real estate as tax shelter, then overbuilding, then bust
  - ❖ Reduced depreciation acceleration for multifamily 1986
- ❖ Zoning as Barrier: Racial Ordinances, Redlining, Reactionary Zoning

*Communities go through stages, like a life-cycle: distressed/deteriorating, stabilizing, revitalizing, and gentrifying. Different stages require different approaches.*



# Housing Unit Change Trajectory 1990 to 2020

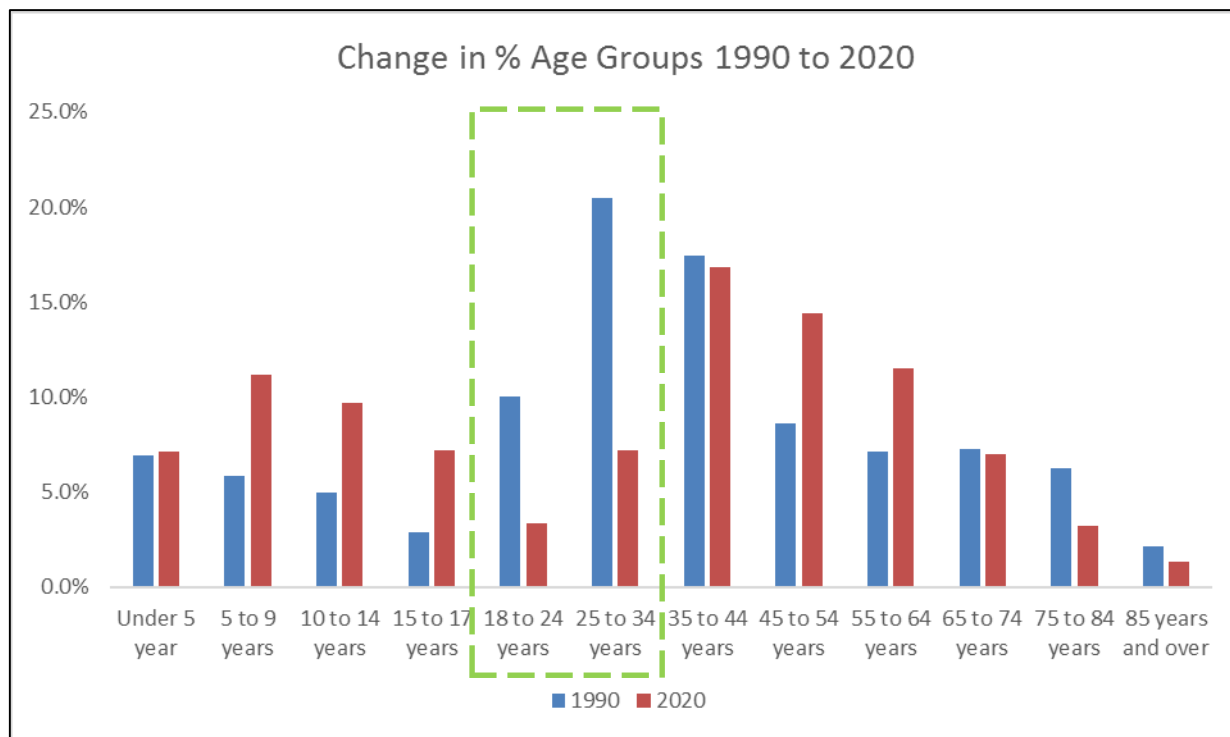


	1990	2020	# Change	% Change
1-unit, detached	4,284	5,272	988	23.1%
1-unit, attached	554	1,013	459	82.9%
2 units	476	252	(224)	-47.1%
3 or 4 units	917	734	(183)	-20.0%
5 to 9 units	532	380	(152)	-28.6%
10+ units	1,372	2,316	944	68.8%

Source: 1990 Census data from Social Explorer, 2020 U.S. Census Bureau; provided by Atlanta Regional Commission



# Age Change in Trajectory 1990 to 2020



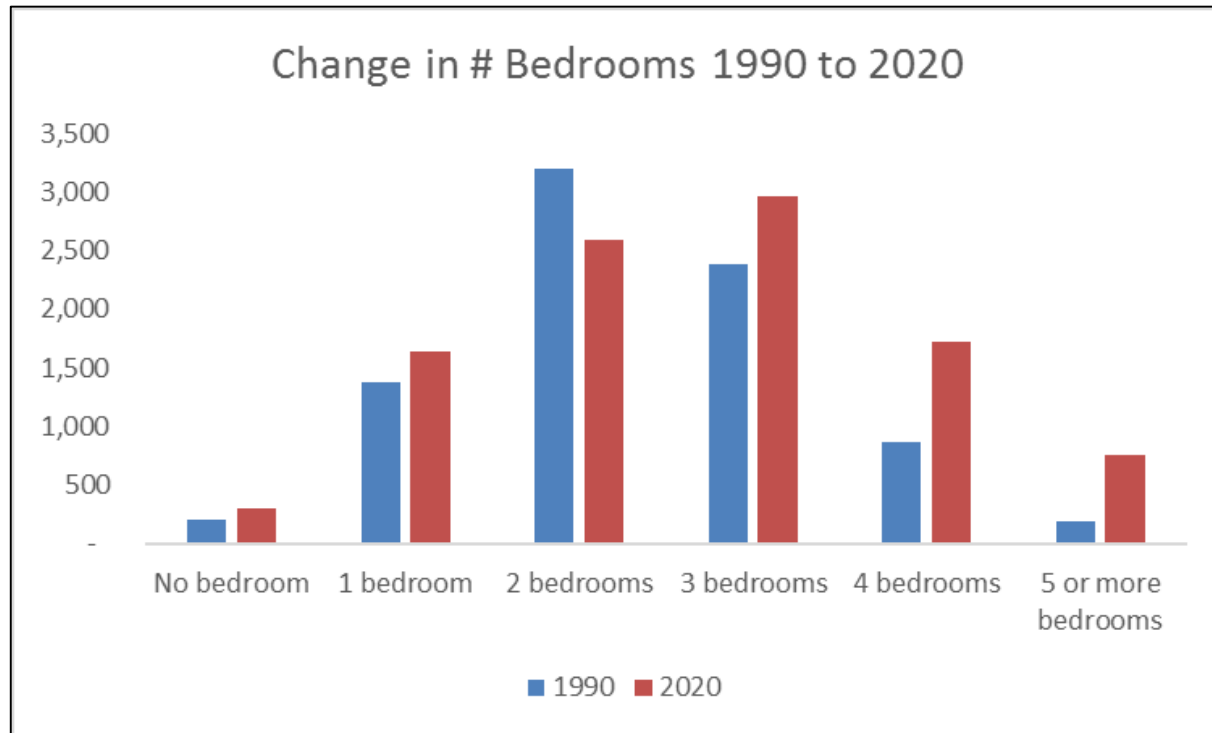
	Change in Age 1990 to 2020			
	1990	2020	# Change	% Change
Under 5 year	1,196	1,766	570	47.7%
5 to 9 years	1,011	2,772	1,761	174.2%
10 to 14 years	868	2,406	1,538	177.2%
15 to 17 years	502	1,784	1,282	255.4%
18 to 24 years	1,741	827	(914)	-52.5%
25 to 34 years	3,552	1,786	(1,766)	-49.7%
35 to 44 years	3,020	4,182	1,162	38.5%
45 to 54 years	1,495	3,575	2,080	139.1%
55 to 64 years	1,238	2,852	1,614	130.4%
65 to 74 years	1,260	1,742	482	38.3%
75 to 84 years	1,084	792	(292)	-26.9%
85 years and over	369	330	(39)	-10.6%

Source: 1990 Census data from Social Explorer, 2020 U.S. Census Bureau; provided by Atlanta Regional Commission

