

HUD PRO Housing Grant

Pathways to Removing Obstacles (PRO Housing) Grant Application

FR-6700-N-98

October 25, 2023

Vision

ONE **great** REGION

Mission

Foster thriving communities for all within the Atlanta region through collaborative, data-informed planning and investments.

Values

Excellence | **Integrity** | **Equity**

Goals



Healthy, safe, livable communities in the Atlanta Metro area.



Strategic investments in people, infrastructure, mobility, and preserving natural resources.



Regional services delivered with **operational excellence** and **efficiency**.



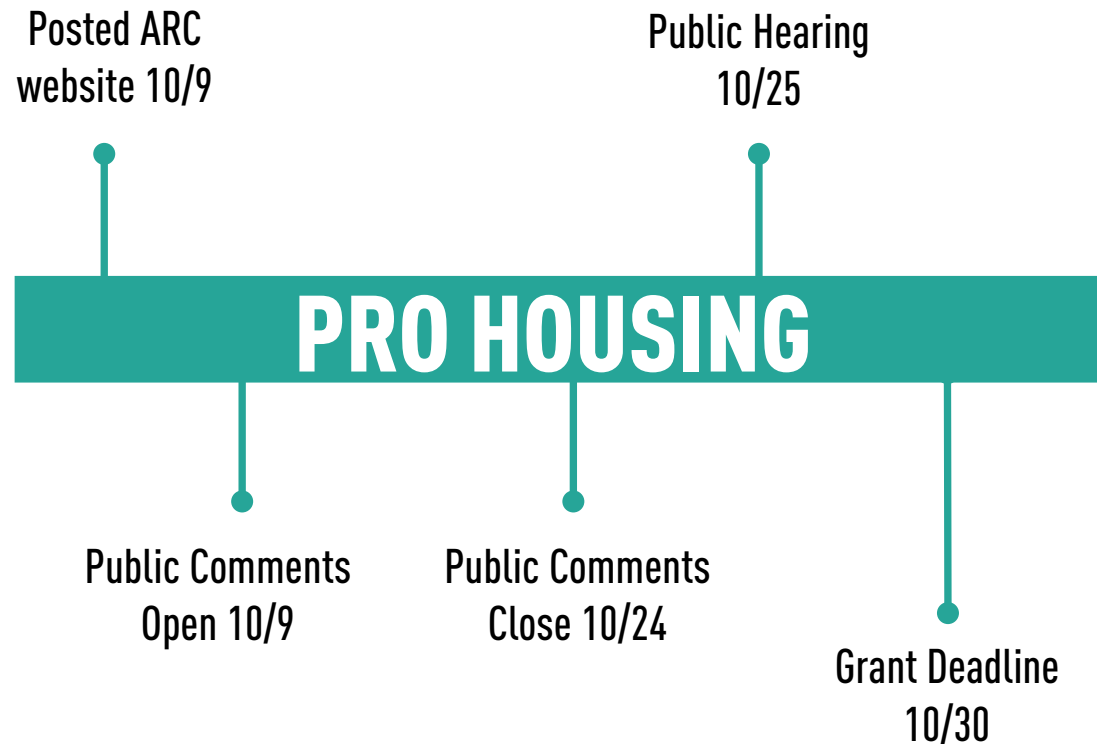
Diverse stakeholders engage and take a regional approach to solve local issues.



A competitive economy that is inclusive, innovative, and resilient.

PRO Housing Grant Overview

- ▮ \$85 million total; 20 grants
- ▮ ARC applying for \$6 million
- ▮ ARC application here: [Public Notice: FY 2023 Notice of Intent to Apply for Federal Grant Funds - ARC \(atlantaregional.org\)](#)



PRO Housing Grant Funding Possibilities

Pathways to Removing Obstacles to Housing (PRO Housing) supports communities who are actively taking steps to remove barriers to affordable housing, such as:

- Barriers caused by outdated zoning, land use policies, or regulations;
- Inefficient procedures;
- Gaps in available resources for development;
- Deteriorating or inadequate infrastructure;
- Lack of neighborhood amenities; or
- Challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment pressures, or expiration of affordability requirements.

Why the Atlanta Metro area?

