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A New Roadmap for Workforce Housing in DeKalb County

July 2010

About the Livable Communities Coalition

The Livable Communities Coalition of Metro Atlanta works to improve the quality of life in metropolitan Atlanta by sharing and promoting smart growth principles, advocating public policy that promotes smart growth, and supporting projects that accelerate smart growth. Formed in 2005, the Livable Communities Coalition unites over 50 organizations working to change the way metro Atlanta grows by focusing on land use, transportation, housing, and conservation of open green space and natural resources. Member organizations include regional leaders in the areas of aging, building and development, business, urban and landscape design, government, housing, planning, sustainable development, the environment, and transit and transportation alternatives.

David Allman
Chair - Board of Trustees

Raymond Christman
Executive Director

Jaimye Bartak
Program Manager

For more information:

Livable Communities Coalition of Metro Atlanta
10 Peachtree Place, Suite 610

Atlanta, Georgia 30309

404 - 214 - 0081 (t)

404 - 214 - 0085 (f)

www.livablecommunitiescoalition.org

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In addition to the chapter on zoning and regulatory issues, Perkins + Will provided essential contributions in the form of GIS and graphic design for this report. The Coalition extends its gratitude to the Perkins + Will team of David Green, Jeff Williams, Cassie Branum, and Kevin Bacon for their help and expertise.

Finally, the Coalition would like to thank CEO Burrell Ellis, Commissioner Larry Johnson (District 3), the members of the DeKalb County Board of Commissioners, and the key County staff members whose support and committment to housing issues both created the opportunity for this study and make its implementation possible.

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DeKalb County and the Livable Communities Coalition

The “New Roadmap for Workforce Housing” provides recommended actions and initiatives, organized within a strategic framework, that will allow DeKalb County to better address the housing needs of its working, middle-class families – people working as teachers, health care professionals, first responders, retail workers, government employees, and in other professions essential to the day-to-day life of any community. Workforce households earn between $33,000 and $66,000 per year, or 60% to 120% of county median income.

County leaders recognized the need to address the housing needs of workforce families a number of years ago, in the midst of an over-heated housing market. Rapidly rising housing prices and land values were putting housing out of the reach of many middle-income households and gentrifying middle-income neighborhoods. In response, DeKalb County CEO (then Commissioner) Burrell Ellis and Commissioner Larry Johnson began to address this challenge, including drafting a proposed workforce housing ordinance. In late 2009, the County engaged the Livable Communities Coalition of Metro Atlanta, a non-profit smart growth advocacy organization, to carry out this study.

Over the past three years, of course, DeKalb's economy and the housing market have changed dramatically. Housing prices have sharply declined, and foreclosure activity has spiked. But these developments have not solved workforce housing challenges. Middle-income households remain saddled with stagnant incomes or family members without a job. And, although housing prices have declined, available housing that is affordable to workforce families is not necessarily in good condition, or is located in areas distant from job centers and transportation (particularly transit).

Thus, workforce housing needs are likely to persist over time and indeed grow. As DeKalb's population reaches a projected one million people, the need for affordable, middle-class housing will only increase. This report includes immediate actions to lay the foundation for future housing responses, as well as more ambitious initiatives to carry out in later years as the County's economy improves.

ABOUT DEKALB COUNTY

DeKalb County, with a population of 731,200, is one of the oldest and most populous counties in the metro Atlanta region. It traditionally served as a residential bedroom suburb to the city of Atlanta. Over time, as DeKalb has grown, its communities and neighborhoods have developed identities and character of their own.

In its entirety, DeKalb County is a diverse locality. But this diversity does not correlate with a variety of housing choices within the county's individual communities. Most higher-end housing is found in the northern end of the county, while most workforce and "affordable" housing is located south and east of Decatur.

Among the county's 80,000 workforce households, there is an almost even division of renters and homeowners. There is also an increasingly diverse mix of single-family (62%) and multi-family (38%) units, reflecting the changing housing preferences of residents. Importantly, multi-family development has grown faster in DeKalb than in any other county in the region over the past decade.

DeKalb County's housing stock is also relatively old, with over half the units constructed before 1980. The county did not suffer from the same level of over-building as many other parts of the region during the recent boom. Analysis carried out for this report suggests that existing developed lots in the county will be absorbed over 4-5 years when the economy stabilizes (as compared to 12-18 years in many outer parts of the region), leading to new cost pressures once again.

DeKalb County is one of only two counties in the region currently served by the MARTA rail (as well as bus) system. Its 11 rail stations present significant opportunities for future transit-oriented development (TOD), especially housing. This is an important competitive advantage for the county.

Finally, the fact that DeKalb County is so strongly residential (90% of the land area is zoned residential) has implications for creating economic development opportunities and building a more diverse tax base. Although DeKalb has significant employers like Emory University and the Center for Disease Control, its ability to attract other private employers has been limited. This report explicitly recognizes the need to expand economic opportunities, both to provide jobs for county residents and to grow the tax base. Workforce housing can be an important tool to help accomplish this, as the availability of quality, affordably priced housing near transit and employers encourages business expansion.

MAKING THE CASE FOR WORKFORCE HOUSING

In the current environment of declining housing values and growing foreclosures and vacancies, what is the rationale for developing a workforce housing strategy for a locality like DeKalb County? There are several major reasons why this makes sense, perhaps now more than ever:

1. Counties like DeKalb that are well situated in the center of major metropolitan regions are projected to grow significantly over the next several decades if they can provide the transportation, access to jobs, quality of life and housing choices people will desire. Thus, it will be important for the County to offer a mix of quality, affordable workforce housing.

2. The demand for workforce housing is projected to grow as a percentage of overall housing given expectations about job and income growth – i.e. what kind of jobs will be created and what they will pay. Given current projections, there will be a need to support more rental housing in the future.

3. Social and demographic forces will result in more elderly and more single-parent head-of-households, and more families without children, among other trends. This will lead to a greater demand for smaller, more affordable houses that are easier to maintain.

4. DeKalb County's housing supply is currently over-built, but not nearly as much as other areas in the region. The demand for new workforce housing units is expected to total around 5,560 over the next five years, which is slightly higher than the current stock of vacant, developed lots. There will be a need in the future for new workforce housing construction, but multi-family housing will have to be a prominent part of the solution.

5. The availability of workforce housing can be a key to job growth. As more and more workers prefer to live closer to where they work – both for quality of life and household budget reasons – those areas that can provide more convenient linkages between work and home will do better. Truly valuable workforce housing does not come with hiddden prices — long, costly commutes and high maintenance bills.

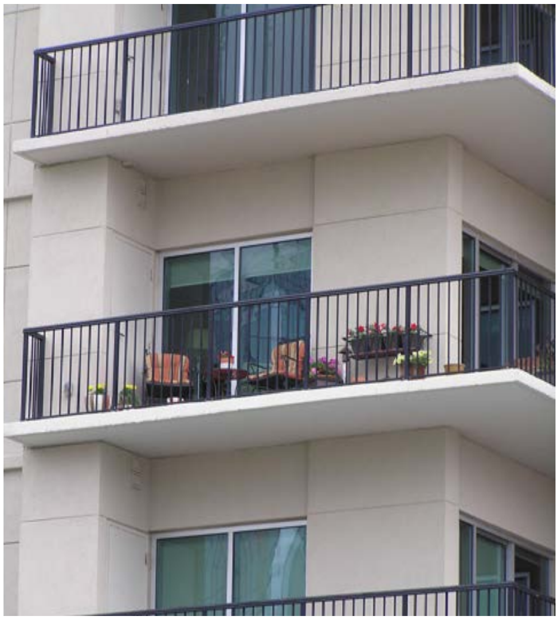
Finally, it is important to address workforce housing in the context of

MAKING THE CASE FOR WORKFORCE HOUSING

the county's overall housing needs and structure. Traditionally, most attention in housing policy is given to affordable housing for very low- and low-to-moderate-income families. This is understandable given the enormous housing challenges these families (which earn less than 60% of area median income) face. Virtually all government subsidies for housing are directed to these groups.

DeKalb County must continue address the needs of its low-income residents, but the recommendations in this report are made with a focus on the needs of workforce households. Nevertheless, many recommendations are equally applicable and beneficial to lower income households as well, and should be considered as holistic in the context of DeKalb's overall housing needs.

Truly valuable workforce housing does not come with hidden prices — long, costly commutes and high maintenance bills.



KEY PRINCIPLES

The recommendations in this report for a workforce housing strategy for DeKalb County are based on the following principles:

» Maintain the community-based residential character of neighborhoods and address the ongoing needs of existing residents;

» Utilize and enhance the existing housing stock wherever possible;

» Update the County's housing goals to reflect changing economic, demographic, and social trends;

» Value and support home-ownership as a key element for community stability and family wealth creation, but also recognize the need for quality rental housing in order to maintain a diverse housing stock and to attract younger workers as the next generation of residents;

» Update zoning and other local land use regulatory tools, making them more flexible and aligned with housing goals;

» Integrate housing policy and decisions with economic development and infrastructure investments to support County objectives;

» Create a County organizational and administrative structure for housing and community development that is integrated with economic development and other key functions.

ORGANIZATION OF THIS REPORT

This report is organized into eight primary sections:

1. An introduction providing information about the purpose and scope of this study;

2. The rationale for why workforce housing is important;

3. An overview of existing condition of the housing stock, housing demand, and related data;

4. A discussion of current zoning and other land use regulatory issues as they relate to workforce housing;

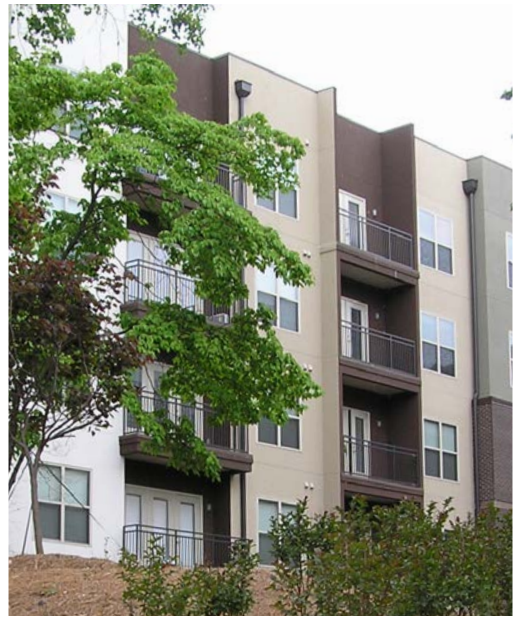
5. A discussion of workforce housing assistance strategies that might be employed by the county;

6. An analysis of the important opportunities for connecting housing to transportation;

7. A discussion of the need to build further organizational and administrative capacity as it relates to housing;

8. A presentation of recommendations, outlined as immediate, medium-term, and long-term actions.

9. A comprehensive survey of best practices as it relates to local support of workforce housing. A summary of these are contained in the appendix.



KEY RECOMMENDATIONS

Housing Assistance Strategies:

Housing programs in DeKalb County should generally provide more targeted support of workforce households. Programs and initiatives should be layered with other complementary programs and focused on specific neighborhood-level areas whenever possible to generate more impact from limited resources. As workforce housing subsidy programs are developed, they should require repayment so as to replenish funds for future families.

Recommendation Highlights:

- Establish a housing trust fund
- Expand lease-purchase opportunities
- Establish a rental deposit assistance program
- Work with large local employers to establish employer-assisted housing programs
- Offer low-interest rehabilitation loans and homeowner maintenance education programs
- Add resources for households facing foreclosure to the County 3-1-1 line and the Community Development department's website

Zoning and Land Use Regulation:

DeKalb's current zoning ordinance was originally adopted in 1956. Despite many years of amendments and additions, its treatment of workforce housing is limited and incomplete. An overhaul of the zoning code is currently in progress, but proposed changes still do not adequately address workforce housing. A separate workforce housing ordinance needs to be incorporated into the broader zoning code, and particularly targeted for overlay districts in MARTA station areas and key corridors.

Recommendation Highlights:

- Clearly define workforce housing and households to be served
- Identify target areas to be served by the ordinance: key job centers and corridors, MARTA station areas, etc.
- Establish broad and flexible set of developer incentives (parking, fee waivers, setbacks, density bonuses, etc.)

- Adopt flexible, variable approach to implementing ordinance that meets both county (taxpayer) and developer objectives
- Update comprehensive plan's definition of "employment centers"

Connecting Housing to Jobs and Transportation:

One of DeKalb's most valuable but underutilized assets is its MARTA stations. Workforce households could benefit from new transit-oriented development (TOD) housing opportunities near MARTA stations through reduced transportation costs and easier access to regional job centers, while the County would benefit from decreased traffic congestion and an expanded tax base. MARTA is set to adopt an extremely useful set of design and policy guidelines for the MARTA system. These should be fully embraced by DeKalb County for the four stations under its direct authority. Various LCI plans also have already illuminated the way forward to creating residential (including workforce), commercial, and retail opportunities near MARTA stations, with recommendations and action items already identified.

Recommendation Highlights:

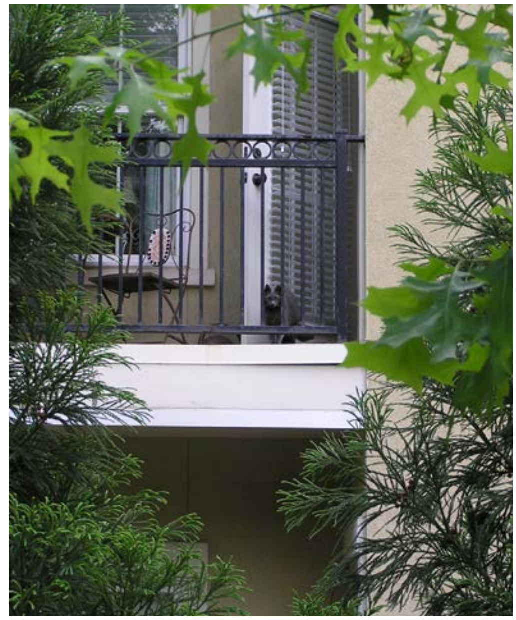
- Implement action items in MARTA TOD guidelines, especially for Kensington station
- Change zoning around MARTA stations and key corridors according to MARTA TOD guidelines
- Build strong partnerships with MARTA and ARC to help with implementation of TOD guidelines and joint development initiatives

Building Organizational and Administrative Capacity:

DeKalb County also needs to take certain organizational and administrative steps to position itself to respond to workforce housing issues more strategically, and yo deploy its resources more cost-effectively in the future.

Recommendation Highlights:

- Establish a land bank



- Pass a vacant housing ordinance
- Work with Neighborhood Nexus, a regional neighborhood information system initiative, to add more detailed data for DeKalb County
- Make code enforcement systematic and proactive
- Merge community development and economic development departments under one “super-department”

With regard to implementation, the full recommendations are presented as immediate-term (12-18 months), medium-term (2-3 years), and long-term (3-5 years). This report recognizes the current fiscal and economic challenges facing DeKalb County (and local governments everywhere), and proposes near-term actions that can be implemented at little or no cost, while laying a foundation for more ambitious steps in the years ahead.

One of DeKalb’s most valuable but unrealized assets to housing is its MARTA stations.

>> INTRODUCTION

The need to support **workforce housing** is greater than ever.

Purpose of Study

In 2009, the Livable Communities Coalition of Metro Atlanta ("the Coalition") engaged in discussions with County CEO Burrell Ellis and District 3 Commissioner Larry Johnson regarding workforce housing issues in DeKalb County. Both CEO Ellis and Commissioner Johnson had a long-standing interest in expanding housing options, as evidenced by their leadership in developing a proposed workforce housing ordinance. The concern over ensuring a wide variety of high-quality housing options throughout the county was widely shared by other members of the county commission, so in December the County contracted with the Coalition to carry out this study.

During the housing boom that began in the 1990s, it was increasingly apparent that the housing market was not adequately addressing the needs of DeKalb County residents—teachers, police officers, firefighters, health care workers, and young professionals. Middle-income, working families were priced out of homeownership opportunities in many neighborhoods formerly affordable to them due to rapidly escalating prices. In response, the County, under the leadership of Commissioner Johnson, created a workforce housing task force in 2005. The task force's effort centered around the drafting of a workforce housing ordinance that aimed to incentivize the development of housing units serving households earning between approximately $33,000 to $66,000 a year.

This study builds on the good work of the Task Force and the potential offered by the proposed ordinance, and provides a more comprehensive examination of DeKalb County's workforce housing needs and possible responses to them, particularly in light of the dramatically changed economic landscape of the last few years.

Why the Need for This Study Now?

At first glance, it may seem that DeKalb County has plenty of housing to accommodate its working, middle-class families. Ninety percent (90%) of the county's land is already dedicated to residential uses. Moreover, there has been a sharp decline in housing prices since the market crash of 2008. Even now the availability of quality, affordable workforce housing near job centers and transportation corridors and facilities is limited.

Yet the need for this analysis, and for carrying out actions to support workforce housing development in DeKalb County, is greater than ever. DeKalb County is one of metro Atlanta's "core" counties. It is proximate to many of the region's job centers and one of only two counties served by rail transit through MARTA. Its traditional role has been that of a suburban bedroom community for Atlanta, but out of this a number of neighborhoods and subdivisions with their own sense of community and identity have developed, attracting newcomers from all around. In this way the success of Atlanta metro region rests in great part on the long-term health and viability of DeKalb County's neighborhoods.

Moreover, DeKalb County, like many large, diverse urban counties, is heavily affected by other national trends. Major demographic forces are shaping future housing decisions. Baby Boomers are preparing for active retirements, and a new generation of Millennials are moving into adulthood with a growing preference for urban lifestyles, coupled with a lower earning potential than their parents. As ULI Senior Resident/Fellow John McIlwain begins in "Housing in America: The Next Decade" (2010), "As the economy recovers, markets will stabilize but the old 'normal' will not return. Once nascent trends will merge as major drivers, creating new markets in new places. Those who fail to understand these new trends will miss opportunities or find themselves building what is no longer in demand."

Thus addressing workforce housing is about more than simply making sure everyone who wants a place to live has one; it is also about endowing DeKalb with the means to nimbly adapt to new economic and social realities. Long-term sustainability and fiscal efficiency depends on DeKalb County becoming a place where all workers can get to their jobs in reasonable times for reasonable costs; where existing development is enhanced and optimized to minimize the use of natural and tax-dollar resources; and where a diverse range of workers are able to reside so as to support and attract an equally diverse group of employers.

What is "Workforce" Housing?

While to some the term "workforce housing" may conjure images of barracks-style structures, or even the old company-built, company-owned villages of a century ago, the term today refers less to residential design or form than to housing that is affordable to people earning middle-income wages—typically, people we all depend on in our everyday lives, such as nurses, police officers, teachers, librarians, waiters, hospital workers, assistants, recent graduates, entrepreneurs, and small business owners.

There is no industry-standard definition of the income range for workforce households. But the generally accepted definition is that "workforce households" earn between 60 and 120% of an area's median income. In DeKalb County, with a county median income (CMI) of $54,000, this translates into household income ranging from $33,000 to $66,000 a year.

Workforce households represent nearly one-third of all DeKalb County residences. Yet those households often face special challenges in securing safe, affordable housing. Assuming that not more than 30% of household income is spent on housing costs, workforce households in DeKalb County can afford to purchase a house priced between $99,000 and $198,000, or pay rents between $725 and $1,550 per month.

A "workforce" family searching for housing in DeKalb County would likely encounter the following issues:

» Uneven distribution geographically of housing affordable to them throughout the county.

» Lack of housing options nearest the county's employment centers and transportation systems.

» Inconsistent quality of construction of housing in accessible price ranges.

» Uncertain long-term affordability of housing units, potentially leading to gentrification or prohibitive price increases.

» Housing that does not meet a homeowner's needs over his/her lifespan and changing life phases based on size or product type.

It is often challenging in DeKalb County—as in many large metropolitan counties—for middle income, workforce households to find housing that is sound, desirable, well-located, and available at affordable price points. And the County's existing housing assistance programs, which currently rely solely on federal funds, often are limited to serving households earning not more than of 60% (and, in a few instances, 80%) of the area median income. Housing that is attainable to households earning 60% and below of the area median income is classified by DeKalb County as "affordable housing" — distinctive from "workforce housing" for the purposes of this report — and is typically addressed through various types of public or private subsidy, or through public housing programs for very low income households (those earning 50% or below AMI). "Affordable housing" in this context is NOT the subject of this report, though it remains just as important to DeKalb's long-term sustainability, competitiveness, and neighborhood vitality as workforce housing.

Finally, it should be re-emphasized that when talking about "workforce housing" there is no particular form, style, size, or design of housing that is being discussed. Nor is there a particular target demographic in terms of age, heritage, or household composition. Instead, workforce housing is simply housing for people earning wages within a certain income range. But this happens to disproportionately include workers performing critical functions in a community such as first responders, teachers, hospital workers, and the like. These are workers critical to any community, most of whom would desire to live within the area in which they work, to be part of that community, and to reduce the time and expense of their commutes.

Scope of the Study

This report attempts to determine the workforce housing needs of DeKalb County, and addresses what the County government can do to update and improve upon relevant policies, ordinances, and programs to more effectively and efficiently improve housing options for this important segment of the population. It was conducted with an emphasis on four main objectives for a new workforce housing strategy: (1) preserve existing workforce housing, (2) build new workforce housing, (3) acquire, rehabilitate, and redeploy foreclosed properties for workforce housing, and (4) connect workforce housing to identified activity centers, employment clusters, redevelopment corridors, and transit system.

Analysis of the status of workforce housing centered on socio-economic factors, demographics, housing stock characteristics, community development funding and policies, transportation costs, zoning ordinances and comprehensive plan policies, and housing quality. Because all of these elements are ultimately inter-related, recommendations focus on responding to existing and emerging housing issues in a more holistic and flexible manner, giving the County the tools its needs to customize strategies and responses as housing conditions—localized or county-wide—evolve over time.

The report includes the following key sections:

1. Making the Case for Workforce Housing
2. Existing Conditions (including socio-economic, housing stock, and market analysis)
3. Zoning and Land Use Regulations
4. Housing Assistance Strategies
5. Connecting Housing to Jobs and Transportation
6. Building Organizational and Administrative Capacity (actions to create an integrated county organizational and programmatic delivery system for workforce housing and other affordable housing purposes)

The report also provides a detailed set of recommendations and suggestions for implementation. Some of the specific questions explored for this study, based on known concerns as well as issues raised by interviews with County staff, include the following:

» How can the County utilize its resources to ensure an appropriate portion of land is devoted long-term to housing affordable to those working throughout our neighborhoods?

» What kinds of housing does DeKalb's current zoning code allow? Do such zoning provisions allow for the construction or preservation of housing affordable to DeKalb's workers? Where is such housing even allowed?

» Are there other or better ways to apply current housing funding and programs so that more residents are helped? What are some alternative ways to encourage and incentivize housing affordable to workers?

» What about all those houses left vacant due to the foreclosure crisis? What else can the county do to make sure it is using and preserving the housing stock it already has?

» What can DeKalb do to prevent housing abandonment and deterioration, especially of existing multi-family structures?

» Do County departments cooperate in a way that is conducive to an organized and strategic approach to housing issues?

» What are other places doing to aid working families with housing costs throughout the country? Are any of these good ideas for DeKalb?

Methodology

In preparing this report over the past six months, the Coalition has engaged in a process to gain the input and ideas of a wide range of parties, both within and outside county government. Initial work began by interviewing key department staff on the operations of housing programs and policies in DeKalb County. All relevant information about existing housing programs and funding in DeKalb County was collected and reviewed, and past studies related to workforce housing in DeKalb County were also considered to avoid overlap or repetition.

The definition of workforce housing (60% to 120% of county median income) was used to remain consistent with past work completed by the DeKalb Workforce Housing Task Force in their drafting of the workforce housing ordinance (though that encompasses households earning up to 125% CMI). The definition is also used by ULI's Terwilliger Center for Workforce Housing, and was most recently employed by ULI in a 2009 study of the need for workforce housing in the Atlanta region's four core counties (including DeKalb). There is, however, much debate on the exact definition of workforce housing, and different groups use different parameters.

In order to determine the housing needs of workforce households, we considered the following elements of and influences on the existing condition of DeKalb's housing stock:

» Number of households

» Demographics of households

» Household incomes

» Renters vs. Owners

» Multi-family vs. Single-family Units

» Rent and Mortgage Costs

» Workforce Housing Market Demand

» Recent Building Patterns

» Housing Conditions and Vacancies

» Locations of Workforce Housing Units

» Locations of Jobs

Data in the Existing Conditions section was drawn directly from DeKalb County sources whenever possible, but most socio-economic data came from the U.S. Census American Community Survey (ACS) of 2008, and housing data from the ACS and Atlanta Regional Commission. DeKalb County currently does not have a complete GIS dataset of property attributes or values, so ARC parcel data from 2003 was paired with property appraisal data to create maps of different aspects of the housing stock wherever possible. Such maps should be viewed as solid impressions of housing patterns in the County, but by no means as 100% accurate depictions of what is happening on parcel-by-parcel basis.

Other sections of the report address strategies and programs that have been successful in other jurisdictions, but only those applicable to DeKalb County's situation were included. A more complete set of tools and best practices that could be employed by DeKalb County is provided in the appendix.

This study particularly focused on an analysis of the County's existing and proposed zoning ordinances, and the proposed workforce housing ordinance. For this purpose the Coalition engaged the architecture and planning firm Perkins + Will, who developed the findings with recommendations contained in that section of the report.

Interviews were conducted with County staff and other officials to gather viewpoints on how the various departments involved with housing in DeKalb collaborate and work together. Using examples from other jurisdictions, suggestions and recommendations are provided in the Building Organizational and Administrative Capacity section on how expertise embedded within different county departments can support one other and increase DeKalb's capacity to address housing issues on a visionary and comprehensive scale.

Final recommendations are prioritized by what DeKalb needs to do in the near future to lay the foundation for greater amounts of high-quality workforce housing in areas near jobs and transit when the economy rebounds. Recommendations also take into account the severe budget constraints the County is now facing, and include short-term strategies that do not require high infusions of dollars at the outset. However, the study does not shy away from advocating that within the next few years DeKalb simply must begin to commit to a larger financial investment in its housing programs, and in a more coordinated manner, if it is to thrive as it becomes one of the most populous urban counties in the nation.

Work Team

This project was managed by the Livable Communities Coalition. In particular, Raymond Christman, Executive Director, served as the project principal. Jaimye Bartak, Program Manager of the Coalition, served as the project manager.

Analysis and recommendations on zoning and regulatory issues were completed by Perkins+Will Architects. Perkins+Will is renowned for producing bold, socially relevant and environmentally responsive development strategies for its clients. Its urban designers and planners have shaped eminent cities, campuses, and buildings across the country and around the world. Spanning scales from individual building sites to entire regions, its strategies guide development, promote economic growth, and create vibrant environments. The Perkins+Will team was comprised of David Green, Jeff Williams, and Cassie Branum.

Other Relevant Studies

The following studies helped inform this report:

» "Fair Share Housing In the Atlanta Region," (2003) by Dr. David Sawicki

» "Regional Strategies for Affordable Housing in Metropolitan Atlanta," (2004) by Dr. Larry Keating

» "Making the Case for Mixed-Income and Mixed-Use Communities," (2004) by ANDP and CNT

» "Analysis of Exclusionary Practices in Residential Zoning in Metropolitan Atlanta," (2005) by Dr. Larry Keating

» "City of Atlanta Affordable Workforce Housing Implementation Task Force Report," (2006) by the City of Atlanta

» "Next Generation - Making the Case for Mixed-Income and Mixed-Use Communities," (2007) by ANDP and CNT

» "Defining the Need for Workforce Housing in Atlanta," (2009) by ULI Terwilliger Center for Workforce Housing

» DeKalb Workforce Housing Study: Making Unaffordable Places Affordable," (2005) by DeKalb County Planning Department

» "Housing Demand Study," (2009) by DeKalb Development Authority

>> MAKING THE CASE FOR WORKFORCE HOUSING

Communities that can provide quality, affordable workforce housing (and public transportation) choices will be more successful in attracting jobs.

The Great Recession, which began in late 2007, is just beginning to recede over two years later. But the Atlanta metro economy, and particularly its fragile housing market, is still recovering.

To put the deep decline in housing demand in perspective, 2,920 residential building permits were granted in DeKalb County in 2006, while only 299 were issued in 2009. Prices have fallen as a result of lower demand and also because of the surplus of foreclosed and short-sale property on the market.

In this context, why talk about workforce housing? Aren't there plenty of inexpensive houses available? Won't the inventory of foreclosed properties meet this need for years to come? Aren't prices – both for rental and homeownership – plenty low?

The answers to these questions is a qualified yes….for right now. For example, there are a substantial number of foreclosed properties – an estimated 18,000 units – in the county. But the inventory of foreclosed housing may make little difference to working families looking for a home or apartment because of the location or condition of the property in question. Workforce housing should not be thought of as "cheap" housing. There has long been far too much poorly constructed housing built with low quality materials throughout DeKalb County.

The case to be made for developing and implementing a workforce housing strategy in DeKalb County is based both on the need to correct the problems of the past and to look forward a few years to a time of economic recovery. In doing so, the County can begin to plan now for the challenges that will likely arise at that time.

Here are six major reasons why DeKalb County needs to have a comprehensive workforce housing strategy:

ONE DeKalb County will grow in the future, perhaps at a stronger pace than other parts of the region. The Atlanta Regional Commission estimates that the metro region will increase population by some 2.5 million people over the next 30 years. Current trends suggest that the core areas of large metro regions – the areas that already have infrastructure, job centers, and transportation alternatives – will grow fastest.

DeKalb County has these advantages but needs to make sure it continues to have a mix of quality housing options available at different price points to retain and attract residents.

TWO The demand for workforce housing will likely grow as a percentage of overall housing demand. Workforce households – those earning $33,000 to $66,000 per year -- now comprise over 30 percent of the county's residents. Most economic experts foresee an extended period where job availability will be tight and income growth limited. And they also project that job growth will occur primarily in occupations that do not require a four year college degree and that pay accordingly – these are jobs in hospitals and health care companies, public safety, call centers, and the like. These trends suggest a likely increase in the number of "workforce" families as defined by income range.

THREE Social and demographic forces are impacting workforce housing preferences and needs. In addition to the economic factors driving housing demand, there are major changes occurring socially and demographically that also will influence housing. These include a growing population of seniors, many more households without children, and more single-parent households. These forces will increase the demand for reasonable priced, smaller size housing, particularly properties that are well located to jobs, retail, and transportation. A significant portion of this type of housing will need to be aimed toward workforce households.

FOUR The supply of housing in the county will come under pressure soon again. The current surplus of foreclosed properties and developed lots should not be viewed as a long-term condition. According to analysis carried out for this study by real estate analytics firm Smart Numbers, DeKalb County has a developed lot inventory that will last about four years once the economy returns to normal levels, based on conservative growth projections. This is in contrast to outlying exurban counties in the Atlanta region, like Forsythe, Rockdale, or Douglas, which typically have a 12-18 year inventory of lots that will need to be worked through.

This suggests that workforce housing supply will again become an issue in the near future, assuming a reasonable and sustained economic recovery.

FIVE The availability of workforce housing is a key to future job growth. DeKalb County is a primarily residential county – a county of neighborhoods and subdivisions with a sense of community. It has a relatively limited commercial base, which has had a negative impact on property tax revenues and created a growing demand for more economic development.

But in the future, more and more workers will want to live near where they work, both for convenience and because of the rapidly rising cost of transportation (including the cost of owning and insuring multiple automobiles and the gasoline expenditures associated with commuting). Analysis carried out by the Center for Housing Policy and the Urban Land Institute's Terwilliger Center for Workforce Housing suggests that average transportation costs in many large metro areas can be 25-30% of household income – or nearly as much as a monthly mortgage or rental payment.

In the future, those communities that can provide quality, affordable workforce housing (and public transportation choices) will likely be more successful in attracting jobs as well. Employers are increasingly looking to locate or expand near available labor forces that have easy access to the workplace. If DeKalb County can point to an available mix of good quality housing, and a county policy and program that supports workforce housing, it can be one of the county's strongest economic development marketing tools.

SIX Workforce housing is the "third rail" of any local housing strategy, and needs to be addressed in order to ensure that the county's future development can occur in a sustainable fashion. There are three components to the housing economy of any metropolitan county or community.

The first component is market-rate housing – housing that is purchased or rented by people through normal market transactions. This is typically considered to be housing for people earning 120% of area median income or higher.

The second category is public and affordable housing – housing whose residents qualify based on income for subsidy. This includes public housing for very low income households (those earning less than 30% area median income), and also housing for other low and moderate income families, typically those earning between 30% and 60% of area median income. These very low, low, and moderate income families can qualify for subsidy dollars provided through various federal (and some state) programs.

Workforce housing is a third category of housing, situated between affordable and market-rate housing on the economic ladder. Households who buy or rent workforce housing typically do not qualify for federal subsidy programs, but homebuilders and developers find it challenging to profitably build housing at workforce price points. And all too often, local communities resist the development of multi-family workforce projects, fearing that it will diminish property values or result in other changes to their community. Research has shown, however, that workforce and affordable housing in and of itself does not bring down property values. Rather, it is the quality and condition of housing that has the most impact. For more information and resources on the effect of workforce and affordable housing on property values, see: http://furmancenter.org/files/media/Dont_Put_It_Here.pdf

For all the reasons stated above, workforce housing is essential to meeting the needs of all of a community's residents and for supporting business investment and economic development.

>> EXISTING CONDITIONS

Current inventory of undeveloped lots should be absorbed within 4-5 years.

Most of DeKalb's land is devoted to residential uses. But the county is also is home to many of the Atlanta region's largest and most prestigious institutions, including Emory University and the Center for Disease Control. While DeKalb County remains overwhelmingly suburban in character, its population, diversity, and location in the geographic center of a sprawling region have brought it both the benefits and the challenges of an urban environment.

DeKalb's housing needs are also changing as the economy and demographics of the region re-adjust to the impacts of the Great Recession. But even before the fallout hit, there were difficulties for DeKalb's middle-class workers in finding affordable housing, especially in places near jobs and transit that would keep household transportation costs down. Since 2000, there was actually a 5.5% decrease of workforce households living in the county. Such households may have moved out due to the escalation of housing costs that occured over this time.

Now with the foreclosure crisis, there is an alarming amount of vacant or foreclosed property, especially in a swath cutting southwest to northeast through the county's midsection. While this is bad news for property values, it does present some opportunities for workforce households to take advantage of lower prices, with the assistance of homeownership programs.

Workers in DeKalb County are employed in a variety of industries, and a majority work in management or professional positions, followed by sales and office, and then service occupations. The range of incomes associated with DeKalb's (and the region's) diversified economy means there is a need for an equally diverse housing stock, offering a variety of types and price points. Based on the number of households spending more than 30% of their income on housing costs alone (not including transportation expenses), DeKalb is still in need of more housing options affordable to its everyday working families.

As of 2008, a third of householders (29%) in their working years (ages 25 to 64) were making "workforce" incomes between

60% and 120% of the county median income of $55,000. Age does not serve as a predictor of whether a household will qualifiy as "workforce," however, but age does affect whether a household will rent or own. The range of purchase prices affordable to workforce households is $100,000 to $198,000 as of 2008, and the range of reasonable rents for a workforce household is $725 to $1,550 per month.

In DeKalb there are slightly more homeowner than renter households with "workforce" incomes. In both renter and homeowner populations, respectively, about a third of each have "workforce" incomes, corresponding to workforce households comprising about a third of DeKalb's total housholds.

Housing Stock Overview

DeKalb County has experienced sizable changes to its housing composition over the last decade.

DeKalb County is most densely occupied in its western and northern portions, as shown in Map 1 at the right. Eastern portions of the county near Stone Mountain and Lithonia have the greatest amount of vacant land, but also the highest amounts of recreational areas and difficult-to-develop rock outcroppings. The southern third of the county has grown the most rapidly over the past decade, but it is serviced least well by transit or major transportation corridors. It is also the furthest away from the region's major job centers.

Map 2 shows the DeKalb County Planning Department's map of existing and future activity centers as well as mixed-use corridors and transit lines. Center and corridor designations were adopted as policy within DeKalb County's Comprehensive Plan in 2005. Major employment centers (blue dots) are to be campus-like office parks, while regional centers (pink dots) are to be mixed-use areas of commercial, retail, and residential uses. Higher density residential uses such as townhomes and condominiums are described in the plan as the most suitable for the regional, town, and neighborhoods centers. The effective goal adopted by this map is to concentrate commercial and mixed uses along the corridors, with "centers" at major intersections and crossroads, while protecting the pockets of single-family neighborhoods in between.

When these two maps are compared with Map 3 (page 27), showing Building Permits from 2000 to 2005, a clearer picture of the housing stock in DeKalb County begins to emerge. Areas with higher concentrations of existing housing stock have begun to see infill development at a greater scale, while much of the remaining areas of buildable land on the edges of the county have been built up with single-family housing.

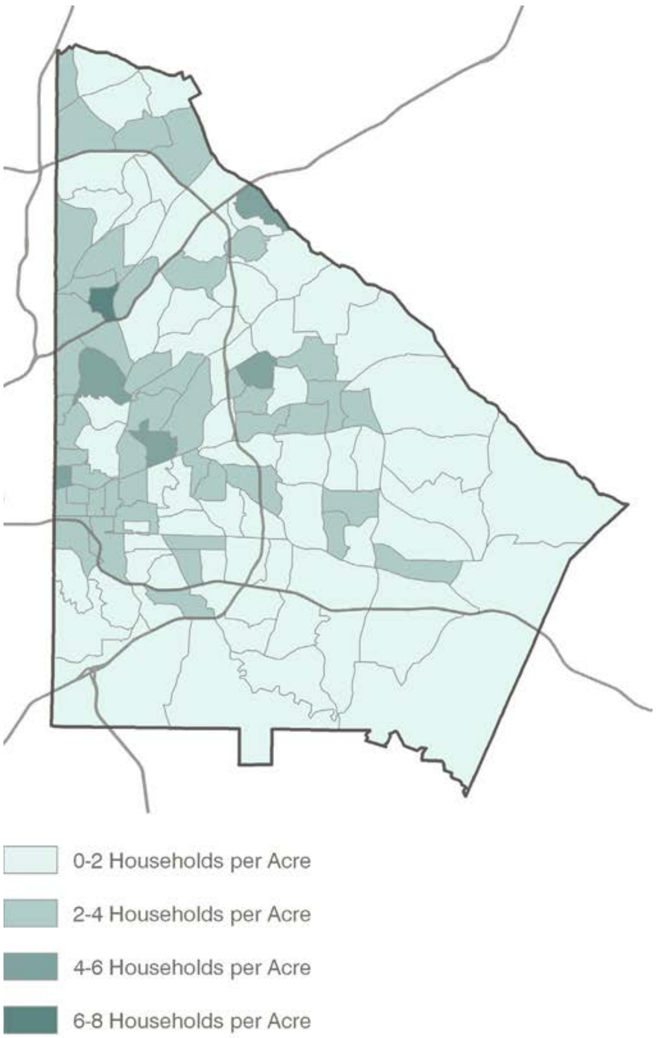
Mixed-use development has sprung up along corridors, but tends to be somewhwat isolated and not closely clustered with other retail development. Multi-family is also found in the northern areas outside of the City of Atlanta and in the far north in Dunwoody. A few multi-family developments also were built in the southern portion of the county, but it tends to be more isolated from new development unlike in the northern portion.