Note: 1990 Census measures age 15-17 and 18-24; 2020 measures 15-19 and 20-24



# #Bedrooms Change in Trajectory 1990 to 2020

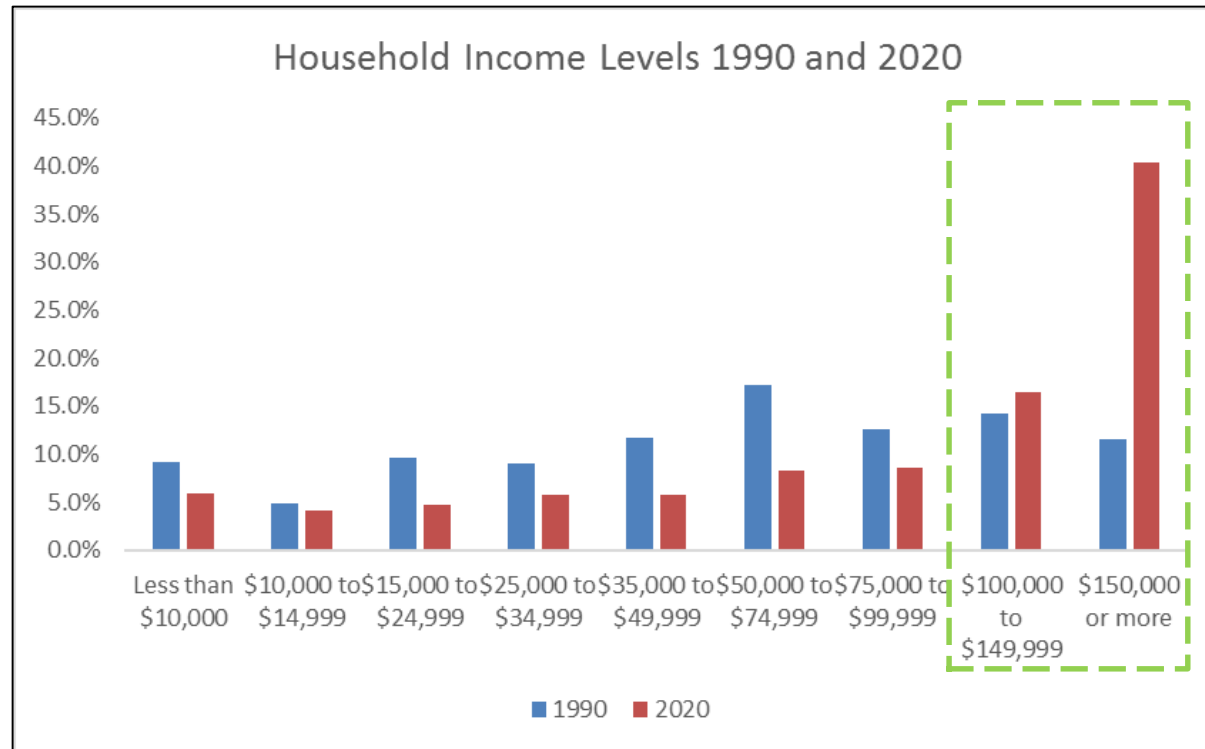


	1990	2020	# Change	% Change
No bedroom	208	305	97	46.6%
1 bedroom	1,383	1,641	258	18.7%
2 bedrooms	3,195	2,592	(603)	-18.9%
3 bedrooms	2,389	2,961	572	23.9%
4 bedrooms	862	1,723	861	99.9%
5 or more bedrooms	193	753	560	290.2%

Source: 1990 Census data from Social Explorer and provided by Atlanta Regional Commission, 2020 U.S. Census Bureau



# HH Income Change in Trajectory 1990 to 2020



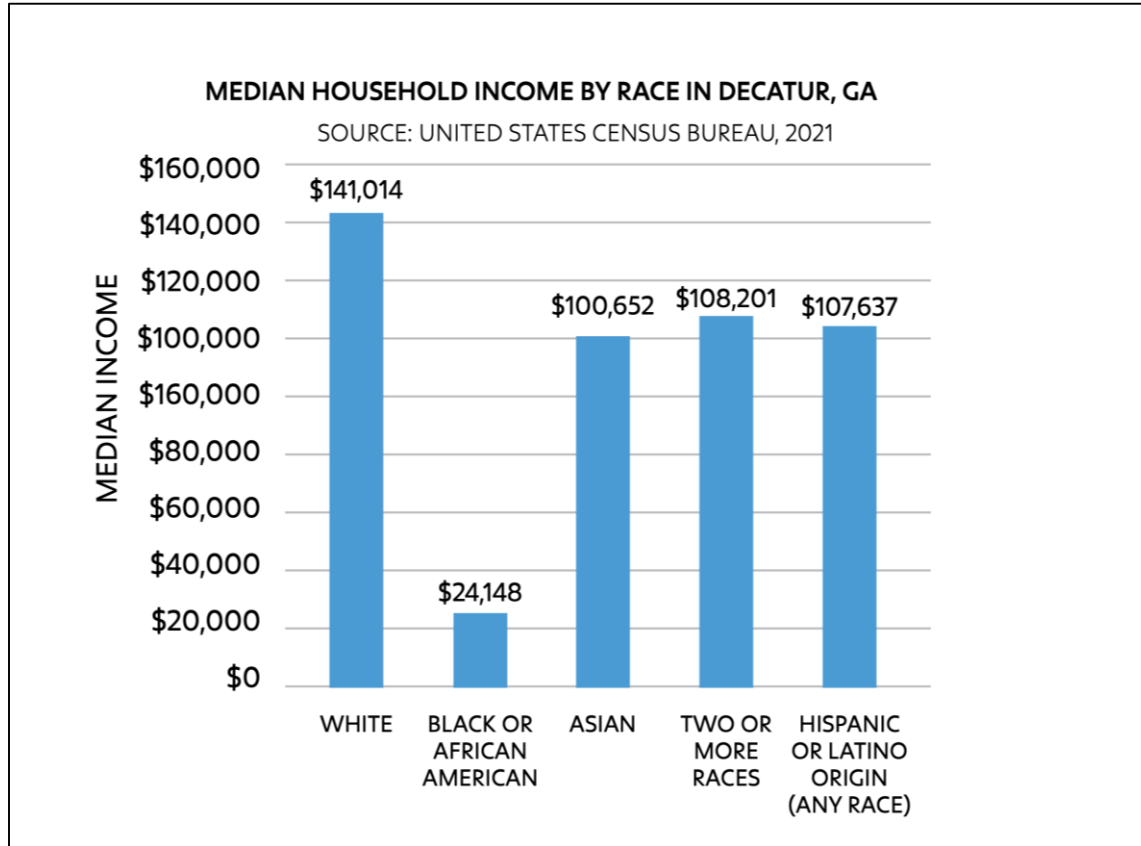
Household Income Levels 1990 and 2020				
	1990	2020	# Change	% Change
Less than \$10,000	694	524	(170)	-24.5%
\$10,000 to \$14,999	370	373	3	0.8%
\$15,000 to \$24,999	730	417	(313)	-42.9%
\$25,000 to \$34,999	682	515	(167)	-24.5%
\$35,000 to \$49,999	891	506	(385)	-43.2%
\$50,000 to \$74,999	1,308	737	(571)	-43.7%
\$75,000 to \$99,999	957	763	(194)	-20.2%
\$100,000 to \$149,999	1,078	1,465	387	35.9%
\$150,000 or more	880	3,586	2,706	307.5%

Source: 1990 Census data from Social Explorer, 2020 U.S. Census Bureau / 1990 inflation-adjusted amounts; provided by Atlanta Regional Commission





# HH Income By Race & Wealth Gap



Source: City of Decatur Clean Energy Plan

- Income inequality / wealth gap
- Low Income HHs (0-60%AMI) served by Decatur Housing Authority (DHA).
- The DHA manages approximately 550 rental units.
- The wait list is 12,000 long.
- Middle Income HHs decreasing.
- Trend to High Income HHs.



# Redlining's Imprint

Many think of Redlining as something that happened in the past, but the structures are still in place.

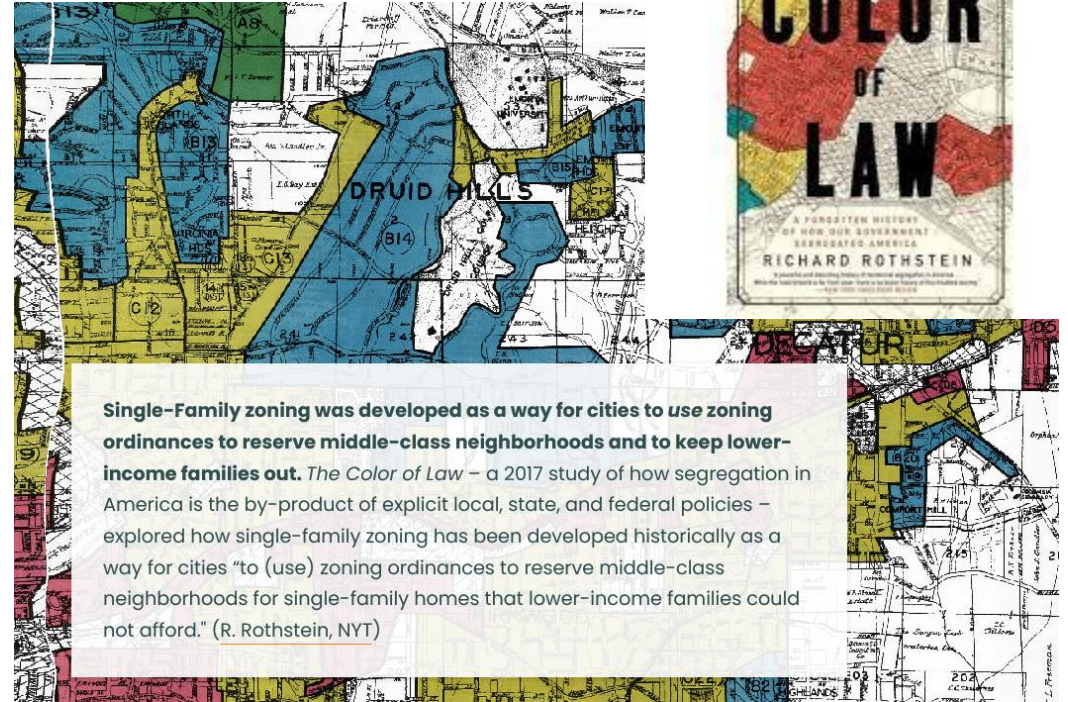
This shows up in present day in home appraisals, lending, in the demographics of our cities, and who is able to live in our cities and access the schools and amenities they bring.

