



METRO ATLANTA HOUSING STRATEGY

A Guide to Help Communities Understand Their Housing Challenges and Explore Solutions through Actionable Strategies



Atlanta Regional Commission

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MetroATLHousing.org

A Need to Act

The Atlanta region must offer greater access to quality, affordable housing to maintain our strong economy and high quality of life and empower residents by providing the opportunities they need to succeed.



What is housing affordability?

It's a ratio – the portion of a household's income spent on housing.

METRO ATLANTA has long been an affordable place to live, helping fuel our explosive growth. We need to invest in housing in order to keep this competitive advantage and meet the needs of households across the region.

Good housing options should be widely available, in communities large and small, urban and suburban. We all need places to live that won't break our budgets while offering access to vital resources like healthy food, proximity to job centers, and quality transportation options.

The trend lines are clear: housing prices are rising much faster than wages. The supply of housing isn't keeping up with our fast-growing population, further boosting costs. More than one in three households in our region are "cost burdened" – that is, they spend more than 30% of their income on housing.

A strategic, regional approach is needed to increase supply, reduce costs, and preserve affordable units. Our goal: promoting a stronger, healthier housing market that works for everyone.

Cost-burdened households spend at least 30% of their income on housing

About 1/3 of the region's households are considered are cost burdened

The Impact

Increasing access to quality, affordable housing will help the entire region thrive.

STRONGER ECONOMY

Metro Atlanta will remain a destination for employers looking to relocate or expand, keeping our economy growing. Businesses will find it easier to hire and retain workers who are able to find housing close to job centers.



BETTER QUALITY OF LIFE

Communities and schools will become more stable, as fewer families move in search of cheaper rent. More affordable housing options also means fewer people will have to put off spending on vital services, such as healthcare.



GREATER OPPORTUNITIES AND REDUCED INEQUALITY

Increased levels of home ownership will help people build wealth and climb the socio-economic ladder, and reduce the “wealth gap” that exists between owners and renters.



REDUCED TRAFFIC CONGESTION

More people will be able to live closer to where they work. That means fewer vehicles on the road, reduced traffic congestion, and improved air quality.



A Regional Approach is Critical

Our housing challenges are regional in scope, and a regional response is required. The Metro Atlanta Housing Strategy helps communities navigate this complex issue.

It's important to note that the strategy is not meant to be prescriptive. Rather, it's a guide to help local governments better understand their housing challenges and begin to address them through actionable strategies and related tactics.

The Atlanta Regional Commission works to help communities throughout metro Atlanta address critical regional challenges, from transportation and land use to water resource management and economic competitiveness. In this vein, ARC has long been a leader on regional housing issues.

Local governments and communities are in varying stages of acknowledging, understanding, and addressing their local housing challenges. Many have turned to ARC for data, planning, and technical assistance.

The Metro Atlanta Housing Strategy is designed to be:

- » *Educational: serve as a source of information for policy makers and the general public to learn about housing affordability.*
 - » *Analytical: provide a data portal to help communities understand their housing characteristics, issues, and opportunities.*
 - » *Actionable: provide local governments with the tools they need to identify local housing challenges and solutions.*
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The Metro Atlanta Housing Strategy was developed through extensive outreach with a broad audience of local government officials, business and nonprofit leaders, and other regional partners, utilizing a framework developed by Atlanta's Urban Land Institute.

The effort incorporated additional perspectives when the need for "healthy housing" was identified as a regional priority in CATLYST, ARC's Regional Economic Competitiveness plan.

The Strategy—Overview

The Metro Atlanta Housing Strategy provides detailed information about the region's housing market and offers a set of actionable steps that local communities can consider to address their housing issues.

The goal: fostering a greater mix of housing options reflective of each community's specific needs.

10 Submarkets

The housing market in metro Atlanta is highly diverse. Housing types vary greatly, even within the same ZIP code. At the same time, the housing landscape in one part of the region may be similar to that of another across town.

The Atlanta Regional Housing Strategy acknowledges this complexity by breaking the Atlanta region into 10 “submarkets” based on characteristics such as average sales price, age, type, and size. These submarkets cross city and county lines, and they include non-contiguous sections.