Overall the areas with existing development appear to be densifying while those with open land are filling up. Uses are mixing more among new development, especially in the Brookhaven/Chamblee area. Development patterns are also tending to follow the outlines of the comprehensive plan's designated activity centers and corridors, but are still rather diffuse. That is, except for areas straddling I-85, development patterns do not appear to have concentrated in areas adjacent to major job centers or transit.

Another notable feature of DeKalb's housing stock is the fact that 52% of its units were built before 1980. An older housing stock offers challenges to workforce households in regard to higher energy and maintenance costs.

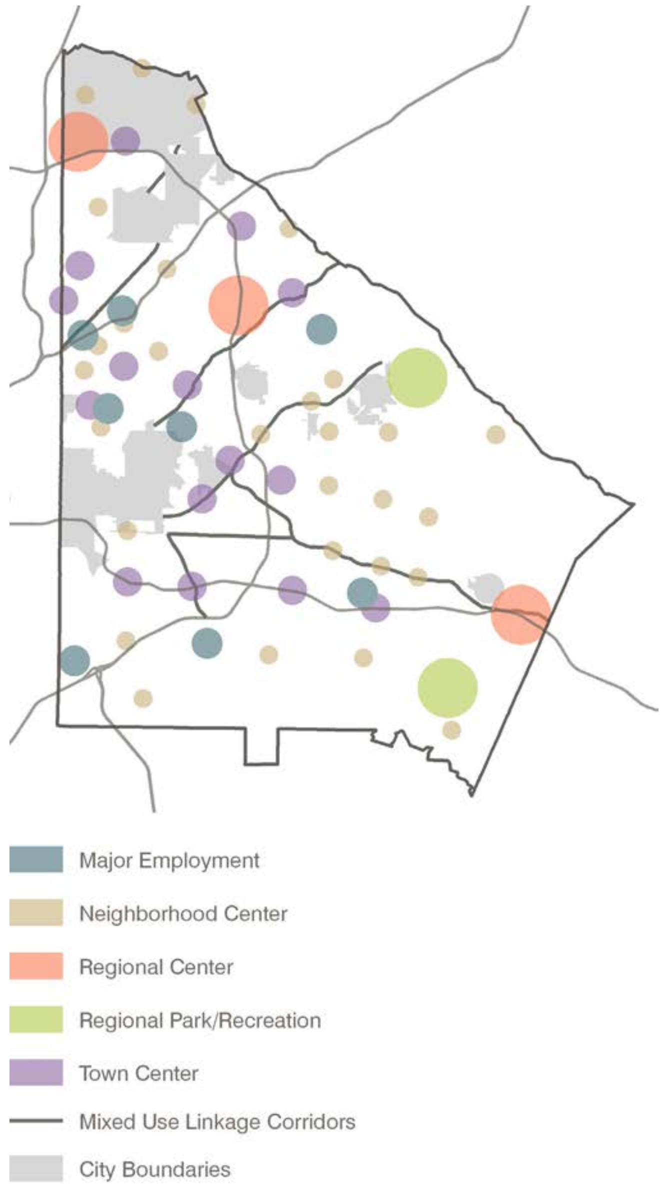
Finally, an analysis of recent housing sales and lot supply suggests that the current inventory of undeveloped lots should be absorbed within 4-5 years, once the economy rebounds. At that point land prices can be expected to rise, challenging affordability for workforce households.

>> Map 1 - Households per Acre, 2008



Source: Atlanta Regional Commission

>> Map 2 - DeKalb County Planning Areas



Source: DeKalb County Planning Department

Socio-Economic Conditions

Incomes in DeKalb

Figure 1 is a general snapshot of household income in DeKalb County and how it has changed since 2000.

The most notable trend gleaned from this chart is that DeKalb attracted more wealthy households over the last decade, while moderate income households declined. The lowest earning households (below the $25,000 income level) comprised 27% of households and did not change from 2000. Yet over the last eight years, the number of households earning between $25,000 and $50,000 decreased from 25% to 19%. The percentage of households earning above $50,000 increased slightly between 2000 and 2008 from 49% to 54%.

"Workforce" households are those earning between $33,000 and $66,000 a year. As of 2008 they represented approximately 29% of DeKalb's households, as shown in Figure 2.

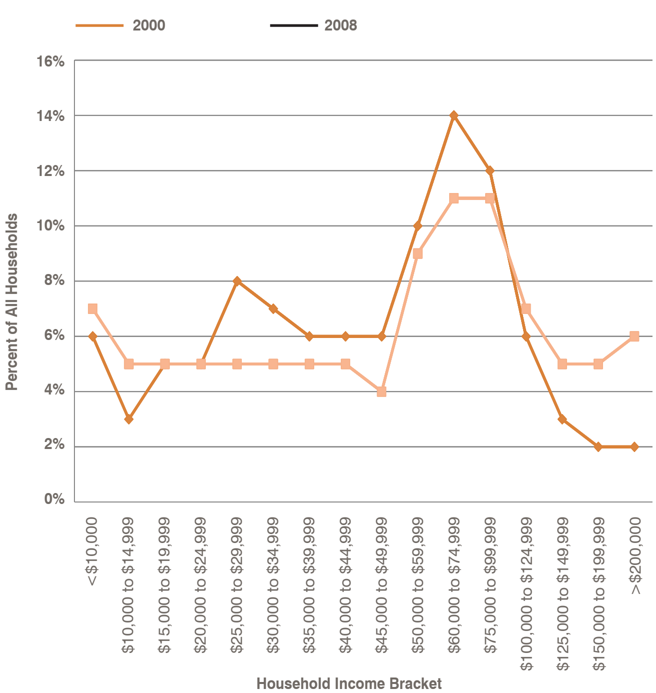
Types of Workforce Households

Figure 2 below shows the number of households that are considered "workforce" in DeKalb County. The counts are derived from a household's correlation with the County Median Income, or CMI. County Median Income (CMI) is the level of income at the exact middle of the range all households' incomes. In DeKalb in 2008, the county median income was approximately $55,000.

CMI is a DeKalb-centric version of Area Median Income (AMI), which is a reading of the middle of all incomes in the region. AMI is important because it is a guideline often used by HUD to set limits on who is eligible to live in affordable housing. Because AMI encompasses such a large geographic area, it may not specifically reflect actual incomes in a more localized area like a single county. The HUD-determined AMI for the Atlanta area in 2009-2010 is $71,700, much higher than DeKalb's.

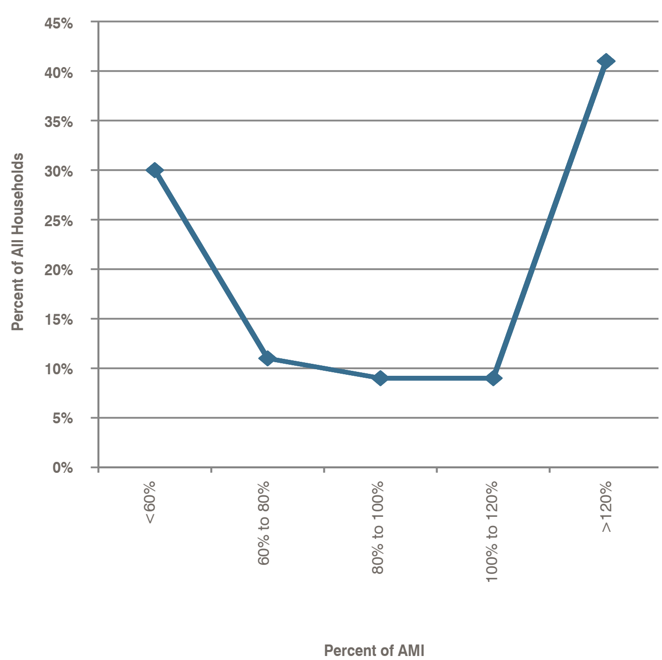
Analyzing workforce households in terms of age groups is more

>> Figure 1 - DeKalb County Household Income



Source: American Community Survey 2008

>> Figure 2 - DeKalb County Workforce Households



Source: American Community Survey 2008, * Dekalb County CMI = $54,982 revealing in terms of housing needs. Workforce households appear to be evenly distributed among age all groups, with about 30% of each of the age cohorts classifying as "workforce." Age is not a good predictor of whether or not a household will qualify as "workforce." In other words, workforce households are not concentrated within any single age cohort.

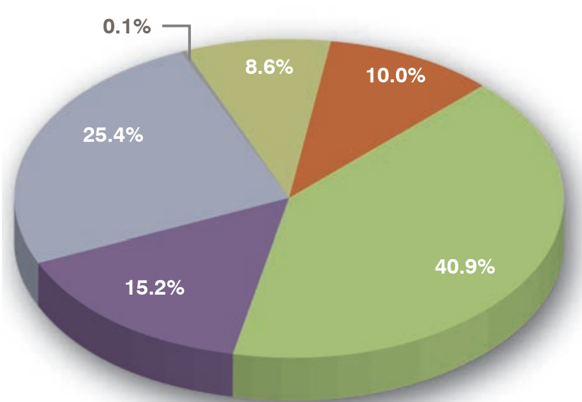
Age information is important because different age groups tend to prefer different housing types and situations. For instance, in 2008 there were 4 times as many senior homeowners as renters; 3 times as many 45-65 year old homeowners as renters; an equal proportion of 25-44 year old owners and renters; and 11 times as many under-25 year old renters as homeowners. Yet age is not necessarily a good determinant of incomes levels. This means that the inventory of workforce housing units should be varied enough in ownership and rental opportunities, as well as size and design, to appeal to all age groups.

Types of Industry and Professions

Figure 3 presents a more detailed look at major industries and the local employment environment for the year 2008. Though a large share of employment is management-professional in nature, the industries associated with those jobs appear to be fairly diversified. Census information indicates that no one category of industry exceeds 20.4% (educational services, and health care and social assistance). Of 11 industrial categories, seven industry categories employ between 5% and 10% of the workforce, suggesting a diverse economy.

Figure 4 quantifies the employed population over six broad employment categories. The largest share (40.9%) is attributed to the management, professional, and related occupations. The second largest share (25.2%) is attributed to service occupations. In other words, most of DeKalb's workers spend their days in offices and not industrial/manufacturing areas. This means most are headed towards job centers characterized by office buildings, and

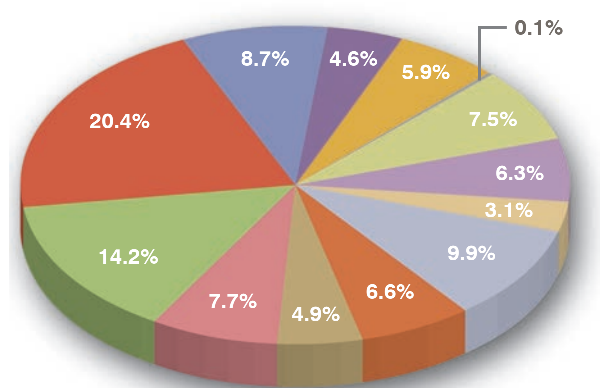
>> Figure 3 - Major Industries in Dekalb County



Industry	Total Jobs
Management/Professional Occupations	152,706
Service Occupations	56,919
Sales & Office Occupations	94,134
Farming/Fishing/Forestry Occupations	270
Construction/Extraction/Maintenance	32,132
Production/Transportation/Material Moving	37,173

Source: Georgia Department of Labor

>> Figure 4 - Types of Professions in Dekalb County



Industry	Total Jobs
Agriculture/Forestry/Fishing/Hunting	408
Construction	28,180
Manufacturing	23,410
Wholesale Trade	11,452
Retail Trade	37,142
Transportation/Warehousing/Utilities	24,507
Information	18,229
Finance/Insurance/Real Estate/Rental	28,830
Professional/Scientific/Management	53,086
Education Services/Health Care/Social	76,065
Arts/Entertainment/Recreation/Food	32,617
Other Service (Except Public Admin)	17,327
Public Administration	22,081

Source: Georgia Department of Labor

not to oulying areas that traditionally host industrial/manufacturing operations.

Earning Power of Workers

To demonstrate what a variety of common occupations might earn in DeKalb, Figure 5 provides more detailed information on workers' incomes in terms of experience level and payroll type (hourly or annual). Hourly wages are translated into annual earnings.

Purchasing Power

Purchasing power is particularly important in understanding the workforce household situation in DeKalb, as it indicates the maximum monthly rents and the maximum owner sales prices that such people can afford. A home – rental or owned – is generally considered affordable if the costs of shelter (rent or mortgage) equal 30% or less of a household's income (maximum monthly rent is calculated as 30% of income minus a $100 utilities allowance).

As the housing stock analysis in the next section will show, there are many households earning 60% to 120% CMI who are spending more than 30% of their incomes on housing costs. Of course, this is even before transportation costs are factored in, which is tied to the location of a home in relation to the occupant's job. The farther a resident lives from their job (or reliable transit), the more money it will cost to live in their home.

Housing Stock Analysis

Number and Types of Housing Units in DeKalb

According to the Atlanta Regional Commission, there are an estimated 300,663 housing units in DeKalb County as of 2008, an increase of 15.1% from 2000. In that year, there were an estimated 249,339 households (occupied housing units) throughout the county, a number that increased 11% to 276,775 households by 2008. There is some variance between ARC's numbers and the Census's. As expected from the years of the housing boom, the growth in units

>> Figure 5 - DeKalb County Earnings by Occupation

Occupation	Entry Level		Experienced	
	Hourly	Annual	Hourly	Annual
Cargo & Freight Agents	$12	$25,992	$34	$69,960
Customer Service Representatives	$11	$22,905	$19	$40,238
Executive Secretaries & Administrative Assistants	$16	$32,285	$24	$49,525
Legal Secretaries	$20	$41,590	$32	$66,278
Medical Secretaries	$13	$27,659	$18	$36,927
Office & Administrative Support Workers	$7	$14,680	$16	$32,706
Police, Fire & Ambulance Dispatchers	$14	$29,798	$18	$37,249
Reservation & Transportation Ticket Agents	$14	$28,984	$20	$41,237
Tellers	$11	$23,420	$13	$26,831
Dental Hygenists	$28	$58,839	$38	$79,195
Registered Nurses	$25	$51,685	$36	$74,123
Human Resources Managers	$33	$69,600	$60	$125,041
Detectives & Criminal Investigators	$20	$41,326	$33	$69,475
Police & Sheriff's Patrol Officers	$18	$36,886	$23	$48,166
History Teachers, Postsecondary	-	$44,889	-	$88,807
Secondary School Teachers	-	$37,865	-	$58,564
Accountants & Auditors	$21	$44,207	$38	$79,385
Auto Mechanics	$9	$19,586	$21	$44,537
Construction Managers	$27	$55,308	$50	$104,100
Social Worker/Public Health Worker	$20	$41,600	$33	$68,640
Education/Vocational Counselors	$19	$39,520	$33	$68,640
Construction Laborer	$7	$14,560	$15	$31,200
Carpenter	$13	$27,040	$23	$47,840
Writer	$7	$14,560	$10	$20,800
Security Guard	$8	$16,640	$12	$24,960

Source: Georgia Department of Labor, Workforce Information & Analysis (2008) slightly outpaced the growth in households available to move into them.

The county is still primarily comprised of single-family housing units, with 185,329 units as of 2008. This represents 61.6% of DeKalb's housing stock, a 9% increase from the number of single-family homes in 2000 (170,026). Multi-family housing units represent 38.1% of DeKalb's housing stock, with 114,407 units. However, the number of multi-family units grew more rapidly than single-family units over the past 8 years, increasing 26% from 90,256 units in 2000. In fact, DeKalb had more multi-family growth between 2000 and 2008 than any other county in the metro region.

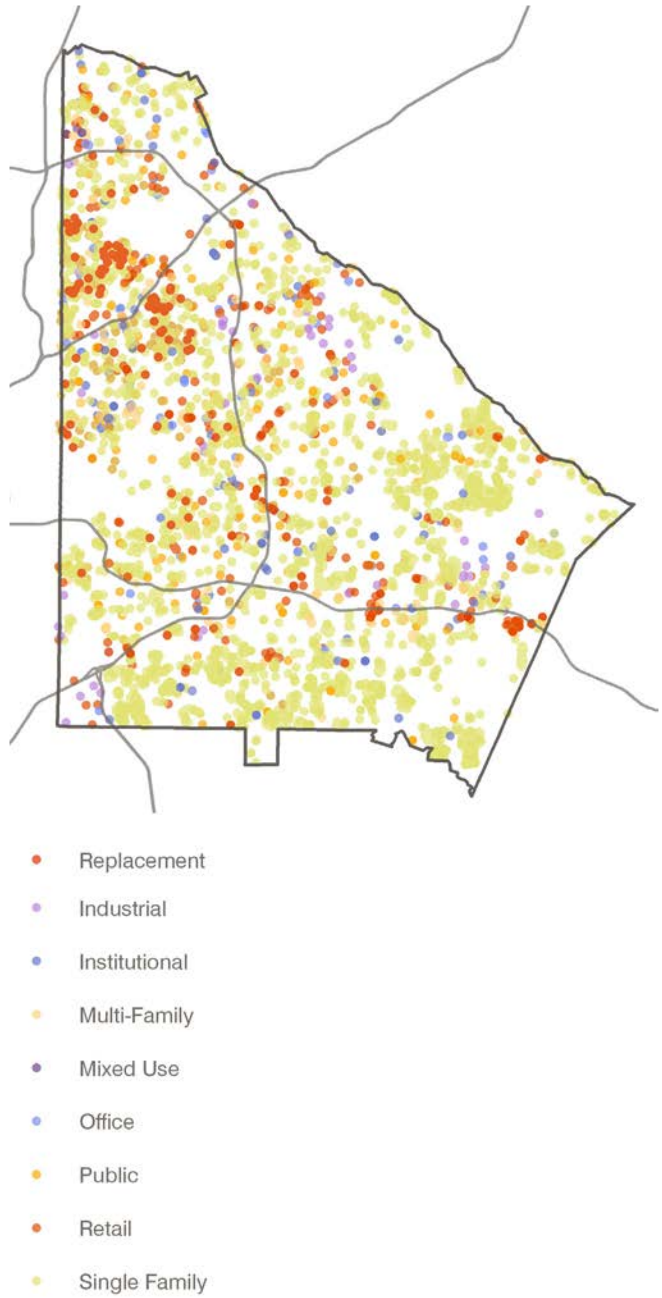
The highest concentrations of single-family housing is found in the Southeast, South, Southwest, and the City of Atlanta-DeKalb "superdistrict" areas (as defined by ARC), respectively. Likewise, the highest concentrations of multi-family housing is found in the Northwest, Chamblee (North), Northeast, and Decatur areas,

>> Figure 6 - DeKalb County Purchasing Power

CMI ($54,982)	Maximum Income	Maximum Monthly Rent	Maximum Owner Sales Price
60%	$32,989	$725	$98,968
70%	$38,487	$862	$115,462
80%	$43,986	$1,000	$131,957
90%	$49,484	$1,137	$148,451
100%	$54,982	$1,275	$164,946
110%	$60,480	$1,412	$181,441
120%	$65,978	$1,549	$197,935

Source: 2008 Census

>> Map 3 - DeKalb County Building Permits 2000-2005



Source: DeKalb County Planning Department respectively.

Correspondingly, the "super districts" that experienced the greatest amount of homebuilding of all kinds between 2000 and 2008 were South, Southeast, Atlanta-DeKalb, and Chamblee (North), respectively. By far South DeKalb saw the most building, with a 40% increase in total housing units.

Interestingly, the two areas of the county that experienced the most construction (South and Southeast), and also had the most developable land, had relatively even proportions of new single-family and multi-family housing built. Not surprisingly, in less land-rich Atlanta-DeKalb, construction of multi-family housing was twice that of single-family housing. Yet in North DeKalb only about 13% of construction was single-family homes, with the rest being multi-family units. This suggests development trends are responding to demand for multi-family units near job-rich areas.

Referring back to Map 3, patterns of building permits issued between 2000 and 2005 illustrate the trends described above. Infill is notably concentrated in NW DeKalb near Briarcliff and Clairmont Roads, and on the western side of Buford Highway surrounding the Brookhaven MARTA station. The only other area where another concentration of infill appears is to the southeast of Decatur, off Glenwood and Candler Roads. Infill development is notably absent around MARTA stations such as Kensington, Avondale, and Indian Creek. Multi-family developments appear in general to exist on major roads, but there is no discernible pattern of such development occurring particularly close to new retail or commercial development.

Owner Occupied vs. Rental Households

There are approximately 25% more owner-occupied households than renter households in DeKalb County. The majority of DeKalb's households falling within workforce income brackets are also homeowners, though only by 5.4% percentage points over renters.

>> Figure 7 - Tenure by Household Income

Tenure by Owner Household Income		2000			2008	
Owner occupied:	242,833	% Owner HH	% Total HH	275,111	% Owner HH	% Total HH
Total:	144,413	100.0%	59.5%	169,856	100.0%	61.7%
Owner-occupied, 60-80% CMI	15,465	10.7%	6.4%	14,305	8.4%	5.2%
Owner-occupied, 80-100% CMI	14,892	10.3%	6.1%	15,541	9.1%	5.6%
Owner-occupied, 100-120% CMI	14,838	10.3%	6.1%	16,787	9.9%	6.1%
Total Owner-occupied, Workforce CMI Range	45,195	31.3%	18.6%	46,632	27.5%	17.0%
Tenure by Renter Household Income		**2000**			**2008**	
Renter occupied:	98,420	% Renter HH	% Total HH		% Renter HH	% Total HH
Total:		100.0%	40.5%	105,255	100.0%	38.3%
Renter, 60-80% CMI	17,876	18.2%	7.4%	13,645	13.0%	5.0%
Renter, 80-100% CMI	11,892	12.1%	4.9%	10,405	9.9%	3.8%
Renter, 100-120% CMI	7,983	8.1%	3.3%	7,834	7.4%	2.8%
Total Renter, Workforce CMI Range	37,751	38.4%	15.5%	31,884	30.3%	11.6%

Source: American Community Survey, 2008

But among renter households, a slightly higher proportion (30.3%) falls into workforce income categories than amongst owner-occupied households that fall into the same income brackets (27.4%).

As shown in Figure 7, the highest proportion (13%) of renter households falling in the workforce income brackets are making between 60% and 80% of the county median income, or $33,000 and $44,000 annually. A greater concentration of renter households seems to fall on the lower end of workforce income ranges, while a greater concentration of workforce owner-occupied households are in the higher ranges (100-120% CMI).

How does this compare with the past? In 2008, households with incomes in the "workforce" range comprised just under a third (28.6%) of the county's total households. This is actually a decrease from 2000, when 34.1% of householdswere considered "workforce."

Likewise, between 2000 and 2008 there was a slight decrease in both owner-occupied and rental households falling in the "workforce" income ranges. The greatest decrease was found in the 60-80% CMI range for both renter and owner-occupied households. For rental workforce households, the largest group remains those in the 60-80% CMI range, but the proportion of workforce-income rental households as a proportion of all rental households has fallen across the board.

In both rental and ownership categories, the percentages of households falling in the 100-120% CMI ranges dropped less than a percentage point. The ratio of owner versus renter households in the workforce income range has narrowed between 2000 and 2008—in 2000, 38.4% of renter and 31.3% of owner households were workforce, but by 2008 that had dropped to 30.3% and 27.5%, respectively.

In summary, workforce households declined as a percentage of total households between 2000 and 2008, but less of a decrease occured in the higher end (100-120%) of the workforce household income ranges. This is likely a reflection of the escalating land and housing prices during this time period.

As job losses and wage reductions have continued to mount since

>> Figure 8 - Tenure by Household Income, 2008

Tenure by Household Income, 2008	Estimate	% Owner Occupied	% Total Households
Total Owner Occupied:	169,856	100.0%	61.7%
Less than $5,000	2,991	1.8%	1.1%
$5,000 to $9,999	2,463	1.5%	0.9%
$10,000 to $14,999	4,066	2.4%	1.5%
$15,000 to $19,999	5,256	3.1%	1.9%
$20,000 to $24,999	5,539	3.3%	2.0%
$25,000 to $34,999	12,196	7.2%	4.4%
$35,000 to $49,999	19,776	11.6%	7.2%
$50,000 to $74,999	38,152	22.5%	13.9%
$75,000 to $99,999	24,284	14.3%	8.8%
$100,000 to $149,999	28,444	16.7%	10.3%
$150,000 or more	26,689	15.7%	9.7%
Owner-occupied, 60-80% CMI	14,305	8.4%	5.2%
Owner-occupied, 80-100% CMI	15,541	9.1%	5.6%
Owner-occupied, 100-120% CMI	16,787	9.9%	6.1%
Total Owner-occupied	46,632	27.5%	17.0%
Renter Occupied	**Estimate**	**% Renter Occupied**	**% Total Households**
Total: Renter Occupied:	105,255	100.0%	38.3%
Less than $5,000	6,732	6.4%	2.4%
$5,000 to $9,999	6,416	6.1%	2.3%
$10,000 to $14,999	8,764	8.3%	3.2%
$15,000 to $19,999	7,676	7.3%	2.8%
$20,000 to $24,999	8,966	8.5%	3.3%
$25,000 to $34,999	16,890	16.0%	6.1%
$35,000 to $49,999	17,111	16.3%	6.2%
$50,000 to $74,999	17,805	16.9%	6.5%
$75,000 to $99,999	7,027	6.7%	2.6%
$100,000 to $149,999	5,343	5.1%	1.9%
$150,000 or more	2,525	2.4%	0.9%
Renter, 60-80% CMI	13,645	13.0%	5.0%
Renter, 80-100% CMI	10,405	9.9%	3.8%
Renter, 100-120% CMI	7,834	7.4%	2.8%
Total Renter	31,884	30.3%	11.6%
Total Renter and Owner Occupied Units	275,111		

Source: American Community Survey, 2008

2008, it can be safely conjectured that over the past two years more households may have fallen into the lower end of the workforce (60-80% CMI) income ranges, or perhaps even lower.

Rent and Mortgage Costs

Mortgaged Households

There may be slightly fewer workforce households in DeKalb County today than a decade ago, but those that remain are vulnerable to spending large amounts of their incomes on housing.

Workforce households with mortgages represent approximately 27% of all mortgaged households in the county. Only 10% of these households have comfortable housing costs; the others pay above 30% of their income on housing costs. This translates into 23,063 households paying burdensome mortgage costs.

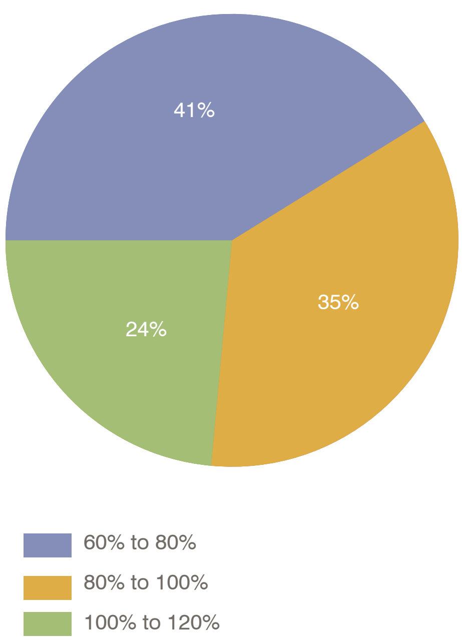
Rental Households

Perhaps more compelling is the plight of renter households in DeKalb County. As shown in Figure 10, an estimated 50% pay more than 30% of their income on rent—25% of them pay more than half—as of 2008. The ensuing years of the economic downturn likely means that even more renter households find themselves with burdensome housing costs, despite the decline of rental prices.

The median rent in DeKalb County as of 2008 was $755, compared with the Atlanta area's $738. This means that half of rental units as advertised or paid cost above $755, and the other half below. The difference between DeKalb and Atlanta's median rents, $20, is the same as it was in 2000 ($659 to $639), suggesting in general that DeKalb's rental opportunities and supply have kept pace with the rest of the region.

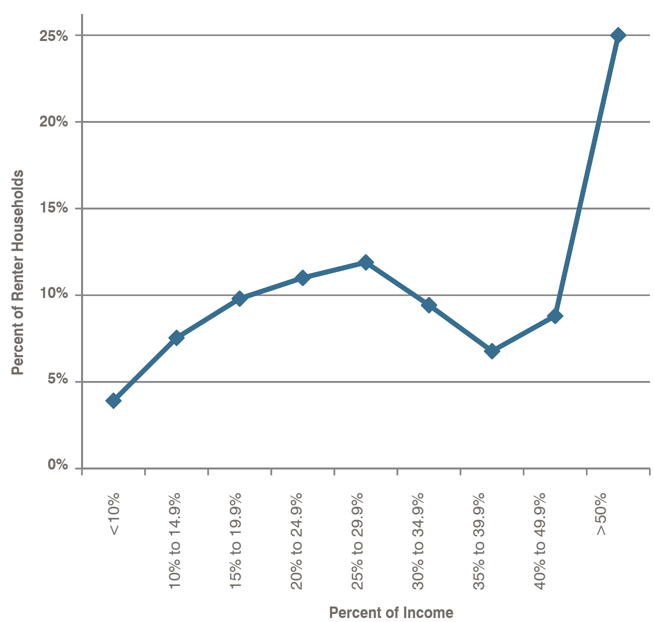
To illustrate the rental situation for workforce households further, refer to Figure 11. Rental payments are estimations, as there is no one single,

>> Figure 9 - Estimated Number of Workforce Mortgage Households Paying More Than 30% of their Income on Housing Costs



Source: American Community Survey, 2008

>> Figure 10 - Renter Households Paying More Than 30% of Household Income on Rent



Note: 6% of renter households were not computed.
Source: American Community Survey, 2008

reliable source where rents paid are recorded.

For rental households within the 60-80% CMI range, the maximum suggested rents are $725 to $1,000/month. An estimated 46% of such households are paying the maximum suggested rents. Yet another 31% are paying in excess of $1,000/month.

For rental households within the 80-100% CMI range, the maximum suggested rents are $1,000 to $1,275/month. An estimated 21% of such households are paying the maximum suggested rents. Another 17% are paying in excess of $1,275/month.

For rental households within the 100-120% CMI range, the maximum suggested rents are $1,495 to $1,814/month. An estimated 3-4% of these households are paying the maximum suggested rents, with another 2% paying in excess of $1,814/month.

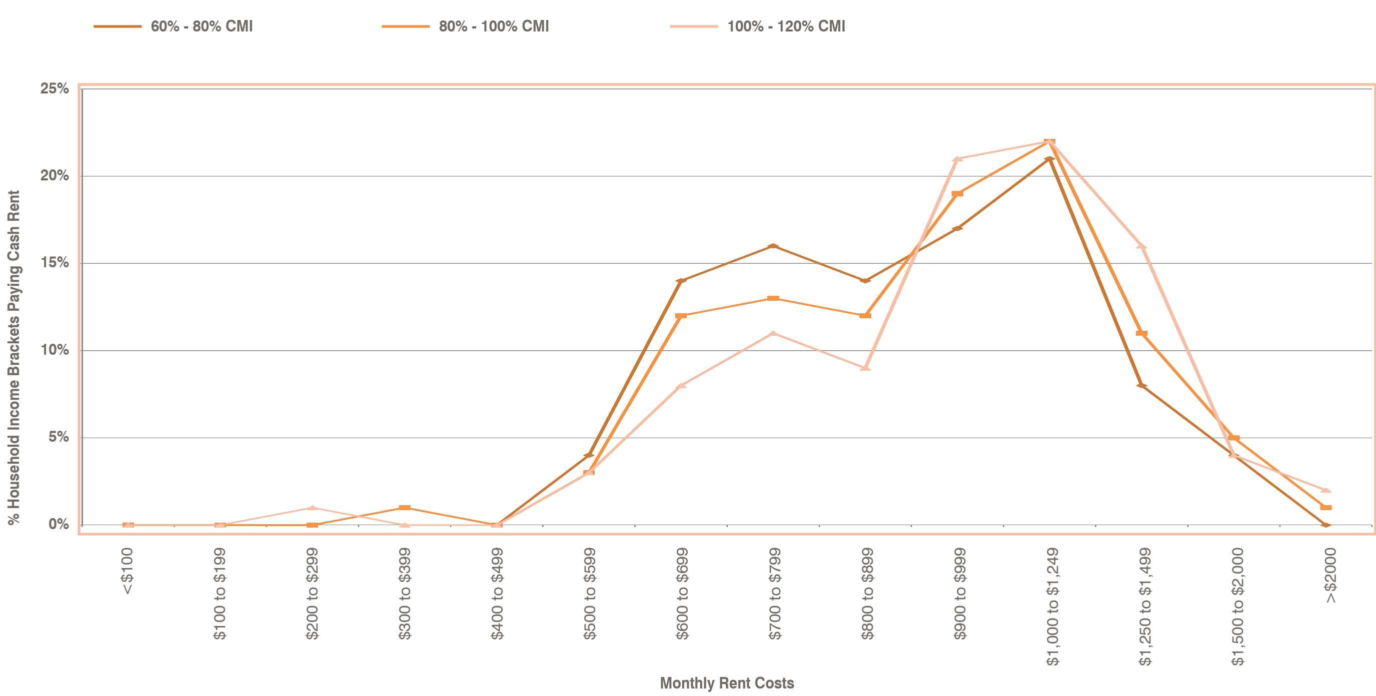
Renter households in the lowest workforce income bracket (60-80%) are the most burdened with rent. Also, it should be noted that households paying the maximum comfortable rents have less cushion to deal with energy and transportation costs, especially when gas prices spike.

Housing Structures

Not surprisingly, the majority of units in DeKalb County are single-family detached homes (59%). Of the remaining 40% of total structures, 32% are multi-family structures of less than 50 units. That is, of DeKalb's 107,368 multi-family structures, almost 88% of them are comprised of less than 50 units (and 75% of them are less than 20 units).

Smaller multi-family buildings have implications on workforce housing availability because they tend to be owned by independent landlords, who have less capital at their disposal for rehabilitation or upgrades. Smaller multi-family structures also have a more difficult time obtaining financing from traditional sources. This suggests that

>> Figure 11 - Rent by Workforce Household Income, 2008



Source: American Community Survey, 2008

DeKalb County should pursue financing and assistance strategies that are specifically tailored to issues affecting smaller multi-family developments as it addresses rental housing in general.

Finally, the majority of rental households paying more than 30% of their income on rent are not living in large, high-rise housing developments, as is a traditional perception. In fact, the greatest percentage of all renters who are spending a burdensome amount of rent are living in 5-to-19 unit structures, followed in second place by those living in detached and/or attached single-family homes. Across all structure types about half of renters are rent-burdened households (Figure 12).

Vacant, Abandoned, and Substandard Units

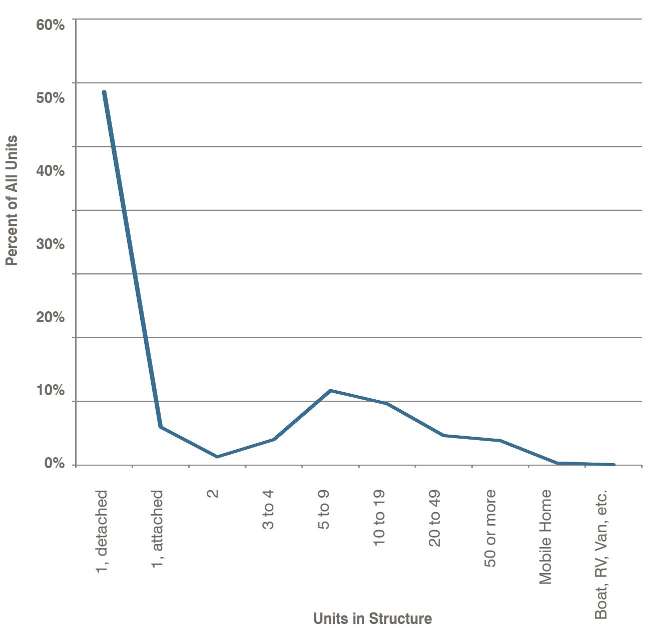
Just by driving around, it is clear that DeKalb County is experiencing a problem with vacant, abandoned, and neglected units. Much of this, of course, has to do with the foreclosure crisis. But these issues can also be caused by aging housing units, older homeowners with limited incomes and ability to upkeep maintenance, absentee landlords, and lax code enforcement.

According to the 2008 American Community Survey, the median age of units in DeKalb County is 30 years, or built in 1979. That is also the last year before lead paint was outlawed from use, meaning that units built before this time require the expense of removing the paint if it has not been removed already. In total, 52% of all units were built before 1980, and 48% were built afterwards.

In terms of tenure, rental units tend to be slightly younger than owner-occupied units, with a median age of 1981 versus 1977, respectively.