Redlining and related policies led to these outcomes, and policy change is one way to shape our cities in a more inclusive way.

Source: *Washington Post*, *Redlining was banned 50 years ago. It's still hurting minorities today.* March, 2018.

*FiveThirtyEight*: *The Lasting Legacy of Redlining*, February, 2022.

*Metropole*: *The Tyranny of the Map: Rethinking Redlining.* November, 2022.



[www.decaturga.com/affordablehousing](http://www.decaturga.com/affordablehousing)



# Trajectory: Avg. SF Home Sale Price 2010 to 2020


	<u>Oct. 2010</u>	<u>Oct. 2022</u>
Decatur	\$356,824	\$811,217
Morningside	\$572,697	\$1,248,217
Ansley	\$951,106	\$2,215,579



**REDFIN**

Recommended For You

[Tune your recommendations](#) to see better matches



**NEW**

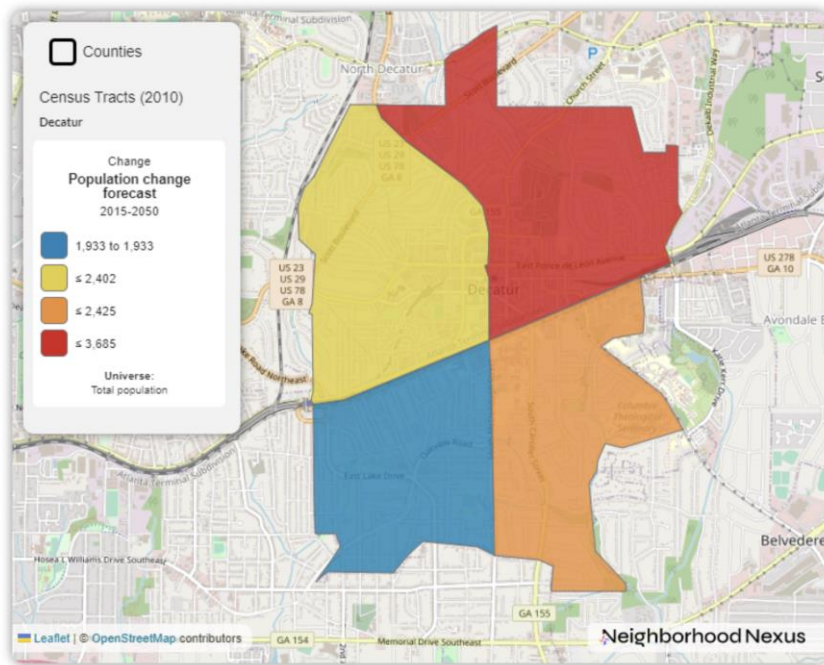
**\$1,745,000**

5 Beds · 4 Baths · 3,942 Sq. Ft.  
847 Kings Ct NE, Atlanta, GA 30306

Source: Adams Realtors Intown Market Report, Single Family Detached Sales, as of Oct. 2010 and October 2022.



# Population is Growing / HH Size is Shrinking



Projections from the Atlanta Regional Commission: Decatur's population projected to grow by almost 10,500 by 2050.

Nationally, birth rates lower and household size smaller now than in the past. This is also true in metro Atlanta (ARC).

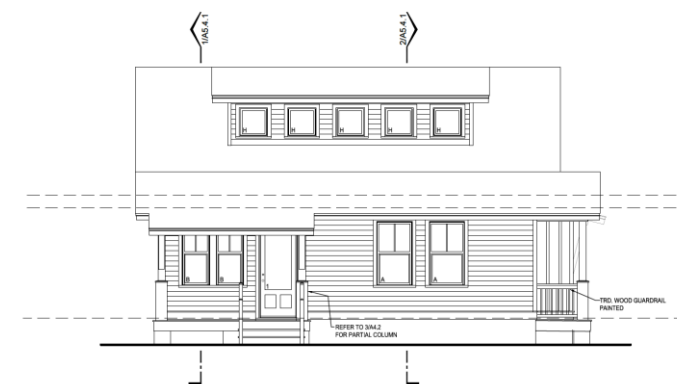


# Missing Middle Fit in Overall Housing Goals

## Tools for Accessibility, Affordability, and Equity

Tools are being put in place to address affordability:

- ❖ Mandatory Inclusionary Housing Ordinance
- ❖ Decatur Land Trust / Decatur Home ReHAB
- ❖ Housing Trust Fund Policies and Procedures
- ❖ Partnerships: Oak Cottage Court
- ❖ Emerging opportunities: example is 600 Commerce Drive.



# Community Concerns: City Commission Public Hearing



# Potential for Rising Land/Home Values

- ❖ Research shows a modest, *one time* increase in home values when residential zoning relaxed;
- ❖ Added housing supply should help slow the rate of increase in rents and home and prices over time to recoup this one time rise;
- ❖ The projected percent increase (3-5%) is below average annual increases in home values;
- ❖ Upzoning study in Chicago is for **targeted area** increases, single-family not subject to this study.



# Large, Institutional Buy-to-Rent Investors

- ❖ Large investors typically target single-family homes;
- ❖ Price points in Decatur are generally too high for the large institutional investors;
- ❖ Decatur's rentals are predominately small or moderate-sized owners who often manage their own properties, which is unlikely to change with proposed zoning.





# Gentrification and Displacement Concerns

- ❖ Decatur's current late-stage gentrification: missing-middle zoning is an approach to slow this process and broaden access to middle-income households;
- ❖ A modest increase in home values is unlikely to change the current trajectory of long-term residents facing pressure to sell;
- ❖ Efforts to allow legacy residents to remain are separate from zoning reform.



# Zoning Reform and Affordability

- ❖ Zoning changes, **by themselves**, do not create affordable housing for low-income households;
- ❖ Decatur is pursuing other strategies aimed at expanding more affordable housing for low-income families;
- ❖ Non-profit developers, including the Decatur Housing Authority, could develop missing-middle properties;
- ❖ The **direct effects** of missing-middle zoning reform will provide for additional housing affordability to middle-income households, including families of color.



# Missing Middle Zoning Recommendations From:

American Planning Association (APA)

Atlanta Regional Commission (ARC)

American Association of Retired Persons (AARP)



# APA (American Planning Association)

## 2019 Housing Policy Guide

### APA Policy Positions:

- ❖ Modernize state and local laws to ensure housing opportunities are available, accessible, and affordable to all.
- ❖ Amend or dismantle exclusionary zoning, rules and practices.
- ❖ Adopt bylaws or ordinances, policies, and incentives that facilitate a range of housing types and densities that serve a diversity of housing needs.
- ❖ Reduce or eliminate minimum lot size, reduce minimum dwelling unit requirements, allow greater height and density, reduce or eliminate off-street parking requirements.



# APA (American Planning Association)

## *5 Practical Zoning Hacks for Missing Middle Housing (March 21, 2022)*

1. Reduce minimum lot size
2. Allow for more housing types and revisit structure sizes
3. Level the playing field for smaller units
4. Reduce or eliminate parking minimums
5. Allow Missing Middle housing everywhere (if possible)

## *APA Equity in Zoning Policy Guide Draft (October 4, 2022)*

2.1 Ending Disproportionate Exclusionary Impacts (for example, removing ban on “Missing Middle” housing or rental housing), opening some neighborhoods to new types of development while protecting others who face gentrification and displacement.