6 Strategies

Six overarching factors have been identified that address different aspects of the region's housing challenge. Progress in these areas is needed to bring about meaningful change:

- » **Increase housing supply**
- » **Preserve affordable supply**
- » **Reduce housing and transportation costs**
- » **Expand capital resources**
- » **Promote housing stability**
- » **Develop leadership and collaboration on affordability**

Tying it all Together

Each of the 10 submarkets are tied to priority strategies that public and private sector stakeholders can consider to address their housing challenges.

10 Submarkets

Ten distinct sub-regional housing markets have been identified, based on housing characteristics.

Submarket 1

Higher-priced core neighborhoods

Submarket 2

Higher-priced near core and employment corridor neighborhoods

Submarket 3

Rapidly changing core neighborhoods experiencing the greatest increase in housing costs regionally

Submarket 4

Lower-priced core neighborhoods vulnerable to increasing housing costs

Submarket 5

Suburban neighborhoods along employment corridors with moderate-to-higher-priced mix of single family and multifamily housing

Submarket 6

Suburban neighborhoods with moderate-to-higher-priced housing

Submarket 7

Suburban neighborhoods with lower-to-moderate-priced housing, biggest increase in renters

Submarket 8

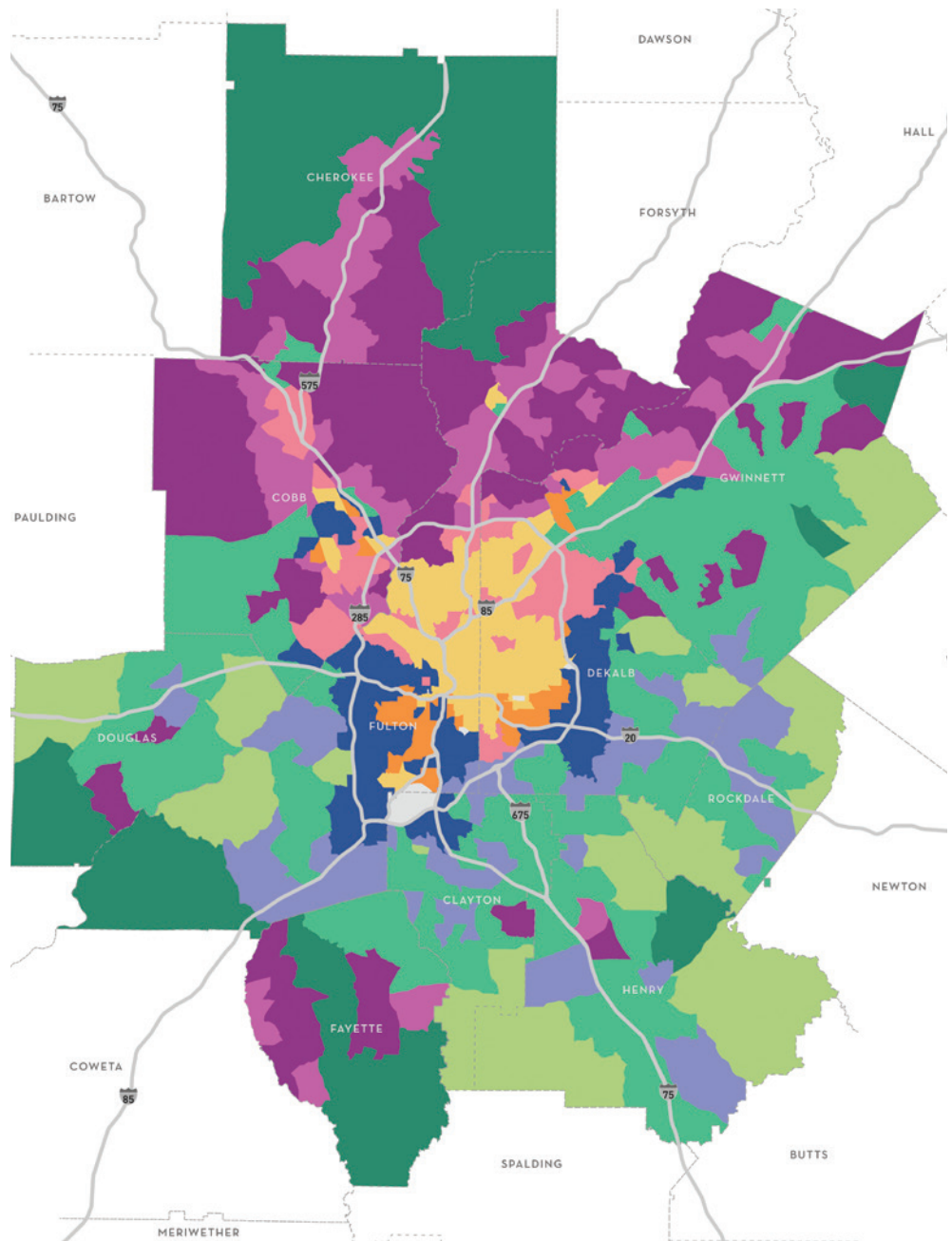
Suburban neighborhoods with lowest-priced single-family homes, mix of renters and owners