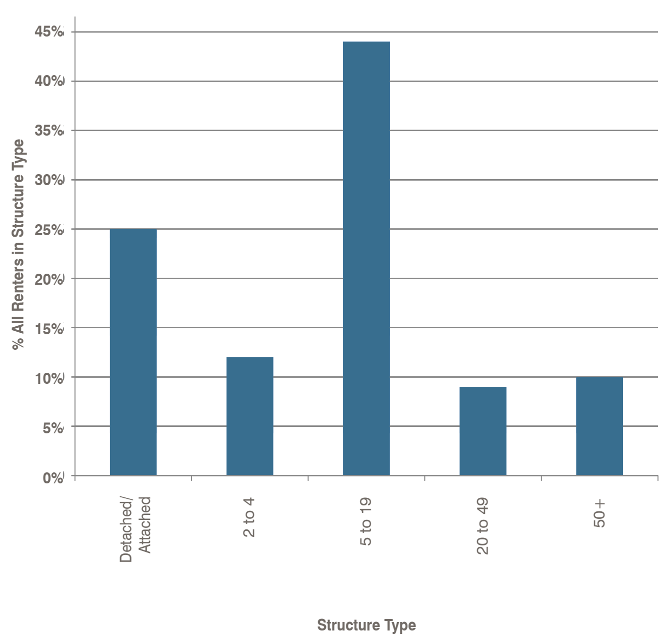
Understanding the age of an area's housing units gives an idea of how many may be reaching the end of their useful life. New roofing, plumbing, insulation, and other such maintenance is costly but necessary to maintain homes over their lifespan. Many units may ultimately may not be worth the investment of repair if neglect was

>> Figure 12 - Units in Housing Structure



Source: American Community Survey, 2008

>> Figure 12 - Burdened Households by Structure Type



Source: American Community Survey, 2008

continuous over the years.

In addition, many homes built in the last century were designed in and for a different era of inexpensive electricity, gas, and oil. Though an older house may be priced for a workforce household to purchase, over the long term it could become too costly to maintain if the home requires an expensive amount of energy to heat and cool.

Likewise, recent regional projections have identified a coming surge in senior households, and multi-generational households are an increasing trend. If homes that are otherwise priced for workforce households include difficult stairways or hard-to-maneuver features for seniors, or in general are not well-designed for multi-generational living, a portion of that housing stock would also remain out of reach. The key is to ensure that DeKalb has policies and flexible regulations in place to allow housing types that accommodate not only workforce *incomes* but also the diverse types of people and living arrangments those homes will house. Since half of DeKalb's housing stock is already older than 30 years, the need for renovation and rehabilitation should be strongly considered in strategies to expand and preserve workforce housing units.

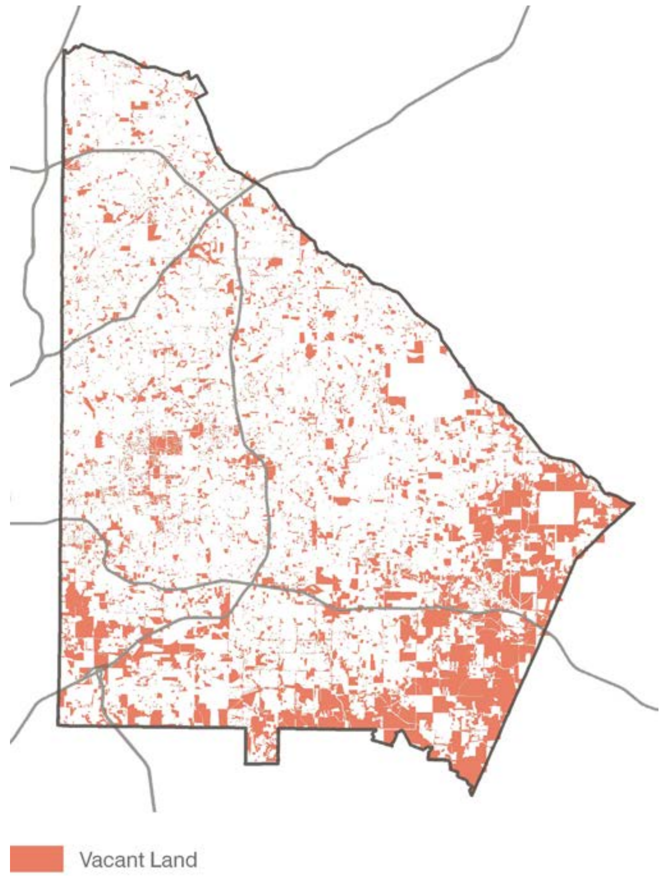
The county's vacant land area is shown in Map 4. Vacant land is generally not contiguous throughout the county, except in the harder-to-build, extreme eastern portion. Vacant land in strategic areas near job centers or transit should be considered for land banking if available.

Foreclosures

Foreclosures have hit DeKalb County hard. From 2008 until January 2010, DeKalb was among the top four counties in the metro Atlanta area with the most foreclosures, along with Fulton, Gwinnett, and Cobb.

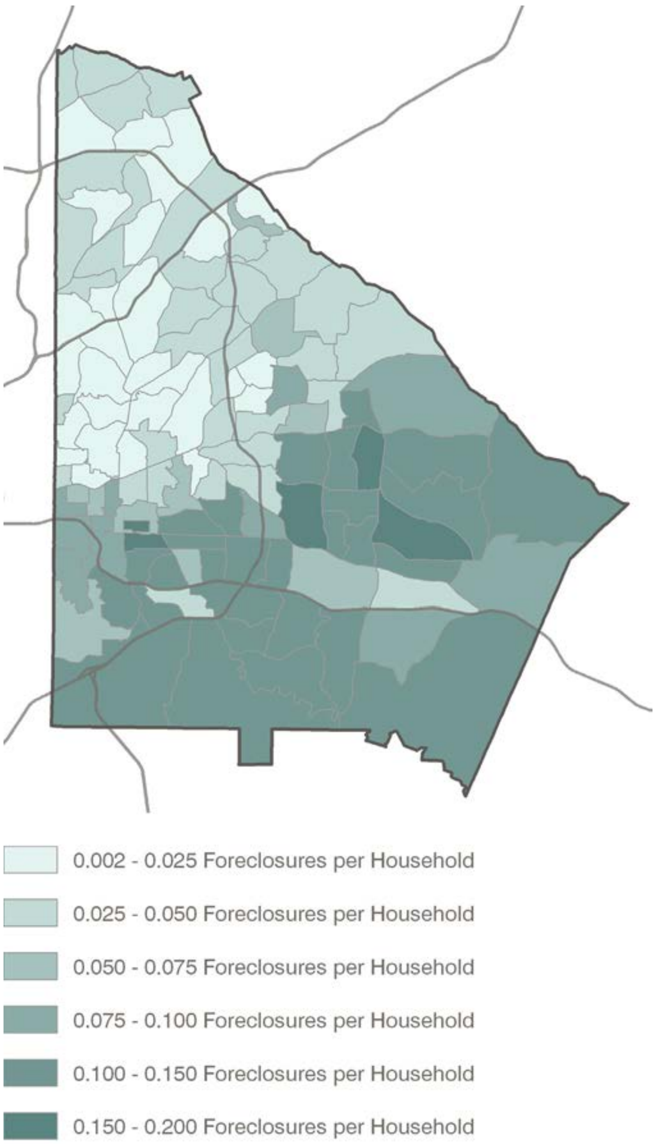
In 2008 DeKalb had the second-largest number of foreclosures among the core counties, with a total of 13,677. This translated into 1,000-1,414 foreclosures a month. In 2009, the number ratcheted up further, with 1,300 to 1,800 foreclosures a month, a total of 17,768 for the year. The trends from 2009 seem to be carrying on into 2010, with 1,230 foreclosures for January alone.

>> Map 4 - Vacant Land



Source: DeKalb County Assessors, 2009

>> Map 5 - Number of Foreclosures per Household, August 2008 to October 2009



Source: Equity Depot, ANDP

Geographically, the greatest concentration of foreclosures is found in the eastern portions of the county, and in a southwest-to-northeast strip in the center, passing just to the east and south of Avondale Estates and up to Stone Mountain (as shown in Map 5). Not coincidentally, these are the areas that saw the most construction during the housing boom. They are also areas where there are fewer job centers and access to transit nearby. Commuting costs are likely higher for households in these areas.

Locations of Workforce Housing

Workforce households making 60% to 120% of the county median income can comfortably afford homes roughly priced between $99,000 and $199,000. Map 6 shows property values as recorded by the DeKalb County property assessor's office, which bases assessed values on 40% of the market value. The map is primarily useful in showing the geographical relationships between housing values, as that has implications on the geography of affordability throughout the county.

Home values in the map are displayed into three categories of affordability, with planned activity centers and corridors overlaid from the comprehensive plan. Housing priced below $99,000, or "affordable" housing (yellow), is actually somewhat interspersed with higher price points (above $199,000, depicted in dark orange) in the central and northernmost portions of the county. However affordable housing is generally relegated mainly to the older commercial corridors in northern DeKalb. Housing accessible to workforce households (orange) tends to be clustered nearer higher price points in the southern and eastern portions of the county.

One feature that also prominently stands out is that many of the areas are large solid color blocks, meaning that there are not many mixed-income neighborhoods. This is a disadvantage for workforce housing, since the jobs located among these areas may be diverse, but only employees of a few income levels would be able to access them with easy commutes.

It also would be remiss not to note the overarching bands of housing prices that characterizes DeKalb's housing markets – the higher-priced housing in the north, and the more affordable housing in the south.

Maps 7 and 8 show where concentrations of different income levels are located in the county, specifically those making “affordable” and those making “workforce” incomes. It is illustrative to compare where different income categories are in equal concentrations within a Census tract in Maps 7 and 8 with the available housing values shown in Map 6. Households with the lowest incomes ($1,200/month or less) tend to be located in the same Census tracts as workforce households, but workforce households are more spread out in other Census tracts as well, especially in the southeastern portion of the county. Property values are more mixed in these areas, suggesting newer development. Due to the downturn housing values may have since fluctuated substantially in areas with a lot of newer development.

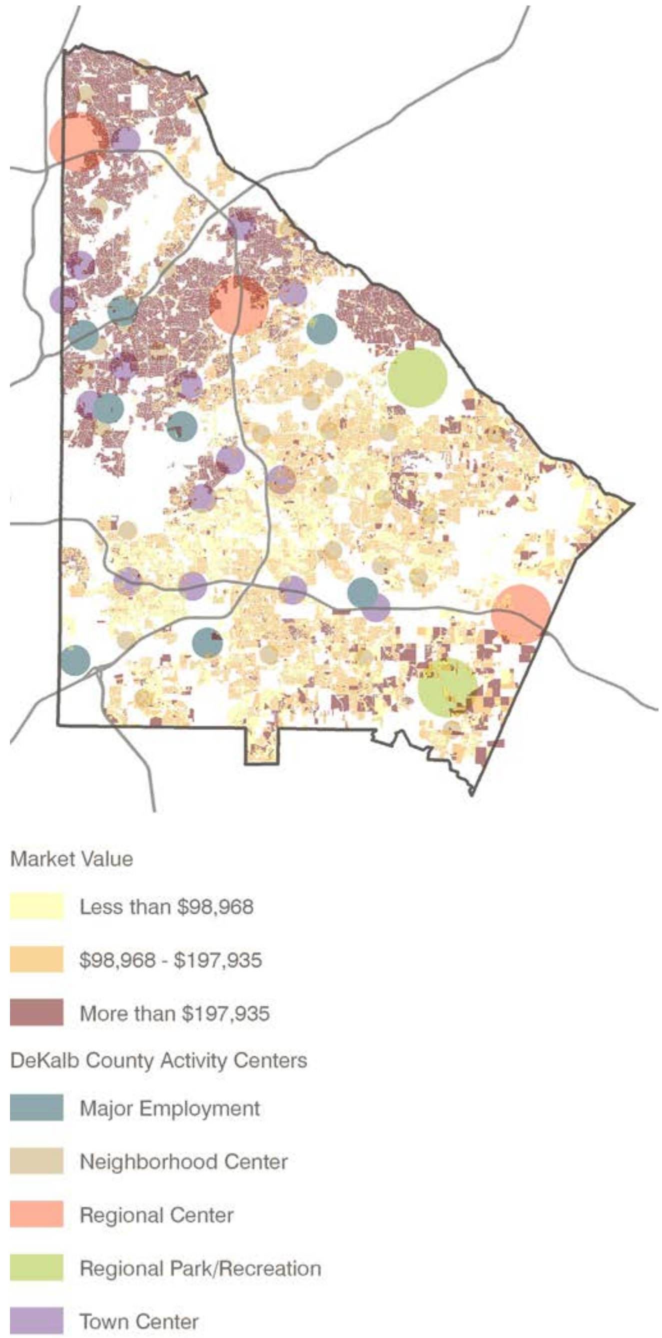
In the northern portions of the county, moderate-income/workforce households tend to be most concentrated in areas with higher amounts of multi-family housing, such as along Buford Highway, Doraville, and even in the Emory Village area where property values are higher. Workforce households there may be paying higher rents in proportion to their income, especially as students or young professionals.

Locations of Jobs

The locations of jobs in DeKalb County is important to the affordability in workforce housing. Commuting costs--including maintaining a car, insurance, gasoline, and parking--can add up to thousands of dollars a year, depending on how far one’s home is from work.

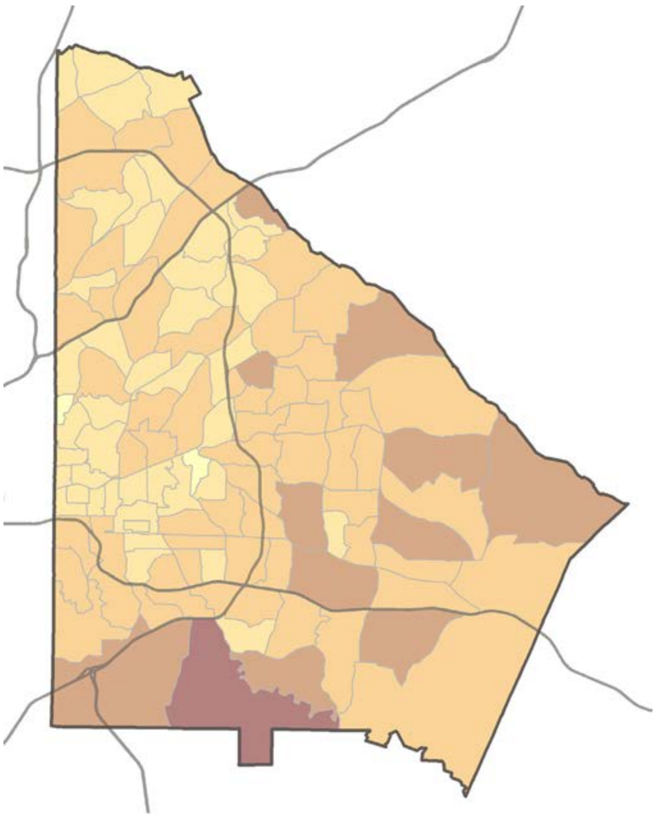
The largest job center in DeKalb is the Perimeter area, while the second-largest is the Emory University/CDC area. Other job centers include Stonecrest, Northlake, Brookhaven, and Wesley Chapel. Generally most jobs are found inside I-285 and to the north of I-20. The largest job centers in the region are not suprisingly just to the west of DeKalb’s border, following a line from downtown Atlanta up to 400, then following I-75 and I-85. In DeKalb job concentrations are highest around Brookhaven, Doraville, and Decatur, but pointedly do not follow the eastern

>> Map 6 - DeKalb County Activity Centers and Market Value of Parcels



Source: DeKalb County Assessors, DeKalb County Planning Department

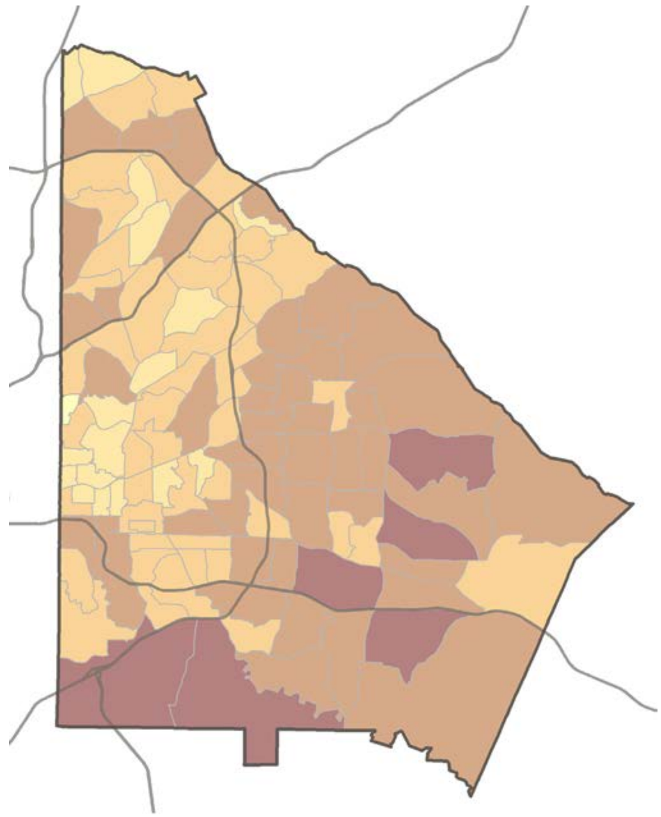
>> Map 7 - Monthly Wages of Less Than $1,200



0 - 225 People
225 - 550 People
550 - 1100 People
1100 - 2200 People
2200 - 4400 People

Source: American Community Survey, 2008

>> Map 8 - Monthly Wages of $1,200 - $3,400



0 - 225 People
225 - 550 People
550 - 1100 People
1100 - 2200 People
2200 - 4400 People

Source: American Community Survey, 2008

MARTA transit line.

According to ARC data, DeKalb has a jobs-household ratio of 1.06:1 county-wide. Traditionally 1.5:1 is considered a "balanced" jobs-housing ratio. The jobs-household ratio does not take into account that many of the "jobs" accounted for in DeKalb may actually be filled with people living outside of the county, while DeKalb residents may commute to core areas in Atlanta and Fulton County. The super-districts (areas defined by ARC) with the highest jobs-housing ratios are NW DeKalb (2.17:1) and NE DeKalb (1.19:1), meaning they have more jobs than occupied housing units. The superdistricts with the lowest ratios are SE DeKalb (.48:1), Atlanta-DeKalb (.51:1), and SW DeKalb (.53:1). These areas have half has many jobs as occupied housing units. South DeKalb has a jobs-housing ratio of .89:1. The average household size in DeKalb is 2.6 people, suggesting in general that DeKalb needs more jobs to meet the needs of it residents.

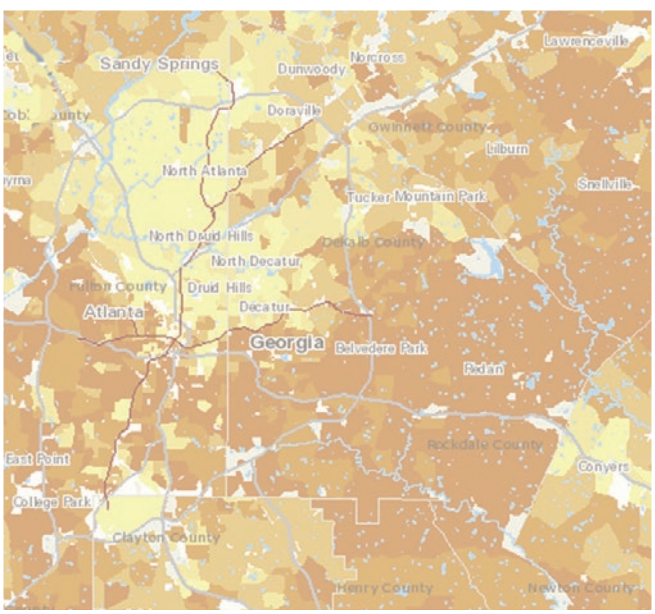
Maps 9, 10, and 11 on the following pages give a more ilustrative picture of where DeKalb residents are going to work.

Figure 13 shows the relationships between commute times and access to transit. Transit access is defined for this map only as proximity to stations or bus stops, not frequency of service. Frequency of service depends on the density of people living near transit areas, which explains why some places close to transit still have long commute times (also a factor is that most of the Atlanta region's jobs are located outside of the reach of regular transit). Of particular interest is the higher commute times for areas adjacent to the east-west line of MARTA in DeKalb, suggesting housing and job densities are not high enough to signficantly lessen commute times.

In areas where both housing density and job density co-

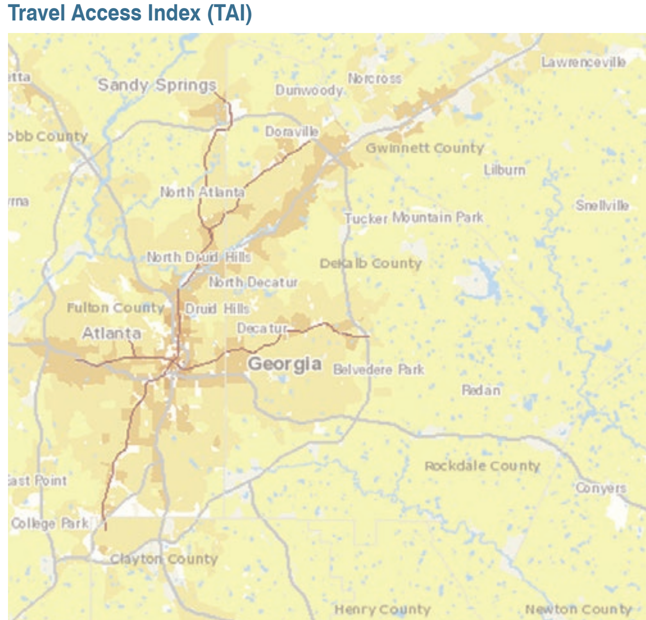
>> Figure 13 - Comparison of Travel Time and Access to Employment

Travel Time to Work



Data Not Available
<22 Minutes
22 to 25 Minutes
25 to 29 Minutes
29 to 33 Minutes
>33 Minutes

Travel Access Index (TAI)



Data Not Available
<1 Opportunity
1 to 3 Opportunities
3 to 9 Opportunities
9 to 27 Opportunities
>27 Opportunities

Source: Center for Neighborhood Technology, Housing + Affordability Index exist, such as in Midtown and Decatur, travel time to work is obviously lessened. The main implication from the relationships between commute times and access to transit is that while locating workforce housing options near transit is important, the housing must be of an adequate density to support higher service levels, and also must be coordinated with transit-oriented job growth.

Household Transportation Costs

Figure 14 compares gasoline costs between 2000 (left) and 2008 (right), when gas spiked to over $4 a gallon. Over that time, gas prices for central areas within the City of Atlanta doubled, but in areas further away from the central MARTA system household gasoline costs quadrupled.

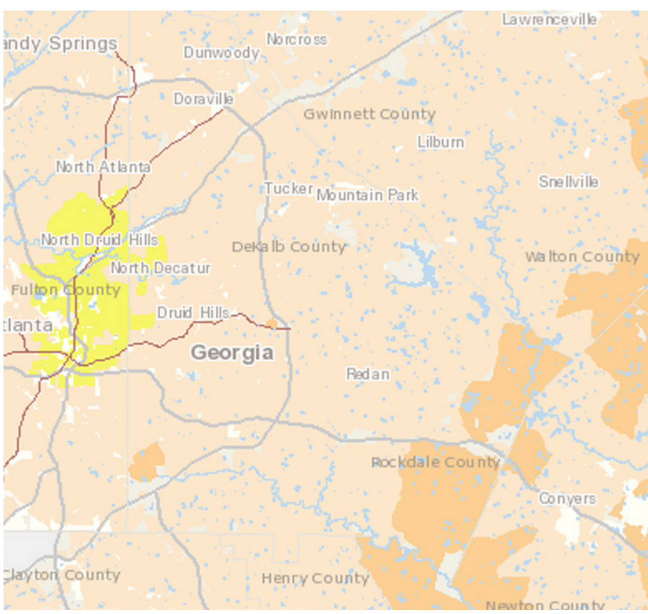
Part of this difference is due to jobs spreading out further from the core, meaning that more households may have begun driving to places like Marietta and Norcross for work. Another factor to higher costs is increased traffic. As more people have flocked to the Atlanta area over the past decade, and as more jobs have continued to scatter farther out from the core, traffic has slowed commutes and resulted in people spending more time burning gasoline in their cars.

The areas where gas prices quadrupled in 2008 are also the areas in DeKalb where most workforce housing is located. Workforce households have much less cushion to absorb large spikes in gasoline prices, which are assured to occur again in the future as the economy recovers and oil supplies are squeezed by global demand.

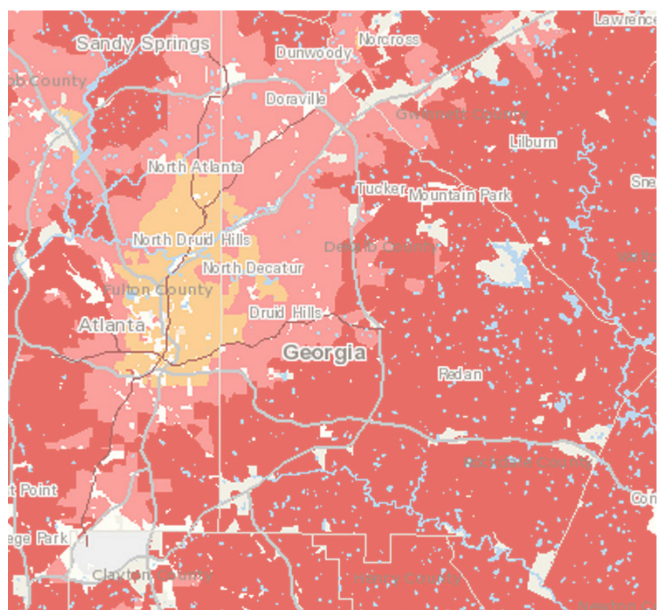
DeKalb's position in the geographic center of the region, and as a home to and close neighbor of the largest job centers translate into numerous opportunities to lessen monthly transportation costs for its workforce households. Not only should opportunities and incentives for land in the

>> Figure 14 - Annual Household Gasoline Expenses Comparison

2000



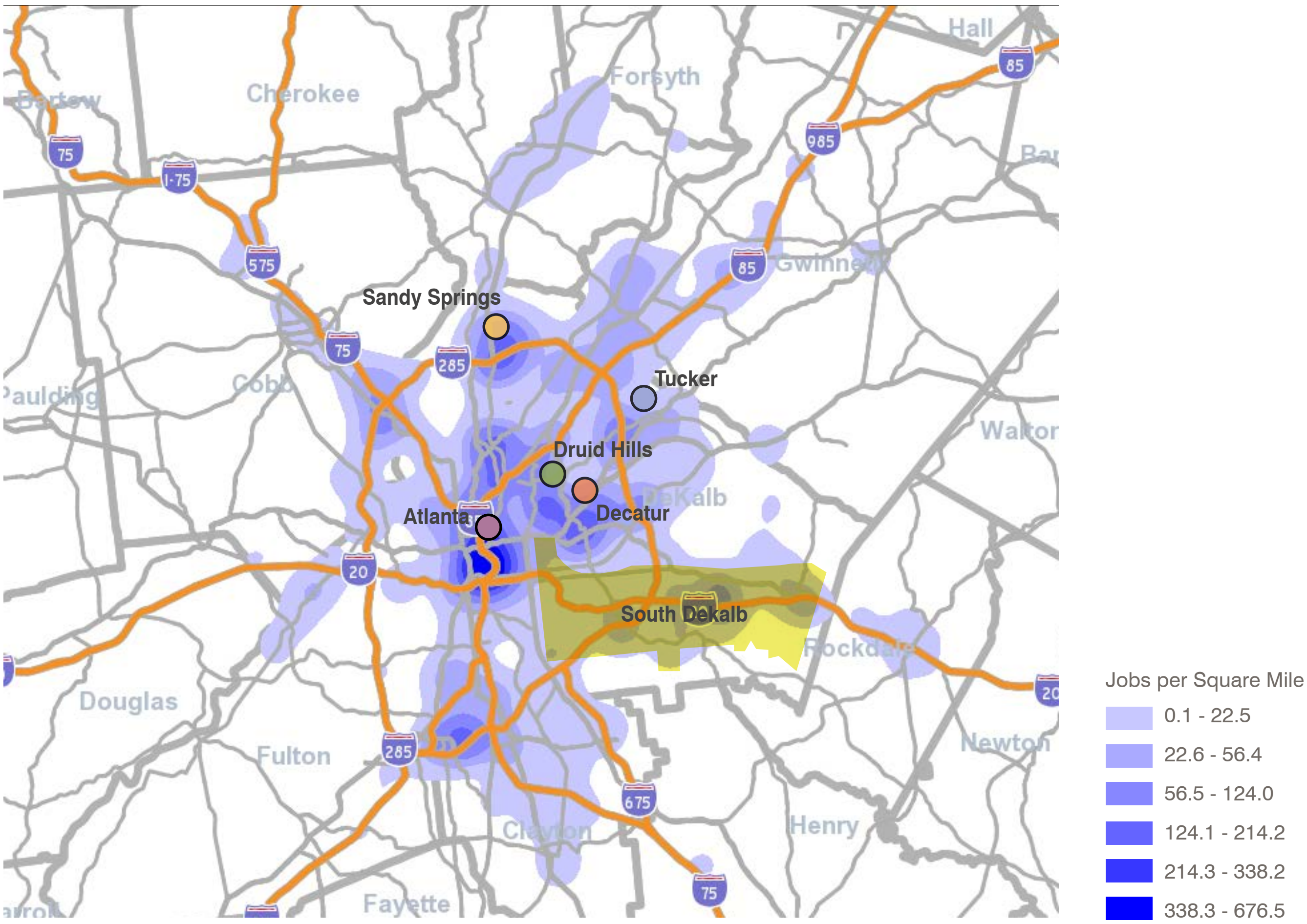
2008



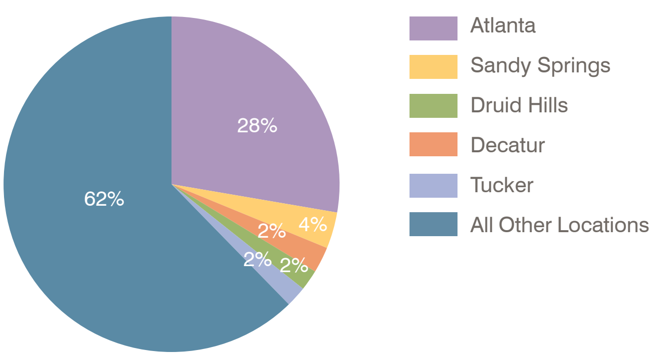
Data Not Available
<$900 per year
$900 to $1,800 per year
$1,800 to $2,700 per year
$2,700 to $3,600 per year
>$3,600 per year

Source: Center for Neighborhood Technology, Housing + Affordability Index

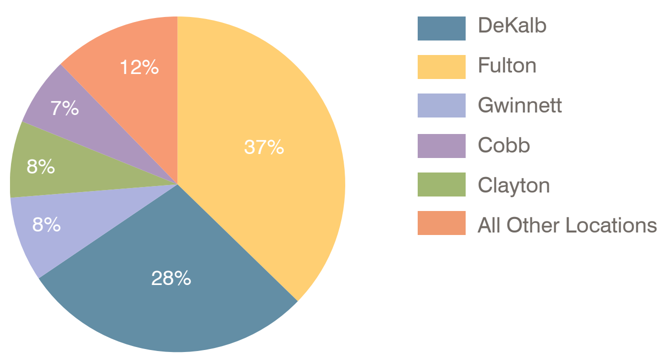
>> **Map 9 - Work Locations for South DeKalb Residents, 2008**



>> **Figure 15 - Top City Work Locations for South DeKalb Residents, 2008**

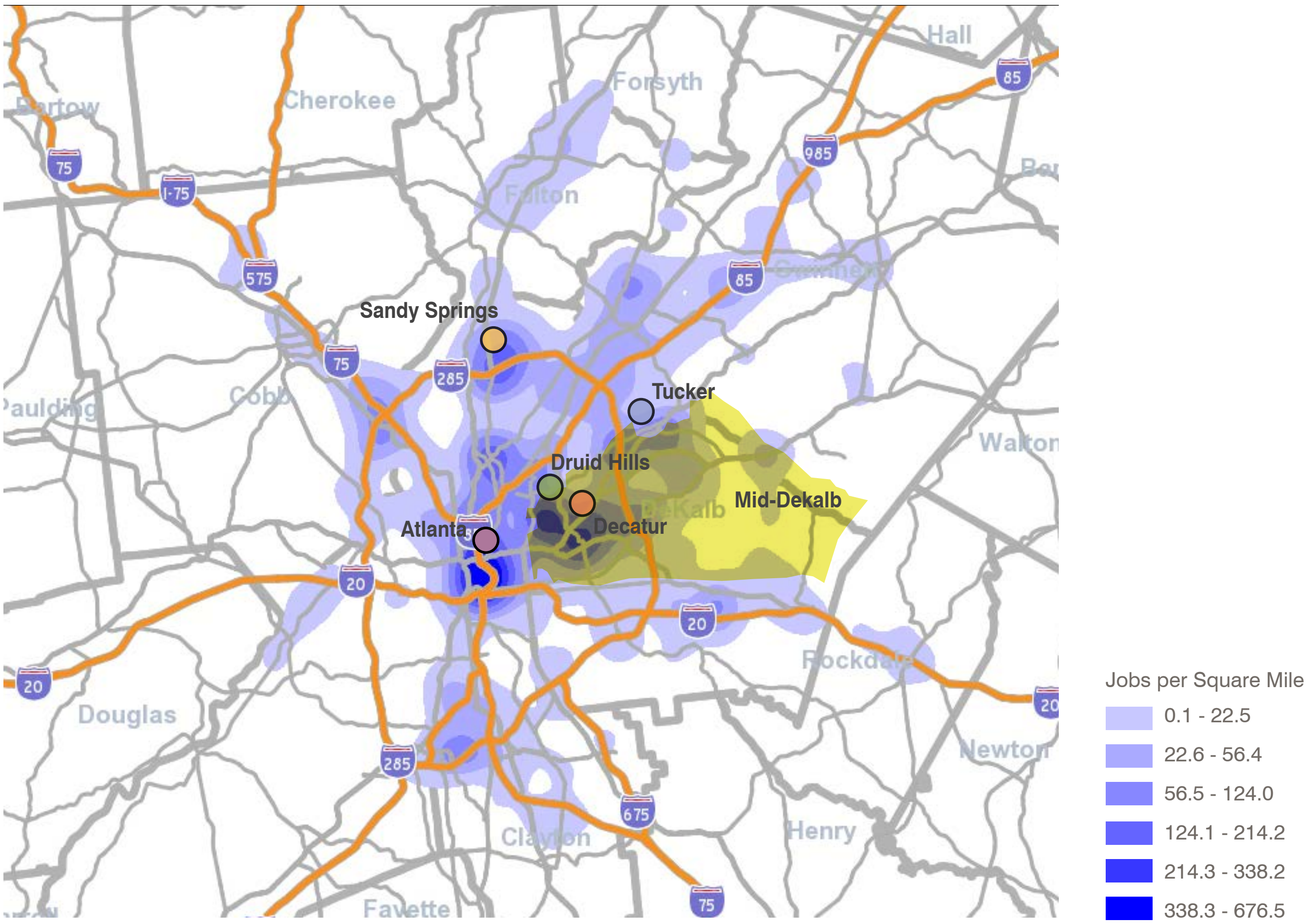


>> **Figure 16 - Top County Work Locations for South DeKalb Residents, 2008**

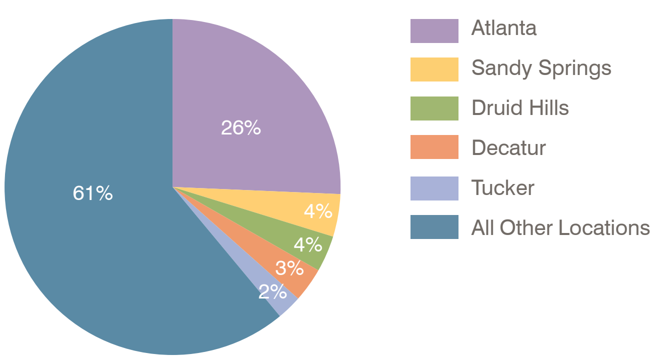


Source: US Census, OnTheMap

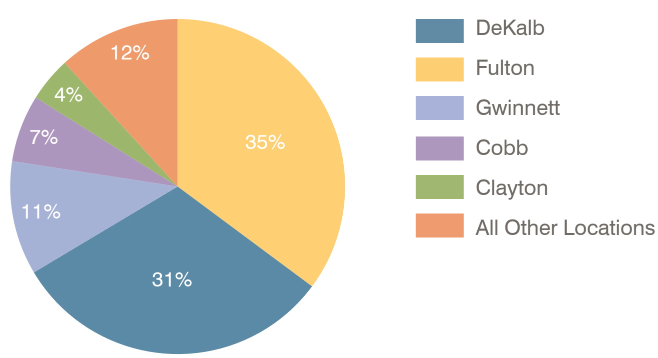
>> Map 10 - Work Locations for Mid-DeKalb Residents, 2008



>> Figure 17 - Top City Work Locations for Mid-DeKalb Residents, 2008

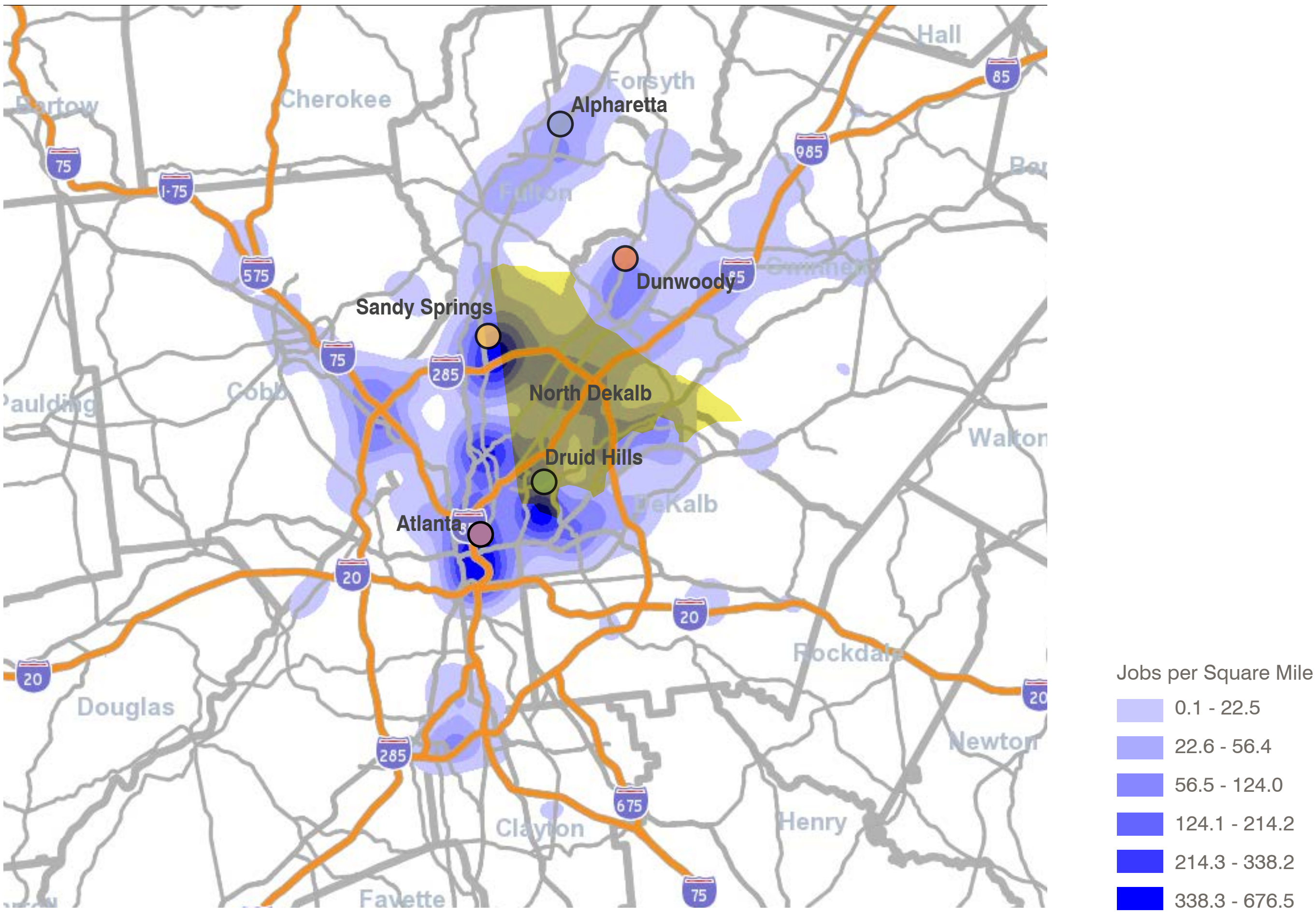


>> Figure 18 - Top County Work Locations for Mid-DeKalb Residents, 2008

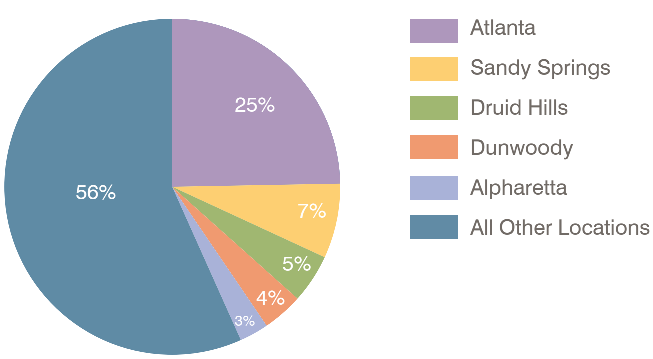


Source: US Census, OnTheMap

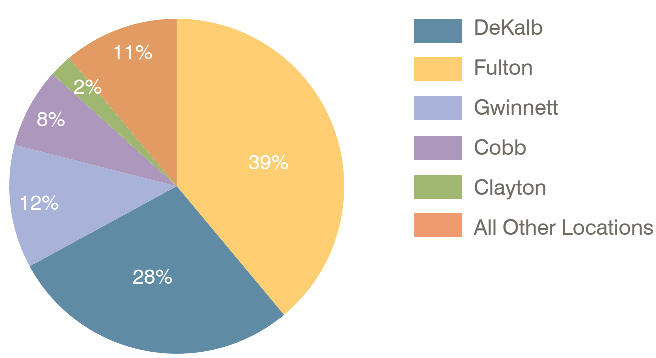
>> Map 11 - Work Locations for North DeKalb Residents, 2008



>> Figure 19 - Top City Work Locations for North DeKalb Residents, 2008



>> Figure 20 - Top County Work Locations for North DeKalb Residents, 2008



Source: US Census, OnTheMap

northern portion of the county and near transit stations be strenously pursued, but just as impotant is bringing economic development and jobs to the southern portion of the county to take advantage of the lower-cost housing there.