- The Atlanta Metropolitan area is experiencing some of the most extreme housing pressures in the nation.
- The Atlanta Metropolitan Statistical Area (MSA) is the 3rd fastest growing MSA in the country.
- The Atlanta Metro housing market rakes #1 in the nation in home price appreciation and #4 in rental price appreciation.
- In 2022, the Federal Reserve Bank of Atlanta listed the Atlanta Metro as unaffordable, meaning that the median household income is no longer sufficient to purchase a median priced home.

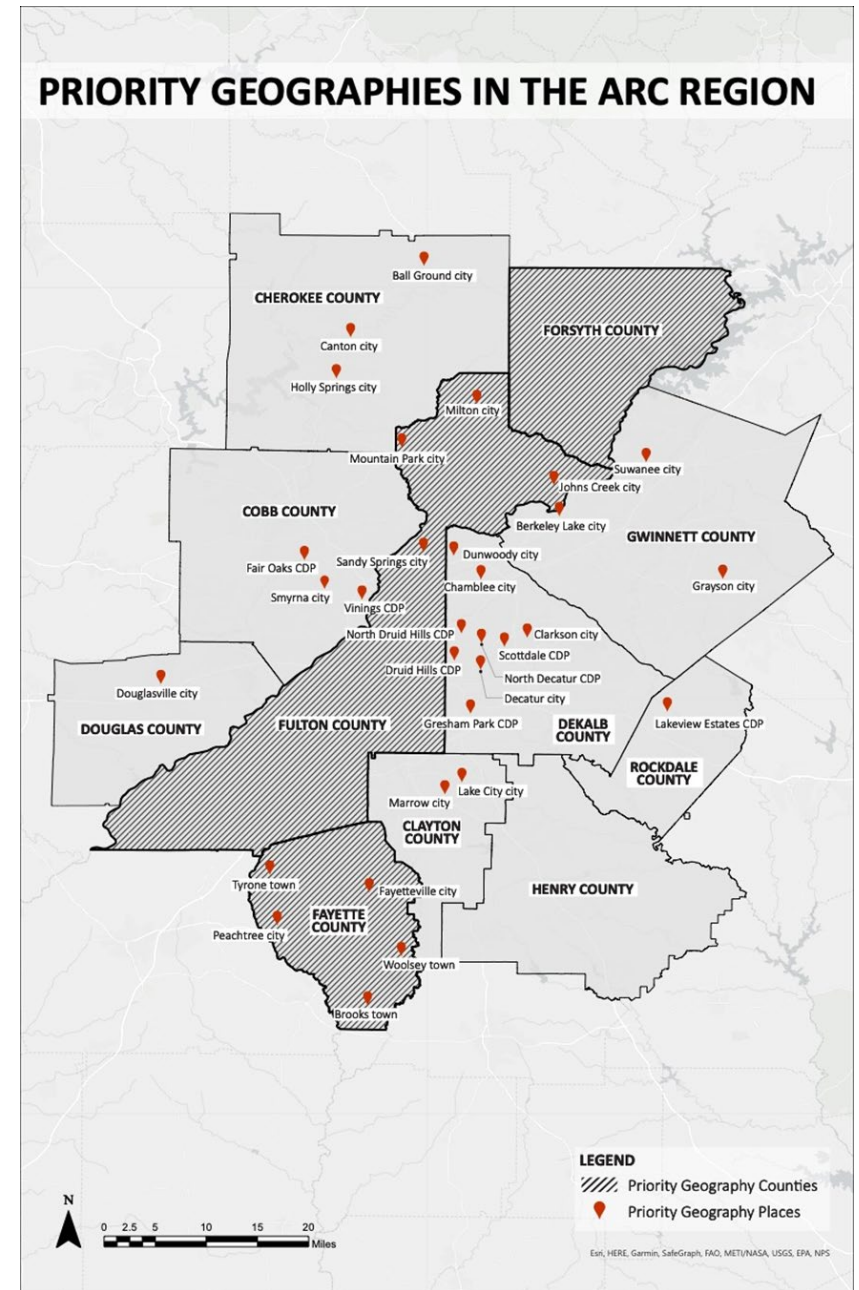
Data: ESRI; Zillow home price appreciation 2018-2023; Apartmentlist rent prices 2018-2023; Federal Reserve Bank of Atlanta HOAM

Why ARC?

