

The image is a composite background. On the left, there is a close-up of a bright red door. The door has a semi-circular window at the top with a decorative leaded glass pattern. Below the window is a silver handle and a lock. To the right of the door is a brick wall made of reddish-brown bricks with grey mortar. The text is overlaid on the brick wall.

← Finding HOME

*A Proposal to Improve Housing
Affordability in Athens, Georgia*

DRAFT

Version 5.0

Presented by the Georgia Initiative
for Community Housing, Athens Team

February 2019



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Introduction

Home is the foundation of personal prosperity and a building block of community. With safe and stable housing as a given, individuals can grow, explore and develop. In many ways, improving housing is the most impactful means for improving quality of life. This report presents the findings of the Georgia Initiative for Community Housing - Athens Team - and lays out an action plan for improving Athenians' access to quality, safe and affordable housing.

Today we fall short. Housing affordability is generally decreasing in Athens due to a number of factors. Increasing poverty, rising rent and housing costs, and factors particular to Athens have all contributed to the challenge. Despite the wealth of active and effective organizations focused on the issue, the community is falling short in providing for the great need for low to moderate income housing.

There is an opportunity to make a difference. Despite the current situation, there are still opportunities to make a difference and confront the challenge. The Athens community must focus on those strategies within their control to increase the pool of affordable housing especially for Athenians in the greatest need.

Condition

Housing affordability is an immensely complicated topic with hundreds of variables and contributing factors. To better understand the conditions and trends, the GICH Team approached their analysis from three angles: People, products, and particulars. The highlights from these findings are articulated below.

People. Housing affordability is a relative measure and varies significantly between regions and metropolitan areas. Factors like income, cost burden, and renter vs. owner make-up help illuminate this relative level of need in a community. In Athens, these data reveal significant need, even when adjusted for the student population.

HOUSING UNITS
PER CAPITA

.13

Compared to the State (.21), Athens has half as many housing units per resident.

ADJUSTED POVERTY
RATE

28.4%

After removing the balance of college age residents from the measure, the poverty rate decreases by eight points, and is middling compared to Georgia's 159 counties.

Products. Qualifying for housing assistance does not guarantee a family will receive a subsidy or equivalent assistance. Just as there can be competition for limited units for market rate housing, the subsidized market has a

limited number of highly sought after units. To qualify for these units, tenants must meet significant qualifications and wait times can be in the order of years. The "products" that make-up the Athens affordable housing supply coupled with the relative amount of need, determine the community's overall demand for low to moderate income housing.

Particulars. There are several unique factors that contribute to the complexity of the housing affordability challenge in Athens. The community is home to the University of Georgia as well as several

other colleges. This increases the competition for affordable units and drives demand for purpose-built student housing. Additionally, the county is physically very small compared to other Georgia counties and has few obvious areas to easily develop. Last, Athens is the regional services hub, which also increases the competition for limited resources.

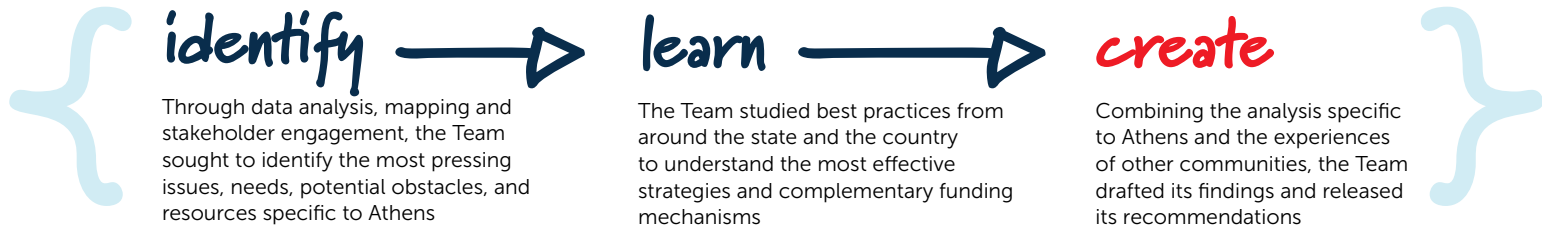
COLLEGE STUDENTS LIVING
OFF CAMPUS

17,813

According to 2015 Census estimates, there are 34,640 residents between the age of 18-24 years of age. About 17,800 UGA students are living in Athens or commuting from another community.

THE PROCESS

Engaging Athens-Clarke County housing partners in a process to develop strategies that will yield more affordable rental housing in the community.



identify

Through data analysis, mapping and stakeholder engagement, the Team sought to identify the most pressing issues, needs, potential obstacles, and resources specific to Athens

learn

The Team studied best practices from around the state and the country to understand the most effective strategies and complementary funding mechanisms

create

Combining the analysis specific to Athens and the experiences of other communities, the Team drafted its findings and released its recommendations

Our Vision...

Athens-Clarke County is a community where all citizens have access to decent and affordable housing so they may make a strong and stable home for themselves and their families.

Approach & Action

Through its work, the GICH Team has assembled an agenda of actions to confront the challenge of housing affordability. The strategies and policy recommendations presented represent a menu of options, curated by the GICH Team for their special potential in the Athens context. The variety reflect the systemic nature of the challenge. No single action can fully address the issue. The following strategies surround the challenge and work in concert.



STRATEGY 1:

INVEST IN THE HOUSING TRUST FUND

Housing Trust Funds are a dedicated source of revenue that are committed to producing and preserving affordable to lower income housing. In Athens, the housing trust fund can provide an innovative and flexible tool to address housing needs by providing the seed resources necessary for development and redevelopment.

STRATEGY 2:

INCENTIVIZE INCLUSIONARY DEVELOPMENT

Inclusionary development is an opportunity to address the deficit in affordable housing units through the momentum and energy within the private market. This supply-side approach rewards, rather than punishes, private developers for including affordable units in their development.

STRATEGY 3:

IDENTIFY OPPORTUNITIES FOR REDEVELOPMENT

Redevelopment will be the driving force for affordable housing development in Athens in the future. As the smallest county in Georgia, outward growth is a challenge; Access to transit is critical and adding new service is expensive. Redevelopment opportunities are critical to expanding the pool of affordable housing units.

STRATEGY 4:

SOLIDIFY CODE ENFORCEMENT PRACTICES

Maintenance is an overlooked, but critical component of the affordable housing equation. As a compliment to developing new units to meet a growing demand, the community must ensure older units remain safe and attractive.

STRATEGY 5:

COMBAT DISPLACEMENT

Gentrification is the process by which higher income households inadvertently displace a large group of lower income residents from a neighborhood, changing the character and personality of the place. Combating the displacement of long-term residents is critical to maintaining the pool of affordable housing units.



A call to action...

Quality affordable housing is an essential need for all Athens-Clarke County residents, yet this basic need is increasingly difficult to meet and the number of housing-burdened residents continues to grow.

The lack of stable affordable housing is associated with a host of community challenges, including poor health, poor educational outcomes, and generational poverty. Nearly one half of Athens-Clarke County renters are housing burdened, leaving very little income for other necessities. There is, however, an opportunity to make a difference.

Expanding the inventory of affordable rental properties will have the greatest impact in securing more stable and safe housing for those Athenians most in need.

Without intentional and immediate intervention, the gap between affordable and not may deepen beyond reproach. We must work collectively and address housing affordability in Athens-Clarke County today, and ensure all of our residents are able to find home.

On behalf of the full Athens GICH Team, thank you for reviewing the following briefing package, and please consider your role the solution.

Sincerely, The Athens GICH Team

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Members of the Athens GICH Team met for three years to complete their analysis.

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1. INTRODUCTION

Home is the foundation of personal prosperity and a building block of community. With safe and stable housing as a given, individuals can grow, explore and develop. Improving access to housing is, in many ways, the most impactful means for improving quality of life. This report presents the findings of the Georgia Initiative for Community Housing - Athens Team and lays out an action plan for improving Athenians access to quality, safe and affordable housing.

Finding Home: A Growing Challenge & Urgent Call to Action

However you define it, housing is a critical factor for human development. A stable and safe living environment leads to better personal outcomes and, in turn, a more equitable and productive society overall. But providing for this basic need is a growing challenge. Over the past several decades the costs of home construction, both in Athens and across the country, have steadily increased. The incentives for developing moderate to low-income housing without subsidy have fast dissolved. At the same time, the need for these units has increased significantly. Wage stagnation, manufacturing decline and increases in daily expenses have all contributed to a growing cycle of poverty and income inequality. This stickier floor on the bottom of the income ladder traps more and more families each year and when coupled with general increases in housing costs, the need for housing becomes urgent.

Housing is, almost without exception, a family's largest, recurring expense. As a general guideline, an affordable unit for an individual or family should cost less than 30 percent of their monthly income. Close to half of Athenians, 49.6 percent, who rent

their housing pay more than 30 percent of their gross income in rent. While this number is relatively unchanged from 2000, it is four and five points higher than the national and state averages. And on average, the less you earn, the higher the share of your income you spend on housing. A two-person household earning the minimum wage (\$7.25 per hour) would need to work 97 hours a week to afford a fair market rent two-bedroom in Georgia (\$911 per month) and not be qualified as cost burdened. The need for affordable housing is urgent and growing. This report presents the case for action, the vision for transformation and the menu of potential projects, policies, and programs to address the challenge.

This work provides a summary of the analysis of the Georgia Initiative for Community Housing (GICH) - Athens Team's major findings. It includes a summary of pertinent national trends, a focused analysis of the challenges unique to Athens, a guiding vision statement to lead the community forward, and a series of intervention strategies presented as a response to the most pressing challenges.

What is GICH?

The Athens group is made up of a multi-disciplinary team coming from the public, private, and non-profit sectors. Each team member brings a unique perspective from their professional experience. This has helped the Team think holistically about the challenge and develop strategies with the greatest potential impact. Through their three-year work program, the team assembled datasets, studied best practices, conducted interviews, and worked with peer communities to develop a clear and well-vetted set of recommendations.

In 2015, Athens Clarke County Applied for and was accepted into the Georgia Initiative for Community Housing (GICH). GICH is the preeminent source for housing best practices, information and training. This Three-Year facilitated program helps communities improve their quality of life and economic vitality through the development of locally-driven and revitalization strategies.