# Atlanta Regional Commission

## Metro Atlanta Housing Strategy

Decatur is 100% Subarea 1

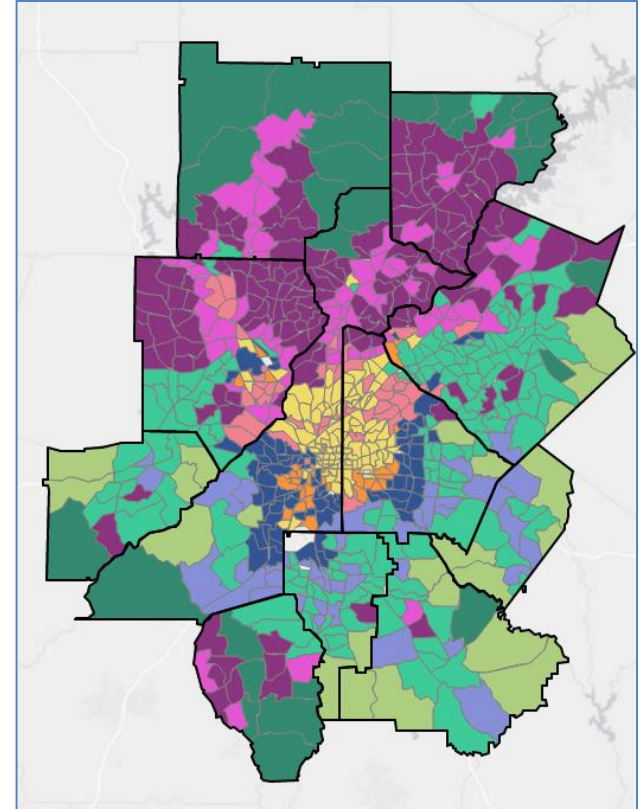
Higher-priced core neighborhood

Increase housing supply

- reduce development cost and barriers (*incl. missing middle zoning policies*)
- establish policies supporting affordable housing
- leverage public land

Expand capital resources

- create and attract new financing mechanisms



# AARP: All Stages of Life – Diversity of Housing & People

**Millennials and Gen Z strongly support “missing middle” housing, Zillow survey says**  
By Matt Hickman • April 12, 2022 • Development, Editor's Picks, National, News, Urbanism



**AARP LIVABLE COMMUNITIES**  
**Housing**

[AARP.org/Livable](#) · [About](#) · [Age-Friendly Network](#) · [Community Challenge](#) · [Publications & Resources](#) · [Videos](#) · [Livability Index](#) · [Map](#) · [A-Z Topics](#)

**12 Barriers to Missing Middle Housing**

The list is, unfortunately, long, but the obstacles can be overcome with changes to zoning, public policies, priorities and more

AARP Livable Communities

From *Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis*, by Daniel Parolek (Island Press, 2020)



# Overview: Counties, Cities and Missing Middle Zoning





# Raleigh, NC

## TC-5-20

TC-5-20 expands missing middle housing options in many residential zoning districts.

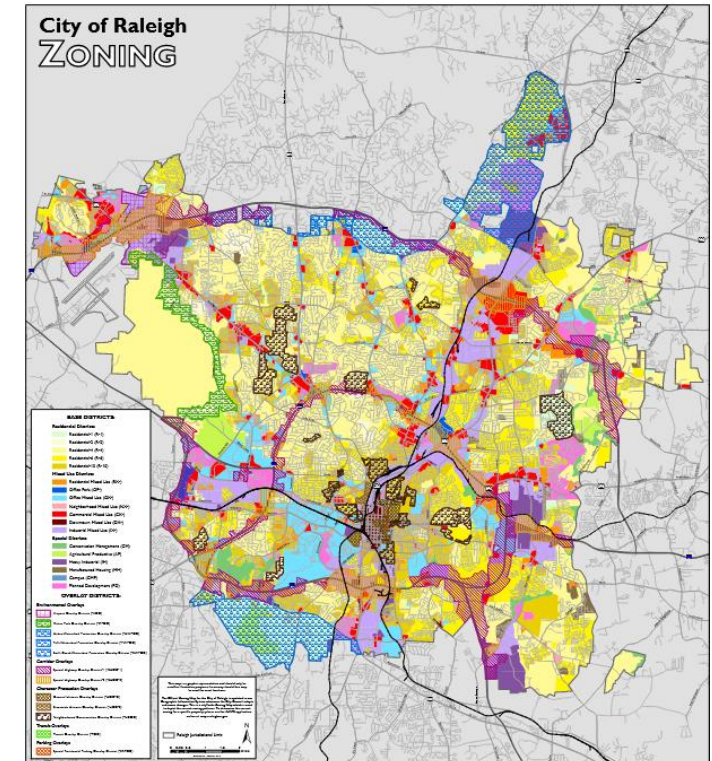
### Summary:

Two-family homes (all districts) and townhomes (some districts) permitted "by right"  
Allows flag lots (two duplexes), tiny homes, ADUs

Removes unit per acre restrictions.  
Eliminates parking minimums up to 3 units.

Source: City of Raleigh, <https://raleighnc.gov/planning/missing-middle-20>

- BASE DISTRICTS:**
- Residential Districts**
- Residential-1 (R-1)
  - Residential-2 (R-2)
  - Residential-4 (R-4)
  - Residential-6 (R-6)
  - Residential-10 (R-10)
- Mixed Use Districts**
- Residential Mixed Use (RX-)
  - Office Park (OP-)
  - Office Mixed Use (OX-)
  - Neighborhood Mixed Use (NX-)
  - Commercial Mixed Use (CX-)
  - Downtown Mixed Use (DX-)
  - Industrial Mixed Use (IX-)



# Durham, NC

## Expanding Housing Choices

- Minimum lot size amended to 2,000 SF

## Narrow Pole Flag Lot:

- Allows for subdividing larger lots into front and rear lots (the parent lot must maintain 35')
- Allows homeowners an option to sell part of their property to help finance their mortgage and creates smaller, more affordable lots
- Allows a 1,200 SF maximum home and an ADU

## Duplexes:

- Allowed in all residential categories, with same minimum lot size requirements as Single Family

## Accessory Dwelling Units:

- Allowed in all residential categories, and on non-conforming lots by right

Source: <https://www.kronbergua.com/post/durham-leads-the-way-for-housing-choice-and-zoning-reform>

## Summary:

**Allows duplexes and ADUs “by right”**

**Allows for flag lots and lot subdivisions (two duplexes on one original lot).**

**No minimum parking requirement for single-family or duplex residences, however a driveway must be provided for each lot.**



# Gainesville, FL

*"The best time to plant a tree is 20 years ago," Mayor Lauren Poe said.*

*"The second best time to plant a tree is today. The same is true for housing. The best time to build adequate housing, and abundant housing, was 20 years ago. The second best time is today."*

## Summary:

**Up to 4 units per building  
in SF land use categories "by  
right."**

**Eliminate parking minimums  
citywide.**

Source: <http://www.ordinancewatch.com/files/82613/LocalGovernment140014.pdf>



# Minneapolis, MN

## Summary:

Higher density mix in neighborhood interiors, including pilot for up to 20 unit apartments.

Further from downtown: up to three units on any residentially zoned parcel "by right."

Eliminates minimum off-street parking requirements citywide.

Source: <https://minneapolis2040.com/implementation/the-missing-middle/>

Note: Minneapolis is roughly 11 miles x 5 miles, on-street rail near river downtown



In neighborhood interiors that contain a mix of housing types from single-family homes to apartments, increase housing choice and supply by allowing new housing within that existing range.



In neighborhood interiors farthest from downtown that today contain primarily single-family homes, increase housing choice and supply by allowing up to three dwelling units on an individual lot.



# Portland, OR

## Summary (2<sup>nd</sup> Round of Missing Middle Policies):

Increased FAR for multi-units, additional bonus FAR for affordability and older home renovation.

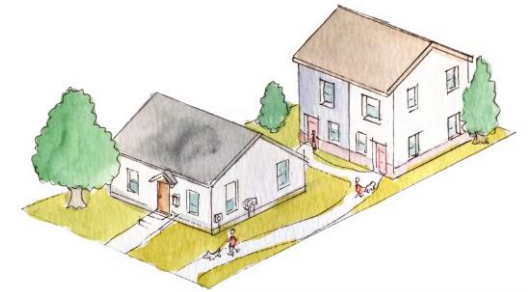
New construction 3+ units, one must be “visitable.”

“By right” duplex, triplex, quadplex, mixed-income sixplex, co-living home, double ADU (800sf each).

No parking is required for Household Living uses in single-dwelling zones.