Maps 8, 9, and 10 show the major commute destinations for workers living in north, middle, and south DeKalb. The top job destination for all three areas was the City of Atlanta. Tellingly, all three areas of DeKalb generally have the same shares of their workforce going to the same destinations, despite the fact that places in south and middle DeKalb are that much further away. Residents in northern DeKalb are less dispersed in the places they go to work, with only 56.7% of them going to "all other places" compared with 61.1% in middle DeKalb and 62.3% in south DeKalb.

Existing Housing Programs and Funding

All of DeKalb County's housing programs are funded through either federal allocations from HUD and the Veteran's Administration, or through bonds and tax credit initiatives through the Housing Authority.

The Housing Authority of DeKalb County is responsible for administering many day-to-day operations of ongoing programs such as Section 8 rental vouchers and homeless prevention/response. Longer-term projects such as the construction of affordable rental housing and the acquisition and rehabilitation of affordable single-family homes for resale also fall under the Housing Authority's purview.

All federal money from HUD is initially dispersed to the County's Community Development Department. The Community Development Department then administers the funding itself or contracts with the Housing Authority to oversee the administrative responsibilities. Meanwhile the Housing Authority retains the power to raise funds itself through bond issues and the sale/lease of property it holds or acquires. The Housing Authority holds expertise in building construction and maintenance as well as program administration.

In 2009 DeKalb County was allocated $5,682,400 in CDBG funding and $2,715,500 in HOME funding. Not all of CDBG funding must go to housing: the County elected to devote 12% of its CDBG allocation to housing programs, the rest going to capital improvement and economic development projects. This is well below the national average of 27% of CDBG funding allocated to housing programs in jurisdictions across the country. HOME funds are required to be spent only on housing programs.

Many of the programs administered by the Housing Authority are designed for households earning less than 80% of the area median income ($40,150 for a family of one). This is due to mandates tied to the federal funding. Workforce households, or those making between 80% and 120% of the area median income, are served by the Housing Rehab Revolving Loan Program; the First Time Homebuyers Program; and National Stabilization Program (NSP) initiatives such as the Officer Next Door Program that was launched in 2009. NSP programs will sunset in 2012, when all of the funds must be dispersed.

Some program assistance overlaps both the "affordable" and "workforce" categories, as some programs reach up to 60% to 80% of area median income as defined by HUD, or households earning between $30,000 and $40,000 for a one-person household, and $34,500 to $46,000 for a two-person. In general, most of the current workforce housing assistance currently flows through DeKalb's several NSP initiatives, and almost all programs applicable to workforce households are for ownership situations.

In terms of funding the Section 8 housing voucher program is the largest housing program in DeKalb, serving very low-income households. Due to the economic downturn private landlords have signed up for the program to attract stable tenants, and currently 5,900 units are enrolled in the program. Locations tend to be in areas where property values are lower, but as demand is being adequately met this pattern may also be a function of personal preference of program participants.

The following is a general run-down of 2009's CDBG and HOME allocations (using rounded numbers):

CDBG 2009 allocation: $5,682,400

- Public facilities/economic development projects: $2,955,000
- Public services (homeless, etc.): $852,000
- Community development department administration: $1,136,000
- Housing rehabilitation services: $739,000 (12% of CDBG allocation)

From the HOME program, which can only be used for housing benefiting those earning less than 80% AMI, DeKalb's use of its allocation is the following:

HOME 2009 allocation: $2,715,500

- Program administration: $272,000
- Community Housing Development Organization (CHDO) projects: $407,000
- CHDO operating expenses: $136,000
- Eligible Housing Projects: $1,901,000
- American Dream Down Payment Program: $26,000 (second year; first year was $64,000)

The fourth and fifth items in each funding program listed above represent areas where DeKalb spends funds on second mortgages, loans, and grants. For instance, the Housing Rehabilitation Revolving Loan Fund was allocated $709,1000 of CDBG funds in 2009, and projected $174,000 in income from past loans. The program makes average loan grants of approximately $32,000 to owners occupying single-family homes with terms of 0-3% interest rates for up to 20 years. Depending on the homeowner's circumstances and age, this loan is subject to forgiveness over time. All funds received back over the life of the loan are returned to the revolving loan fund, but are subject to diversion to other purposes.

DeKalb's HOME funds include similar programs such as multi-family rehabilitation loans, multi-family construction financing, single-family second mortgage loans, and down payment assistance. The latter consists of $5,000 grants (plus an additional $3,000 from the state, depending on credit rating) for down payments with a recapture period of 5 to 10 years (depending on post-purchase counseling). Again, HOME funds are restricted to serving ownership households making less than 80% AMI (and no more than 65% AMI for rental).

Overall the entire CDBG allocation dedicated specifically to housing (about $709,100) for 2009 projects $174,000 in income. Likewise, HOME funding, which must be completely dedicated to housing, sees about $800,000 in projected income potentially added to the 2009 allocation of $2,715,000.

CDBG and HOME funds come with income eligibility limitations that are below the income levels of many workforce households. Consequently funds that aid households making 80-120% of the county median income would have to derive from the payments and interest of loans made using these federal grants. (Note: Due to CDBG regulations, program income funds must be spent before the actual allocation, restricting 70% of those funds for use on <80% AMI households.)

>> Figure 21 - DeKalb County Housing Programs

Program Name	Administering Department	Funding Level	Funding Source	Funding Cycle	Rent/Own
Housing Rehab Revolving Loan Fund	Housing Authority	$709,100 (2009)	Federal CDBG	Annual	Own
First Time Homebuyer Program	Community Development	$25,922	Federal HOME	Annual	Own
Tuscany Village Housing Services	Community Development	$30,000 (2009)	Federal CDBG	Annual	Rent
Section 8 Housing Choice Voucher Program	Housing Authority	$29,500,000	HUD	Annual	Rent
Public Housing Program	Housing Authority		HUD + County	Project-based	Rent
Affordable Housing Program	Housing Authority		Authority bonds/loans	Continual	Rent
Officer Next Door Program	Community Development	$2,500,000	NSP	3 Years	Own
Foreclosure Purchase and Rehab	Community Development	45,940,592	NSP	3 Years	Own
Foreclosure Purchase and Rehab	Community Development	$1,750,000	NSP	3 Years	Own
Homeownership Assistance	Community Development	$2,050,020	NSP	3 Years	Own
Rehabilitation of Rental Units	Community Development	$2,950,000	NSP	3 years	Rent
Land Banking	Community Development	$500,000	NSP	3 Years	Own/Rent
Demolition of Blighted Structures	Community Development	$500,000	NSP	3 Years	Own/Rent
Redevelopment of Demolished/Vacant Property	Community Development	$500,000	NSP	3 Years	Own
Section 8 New Construction	Housing Authority		HUD	20 Years Loan Terms & Project-based rental assistance from HUD	Rent
Tax Exempt Bond Program	Housing Authority		County (Housing Authority)	Bond terms	Own/Rent
Family Self Sufficiency	Housing Authority	dormant	Applicants & HUD	5-year contract	Own
Family Unification	Housing Authority & DFCS	set-aside vouchers	HUD	Annual	Rent
Project-based Section 8	Housing Authority		HUD	annual	Rent
Veteran's Administration Special Housing	Housing Authority & VA	part of Section 8 funding	HUD + VA	Annual	Rent

Qualifying Income Units	Max Loan/Grant	Interest/Recycle	# Units Built/ Maintained	Notes
up to 80% AMI	$30,120 family of 1	3% back to revolving fund	82 units = goal	avg loan/grant is $32,989, with interest ranging 0-3% for 20 years
up to 80% AMI	$8,000	forgivable with completion of financial counseling		$5,000 grant, add'l $3K from DCA with FICO score >620; buyers must match 1% purchase price
NA	NA	NA	rehab of 144 rental units in Tuscany Village	annual leverage for LIHTC pmts, 10 years
Very low income ($25,100 family of 1)	HUD-determined fair market rent	none	5,900	all demand being met, 4-5 contract terminations/month; 48% in single-family, 52% in multi-family units
below 50% HUD AMI		none	>200 units; currently a wait list	Authority owns units; tax credit units on annual contract
50-80% HUD AMI		NA	515 units	
$60,250 + $8,500 for each additional family member	$14,150 5-year affordability, $25,000 10-year affordability	none		
up to 120% AMI	$90,000 purchase price	purchase price recaptured through sale	38 units planned	lower to middle income; in areas of most need
below 50% HUD AMI	$90,000 purchase price	purchase price recaptured through sale	15 units planned	
below 50% HUD AMI (25%) up to 120% HUD AMI		none	128 units planned	lower to middle income; in areas of most need; Officer Next Door a part of this (extracted and shown above)
below 50% HUD AMI		loans to developers possible	1 MF building	
low to middle income		sale of property/unit possible	4 units	purchase of foreclosed/abandoned units for future development
NA		sale of property/unit possible	28 units	
NA		sale of property/unit possible	4 units	
80% AMI			170 units (Hairston Lake Project)	Hairston Project completed in 1979
80% AMI				Ashford Landing & Ashford Parkside, 77 units for elderly
minimum $25K annual income	NA	participants receive rent paid above vouchers into escrow account		families receive training and counseling; can participate in homeownership programs
		NA	197 families	for families in imminent threat of separation due to housing
up to 80% AMI	20% funding for project	contract assures affordable units for 15 years		designed to encourage property owners to construct or rehabilitate rental units
Very low income ($25,100 family of 1)	HUD-determined fair market rent	none	540	

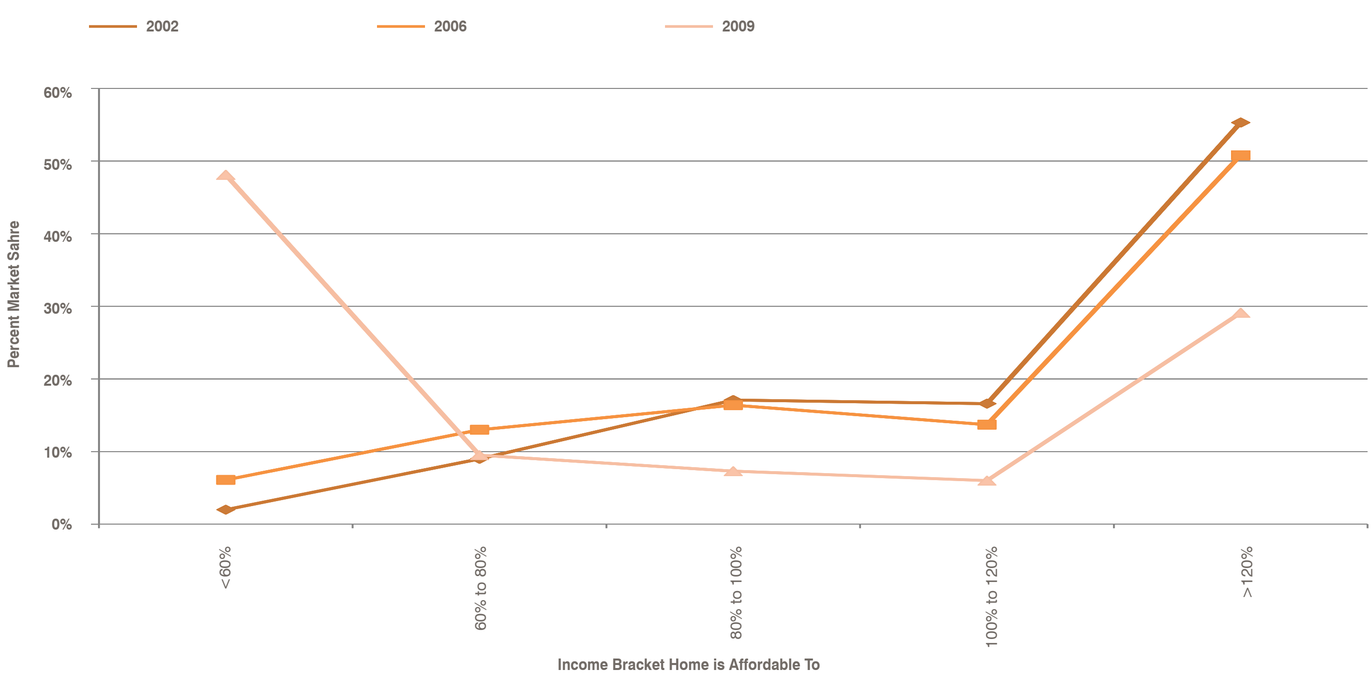
Housing Demand

The DeKalb Development Authority's April 2009 Housing Demand Study on workforce housing concluded that there was four times the supply than demand for homeownership units priced for those earning 80% to 120% of the area median income. Housing demand for this income range was found to be 515 households, versus a 2,170 supply in early 2009. Average sale prices in 2008 were $170,000. According to this study, the excess supply is due in part to the inability of potential homeowners to secure mortgages, which supports the need for down payment and second mortgage assistance.

Over the course of the rest of 2009 the housing market continued to drop. An analysis by SmartNumbers of new and resale home transactions before, during, and after the economic downturn (Figure 22) gives a stark picture of just how much the market has changed in DeKalb. Almost half of home sales in 2009 were for less than $99,000, which is approximately the normal threshold between "affordable" and "workforce" prices. Compared to 2002 and 2006, when only 2% and 6.1% sold at this level of affordability, it is apparent that the market is undergoing a drastic correction.

A March 2010 paper by Georgia Tech Professor Dan Immergluck, "Holding or Folding? Foreclosed Property Durations and Sales During the Mortgage Crisis," explores turnover data for REO properties in Fulton County that suggests investors are increasing their purchase share of the lowest priced (<$30,000) properties to either "flip" or rent (often without much rehabilitation). Many formerly moderate-priced housing (<$99,000) likely fell into bottom-price categories attractive to investors, but tight credit has limited their encroachment into moderate price ranges ($100,000+). Investor purchases are happening faster than Fulton County can respond with NSP

>> Figure 22 - DeKalb County Home Sales 2002, 2006, 2009



Source: SmartNumbers

funds for property acquisition. It is likely that the larger market share of sales below $99,000 in DeKalb County is due to a similar rise in investor purchases as in Fulton County.

What does this mean for workforce housing? As of now there are abundant for-sale opportunities for workforce households, but barriers such as higher credit standards and decreased job security are still high enough to stop movement in the market. Furthermore, many housing units have been left vacant, leaving them vulnerable to vandalism and high rehabilitation costs. Many of these lower-priced opportunities are also available in areas that are highly destabilized and may not see recovery any time soon, especially if they are in areas far away from jobs and transit.

The available lot supply in DeKalb as of 2009 is 5,229. These are lots that are graded and connected to utilities, but with no structures. The absorption rate in 2006, at the peak of the market, was 3,280 or 19 months—but in 2009, which (hopefully) was when the market bottomed out, the absorption rate had decreased to 96 months, or 7.6 years. Assuming market absorption rates will rebound to somewhere in the middle of the market extremes of 2006 and 2009, DeKalb can expect to see its lot supply absorbed in 4-5 years. At that point available land will again become a premium and prices will rise for workforce households.

Another demand analysis by RCLCo. projects an annual demand of 651 workforce ownership units and 461 workforce rental units, or 1,112 units total per year. This only applies to new workforce households only and not current households in turnover. The total workforce housing demand, based on household growth, is 5,560 over the next five years. In north DeKalb alone the demand for the next five years is 2,335. The current lot supply almost meets the projected five-year

>> Figure 23 - DeKalb County Workforce Housing Demand, 2010 - 2015

Sources of Demand	60-80% CMI	80-100% CMI	100-120% CMI	Total Per Year	Total Over 5 Years
Total Annual New HH Growth 2010-1025	6,736	3,368	6,736	3,368	13,472
= Qualified HHs Needing Ownership Units Annually	212	97	342	651	3,255
= Qualified HHs Needing Rental Units Annually	191	87	185	461	2,305
Total Workforce HHs Needing Ownership & Rental Units	403	184	527	1,112	5,560

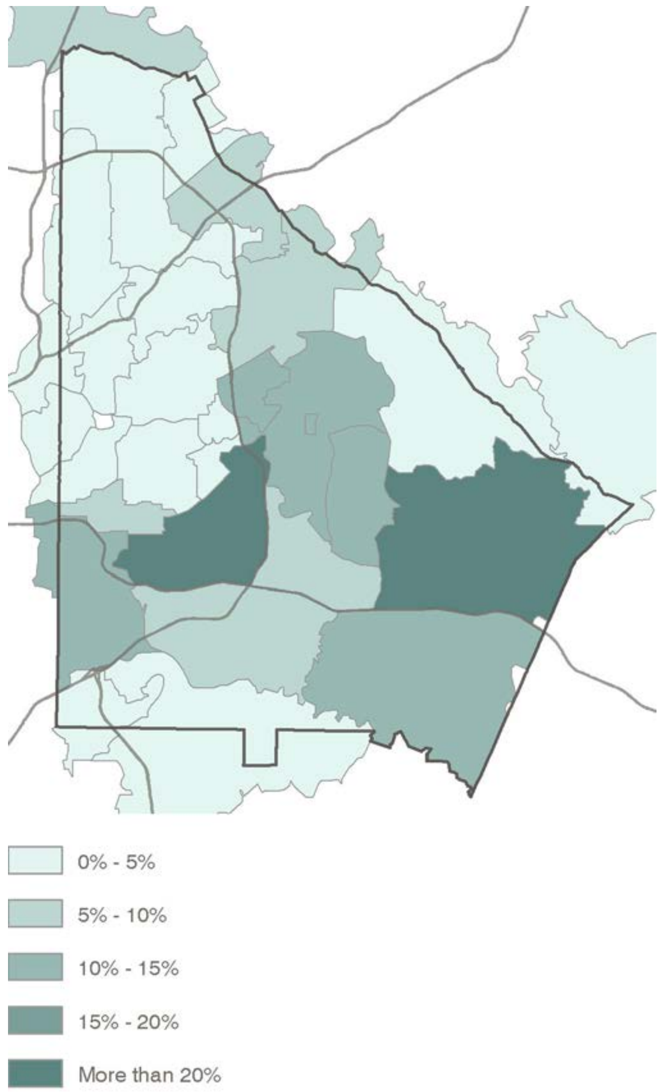
Source: RCLCo., Claritas

demand for workforce ownership units, but not all of those lots will be built to workforce price points.

While existing units could fill that gap, they may be in distressed neighborhoods or require substantial rehabilitation due to foreclosure or neglect, or simply be in remote areas far from jobs and housing. Thus the current glut of for-sale housing due to the downturn should not be viewed as a catch-all solution to the demand for workforce housing in DeKalb.

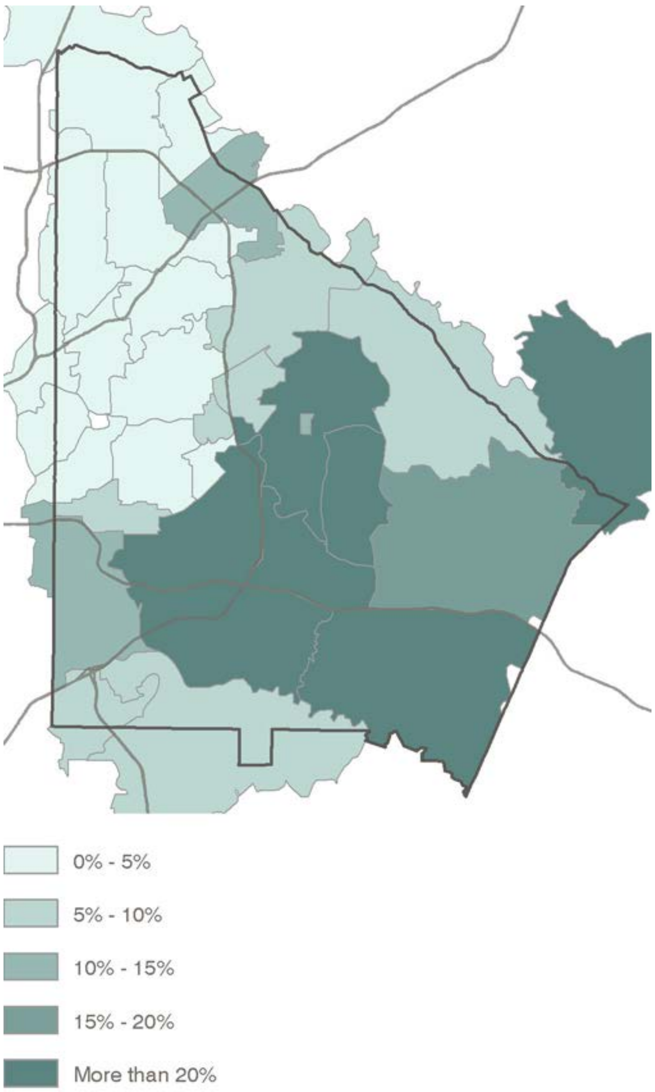
Maps 12, 13, and 14 display the market share of workforce for-sale housing in 2002 (before the housing boom), 2006 (the height of the housing boom), and 2009 (housing crash). Sales of housing priced for workforce households has moved north along the eastern edge of the county by 2009, whereas in earlier years it was found most prevalently in the center and southeastern corner. One explanation for this is that housing in the center area of the county has likely fallen to values below workforce price ranges. There are still relatively few workforce housing sales along the western edge of the county above Decatur, where the most jobs are located.

>> Map 12 - Percentage of Sales Affordable to Workforce Households by Zip Code, 2002



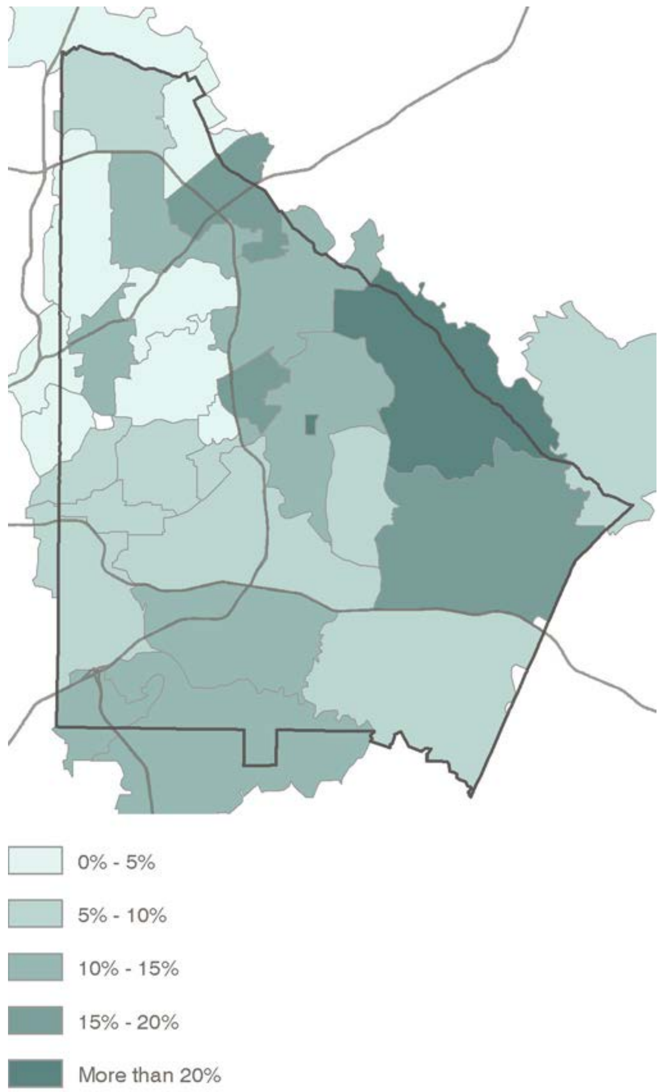
Source: SmartNumbers

>> Map 13 - Percentage of Sales Affordable to Workforce Households by Zip Code, 2006



Source: SmartNumbers

>> Map 14 - Percentage of Sales Affordable to Workforce Households by Zip Code, 2009



Source: SmartNumbers

Staff Interviews

The following are comments collected from conversations with DeKalb County staff members on their perceptions of needs currentlly facing the county in terms of housing and organizational structure:

» There are very few sites to develop commercially.

» The county is 90% residential--we have too much housing in DeKalb already!

» Absentee ownership in commercial corridors (i.e. Candler Road, Memorial Drive, Wesley Chapel shopping centers) is a problem resulting in substandard housing.

» The pace of the permitting process can be slow.

» Jobs coming in today are lower-income than in the past, and do not support homeownership as much.

» Mixed-use projects that have been built sometimes do not make sense (i.e. luxury condos on top of big box stores).

» The right to develop in the county needs to be better defined with conditions that follow up throughout the process.

» There are no tracking mechanisms or enforcement loops for development or code enforcement.

» The wrong way to go would be a punitive workforce housing ordinance that requires too much from developers.

» The permitting process needs to more clearly convey the cost of doing business in DeKalb County

» Final sale tracking is not available.

» Tax credits processed through the community development department are done very well.

» We need to test out the functionality of the workforce housing ordinance in test areas when it's done.

» Condos turning into rental are deteriorating because there are no home association fees being collected for maintenance.

» We need to work proactively with rental housing developers, and have gap financing and tax credits as tools.

» We would like to maximize HUD funds to attract major businesses.

» The quality of housing is a major issue, especially in South DeKalb.

» Many families are growing up in extended stay hotels.

» Workforce housing strategies eventually need to be geographically specific.

» The DeKalb Housing Authority has a wealth of expertise and is run exceptionally well.

» Community development department does very well in handling low income housing tax credit projects.

Public Feedback

A public information meeting on this report was held on Monday, May 24 at 6:30 p.m. in the Maloof Auditorium, Decatur.

The following is a list of questions and comments received from the public at the meeting:

- When it comes to smaller units that make workforce housing more affordable, how small do you mean?
- We need to avoid a concentration of poverty around transit stations.
- Brookhaven's LCI plan is very high-rise development centric, what about single-family?
- Developers are looking to maximize profits. Adding incentives to build less than that affects the quality of development. What ensures that developers will actually build what they say they will build? We cannot give away too much.
- We need more specifics on appropriate lot sizes.
- We are concerned that a land bank might be mis-used.
- Are there incentives for smaller builders?
- Workforce housing may not resonate with people who are concerned about property values.
- We have to make sure that workforce housing efforts are not only concentrated in South DeKalb.
- We can't give developers too many incentives.
- Scottdale is experiencing a hold up with developers, as they would not know what to do if they wanted to build today because the overlay district is not well publicized by the planning department.

>> ZONING & LAND USE REGULATION

The current and proposed zoning ordinances need to be modified substantially.

Introduction

Zoning and other mechanisms by which DeKalb County regulates the use of land exerts an enormous influence on the type and cost of housing that can be built in the county. Indeed, it is essential that the County have in place a zoning ordinance that is in alignment with its housing goals if it hopes to be successful in achieving those objectives.

The existing DeKalb Zoning Code was adopted in 1956 and has been amended several times over the years. Recognizing that this ordinance needed a fresh and comprehensive review, the County engaged Pond & Associates almost two years ago to prepare a revised ordinance. This document is now under consideration by the county commissioners.

During this same period, Commissioner Larry Johnson and CEO Burrell Ellis have led an effort to develop and consider a Workforce Housing ordinance to help better promote the development of workforce housing -- defined as housing for households earning 60-125% of area median income – in the county's employment and activity centers.

The purpose of this section of the report is to analyze the existing and proposed zoning codes and the County Comprehensive Plan as they pertain to workforce housing, as well as the proposed Workforce Housing Ordinance. Our analysis found that both the existing and proposed zoning codes, as well as the comprehensive plan, deal with workforce housing in a limited and inadequate fashion. Either ordinance would need to be modified and strengthened substantially to allow them to facilitate any workforce housing goals the County may establish.

The proposed workforce housing ordinance, on the other hand, represents a significant step forward in establishing clear definitions for workforce hosing and identifying where and how the County hopes to encourage the location of this housing. Recommendations are provided on how to further strengthen this ordinance.

Finally, this section provides suggestions regarding an overall operational framework and methodology that the County could employ that would give it more flexibility in implementing its zoning ordinance, along the lines of best practices elsewhere in the country.

Existing Zoning Code

The existing zoning code for DeKalb County defines workforce housing as for-sale housing that is affordable to households earning 80% of median household income for the Atlanta MSA. This requirement is based on a threshold for determining if a particular project is in accordance with requirements. This definition is very problematic as it does not provide a range of incomes that qualify as workforce (say, 60 to 120%, as recommended in this report), nor does it include rental housing as part of the definition.

> *Sec. 27-31. Definitions.*
> *Workforce housing means for-sale housing that is affordable to those households earning eighty (80 percent) of median household income for the Atlanta MSA as determined by the current fiscal year HUD income limit table at the time the building is built.*

With this definition in place, the code allows the construction of additional stories if workforce housing is constructed as well. This density bonus, or incentive, for workforce housing is based on a threshold of 20% of the total units constructed. This is a threshold that both marginalizes anything below 20% (i.e. 19% or fewer have no incentive value, thus will probably never be incorporated), while 21% and above generates no additional value, thus there is no incentive to include workforce housing beyond the minimum threshold of 20%.

For any project that has a base allowable level of four stories or more, the one story increase does not increase the amount of market rate housing that can be sold. However, it does increase, at certain height levels, the construction cost due to increased requirements in building code compliance. Any building with greater than four stories as the base allowable height would need to decrease the amount of market rate units in order to get the height increase bonus.

This is a general concern where an increase in building height is the sole method of incentivizing inclusion of workforce housing in a project.

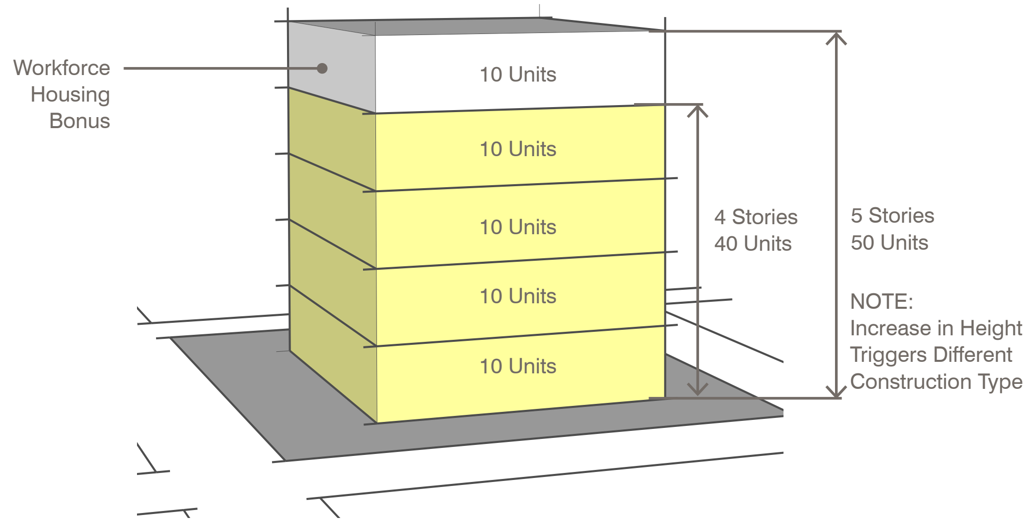
A further concern with the existing ordinance is that the workforce housing density bonus applies in only two sections of the code: the Peachtree-Brookhaven Overlay District and the Tucker Overlay District. The code is entirely silent on the broader topic of workforce housing.

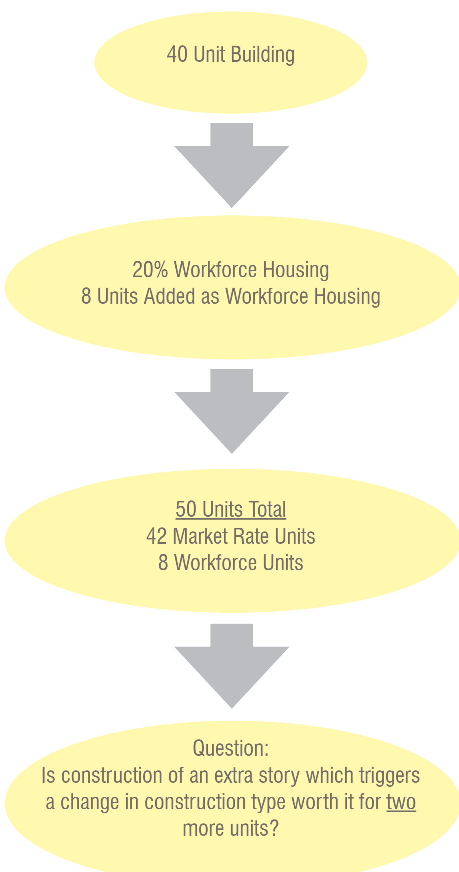
These two sections of the code and application of the density bonus are described below.

> *Sec. 27-728.15.12. Development standards. (Peachtree-Brookhaven Overlay District)*
> *(f) Building heights.*
> *(6) A building in the Peachtree-Brookhaven Overlay District shall be permitted to exceed the maximum building height limit in subsection (f)(4) provided it meets one or more of the following:*
> *a. Single-family attached townhome and live/work units are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in section 27-31. Mixed-use buildings that include residential units and multifamily buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section 27-31.*
>
> *(g) [Transit-oriented development.] To support transit-oriented development, buildings located within eight hundred (800) feet of the Brookhaven-Oglethorpe University MARTA station fare gates and no closer than two hundred (200) feet to any single-family detached or attached residence existing and occupied at the time the additional height is requested may be granted additional building height by the DeKalb County Board of Commissioners through the special land use permit process provided each of the following provisions is met:*
> *(4) The development must provide no less than two (2) of the following:*
> *a. A minimum of twenty (20) percent of the total number of residential units provided in the development priced for workforce housing as defined in section 27-31. Applicable residential units may include townhomes, for-sale condominiums and rental apartments.*

> *Sec. 27-730.1.10. Development standards. (Tucker Overlay District)*
> *(e) Building height.*
> *(6) Buildings in the corridor zone and village zone (excluding those located along Main Street) shall be permitted to exceed the maximum building height limit in subsection (4) above provided it meets one (1) or more of the following:*
> *a. Single-family attached and live/work units are permitted to add one (1) additional story if twenty (20) percent of the*

>> Figure 24: Division 4. Brookhaven / Peachtree, Sub-Area 2. Multi-family Building Use
Four Story Building + Bonus Scenario





Issues

- Adminstration - Who monitors the workforce housing component?
- No profit for developers on workforce housing units
- Minimum unit size creates less market flexibility
- Limited to 80% AMI
- No identified source for reserve funding to subsidize affordable units
- No flexibility between requirements for workforce units based on number of stories (i.e. 20% for three story or ten story)

total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in section 27-31. Mixed-use buildings that include residential units and multifamily buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section 27-31.