GICH offers training and technical assistance facilitators and twice yearly housing retreats for participating communities with the support and resources of the Georgia

Power Company, the Georgia Department of Community Affairs (DCA), the Georgia Municipal Association (GMA), the University of Georgia (UGA) Housing and Demographics Research Center, and the UGA Office of the Vice President of Public Service and Outreach.

Local GICH Teams are intentionally organized to include stakeholders from both the public and private sectors including elected officials, local government staff, housing authorities, land banks, non-profit agencies, lending institutions, realtors, developers, school systems, chamber of commerce, social service organizations, individuals and others to craft a housing work plan to guide them through the process. The goals, objectives,

progress, challenges, and accomplishments of the plan are reviewed and updated every six months. By participating in the GICH program and maintaining their alumni status, successful communities can be awarded grant application points for state and federally funded housing programs.

Since 2004, 66 communities have participated in GICH and five new communities have just begun their three-year housing journey, all steadily enhancing their knowledge and initiative in addressing housing issues in their local areas. Athens is the largest community (by population) to participate in the program to date.



Members of the Athens GICH Team met for three years to complete their analysis. This included several retreats to other Georgia communities who are working on similar issues.

THE ATHENS GICH PROCESS



The Athens GICH Team process took place over three years and was able to leverage other community initiatives like Envision Athens to assemble data and draw conclusions.

THE FOCUS

Engaging Athens-Clarke County housing partners in a process to develop strategies that will yield more affordable rental housing in the community.

What have we learned? What will we do?

Most simply put, the GICH process has revealed an acute need for more affordable housing in Athens. Through technical research, stakeholder interviews, and a review of peer community experience, the Team has develop a logical approach to confronting this challenge. This, however, is a complex and systemic issue. There are multiple variables, some of which are outside the control of the

community. But inaction will have resounding consequences and greatly limit the potential of Athenians. The strategy recommendations include more specific projects, policies, and programs that, taken collectively, will help move Athens toward a more equitable model for housing affordability. The strategies include:

- Invest in the Affordable Housing Special Revenue Fund
- Enable incentives that promote inclusionary development
- Identify troubled properties for redevelopment
- Solidify code enforcement practices
- Combat Displacement of Existing Neighborhood Groups

2. PERSPECTIVE

Athens is not alone in addressing housing affordability. Communities across the country are struggling to confront this challenge at multiple scales and through diverse initiatives. This community has the opportunity to learn from these examples and apply the most relatable and demonstrably successful, best practices. This section defines key terms and highlights the important trends related to housing affordability.

A National Issue

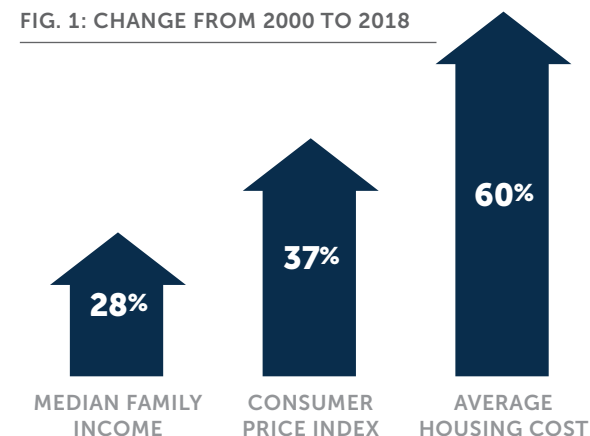
Housing affordability is a popular topic around the country, especially in major, growing metropolitan areas. In some parts of America, this challenge is quickly becoming a crisis as workers are forced to commute farther, homelessness increases, and a burgeoning demand for moderate to low-income housing is left unmet. The story in America's largest city's, however, overshadows the reality that affordability is a challenge at every scale. Housing is simply more expensive to build today than it once was. This coupled with the increasing insecurity of federal and state funding, means communities are being forced to look inward for solutions and meet the growing demand with new supply.

There are a number of factors that contribute to the affordable housing shortage in communities. These deal in both supply and demand questions, as well as actions by the

private, public and non-profit sectors. These factors include the:

- Growing cost of construction and limited incentive models
- Increasing demand based on stagnating or diminishing wages, or divergence for rent increase from income increase
- Building insecurity and inadequacy of Federal and State support programs and funding
- Addressing the full spectrum of need from homelessness to workforce housing
- Focusing on the false competition between the product itself (owner-occupied vs. rental, single-family vs. multi-family)
- And many other factors

FIG. 1: CHANGE FROM 2000 TO 2018



Source: The Importance of Affordable Housing to Economic Competitiveness, David Schwartz, 2018

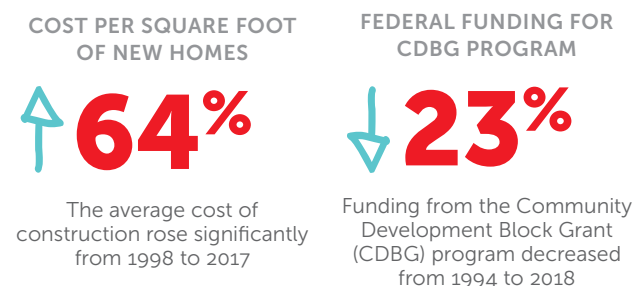
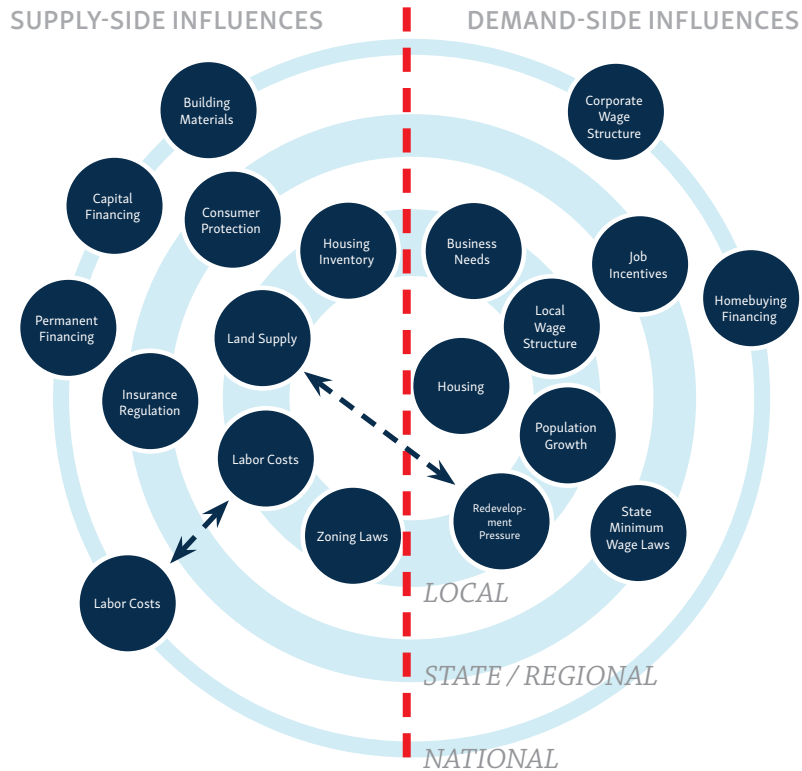


FIG. 2: INFLUENCES OF HOUSING COSTS, GENERAL



Source: The Importance of Affordable Housing to Economic Competitiveness, David Schwartz, 2018

What is “Affordable”? What are the Trends?

Housing affordability can be measured in a number of ways. Some of these metrics are quantitative (numbers informed by data) and can be benchmarked over time or compared across regions. Others are qualitative and evaluate the condition through the experience of individuals or active organizations. An accurate measure combines these two methods and connects the experience with the hard, comparable data.

Quantitative measures for affordability generally focus on the relationship between income and housing costs. The “cost burden” of housing is one example of a comparative statistic for relating relative housing costs across metropolitan areas, even where

incomes and costs of living might vary substantially. Other measures include eviction rates, income and wages, supply vs. demand evaluation and so on. Qualitative information localizes the data through first-hand accounts and experiences.

Regardless of the specific measure, housing affordability is decreasing across the country. In a 2018 article entitled *The Importance of Affordable Housing to Economic Competitiveness*¹, author David Schwartz compared the changes in cost of living and income against the relative change in housing costs. The median growth in income of 28 percent was exceeded by cost of living, 37 percent and especially housing, 60 percent.

Housing as a Critical Factor for Human Development

Housing is a stabilizing force for human development and a key influence on personal outcomes. A 2013 paper from the National Institute of Health linked housing characteristics such as safety, stability, and affordability with the overall well-being of low-income children and adolescents. The study found housing to be a potent force influencing children’s healthy growth and development. The process was longitudinal, following 2,400 children from age 2 to 21, and tracking their relative development against qualitative analysis of housing condition.

These data revealed significant “detrimental effects from housing instability”, especially among young people. This instability is further linked to poor, long-term economic outcomes for children raised in unstable living situations. Affordability plays into this cycle. As the market in an area drives up rent costs and/or wages remain stagnant, the pressure on low-income renters increases as the competition for affordable units increases. This competition also extends to subsidized units through housing voucher programs.

“It is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart.”

Matthew Desmond
Evicted: Poverty and Profit
in the American City

3. FOCUS

Housing affordability is a growing problem in Athens. The community faces a number of unique challenges. These can be generally organized by factors pertaining to the people that live and work in Athens, the housing products and market, and the particular characteristics of the county that make the housing challenge unique. This section focuses on these three areas and highlights the most pernicious conditions and trends.

PEOPLE

This section provides an overview of the demographic conditions in Athens that help define the demand for affordable housing. The data presented here relate to population growth, poverty, income and earnings, housing cost burdening, and other factors. Taken together, these statistics highlight an acute and growing demand for affordable housing options.

ADJUSTED POVERTY RATE

28.4%

After removing the balance of college age residents from the measure, the poverty rate decreases by eight points, and is middling compared to Georgia's 159 counties.

PRODUCTS

This section analyzes the supply-side of affordable housing provisions in Athens today. This includes data related to the type, condition, rent demand and pipeline development for the community. Supply-side considerations are critically important to the housing affordability conversation. On the whole, Athens has fewer housing units per resident than the state average, but a greater diversity in housing types.