- ‡ The Atlanta Regional Commission (ARC) operates as the regional planning and inter-governmental coordination agency for the 11-county Atlanta region, and operates as the MPO for a 20-county region.
- ‡ Housing affordability and accessibility has been identified as a **key goal** for the ARC: one of the top three areas with transportation and infrastructure.
- ‡ The ARC hosts the Metro Atlanta Housing Strategy, a **data** tool to identify key barriers in the region to producing and preserving affordable housing.
- ‡ Expertise in **planning and technical assistance**: CDAP, LCI.
- ‡ ARC leadership classes include the **Local Leadership Housing Action Committee (LLHAC)**.
- ‡ The ARC region includes 34 cities, counties, and towns identified in the HUD PRO Housing Grant as “**Priority Geographies.**”

PRO Housing Priority Geographies in ARC Region

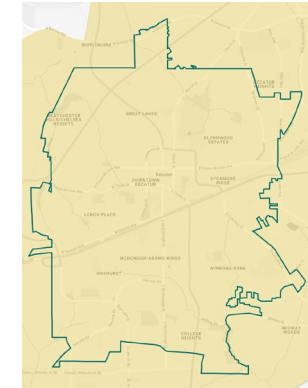
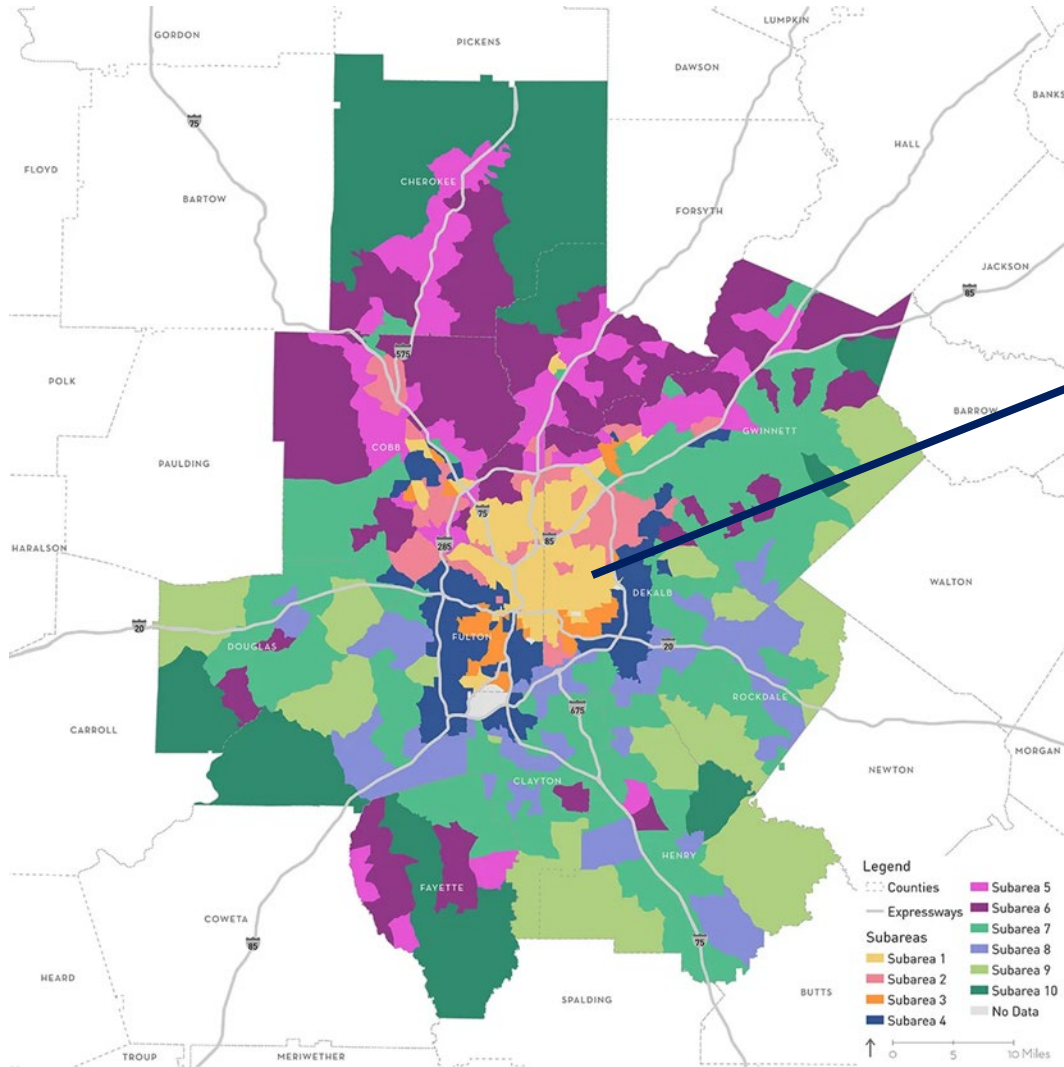
- The Atlanta Regional Commission 11-County area has **three priority geography counties and 31 priority geography places** identified by HUD due to the acute demand need for housing.
- 25 places are identified by the **Offpace Factor (OF)**: affordable housing not keeping pace with population.
- 13 places plus 2 counties in the Atlanta Regional Commission jurisdiction are identified by the **Housing Affordability Factor (HA)**: having a measure of insufficient housing.
- One county and one place are identified by the **Housing Problems (HP)** factor of having widespread housing burden or substandard housing.