Submarket 9

Lower-priced rural areas

Submarket 10

Higher-priced rural areas



Visit MetroATLHousing.org for more information about submarkets and related housing data

The Strategic Framework

Each of the six broad strategies are associated with measurable data points and actionable tactics, creating a framework to address communities' housing challenges.

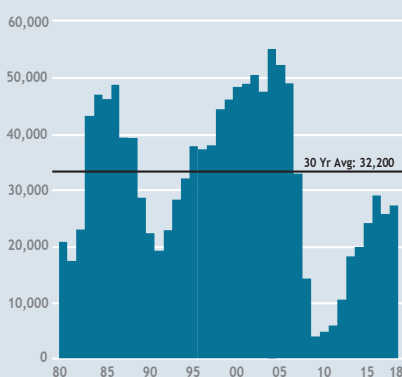


STRATEGY: Increase housing supply

Increase housing supply to promote affordability by providing the necessary tools for developers to bring more housing to market, concentrating on mid-priced and affordable units.

Supply is low while population growth pushes up demand and costs

- » The inventory of homes for sale remains low, at about 8,000 per month
- » Residential building permits in metro Atlanta are at about 1/3 pre-recession levels



Source: Zillow, State of the Cities Data Systems

Reduce Development Cost and Barriers

Address zoning and land use code that shapes development to provide housing options, including land use options, building sizes, building materials, building forms, parking, and more.

Leverage Public Land

Diversify the ways that publicly-owned land is used and managed to provide housing affordability options.

Establish Policies supporting Affordable Housing

Local governments can expand housing-supportive laws and regulations to encourage development of affordable housing.

Reuse of Building and Land

As communities evolve, identify abandoned building and lands to be reused for housing purposes.

Submarkets:

1 | 2 | 5 | 6 | 7 | 8 | 9 | 10



STRATEGY: Preserve affordable supply

Preserve supply of affordable housing units, including those with legal protections in place to ensure that they remain accessible to low- to moderate-income households.

Existing supply of affordable units is declining

- » In metro Atlanta, just 23,000 units renting for \$1,000 or less have been built since 2000.
- » About 27% of housing units in metro Atlanta rented for less than \$800 a month in 2012, compared to 19% in 2017.



Units renting under \$800

Source: U.S. Census, CoStar

Provide Financial Incentives

Provide financial incentives to developers to enable more creative ways to use state/local tax policy and long-range financing in order to preserve existing housing supply.

Create Policy Incentives

Preserve existing housing supply with policy incentives to make it easier and more affordable to protect existing housing units.

Coordinate across Agencies and among Governments

Engage in robust coordination efforts between different levels of government and across various state and local agencies to create, manage, and maintain existing affordable units.

Address Blight

Identify and address issues that lead to blight of neighborhoods.

Submarkets:

3 | 4 | 5 | 6 | 7 | 8

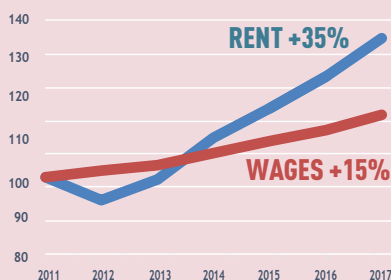


STRATEGY: Reduce costs

Reduce housing and transportation costs by increasing housing options near job centers and advancing mobility options throughout the region.

Housing costs are rising more sharply than income: transportation costs deepen metro Atlanta's affordability challenge

- » Rents are about 50% higher in and around major employment centers
- » Average rent has increased 35% while wages only risen 15%



Source: Zillow, BEA, U.S. Census

Implement Community Development Strategies

Allow opportunities for housing options within a half-mile of mobility options, job centers, and community services.

Expand Transportation Options

Leverage existing transportation options and create new ones to lower transportation cost and reduce traffic.