Flag lots allowed in R5 and R2.5 Zones

Source: <https://www.sightline.org/2021/08/01/we-ran-the-rent-numbers-on-portlands-7-newly-legal-home-options/>



Illustrations by Alfred Twu for Sightline



# South Bend, IN

## New Neighborhood Homes Initiative

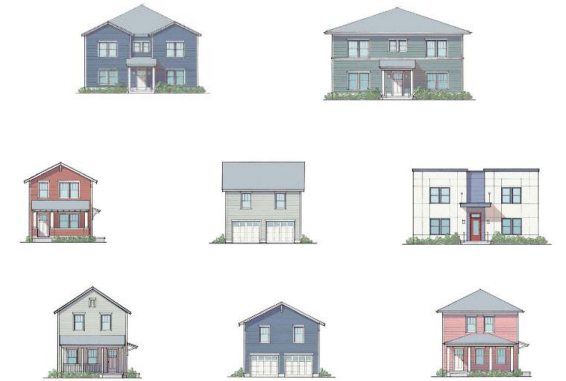
Plan to lower development costs and encourage multi-units, owner + landlord goals.

“Build South Bend” program calls the pre-approved plans a “Sears Catalog” of housing options.

Pre-designs for faster permitting for ADUs, stacked duplexes, and 4-6 unit apartments to fit on single lot.

Waives some utility connection fees up to five units.  
Eliminated min. off-street parking requirements citywide.

Source: <https://www.planetizen.com/news/2022/08/118531-south-bends-infill-plans-include-pre-approved-multi-family-designs>



### SOUTH BEND NEIGHBORHOOD INFILL

Pre-approved, ready-to build housing

<https://southbendin.gov>



# Chapel Hill, NC

Chapel Hill, NC: Text Amendments as of 10/04/22.

Encourage gentle density by allowing small-scale residential developments up to four units “by right” in most zoning districts.

Remove density limitations in all zoning districts and instead focus regulating the size of new construction based on the lot size, setbacks, and height rather than number of units.

Goal to incentivize any duplex, triplex, or quad with 60%-120% AMI rental or sale price and 30% or more affordable units.

Urge removal of parking minimums.

Source: <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=1002261&GUID=1D34F7CA-9F20-4CDB-A33C-F2B374FE96D3&Options=&Search=>

Proposed



# Montgomery County, MD

ZTA 20-07 bill introduced to allow “missing middle” housing, or duplexes, townhomes, and small apartment buildings in R-60 where only single-family homes can be built, as long as it’s within one mile of the county’s 13 Metro stations.



Proposed

Source: <https://ggwash.org/view/79872/two-bills-could-bring-rent-control-and-missing-middle-homes-to-montgomery-county>





# Silver Springs, MD

Area: 7.91 sq. miles / 81,015 Residents (2020 Census)

9,022 people/sq mile  
"edge" city to D.C.

## Key Takeaways

- There are significant non-zoning barriers to providing missing middle housing in the single family "R Zones"
- Enabling missing middle housing to compete with rebuilt single-family homes would require significant reduction in the level of discretion of and the duration of the entitlement and subdivision review process
- Missing middle housing would be more affordable compared to rebuilt single family homes, due to the smaller size and lot area.
- Making redevelopment of habitable single-family homes in 'Adjacent Silver Spring' broadly feasible requires a substantial increase in the amount/intensity of existing building area.

Silver Spring Downtown and Adjacent Communities Plan

Wint

Proposed

SILVER SPRING DOWNTOWN AND ADJACENT COMMUNITIES PLAN PLANNING BOARD DRAFT 2022

Source: <https://montgomeryplanning.org/wp-content/uploads/2022/01/SSDAC-Planning-Board-Draft-FINAL-FOR-WEB-reduced2.pdf>



# Athens-Clarke County

## April 2022 MMH Scan: Opticos

30 Recommendations

"Develop zoning standards and incentives to develop and/or redevelop house-scale multi-family options, including MMH types, in walkable environments."

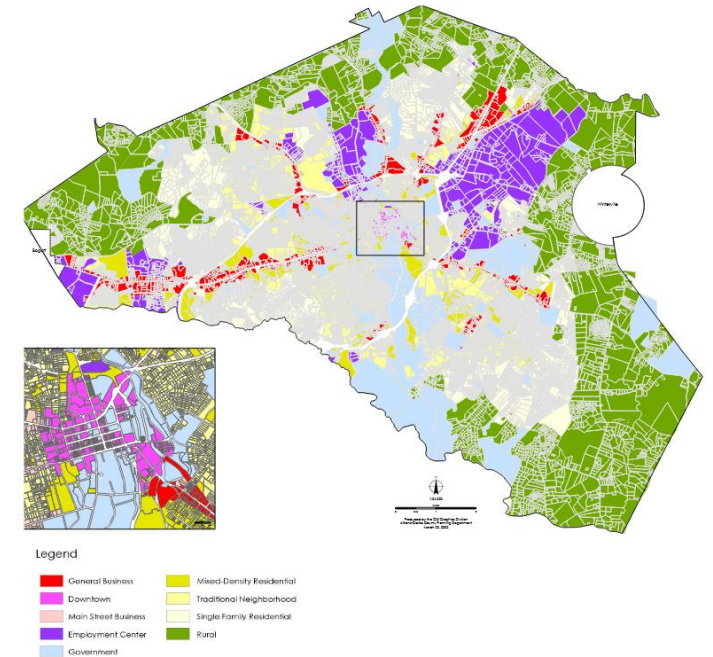
MMH Recommended within walkable areas:

- Urban Center
- Community Center
- Neighborhood Center

(Food, employment, entertainment, parks, recreation, schools)

Where "walkable" means 5-10 minute bike or walk to areas, where some trips are by car and some are walking.

Proposed



Source: MMH Scan: Analysis + Definition of Barriers to MMH  
Prepared for Athens-Clark County April 8, 2022



# Some Common Threads

- ❖ Density mostly ranges from 2-6 units on a single lot
- ❖ By-right construction and home conversion
- ❖ Standards that match single family home, or allow more size for multi-units or bonus FAR for affordability
- ❖ Reduce or eliminate parking minimums
- ❖ Allow ADUs, or multiple ADUs
- ❖ Allow lot divisions / flag lots
- ❖ Missing Middle and proximity to transit/commercial districts