HOUSING UNITS PER CAPITA

.13

Compared to the State (.21), Athens has half as many housing units per resident. This increases competition for all housing units and will intensify as population growth outpaces housing growth.

PARTICULARS

There are many factors that make the Athens housing affordability challenge unique. As a university community, the county is home to thousands of young people also in the market for affordable housing options. Additionally, as one of the smallest counties in the state, developable land is scarce and drives up the cost of existing housing. These, and other factors like existing housing programs, are further explored in this section.

COLLEGE STUDENTS LIVING OFF CAMPUS

17,813

According to 2015 Census estimates, there are 34,640 residents between the age of 18-24 years of age. About 17,800 UGA students are living in Athens or commuting from another community.

PEOPLE

Housing affordability is a relative measure and varies significantly between regions and metropolitan areas. Factors like income, cost burden, and renter vs. owner make-up help illuminate this relative level of need in a community. In Athens, these data reveal significant need, even when adjusted for the student population. In this section, data are presented to support this contention.

INCOME & POVERTY

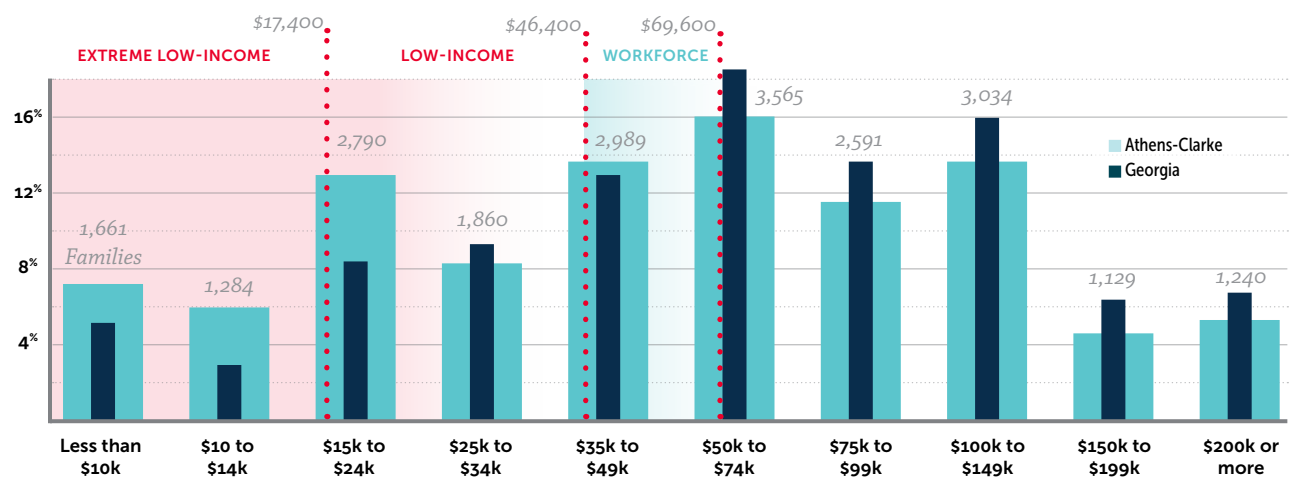
Athens is a high-poverty community, even when adjusting for the student population.

Using the standard calculation, close to 37 percent of residents live below the poverty line. This figure includes some, but not all of the college-aged population. When corrected for this segment, the rate decreases to 28 percent, still in the top half of Georgia counties. Regardless of the correction, every age segment has a higher rate of persons in poverty and has increased since 2000. Only the over-65 cohort ties the state and decreased since 2000.

Based on HUD income thresholds, 1 in 4, or over 10,000 families in Athens earn less than the "low income" threshold.

Each year, the US Dept. of Housing and Urban Development calculates the median income for the Athens-Clarke County MSA based on the American Communities Survey and a basic inflation metric. This figure, measured as \$58,000 in 2018 (Georgia \$65,000), is used to define levels of need including "extremely low income" (30% of area median income), "very low income" (50% of area median income) and "low-income" (80% of area median income). AMI between 80 and 120% is typically identified as workforce housing. By applying these thresholds to family income we can generally quantify the

FIG 3: ANNUAL FAMILY INCOME BREAKDOWN, ATHENS-CLARKE COUNTY



Source: American Communities Survey 2017

current levels of need in the community. Based on the 2017 American Communities Survey data, more than 10,000 families or roughly 30,000 individuals, in Athens earn at or below the low-income threshold defined by the AMI criteria. This is nearly three times the number of families in the workforce housing category. By isolating families in the calculation, however, we eliminate other needy households types including students. The actual total is higher when accounting for these additional groups.

FAMILIES EARNING BELOW THE "LOW INCOME" THRESHOLD DEFINED BY HUD

10,580

AMI calculations are determined based on HUD's annual assessment of median income in a metropolitan area. These calculations take the market and incomes into effect.

WORK HOURS REQUIRED TO AFFORD FMR 2-BEDROOM HOME AT MINIMUM WAGE

83

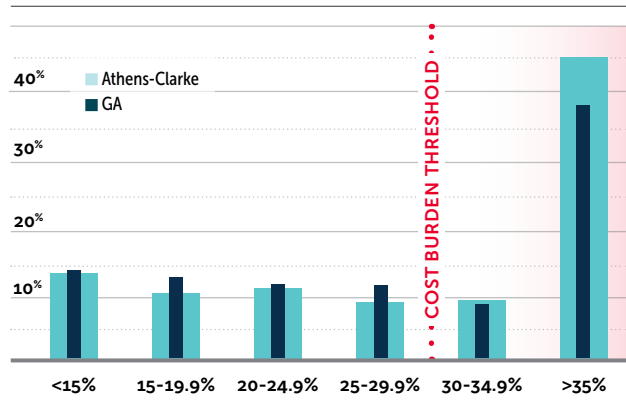
An Athenian household led by two fully-employed adults would need to work three additional hours over "full time" employment to afford a modest two-bedroom apartment at the Fair Market Rate (FMR) at minimum wage

RENT & COST BURDEN

There is a significantly larger share of renters compared to owners. Athens is a rental community. With more than 61 percent of housing units occupied by renters, Athens has almost twice as many renters compared to the state average. Accordingly, there are 50 percent more physical rental units than owner-occupied. The relative share of renters in Athens increased 3 points from 2000, from 58 to 61 percent.

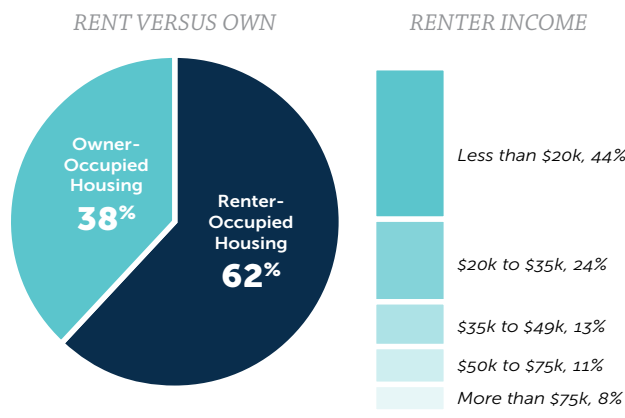
Renters earn significantly less. Just under 70 percent of renters earn less than \$35,000 per year, and renters who earn less are three times as likely to be burdened by the cost of rent. The estimated mean renter wage in Athens, \$13.42, is three dollars less than the state of Georgia, \$16.28. At this mean rate, renters can afford a unit priced at \$698 per month, nearly one hundred dollars less than the Fair Market Rent for a modest 2-bedroom.

FIG 5: PERCENT OF INCOME SPENT ON RENT



Source: American Communities Survey 2017

FIG 4: PERCENT OF INCOME SPENT ON RENT



Source: American Communities Survey 2017

Higher share of cost burdened renters compared to the state. A cost burdened household pays more than 30 percent of its monthly income to rent or a mortgage. More than 50 percent of renters in Athens are cost burdened by housing, eight points higher than the state average. Low-income households are most likely to be burdened by housing costs. More than 80 percent of households earning less than \$35,000 pay more than 30 percent per month for rent. At the same time, rents in the community are generally lower than the state, but, because of lower income and earnings, the share of income reserved for housing is higher than the state.

COST BURDENED BY RENT COST

50%

Nearly half of Athens renters pay more than 30 percent of their income on rent

Higher levels of transience. Athenians move more often when compared to other Georgians, with ten percent having moved into their current housing unit after 2015. This is twice the state measure of six percent. Just under 60 percent of Athenians have lived in their current home for more than ten years.

Based on Fair Market Rent (FMR) a household would need to work 83 hours a week at minimum wage to afford a modest two-bedroom apartment. Ignoring supply, based on the FMR for the Athens-Clarke Metropolitan Statistical area, a household with two fully-employed adults would need to work more than full-time at minimum wage to afford a two-bedroom apartment in the community. The "Housing Wage" or the rate of pay equivalent with market costs to afford this same unit is \$15.06 for an individual. These rates assume that the householder pays no more than 30 percent toward rent. The affordable rent at minimum wage (\$7.25 per hour in Georgia) is \$377, or nearly \$400 less than the Fair Market Rate in Athens, \$783. The FMR is the Department of Housing and Urban Development's best estimate of what a household seeking a modest rental home in a short amount of time can expect to pay for rent and utilities in the current market. These estimates are updated with the annual American Communities Survey.

CONCLUSION

High levels of poverty mean more Athenians are significantly burdened by housing costs.