Submarkets:

2 | 5

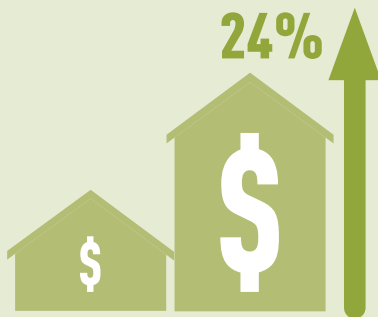


STRATEGY: Expand capital resources

Expand capital resources by providing financial incentives and mechanisms to foster the creation and preservation of affordable housing units.

Cost of construction continues to rise sharply, impacting the entire housing market

» Nationally, average cost of home construction has increased by 24% since 2013



Construction costs up

Source: U.S. Census

Create and Attract New Financing Mechanisms

New funding mechanisms are needed to promote and incentivize the development and preservation of affordable housing.

Implement Tax or Bond Financing Mechanisms

Cities and counties can use government power to enable bond and tax financing mechanisms to provide financing for affordable housing.

Submarkets:

1 | 2



STRATEGY: Promote housing stability

Strengthen the ability of families and individuals to remain in their homes and communities by increasing access to affordable housing.

Home ownership rates remain down, putting community stability at risk

- » Home ownership down 3% since the Great Recession
- » 10% of region's homes with a mortgage have negative equity and are 'under water'

10%

Homes with negative equity

Source: U.S. Census, Zillow

Stabilize Existing Residents

Implement supportive educational programs and financial policies for residents to stabilize their current housing.

Promote Home Buying

Provide financial assistance and education to promote home buying.

Create Quality Rental Opportunities

Ensure the availability, safety and quality of rental opportunities.

Prevent Eviction

Implement targeted efforts to prevent eviction.

Submarkets:

3 | 4 | 7 | 8 | 9



STRATEGY: Develop leadership

Develop leadership and collaboration on housing to promote and enable education, communication, and collaboration around housing issues.

There's a growing desire to address housing issues in the region. Efforts include:

- » *City of Atlanta's commitment and implementation*
- » *HouseATL*
- » *Regional Housing Task Force*
- » *Regional Housing Forum*
- » *Brookhaven Inclusionary Zoning Ordinance*
- » *Local Housing Task Forces – Norcross, Smyrna, Fairburn, Union city, Brookhaven, Roswell, and more*
- » *ULI Affordable Atlanta Study*
- » *CATLYST*
- » *Sandy Springs Together*

Build Capacity and Internal Resources to Address Housing

Expand internal capacity to address housing needs

Promote Creative Collaboration

Collaborate across various industries, sectors and organizations to create multi-disciplinary approach to provide housing options.

Be a Leader in Housing

Be a part of housing conversations, using tools to educate others and develop solutions to housing issues.







Submarkets:

3 | 4 | 5 | 6 | 7 | 8 | 9

Tying it all Together

The six strategies include a range of tactics that stakeholders can consider in order to make progress on housing issues. These tactics – more than 150 in all – were compiled from housing studies that have taken place across the region.

Each housing submarket is associated with specific strategies, based on their housing characteristics.

		Strategies					
		 Increase Supply	 Preserve Affordable Supply	 Reduce Costs	 Expand Capital	 Promote Stability	 Develop Leadership
Housing Submarkets	1						
	2						
	3						
	4						
	5						
	6						
	7						
	8						
	9						
	10						

Next steps

How to begin?

Start a conversation about housing in your community.

The Atlanta Regional Housing Strategy is designed to provide a baseline of information to spark discussions about the housing issues facing local communities.

You can use this tool to learn about the housing types in your community, and explore the range of tactics that may help improve housing options and affordability.

A broad range of stakeholders are needed to address the region's housing issues, including the nonprofit and private sectors – organizations like ULI Atlanta and Enterprise Community Partners, as well as developers and financial institutions.

But lasting, meaningful change requires participation by local governments. They have the ability to move important levers that affect the housing market, such as land use and zoning, which provide realistic opportunities to increase housing choice and remove barriers to development and construction.

ARC will continue our current responsibilities related to housing, primarily including planning, data analysis, convening and coordinating. As our commitment to the work, ARC will identify several steps we can take to further integrate regional housing goals into our funding support, technical assistance programs and governmental affairs work.



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