# Proximity to MARTA Rail Transit

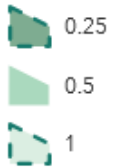
## Legend

### Marta Stations

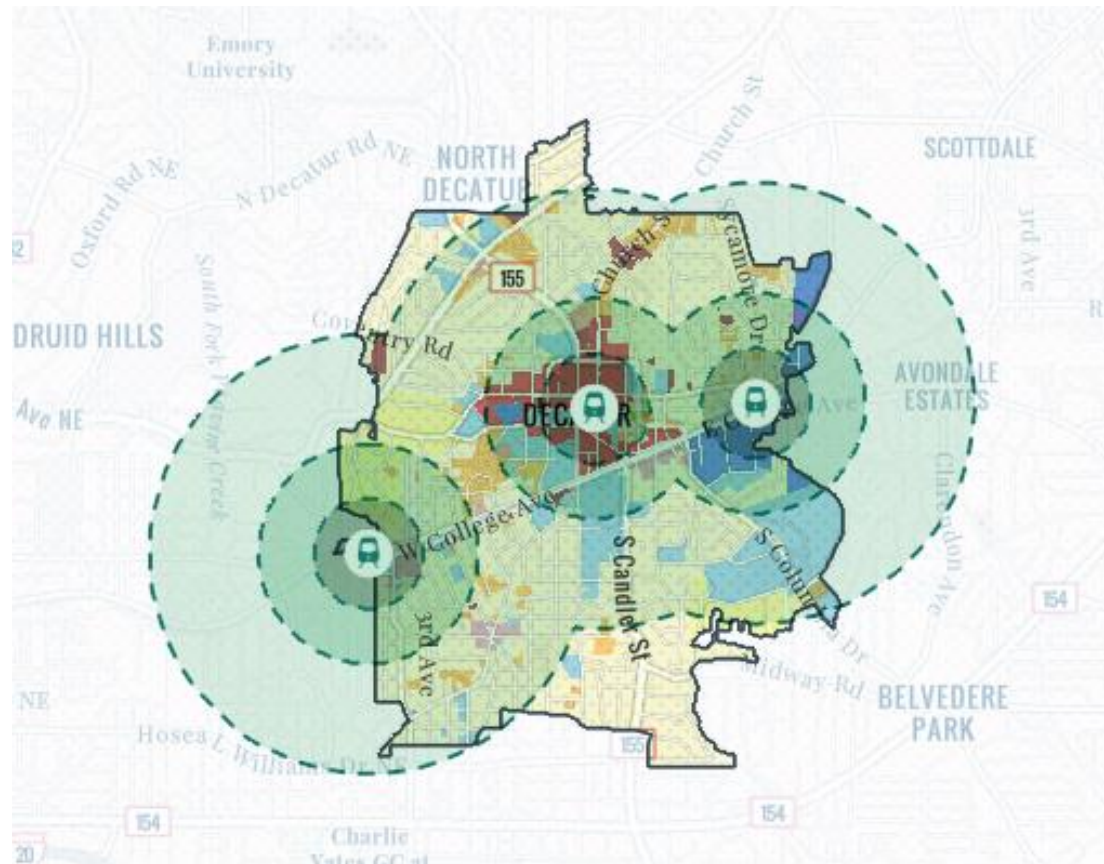


### Distances

Buffer distance in Miles




### Decatur City Limits



# Proximity to Commercial Corridors + Parks + Schools

## Marta + Commercial Centers

Type

-  Commercial Center
-  MARTA


## Marta & Commercial Centers - 1/2 Mile



## Schools & Parks

### Schools & Parks

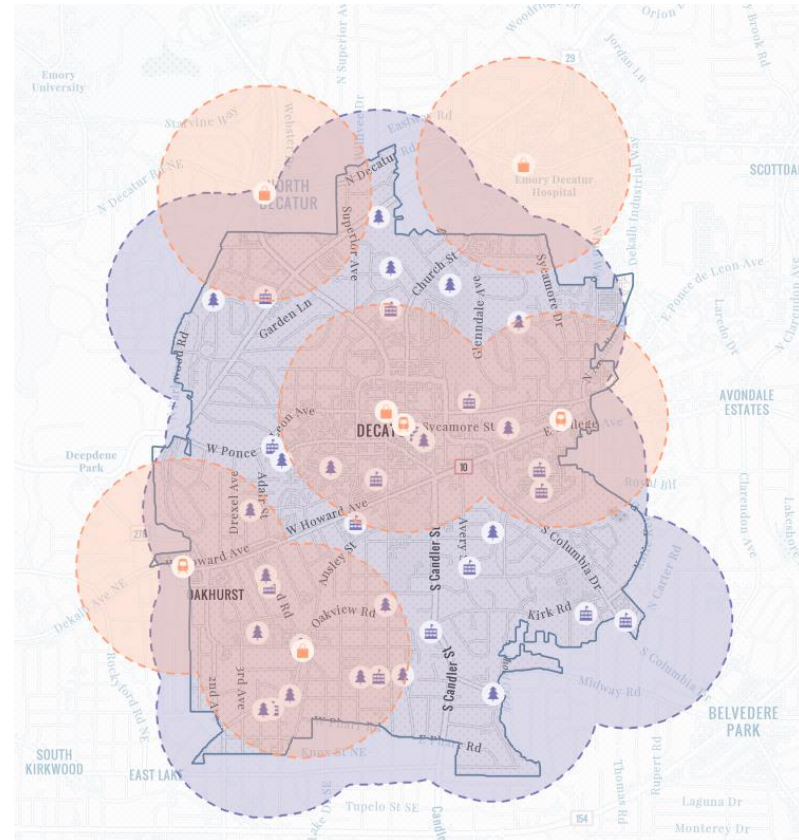
Feature Code

-  Park
-  Education Facility

## Schools & Parks - 1/2 Mile



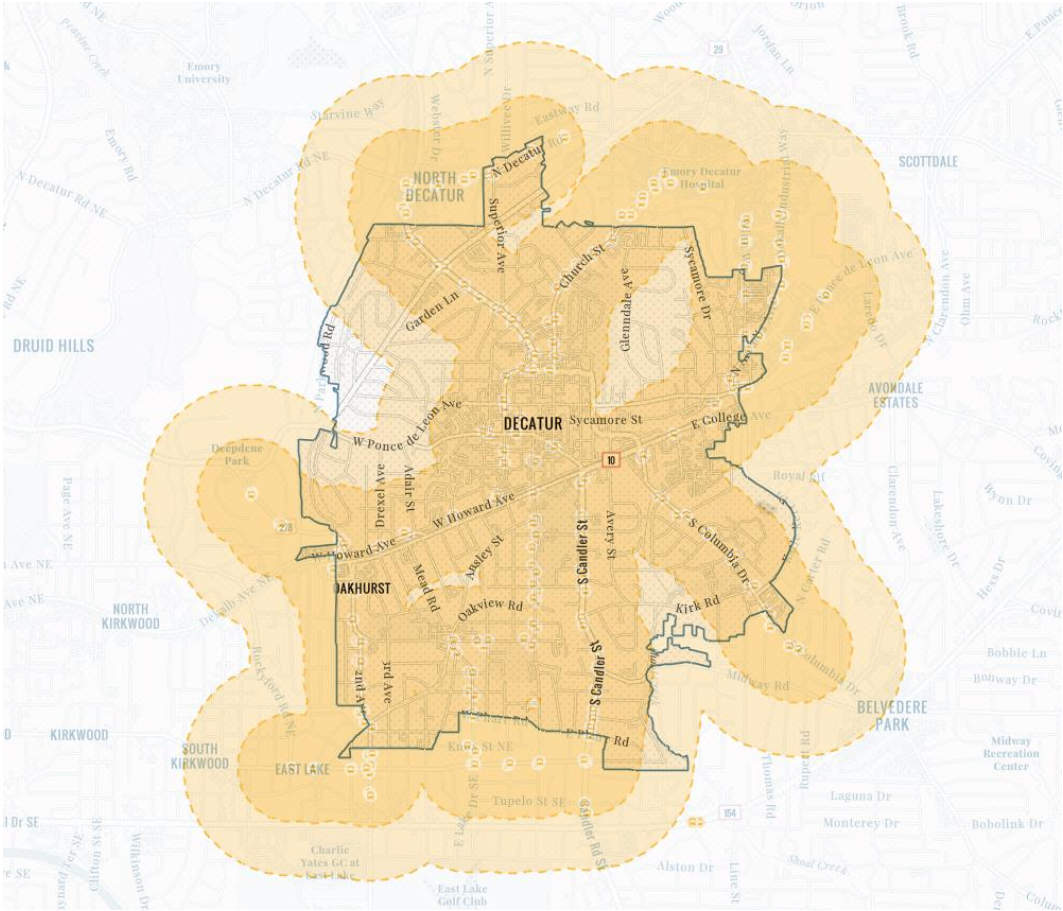
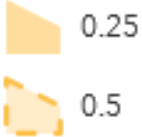
## Decatur City Limits



# Proximity to MARTA Bus Lines

Marta Bus, 1/4 & 1/2 Mile Distances

Buffer distance in Miles



# Additional Research and Policy Recommendations



# Estimated Impact

## Case Studies: Gentle Density

*Portland, Oregon* has 143,174 single-family dwellings.

From August 21 to August 22, 289 new multi-units, or 0.20% of single-family housing units over 1 year.

*Durham, NC* has 64,883 single-family dwellings. New duplex and small lot permits from Q4 2019 to 2022 is 73, or 0.11% of single-family housing units over 2 years.

**What does this equate to in Decatur? Very gentle density, most likely around 3-11 new units per year.**





# Update: Minneapolis

*Minneapolis* has 76,423 single-family dwellings.

Permits Issued 01/2020 to 06/30/2022 = 128 units duplex + 63 units triplex = 191 new or converted units, or 0.25% of single-family housing units over 2.5 years.

Permit Issued 01-01-2020 to 06-30-2022 For:	Allowed Prior to 2040		Total
	Yes	No	
<b>Duplex</b>	<b>33</b>	<b>31</b>	<b>64</b>
New Construction	13	20	33
Alts to Existing Bldg	20	11	31
<b>Triplex</b>	<b>4</b>	<b>17</b>	<b>21</b>
New Construction	2	12	14
Alts to Existing Bldg	2	5	7

**What does this equate to in Decatur?  
Very gentle density, most likely around 5-6 new units per year.**

<https://www.arlnow.com/2022/10/31/portland-and-minneapolis-allow-missing-middle-housing-so-far-new-construction-has-been-modest/>



***“Our goal wasn’t really to drastically change the landscape of our primarily single-family neighborhoods,”***  
Jason Wittenberg, the manager of Code Development for the City of Minneapolis, tells ARLnow.

***“It was always our expectation that duplexes and triplexes would be added in a very incremental way, which is how that has played out.”***

<https://www.arlnow.com/2022/10/31/portland-and-minneapolis-allow-missing-middle-housing-so-far-new-construction-has-been-modest/>



# Who is Decatur for?

Examples of people Decatur's housing does not serve.

- ❖ Former DLT Board Member, active in community. Rented a home in Decatur, wanted to buy but home. Special needs child. Moved 40 minutes away to buy a home.
- ❖ Graduate student and spouse. Want starter home in Decatur and would consider quad.
- ❖ Teachers who want to own a home in Decatur or have stable rent in order to remain near to where they work.