PRODUCTS

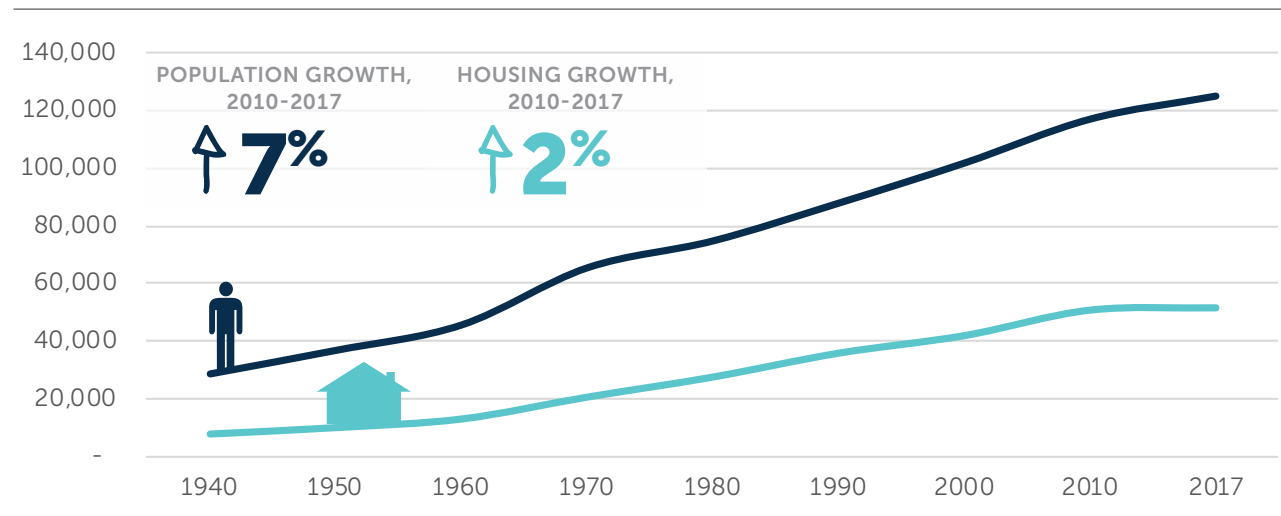
Qualifying for housing assistance does not guarantee a family will receive a subsidy or equivalent assistance. Just as there can be competition for limited units for market rate housing, the subsidized market has a limited number of highly sought after units. To qualify for these units, tenants must meet significant qualifications and wait times can be in the order of years. The “products” that make-up the Athens affordable housing supply coupled with the relative amount of need, determine the community’s overall demand for low to moderate income housing. This section provides an analysis of condition, location and inventory of the affordable housing products in the community today along with several factors that affect demand.

POPULATION VS. HOUSING GROWTH

Population growth in Athens will squeeze existing supply of all housing, including affordable units. Between 2000 and 2016, Athens grew by more than 7,000 residents. Additionally, the size of Athenian households is shrinking along with the state and national average. These two trends increase the demand for new housing units in the community, driving prices up and decreasing supply. The condition of affordable in housing is, therefore a by-product of the community’s success and desirability. Historically, housing construction in Athens has trailed population growth. High growth population decades were followed by similar growth in housing construction. Recently, however, the rate of population increase has outpaced housing by a factor of three.

Athens has a relatively high share of “missing middle” housing types. As a university community, Athens’ housing stock is made up of a variety of types. This ranges from high-density apartment towers to single family homes on a half-acre lot or larger. Between these two density extremes are what housing experts refer to as the “missing middle”. Much more common in pre- and

FIG 6: POPULATION AND HOUSING GROWTH FROM 1940



Source: Decennial Census and American Communities Survey

early post-war America, duplexes, triplexes, garden apartments and so-on play a key role maintaining housing affordability. In more recently developed communities the housing variety consists of apartment buildings and single family homes. This middle form of housing creates a stepping stone between one type and another, while also enabling different forms of ownership. Where in the



Athens' housing stock is made up of a unique variety of types. This includes single-family homes, duplexes, and many others.

state of Georgia close to 70 percent of the housing stock is made up of single family homes, this is only 47 percent in Athens. Accordingly, more than 50 percent of the housing stock consists of a mixture of 2-unit to 20+ unit multifamily products.

HOME VALUE & COMPETITION

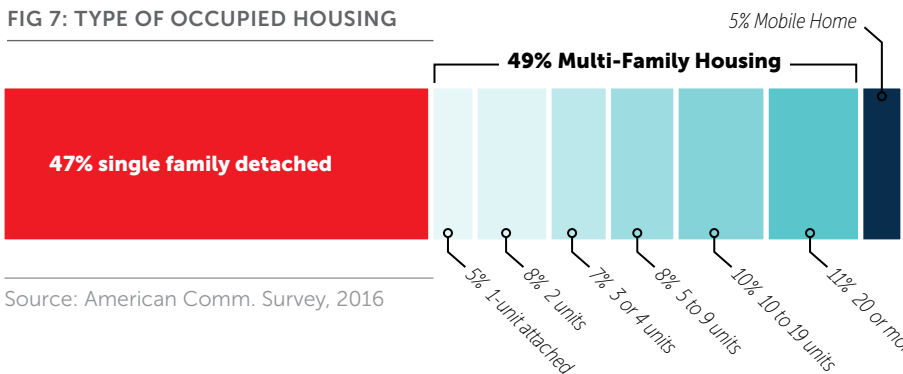
Housing value in Athens is similar to state but there is much less inventory per resident.

The median value of owner-occupied homes in Athens mirrors the state value at \$152,000. There is, however, significantly less inventory when measured on a per capita basis. For every resident in Georgia there are .21 owner-occupied housing units, in Athens there are less than .13. This smaller inventory per capita is driven by a number of factors including the size of the county, competition from student housing, and costs of construction.

Homeownership is out of reach for many low to moderate income residents.

The increasing local cost of new single-family home construction and average sale prices makes ownership difficult for low to moderate income buyers. While the competition for diminishing rental units has intensified, affordable ownership opportunities have almost completely disappeared. According to a recent study of workforce housing in Athens (residents earning between 60 and 120 percent of the Area Median Income) 64 percent of households make less than \$50,000 per year. With a median family income of \$32,162, affordable rent would equal \$804 and an affordable home price

FIG 7: TYPE OF OCCUPIED HOUSING



Source: American Comm. Survey, 2016

CHANGE IN RENT-ASKED, 2012 TO 2018

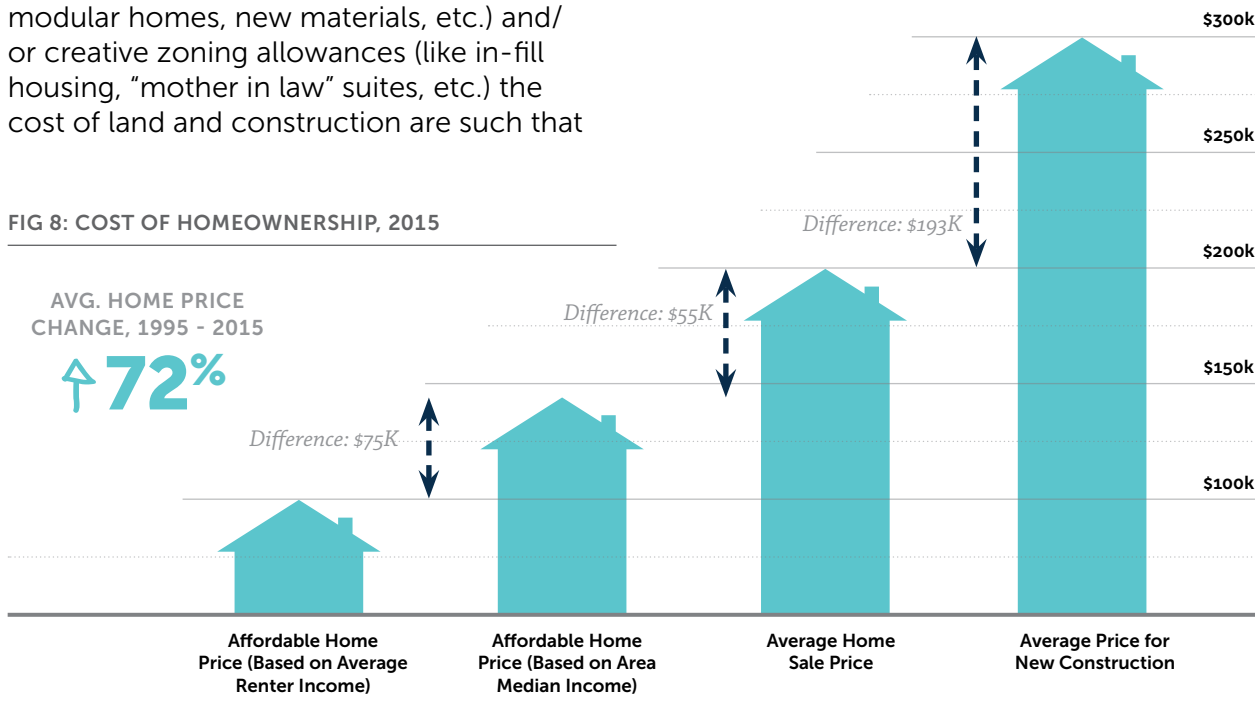
↑ 23%

According to data from Zillow.com, the average rent asked has increased every year from 1981 except for two (2011 & 12)

would be between \$130k-150k (depending on interest rates and available down payment). With the average sales price for all home types \$200,400 and \$338,028 for new construction there is a significant gap between affordability and availability. Even with novel forms of construction (like modular homes, new materials, etc.) and/or creative zoning allowances (like in-fill housing, "mother in law" suites, etc.) the cost of land and construction are such that

ownership options are prohibitively expensive. When the same calculation is applied using the average renter income (~\$26,700 per year) the affordable home price drops to between \$85,000 to \$105,000.

FIG 8: COST OF HOMEOWNERSHIP, 2015



Source: Athens-Clarke County Workforce Housing Comprehensive Assessment, American Communities Survey

Nearly half of rental properties in Athens are either marketed to or occupied by, students.

Just over 6,000 of the properties were defined as having high student occupancy. These were defined in the study as units with either 50 percent student occupancy or a lease-by-bedroom lease arrangement increasingly popular among student housing property owners.