ARC Data for Housing Barriers

- The ARC hosts an online map and toolkit called the [Metro Atlanta Housing Strategy](#) developed to assist the region's local governments by identifying barriers to affordable housing and assessing strategies.
- This tool connects housing strategies across multiple jurisdictions to find common solutions within housing markets.
- Based on each jurisdiction's housing markets, the tool recommends strategies to:
 - Increase housing supply
 - Preserve existing supply of affordable housing
 - Reduce housing and transportation costs
 - Expand capital resources
 - Promote housing stability
 - Develop leadership and collaboration

ARC Metro Atlanta Housing Strategy



TOP STRATEGIES FOR SUBMARKET 1

- Increase Supply
- Preserve Affordable Supply
- Reduce Housing & Transportation Costs
- Expand Capital Resources
- Promote Housing Stability
- Develop Leadership & Collaboration on Affordability

Increase Supply – 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.

- > Implement zoning to allow for increases in residential density by reducing setbacks, minimum square footage requirements and allowable housing types. **Resources:**
 - > [Atlanta's Zoning Ordinance Diagnostic](#)
 - > [Buckhead Village FAR Bonuses and Public/Private Incentives](#)
 - > [Zoning Updates allowing for ADU's & "Missing Middle" Housing](#)
 - > [Eliminate Minimum Gross Floor Space in Cities w/ Populations under 125,000](#)
- > Audit and reform construction standards and building codes to get rid of excessive or obsolete standards and codes. **Resources:**
 - > [Drivers of Multifamily Housing Costs and Affordability in Atlanta](#)

Increase Supply – LEVERAGE PUBLIC LAND

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

- > Donate land or participate in joint development of identified residential development sites to increase affordable housing. **Resources:**
 - > [MARTA Joint Development Program](#)

Increase Supply – ESTABLISH POLICIES SUPPORTING AFFORDABLE HOUSING

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

- > Implement incentive-based Inclusionary Zoning Ordinance to include a percentage of units affordable to lower-income residents. **Resources:**
 - > [Brookhaven Mandatory Workforce Housing Report](#)
 - > [Beltline Inclusionary Zoning](#)
 - > [City of Atlanta Inclusionary Zoning Policy](#)

Expand Capital Resources – CREATE AND ATTRACT NEW FINANCING MECHANISMS

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

- > Provide gap funding for 4% LIHTC financing to enable the full utilization of 4% tax credit programs for acquisition and rehab of residential buildings. **Resources:**
 - > [Lancaster County Multi-Family Bonds](#)
- > Engage the social impact-focused private sector to create low-cost equity funds and support gap funding for affordable housing development and preservation. **Resources:**
 - > [Georgia Social Impact Collaborative](#)