# “Back to Our Roots”

- ❖ Missing middle housing provides rental opportunities and income for homeowners.
- ❖ Built as New Construction, these can provide lower prices than the alternative single-family home.
- ❖ Converted homes to multi-units are typically more affordable due to age.
- ❖ Non-profits can create permanently affordable missing middle, if allowed.



# New Quadplex, 3600sf

Who might this serve?

**New construction quadplexes provide the most affordable of the new market-rate units.**

The quadplex setup could allow for two owners and two renters. Ownership units with the extra income from monthly rent may enable first time homebuyers to purchase homes in Decatur. Ownership of market rate units enables wealth creation.

Empty nesters could find a place to downsize and have rental income.



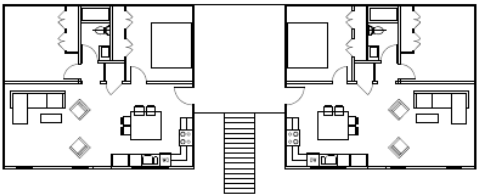
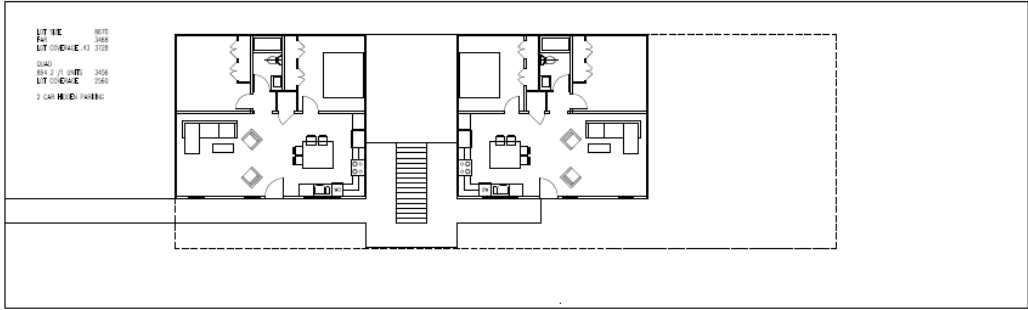
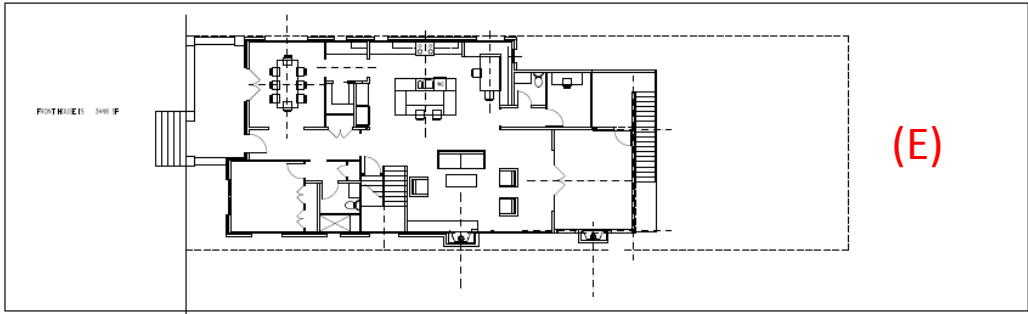
# Decatur Example

Lot size: 49' wide x 176' deep

(E) New construction Decatur home:  
5 bed / 5 bath  
4700 sf

Quadplex rendering:  
Four units: 2 bed / 1 bath each  
864 sf each

2 car hidden parking (on site)  
On-street frontage parking length: 36'



# New Duplex



Who might this serve?

Similar to a single-family home, the monthly rent for a new construction duplex will most likely incentivize ownership of each side of the duplex.

This property type may attract existing Decatur residents wishing to downsize, homebuyers looking at Decatur for a new home but unable to afford a new home at over \$1M.

If an owner occupies one side of the duplex and rents the other, this can help make the mortgage attainable.



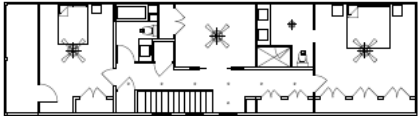
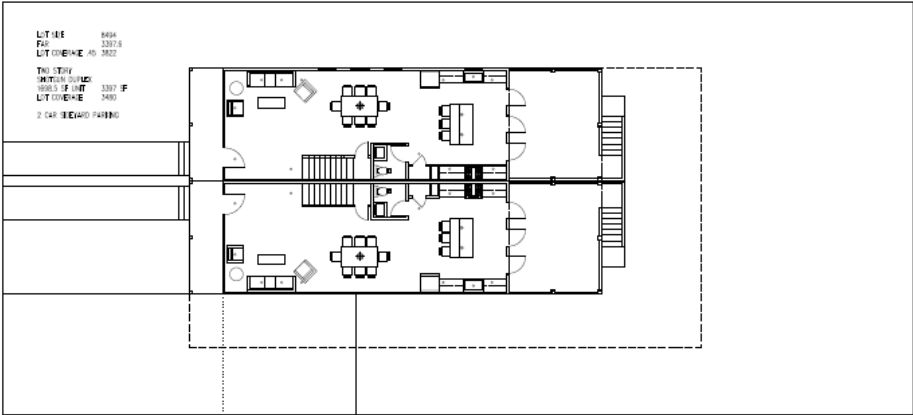
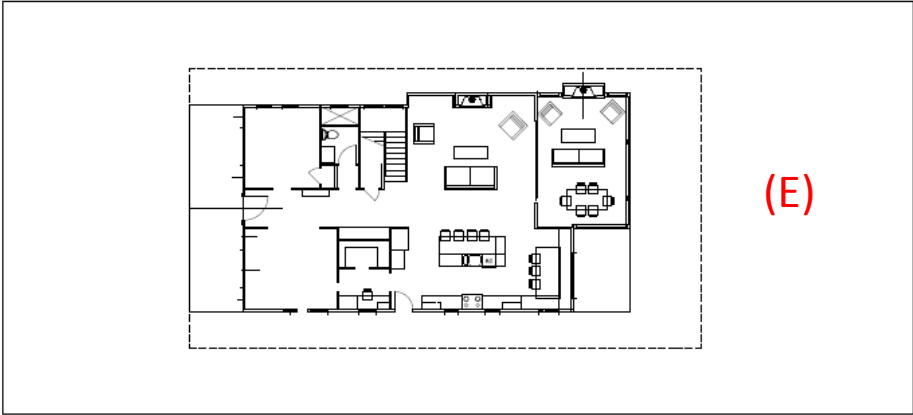
# Decatur Example

Lot size: 60' wide x 142' deep

(E) New construction Decatur home:  
4 bed / 4.5 bath  
3600 sf

Duplex rendering:  
Two units: 3 bed / 2 bath each  
1698 sf each

2 car side-yard parking (on site)  
On-street frontage parking length: 48'





# Home Conversion

2 bedroom / 2 bath

1300 sf

\$2,545/month

Equates to 120% AMI

Income required for 2-person household \$92,640.

Two people making \$46,300 each would be able to rent this duplex unit.



# Subsidized Affordability

Subsidy for non-profit entities for home ownership or rental allows affordability (Example, Decatur Land Trust, Decatur Housing Authority).

**Ownership range 60-100%AMI**

\$156,240 - \$260,400 (2-bedroom)

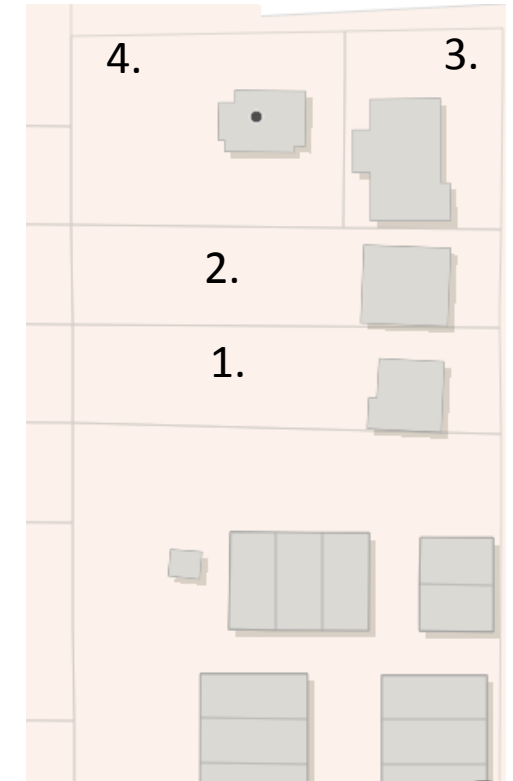
**Rent range 60-80% AMI**

\$1,302/month - \$1,736/month (2-bedroom)



# Tax Appraisal Compare

	Property Type	DeKalb Class	DeKalb Land Use Code	100% Appraised Value	Total City of Decatur 2022 Tax Estimate Amount
1	Triplex	R3	103 - Residential 3 Family	\$372,700	\$6,643
2	SF Home	R3	101 - Residential 1 Family	\$383,600	\$5,362
3	Triplex	R3	103 - Residential 3 Family	\$727,100	\$10,163
4	SF Home	R3	101 - Residential 1 Family	\$589,200	\$10,043



All are located in City of Decatur R-60 Zoning District.