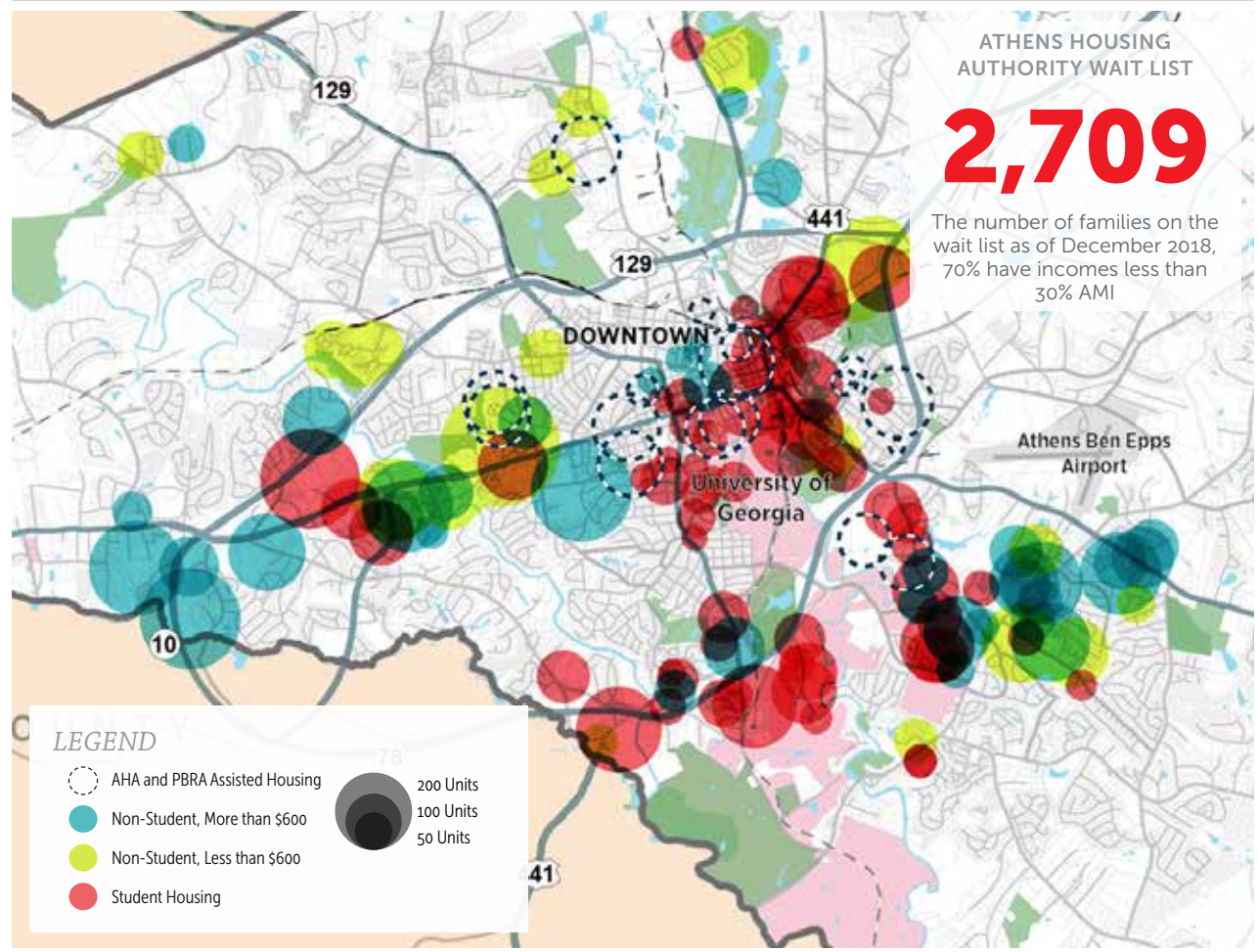
Residential construction outside Athens has primarily focused on single-family housing and construction inside the county has been in multifamily.

Between 2005 and 2015 19 apartment complexes were constructed in Athens, adding more than 2,200 new units. More than two thirds of these units were classified as student apartments. On the contrary, nearly 100 percent of the building in neighboring communities was in single-family housing. In a single year, 2015, Oconee, Madison, Barrow and Jackson Counties combined to permit 1,194 single family homes and just 64 multifamily units (primarily in Barrow County).

A full inventory of multifamily housing in 2015 revealed more than 119 traditional or publicly assisted apartment complexes, with just under 14,000 units.

This comprehensive survey focused on complexes with 24 or more units managed by a single entity. Of the 14,000 units identified, 2,255 were built between 2005 and 2015 (the original survey was performed in 2005). Among these newly constructed projects, the vast majority, 67 percent, targeted the student population. Just over ten percent were priced for workforce housing. This survey divided the market into

FIG 9: MULTI-FAMILY PROPERTIES BY TYPE, 2015



Source: Inventory and Assessment of Multifamily Rental Developments, John Wall & Associates 2015, ESRI, Athens-Clarke County Department of Planning and Zoning Data

four segments (illustrated in the map above): Publicly Assisted, Non-student units priced under \$600, Non-student units priced over \$600, and Student units. This study found vacancy rates among affordable properties (Less than \$600) to be 3.8%.

CONCLUSION

The rising cost of housing and available multifamily properties point toward a focus on affordable rental.

PARTICULARS

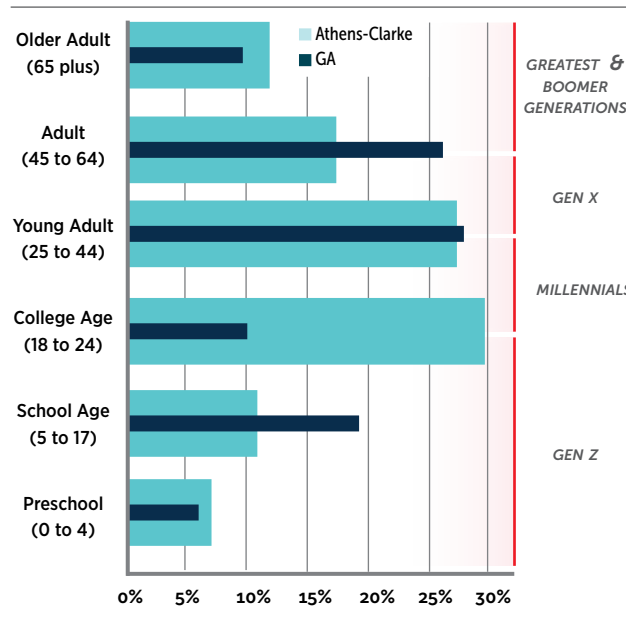
There are several unique factors that contribute to the complexity of the housing affordability challenge in Athens. The community is home to the University of Georgia as well as several other colleges. This increases the competition for affordable units and drives demand for purpose-built student housing. Additionally, the county is physically very small compared to other Georgia counties and has few obvious areas to easily develop. Last, Athens is the regional services hub, which also increases the competition for limited resources. This section provides data and background on several of the factor particular to Athens.

STUDENT POPULATION & HOUSING IMPACTS

With a student population of 34,000, roughly one in three residents in Athens is a student.

This large portion of the overall population skews many demographic and economic statistics and has an impact on the supply and demand for affordable housing. With a median age in Athens of 26.5, the community is ten years younger than the median in the State of Georgia. This college age cohort (18 to 24) also has the highest average poverty rate of any age group at over 50 percent. Student poverty, however, is a more nuanced statistic when compared with the data points for families. Students may report very low-income but also receive outside assistance through family members, loans or some other means. When corrected for the student population, the poverty rate in Athens decreases from 36 to 28 percent, still high in the state overall. Additionally, the US Census and American Communities Survey only count students who live outside of "Group Quarters" circumstances. This means, only students who are in theoretical competition for affordable housing units are counted.

FIG 10: SHARE OF POPULATION BY AGE COHORT



Source: US Census, American Communities Survey

POVERTY RATE AMONG COLLEGE AGE POPULATION

52%

The college age cohort, 18 to 24 years old, has the highest share of individuals in poverty. Young people in Athens are most likely to live in poverty, with 45% below the poverty line under 24

The majority of new multifamily housing development is in purpose-built student housing apartments. Between 2005-2015, there were 19 apartment developments with 2,255 new units built in Athens. 67 percent of those units are considered student apartments or housing. Modern student housing development differs from other housing types in terms of the lease structure, unit layout / arrangement, and included amenities. These changes make it more difficult for these developments to be converted into family or other forms of housing in the future. College communities across the southeast are seeing an increase in these purpose built, amenity rich housing options for students. As these projects compete with older units and with each other, multi-family developments on the periphery of Athens are seeing an increase in non-student rental or rise in vacancy.

"What you've seen ... [is] more of an urbanization of student housing, where more institutional players are coming in and developing ... higher-end, more urban-style properties to cater to the needs of today's college students,"

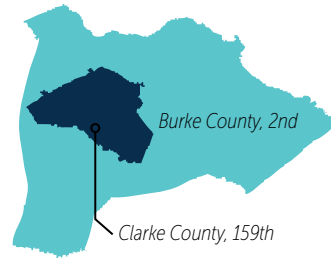
Wesley Rogers
CEO of Landmark Properties

COUNTY SIZE

Clarke County is the smallest of Georgia's 159 counties. Clarke County is ten square miles smaller than the next smallest county in the state. In 1875 the Georgia State Legislature established the boundaries for Oconee County splitting off half of Clarke County's land area in the process. The size of the county, coupled with land use regulations that preserve just under 40 percent of the county, mean there are fewer, large areas for greenfield development. This can, in turn increase the cost of land in the community adding to the overall costs for residential projects.

REGIONAL SERVICES HUB

Athens is a services hub for the northeast Georgia region. Through a myriad of public, private and non-profit organizations, Athens provides a wide spectrum of community services to an area much larger than the county. As one example, the Advantage Behavioral Health System based in Athens provides mental health and addiction services to vulnerable populations. While based in Athens, the organization identifies a ten county service area based on the lack of infrastructure in the region. The lack of these services in surrounding communities and a growing jobs base in Athens, make the community an attractive place to move for individuals and families in need.



TOTAL SIZE OF CLARKE COUNTY

122 SQ MI

Of Georgia's 159 counties, Athens-Clarke is the smallest by more than ten square miles

Athens Transit provides an essential connection for individuals and jobs, and effectively defines the focus area for housing programs based on its service area.

The county is served by two fixed-route transit service providers in Athens Transit and the University of Georgia Transit. Athens Transit is a leader in comparably sized systems and won the 2016 award for Urban Community Transportation System of the Year. The system operates 19 routes, serves more than 1.7 million passenger trips annually, and has a service area population of 116,714. The UGA system serves the campus areas, along with several spurs to neighboring student apartment complexes. The service area for these systems effectively defines the focus districts for affordable housing development. These areas decrease the cost for individual transportation and allow low to moderate income residents better access to jobs and services. Athens Transit is a proactive system and has analyzed potential growth areas in the community. In its 2016 Athens Transit Feasibility Study, several areas of the county were identified as having a high propensity for transit use, but a lack of frequent or available service.