Priority Geographies + MAHS

	#1 Recommendation MAHS					#2 Recommendation MAHS				
COUNTIES	Increase Supply	Expand Capital Resources	Develop Leadership	Preserve Affordable Supply	Promote Stability	Increase Supply	Expand Capital Resources	Develop Leadership	Preserve Affordable Supply	Promote Stability
Fayette County	X							X		
Forsyth County	X							X		
Fulton County	X							X		
	#1 Recommendation MAHS					#2 Recommendation MAHS				
CITIES OR TOWNS	Increase Supply	Expand Capital Resources	Develop Leadership	Preserve Affordable Supply	Promote Stability	Increase Supply	Expand Capital Resources	Develop Leadership	Preserve Affordable Supply	Promote Stability
Chamblee city		X								
Decatur city		X								
Druid Hills CDP		X								
North Decatur CDP		X								
North Druid Hills CDP		X								
Scottdale CDP		X								
Smyrna city		X				X				
Gresham Park CDP				X						X
Clarkston city					X				X	
Canton city			X			X				
Holly Springs city			X			X				
Berkeley Lake city			X			X				
Vinings CDP	X								X	
Dunwoody city	X								X	
Fayetteville city	X								X	
Peachtree City city	X								X	
Tyrone town	X								X	
Johns Creek city	X								X	
Sandy Springs city	X								X	
Mountain Park city	X								X	
Suwanee city	X								X	
Lake City city	X								X	
Fair Oaks CDP	X								X	
Douglasville city	X								X	
Grayson city	X								X	
Morrow city	X								X	
Lakeview Estates	X								X	
Ball Ground city	X									
Brooks town	X									
Woolsey town	X									
Milton city	X								X	

ARC Planning and Technical Assistance

- One of the most successful programs of the ARC is the Livable Centers Initiative (LCI) program.
 - Funded through Federal transportation dollars
 - The ARC region has over 130 LCI Communities
 - ARC has overseen more than 137 transportation projects and has allocated over \$20 million in total study funds and \$301 million in transportation funds
- The LCI program is operated in ARC's community development department.
- Projects are awarded to local jurisdictions which use the RFP process to select consulting experts and partners.
- If awarded, the ARC will utilize grant funding to create a similar program for housing for which local jurisdictions can apply for grant funding for housing planning and technical assistance.

ARC Leadership Programs

- The ARC operates several leadership programs in the region. The Local Leadership Housing Action Committee (LLHAC) has a primary focus on breaking down barriers to affordable housing.
- LLHAC is a committee convened each year by ARC and is comprised of 10-13 mayors and city commissioners across the Metro Atlanta region.
- During the last three months of this year-long program, leaders make commitments to further progress on affordable housing.
- The first cohort of LLHAC concluded in 2022 and included elected representatives from 5 HUD-identified priority geography places and three counties which include priority places.
- The 2023 LLHAC cohort is in the process of defining its affordable housing commitments.