In summary, the key issues associated with the existing code are:

- The majority of the zoning categories are silent as to workforce housing (its application is limited to the Peachtree-Brookhaven and Tucker Overlay Districts);
- The ordinance does not describe a rationale for why workforce housing incentives are provided for these Overlay Districts but not in other areas;
- The ordinance limits incentives to height increases (density) only;
- The ordinance's application of the density bonus is inflexible and does not reward developers willing to build workforce units either below or above the established 20% threshold;
- The ordinance is silent regarding the general purpose for workforce housing in the county.

Proposed Zoning Code

The DeKalb County Zoning Ordinance Re-Write (dated 11.31.09) provides some improvements to the treatment of workforce housing, particularly in that it expands the areas of the county to which the provisions apply. But the proposed ordinance still deals with this topic in a confusing and uneven manner.

The proposed code defines workforce housing based on the relationship between the cost of housing and household income. It sets the threshold for monthly affordable housing cost at 28% of gross household income for for-sale units and 30% for rental units. The housing is described as being middle, moderate, or low-income housing.

While this definition is more flexible in its application than the one found in the current zoning code, it is still muddled in its merging together middle, moderate, and low-income housing under the term affordable.

Section 27-1.5.5 Defined Terms (Article 1: General Regulations, Nonconformities and Definitions)

Affordable housing (NEW) means housing that has a sale price or rental amount that is within the means of a household that may occupy middle, moderate, or low-income housing. In the case of dwelling units for sale, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 28 percent of such gross annual household income for a household of the size which may occupy the unit in question. In the case of dwelling units for rent, housing that is affordable mans housing for which the rent and utilities constitute no more than 30 percent of such gross annual income for a household of the size that may occupy the unit in question.

Of further concern is the fact that the definition for workforce housing remains essentially unchanged from the current ordinance, with the same inflexibilities associated with it.

Workforce housing means for-sale housing that is affordable to those households earning 80% of median household income for the Atlanta MSA as determined by the current fiscal year HUD income limit at the time the building is built.

With these definitions in place, the proposed code sets a minimum for the floor area of dwellings and buildings. The minimum floor areas for dwelling units in a multi-family configuration are: one-bedroom – 750 square feet; two-bedroom – 1000 square feet; three-bedroom – 1200 square feet.

These minimum limits for residential units in multi-family dwellings are greater than one typically sees nationally in market-rate units (especially for rental). Size, construction cost and other variables will make it very difficult to accommodate workforce units at these minimums.

Under these minimums, the code utilizes additional height (density) as the incentive for including workforce and/or affordable housing within a development. The proposed code allows for an additional story in building height if 20% of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing.

This "bonus" contains the same limitations that it does in the existing ordinance, lacking flexibility and not providing a proper profit incentive. As with the existing ordinance, this provision does not provide appropriate benefit for developments that provide workforce housing either below or above the 20% threshold.

Section 27-2.16.4 Building Heights (Article 2: District and Uses, For TC-RES Town Center Residential Mix)
C. Base Heights Allowed and Bonus Structure:
2. A building in the TC-MX shall be permitted to exceed the maximum base building height limit established by SLUP (Special Land Use Permit) provided it meets one or more of the following bonus:
a. Single family attached townhome and live/work units are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in Article 1. Mixed-use buildings that include residential units and multi-family buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section Article 1.

Section 27-2.16.4 Building Heights (Article 2: District and Uses, For TC-MX Town Center Mixed Use)
C. Base Heights Allowed and Bonus Structure:
2. A building in the TC-MX shall be permitted to exceed the maximum base building height limit established by SLUP (Special Land Use Permit) provided it meets one or more of the following bonus:
a. Single family attached townhome and live/work units are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in Article 1. Mixed-use buildings that include residential units and multi-family buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section Article 1.

Section 27-2.16.5 Transit-oriented development (Article 2: District and Uses)
C. The development must provide no less than two (2) of the following:
1. A minimum of twenty (20) percent of the total number of residential units provided in the development priced for workforce housing as defined in Article 1. Applicable residential units may include townhomes, for-sale condominiums and rental apartments.

Section 27-3.3.8 Floor area of dwellings and buildings (Article 3: Overlay District Regulations, Division 3 Emory Village)
A. The minimum floor area of each dwelling in a multi-family configuration shall be as follows.
1. A one-bedroom unit: seven hundred fifty (750) square feet.
2. A two-bedroom unit: one thousand (1,000) square feet.
3. A unit with three (3) or more bedrooms: one thousand two hundred (1,200) square feet.

Section 27-3.4.8 Development Standards (Article 3: Overlay District Regulations, Division 4 Brookhaven Peachtree)
F. Building Heights
6. A building in the Peachtree-Brookhaven Overlay District shall be permitted to exceed the maximum building height limit in subsection (f)(4) provided it meets one or more of the following:
a. Single family attached townhome and live/work units are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in section 27-31. Mixed use buildings that include residential units and multi-family buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section 27-31.

F. Transit-oriented development
4. The development must provide no less than two (2) of the following:
a. A minimum of twenty (20) percent of the total number of residential units provided in the development priced for workforce housing as defined in section 27-31. Applicable residential units may include townhomes, for-sale condominiums and rental apartments.

Section 27-3.4.8 Development Standards (Article 3: Overlay District Regulations, Division 5 Downtown Tucker)
6. Buildings in the corridor zone and village zone (excluding those located along Main Street) shall be permitted to exceed the maximum building height limit in subsection (4) above provided it meets one (1) or more of the following:
a. Single family attached and live/work units are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of fifteen (15) units or more are priced for workforce housing as defined in section 27-31. Mixed-use buildings that include residential units and multi-family buildings are permitted to add one (1) additional story if twenty (20) percent of the total number of residential units within a development of twenty (20) units or more are priced for workforce housing as defined in section 27-31.

In summary, the proposed ordinance contains many of the same limitations as the existing code with respect to workforce housing:

» The majority of categories are silent as to workforce housing;

» The ordinance does not describe a rationale for why workforce housing in encouraged in certain areas but not in others;

» The ordinance is inflexible, limiting incentives to height increases;

» The application of the density bonus is in itself inflexible, not providing benefits for developments adding fewer or more than 20 percent workforce units; and

» The ordinance does not provide a statement of general purpose regarding workforce housing in the county.

Proposed Workforce Housing Ordinance

The proposed Workforce Housing Ordinance represents a significant step forward in comparison to the treatment of workforce housing in both the existing and proposed ordinances. It better defines what workforce housing is, and provides for a broader menu of incentives to encourage workforce housing development in the county.

The proposal sets its goal as making housing available to households earning 60% to 125% of the county's median household income in identified centers of employment within the county. The proposed ordinance also has a statement of purpose that, among other statements, finds that there is insufficient state and federal support for programs to assist in meeting the housing needs of this segment of the public.

Sec. 27-653.1. Findings, purpose and intent.
(a) The county finds that it is a public purpose of the county, and the stated public policy of the state of Georgia, to make available an adequate supply of housing for all segments of the community, while at the same time maintaining an economically sound and healthy environment.

(b) The county finds that there is a shortage of quality housing in the identified activity centers and job clusters for persons employed in DeKalb County who earn greater than 60% and up to 125% of the county's median household income, which shortage is detrimental to the public health, safety and welfare.

(c) The county finds that there is insufficient federal and state support for programs to assist the county in meeting the housing needs of the segment of the public, private and non-profit sector of DeKalb County's workforce that earn greater than 60% and up to 125% of the county's median household income in the identified activity centers and job clusters.

(d) The goal of the county is to ensure the availability of housing for persons of all income levels and to make housing available to the public, private and non-profit workforce in the areas of the county where they work.

(e) The county finds that it is a legitimate public purpose to seek assistance and cooperation from the private and non-profit sector in making available an adequate supply of housing for persons in all economic segments of the community.

(f) The purpose of this ordinance is to ensure that future residential development in or near activity centers and job clusters in the county, including mixed-use development, contributes to the attainment of the housing goals of the county's comprehensive plan by increasing the production of units available for sale to qualified households, in order to meet the needs documented in the housing element of DeKalb's Comprehensive Plan. Specifically, the ordinance is designed to:
(1) Promote the construction of housing in close proximity to employment centers in the county that is affordable to a wide range of the workforce;
(2) Encourage the construction of workforce housing in the county's identifiable employment centers within the county; and
(3) Provide a mechanism to assure the availability of WHUs constructed under the provisions of this ordinance for a specific period of time.

The draft ordinance also identifies in a targeted way the desired location for workforce housing units, directing incentives to be provided to those developments in and near employment centers, activity centers and job clusters. Specifically, the draft code states that: (a) developments for residential use in the county's activity centers with at least thirty (30) dwelling units may voluntarily choose to provide workforce housing and shall be entitled to a density bonus or (b) developments for residential use in job clusters with at least thirty (30) dwelling units may voluntarily choose to provide workforce housing and shall be entitled to a density bonus.

Further, the draft ordinance requires developers of residential projects to provide for a certain level of workforce housing (15%) if locating in a Tax Allocation District (TAD) or in an Enterprise Zone.

Sec. 27-653.2. Applicability and Exemptions.

(a) Developments for residential use in the county's activity centers with at least thirty (30) dwelling units may voluntarily choose to provide workforce housing and shall be entitled to

a density bonus.

(b) Developments for residential use in job clusters with at least thirty (30) dwelling units may voluntarily choose to provide workforce housing and shall be entitled to a density bonus.

(c) Developments for residential use within a tax allocation district that receive financing from bonds or funds for the district shall be required to designate at least fifteen percent (15%) of the proposed dwelling units as workforce housing and shall be entitled to a density bonus as set forth in this division.

(d) Developments for residential use within an enterprise zone and the beneficiary of tax exemptions and tax abatement pursuant to state law and chapter 23 of this code shall be required to designate at least fifteen percent (15%) of the proposed dwelling units as workforce housing and shall be entitled to a density bonus as set forth in this division.

Sec. 27-653.3. Density bonuses.

(a) Any residential development within an activity center or a job cluster which includes at least thirty (30) dwelling units shall be permitted to increase density up to 25% beyond that which is currently authorized by the code and/or comprehensive plan provided that:

(1) At least sixty-five (65%) percent of the additional units built are workforce housing units, and
(2) The workforce housing units with a range of sales prices are equitably distributed throughout the development.

(b) The density bonus may be accomplished by, but is not limited to, the use of, any or all of the following:

(1) A reduction in parking standards;
(2) A reduction in the minimum lot width;
(3) A reduction in lot size;
(4) A reduction in square footage of the heated floor area;
(5) A reduction in minimum square footage;
(6) An increase in lot coverage;
(7) A reduction in setbacks and/or
(8) An increase in height.

The proposed workforce housing ordinance has several features, however, which should be modified to make it more effective. For one thing, it requires that developments have at least 30 units before they can take advantage of workforce housing incentives. The market in metro Atlanta, however, is comprised of many smaller apartment developers and homebuilders, particularly in denser, already developed areas like DeKalb. Rather than simply not permit developments below a certain size to benefit from a workforce housing incentive program, a more appropriate response may be to create a sliding-scale approach that provides incentives to a broader size range of projects, but with the level of incentive aligning with the size of the project.

The density bonus section of the proposed ordinance also describes other incentives that might be employed, presumably in addition to or instead of the density bonus. This includes reductions in parking requirements, reductions in floor area requirements, reductions in set-back requirements, and others. While many of these suggestions are appropriate, these recommended incentives do not exist in any other regulations, whether proposed or in force. In addition, there is no operational framework for how to implement them. For example, how much reduction in setbacks, or reduction in lot size does one receive for a certain number, or percentage, of workforce housing units per project?

In summary, the proposed workforce housing ordinance, if implemented, would be a major step forward for housing in DeKalb County. It proposes a targeted approach to encouraging development of workforce housing focusing on key employment and job centers to improve the connection between home and work for residents. The ordinance also properly broadens the menu of incentives for developing workforce housing beyond density bonuses to other benefits (parking, house sixe, setbacks, etc.) that may be more attractive to developers.

On the other hand, the ordinance does not demonstrate in a clear and comprehensive way how these incentives might be provided. Nor does it always provide the flexibility needed to make the ordinance attractive to developers. These elements of the ordinance should be reviewed and strengthened before the ordinance is enacted.

Existing Comprehensive Plan – Policy and Implementation Guide

The County Comprehensive Plan is key document that like, the zoning ordinance, needs to articulate a clear and positive statement about workforce housing if the county is to realize its goals. Moreover, the plan and the zoning ordinance need to be in alignment – operating with consistent policies, goals, and mechanisms.

In general the Comprehensive Development Plan is silent on the issues of policy and implementation regarding workforce housing in the county. One exception is where it states that, for projects using the Workforce Housing Density Bonus, at least 20% of the total dwelling units (rounded up) must be reserved for households between 61% to 105% of median income for the Atlanta metropolitan area.

This is a threshold requirement for determining if a project is eligible. This definition does not allow for flexibility in the definition, which may pose problems as the ordinance is adapted to other areas in the county, or the desired requirements change with shifting demographics.

Summarized below are the sections of the comprehensive plan that affect, either directly or indirectly, workforce housing in the county:

5.4-14 Supplemental Policy Guidelines
5.4-14.1 Workforce Housing Density Bonus
The following conditions shall apply to qualify for all of the affordable housing density and / or FAR bonuses:

1. In projects using the Workforce Housing Density Bonus, at least 20% of the total dwelling units (rounded up) must be reserved for households between 61% to 105% of median income for the Atlanta metropolitan area.

2. The reserved units must be of compatible quality and appearance to the other units in the development. In large developments, every effort shall be made to mix the designated workforce housing units among the remaining units to avoid economic segregation.

3. When supplying rental housing, the applicant must, through a restrictive covenant, deed restriction, bylaws of the subdivision association, mortgage or property deed clause, or other method acceptable to the County, satisfactorily guarantee that designated affordable rental housing units, permitted under this density bonus, remain reserved for eligible households for a period of at least 12 years, or for some other time period as determined by the County.

4. All reserved dwelling units which are intended for home ownership shall be sold only to qualified workforce wage (moderate income) buyers. No further restrictions shall apply to the future sale of such homes unless required by the provisions of associated subsidized financing programs.

5. Proof of such guarantees must be submitted and /or recorded for all units (both rental and home ownership) prior to the permitting of any additional units in excess of that permitted by the underlying land use category.

6. Definitions of qualifying households (moderate income households) shall be determined by the U.S. Department of Housing and Urban Development and shall be adjusted annually or as appropriate.

7. Notwithstanding the requirements of the Workforce Housing Density Bonus above, all projects utilizing the workforce housing bonus must be programmed to be served by both public water and public sewer prior to the issuance of a Certificate of Occupancy on the project.

8. Any density increase shall be compatible with existing, proposed, or planned surrounding development. Compatible densities need not be interpreted as "comparable" or "the same as" surrounding developments, if adequate provisions for transitioning to higher densities is required and met by, but not limited to, such means as buffering, setbacks, coordinated architectural devices and graduated height.

9. Nothing in this section shall be construed as guaranteeing the achievement of the density increase or any portion thereof, as provided for in this section.

A New Framework for Implementing a Workforce Housing Ordinance

A key to creating a progressive county zoning ordinance that can increase workforce housing is to adopt a methodological framework that properly aligns benefits to incentives. Such a framework needs to be specific in its objectives, flexible in its operation, and provide benefits both to the county (the public) and to developers.

Among the objectives that the county could be seeking through this approach are:

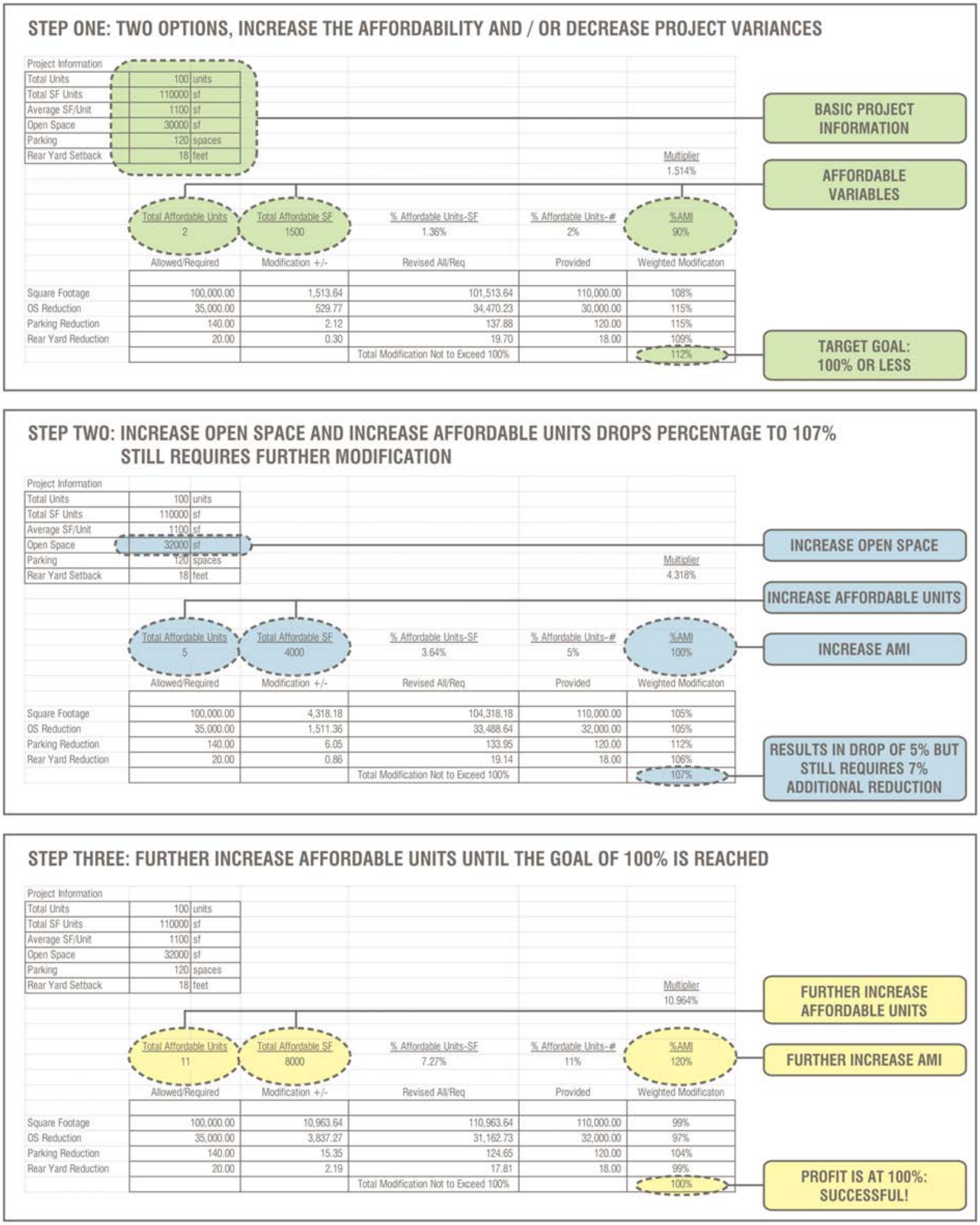
» An increase in the number of smaller units (which are by their very nature more affordable),

» An increase in the number of affordable workforce units as defined by a sliding scale,

» An increase in affordable family-sized units (as appropriate),

» An increase in duration of in-place affordability (e.g. a 20-year window would result in less incentive program than a perpetual window, understanding that there is still value in the lesser duration),

>> Figure 25: Progressive System



- A decrease in the percent AMI, a sliding fee-based policy that would directly put funds into an escrow to be spent on County-initiated workforce housing, and
- Any other elements that are determined to increase the availability of affordable housing in both quality and quantity.

Such a system would allow flexibility regarding the developer's pro-forma requirements, the neighborhood's particular needs in terms of their long-term goals and demographics, and the implementation of the county's goal of more affordable/workforce units. In order to achieve these objectives, it is possible to create a menu of incentives for the project developer that can be tailored to needs of the County, the neighborhood, and the developer of the project. Elements that might be included in this menu include:

- An increase in density (although from experience this is not generally a significant incentive in DeKalb County);
- A decrease in the amount of useable open space required;
- A decrease in the amount of total open space required;
- An expedited permit process;
- A reduction (or oddly, an increase) in the parking requirements;
- Access to special administrative project review;
- Assistance of an ombudsman to act as a go-between with the review entities in the city;
- An opportunity to pay into an affordable/workforce housing fund to meet certain obligations;
- Accessory units allowed in single-family districts (this has received great response in several jurisdictions, especially Santa Cruz, CA);
- Uses allowed by right, such as a hotel program in certain categories that currently require a special use permit;
- A reduction in side or rear-yard setbacks;
- Encroachment into the transitional height plane;
- Reduction in minimum lot sizes for single-family development;
- ECHO (Elder Cottage Housing Opportunities) housing allowed (such as in Fort Kent ME); and
- Any additional elements that are viable in terms of assisting in development while not creating a substantive and real burden to the community.

There is precedent for including this broader menu of incentives in the zoning ordinance. The elements described above are all available either in other parts of the DeKalb Zoning Ordinance, or in other jurisdictions in the country (see the Appendix).

Beyond incorporating the right set of incentives in the ordinance, the other key challenge is to allow this progressive approach to be operated in a simple and straight-forward fashion. This report recommends that the ordinance place relative values to each side of the equation. The number of workforce units (actual or as a percentage) could then be tied directly to the incentives provided to the development entity. In addition, these incentives could be structured to have varying levels of value relative to the geographic location of the project. A project located in a designated activity center or corridor, for example, would offer a greater incentive opportunity in order to produced desired workforce housing units, while a project in an area that had less need or less capacity for workforce housing would be structured to provide little if any incentive.

If this process is too cumbersome and requires a high level of expertise to navigate, the stakeholders (both the County administrators and developers) will have difficulty understanding how it works and it is unlikely to be successful.

The key in this regard will be to establish metrics that create reasonable levels of incentive benefits for developers in return for providing a reasonable level of additional workforce housing units. These metrics can best be established through collaborative effort between the development community and the County. This could be further facilitated by establishing a two-year review period (after ordinance adoption) to ensure that the results are commensurate with the goals of all parties.

In addition, the County and the development community should work together to identify several test cases spanning the potential impact of the ordinance on various projects of differing size, participation and location. This would be a fairly simple process and would also facilitate the education of the general public as to the potential results of the ordinance adoption. Both of these processes were absent during the drafting of the previous proposed workforce ordinance.

>> HOUSING ASSISTANCE STRATEGIES

More families have fallen into positions of need as job losses and wage reductions have risen over the past two years.

The development and preservation of housing in the U.S. is supported by a wide range of public and private subsidies. Most people are aware of federal public housing assistance programs or of the Low Income Housing Tax Credit Program, which is the principal source of subsidy for low and moderate-income housing. But even middle- and upper-class market-rate housing receives public subsidy, albeit indirectly, through the availability of mortgage interest and property tax deductions from federal income tax payments.

Most workforce housing does not qualify for *direct* federal housing assistance support (such support does not generally extend to households earning above 60% to 80% of area median income). Therefore, counties and communities that seek to preserve and develop workforce housing must develop local sources of funding to meet their objectives. While it is difficult to consider new local expenditures for housing or other purposes in the current fiscal environment, this study recommends that the county begin now to develop strategies that could be implemented over the next several years as fiscal conditions improve and the housing market again begins to tighten.

There are a variety of strategies and tools that could be implemented to preserve, promote, and support workforce housing — whether single- or multi-family, rental or homeownership. The consideration of specific financing programs, however, should be preceded by the identification of clear strategic objectives for any workforce housing financing assistance program. In this regard, this report recommends that rehabilitation and preservation of the existing housing stock should be a first priority given the large volume of under-utilized housing stock already on the ground. In addition, It is suggested that the County develop a programmatic approach to financing assistance that can recycle and reuse subsidy dollars, whether local or federal in origin.

This section of the report describes nine approaches to provide and preserve housing opportunities for workforce households.

Strategies to Support Workforce Housing

1. Create a Housing Trust Fund
2. Emphasize Housing Preservation
3. Prevent and Mitigate Foreclosures
4. Recycle Housing Assistance Funds
5. Create Community Land Trusts
6. Develop Lease-Purchase Programs
7. Encourage Employer-Assisted Housing
8. Support New Multi-family Development
9. Provide Rental Assistance

1. Create a Housing Trust Fund

What is a Housing Trust Fund?

A housing trust fund is funding dedicated only for the use of housing programs, and committed to do so by law or resolution. Housing trust funds have become increasingly popular in jurisdictions throughout the United States due to their flexibility in purpose and the fact that they can be tailored to a jurisdiction's particular needs. When designed properly, housing trust funds are reserved for the sole purpose of housing, regardless of the economic conditions or other shortfalls a jurisdiction may experience through time.

Designing a housing trust fund for any jurisdiction involves the following:

1. Identifying a source of revenue
2. Assigning an administrative entity to oversee and implement the fund
3. Identifying housing goals and targets

Often advocacy groups or constituencies will organize with the goal of persuading a jurisdiction of the need for a housing trust fund. Such groups can often assist in designing the funding structure and serve as a resource in identifying where the greatest needs are in terms of implementation.

Why Would DeKalb County Consider a Housing Trust Fund?

In DeKalb County, all funding for housing assistance currently comes from the federal government. The Community Development Department administers federal housing programs like Community Development Block Grants (CDBG), HOME, and the Neighborhood Stabilization Fund (NSP), while the DeKalb County Housing Authority administers programs for very low-income households, such as HOPE VI and Section 8 federal rental vouchers. It is recommended that DeKalb County consider creating a Housing Trust Fund supported with dedicated local revenues and use it to support housing needs for families with incomes up to at least 120% of area median income, a level that exceeds federal guidelines.

DeKalb County's most serious current housing needs include repairing and reusing foreclosed properties, recycling neglected or abandoned properties, and assisting working households who rent, particularly those earning between 60-80% of the county median income. As the county develops new programs directed toward these other specific objectives, a housing trust fund can be a flexible and efficient mechanism through which to organize and fund them.

Another benefit of a housing trust fund is its relationship to economic development. Increasingly, employers looking to expand or invest in a business will base that decision around the availability and proximity of qualified workers. A DeKalb County housing trust fund can be an important tool for the county in providing incentives to employers and matching housing needs with employees.

Current housing challenges could be better addressed by a housing trust fund. A recent study by the DeKalb Development Authority (2009) noted that there is currently a housing market demand that is four times less its supply, meaning that while housing is ready and available, potential owners and renters are without the means or motivation to act. The same study also notes that there is a 20% denial rate on home mortgage applications within DeKalb County due to insufficient cash for down payments, low credit scores or other issues. A housing trust fund could be available, for example, to help working households with the down payment assistance necessary to become homeowners, and with rental subsidies for families unable to make security deposits and first/last months' rent.

What Are the Elements to Consider?

The two largest challenges in designing a trust fund are identifying a funding source and determining implementation targets. As mentioned above, the targets – whether defined by an income bracket, geographical area, or financing mechanism – that benefit from the trust fund can change over time to suit DeKalb's evolving needs.

Finding a dedicated stream of revenue for the trust fund will involve extensive negotiation and public outreach. Designers and advocates for the trust fund must ensure that the fund is designed exclusively for housing issues, and is not available to fund other county needs as economic situations change.

There are many possible revenue sources for a housing trust fund:

1. Commercial development impact fees
2. Real estate transfer/recording fees (most popular nationwide)
3. Document recording fee
4. General fund
5. Bond fees
6. Tax increment funds (as used in the City of Atlanta)
7. Hotel tax
8. Tobacco tax
9. Unclaimed utility deposits
10. Utility connection fees
11. Gaming revenues
12. Real estate windfall tax
13. Donations/contributions (usually one-time only)
14. Bond revenues
15. Loan repayments/interest
16. Real estate escrow accounts
17. CDBG funds (to start the trust fund)
18. Inclusionary zoning/in-lieu fees

In the state of Georgia, many of the above options are limited by the fact that any new tax specifically created to fund a new specific public purpose (such as housing) requires a statewide constitutional amendment, even if the tax would only apply to a single jurisdiction. The use of fees is also limited in that they are required by law to reflect the cost of regulating an activity, and therefore fees levied from one activity cannot be directed to another purpose. Even with the advent of development impact fees, which DeKalb County currently does not have, such revenues have been authorized by the state only if used in certain "service areas" or for certain development-related systems or "public facilities," such as sewers, parks, libraries, etc. Housing currently does not fall within the definition of such facilities, and only could be if the state statute were amended.

Using existing dedicated taxes or fees (aside from general fund revenues) to direct to a housing trust fund could also be accomplished, but again would need approval from the general assembly, though not in the form of a constitutional amendment.

The County is free, however, to utilize existing general revenues, grant funds received from the federal government, and proceeds from the sale or lease of real estate for a housing trust fund without approval from the general assembly. Also, a portion of the proceeds from a tax allocation district could be dedicated a housing trust fund, as is currently the case in the City of Atlanta, but again with state approval.

Currently DeKalb County uses its annual allocation of federal community development grant monies for various purposes, of which only about 12% goes directly towards housing assistance. According to HUD rules, 70% of CDBG funds must be used to benefit households earning up to 80 percent of AMI, and the remaining 30% can be used more flexibly in terms of purpose and income range.

As noted earlier in this report, in 2009, the County's CDBG allocation was $5,682,400, which was used in the following manner:

1. Public facilities/economic development projects: $2,955,000
2. Public services (homeless shelters, etc.): $852,000
3. Community development department administration: $1,136,000
4. Housing rehabilitation services: $739,000 (12% of CDBG allocation)

The County also receives an annual allocation of federal HOME funds, which in 2009 amounted to $2,715,5000. HOME funds can be used for housing purposes only, and must benefit those earning below 80% AMI. In 2009, these funds were expended in the following fashion:

1. Program administration: $272,000
2. Community Housing Development Organization (CHDO) projects: $407,000
3. CHDO operating expenses: $136,000
4. Eligible Housing Projects: $1,901,000
5. American Dream Down Payment Program: $26,000 (second year; first year was $64,000)

Thus, both CDBG and HOME funds could be used, at least in part, to benefit workforce families, at least those earning income at the lower end of the workforce household range (60-80%, or $33,000-$44,000 in DeKalb County), the group most deeply in need in the county.

By initially directing a portion of CDBG and HOME funds to a housing trust fund for workforce families, the County could seed a long-term funding strategy without immediately expending local revenues.

This report recommends that the trust fund be established as a self-perpetuating entity with the ability to replenish itself through repayment of dollars that are loaned to homeowners and renters for down payment assistance, security deposits, rehabilitation work, and the like. Funding provided through the trust fund should be structured as low-interest loans that must be repaid, not as grants, so that the fund can recycle dollars over time and expand the number of people who can benefit.

Implementation

Once a housing trust fund is established, it can be used to meet any number of objectives. Furthermore, these objectives can change over time. The following list provides examples of different purposes for which a housing trust fund could be utilized:

1. Low-income mortgage loans
2. Down payment assistance
3. Weatherization
4. Matching funds
5. Pre-development costs
6. Rehabilitation/acquisition
7. Technical assistance
8. Accessory unit development/rehabilitation
9. Remediation/site preparation
10. Housing/jobs programs to attract businesses
11. Gap financing
12. Construction guarantees
13. Non-amortizing mortgages
14. Rent subsidies

While the trust fund could be located in one of several departments or authorities, it would ideally be placed under the responsibility of the Community Development Department, which currently has primary responsibility for administration of county housing funds.

Long Term Process, Long Term Sustainability

The most expedient way to establish a housing trust fund (without confronting the substantial challenges of gaining General Assembly or voter approval of a new tax or constitutional amendment) is to re-assess the current use of existing federal housing and community development funds to see if a portion could be directed to “seeding” a trust fund. If such an effort were begun and proved successful, it could help build support for a commitment of additional local tax dollars to this fund, particularly several years from now when the County’s fiscal situation hopefully improves.

The immediate goal, therefore, should be to make a long-term commitment to creating and building a fund, comprised of both local and federal revenues.

2. Emphasize Housing Preservation

The most cost-effective and pragmatic way to ensure the availability of workforce housing is for the County to preserve the housing stock already in place. Since DeKalb County has an aging housing stock, it should direct resources and assistance to helping workforce households maintain and reside in quality units.

Multi-family Preservation

Since 2000, multi-family housing has increased by 26% in DeKalb County. Most of these newer units, however, are located in the northern sections of the county, where average prices are higher. Many of DeKalb’s workforce renters live in other sections of the county, typically in smaller properties of 50 units or less. Based on the condition of many of these structures, it is clear that often smaller workforce housing landlords do not have access to the capital necessary for quality maintenance.

In this regard, there are special challenges associated with multi-family housing. Thus, one strategic objective for a County housing policy should be to direct affordable financing to qualifying multi-family property owners for improvement of their structures. A loan program could be established using CDBG funds for rehabilitation of workforce multi-family projects. This program could be one component of the proposed housing trust fund discussed earlier.

This rehabilitation loan program could be available county-wide, or only apply to targeted areas (such as designated corridors or activity centers) that are being prioritized for reinvestment. As one example, the Milwaukee Targeted Investment Neighborhood Initiative (described in the Appendix) concentrates rehabilitation resources in small 6-10 block areas for three years at a time.

Loans made to landlords at favorable rates under this program would be made available contingent on landlords agreeing to rent the renovated units to households with qualifying workforce incomes during the life of the loan.

An additional best practice is to make sure that any rehabilitation program be accompanied by a housing maintenance education program that will increase the capacity of these multi-family property owners in the long term, and ensure that work performed on the structures is done to quality (and code) standards. A Landlord Training Program conducted by the County on an annual or semi-annual basis could serve to educate landlords on the latest code requirements, maintenance resources available in the county and region, and financing programs available to help them (see Building Organizational and Administrative Capacity chapter for more information).

Single-family Preservation

As with multi-family owners, rehabilitation loans should be offered to workforce households that own single-family units as well. Funding could be targeted towards strategic areas such as corridors and job centers. Rehabilitation loans could also sometimes be bundled with purchase assistance to help workforce households buy homes that may need basic work but are otherwise affordable.

Guidance and education about home rehabilitation and maintenance can also help prevent workforce households that own single-family units from taking on unnecessary or over-costly projects that create the need for home equity refinancing, which leaves homeowners vulnerable to unfavorable loan terms and potential defaults later on.

Educational resources for single-family homeowners could include:

» Rehabilitation consultant: An on-call, as-needed non-practicing contractor whom residents could consult about repairs and maintenance issues. The consultant could conduct site visits and offer advice about the extent and quality of repairs needed. Since the consultant is no longer practicing, this would offer residents a knowledgeable resource without the pressure of sales pitches.

» Online referral center: Residents could offer their recommendations about contractors in a County-sponsored website.

» Annual Rehabilitation Fair: The County could sponsor an annual fair showcasing energy efficiency technologies, home repair and maintenance techniques, and various contractor services so residents are exposed to their options and have an opportunity to ask questions. This also provides the County with an opportunity to reach out to homeowners and landlords on code and maintenance issues.

» Building code manuals: Easy-to-read information should be created for different demographics of workforce homeowners (i.e. seniors, residents of older/historic housing, residents interested in energy efficiency, condo owners, etc.) that clearly lists the required standards of code compliance, basic maintenance techniques, and any resources and programs available from the County.

For examples on jurisdictions that have similar housing rehabilitation education programs, please see the Appendix.

3. Prevent and Mitigate Foreclosures

Between 2007 and 2009, DeKalb County experienced the second highest rates of foreclosure in the state, behind only Fulton County. This trend does not seem to be abating as 2010 begins—foreclosures in DeKalb County were still clocking in at 1,230 as of January, almost exactly on par with January 2008 and 2009. Since 2008, DeKalb has seen over 32,000 foreclosures, and 2010 forecasts are predicted to be even higher as high unemployment continues.

DeKalb County received $18,545,000 from HUD in 2008 for the Neighborhood Stabilization Program (NSP), the principal federal response to the foreclosure crisis. These funds are to be used to purchase, rehabilitate, and sell or rent housing that is abandoned or foreclosed. DeKalb's NSP plan anticipates rehabilitating, purchasing, or demolishing 180 units—which represents just one percent of the total foreclosures in the county in 2009. While NSP is an important and much-needed infusion of funding, it will not come close to addressing the magnitude of the problem locally or nationwide

Of course, NSP funds do not have to be used alone, but can be utilized in tandem with other funding to target declining or blighted neighborhoods. But these funds -- such as federal CDB funds -- have other demands on them as well. It is too early in this unprecedented foreclosure crisis to declare any "best practices" in mitigating its effects, and DeKalb has already committed to a plan for its NSP funds. However, a look at what some other areas around the country are doing in response to the foreclosure crisis may be helpful in designing future approaches to unstable areas. Moreover, these strategies can potentially benefit workforce housing in keeping property values stable, preserving available housing stock, and opening up areas that otherwise would not be attractive to workforce households. The County can also rely on the DeKalb County Foreclosure Task Force's study, accepted by the County Commission in 2008, as a source of strategies and information on addressing the foreclosure crisis, some of them listed here.

Foreclosure Mitigation

One of the greatest challenges of the foreclosure crisis is the speed in which a neighborhood can decline when it begins to experience multiple vacancies. Vandalism and a lack of "eyes on the street" can attract crime, neglect, and property destruction that may quickly become entrenched if not confronted with swift intervention. Yet this is difficult with the limited resources and budgets of any jurisdiction. With that in mind, efforts to reduce the multiplying effects of foreclosures must be strategic, both fiscally and geographically.

Lessons from the housing meltdown, such as the fact that certain households may be more suited for rental rather than ownership situations, must also not be forgotten once the economy improves. Supporting rental opportunities in distressed areas is one long-term foreclosure-mitigation strategy that could bring residents back into the neighborhood, creating a stabilizing presence. This may not work in areas that are in complete distress, but can be a useful tool in specific neighborhoods with a potential of decline. Single-family or multi-family housing that is purchased with NSP funds, renovated to basic occupancy standards, and then rented out to tenants falling in workforce housing income ranges is often a quicker solution in the current environment than finding qualifying homebuyers to purchase the properties.

Besides supporting rental housing, there are other emerging approaches across the nation to mitigate the impact of foreclosures. These include:

» Directing NSP funding towards "tipping point" neighborhoods that have high marketability potential but a not-quite-strong-enough real estate market to withstand the effects of foreclosures and abandonment. Local governments use crime statistics and/or water shut-off data in identifying such areas.