Athens has a number of active and effective organizations involved in community housing. From property development / redevelopment facilitation to transitional services for the homeless population, Athens is well-served by a number of housing-focused organizations. These include, but are not limited to:

- **Athens Housing Authority.** Chartered under state law, a housing authority is an autonomous, not-for-profit public corporation to work in conjunction with local governments and agencies to develop long-term housing strategies for communities.
- **Athens Land Trust.** The Land Trust approaches sustainable development with a look toward addressing environmental, economic, and community needs to create healthy neighborhoods across Athens and the state of Georgia.
- **Habitat for Humanity.** Habitat works to eliminate substandard housing by constructing homes, rehabilitating and preserving homes, advocating for fair and just housing policies, and providing training and access to resources.

CONCLUSION

Unique circumstances in Athens demand a tailored approach to improving housing affordability.

4. VISION

The GICH Team believes that deliberate action is required to address the challenges of affordable housing in Athens. The strategies and action recommendations to follow, are led by a common vision for housing in the community.

THE VISION

Athens-Clarke County is a community where all citizens have access to decent and affordable housing so they may make a strong and stable home for themselves and their families.

A Time for Action

The growing shortage of affordable housing must be addressed to maintain the diversity and vibrancy of the community long-term.

The task is great and will require a common acknowledgment of the issues. An effective strategy will be coordinated across the public and private sectors and address supply and demand factors. Large financial commitments will be essential and, given the diminishing reliability of Federal and State sources, significant local resources will be required. But failure to address the issue will compound its consequences and result in a community that is less accessible, less robust, and less Athenian.

Housing affordability is a community priority. Through processes such as Envision Athens, the Athens Well Being Project, and Pathways to Prosperity: Athens Team in the Network for Southern Economic Mobility there has been a consistent emphasis placed on this issue. One of the fourteen goals within the Envision process (one of the largest community-driven planning processes in the county's history) focuses squarely on housing and the need for greater variety and affordability. The public has, time and again, shown strong support for action and investment to address housing needs.

A systematic challenge requires a networked solution. Fully addressing each of the factors that contribute to the housing challenge may be beyond the community's reach, but through a networked action, across disciplines and sectors, Athens can make a difference and achieve its vision. The following approach assumes this coordination, as it is essential for success.

5. APPROACH & ACTION

Through its work, the GICH Team have assembled an agenda of actions to confront the challenge of housing affordability. This section presents those findings through a series of five core strategies.

Over its three-year process, the GICH Team studied the challenge in great depth.

This includes general research into best practices through stakeholder interviews and community tours and specific analysis of Athens datasets, plans and – perhaps most important – personal experiences. Through this work, the Team was able to review hundreds of potential policies sampled from national and international experiences. This perspective has made one conclusion quite clear: Policies to address housing affordability must be closely tailored to the community they will serve. In the case of Athens, the GICH Team quickly realized that certain policies, while effective in other communities, may not be right in this context. Additionally, the strategies presented through the rest of this document represent a multi-faceted approach. Government will play a major role, but a successful effort will be led by a coalition of non-profit, public, and even private actors.

The strategies and policy recommendations presented in this chapter represent a menu of options, curated by the GICH Team for their special potential in the Athens context. The variety reflect the systemic nature of the challenge. No single action can fully address the issue. Rather, the Team believes that through a varied agenda the community can find the most effective strategies, build necessary partnerships, and measure progress annually. This is a long-term strategy and many of the actions are intergenerational in scope. Lastly, the Team was inspired in their research by the effectiveness and variety of existing organizations and agencies in Athens today. This agenda seeks to fully fund these groups, greatly expand their capacity, and unleash their creativity and expertise.



This chapter is organized by the five major strategies to improve housing affordability in Athens. The strategies are as follows:

- Invest in the Affordable Housing Special Revenue Fund
- Incentivize inclusionary development
- Identify opportunities for redevelopment
- Solidify code enforcement practices
- Combat displacement of existing neighborhood groups



STRATEGY 1:

INVEST IN THE AFFORDABLE HOUSING SPECIAL REVENUE FUND

Affordable Housing Special Revenue Funds are a dedicated source of revenue that is committed to producing and preserving affordable housing to lower income housing. In Athens, the Affordable Housing Special Revenue Fund can provide an innovative and flexible tool to address housing needs by providing the seed resources necessary for development and redevelopment. The state enables local jurisdictions to act using trust funds as powerful tools to help meet Georgia's policy goal to provide, "decent, safe, and affordable housing". The following section describes the advantages of the trust fund, a general background on the process, action recommendations necessary to realize the strategy, and relevant case study examples from around the country.

Why this strategy?

- Provides more local control and enables greater creativity in addressing the challenge of housing affordability
- Lessens the reliance on increasingly volatile Federal, State and philanthropic sources for funding either through public housing, Low Income Housing Tax Credit, or other programs
- Enables a more tailored approach to local housing environment that can engage partners from the public, private and non-profit sectors
- Allows for intervention opportunities at multiple scales and through project or programmatic means
- Enhances the community's ownership and buy-in into the solution set and the communities developed through the program

Background

An affordable housing special revenue fund are powerful tools to provide technical assistance and local support for affordable housing. Across the United States, there are more than 400 housing trust funds providing relief for a variety of housing issues. "Although counties have traditionally invested federal funding earmarked for affordable housing, [they] cannot rely solely on federal funds. In fact, funding from the Community Development Block Grant (CDBG) program – the number one federal funding source for affordable housing – decreased by 23 percent from 1994 to 2018.", according to the National Association of Counties. As a response to these diminishing funds, many municipalities and county governments are responding by establishing their own affordable housing funding reserves. Athens-Clarke County has done the same, establishing its Affordable Housing Special Revenue Fund with the intention of expanding affordable housing options across the community through small and large scale projects.

Creating the fund is simple; Establishing a sustainable funding mechanism at an effective scale, however, will be a challenge. Investing in a local Affordable Housing Special Revenue Fund would provide Athens with a flexible, ongoing funding source to support the development, maintenance and expansion of affordable housing options throughout the community. The fund could be utilized by the ACCUG and effective community housing organizations at all scales of the challenge, from blight prevention and maintenance to site redevelopment and project infrastructure investments. This local seed funding can be leveraged vertically (through state and federal programs) and horizontally (through public-private partnerships, organization support, etc.). By allocating funding to specific initiatives, a Affordable Housing Special Revenue Fund could help reduce foreclosures by providing affordable mortgage alternatives, and, perhaps most important, to develop new affordable housing units in the community to address growing demand.

Potential Actions & Policies

To realize the strategy the GICH Team is recommending a series of potential actions. These projects, policies, and programs are explored further in Chapter 6: Implementation.

- 1a. Support and secure funding through the special-purpose local-option sales tax (SPLOST).** The SPLOST is a financing method for funding capital outlay projects in Georgia. It is an optional 1% sales tax levied by any county for the purpose of funding the building of parks, schools, roads, and other public facilities. The SPLOST is a unique funding opportunity for the Trust Fund and provides the community an opportunity to take a leap forward in addressing the challenge. The GICH Team has prepared a proposal for the 2020 campaign that would set the table for a large or multi-site mixed-income development in the county. The application stresses the importance of the site having access to the existing transit network and community trail system. The requested funding would support land acquisition, design, construction, and other costs.
- 1b. Capture payment-in-lieu from density bonus incentives provided to new development.** As further described in Strategy 2: Enable Incentives that Promote Inclusionary Development. Athens can incentivize the private sector to invest in affordable housing development by rewarding bonuses related to density, parking, etc. Rather than provide affordable units on site, the group can provide a fee-in-lieu directly funding in the Affordable Housing Special Revenue Fund in a predetermined per-unit amount.
- 1c. Host a speaker series on affordable housing in Athens to share findings from the GICH Team and promote the SPLOST.** These workshops would help to provide information on affordable housing and make the case for funding the SPLOST and the Trust Fund. Educational workshops can create awareness, while identifying specific housing needs in Athens.

Best Practices

Through a deliberate effort to provide more affordable housing options for residents, Athens will join an inspiring group of similar communities from around the country. Below are several stories related to the strategy from communities that have been successful so far.

CITY OF ASHEVILLE, NC

The City of Asheville holds a public education series on affordable homeownership opportunities to educate all involved. These sessions serve as a learning opportunity to identify specific housing needs, and learn from other communities what successful options exist. The city is also home to one of the nation's most active and successful local housing trust funds.

FIND OUT MORE: <https://bit.ly/2QLTxfi>

EAST TENNESSEE FOUNDATION'S AFFORDABLE HOUSING TRUST FUND

This local housing trust fund kick started with joint funding from the City of Knoxville, as well as Knoxville's Community Development Corporation. There is a continuous source of funds dedicated from the City of Knoxville for the purposes of expanding the affordable housing pool.

FIND OUT MORE: <https://bit.ly/2BAABWo>

IOWA LOCAL HOUSING TRUST FUNDS

Iowa's Local Housing Trust Fund Program encourages collaboration and community partnerships to foster sustainable funding. There is opportunity to leverage funding when partnering with other area-housing organizations and approaching the challenge as partnership.

FIND OUT MORE: <https://bit.ly/2EA2XmV>



STRATEGY 2:

INCENTIVIZE INCLUSIONARY DEVELOPMENT

Inclusionary development is an opportunity to address the deficit in affordable housing units through the momentum and energy within the private market. This supply-side approach rewards, rather than punishes, private developers for including affordable units in their development and/or contributing to the issue through a payment-in-lieu program. Athens is a community of choice and is growing quickly. This combined with a red-hot student market, means there is potential to incentivize contributions to the Housing Trust Fund through supply-side incentives. The following section describes the advantages of the approach, a general background on the process, actions necessary to realize the strategy, and relevant case study examples from around the country.

Why this strategy?