ARC LLHAC Successes

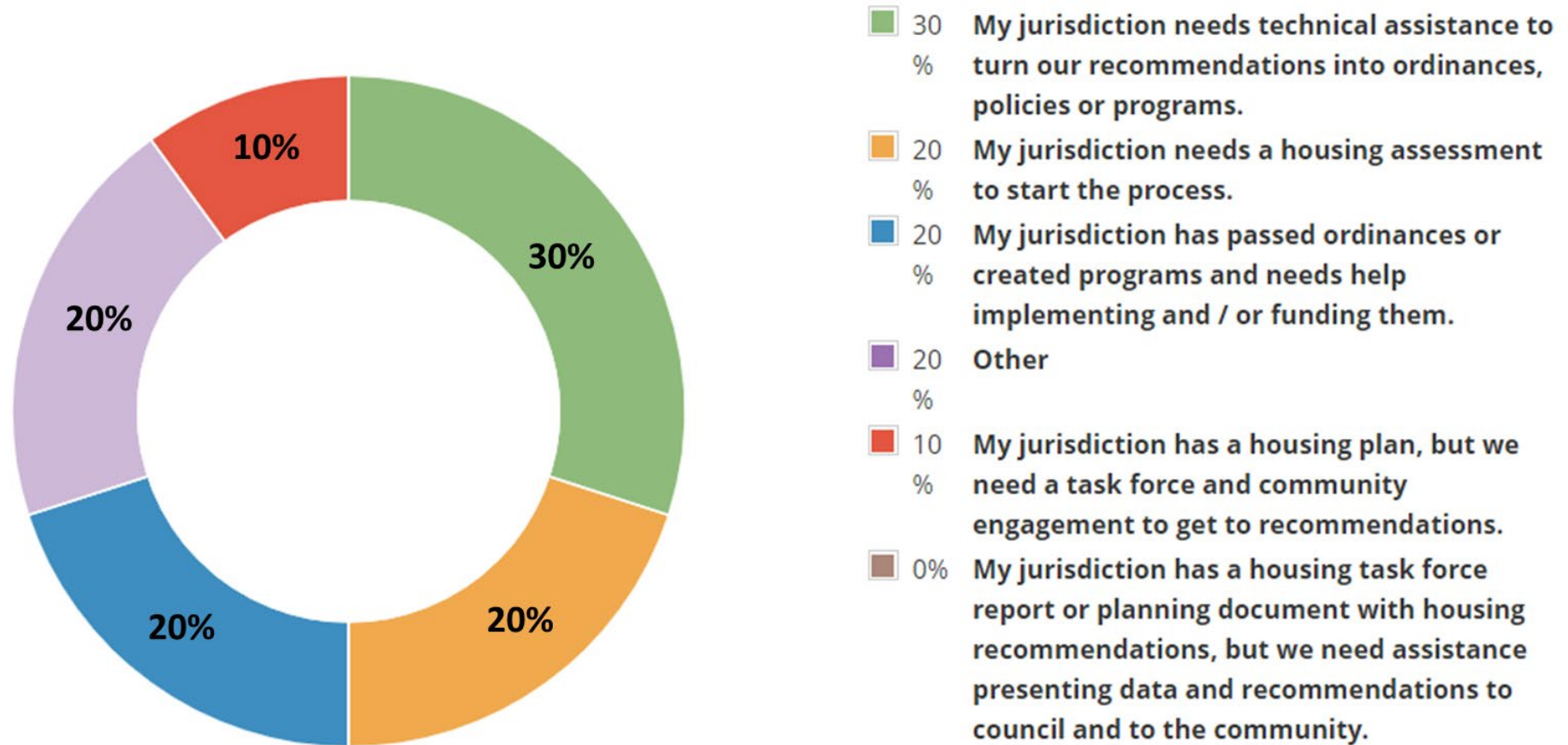
- The 2022 LLHAC cohort has achieved many successes. Needs for planning and technical assistance will continue to further these initiatives.
 - Zoning reform: City of Decatur implemented missing middle ordinance.
 - Zoning reform: Gwinnett County implemented missing middle ordinance.
 - Housing Task Force creation: Cobb County created the Advance Cobb Task Force.
 - Financial resource creation: Gwinnett County launched a notice of funding opportunity for affordable housing and is exploring tools such as Low Income Housing Tax Credits and Tax Allocation Districts. It is in the process of developing a toolkit for affordable housing developers.
 - New program creation: Decatur created the Decatur Home ReHAB program for low-income seniors.
 - Identification of public land for housing: both Decatur and Gwinnett are in the process of identifying public land for affordable housing. The City of Decatur's partnership with the Decatur Housing Authority will produce 132 affordable units on city-owned land.
 - Homelessness: Henry County commissioned a Plan to Address Hidden Homelessness in Henry county in partnership with the ARC and Georgia Institute of Technology.

Preservation of Existing Affordable Housing

- In addition to tying grant funding to help implement commitments made during the LLHAC program, ARC will focus on new data tools and resources for affordable housing preservation.
- Grant funding goal to expand the Affordable Housing Preservation Map and Toolkit created by Enterprise Community Partners and which is held by HouseATL.
- Currently developed for Atlanta, would expand tool to region.
- Identification and strategies for expiring subsidized affordable housing.
- The risk of loss of expiring properties in the Metro Atlanta region as they near Year 15 equates to over 43,000 properties.

Determining Needs: ARC LLHAC Participant Survey

Which statement best describes the affordable housing progress in your jurisdiction?