» Creating defined categories of neighborhoods that receive NSP funding (such as stable, declining, and distressed), and designing intervention strategies for each category. Responses might include rehabilitation financing and soft-second mortgages for stable areas, and demolition, redevelopment, and land banking for distressed areas.

» Buying foreclosed properties in stabilizing neighborhoods and then offering project-based Section 8 vouchers to tenants, especially in areas closer to jobs and transit, to get more "eyes on the street." Competition may be difficult, however, with investors seeking bargains in higher-potential areas.

» Providing subsidized financing to developers to acquire large numbers of properties (at least 50%) on a block for rehabilitation, or incentive fees (gap financing) to developers who rehabilitate vacant property.

» Directing NSP and other resources (such as infrastructure improvements, Low Income Housing Tax Credit projects, homeownership counseling, etc.) towards specific geographic areas that possess advantageous features such as community facilities, access to transit, etc.

» Using NSP to offer loans to developers (or a Housing Authority) to purchase and rehabilitate homes for resale or rent. Homes that are rented would also be available for lease-purchase for a period of three years, in combination with homeownership counseling.

» Enabling a housing authority to issue a single-family mortgage revenue bond using NSP funds. (This was considered but not implemented in Atlanta.)

» Focusing on a level of rehabilitation that simply meets code standards for quick reoccupation rather than complete top-to-bottom renovations.

Of course, many jurisdictions are also implementing their NSP program in much the same way DeKalb is—identifying Census-tract areas of greatest need, and offering soft-second mortgages to eligible families while also working with non-profits and developers to acquire foreclosed properties for re-sale to eligible homeowners. If foreclosures are widespread throughout a large area, however, the impact of these funds may be diluted if not co-supported with other programs and investment, especially in areas where foreclosures are only a symptom rather than a cause of neighborhood decline.

Potential Foreclosure Mitigation Strategies for DeKalb

DeKalb has a very mixed and diverse housing market -- possessing many strong residential neighborhoods but also some of the region's weakest communities. As the county's NSP plan is carried out, it will be important to look for ways to support NSP investments with other related housing and community development programs. The steps the County should consider in this regard are outlined here.

First, DeKalb County should analyze its housing stock on a detailed level (including structural condition, code violations, utility shut-offs, etc.) to identify very specific areas at the street level where the combination of vacancies, community facilities, access to transportation and jobs, and real estate values offer opportunities for fending off a deteriorating situation. Down payment assistance and "silent soft second" mortgages could be promoted to workforce households for these areas. Efforts might be limited to Tiers 3 and 4 in DeKalb, where the foreclosure problem is less severe.

DeKalb County also should establish a land bank to hold foreclosed/abandoned land and property with the intent to use it for future projects or lot assembly.

Through the DeKalb Housing Authority or a non-profit organization, homes acquired through NSP could be offered as rental units for a limited period of time (five years) with the goal of decreasing vacancies within "tipping point" neighborhoods. Homes also acquired by the County due to outstanding tax liens could be put into use as rentals, but only if the structure were strategically located in terms of jobs and transit.

Lease-purchase opportunities could be offered to workforce households in selected at-risk areas. Deeds of such properties can be transferred to non-profit organizations (or the Housing Authority) who will act as landlord until homeownership can commence. Emphasis for lease-purchase programs should be directed towards workforce households making 60-80% of the county median income.

Foreclosure Prevention

While the foreclosure problem may seem overwhelming and embedded in systemic problems beyond a local government's reach, there are some actions that can be taken to reduce the risk that workforce (and other) households entering into homeownership will face foreclosure in the future.

Knowledge is everything with foreclosure prevention, and often the biggest hurdle is letting struggling homeowners know that help is available when they begin to fall behind on their payments. Another key to preventing foreclosures is to educate people before they enter into mortgage agreements about the home loan process and what will be expected of them as homeowners. Finally, emergency loans can help make the difference between foreclosure and the path to stability for struggling homeowners.

That said, there are generally three approaches DeKalb could take to significantly reduce foreclosures among workforce households:

1. Public outreach to inform at-risk homeowners of homeownership counseling programs and services.
2. Credit and pre-home purchase counseling.
3. Emergency loans (for catastrophic home repairs or bridge loans to prevent missed mortgage payments due to job loss, etc.)

Public Outreach

According to NeighborWorks, a national non-profit housing organization, surveys show that local governments are the most trusted entities for homeowners in financial distress (for further information, see http://www.nw.org/network/neighborworksprogs/foreclosuresolutions/reports/documents/FormulaForSuccess_Final.pdf, p. 27). To notify homeowners of available help, many local jurisdictions advertise a "3-1-1" type helpline that homeowners can call when they are unable to meet mortgage payments. Usually the jurisdiction sponsors the line, which transfers callers to non-profit partner agencies specializing in foreclosure prevention counseling. Advertisements, postcards, and even door-to-door calls in strategically targeted areas (perhaps identified using property data, or loan data from partnerships with lenders) serve to notify at-risk homeowners that should trouble with their mortgages arise, there are people who will help them on their behalf. It is important for distressed homeowners to seek resources before the foreclosure process commences so they have more options available—therefore, it is especially important to reach out to at-risk homeowners even before trouble seems imminent.

DeKalb is fortunate to have both an existing 3-1-1 line and the HUD-approved national non-profit consumer credit counseling agency CredAbility (formerly Atlanta Credit Counseling Service) headquartered in downtown Atlanta. CredAbility has engaged in public advertising campaigns in the metro area for homeownership counseling/education as well as foreclosure prevention counseling, and provides in-person counseling for homeowners in the Atlanta area. The Homeownership Preservation Foundation also provides a national hotline, which is promoted on the Atlanta Neighborhood Development Partnership's website (www.andpi.org) and on various elected officials' websites.

Workforce households (particularly seniors) are more prone to mortgage defaults when unexpected events arise (such as healthcare emergencies, job loss, etc.), so the message that foreclosure prevention services are available through area non-profit agencies should be continually delivered to this population. DeKalb's Community Development Department should develop a long-term foreclosure prevention outreach plan that continually targets at-risk neighborhoods, as well as certain demographics such as seniors, with information about available counseling resources. DeKalb can work with local non-profits as well as the Economic Development Department to monitor the impacts of potential job losses or shifts, and with Code Enforcement regarding situations where noticeable violations may signal financial trouble for homeowners.

For detailed information about designing a foreclosure prevention outreach program, see http://www.nw.org/network/neighborworksprogs/foreclosuresolutions/reports/documents/FormulaForSuccess_Final.pdf.

Credit and Pre-Purchase Counseling

As mentioned earlier, CredAbility, headquartered in downtown Atlanta, is a national non-profit credit counseling organization that provides HUD-approved pre-homeownership and credit management courses. Buyers receiving down payment assistance or second mortgage financing through DeKalb's current homeownership programs are currently required to complete pre-purchase counseling. This requirement should be extended to any workforce household benefitting from any non-HUD homeownership assistance established by DeKalb County in the future (i.e. down payment assistance offered through a housing trust fund). Re-financing counseling should also be required if workforce households receiving County assistance decide to refinance their primary mortgages later down the road. DeKalb might also consider partnering with organizations like CredAbility more fully to promote the credit, re-financing, and homeownership counseling services available among workforce households.

Finally, DeKalb may also consider holding periodic homeownership workshops that promotes available counseling resources in at-risk neighborhoods. Lenders and servicers may be interested in co-coordinating these workshops, as has been the case in Chicago. Most foreclosures originate from refinanced loans, which are often taken out to pay for home repairs. Workforce households taking advantage of the lower purchase prices of DeKalb's older housing stock may be at particular risk of unfavorable refinancing, so information about any rehabilitation loans and services offered by the County to income-eligible (workforce) households should be included in the workshops.

Emergency Loans

Emergency bridge loans are usually offered by jurisdictions to homeowners in default on their loans due to unforeseen circumstances such as medical expenses, job loss, death in the family, or other event that is no fault of their own. Loans can be repaid into a revolving loan pool once the crisis is over or upon resale of the house. This kind of program bears a greater risk of subsidy loss for the jurisdiction if the homeowner is not able to recover. Therefore, any program of this kind must be very specifically designed to target recipients that are at risk of foreclosure but also exhibit the most promise of recovery.

For more examples of foreclosure mitigation and prevention strategies, please see the Appendix.

Other especially innovative and successful approaches to foreclosure prevention include:

- **Mandated Lender-Borrower Negotiation:** Philadelphia's Foreclosure Diversion Pilot Program is a widely watched model for mandated negotiations between mortgage note holders and homeowners. The program's administration is financed through private donations and pro-bono law services, with the cost of keeping the homeowner in their house remaining between the homeowner and their lender. To date the program has prevented foreclosures for over 75% of cases that have been involved, far beyond all other similar programs that call for negotiations on a voluntary basis. The program employs door-to-door outreach, a counseling hotline, and a foreclosure prevention task force. (http://www.acorn.org/fileadmin/ACORN_Reports/2009/Road_to_Rescue_Report.pdf)
- **Lease-Purchase as a Step Towards Homeownership:** Michigan has a lease-purchase program where homeowners embarking on foreclosure deed their homes to their lenders "in-lieu" of foreclosure. Lenders then sell the deed to non-profit organizations, who in turn rent the home to the former homeowners. Homeowners may repurchase the house if it becomes able to obtain a mortgage during the lease period.

4. Recycle Housing Assistance Funds

Housing subsidy funds are always limited resources. When providing these subsidies to workforce families, it makes sense to require them to be repaid to allow their re-use for other eligible households in the future. This concept is technically known as "subsidy recapture."

Second mortgage or down payment assistance programs are examples of how this concept can be applied in practice. These are common tools to assist families close small gaps in financing that would otherwise prevent them from purchasing a home. Such loans can be forgivable after a certain amount of time, or else are repaid in some form upon resale or refinancing. They are often called "silent second mortgages" if they are structured to not collect interest or require repayment until the home is resold or the term of the loan concludes.

DeKalb already is utilizing second-mortgage financing in its Officer Next Door Program and the First Time Homebuyer Program. The maximum loan amounts for the Officer Next Door Program are $15,000 and $25,000, for 5- and 10-year affordability periods, respectively. The First Time Homebuyer Program offers second mortgage loans of $5,000 to $8,000 (with homebuyer counseling). These loans are forgivable if the home is occupied by the owner for the dictated affordability period (5 to 10 years).

The problem with forgivable loans is that, since they essentially serve as grants, the jurisdiction has to constantly identify new sources of funding for every household it wishes to help. As the housing market heat up again, more and more money is needed to meet the needs of homebuyers, which may lessen the total number of households who are helped. While grants are beneficial to the workforce household recipients, houses purchased with such grants may not necessarily remain in workforce price ranges upon resale.

Subsidy recapture is one method of “recycling” funding so that it can be put to use for other families in the future. Subsidy recapture of second mortgages or down payments can include simply requiring repayment of the principle (or principle with some interest) upon resale of the house; deferring loans, where payments begin after a short number of years; or granting standard amortizing loans with below-market rates. All of these schemes ensure that the initial subsidy is at the very least available to help another household in the future at some level, and they do not require an extensive administrative infrastructure to implement.

A simple example of a subsidy recapture program is as follows: an interest-bearing second mortgage loan for 20% of the purchase price is made to a family earning up to 120% of the county median income, with a simple (compounding annual) interest rate of 3%. This would be appropriate for some but not all income brackets of workforce households, and should adjust with the housing market (i.e. if a homeowner must sell at a loss in a down market, the loan might be forgiven or reduced). Since workforce households are purchasing homes based on their steady incomes, it is not necessarily a burdensome requirement to require loan re-payment.

There are other ways to recycle second mortgages/down payment assistance that are more sustainable. A shared equity program is a more complex housing subsidy tool in which a second mortgage loan subsidy is repaid upon sale or refinancing in the form of principle plus a portion of the home’s appreciated value in lieu of interest (e.g. principle + 20% of any appreciation). This scheme is considered especially appropriate in cases where a real estate market is strong, prices are steadily escalating, and repayment of loan subsidies—even with interest—may no longer keep up with the market enough to help the next family. However, if incomes do not rise within such a market, the repaid subsidy still might not be enough to help the next family.

There are two ways to design shared equity programs. First, a homeowner’s share can be paid back in the form of cash to the pool of loans used for future homeowners. Second, the subsidy can stay with the unit -- that is, a portion of the appreciated value is only applied to the down payment or second mortgage the next household (subject to appropriate income limits) uses to purchase the same unit. This method, known as “subsidy retention,” serves to keep particular units affordable over time and over the course of different owners, a strategy particularly useful when applied to a specific geographic area (such as a transit station area). Subsidy retention first requires that the housing program pay for the difference between the market price and the level affordable to the purchaser. The homebuyers then purchase the home with no additional subsidy, and legally agree that the price they will receive upon resale will be based on a formula limiting their equity.

In subsidy retention programs, there are at least three possible scenarios: (1) a homeowner may be required to pay back a set percentage of the value appreciation; (2) they may pay back a percentage based on the amount of subsidy they received; or (3) they may pay back a percentage based on how much of a discount in sales price they received due to any inclusionary zoning policies in place. The formula chosen to determine the resale value will be designed to keep the home affordable for the next family, but ideally would also allow the homeowner to realize a percentage of asset-building as well. To avoid the impact of fluctuating interest rates on long-term affordability for these units, some programs base the resale formula to the area median income and what new potential homeowners can afford at that time. However, the drawback to these scenarios include the risk that the new homebuyer may not realize any increased appreciation at all, or may even experience a loss, depending on what interest rates are at the time of resale (higher interest rates mean the next owner can borrow less, reducing the maximum resale price allowed by the formula). More detailed information and explanation of these complicated programs can be found at http://www.nhc.org/pdf/chp_se_strategies_0407.pdf. Also, an excellent and easy-to-understand animated graphic illustrating the differences between subsidy recapture and subsidy retention models can be found at http://www.burlingtonassociates.com/resources/archives/clt_101/000055.html.

There are continual debates about the merits of shared equity programs. Some of the concerns center around the merit of limiting the amount of equity a homeowner would receive at sale; how to factor in renovations that the homeowner may have paid for over the years; and the possibility that the repaid subsidy, even if increased, may not be enough to help another family purchase a house in the same market due to price escalation. Due to these factors as well as their administrative complexity, shared equity programs are difficult to implement on a broad scale.

However, the drawbacks with loan forgiveness or even subsidy recapture programs is that if housing prices continue to rise, as they are expected to again in the future, subsidy pools may not be adequately replenished to keep up with the kinds of assistance that workforce households need. Subsidy recapture programs should indeed be put in place in DeKalb as soon as possible, but in the future should also be accompanied by consideration of other subsidy retention programs to increase the overall amount of housing funding replenishment.

5. Create Community Land Trusts

One innovative and sustainable version of a subsidy retention scheme is a community land trust (CLT). A community land trust is land held collectively in a trust (as assembled or multiple parcels) by a non-profit community corporation that then leases the land for housing opportunities affordable to homeowners with limited incomes. Because the land is held in perpetuity by the trust, land costs are removed from the cost of homeownership. This has the effect of both providing opportunities for workforce households to build equity through homeownership, and also providing a long-term, stable supply of affordable housing for a community.

Homeowners living within a community land trust are owners of the home and all the improvements. The homeowner, however, leases the land the home sits upon from the CLT. Upon resale of a home, the land remains in the trust, but the lease provides for shared-appreciation agreements that grant homeowners a certain level of return on their investment (though the home must be sold to a new buyer within prescribed income brackets). Resale formulas are accepted by the homeowners at the time they purchase their home, and thus the home is sold to the next income-eligible family at a cost usually lower than the regular market value.

In terms of the functional relationship between the homeowner and the CLT, homeowners are allowed to use the land they lease as any other homeowner would. But as owners of the underlying land, and as holders of the first option to buy upon resale at a formula-based price, the CLT can step in to require repairs or prevent foreclosure as problems arise. CLTs sometimes provide homeownership counseling services as well, though others are mainly "hands off."

CLTs are ideal for people transitioning from rental to homeownership, and can also be utilized to provide land for other uses such as parks, local businesses, civic uses, and gardens. Another benefit is that CLTs do not require continual infusions of subsidies. There are many variations of CLTs—some focus on homeownership, while others operate rental properties, and still others have condominiums or are built around community gardens—but their flexibility allows them to be tailored to the specific needs of the jurisdiction. In all cases CLTs have the following advantages:

» No absentee landlords

» Land for the community

» Perpetual affordability

» Homeownership and equity-building opportunities for those who would otherwise be priced out

» Adaptable to existing structures, rehabilitation, new construction, or a combination of all

» Broad representation of governance (board members can include CLT residents, non-profits, and community leaders, among others)

» Diverting the financial and administrative burden of maintaining and monitoring affordability from the local government to non-profits/CLT boards

As a housing finance tool, CLTs have existed for over 30 years and exist in approximately 200 jurisdictions across the country. CLTs can exist as individual corporations chartered by the state, as a non-profit organization (or as a spin-off of such), or as a program of a local government or municipal authority. Most often they exist as non-profit organizations. Developers also find CLTs as attractive alternatives to traditional affordable/workforce housing incentives (where they have to monitor and report on the long-term affordability of the units they build), so they may be willing to donate land or existing units to a CLT if the incentives to do so are flexible and attractive enough.

The role of a local government can vary in the creation and maintenance of a CLT. Local governments can contribute to the start-up of a CLT with funding (such as CDBG, HOME, or housing trust fund money), donated land and/or units, or assistance with planning. They could also contribute later down the line with donated land or housing (i.e. from tax-lien properties to incentivized donations from developers, or donated land from churches), grants, low-interest loans, TAD revenues, administrative support, and revised tax assessments for CLT properties based on their restricted resale value. Some CLTs also function using foundation grants and private donations.

Once a CLT is established, part of its revenues and expenses can be covered from its portfolio and membership. Income can be generated from land leases (usually up to $50/month), resale/transfer fees, membership fees, or fee-for-service scenarios where the CLT performs homeownership education or affordability monitoring on behalf of a jurisdiction.

Cities such as Minneapolis, Chicago, Chapel Hill, Durham, Syracuse, Albuquerque, and Delray Beach all have community land trusts. Detailed steps and information on how a county like DeKalb could set up and support a community land trust can be found at: https://www.lincolninst.edu/pubs/dl/1395_712_City-CLT-Policy-Report.pdf

6. Develop Lease-Purchase Programs

Lease-purchase programs involve a non-profit or governmental entity rehabilitating or constructing housing that is priced affordably for households of certain income levels (e.g. workforce households). These households live in the home initially as renters, with the difference being that their rent is held in an escrow account for future closing costs or a down payment for eventual purchase. In this regard, lease-purchase programs are akin to seller-financing scenarios. Lease-purchase has precedent in DeKalb County, as it is currently being used by Atlanta Neighborhood Development Partnership (a subcontractor to the County) in acquiring properties with Neighborhood Stabilization Program funds with the intent to sell to income-restricted buyers who may need a few years of counseling, saving, and preparation before purchase.

The advantages of lease-purchase scenarios for workforce families are that they allow time to build savings, restore credit, and participate in homeownership counseling and educational sessions. The benefit to the community is that homeownership opportunities are offered to families that may otherwise have been priced out of the market. Lease-purchase programs also can utilize foreclosed or vacant housing or target specific blocks and neighborhoods that otherwise may have been neglected. New construction has become a recent option for providing lease-purchase homes—traditionally lease-purchase has worked only with existing units. Constructing new lease-purchase homes that use low-income housing tax credits, a very common form of funding for workforce or affordable housing developers, must consider the fact that the lease arrangement will need to last at least 15 years before homeownership can commence.

Lease-purchase programs are flexible and can be adapted to the particular circumstances or goals of a community. The largest variation is in the terms of the lease, which can range from time periods of a few months to twenty years. Mortgage assistance can also accompany a lease-purchase program, or conversely the program itself can be used as a means of promoting savings so that homeowners will not have to rely on additional subsidies.

There are administrative costs to lease-purchase programs, however, and these are associated with acquisition/rehabilitation expenses, counseling/educational programs (if offered), maintenance and repair, property management, and mortgage arrangement. The longer the lease, the higher the administrative costs, and also the greater risk that the tenant/potential homeowner may move on from the arrangement and lose any money held in escrow. Usually it is non-profit organizations utilizing their experience in property management and homeownership counseling (as well as their relationships to banks and lenders for favorable mortgage financing terms) that are best suited to take on the administrative elements of lease-purchase programs.

7. Encourage Employer-Assisted Housing

Employer-assisted housing (EAH) strategies involve a wide range of programs and policies that employers can utilize to help their employees find housing and financing opportunities close to work. EAH is already in use within DeKalb County, as its Officer Next Door Program assists county-employed first-responders with second mortgage assistance.

But EAH can be applied within the private sector as well. With the presence of such large employers as Emory University and several hospitals, EAH has promising potential in DeKalb County. Benefits to the employer include reduced turnover (especially if the assistance to employees is forgiven over time), less disruptions to the workday due to congested commutes, a benefit to tout for recruitment purposes, and higher productivity due to less energy and time spent commuting by employees. For the community, the decreased commute congestion is an obvious plus, but other benefits include the fact that those working in DeKalb are more likely to increase their investment—both civically and financially—in DeKalb if that is where they also live.

EAH programs are varied and are tailored to the particular needs of the employer and its employees. Incentives offered to employees could include second mortgage financing, down payment assistance, homeownership counseling, closing cost assistance, mortgage guarantees or discounts, rental assistance, direct investment in real estate, participation in a land bank or land pool, or a combination of all of these. Some states or local governments offer businesses matching programs or other assistance (such as paying homeownership counseling) for whatever they offer to their employees. Partnerships between a private employer and the local government can also work to enhance existing housing programs, such as when the government actively promotes its programs to a partnering business, or when employers contribute to housing trust funds. Employers can also partner with non-profit organizations in much the same way, by paying an annual fee to give their employees access to an organization's programs, or alternatively providing low-cost financing directly to affordable and workforce home developers themselves.

To attract businesses to EAH, the County might consider reaching out to certain large-scale employers at first to provide information on EAH and even offer counseling assistance to employees. The County might also target existing housing assistance programs to the geographic area surrounding a business. For a company to explore EAH opportunities, information such as the current turnover and lost productivity costs due to commuting, ratio of employee renters to homeowners, and staff income levels will help in the design of a more tailored EAH program. The County may offer its partnership in cases where it deems that doing so would further its own housing initiatives and goals.

An excellent resource guidebook on EAH is found at the following Web site: http://www.metroplanning.org/uploads/cms/documents/HWFEAHfinal.pdf

8. Support New Multi-family Development

As mentioned earlier, new multi-family housing grew at a faster rate in DeKalb than in other counties, but this included primarily high-end market-rate housing in the northern end of the county. To promote the development of workforce multi-family units, particularly in this same area (which is closer to large regional job centers and transit), DeKalb County could consider the following financing incentives:

» Provide pre-development or construction loans to workforce housing developers in targeted areas. Often, non-profit or smaller-scale private developers are charged higher interest rates when obtaining financing through traditional banking channels because of the risks associated with developing lower-cost housing. In other instances, land costs can be prohibitive. Many local jurisdictions across the country provide low-interest construction, pre-development, or acquisition loans to qualifying developers to help overcome these barriers. Again, existing federal CDBG and HOME funds could be used for this purpose (for 60-80% AMI households), as could County general fund revenue. Some localities, such as Santa Fe, New Mexico, have obtained foundation grant money to further reduce the cost of the financing assistance. Any program of this kind could be a component of a county housing trust fund. Other similar approaches include loan guarantees and credit enhancements.

» Create a revolving loan pool as a source of rehabilitation or construction loan funding. This mechanism could be operated through a non-profit community development financial institution (CDFI) set up for this purpose or by a consortium of banks. In the latter instance, the loan pools have investors (banks or other institutions) that make a commitment to purchase a portion of a mortgage loan. As loans are paid off, the investors' replenished pledge amount is applied to the purchase of other mortgages.

» Offer reduced property tax assessments for multi-family rehabilitation or new construction. This is an option especially appropriate in higher-cost areas. This type of approach could be tailored in DeKalb County to favor desired types of multi-family developments in key areas such as MARTA station areas or key commercial corridors in the northern part of the county. The income limits could also be extended to 120% of county median income in areas with a particular need for workforce housing.

» Create a special tax assessment review process within the tax assessor's department that treats workforce (or other subsidized) housing projects differently in setting the property's fair market value. Such a review would be triggered by properties that have deed restrictions (such as within community land trusts, or workforce housing projects with subsidy retention provisions attached to them), or income restrictions.

» Create Tax Allocation Districts (TADs) in which any incremental tax revenue generated above a "base" level by new development is reinvested back into the district for (at least in part) workforce housing, or for infrastructure improvements that support workforce housing. The City of Atlanta, for example, currently uses TADs along the Beltline to support land acquisition for affordable housing and infrastructure/greenspace improvements. For more information on TADs in Georgia, see the Livable Communities Coalitions' Tax Allocation Districts in Georgia: A Look at the First Eight Years (http://www.livablecommunitiescoalition.org/uploads/100012_bodycontentfiles/100578.pdf).

9. Provide Rental Assistance

Emerging demographic and socio-economic forces suggest that rental housing for workforce households will need to become more of a priority for DeKalb County over the coming years. The County should explore strategies to develop more rental properties in the northern portion of the county, including developing a rental deposit assistance program.

One of the more visible problems with housing in DeKalb County is families living in extended stay hotels as their permanent residence. Since such establishments require weekly payments, this suggests that residents have income to pay for rent, but are encountering some other barrier to enter into a lease agreement for an actual apartment. This is most likely only the case for workforce households in the lowest income brackets, but this issue also can affect nearby workforce homeowners in regard to property values.

In much the same way down payment assistance is meant to fill a gap between a buyer and homeownership, rental deposit assistance removes the barrier that many potential tenants may encounter on their way to signing a lease: the need to come up with a security deposit, and often first and last months' rent, which can run into the thousands of dollars.

There are two ways to provide rental deposit assistance: either direct payments are made to the landlord to cover the deposits necessary, or guarantees are made to the landlord while the tenant pays the deposits to the landlord in monthly installments. Some direct payment rental assistance is forgiven after a certain period, but other times repayment is expected, either after moving out or over the course of the year. For DeKalb County workforce households, the best scenario would involve repayment of any assistance given, or to provide a guarantee program that backs up a payment schedule arranged between tenant and landlord.

Rental deposit assistance programs exist in Sumter County, Florida; and San Diego, Santa Cruz and Orange County, California (see Appendix), but often these programs are for lower-income households. In the wake of the financial crisis, however, there may be higher-income workforce households coming off foreclosures, job loss, or other situations where their savings may have been depleted. Rental deposit assistance would expedite the number of households that could get settled into available rental housing.

>> CONNECTING HOUSING TO JOBS & TRANSPORTATION

Transit-oriented development can become one of the county's best economic drivers

Over the next several decades, the Atlanta metropolitan area is expected to continue to grow at a significant rate, particularly within the "core" of the region of which DeKalb County is part. In this regard, the county possesses a special asset that can both encourage this growth and help shape a higher quality of life for county residents. This is the existing MARTA system and its 11 rail stations that are located within DeKalb County and its cities.

The MARTA rail stations are one of DeKalb's best opportunities to attract new commercial and residential development. Already, the city of Decatur offers an exemplary result of leveraging a MARTA station for both new private investment and better urban design and planning. Brookhaven Station also has a promising future due to the zoning overlay district adopted there, as well as joint master planning by the County and MARTA. Kensington and Indian Creek stations also have multiple features that could be capitalized upon to encourage denser development with complementary uses and greater use of transit.

Transit oriented development (TOD) is increasingly recognized as a leading real estate development practice. Developers and investors nationwide are looking for areas that can take advantage of existing transportation facilities and better connect jobs and housing. And the Obama administration has announced its intention to encourage planning and development that connects jobs, housing and transportation through its new Sustainable Communities Initiative, a long-awaited partnership between HUD, the Department of Transportation, and EPA.

What can TOD mean for DeKalb County? Many of DeKalb County's transit stations offer yet-untapped but tangible opportunities for mixed-use development, including office, commercial, and retail activity that can generate significant jobs and tax revenues but not the levels of traffic normally associated with such development. In this sense, TOD can become one of the county's most important economic drivers.

Within the context of this report, however, development around transit stations also creates opportunities for housing, including workforce housing. TOD, if planned properly, can allow families with a mix of incomes to live near transit and better utilize public transportation. This leaves workforce households less vulnerable to the extremes of the energy and housing markets. When gas prices rise, transit is available. And when housing values drop, units located near transit generally hold more of their value, as the recent meltdown revealed. In part for these reasons, a 2004 study commissioned by the Federal Transit Administration estimated that the demand for housing near transit nationally will more than double to 14.6 million households by the year 2030.

Local Efforts to Support TOD

There have been two major efforts to support and encourage TOD in the region, both of which particularly benefit DeKalb County.

First, the Atlanta Regional Commission (ARC), through its Livable Centers Initiative (LCI) has funded a number of planning and implementation studies for rail station areas. These include:

» Planning studies for Dunwoody, Chamblee, Doraville, Avondale and Kensington; and,

» Project implementation studies for Dunwoody, Chamblee, Brookhaven, Decatur, and Avondale.

The good news is that a lot of thought and planning has already taken place around DeKalb's MARTA stations. Some TOD-related project work has even moved forward at certain station areas. For example, streetscape improvements have been carried out at Medical Center and Dunwoody MARTA stations as well as in Chamblee. Brookhaven has also benefited from an overlay district that allows for mixed-use housing and pedestrian improvements immediately adjacent to the station.

But for the most part, transit stations in DeKalb and its cities are as-of-yet unrealized opportunities. The Brookhaven, Avondale, and Edgewood stations, in particular, offer this potential because of their favorable locations and the availability of large, under-utilized surface parking lots owned by MARTA that could be converted into other kinds of commercial and residential development.

The second major regional effort to support TOD has been MARTA's recent development and impending approval of design guidelines to oversee future development around station sites. The MARTA TOD guidelines are built around four principles of transit-oriented development:

1. Station-area development is compact and dense relative to its surroundings. This does not mean that all TOD is comprised of high-rise buildings. There are varying degrees of density, as one can see from a comparison of downtown or midtown Atlanta to historic Decatur. But in general, TOD seeks greater density so that more people can live, work, shop, or go to school within walking distance of the station.

2. A rich mix of land uses. TOD is often referred to as "place making" or the creation of "transit villages." The full menu of mixed-use development uses and activities need not be found at every station, but the goal should be to take full advantage of these transit stops to build commercial and residential developments that will help grow a locality's tax base, keep everyday errands and destinations local, and expand transit ridership.

3. A great public realm. Transit-oriented development is pedestrian-scaled development, especially within the quarter-mile radius that most people will walk as part of a daily commute. TOD development works because people, not cars, are the focus of its design. A grid of small, navigable blocks has sidewalks throughout, with attractive amenities, lighting, and way-finding. The streets, sidewalks, plazas, and stations are safe and active. There are no blank walls, and at the street level there are shops, restaurants, and other active uses that bridge the public realm

with the private.

4. A new approach to parking. TOD does not mean “no cars.” Even with high transit use, many people will come and go by automobile and need a place to park. But TOD differs in requiring less parking than similar development in non-transit locations; sharing parking as much as possible with dove-tailing uses (i.e. bank parking lots used by evening restaurant patrons); and designing parking so as not to dominate the visual or pedestrian experience.

The MARTA guidelines provide all parties interested in TOD – developers, local governments, community groups, MARTA itself – with a common language and frame of reference for planning and executing projects at or near station sites. The guidelines should be fully embraced and referenced by DeKalb County whenever possible as it works toward all of its economic development and housing goals.

Recommended Actions

This report recommends that DeKalb County – through the efforts of its Community Development, Economic Development, and Planning and Development Departments – place a special emphasis on TOD opportunities as it addresses workforce housing. The potential benefits to be gained from this focus include expanded commercial development, an increased supply of affordable workforce housing, more focused application of resources and funding, and higher county tax revenues.

In the immediate future, it is recommended that a joint working group from the three departments form to act upon MARTA’s recommendations for the four stations under DeKalb County’s sole authority: Brookhaven, Indian Creek, Dunwoody, and (particularly) Kensington. This strategy could be comprised of the following elements:

» Collect and analyze the latest data: An analysis of the latest existing conditions at each station area and the opportunities for development. This could include documentation of the proposed zoning for each site, the need for additional code changes, the identification of barriers (funding, regulatory, and policy-wise) to implementation of new development, and the condition and status of housing units nearby. This analysis could be carried out relatively quickly based on the work of the LCI studies and other planning work previously completed for these sites;

» Engage local stakeholders: Work with local stakeholders who live or operate businesses near transit stations to understand their desires and objectives;

» Apply updated workforce housing incentives: Perhaps of most importance in the context of this report, the County should move to adopt the draft workforce housing ordinance for each of the four station areas under its authority. Currently Brookhaven has a 20% density bonus for workforce housing included in its overlay district, but this incentive should be amended to better match the flexibility for incentives embedded in the draft workforce housing ordinance.

The MARTA guidelines make the following points about DeKalb’s stations:

» Brookhaven is singled out as an overlay district model that could be applied to other station areas, especially in terms of its pedestrian and public realm design requirements.

» Indian Creek is noted as not necessarily suitable for TOD, but the nearby Redan Road corridor is a potential opportunity for mixed-use development and pedestrian projects if the right zoning were put in place.

» Dunwoody also does not have mandated TOD development practices embedded in its zoning like nearby Sandy Springs. Workforce housing should be a large consideration in any zoning changes for this station area, due to its close proximity to the mall and numerous offices.

» Kensington station would most benefit from an overlay district similar to Brookhaven’s, or from the draft Town Center character area overlay districts found in the draft code.

In all instances, the flexibility and functionality of the draft workforce housing ordinance should be applied. In addition, once development commences these stations should become the main target areas for any housing assistance programs or funding DeKalb County directs to workforce households, such as down payment assistance, employer assisted housing programs, rental deposit assistance, etc.

Developers working in station areas—as well as corridors identified for Bus Rapid Transit development, such as Memorial Drive, Buford Highway, and along I-20 to Stonecrest—should also be encouraged to produce affordable and workforce households with such non-zoning incentives as:

- Special assistance to developers such as expedited permitting, fee waivers, reduced parking requirements, etc.
- Infrastructure assistance on streetscapes, water and sewer requirements, etc.
- Limited time property tax exemptions
- Reduced land costs
- Reduced parking requirements for commercial development in general
- Creation of Tax Allocation Districts and or bond issuances for infrastructure/public realm projects

MARTA's TOD guidelines have specific action items for each station area under DeKalb's authority, often based on recommendations found in LCI studies. They are summarized in Figure 26.

>> Figure 26: Summary of MARTA TOD Guidelines for DeKalb County Station Areas

Station Area	MARTA Typology	Opportunities & Challenges	MARTA Recommended Action Items
Brookhaven	Town Center	Overlay District and joint development initiative already in place	Streetscapes and pedestrian crossings as recommended in LCI plan
		Mixed-use development possibility on commuter parking lot	Connectivity across Peachtree Street per LCI plan
		Redevelopment opportunities west of Peachtree Road	Master Development plan with street grid, parking, and town green features per LCI
		Rail lines barrier to connectivity between two sides of station	
		Existing east-west pedestrian connection	
		Corridors have heavy traffic, poor aesthetic design	
Dunwoody	Town Center	Currently operates as regional destination/commuter station	Create open space plan per LCI
		Currently has "superblock" design	Create master plan similar to Sandy Springs
		Woods/residential areas exist to the west	Create overlay district for Dunwoody LCI area
		Potential road connection between Perimeter Center Parkway and Peachtree Dunwoody Road	Adopt Perimeter CID public realm standards as part of zoning
		Mall area provides potential for residential development	Follow streetscape, shuttle, lighting, and new streets per LCI recommendations
Indian Creek	Collector	Not suitable for TOD	Create master plan for Redan Road/Elder Lane area
		Development/streetscape potential along Elder Lane and parking lot, land to south	Multi-use trail and bike/ped improvements to connect neighborhoods
			Develop overlay district for Redan Road/Elder Lane to encourage mixed-use
Kensington	Commuter/ Town Center	Currently poor pedestrian access	Develop on-street parking on Kensington Road per LCI
		Expanses of underutilized parking area opportunity for mixed-use development	Develop overlay district for mixed-use development, similar to Brookhaven
		High amounts of traffic along Memorial Drive	Upgrade streetscape/pedestrian features along Memorial Drive and Kensington Road per LCI
		Large government center nearby	Design for possible BRT lane for access to proposed government center
		Nearby PATH trail	Build street grid within proposed employment and government centers per LCI
			Build greenway from PATH trail to station per LCI

>> Examples

>> Housing Under Construction on Charlotte's South Corridor

Source: The Overhead Wire Blog, http://theoverheadwire.blogspot.com/2009/02/not-dense-enough.html

>> Housing Construction at Dallas DART Baylor Station

Source: William Addington, www.williamedia.com

>> Housing Near Light Rail AZ, Phoenix

Source: StreetsBlog, http://www.streetsblog.org/2009/06/16/now-arriving-transit-oriented-development/

>> Housing Redevelopment Site on Minneapolis Hiawatha Line

Source: http://minnesota.publicradio.org/display/web/2008/09/08/lrt_development/

>> BUILDING ORGANIZATIONAL & ADMINISTRATIVE CAPACITY

DeKalb County can build its capacity to address workforce housing.

Introduction

While support for housing is commonly associated with financing assistance programs or land use regulatory ordinances, there are a number of important organizational and administrative initiatives that DeKalb County can take. This chapter explores options that will build the capacity for the County to comprehensively address workforce housing challenges. These include:

1. Establishing a land bank
2. Improving code enforcement
3. Creating a neighborhood information system
4. Building a consolidated, united development function with capability for housing *and* economic development

1. Land Acquisition and Land Banking

A land bank authority can be a valuable tool to help counties and cities acquire, hold, manage, and develop tax-foreclosed property. The first land bank programs were developed in older declining cities like Cleveland, Flint, and St. Louis, which have high concentrations of vacant and abandoned buildings, empty lots, and the like. These types of properties can be a magnet for vandalism, crime, fires, and other problems that require public services at a disproportionately high level. As unproductive assets, they also depress local tax revenues.

More recently, land banks have been established in Atlanta, Louisville and a number of other communities. Moreover, the recent spread of housing foreclosures has added a new dimension to the problem of vacant and abandoned property. It has extended this problem into virtually every city and county in the U.S. Localities everywhere are grappling with the sustainability of certain neighborhoods impacted by foreclosures.