Note: Parcels #1 and #4 do not take homestead exemption.  
Parcels #2 and #3 take H1F exemption.



# Rental vs. Ownership

## Why rent?

Flexibility

No upkeep and maintenance expenses

No down payment

Lower insurance costs

Access to amenities, desired location

Less risk (of losing a down payment)

## Why own?

Home equity

Long-term benefits

Sense of stability

Pride of ownership

Tax deductions and exemptions

Potential for wealth creation

*Decatur Land Trust as path to ownership.*



# Owner-Occupation of Rentals

Current rentals exist in Decatur (currently 67% owner-occupied)

- Local owners
- Rental companies

Necessary option due to lack of starter homes.



Unintended Consequences Owner Requirements:

- How would owner regulations apply to current properties (NOAH)?
- What about the DLT? Single-family homes? DHA and non-profit housing owners?
- General discouragement of increased rental housing in the city may be viewed as a violation of the federal Fair Housing Act (FaHA) which prohibits disparate impact policies.

Brookings: *How Owner-Occupancy Requirements are Contributing to the Housing Crisis*



# “Level the Playing Field” Between SF Homes and Multi-units

## Unintended Consequences of Regulation

Special or conditional use permits give advantage to single-family home development over multi-units.

Affordability mandates without subsidy also advantage single-family home development.

Quadplexes, multi-units + ADU give more ability for lower priced units.



# ADUs

- ❖ ADUs approved for single-family homes in 2014.
- ❖ Allowed in RS-17 districts in 2021.
- ❖ Owner-occupancy requirement in place for ADU.
- ❖ Recommended to allow ADU with new duplex, triplex, quadplex as Limited Use.



# Short-Term Rentals (STRs)

What are the goals with a STR policy?

- 1) Know how many STRs we have in the City of Decatur.
- 2) STRs operate in a way that does not disrupt the lives of neighbors (noise ordinance violations and fines), and that neighbors are aware of their existence.
- 3) STR complies with the UDO, including fire and safety (zoning permit and inspection).
- 4) Further regulation of STRs including owner-occupancy and other requirements.

#1 and #2 can be done with the assistance of a third party to track the number of STRs in Decatur and complaints; #3 can be done through a zoning permit that triggers inspection. To regulate the number of STRs (#4), a certificate program will be needed.





# Parking

Movement away from parking minimums, on-site parking, cost of parking.

- Average car in the US is 14'7"
- Current policy 15' per vehicle on-street.
- Option to modify text to 18' per on-street vehicle for duplex, triplex, and quadplex.

Limited review process to ensure on-street parking is only allowed when the width, curb cuts, and on-street parking compliant.



# Final Policy Goals & Recommendations

- 1) Allow building types that formerly existed to be created again: new or converted duplex, triplex, quadplex.
- 2) By right construction or home conversion in R-60, R-50, R-85, RS-17.
- 3) Required to conform to UDO size, height, FAR and lot coverage of SF home.
- 4) Annual metrics: report on the number created, percent rental, sale prices, on-street parking utilization, % short term rental.
- 5) Limited review on street parking 50%.
- 6) Create new policy for short-term rentals.
- 7) Allow ADU with duplex, triplex, and quadplex.



# Decision Points for Final Policies

## *What is "right" for Decatur?*

- ❖ Increase street parking dimension to 18' or keep at 15.'
- ❖ By-right as a limited use (staff recommendation) vs. conditional use permit depending on density.
- ❖ Lot line subdivision for multi-units to better enable for-sale.
- ❖ Affordability requirements, added as IZ or at a later date after opportunity to study results.
- ❖ New policy creation to address community concerns.



# Additional Policy Research

- ❖ Consider rental registration program (initially for short term rentals, potentially for long term rentals)
- ❖ Explore incentives for affordability
- ❖ Consider pre-approved designs for faster permitting process
- ❖ Re-evaluate code enforcement, pair with home repair program for NOAH units



# Additional Policy Research

- ❖ Explore methods to make ADU construction and financing easier (pilot program)
- ❖ Determine appropriate policy directives to encourage preservation of existing housing stock, including smaller homes
- ❖ Address environmental concerns with tear-downs
- ❖ Explore policies for tax exemptions or reductions for 2-4 unit affordable, non-profit owned housing



# Thank You & Questions



# Extra slides



# SFR in the Atlanta Area

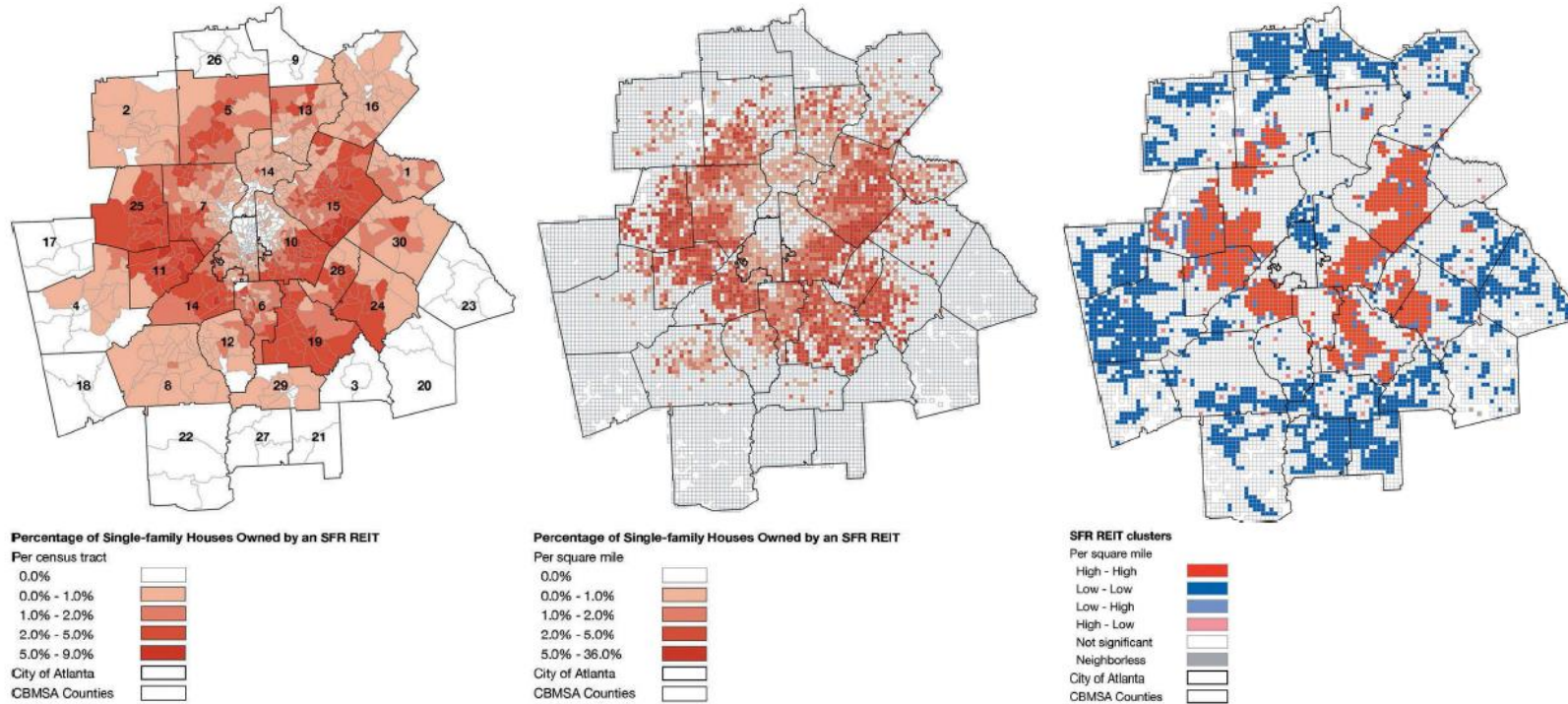


Image: Charles, S.L. (2020) The financialization of single-family rental housing: An examination of real estate investment trusts' ownership of single-family houses in the Atlanta metropolitan area, *Journal of Urban Affairs*, 42:8, 1321-1341.

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