Determining Needs: ARC LLHAC Participant Survey

Member jurisdictions were asked to select all needs that apply to their jurisdiction:

- 89% need to establish programs for housing land trusts, land banks, and/or housing trust funds.
- 89% need to establish programs for homeowner stabilization.
- 89% need to expand incentive programs for affordable housing.
- 78% need to establish new community education and engagement efforts.
- 78% need to establish policies and programs to address vacant and blighted properties.
- 78% need to develop tools and strategies to preserve existing housing.
- 67% need to develop or update housing plans, community development strategies, or zoning.
- 44% need help in property tax relief strategies for low to moderate income households.
- 33% need assistance in developing new by-right permitting procedures.
- 33% need assistance to reduce parking requirements, setbacks, lot sizes, or other.

Determining Barriers: HUD Consolidated Plans

HUD Consolidated Plan Barriers to Affordable Housing

The ARC examined local HUD Consolidated Plans to review barriers identified therein, and many correlate to those identified through the survey and the Metro Atlanta Housing Strategy.

- Need for Zoning and Incentive Programs.
- Home Ownership: One primary barrier is the shortage of available units in areas of economic opportunity.
- Lack of Housing and Transit Connection There is a shortage of housing served by transit and other amenities in Fulton County.
- Need for Affordable Housing Education: Stakeholders and community members also added perceived undesirable effects of affordable housing policies.
- Mismatch between jobs and housing.
- Preservation of affordable housing.
- Lack of supply of affordable units.
- Need for home rehabilitation programs.

ARC Proposal: LLHAC Housing Action Grants

1. Grant funding furthers CEDS Action Item 1.2: to *Expand the Metro Atlanta Housing Strategy in coordination with the Local Leadership Housing Action Committee (LLHAC)*.
 - ARC will achieve this goal by utilizing grant funding to expand the structure of the Local Leadership Housing Action Committee (LLHAC) to model this program after the ARC's most successful grant-funded program, the Livable Centers Initiatives (LCI).
 - LLHAC 2022 Cohort has proven success:
 - Zoning Reform
 - Housing Task Force development
 - Financial resource development
 - New programs
 - Depth of partners for LLHAC: Enterprise, ANDP, ULI Atlanta, Atlanta Fed, Georgia Conservancy
 - Community Development department expertise: CDAP, LCI, Community Engagement, Data
 - Planning and technical assistance have proven results over a large geographic area.

ARC Proposal: Preservation Map & Toolkit

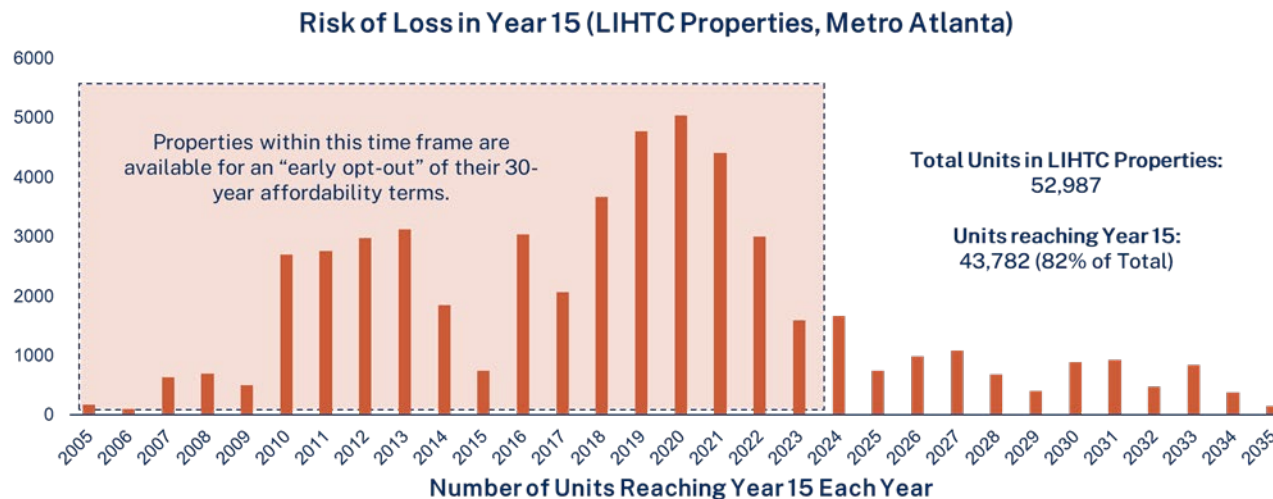
2. Preservation Map and Toolkit

- Expand the Affordable Housing Preservation Map and Toolkit created by Enterprise Community Partners as a pilot for City of Atlanta.
- Expand tool for affordable housing identification for 11-county region.
- Develop preservation strategies for identified properties.
- Link cities with potential partners.