- Capitalizes on the strong growth in the market by capturing incremental investments in a general affordable housing fund through an incentive model
- Adaptable program that could include a wide range of incentives for commercial or residential developments including density bonuses, parking variances, development fees, etc.
- Makes use of an incentive model, rather than a punitive model, for promoting more inclusive development across the county while continuing to allow for segment-specific growth like student housing
- Legally viable option in the state of Georgia with active comparable programs across the state
- Provides an additional funding source for the Housing Trust Fund through payment-in-lieu program

Background

Inclusionary development is a reaction to an implicit (or in some cases explicit) policy of exclusionary development and zoning that was common in communities after World War II. In this exclusionary system, zoning policies and supportive codes made it difficult to develop any residential product other than single-family homes (primarily owner-occupied). These policies greatly limited the potential footprint for affordable housing (especially multi-family and renter occupied) units to areas where the product was already present or to districts in decline. As a reaction to this model, communities (including in the state of Georgia) have begun to experiment with proactive inclusionary housing policies. These seek to increase the overall number of affordable housing units in a community through a variety of incentive or regulation driven policies. Additionally, these policies attempt to decrease the concentration of affordable units and generally mix incomes within neighborhoods, blocks and buildings. This process can be site specific - mixing affordable and market rate units into a single

project that is led by the private sector - or dispersed - capturing incentive or impact payments into a general fund and developing affordable units on a separate site. In the state of Georgia, however, regulatory or punitive models of inclusionary zoning policies have been routinely challenged in the courts. While there has been no definitive ruling on the legality of the matter, it would be most prudent for Athens to pursue a related, but separate solution set while the matter is finally decided.

Inclusionary development can be achieved through an incentive driven model. In this system, developers would have access to a variety of bonuses for integrating affordable units into their project, or providing a payment-in-lieu (likely supporting the Housing Trust Fund). This voluntary system capitalizes on the strong development market, passes legal muster, and offers an additional revenue stream to the Housing Trust Fund.

Potential Actions & Policies

To realize the strategy the GICH Team is recommending a series of potential actions. These projects, policies, and programs are explored further in Chapter 6: Implementation.

2a. Establish an incentive program for the purposes of funding affordable housing development. Through the incentive model, the city can provide developers access to a set of development bonuses that will increase the profit yield on their specific project while, at the same time, add to the pool of affordable housing or funding. The system can involve on-site provision of affordable housing units or contribution to the Housing Trust Fund through a payment-in-lieu model. Potential incentives for eligible projects could include density bonuses, fee reduction, parking requirement modifications, and so on. The specific menu of bonuses would need to be derived through a conversation between ACCUG and the development community.

2b. Articulate a holistic redevelopment strategy (Master Plan) for large commercial areas contingent on affordable housing provision. Large-format retail is struggling in Athens and around the country. Increasing vacancies and wholesale abandonment of properties provides an opportunity to address multiple community needs including affordable housing. A mixed-use, mixed-income redevelopment program could be developed for high opportunity areas such as the the Georgia Square Mall, or Willowood Square.

2c. Eliminate county fees for housing projects that provide affordable units. ACCUG can provide relief on processing fees to projects that meet a defined threshold for affordable housing units provided on site or funded through a fee-in-lieu. This could be coupled with an expedited review process, or “first in line” status for any project meeting the provision criteria.

Best Practices

Through a deliberate effort to provide more affordable housing options for residents, Athens will join an inspiring group of similar communities from around the country. Below are several stories related to the strategy from communities that have been successful so far.

ASHEVILLE, NORTH CAROLINA

Asheville incorporated a Land Use Incentive Policy in 2015 to incentivize developers to provide affordable housing. The policy details a point system that if met could result in a fee and charge reduction for the developer in relation to zoning and building permits.

FIND OUT MORE: <https://bit.ly/2QLTxfi>

CHARLOTTE, NORTH CAROLINA

Charlotte-Mecklenburg Housing Partnership is a private, non-profit housing development and financial corporation organized to expand affordable and well-maintained housing.

FIND OUT MORE: <https://bit.ly/2QLTxfi>

AUSTIN, TEXAS

The City of Austin implemented a voluntary inclusionary housing program called S.M.A.R.T. Housing designed to provide developers with fee waivers and an expedited review process for including 10% of units as affordable.

FIND OUT MORE: <https://bit.ly/2QLTxfi>

ANN ARBOR, MICHIGAN

The City of Ann Arbor provides density incentives for developers through a PUD proposal process if the project incorporates a certain number of affordable units.

FIND OUT MORE: <https://bit.ly/2QLTxfi>



STRATEGY 3:

IDENTIFY OPPORTUNITIES FOR REDEVELOPMENT

Redevelopment will be the driving force for affordable housing development in Athens in the future. This conclusion is drawn from several factors. As the smallest county in Georgia, outward growth is a challenge; access to transit is critical and adding new service is expensive. The growth of downtown student housing is increasing the vacancy of multi-family and commercial spaces on the periphery of the community. The following section describes the advantages of the approach, a general background on the process, action recommendations necessary to realize the strategy, and relevant case study examples from around the country.

Why this strategy?

- Demand for affordable units cannot be met with current supply, and therefore new units must be developed.
- Trend toward downtown student housing is reducing demand for older, outlying complexes; retail movement and closures are leaving large commercial parcels partially or fully vacant
- Redevelopment would allow access to existing utilities and the transit services area
- As a very small county, there are fewer options and neighboring communities are not addressing the issue through exclusionary zoning practices
- Presents an opportunity to address holistic housing concerns, and build more inclusive communities with better access to services

Background

To provide more affordable housing units, Athens will need to identify physical sites in the community to do the work. As a very small county, there are limited options for new development. Many older apartment complexes and commercial properties on the periphery have struggled, especially as newer student housing options have opened in downtown. The community can return struggling or abandoned properties to a productive use through strategic acquisition and redevelopment based on exacting criteria. Places with similar conditions have turned to redevelopment as an important tool for expanding the pool of affordable housing units while also addressing other community goals. Through this work, Athens has the opportunity to dovetail with other community processes focused on corridor revitalization, personal prosperity, and so on. The process and criteria for identifying opportunity properties is critically important. Perhaps foremost among these factors, is access to public transportation. Car ownership is low among moderate to low income Athenians, so by targeting well-connected parcels, redevelopment projects will allow future residents access to jobs and

services. Leveraging opportunities will also be important. Opportunity Zones (economically-distressed areas where new investments, under certain conditions, may be eligible for preferential tax treatment) are an example of such an opportunity. Last, target sites should be large enough to accommodate a mixed-use development program while still providing a significant addition to the affordable housing pool.

Redevelopment deals will be complex, but Athens is uniquely prepared. With organizations such as Athens Housing Authority and Athens Land Bank the community could be doing much more. A larger resource pool provided by the Housing Trust Fund will allow these groups to form necessary partnerships with private sector and begin to craft more complicated and impactful deals. Programs like the Low Income Housing Tax Credit program incentivize developers to work with the community by providing a supply-side subsidy that enhance the profitability of the work. Through deals like these, the community can create more affordable housing units and build better, more resilient places at the same time.

Potential Actions & Policies

To realize the strategy the GICH Team is recommending a series of potential actions. These projects, policies, and programs are explored further in Chapter 6: Implementation.

- 3a. *Develop an inventory of opportunity properties based on strict criteria.*** An effective cycle of redevelopment starts with identifying the key, physical opportunities in Athens. Based on criteria like transit access, size of parcel(s), current zoning, ownership situation, blight and abandonment, etc., the community should develop a database of properties that are ranked related to their potential. Through this map and supporting geo-database, community partners involved in the redevelopment cycle (including public, private and non-profit actors) will have access to baseline information to inform their decision making process. This tool would then be used a foundation for the crafting of more nuanced and sophisticated redevelopment deals. t most effective, the database would need to be continually updated.
- 3b. *Prepare a redevelopment playbook.*** Given the size of the county and continued population growth, redevelopment will play a significant role in shaping Athens in the future. To ensure community needs are addressed a redevelopment playbook would help the private sector navigate the process, understand incentives, find suitable locations and even consider site planning and the community-supported mix-of-uses. This document would evolve as best local practices are realized.
- 3c. *Consider rezoning of strategic commercial properties along Lexington Road and Atlanta Highway.*** As of 2019, the ACCUG Planning Department was engaged in a process to study the Atlanta Highway and Lexington Road corridors. This work revealed growing vacancy in commercial properties along each corridor. There may be significant opportunity (based on the ultimate findings of this work) to revision the dominant use along these corridors and make room for additional housing.

Best Practices

Through a deliberate effort to provide more affordable housing options for residents, Athens will join an inspiring group of similar communities from around the country. Below are several stories related to the strategy from communities that have been successful so far.

CHATTANOOGA, TENNESSEE

A comprehensive Housing study was published in 2012 that assessed the housing market, current plans/development policies and how they respond to new housing trends. The county has since implemented many portions of the plan, established the Chattanooga Land Bank authority, and other discrete policies and actions that had been established in their study. Since the

publishing of the study, affordable housing has continued to be a main priority for Chattanooga which they have advanced by holding workshops, updating housing studies and other planning documents and continuing to leverage actions made after the 2012 housing study.

MACON / BIBB, GEORGIA

The Urban Redevelopment Plan shows data that identifies a specific area of investment and lists strategies to help implement and finance actions for redevelopment. Many communities in Georgia have experimented with similar processes.

FIND OUT MORE: <https://bit.ly/2GDLPPW>

FIND OUT MORE: <https://bit.ly/2GF53Ex>



STRATEGY 4:

SOLIDIFY CODE ENFORCEMENT PRACTICES

Maintenance is an overlooked, but critical component of the affordable housing equation. As a complement to developing new units to meet a growing demand, the community must ensure older units remain safe and attractive. Enforcement of codes related to safety, blight and so on, will ensure these properties remain viable for years to come. The following section describes the advantages of the approach, a general background on the process, action recommendations necessary to realize the strategy, and relevant case study examples from around the country.

Why this strategy?

- Maintenance and expansion of the affordable housing pool in Athens will require proactive monitoring of code standards as they relate to safety, aesthetics, and so on
- Capacity and resources for code enforcement are limited and the scope of the Division's work is broad
- The community can be better informed of its role in the process
- Profit margins for property owners who maintain low to moderate income units are smaller than more expensive units, but a minimum standard must be maintained.
- Residential properties are the primary focus, but commercial areas (especially those proximate to neighborhoods) are also a concern given the increase in vacancy

Background

Strong code enforcement can help ensure the long-term safety and viability of a community by establishing and enforcing a minimum standard for residential and commercial property maintenance. Especially with older, transitioning housing, safety is a concern. Older multi-family units must be continually maintained to ensure inhabitants are safe and secure. Aesthetics and community pride are another critical consideration. Blight is an infectious process that can bring down property values, decrease pride in place, and soften investment in an area. Through proactive maintenance of basic standards, the community can also avoid this process from taking hold. This is not just the role of government. Rather, tenants, property owners and community leaders need to understand their responsibilities in the process. Code enforcement officers maintain oversight, monitoring and enforcement responsibilities, but they can be greatly assisted by engaged community members who fully understand their role in the process. This partnership between community members and government will be essential to developing a proactive system for maintenance and repair.