This report recommends that DeKalb County create its own Land Bank Authority to provide a valuable way to help manage the recovery and redevelopment of communities and areas hard hit by foreclosure. A land bank can also help facilitate the disposition of properties burdened by tax liens to qualifying developers. A land bank helps to place all categories of property into productive use, but it could be especially helpful in implementing the county's workforce housing strategy.

Why a Land Bank?

A land bank is a tool to address the core impediments that typically stand in the way of converting vacant and abandoned properties into productive use.

The first barrier is often the lack of information about the breadth and nature of the problem. Where are the properties that are vacant and abandoned and what is their current legal status?

This information must be gleaned together from data available from the tax assessor, the building code enforcement bureau, the water and sewer department, and other sources. As a first step, DeKalb County should invest a significant amount of time re-organizing and coordinating the way information from these departments are tied to parcels and properties in a centralized system, with the goal to make such information more accessible to users outside of the assessors' office. With readily accessible information about property conditions, tax liens, and ownership status, a land bank can provide a centralized analysis function, scanning for red flags that may indicate a property has become an unproductive financial burden on the community.

Second, land banks can help facilitate the transfer of tax-delinquent properties that often are not developed or redeveloped because of a tax lien on the structure or land. Under Georgia law a land bank can permit "conduit transfers," whereby it may extinguish all delinquent taxes as it acquires a tax-delinquent tract and conveys it to another party (such a non-profit developer). A land bank in Georgia is also advantaged by state law that speeds the tax foreclosure process, often to as little as two months (on the other hand, this is also a disadvantage to a distressed homeowner). Further, Georgia's judicial tax foreclosure system makes it easier to obtain free and clear title to tax-foreclosed properties than most states.

Finally, land banks can help local governments avoid certain legal restrictions they face regarding receiving "full consideration" (that is, the best sales price) for property they dispose. Because land banks are judged to acquire property in an "involuntary" manner and do not use public funds for this purpose, at least not in the conventional sense, they can expedite the transfer of property in a politically and legally acceptable fashion to community development corporations and non-profit developers without having to seek market-rate compensation.

Land Bank Powers

The key legal powers for a land bank authority are:

1. The power to acquire, manage and dispose of property: Some land banks (St. Louis and Louisville) automatically receive title to all properties not sold at foreclosure for the statutory minimum bid. Other land banks, like Atlanta, do not have this automatic authority but have right to tender a minimum bid. Most land banks, including land banks in Georgia, can receive title to all categories of property. While most property acquisition by land banks occurs through tax foreclosure sales, land banks can also acquire property through three other important sources: (1) other publicly-owned properties from local governments; (2) voluntary donations and transfers from private owners; and (3) purchase or lease on the open market.
2. Financing land bank operations: Some land banks do not have independent staffs but rely instead on the staff of related departments and agencies to perform the work of the authority. Others, like Atlanta, have their own staff. The source of the financing is typically general city revenues appropriated for this purpose, and proceeds from property sales. In any event, it is critical that the land bank have a revenue stream(s) that allows it to carry out its mission.
3. Waiver of delinquent taxes: As described above, land banks are much more effective when they can waive delinquent taxes and other liens. Land banks in Georgia have this authority.

Setting Policy Priorities for a Land Bank

The major existing land banks in the U.S. all set property disposition priorities. For example, local governments and local housing authorities are often given preference or even right of first refusal (Michigan) before property is conveyed to a land bank. The top priority of the Louisville Land Bank is the transfer of properties for residential use, and the Atlanta Land Bank is even more specific, giving first priority to neighborhood non-profits interested in obtaining the property for the production or rehabilitation of affordable housing.

Given this precedent, there is no reason why DeKalb County could not establish a land bank with a focus on residential development, especially workforce housing.

Establishing a Land Bank in DeKalb County

Land Banks are authorized by state statute in Georgia and exist as an independent legal entity. This can bring the advantage (or disadvantage) of autonomy and independence from the existing local government structure.

Even as an independent authority, however, the Land Bank can be staffed with individuals who reside within the local government structure of agencies and departments. Atlanta, St. Louis, and Flint land banks provide for direct employment of staff while Cleveland relies on city staff for operational support.

In Georgia, land banks must be created by inter-local agreements between one or more municipalities in a county together with the county in which they are located. An example is the agreement between the city of Atlanta and Fulton County that established the Atlanta Land Bank. The key to a successful land bank is to ensure that the geographic area it covers is expansive enough to encompass a diversity of housing stock and values, so that property transfers/sales are not concentrated and perpetuated in only lower-value areas and land opportunities are not missed in more valuable areas that would otherwise be cost-prohibitive to workforce housing development. Some land banks, such as the Genessee County Land Bank in Flint, Michigan, also have provisions barring the transfer of properties to documented "slumlords."

The governing board of land banks in Georgia can be either private citizens or local government employees. They serve without compensation. Each participating local government appoints two members to the board and the city and county school districts may appoint a representative to the board who serves in an advisory capacity.

Recommended Actions for DeKalb County

This report recommends that DeKalb County establish a land bank authority, in association with and through inter-local agreement with the City of Decatur and/or other interested local municipalities. The land bank could be initially staffed by the Department of Housing and Community Development in order to minimize new expenses in the short term. But over time, as the county fiscal picture brightens, dedicated funding should be provided to the land bank. Foundation grants are also a potential source of funding.

The primary purpose of the land bank should be as a tool to facilitate disposal of tax delinquent property to interested and qualified parties. This could significantly assist in the current environment where foreclosures of residential property are at such high levels. Longer term, the County could look at using the land bank for acquiring strategic parcels that it believes are important to the future growth and development of the county.

In this regard, the land bank could also help facilitate other mechanisms for supporting affordable housing, such as the establishment of a Community Land Trust (CLT), as described earlier in this report.

Local Example: The Atlanta-Fulton Land Bank Authority

- Established in 1991
- Quasi-governmental authority with a board of directors comprised of city and county officials
- Supported by the City of Atlanta, Atlanta Public School System, Fulton County, and Fulton County Board of Education
- Cooperates with City of Atlanta Department of Public Works and Fulton County Department of Buildings and Grounds for property maintenance
- Non-profit developers of workforce and affordable housing are encouraged to purchase tax-delinquent properties before foreclosure proceedings
- Non-profits then transfer property to the land bank for title

clearance and forgiveness of outstanding taxes; property then deeded back to non-profit developer

- Properties must be developed within three years or back-taxes are reinstated
- As of 2008, land bank can hold properties for non-profits and city/county for up to three and five years, respectively, so property taxes do not accrue and holding costs are reduced prior to development
- Land Bank transfers all land sale proceeds to four participating taxing jurisdictions; relies on annual appropriations from these entities for funding
- Recipient of HUD's Best Practices Award

(Source: http://www.huduser.org/Publications/PDF/landbanks.pdf)

2. Code Enforcement

The negative perception that is sometimes attached to "affordable" (including workforce) housing is likely partly fueled by the poor quality of many multi-family rental properties around the County. But deterioration problems can also persist with single-family housing, whether it be an older property or a property in foreclosure. In any case, a local government needs to create a coordinated, proactive strategy to address these issues so that housing worth saving is preserved, and so it does not become a financial or policy liability to the County later on down the road. Code enforcement in DeKalb County could be better coordinated with other programs, in order to be more proactive and effective against property neglect.

The recommended components of a more comprehensive code enforcement program include:

1. Targeted and cyclical code enforcement that is embedded in standard operating procedure (i.e. not just when there are complaints)
2. Development of a complementary rehabilitation financing and incentive program to help address code violations
3. Creation of a receivership system for when properties are not maintained (requires state legislation)
4. Utilization of land banking and Georgia's judicial foreclosure process to turn around foreclosed and neglected properties more quickly
5. Development of a demolition program of last resort, beyond what is currently financed by NSP

Benefits of Good Code Enforcement

The goal of these strategies is not to obtain permanent ownership and control over these properties (although some units may be desirable for the County to retain control over for the purposes of offering housing to transitional or very low income households), but rather to ensure that such properties are put into usable condition and transitioned to the private market as quickly as possible. In this regard, DeKalb should also explore the establishment of a housing court to specifically and more efficiently address the varied issues that will inevitably arise from a more concerted code enforcement effort.

Code enforcement is the first intervention and line of defense the County has to prevent the deterioration of its workforce and affordable housing stock. Since budget resources are limited, enforcement approaches should be specifically targeted toward selected geographic areas, known at-risk structures, or buildings of a certain age or tenure/ownership arrangement. Such a strategy should also be supported by other housing programs and funding directed towards those same code enforcement targets, as appropriate. Community groups should be consulted to gain greater insight into maintenance problems in neighborhoods and into the level of change residents desire.

In the case of multi-family rental buildings, one strategy that has found success in Los Angeles involves charging landlords around $35/unit per year to fund inspections on a four-year cycle (see Appendix for information about Los Angeles' Systematic Code Enforcement Program). Code enforcement there also includes reaching out to tenants, and informing them of a rent escrow account in which up to half of their rent can be diverted to pay for court-ordered repairs.

Of course, code enforcement is not useful if the codes behind them are not stringent and comprehensive enough to ensure that buildings are well-maintained and sound over time. DeKalb should review its building and nuisance codes and consult with construction experts and its legal counsel to determine if codes could be upgraded, keeping in mind that requiring certain materials such as stone, wood siding, etc. can significantly add to the cost of housing for workforce families. DeKalb should also consult its legal counsel to see where enforcement procedures can be strengthened while remaining within the bounds of state law, including increasing the fines for non-compliance (currently $200 to $1,000 a day per infraction).

Another essential component of effective code enforcement would be an "early warning" system (such as a neighborhood information system, as discussed in the next section) to notify officials of properties at risk of decline before abandonment or neglect occurs. This would first involve overhauling and updating DeKalb's current database of property information, which is currently in the form of a property appraisal data CD that is cumbersome and complicated for outside users. Code violation information could be integrated into GIS, where other information such as unpaid water or utility bills, code complaints, vacancies, or unpaid property taxes would be compared for the purposes of proactive code enforcement.

Using comprehensive data aids in indentifying red flags for neighborhoods at risk of decline, and promotes proactive responses to protect housing from falling into disrepair and abandonment. Chicago's Troubled Building Initiative, for example, builds on the collective expertise of several different city departments and the management capacity of a non-profit community development corporation. Multi-family rental buildings are monitored and when significant code compliance problems arise, the owner is referred to housing court. Resources are provided to guide the owner into compliance. If that does not work, the housing court has the authority to place the building in receivership where maintenance, management, or tenant issues are worked out. Placing a building in a receivership means that all rehabilitation costs become primary for repayment in the event of a foreclosure, which often prompts lenders to either work to rehabilitate or sell the building. This places the non-profit in a position to acquire the property and re-sell to an owner committed to keeping the building as workforce/affordable housing. For more information on Chicago's Troubled Buildings Initiative, see the Appendix.

Landlord training and/or certification is another way to educate about better management practices for rental properties. Many cities, such as Milwaukee, San Diego, Portland, and even Peachtree City, have such programs and tailor them to their particular issues with rental housing. Topics covered usually include screening tenants, preventing crime, diversity training, complying with the latest laws and codes, and property maintenance techniques and programs. DeKalb County's Housing Authority has a similar landlord training program for those entering Section 8 programs. DeKalb could consider creating such a program with CDBG or other funds and holding trainings in areas where the condition of rental properties is threatening the availability of workforce housing units.

Vacant Property Registration Ordinances

Several jurisdictions in Georgia have recently enacted vacant property registration ordinances, and the City of Atlanta is currently considering one. Such ordinances have also been enacted in other communities across the country, particularly as the onset of the foreclosure crisis escalated.

Vacant property registration ordinances are intended to keep owners engaged with their uninhabited properties, whether through fees, required check-ins with local officials, maintenance requirements, or a combination of the above. Such an ordinance is best implemented alongside a solid code enforcement strategy so that the effects of vacancies do not spill over to neighboring inhabited properties. Besides keeping vacant properties from falling into dereliction and eventual abandonment, the ultimate goal of a vacant property registration ordinance is to save the County the expense of having to maintain properties, and to give the county more power though liens to take neglected properties into receivership if they are abandoned by title holders.

The National Vacant Properties Campaign has information and links about such ordinances across the country. The example ordinances contain varying definitions of "abandoned properties," ranging from when a mortgage lender officially confirms a property as defaulted and abandoned, to a unit that simply has been continuously unoccupied for more than 30 days, to an unsecured unit with a certain percentage of broken windows, to a property with a certain number of violations, or some combination of the above.

Ordinances generally call for the property to be registered with a department within a jurisdiction within a certain period of time after it is declared vacant. Actions taken against current owners then can consist of the following:

1. Annual fees
2. Escalating fees, based on the length of vacancy (i.e. $100/month the first year, $250/month thereafter)
3. Submission of a rehabilitation and maintenance plan
4. Posting of contact information of property overseer on unit
5. Proof of general liability insurance for the property
6. Submission to regular inspections
7. Higher property tax rates
8. Requirement to hire a property management/inspection company

For more information on vacant/abandoned property ordinances, see: http://www.vacantproperties.org/strategies/documents/VPRO_web.pdf

3. Neighborhood Information System

In a time of limited resources and stretched budgets, it is extremely important that DeKalb County be selective and strategic in implementing any workforce housing (or other) programs. This might mean targeting only certain demographic segments or housing types, or geographic areas with new initiatives. Before any decision is made about the application of resources, community assets should be evaluated, and symptoms should be differentiated from causes. But this cannot be done without detailed, neighborhood-level data.

When funding and other resources are directed at the county-wide or Census tract level, they typically result in saving only individual properties within the jurisdiction, regardless of their particular location, and are not targeted enough to turn around distressed neighborhoods. But since situations vary throughout the county and even within Census tracts, a strategy that works in one part of DeKalb may not necessarily work in another. For instance, in one subdivision vacant housing may be the result of a rash of subprime mortgages or job loss, but in another vacancies may be the symptom of another problem, such as crime. In the former case working with homeowners and their lenders may help people get back in their homes, but in the latter case all the subsidies in the world may not bring people back if they do not feel safe. It is important to tease out the symptoms from the source of the problem. For that reason, this report recommends that DeKalb County establish a neighborhood information system—an integrated database that displays multiple types of data and information spatially—in order to enable highly informed, neighborhood-level decisions related to housing, economic development, and other community development issues and opportunities.

Currently, data relating to DeKalb's housing stock—property values, vacancies, zoning, housing condition, age of units, code violations, etc.—is housed in multiple departments in different formats. Data about individual properties, for example, is obtained through the property assessors' office, and is not user-friendly. Other indicators of neighborhood health—such as crime statistics, graduation rates, infrastructure, employment rates, community resources, active plans, foreclosures, REO properties, job locations, emergency/service response times, school districts, utility or postal service shut-offs, etc.—is also housed in different places. By streamlining such data into a central online system, County officials as well as citizens can study and monitor their immediate areas for indicators of decline (or stability).

Patterns and correlations among different data sets can help the County tailor responses and resources to the neighborhood or even street level, ensuring more of an impact. Many of the tools and strategies mentioned in this report are most effective when tailored to or implemented at the neighborhood level, including transit oriented development, foreclosure mitigation, employer-assisted housing, and locating workforce housing in job-rich areas. A central place to view streamlined data in a spatial manner will empower officials will enable prioritized investments, allowing decision-makers to get ahead of problems. A neighborhood information system would also empower citizens to communicate more effectively with their leaders about needed services and resources, and would provide a tool for advocacy and non-profit organizations to better target their efforts as well.

Many cities have neighborhood information systems that have been in use for several years. Los Angeles, Minneapolis, Chicago, and Philadelphia all have publicly accessible neighborhood information systems. Los Angeles's was started a decade ago to keep track of code enforcement violations, and has allowed advocacy organizations to identify properties for possible acquisition and rehabilitation, organize tenants, and direct counseling services (read more about it here: http://www.nhi.org/online/issues/113/richman.html). Philadelphia has used its neighborhood information system to track and direct resources to neighborhoods heavily impacted by foreclosures.

Funding and expertise for establishing these systems usually does not come from the jurisdiction directly. Foundation and government grants as well as partnerships with universities are common forces behind establishing neighborhood information systems. There are many opportunities for such collaborations in the Atlanta area. DeKalb is fortunate to be home to Emory University, whose Office of University-Community Partnerships (http://oucp.emory.edu/pages/oucp/about.htm) is an affiliate of the National Neighborhood Indicators Partnership (http://www2.urban.org/nnip/index.htm), a collaborative created by the Urban Institute to promote the creation of neighborhood information systems. Currently Emory and ARC have partnered to create the Neighborhood Nexus for the Atlanta area (http://www.neighborhoodnexus.org/), to which DeKalb could contribute data.

The CDC and Georgia State's School of Social Work are also NNIP affiliates. DeKalb County could also tap into the extensive GIS resources and urban planning expertise at Georgia Tech's College of Architecture.

4. Building a Unified Development Function

This report has pointed out the need for more economic development in DeKalb County to provide jobs and increase tax revenues. It also has noted that the availability of workforce housing can be an incentive for expanding and attracting employers.

Increasingly, best practices across the country reveal local governments creating unified, consolidated housing, community development, and economic development functions within a single department or authority to meet development goals. The benefit generated by this collaboration is shared ownership of and responsibility for policy and program implementation; shared information to tackle systemic issues; more coordinated development activities; and a reduction in redundant or disjointed bureaucratic procedures.

Examples of merged economic development and housing departments exist all over the country. They include:

Pittsburgh Urban Redevelopment Authority

Formed in 1946, the URA is responsible for administering homeownership and redevelopment programs; brownfields redevelopment; business loans; facade and streetscape improvement programs; land banking; and assisting with developer financing and permitting processes.

Atlanta Development Authority

The ADA was established in 1997 and merged intown Atlanta's housing and economic development processes. It is governed by a Board of Directors and chaired by the mayor, with 45 staff members. The ADA implements housing, commercial development, and job-creation programs under six divisions: Commerce/Entrepreneurship; Finance/Facilities/Asset Management; Housing Finance; Legal; Public Relations/Marketing; and TADs. The ADA includes a housing trust fund and a housing development revolving loan fund as some of its tools. It also provides small business loans and business improvement district loans, and oversees the implementation of New Market Tax Credits and TADs.

Fairfax County (VA) Housing and Redevelopment Authority

This authority, created in 1965, does not operate separately from county departments, but rather operates as a county agency since it is administered by the county's Department of Housing and Community Development.

>> RECOMMENDATIONS & IMPLEMENTATION STRATEGY

DeKalb County faces significant fiscal challenges.

This section summarizes the key recommendations and action steps proposed in this report. They are organized in four areas corresponding to the main sections of this report: (1) Housing Assistance Strategies, (2) Zoning and Land Use Regulation, (3) Connecting Housing to Jobs and Transportation, and (4) Building Organizational and Administrative Capacity. Taken together, these ideas and proposed initiatives are intended to provide DeKalb County with a new "roadmap" for preserving and developing workforce housing in the years ahead. While the component parts can be addressed individually in terms of implementation, the overall set of recommendations should be viewed as an integrated strategy whose various parts complement and mutually reinforce one another.

In addition, there are several overarching themes that run through this report and its recommendations. These include the need to:

- Target resources selectively and strategically
- Focus first on the preservation and rehabilitation of existing units
- Expand support for rental housing
- Coordinate decisions about housing investments with the County's economic development priorities
- Create a stronger link between the location of workforce housing and jobs and transit
- Use a long-term commitment to workforce housing as an economic development tool

The recommendations and action items are divided into three categories as it relates to an implementation timetable: immediate (12-18 months), medium-term (2-3 years), and long-term (3-5 years). This suggested timetable is provided for two reasons.

First, we recognize that DeKalb County – like local governments everywhere – is experiencing particularly difficult fiscal challenges. In this context, the report's immediate recommendations for the 2010-2011 time period emphasize actions that can largely be made with existing resources and limited new expenditures, and that will serve as supportive foundation for more robust new programmatic initiatives in the future.

Second, this phasing of implementation also makes sense from an overall planning standpoint. The development of a comprehensive workforce housing strategy is a complex task, particularly when the involved county departments also are addressing their respective priorities. The short-term recommendations in this report reflect our view as to the action items that the County can realistically "digest" over the next 12 to 18 months if it wishes to make workforce housing a priority for the coming years.

Immediate Action Items (12-18 months)

While the economy is still relatively weak, the county can take advantage of the current "downtime" and begin to lay the foundation for larger initiatives down the road. These suggested actions are outlined below.

1. Housing Assistance Strategies

Priority: Establish a housing trust fund to serve as an umbrella for county housing assistance programs

- Convene a task force to develop a detailed action plan for a implementing a housing trust fund, including organizational and administrative issues and identifying funding sources
- Begin to engage community and housing advocates about this initiative, providing education and gathering support
- Begin to require repayment of housing subsidies whenever possible to support the trust fund

Priority: Link foreclosure mitigation efforts to workforce housing preservation

- Use DeKalb County's existing 3-1-1 hotline to direct distressed homeowners to area home counseling organizations
- Add a foreclosure resource center onto the Community Development website
- Target housing assistance provided with federal CDBG and HOME funds to areas receiving NSP assistance

Other Action Items:

- Devise a typology for the conditions of neighborhoods (i.e. stable, distressed, declining, etc.) for use in better targeting future foreclosure prevention programs
- Set up a tenant escrow account for rental property code violations

2. Zoning and Land Use Regulation

Priority: Adopt a Workforce Housing Ordinance

- Adopt a workforce housing ordinance (with changes as recommended in this report) as an element of the County zoning ordinance
- Target and enhance workforce housing incentives in the ordinance to selected MARTA station areas and key development corridors

3. Connecting Housing to Jobs and Transportation

Priority: Preserve and build workforce housing near targeted MARTA station areas

- Work with MARTA to create a TOD task force to coordinate initiatives and future funding according to MARTA's TOD guidelines
- Implement streetscape and pedestrian projects according to LCI plans in station areas and corridors as funding becomes available
- Consider increasing existing housing assistance subsidies (i.e. down payment assistance) for workforce households in any areas that are within one-half mile of a transit station

4. Building Organizational and Administrative Capacity

Priority: Establish a land bank

- Convene a land bank task force and set up a detailed action plan to establish a land bank to accept tax-lien properties
- Enact lease-purchase programs with acquired properties for potential buyers not yet ready for homeownership

Priority: Establish a Neighborhood Information System

- Create a work group, in connection with the Civic League, Emory Office of Community Partnerships, and ARC, to review what data is available and needed from DeKalb County to add to Neighborhood Nexus
- Recommend re-organizing existing property appraisal database into more user-friendly format to the Board of Assessors

Priority: Unify and coordinate housing and economic development functions within the County

- Create a single point of administrative responsibility for all county economic development, community development, and housing programs and initiatives (except for public housing)

Priority: Improve code enforcement efforts and enhance information databases about property and property valuation

- Create and adopt a vacant property registration ordinance
- Analyze code violations and target routine inspections towards areas or housing types with chronic violations
- Work with property appraisal, code enforcement, and GIS department to identify vacant land and potential land assembly opportunities
- Complete GIS department parcel data conversion (in process)

Medium-Term Action Items (2-3 years)

As the economy rebounds, there will be opportunities to make new investments in programs benefiting the preservation and production of workforce housing. The medium-term recommendations below are meant to build upon the groundwork described above, with the goal of creating a more strategic, flexible, and self-sustaining workforce housing program.

1. Housing Assistance Strategies

Priority: Make workforce housing program investments more strategic and coordinated with other County initiatives

- Indentify a few specific neighborhoods/subdivisions as high priorities for workforce housing funding and investment over the next 3-5 years, ideally in areas with promising community assets, proximity to jobs/transit, and in conjunction with economic development activities (i.e. near Emory, Perimeter, or Kensington station)

Priority: Sustain the process of establishing a housing trust fund

- Identify and establish a dedicated funding stream (likely through a bond issue) for housing trust fund
- Adopt a targeted implementation plan for housing trust fund that looks ahead 3-5 years

Priority: Recycle workforce housing assistance programs

- Extend the Officer Next Door Program and First-time Homebuyer program to targeted areas, using housing trust fund money if available, but require repayment of subsidies
- Convert most, if not all, housing assistance programs for workforce households to require repayment
- Consider entering into subsidy retention scenarios for some homes in particularly strategic geographic areas

Priority: Address needs of workforce households better suited for rental

- Establish a rental deposit assistance program (either through loans or payment plan guarantees) to help lower-income workforce households secure decent rental units

Other Action Items:

- Establish TAD districts in areas where economic development initiatives are concentrated and allow TAD funding to assist in the financing of workforce housing construction or rehabilitation
- Utilize any land bank properties located in strategic areas near jobs, transit, or other community assets to create a community land trust
- Design a home maintenance resource center online, with guidebooks on home repair and code compliance for different types of owners (i.e. landlords vs. single-family), and a referral center where residents can recommend or comment on contractors and find information about home repair
- Hire an on-call rehabilitation consultant to serve as an impartial resource for workforce and affordable homeowners about home maintenance issues
- Offer rehabilitation loans and incentives for workforce/senior homeowners and landlords to upgrade their housing to more energy-efficient standards
- Require homeownership counseling for all workforce households receiving housing ownership program assistance
- Work with large employers such as Emory University or hospitals to establish employer-assisted housing programs in partnership with the County
- Create a special tax assessment review for workforce housing units with resale or deed restrictions

1. Zoning and Land Use Regulation

Priority: Integrate workforce housing considerations into an updated comprehensive plan

- Update comprehensive plan to identify the most critical strategic investment areas for housing and economic development programs
- Update comprehensive plan goals to more thoroughly support rental housing (especially its construction in the northern part of the county)

2. Connecting Housing to Jobs and Transportation

Priority: Maintain focus on TOD

- Continue working with MARTA to create and implement master plans around station areas and corridors with the potential for Bus Rapid Transit service
- In areas already targeted for housing/economic development program investment, invest in pedestrian and streetscape projects to enhance walkability

3. Building Organizational and Administrative Capacity

Priority: Better enforce building codes

- Fully systematize code enforcement responses (i.e. proactive rather than reactive) and link information/data with other housing and community development functions
- Develop a program for regular rental housing inspections

Priority: Enhance information-sharing among departments, officials, and residents about the health of neighborhoods

- Recommend to Board of Assessors a re-“inventory” properties throughout DeKalb in order to refresh and update property database

- Continue to contribute data to Neighborhood Nexus, as becomes available

Other Action Items:

- Work with the faith-based community to see if there are opportunities for church-owned land to be used for workforce (and affordable) housing developments

Long-Term Action Items (3-5 years)

DeKalb County's goal within five years should be to have a comprehensive housing program that supports workforce households in a manner that is coordinated and integrated with DeKalb's other priorities and initiatives. As development pressures re-build and population growth transforms DeKalb into one of the larger urban counties in the nation, economic development and traffic challenges will require a strong commitment from the County to ensure that those who work in DeKalb have a range of housing options.

1. Housing Assistance Strategies

Priority: Establish a dedicated funding stream for the housing trust fund

- Fully fund the housing trust fund, possibly with dedication of the equivalent of 1-2% of the current County budget, which would generate $6-7 million annually for housing needs — a major commitment to housing

Other Action Items:

- Update the housing trust fund's goals to meet any new needs
- Continue to re-assess the locations of at-need or "tipping-point" neighborhoods, and concentrate funding and program initiatives in those areas

2. Zoning and Land Use Regulation

Priority: Expand location options for workforce housing, including rental, throughout the County

- Incorporate provisions favorable to infill development, such as the allowance of accessory units and cluster housing in strategically located single-family neighborhoods (especially in North DeKalb or areas where it is not yet allowed)
- Create incentives for the production of accessory rental units for workforce households when a home is torn down and rebuilt or undergoes extensive renovation

3. Connecting Housing to Jobs and Transportation

Priority: Remain committed to enabling and supporting TOD

- Continue planning and investment in MARTA station areas
- Continue streetscape and pedestrian improvements in auto-centric areas

4. Building Organizational and Administrative Capacity

Priority: Support the land bank at a scale needed to mitigate vacant housing and create opportunities for workforce housing construction in areas where it is scarce but needed

- Transfer housing trust fund money to land bank as acquisition opportunities arise, and recycle profits from land bank sales back into land bank

>> APPENDIX
BEST PRACTICES

Precedents for DeKalb County

Housing Assistance Strategies

>> Housing Trust Fund

Housing trust funds vary widely and are individually tailored based on housing needs, state laws or procedures governing their funding and geographical reach. Additionally, many housing trust funds in the country are relatively new, and older ones may have re-purposed themselves as housing needs changed over time. So while one model of a housing trust fund may be a "best practice" for one locality, it may not necessarily apply in another. The point of the following examples is to illustrate the variety of relationships and funding mechanisms that can propel a housing trust fund to success.

Bellevue, Washington area

While a housing trust fund is most secure with a steady revenue stream, not all have one. An example is the ARCH ("A Regional Coalition for Housing") housing trust fund and program in the Bellevue, Washington area. Several cities and King County, Washington, cooperate and contribute to the collective housing trust fund through an inter-local agreement started in 1992. The geographic focus is East King County. An executive board of city and county managers oversees operations, while a citizen advisory board makes recommendations on where trust fund money should be spent. All of the participating jurisdictions contribute an annual amount based on a formula that calculates an average annual funding goal, but fulfilling that goal is not required by each participant. If a jurisdiction cannot meet its funding goal one year it may make it up in future years (contributions can also be in-kind, such as land or housing donations). In the first ten years, $20 million had been contributed. The trust fund technically does not have a completely predictable and dedicated funded stream, but it does offer its members a central resource on housing issues, data, and program administration for households and developers. Most assistance to the members occurs through the process of project funding approvals, where jurisdictions may realize barriers to affordable/workforce housing in their codes and work with ARCH to update them. The cities and counties hold the authority in allocating funding and entering contracts. The benefit of this multi-jurisdictional structure is that regional considerations and goals are addressed cooperatively.

For more information:

» **www.archhousing.org**

» **www.hmcnews.org/housing/housingfund/feb27.../housingtrustmodels.doc**

Columbus/Franklin County, Ohio

The Columbus/Franklin County, Ohio housing trust fund was the first multi-jurisdictional trust fund created in the country in 2001. Because of the advocacy of an organized inter-faith coalition of churches representing 40,000 residents, the trust fund was formed through an annual county commitment of $1 million from its real estate transfer tax, and from an initial allocation of $3.2 million from the city with an annual commitment of $1 million from the city's hotel tax. A non-profit corporation with a mayor-appointed board, consisting partly of citizen and congregational leaders, controls the trust fund. At least half of the trust fund must be dedicated to families earning 60% of area median income or below, with the rest of the funding addressing up to 80% AMI households. Programs consist of construction, acquisition, and bridge loans to non-profit and for-profit developers for the construction of affordable and workforce housing. The trust fund also has a special program for the rehabilitation of vacant housing called Community Development for All Peoples, which includes hiring at-need individuals for some of the rehabilitation work.

For more information:

» **http://www.communitychange.org/our-projects/htf/other-media/CCC-case-studies.pdf**

» **http://www.thehousingtrust.org/**

>> Housing Preservation

Chicago, IL: Troubled Buildings Initiative

Chicago's Troubled Buildings Initiative (TBI) takes direct aim at derelict rental housing and absentee landlords by coordinating the expertise of several city departments and a non-profit housing organization. The program is aggressive. Once a problem is determined with a rental property, necessary city departments work with the owner to outline and amend the problem, while the Department of Buildings files the case in housing court. If the owner is not responsive, the building is put into receivership. During this receivership, repairs are made, management is taken over, troublesome tenants are evicted, and other remedies are applied.

The costs for such work are charged to the owner, and if unpaid, the costs are attached to the property as a certificate. If the certificate is not paid within 90 days, a lien is attached to the property as second-in-line to repayment only after property taxes. Foreclosure proceedings may then begin against the property, although that is rare because usually the owners resolve to sell rather than lose their entire investment. If the owners/lenders are moved to sell, the CDC can purchase the lien and foreclose, and resell the property to a more responsible and able owner. The city and several lending institutions provide a $20 million line of credit to provide more opportunity for the CDC to purchase these buildings, and thus the chance to sell to buyers who will preserve units as affordable housing. The CDC is also able to finance rehabilitation to buyers with the caveat that units remain affordable. The TBI program is funded through an annual $2 million allocation from the city.

For more information:

» **http://www.occ.treas.gov/cdd/Newsletters/spring08/articles/nonprofits/cdn08spring12.htm**

» **http://egov.cityofchicago.org/city/webportal/portalContentItemAction.do?contentOID=536903363&contenTypeName=COC_EDITORIAL&topChannelName=HomePage**

Milwaukee, WI: Targeted Investment Initiative

Milwaukee's Targeted Investment Neighborhood (TIN) Initiative concentrates resources on small areas of the city for a period of three years in order to improve property values, owner-occupancy rates, affordable rental options, and quality of life and physical appearance. The areas are six to twelve blocks in size and are chosen based on need (usually in lower income areas), and programs are coordinated between a local organization and the city's Community Outreach Coordinator. The three primary programs available in TINs are a home rehabilitation loan program; rental rehabilitation loan program; and a "buy in your neighborhood" program, where local homeowners are encouraged and assisted in becoming landlords in their neighborhoods by purchasing nearby properties.

For more information:

» **http://www.mkedcd.org/housing/nidc/TINs.html**

Richfield, MN: Rehabilitation Programs

Richfield, Minnesota grew rapidly following World War II as a bedroom community to Minneapolis. Richfield shares similarities with DeKalb County in that it has a similarly aged housing stock and also has seen more urbanized growth as Minneapolis continues to grow. Richfield offers several rehabilitation programs, such as an annual home remodeling fair, a remodeling advisor, rehabilitation loans, and design guidelines for older homes. The remodeling advisor is a former contractor available on-call to provide a needs assessment and cost estimates, as well as recommendations for contractors.

For more information:

» **http://www.cityofrichfield.org/CD/Housing.htm**

>> Foreclosure Prevention and Mitigation

Louisville, KY: Neighborhood Stabilization Plan

Louisville's plan of action for its NSP funding is strategic, aided by its existing land bank and housing trust fund, as well as other tools. NSP funding in Louisville is targeted towards five neighborhoods, representing only 12 census tracts with the intent of concentrating efforts to maximize the stabilizing effects. Census blocks were identified using HUD data, and subsequent research on vacancies, subprime loans, neighborhood assets, economic development corridors, and neighborhood involvement informed strategies devised for neighborhoods on a street-by-street basis, in coordination with neighborhood leaders.

The Louisville/Jefferson County Land Bank Authority will serve as the holding agent of all purchased, warehoused, and demolished property, as well as fund the maintenance of non-NSP property in the target areas. The land bank also will prepare RFPs for properties acquired for rehabilitation by developers. Only 40% of NSP funds will be executed directly by Louisville Metro staff; the remaining 60% will be executed "indirectly" through developers, non-profits, etc. responding to RFPs.

Developers will be encouraged to purchase proximate properties in "bundles." Developers will be required to resell a home at the cost of rehabilitation plus a "reasonable" fee. The resale price must be the lower of the after-rehab appraised value or redevelopment cost. The developer assumes the risk of re-sale, but with assistance from Louisville Metro Housing and Family services. Incentives to encourage developers to participate include soft-second forgivable loans offered to the buyers, and up-front construction financing that equals the amount of a soft-second available to the ultimate buyer, to be passed on by the developer to the buyer. If the unit has trouble selling, the amount of the soft-second offer may be increased. Soft-second mortgages are fully repayable before 6 years, with 20% forgiven each year until 10 years of owner-occupancy, upon which the loan is forgiven.

For more information:

» **http://www.louisvilleky.gov/NR/rdonlyres/CD7C37AF-C6E8-44AF-BCCE-573522088007/0/NSPWebsite061209.pdf**

Columbus/Franklin County, OH: Foreclosure Working Group

The Columbus and Franklin County Foreclosure Working Group created a "Prevention and Recovery Advisory Plan" that uses neighborhood market typologies to identify appropriate foreclosure responses. The idea is that different neighborhoods will require different needs in terms of preventing or recovering from foreclosures. An abstract from the plan is included here:

The Columbus and Franklin County Foreclosure Working Group has identified a set of comprehensive strategies that seek to leverage existing resources, create cross jurisdictional partnerships and prioritize prevention. The three main goals of these strategies are to prevent neighborhood decline associated with foreclosure in traditionally stable markets across Central Ohio; address the issue of backslide due to foreclosure in “tipping point” neighborhoods; and focus resources in neighborhoods traditionally targeted by revitalization efforts, preventing further disinvestment and decline due to the foreclosure crisis. Three strategies are summarized for each of three types of neighborhoods. The first strategy is to implement a comprehensive acquisition and holding plan for the targeted area; this strategy would work best in weak market neighborhoods with significant levels of foreclosure. A second strategy is to acquire and rehabilitate foreclosed and vacant homes with the goal of resale. This would be most appropriate for city-county interfaces that allow opportunities for foreclosure mitigation programs and infrastructure improvements through City-County partnerships; such areas also exhibit the highest home ownership rates of all areas studied, as well as the lowest levels of foreclosure. The third strategy combines elements of both Strategies 1 and 2, adding a long-term rental component to the mix as appropriate. This strategy could be pursued in converging investment neighborhoods; these are neighborhoods that have been the target of substantial government and private investment that is anticipated to increase significantly in the near future.

For more information:

» **http://communityresearchpartners.org/uploads/publications/Foreclosure_Plan_2008.pdf**

On developing a coordinated response strategy:

» **http://www.foreclosure-response.org/policy_guide/coordinated_response.html?tierid=282**

Sacramento, CA: Block Rehabilitation Program

Sacramento offers low-interest loans to developers who are able to purchase more than half of the properties on designated target streets. Any affordable housing developed must be accompanied by strong property management. The program is for low income households but could be replicated for workforce households.

For more information:

» **http://www.shra.org/Content/Recovery/BlockAcqRehab.htm**

Cleveland, OH: Model Block Program

Cleveland’s Model Block Program allows community development corporations or other non-profits to apply for funding to improve the exterior of disinvested homes or acquire abandoned property for renovation. The area can include no more than fifty homes. The program is based on the idea that physical upgrades to disinvested neighborhoods that are adjacent to or in areas with market potential will help catalyze greater reinvestment. Eligible uses for the funds include acquisition costs and the associated legal fees, as well as rehabilitation rebates to homeowners. Foundations and other donors have also contributed to model block initiatives.