SUBSIDIZED INVENTORY

Risk of Loss

The risk of loss is particularly acute for LIHTC properties as they near Year 15. The following chart highlights the number of units in properties that have reached Year 15.



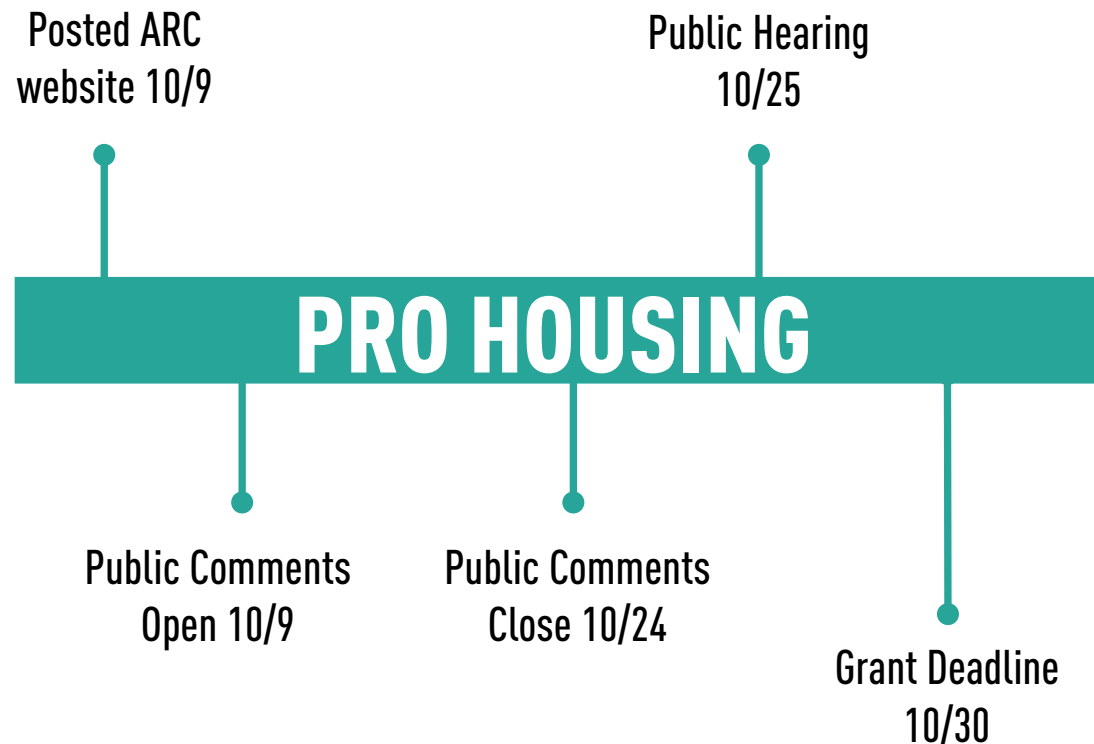
Grant Timeline: Five Housing Action Grants / Year

Milestone	CY 2024				CY 2025				CY 2026				CY 2027				CY 2028				CY 2029			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fund Obligation																								
2022 LLHAC Cohort																								
2023 LLHAC Cohort																								
2024 LLHAC Cohort																								
2025 LLHAC Cohort																								
2026 LLHAC Cohort																								
Develop Preservation Tool for Region																								
Grant Funds Expended																								

Funding grants are obligated
 Funding grants are expended

PRO Housing Grant: ARC Application

- Atlanta Regional Commission website: <https://atlantaregional.org>
- ARC Removing Barriers to Housing Production and Preservation Application
- [Public Notice: FY 2023 Notice of Intent to Apply for Federal Grant Funds - ARC \(atlantaregional.org\)](#)



Provide Public Comment

Public Hearing 10/25/23

Email: kallin@atlantaregional.org

Phone: 470-378-1636

Public Comments close at 11am on
10/25/23



ONE **great** REGION

Questions

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ARC
Atlanta Regional Commission