For more information:

» **http://cd.city.cleveland.oh.us/mbrfp.html**

Philadelphia, PA: NSP Targeting

To target its NSP funding, Philadelphia worked with a non-profit, The Reinvestment Fund, to use data and mapping to target areas where funding and attention was most likely to have a stabilizing effect. Data such as housing values, vacancies, rental vs. ownership, foreclosures as a percentage of sales, and other data is used to spatially locate areas where foreclosures are the reason a neighborhood is headed towards decline, and are not just another added layer of underlying social or economic disinvestment problems. The Reinvestment Fund also has another program, the Market Value Analysis, where cities can contract with the non-profit to determine areas where community development funding (beyond NSP) is likely to have the most impact.

For more information:

» **http://www.frbatlanta.org/filelegacydocs/dp_0108.pdf**

» **http://www.trfund.com/resource/downloads/policypubs/APAPresentation.pdf**

Chicago, IL: Homeowner Preservation Initiative

Many jurisdictions, including DeKalb County, have homeowner counseling programs to help educate and guide new homebuyers through the complicated process of purchasing a home. Counseling can also be used to prevent foreclosures. Chicago has a leading program entitled the Homeowner Preservation Initiative, a partnership with a non-profit credit counseling organization, the city, and private lending institutions. Launched in 2003, it provides intervention resources available for those at risk of mortgage default. A public awareness component includes a telephone hotline, city-wide advertising, mailings to targeted zip codes, and referrals. Such publicity is combined with negotiation assistance and emergency loan programs. This model was later adopted by NeighborWorks, a national non-profit, for a national-scale pilot program in Ohio. One aim of NeighborWorks' program is to increase the capacity of local governments to provide foreclosure intervention services.

For more information:

» **http://www.nhschicago.org/content/page.php?cat_id=3&content_id=33**

» **http://www.nhschicago.org/downloads/8323Proven%20Strategies%20and%20Best%20Practices.pdf**

Louisville, KY: Foreclosure Conciliation Project

Louisville, Kentucky is often noted for its multi-pronged approach to combating foreclosures and vacant homes. The latest initiative, the Louisville Foreclosure Conciliation Project, is based on a model developed in Philadelphia where judges agree to stave off foreclosure proceedings so that homeowners can meet with their lenders to possibly work out a deal. Volunteer attorneys and housing advocates assist the homeowner with paperwork and in negotiating lower interest rates with lenders. The program started in July 2009, and one volunteer attorney estimates that approximately 63% of 60 cases have had successful outcomes. Funding for the program is supported by non-profits, the state, and foundation grants. Homeowners falling into trouble are urged to dial a 2-1-1 service to begin the counseling process.

For more information:

» **http://www.kentucky.com/2009/12/30/1076611/anti-foreclosure-program-may-be.html**

>> Subsidy Recycling

Visalia, CA: Down Payment Assistance

Subsidy recycling is requiring the repayment of housing subsidies (down payment assistance, second mortgages, or rehabilitation loans) provided by a government to a homeowner. Subsidy recycling scenarios—shared equity, subsidy recapture, and subsidy retention—can be very complicated and should be designed to respond to an area's specific market. Therefore there is no one "best practice" that could be applied anywhere, but rather examples of where different types of scenarios as applied to a particular market have proven successful.

Visalia, California offers down payment assistance in the form of loans, but employs a subsidy recapture scenario for repayment. Up to $40,000 may be borrowed by a homeowner for a term of 30 years, with an initial deferment of five years, or until a family's income allows repayment. The loan is made at 3% simple interest.

For more information:

» **http://www.ci.visalia.ca.us/civica/filebank/blobdload.asp?BlobID=7053#page**

Emeryville, CA: First-time Homebuyer Program

First-time homebuyers earning up to 120% of the area median income can participate in Emeryville's First-Time Homebuyers Program that is structured as a shared appreciation scenario. A deferred loan of up to 15% of the purchase price is allowed. Upon resale, repayment of the principal loan is required in addition to the greater of the following options: (1) simple interest with the rate of 75% of the first mortgage's interest rate, with a ceiling of 5% (2) a share of the gained appreciation in direct proportion to the subsidy given (i.e. if a 15% second mortgage subsidy was provided, 15% of the appreciation, less the value of any capital improvements, would be due).

For more information:

» **http://www.ci.emeryville.ca.us/index.aspx?NID=639**

For a detailed explanation of shared equity, subsidy recapture, and subsidy retention options, visit:

» **http://www.nhc.org/pdf/chp_se_strategies_0407.pdf**

For further information on action steps and implementation, including applying shared equity scenarios in a weak housing market, visit:

» **http://www.nhc.org/housing/sharedequity**

Another explanation of the difference between shared equity and subsidy recapture programs, complete with illustrative graphics, can be found at:

» **http://www.burlingtonassociates.com/resources/archives/clt_101/000055.html**

>> Community Land Trusts

Athens, GA: Athens Land Trust

The Athens Land Trust operates as a conservation land trust and a community land trust for affordable housing. The affordable housing program is based on government income, so the trust only serves households making less than 80% of the area median income. Lease-purchase scenarios are allowed depending on the purchaser's situation. Rehabilitation of existing homes is practiced, mainly in one area east of Athens, and new construction has also been completed using Low Income Housing Tax Credits. Many homes for sale are EarthCraft certified and near bus lines.

For more information:

» **http://athenslandtrust.org/clt.htm**

Gainesville, GA: Newtown Community Land Trust

Newtown Community Land Trust is part of the Newtown Florist Club Inc., a social-activism club born out of opposition to segregation and injustice in the 1950s. The area of Newtown was built upon an old landfill in the 1930s following a series of tornadoes, and was designated for African Americans. Over the years industrial uses encroached on the neighborhood and residents began to succumb to health problems. Fighting back, the group confronted industry, officials, and challenged their youth to stand up for their neighborhood. Parts of Newtown are now held in a CLT partly to maintain its strong social network and commitment to uplifting its youth.

For more information:

» **www.newtownfloristclub.com**

Seattle, WA: Homestead Community Land Trust

Homestead Community Land Trust is also a non-profit community housing development organization (CHDO). It is designated as such so as to receive $30,000 from Seattle's HOME funding.

For more information:

» **http://www.homesteadclt.org/AboutHCLT.htm**

For detailed information on how to set up a community land trust:

» **https://www.lincolninstitute.edu/pubs/dl/1395_712_City-CLT-Policy-Report.pdf**

Albuquerque, NM: Sawmill Land Trust

Sawmill Land Trust is an example of a grassroots, neighborhood-based land trust. The city of Albuquerque developed a five-year plan with the Sawmill Land Trust to send $150,000 of CDBG funding a year for operating expenses. Due to the Sawmill Land Trust's success, the amount was increased to $200,000.

For more information:

» **http://www.sawmillclt.org/**

>> Lease-Purchase

Atlanta, GA: Neighborhood Stabilization Program

Atlanta Neighborhood Development Partnership (ANDP) is currently implementing DeKalb County's Neighborhood Stabilization Program (NSP), which involves lease-purchase opportunities.

For more information:

» **http://www.andphomes.org/dekalb/index.htm**

Charlotte, NC: Peachtree Hills Lease-Purchase

Lease-purchase was used by a national community development non-profit (Self Help) in collaboration with the Charlotte-Mecklenberg Housing Department (a local non-profit) and various city departments for a pilot program in the Peachtree Hills subdivision. The subdivision was hit hard by foreclosures, but through neighborhood organization and cooperation with the city, a service plan was created for the area that includes property maintenance, homeownership programs, and code enforcement.

For more information:

» **http://www.self-help.org/success-stories-2/a-neighborhood-on-the-rise/view**

>> Employer-Assisted Housing

Columbus, GA: Aflac Employer-Assisted Housing Program

Aflac has approximately 4,400 employees in Columbus, and it is a huge economic anchor for the city. Aflac created an employer-assisted housing program in 2002. Aflac works with NeighborWorks, a private non-profit organization, to provide down payment and second-mortgage grants, as well as homeownership counseling. NeighborWorks administers the program, and also utilizes its contacts in the lending community and local government to match potential homebuyers with other programs. The EAH program targets those making 80% of the area median income and below.

For more information:

» **http://www.nhc.org/pdf/policy_hot_issues_EAH_AFLACcasestudy.pdf**

For general information on employer-assisted housing:

» **http://www.metroplanning.org/uploads/cms/documents/HWFEAHfinal.pdf**

>> Multi-Family Financing

New York, NY: Credit Enhancement/Pre-Development Loans

Local governments, sometimes in conjunction with foundations, can offer developers and non-profits loan guarantees, credit enhancements, and pre-development loans to aid in the development of workforce housing.

The New York City Acquisition Fund, LLC is a partnership between the City of New York, foundations, and public and private community investment groups. Pre-development loans are offered to for-profit and non-profit developers for the costs associated with acquisition and pre-development costs necessary to secure city and state subsidies. The maximum term of the loan is 36 months.

For more information:

» **http://www.nycacquisitionfund.com/**

Oakland, CA: Pre-Development Loan Program

Oakland's Pre-Development Loan Program requires at least 40% of the project's units to house households earning less than 80% AMI to qualify. The term of the loan is 18 months, and only available to non-profit applicants that can secure half of the loan's amount from non-city resources.

For more information:

» **http://www.oaklandnet.com/government/hcd/loansgrants/predev.html**

Portland, OR: Acquisition Financing Loan Program

Portland's Acquisition Financing Loan Program finances projects providing ownership units for households earning up to 100% AMI (or rental for households earning up to 60% AMI). The program is in partnership with Enterprise Foundation.

For more information:

» **http://www.pdc.us/housing_services/programs/financial/non-profit_acquisition_loan.asp)**

Atlanta, GA: Land Assemblage Pool

In Atlanta, pre-development and land assemblage loans can be procured by non-profit developers and their for-profit development partners through the Enterprise Community Loan Fund. Atlanta contributed $5 million from its Housing Opportunity Bond Program to the Enterprise Foundation's land assemblage pool, which helped leverage another $25 million from private investors. Applicants can apply for financing to help with the cost of land acquisition and pre-development expenses. The income limits for units built with this financing, however, are generally below workforce housing thresholds (maximum income: 100% AMI for a family of two for ownership units).

>> Revolving Loan Pools

Chicago, IL: Community Investment Corporation of Chicago

Revolving loan pools are dedicated sources of financing for housing purposes. One example is the Community Investment Corporation of Chicago, a public-private partnership with a highly successful revolving loan pool for the rehabilitation of multi-family housing. The Georgia Affordable Housing Corporation is a more local example of this kind of program but their focus is primarily on lending for the development of affordable housing in small and medium-sized jurisdictions.

For more information:

» **http://www.cicchicago.com/htdocs/invest/revolvingloanpool.html#issue**

» **http://www.georgiaaffordablehousing.org/index.asp**

>> Reduced Property Assessments

Cook County, IL: Section 9 Program

Cook County, Illinois' Section 9 program offers lower property tax rates for a term of 8 years for multi-family rental properties in targeted areas that are comprised of more than 35% of units affordable to households earning 80% or less of the area median income. Such properties must have been built or rehabilitated to certain standards to qualify.

For more information:

» **http://www.housingpolicy.org/assets/Learning%20Conference2/Stone-Tillman_PPT.pdf**

>> Tax Allocation Districts

Atlanta, GA:

Tax Allocation Districts can be formed to provide future financing for workforce housing within the specified area of the district. Funds are borrowed against the future projected increase in tax revenues due to new development and investment. Atlanta has tax allocation districts placed in several areas on the Beltline to help finance infrastructure and workforce housing development.

For more information:

» **http://www.beltline.org/Funding/TaxAllocationDistrictTAD/tabid/1731/Default.aspx**

» **http://www.atlantada.com/buildDev/documents/AlookAtTheFirstEightYears.pdf**

>> Rental Assistance Programs

Sumter County, FL: Rental Deposit Assistance Programs

Rental assistance programs can help households who may not be able to secure rental housing due to poor credit and/or a lack of security deposit and first/last months' rent. Such barriers are often why families turn to live in hotels or motels, or live further away in areas with cheaper rent. Such programs may be most appropriate for workforce households earning 60-80% of county median income.

Sumter County, Florida's Rental Deposit Assistance Program is intended for low-income households, but provides an example of a deposit assistance program in the form of a one-time-only loan that requires repayment (at 0% interest).

For more information:

» **http://sumtercountyfl.gov/index.aspx?NID=474**

Zoning and Land Use Regulation

>> Accessory Dwelling Units

Santa Cruz, CA: ADU Program

Accessory dwelling units (ADUs) are additional dwelling units that exist alongside a primary residence on a single-family lot. The units, which are either within the house, attached to it, or detached from it, allow for additional housing opportunities within a parcel. Ordinances can allow accessory units to be allowed in certain zoning categories by right, with provisions for how large the accessory unit must be, and in what circumstances one can be built (i.e. new construction or upon renovation), among many other options. Sometimes accessory dwelling units are allowed with stipulations that they must be leased to affordable or workforce households, with CDBG funds available to renovate those units. Tax reductions or credits can also be offered to offset property value reductions due to deed restrictions.

One of the best examples of an accessory dwelling unit ordinance is found in Santa Cruz, which has very high housing prices. Zoning changes were made in 2003 to allow ADUs in certain zones on lots of at least 5,000 square feet in size. Only one ADU is allowed per lot, and the owner of the property must live in either the main unit or the ACU. ADUs are highly encouraged in Santa Cruz, and along with its ordinance the city offers technical advice, a loan program, an architectural manual, and even an apprentice job-training program that provides wage subsidies to contractors that hire apprentices to help construct ADUs. Once an ADU is built, Santa Cruz has financial incentives for owners to rent the units to workforce and affordable households, including waiving planning and inspection fees, parking deficiency fees, fire fees, and water/sewer connection fees. If a property owner later opts out from renting to a workforce/affordable household, the previously waived fees must then be paid.

For more information:

- **http://www.cityofsantacruz.com/index.aspx?page=1150**
- **http://www.smartgrowth.org/Library/articles.asp?art=1828&res=1280**
- **http://www.smartgrowth.org/pdf/cs_018_SantaCruz.pdf**

General information about accessory dwelling units, with five case-study examples for Lexington, MA; Barnstable, MA; Portland, OR; Wellfleet, MA; and Santa Cruz, CA, are found here:

- **http://www.huduser.org/Publications/PDF/adu.pdf**.

>> Parking Requirements

Santa Cruz, CA: Reduced Parking Requirements

As part of the accessory dwelling unit ordinance, parking requirements are flexible to accommodate accessory dwelling units. This includes rescinding the requirement for covered parking, allowing front and rear yard parking (as long as impervious surface covers less than 50% of these areas), and allowing in-tandem (one car behind another) parking scenarios.

For more information:

- **http://www.cityofsantacruz.com/Modules/ShowDocument.aspx?documentid=8862**

>> Elder Cottages

Fort Kent, ME: Elder Cottage Opportunity (ECHO) Ordinance

Elder cottages are temporary dwelling units that are built on lots where single-family dwellings exist, allowing adult children to care for aging parents or people with disabilities.

Fort Kent has a purposeful elder cottage housing opportunity (ECHO) ordinance that is intended specifically for families to assist with their elderly or otherwise disabled family members. The cottage is considered temporary (mobile homes are allowed), and may only be occupied by the property owners or relations to the owners, and occupants must be at least 62 years old or otherwise dependent due to a disability. Parking and setback requirements in that zone must be met, and the cottage unit must be at least 15 feet from the primary dwelling and no larger than 560 square feet (one bedroom, two occupants maximum). Once the cottage unit is vacant of qualified inhabitants, it must be removed.

For more information:

- **http://www.vchr.vt.edu/pdfreports/echo%20report.pdf**

» **http://www.fortkent.org/fkzoneord.php#_Toc136926020**

>> Consolidated Residential Districts

Portsmouth, VA: Form-Based Codes

Consolidated residential districts are zoning districts that broadly define the various residential zoning categories, instead of creating a multitude of categories for each particular instance of housing types.

Portsmouth, Virginia is currently in the process of zoning districts for two of its gateway corridors based on housing types, including neighborhood residential, general residential, urban residential, and high density urban residential. Such "form-based" codes are less prescriptive in terms of uses and more directive in terms of building scale/design and street standards.

For more information:

» **http://www.portsmouthva.gov/planning/destinationptown3.aspx**

>> Manufactured Housing

Raliegh, NC and St. Lucie County, FL

Manufactured housing, which is also referred to as modular housing, consists of any housing structure built in factory and assembled on site. Manufactured housing products have advanced considerably in recent decades, so much so that some infill examples are found in historic districts and blend in with surrounding older structures seamlessly. This is partially a result of HUD's new HUD-code that applies higher standards to manufactured housing. Manufactured housing can cost 30% to 40% less than traditionally built housing in a given area. In Georgia manufactured housing is considered real estate (versus "personal property," as it is considered in some states) as long as it is permanently affixed and inhabited by an owner (General Code Section 8.2.180).

A highly praised 1920s-style bungalow in Raleigh, North Carolina, was built among other similar homes on a narrow lot, but only with special permission from the city:

For more information on Raliegh, NC:

» **http://www.manufacturedhousing.org/developer_resources/urban_design_raleigh.asp**

St. Lucie County's comprehensive plan allows for manufactured housing on inexpensive lots (see pages 5-30).

For more information on St. Lucie County, FL:

» **http://www.stlucieco.gov/pdfs/chapter_5_Housing_Element.pdf**

>> Ombudsman/Expediter/Special Review

Manatee Co., FL: Rapid Response Permitting Program

An affordable housing ombudsman, expediter, or special review provision allows for an accelerated building permitting process.

Manatee County offers an expedited permitting review process to businesses seeking to locate and expand. When a potential project meets certain criteria, a response team from the County's economic development, planning, public works, building, and utility departments is formed to expedite the project through. In Manatee's "Encouragement Zones," a rapid response team is also offered for new development in areas ripe for higher density and transit use. A rapid response permitting program is a service that could be applied for housing projects with workforce units, especially in areas with other economic development initiatives.

For more information on Manatee's menu of incentives:

» **http://www.manateeedc.com/Content/PDF/EconomicIncentiveProgram.pdf**

Austin, TX: S.M.A.R.T. Program

The S.M.A.R.T (Safe, Mixed-income, Accessible, Reasonably-priced, Transit-oriented) incentive program expedites green affordable and workforce housing projects by waiving fees, granting expedited review of permit applications, and providing staff to work through inter-departmental issues. Since 2000 the program has produced 3,800 units, with 3,000 of them "reasonably" priced for households earning 80% AMI or less.

For more information:

» **http://www.ci.austin.tx.us/ahfc/smart.htm**

>> Development Standards Waiver

Tallahassee, FL: Development Standards Waiver

Development standards waivers are incentives or waivers given to the developer based on the amount of affordable or inclusionary housing provided within their development.

Prior to October 2005, Tallahassee offered incentives for the inclusion of affordable and workforce housing that included more options for housing types, waivers of lot sizes and yard setbacks (for units not adjacent to property boundaries), and waiver of buffer and screening requirements within the development.

For more information:

» **http://www.talgov.com/planning/af_inch/af_inchouse2.cfm**

>> Density Bonus

California: State Density Bonus Law

Density bonuses permit developers to increase the square footage or number of units allowed on a piece of property if they agree to restrict the rents or sale prices of a certain number of the units.

California has a state density bonus law that must be implemented by municipalities. Developers must provide at least 5% of affordable units to access a density bonus of 20%, and can increase the bonus by 2.5% for every additional affordable unit, for a maximum 35% density bonus. That particular bonus is for low-income ("affordable") housing but could also apply to workforce households. In California's law a for-sale condominium project that provides at least 10% of its total units as affordable to workforce households is eligible for a 20% density bonus, and can increase that bonus up to 35% for each additional 1% set-aside. California's density bonus law includes many other incentives and trade-offs that could be applied to DeKalb's workforce housing ordinance.

For more information:

» **http://www.hcd.ca.gov/hpd/hrc/bonus.pdf**

» **http://cityplanning.lacity.org/Code_Studies/Housing/DRAFTUPDATEDAffordHousingGuide.pdf**

>> Minimum Densities

California: Threshold Density

Minimum densities placed on affordable housing land impose a minimum amount of units per acre to be developed.

As part of regional planning, local governments must conduct an inventory of their housing stock and identify land that would be suitable for affordable (or workforce) housing. Part of that analysis is identifying sites where such housing could "realistically" be built based on allowed density, with the state providing a threshold density for "adequate sites" in law (Realistic Capacity, part of General Code 65583.2(c)(1&2)). The threshold is 16 or 20 units/acre.

For more information:

» **http://www.hcd.ca.gov/hpd/hrc/plan/he/ca_plan_law_affd_hsg0506.pdf**

Connecting Housing to Jobs and Transportation

>> Workforce/Affordable Housing Incentives

>> Figure 27: Transit-Oriented Affordable/Workforce Housing Incentive Program Examples

Entity	Program	Type of Funding	Description
San Francisco Bay Area: Metropolitan Transportation Commission	Policy for Regional Transit Expansion Projects	Directing Funding	Requires stations to meet planned density thresholds and conduct station-area planning in order to receive transit funding
San Francisco Bay Area: Metropolitan Transportation Commission	Housing Incentive Program	Directing Funding	Offers extra transportation funds to jurisdictons that commit to creating new high-desnity housing near transit
Charlotte, NC	South Corridor Land Acquisition Fund	Directing Funding	Purchases land for TOD along the South Corridor LRT, with purpose of promoting low-income housing
Dallas, TX	Dallas Land Bank	Directing Funding	Targets properties along Dallas Area Rapid Transit corridors (new and existing) for purchase of tax-foreclosed properties to sell to affordable housing developers at below-market prices.
Dallas/Fort Worth, TX: North Central Texas Council of Governments	Sustainable Development Land Banking Program	Implementation	Cities apply for funding for projects that encourage public/private partnerships that positively address existing transportation system capacity, rail access, air quality concerns, and/or mixed land uses.
Denver Metro Mayors Caucus & Colorado Housing and Finance Authority	Metro Mayors Caucus TOD fund	Implementation	Cities pooled Private Activity Bond authority to finance the construction or rehabilitation of multi-family rental projects near transit.
METRO Portland, OR	TOD Implementation Program	Implementation	Uses a combination of local and federal transportation funds to spur TOD construction, primarily for site acquisition and easements.
Twin Cities Metropolitan Council, MN	Livable Communities Demonstration Account	Implementation	Grant program to local jurisdiction for demonstration projects that achieve “connected, efficient land-use patterns in communities throughout the region.”
Denver, CO	Denver TOD Fund	Implementation	Fund for the City to buy property and help build affordable housing within 1/2 mile of transit stations.
Hennepin County, MN	Transit Oriented Development Bond Program	Implementation	Grants or loans for TODs within redevelopment areas; must have multi-jurisdictional impacts and enhance transit usage: roughly 1/4 mile for existing transit stops or 1/2 mile for rail-based TOD.
Los Angeles, CA	Affordable Housing Incentive Program	Implementation	Reduced parking requirements and density bonuses for affordable housing projects within 1,500 feet of a transit stop.
Minneapolis, MN	Higher Density Corridor Land Acquisition Program	Implementation	Assemble sites for development in priority high-density areas, to promote affordable and mixed-income development on.
Portland, OR Development Commission	TOD Property Tax Abatement Program	Implementation	Reduces operating costs of high-density TOD projects by offering a ten-year maximum property tax exemption.
Portland, OR Development Commission	Direct Financed Acquisition Loan & Housing Development Subordinate Loan Programs (HDSL)	Implementation	Provides loans to acquire property in Urban Renewal Districts or other priority housing districts, and public financing to fund development costs for new or existing rental and mixed-use projects that provide public benefit.
San Mateo City/County Association of Governments (CA)	TOD Incentive Program	Implementation & Directing Funding	San Mateo’s TOD Incentive Program uses transportation funds to help communities that build more housing near rail stations. This program directly links land use with efficient use of the existing transportation system.

Adapted from Reconnecting America’s TOD Policy Matrix, www.reconnectingamerica.org

Notes	For More Information
	http://www.mtc.ca.gov/planning/smart_growth/tod/TOD_policy.pdf
MTC grants jurisdictions $1,000/bedroom developed at a density of 25 units/acre, $1,500/bedroom at 40 units/acre, and $2,000/bedroom at 60 units/acre. Projects must be within one-third of a mile of a transit stop that has a rush-hour wait of no more than 15 minutes. Projects get an extra $500/bedroom for affordable units.	http://www.mtc.ca.gov/planning/smart_growth/hip.htm
Capitalized effort with $5 million	http://secopa.charmeck.org/Departments/City+Manager/Communications+to+Council/2005+Communications/Memo71-10705.htm#TOD
The land bank was capitalized by $3 million in voter-approved bond funds and a $250,000 loan from the Real Estate Council	http://www.dallascityhall.com/housing/land_acquisition.html
	http://www.nctcog.org/trans/sustdev/landuse/funding/SD_ILA_LandbankingTemplate_sf_5.12.09.pdf
	http://www.metromayors.org/Housing.html
	http://www.metro-region.org/index.cfm/go/by.web/id=140
Funding is currently $8 million/year, from a regional tax levy	http://www.metrocouncil.org/services/livcomm.htm
$15 million (public and foundation funding) over ten years	http://www.denvergov.org/SupportingCollaboration/DenverTransitOrientedDevelopmentFund/tabid/435674/Default.aspx
$2,000,000 (2009 budget)	http://hennepin.us/portal/site/HennepinUS/menuitem.b1ab75471750e40fa01dfb47ccf06498/?vgnextoid=665fb42321ff5210VgnVCM20000048114689RCRD
Similar programs found in Arlington, Boston, Portland, Charlotte, Denver, and Minneapolis	http://cityplanning.lacity.org/Code_Studies/Housing/DRAFTUPDATEDAffordHousingGuide.pdf
	http://www.ci.minneapolis.mn.us/cped/docs/corridor_hsg_prg.pdf
	http://www.pdc.us/housing_services/programs/financial/transit_oriented_development_guidelines.asp
	http://www.pdc.us/housing_services/programs/financial/housing_development_subordinate_loan.asp
	http://www.epa.gov/dced/san_mateo.htm

Building Organizational and Administrative Capacity

>> Land Bank

Flint, MI: Genessee County Land Bank

The Genessee County/Flint, Michigan land bank is considered a national model of success. Flint, Michigan, of course, suffers from massive amounts of vacant, abandoned, and underutilized properties due to seismic shifts in its economy. The Genessee County Land Bank has served as a planning tool to realign Flint's land use with the new realities of its economy and long-term growth potential. As Emory University professor and land bank expert Frank Alexander notes, because it was created after lessons were learned from other established land banks (such as Atlanta's), it has become the most successful land bank in the country, and serves a major role in Flint as a planning and community development agency.

Alexander discusses Genessee County's Land Bank in his paper for the Brooking Institute's Metropolitan Policy Program, "Land Banking as Metropolitan Policy" (2008):

» **http://www.brookings.edu/~/media/Files/rc/papers/2008/1028_mortgage_crisis_alexander/1028_mortgage_crisis_alexander.pdf**

For more information on the Genessee County Lank Bank:

» **www.thelandbank.org**

For a PowerPoint on the history and achievements of the Genessee County Land Bank, visit:

» **http://www.vacantproperties.org/resources/ppts/Dan%20Kildee.ppt**

Cleveland State University's "Best Practices in Land Bank Operation:"

» **http://urban.csuohio.edu/glefc/publications/land_bank_best.pdf**

St. Louis, MO: Land Reutilization Authority

St. Louis created the first land bank, the St. Louis Land Reutilization Authority, in the nation in 1971. The land bank operates as part of the St. Louis Development Corporation, which also includes the Land Clearance for Redevelopment Authority and the Planned Industrial Expansion Authority. Any property not sold in a foreclosure sale automatically becomes property of the St. Louis Land Bank.

For a detailed comparison of the St. Louis, Genessee County, and Atlanta land banks, and information on land bank creation:

» **http://content.knowledgeplex.org/kp2/cache/documents/1112/111259.pdf**

Dallas, TX: Urban Land Bank Demonstration Program

CDBG funds are used to acquire properties through Dallas's land bank as part of its Urban Land Bank Demonstration Program. Two general obligation bonds in the amounts of $3 and 1.5 million were also passed by voters for property acquisition. The city finances staffing, marketing, recording fees, environmental assessments, and maintenance associated with the property acquisition. Started in 2004, the program has expanded to nine target census tracts, including those in South Dallas with transit-oriented development potential. The goal is to acquire and rehabilitate 2,000 properties.

For more information:

» **http://usmayors.org/vacantproperties/vacantandabandonedproperties08.pdf**

>> Code Enforcement

Los Angeles, CA: Systematic Code Enforcement Program

Code enforcement can be more successful when it is proactive rather than reactive. Using patterns in the areas or in the types of structures where code violations occur, targeted strategies can better funnel resources and attention to chronic problems and stave off neglect and eventual loss of housing units.

The Los Angeles Systematic Code Enforcement Program (SCEP) won the Harvard Kennedy School of Government's 2005 Innovation in American Government Award. Los Angeles has a high renter population (60%), and a large amount of them pay burdensome rents. The City decided it was more cost-effective to better the existing rental housing stock than build new affordable housing projects. The program was begun in 1998 to regularly inspect multi-family rental units (identified as the sources of the most code problems) every four years using an annual per-unit fee (approximately $36) imposed on landlords. Inspectors are continually trained in code technicalities as well as cultural sensitivity. Since the program's inception 90% of the multi-family rental housing stock has been inspected and 1.5 million violations have been fixed. The program also has a Rent Escrow Account program, where tenants may divert up to half of their rent until unresponsive landlords address recorded code violations.

For more information:

» **http://cris.lacity.org/cris/informationcenter/code/index.htm**

» **http://www.innovations.harvard.edu/awards.html?id=7497**

Louisville, KY: Abandoned Urban Property Tax

To mitigate the impact of foreclosures and abandoned units, Louisville has an Abandoned Urban Properties Tax. The program triples the property taxes an owner must pay after a determination of "blight," which means at least one year of vacancy, un-mowed lawns, unresolved code violations, or three years of unpaid taxes. The city researches the property for shut-off utilities to support its claim of vacancy. The properties are then referred from the Department of Housing to the Jefferson County taxing agency, where property taxes are adjusted. Owners can appeal to the Vacant Properties Review Commission.

For more information:

» **http://www.louisvilleky.gov/Housing/Abandoned+Urban+Property.htm**

Chula Vista, CA: Abandonment and Waste Clause

Mortgage contracts often contain an "Abandonment and Waste" clause that gives lenders the voluntary right to enter and secure vacant or abandoned property in which they have a financial interest. To give itself more leverage in combating abandoned or vacant properties, Chula Vista's Abandoned Property/Registration Maintenance ordinance requires lenders to act on that clause. Lenders must also register abandoned properties with the city, pay a registration fee, and act as the party responsible for the property even if the foreclosure has not concluded. Though the ordinance calls for a proactive inspection of all REO properties, staffing realities result in a reactive approach to residents' complaints. The greatest noted difficulty is locating the note-holder of the properties, but the city has noticed success by way of lender responsiveness.

For more information:

» **http://www.ci.chula-vista.ca.us/City_Services/Development_Services/Planning_Building/Building/Code_Enforcement/AbanResPropertyProg.asp**

Albany, GA: Vacant Property Ordinance

Vacant property ordinances are increasingly being enacted throughout the country to combat the effects of foreclosures and abandoned properties on neighborhoods. These ordinances outline the necessary steps that owners or lenders must take to register and maintain a vacant property. Often fees and fines are used to help offset the costs borne on a jurisdiction to secure and maintain an abandoned property.

For more information on vacant property ordinances found throughout the country, including their definitions of "vacant" and fees/fines:

» **http://www.vacantproperties.org/strategies/documents/VPRO_web.pdf**

Albany, Georgia recently passed a vacant property ordinance in 2008. The ordinance is carried out by inspectors surveying block-by-block in targeted areas.

For more information:

» **http://www.albany.ga.us/filestorage/1798/2879/2963/Vacant%2520Building%2520Ordinance.pdf**

Peachtree City, GA and Shaker Heights, OH: Landlord Training Program

Landlord training programs provide landlords with information on maintenance, building code laws, fair housing and occupancy laws, as well as tips on applicant screening and crime prevention. Landlord training programs are generally voluntary but can also be mandated in order to receive rental licenses or certification.

Peachtree City offers small, voluntary landlord training classes through its code enforcement department. Topics covered include building maintenance laws, "Crime Prevention Through Environmental Design," landlord/tenant law, and information on Section 8 programs, among others.

The City of Shaker Heights, Ohio offers a good example of expanded landlord services. In addition to landlord training programs, the City offers networking opportunities, landscaping and decorating tips, marketing assistance, and a tenant screening cooperative on its "Landlord Connection" website.

For more information:

» **http://www.peachtree-city.org/index.aspx?NID=553**

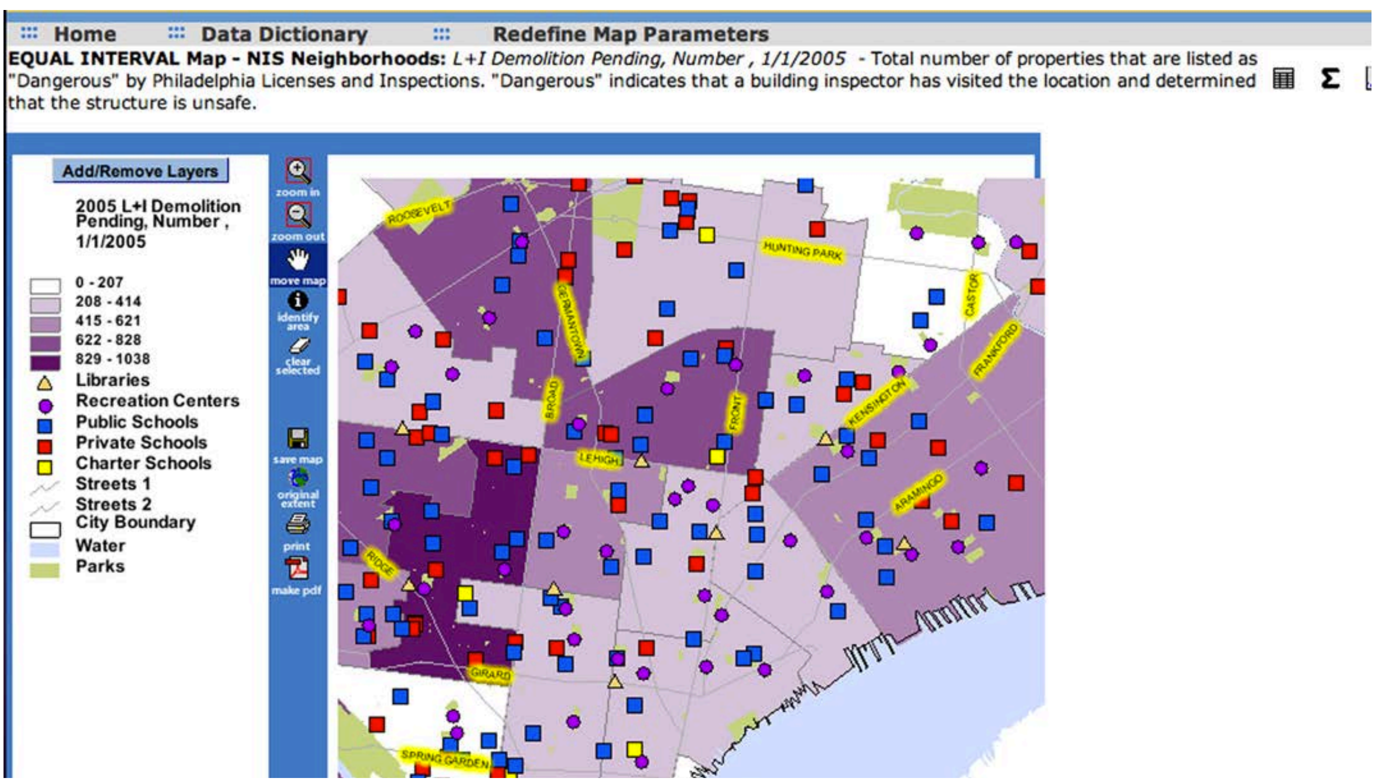
» **http://www.shakeronline.com/landlord/**

>> Neighborhood Information Systems

Philadelphia, PA: Philadelphia NIS

Neighborhood Information Systems (NIS) are online, publicly accessible mapping applications that residents and officials can use to make informed decisions about needed investments and responses in their neighborhoods. NIS applications serve as a central dissemination point for multiple streams of data that are showed spatially. Data can be layered to show correlations, and is ideally available at a street-level or even parcel-level scale. Types of data typically found in NISs include crime statistics and locations, abandoned/vacant buildings, foreclosures, utility shut-offs, code violations, property values/assessments, housing sales, population/

>> Figure 25: Philadelphia Neighborhood Information System Map Example



Source: Philadelphia Neighborhood Information System demographics, and locations of community facilities, among many other options.

Philadelphia's NIS is the result of a partnership between city agencies and the University of Pennsylvania Cartographic Modeling Lab, where is it housed and maintained. It is funded by the city, several foundations, Fannie Mae, and the University of Pennsylvania. Data is searchable at the parcel level as well as aggregated into neighborhood levels. Vacancies, abandonment, crimes, population characteristics, and even mural locations are available for mapping purposes. As an example, the New Kensington Community Development Corporation in Philadelphia uses the NIS for identifying parcel locations, analyzing sales data, and identifying building types for the purpose of targeting investment.

NIS applications are in use in many major cities around the country. Cities often will draw on foundation grants and local university expertise to create NIS applications. In Atlanta, the Civic League, ARC, and Emory's Office of Community Affairs have collaborated to create Neighborhood Nexus, which covers the Atlanta metro region, but whose scale of data currently only reaches Census-tract levels. Neighborhood Nexus has plans to continually expand as funding and data availability allow.

For more information on Philadelphia NIS:

» **http://cml.upenn.edu/nis/NISinformation.htm**

For the University of Pennsylvania's "Predicting Housing Abandonment with the Philadelphia Information System" (2003):

» **http://repository.upenn.edu/cgi/viewcontent.cgi?article=1006&context=cplan_papers**

NIS programs are also found in the following cities:

» Neighborhood Knowledge Los Angeles: **http://nkla.ucla.edu**

» Louisville Community Resource Network: **http://www.crnky.org/**

» CityNews Chicago, Community Information Technology and Neighborhood Early Warning System: **http://www.newschicago.org/about**

» Atlanta Neighborhood Nexus: **http://www.neighborhoodnexus.org/**