Another important consideration is the overall capacity of the Code Enforcement Division. With their role to improve the safety and appearance of properties and buildings within Athens-Clarke County by enforcing local ordinances, property maintenance codes, and construction codes, the division is responsible for thousands of properties. The division is the critical partner in ensuring properties are maintained, but its capacity is limited. More manpower and resources, coupled with community support and understanding will greatly extend the capacity of the division and allow for more proactive (rather than reactive) enforcement.

Last, the GICH Team does not support the use of a "Blight Tax". Its research into the practice revealed the mechanism would not generate significant revenue. Funds generated through the enforcement process could be earmarked within the Housing Trust Fund to support continued monitoring efforts or targeted enforcement, and or funding for maintenance.

Potential Actions & Policies

To realize the strategy the GICH Team is recommending a series of potential actions. These projects, policies, and programs are explored further in Chapter 6: Implementation.

4a. Fully support the work of the code enforcement division. Funding for code enforcement is a popular “first to go” sacrifice in communities struggling to balance budgets. But this division is the critical force ensuring the long-term safety, maintenance and general aesthetics of properties in Athens. To fully realize their potential, the division should be supported in adding technical and patrol staff. This will enable better and more proactive enforcement, data collection and analysis, and ensure residential properties (especially for low to moderate income Athenians) remain safe and attractive.

4b. Develop a standard lease agreement. A standard lease agreement would help clearly articulate the minimum standards for properties along with maintenance responsibilities shared by landlords and tenants. The

agreement would clearly spell out the rights of each party and a path for remedy should these rights be violated at any point during the agreement. The document should be written in clear language and formatted to be attractive and readable.

4c. Establish a property maintenance fund. Property owners / managers of low to moderate income units can struggle to keep up even basic maintenance regimes based on the slim profit margins for the properties. A maintenance fund provided through the Athens Housing Trust Fund, would allow qualifying property owners access to capital support through loans or grants with the understanding that a percentage of your properties are maintained as affordable.

Best Practices

Through a deliberate effort to provide more affordable housing options for residents, Athens will join an inspiring group of similar communities from around the country. Below are several stories related to the strategy from communities that have been successful so far.

GREENSBORO, NORTH CAROLINA

The Greensboro Housing Coalition in joint collaboration with the City of Greensboro created a public education campaign around code enforcement, including multilingual materials, meetings with residents, owners, and neighborhoods.

BOULDER, COLORADO

The City of Boulder has a proactive rental inspection program that requires inspection at registration, at renewal of license (every four years), and/or upon transfer of ownership. The policy allows the city to maintain an inventory of its rental properties and assemble data on the quality and quantity of the affordable housing stock.

NEWARK, NEW JERSEY

The City of Newark created a task force called the Newark’s Life Improvement Task Force made up of city agencies that can come together quickly for urgent issues, as well as refining coordination amongst the agencies for response to code violations.

FIND OUT MORE: <https://bit.ly/2BFKT7G>

FIND OUT MORE: <https://bit.ly/2ENOLHH>



STRATEGY 5:

COMBAT DISPLACEMENT OF EXISTING NEIGHBORHOOD GROUPS

Gentrification is the process by which higher income households displace a large group of lower income residents from a neighborhood, changing the character and personality of the place. The GICH Team hopes to alleviate the concerns over gentrification by targeting reinvestment and redevelopment in those places that are not as susceptible to the process. This process, however, is a constant concern as it fosters a speculative investment environment that runs counter to expanding the overall pool of sustainable, affordable housing. The following section describes the advantages of the approach, a general background on the process, action recommendations to realize the strategy, and relevant case study examples from around the country.

Why this strategy?

- Athens is a community of choice and is growing; this makes it more susceptible to a process of speculative real estate investment and rising housing costs
- Maintaining the current pool of affordable housing units is an utmost concern
- Athens' diversity is a central amenity and is nurtured through its variety of housing types and prices
- Gentrification is a nebulous term and has been applied broadly across the community in the past
- Areas susceptible to change analysis (revealed through the targeted analysis of the Envision Athens report) reveals little overlap between neighborhoods with high projected real estate demand and existing low to moderate income units

What this will enable

Gentrification is a broadly-applied and nebulous term. The actors in the process don't (typically) intend to do harm, but the effects of speculative real estate investments can be extremely damaging to the existing population. When prices or other pressures cause people to leave their homes, they're not just leaving behind their apartments or houses. Often, they're saying goodbye to their communities, families, friends, their children's schools, their places of worship, their jobs and so much more. The harm can be seen in cities of all scales, where a booming economy has made finding reasonably-priced housing within city limits difficult or, in some cases, impossible. Understanding this process, and implementing policies and actions taken to combat displacement of existing neighborhood groups helps preserve and strengthen communities. Gentrification, however, is also an indicator of a community of choice. Mitigating the negative effects of growth while capturing the positive impacts of this investment requires monitoring and strong, holistic planning. Understanding gentrification and enacting

policies to help diminish its negative effects can enable residents to stay in place and enjoy the benefits of a rejuvenated, diverse neighborhood.

Gentrification in Athens has been relatively contained to the older, historic neighborhoods surrounding downtown. Despite strong growth and a hot real estate market, housing demand and reinvestment have primarily occurred on the west side of the community. This strong demand is reflected in real estate values and trends. The neighborhood propensity to change index (developed through the targeted analysis of the Envision Athens report) uses demographics to further identify areas within the community where real estate churn can be expected. Combined these two indices paint a picture of where and when reinvestment processes are likely to occur. Existing units, whether in the form of multi-family or single-family units, should be protected where possible in order to maintain the pool in the future.

Potential Actions & Policies

To realize the strategy the GICH Team is recommending a series of potential actions. These projects, policies, and programs are explored further in Chapter 6: Implementation.

- 5a. *Develop a monitoring/diagnostic tool to track neighborhood change.*** Establishing a diagnostic system for monitoring investment and property ownership enables intervention before or as gentrification occurs. This tool should be coupled with the redevelopment suitability matrix defined in strategy 3: Identify opportunities for Redevelopment. Indicators of an emerging gentrification process are subtle and there is no standard definition of the cycle. Through data analysis and mapping, however, the community may be able to spot trends before they lead to rising costs or displacement. Indicators could include land speculation or increased out-of-town ownership, un-natural rises in property value (using a combination metric derived from sources like Zillow, etc.), decrease in renter-occupied units, permit filings, and others. To pinpoint the the activity the data should be mapped and continually updated.
- 5b. *Consider property tax freezes on low income residents / landlords in affected areas.*** The most measurable impact of a gentrification wave is felt in fast-rising property values. Mass infusions of cash into areas with decades of disinvestment can create a process of speculation which leads to increase land / property values, higher tax assessments, and, eventually, increased property taxes. While the impacts of this are typically associated with low to moderate income homeowners, renters also feel the impact in increased rent. A property tax freeze or monitored increase, could be applied to mitigate the immediate impacts of the process while additional measures are taken.
- 5c. *Establish an advisory council on gentrification.*** Because gentrification is felt first at the community level, an advisory council on the process could be established to study impacts, review policies, and inform elected officials of findings.

Best Practices

Through a deliberate effort to provide more affordable housing options for residents, Athens will join an inspiring group of similar communities from around the country. Below are several stories related to the strategy from communities that have been successful so far.

TUSCALOOSA, ALABAMA

The prevalence of college students in Tuscaloosa seems to have had a significant impact on the local rental market similar to Athens. Tuscaloosa's Five-Year Affordable Housing Study provided foundational information related to housing and neighborhoods in Tuscaloosa that can assist with making decisions about future policy direction for the city.

ASHEVILLE, NORTH CAROLINA

Ashville created a human relations commission to recommending policies to level the playing field for African-Americans and other minorities reeling from fast-paced gentrification in the community. The city has experienced significant investment, multiplying speculation and forcing displacement in long-occupied neighborhoods.

FRUIT BELT NEIGHBORHOOD IN BUFFALO, NY

This historically black neighborhood set up the city's first community land trust, designed to give residents control over the land within the neighborhood boundaries and keep housing there affordable. The trust will acquire and own land, building and rehabbing homes and selling them at an affordable rate. When a house is sold, a cap will be placed on the allowable profit so it remains affordable for the next buyer.

FIND OUT MORE: <https://bit.ly/2Ae9Abm>

FIND OUT MORE: <https://bit.ly/2EHFMak>

FIND OUT MORE: <https://on.wgrz.com/2AdpVxk>



6. IMPLEMENTATION

There is no simple solution to the affordable housing challenge. The work of the Athens GICH Team was an effort to shine a light on the issue, fully grasp the level of need, assess the progress being made today, and suggest a pathway forward. The Implementation section expands on the actions presented in the previous section by assigning responsibilities, creating timeframes, connecting financing or funding opportunities, and, perhaps most importantly, establishing priorities to the work. The Team recognizes the ambitious nature of this proposal, but also the great opportunity to help more Athenians find home.

Organizing for implementation requires common understanding, alignment, and a shared stake in the outcomes. Given the complexity of the challenge and its systemic nature, progress on housing will require significant coordination and financial support. Through this report, the GICH Team has presented a strong case for deliberate, local action. The strategies address the issue from multiple angles and engage groups in the public, private and non-profit sectors. Alignment and strong direction will be critical. The Team believes that this direction can, and should, come from elected leadership. By making this issue a priority, these leaders will send a strong message to the private developers and the community overall. This is a significant and necessary first step. Improving Athenians access to quality, safe, and affordable housing should

not, and cannot, be the responsibility of a single organization. The complexity of the challenge and the required funding, demand a networked solution. In suggested actions that follow in this section, dozens of groups from the public, private, and non-profit sectors have been assigned responsibilities. The Team believes that shared responsibilities will lead to a shared stake in outcomes. Many of the actions are long-term and indeed, generational in scope. This will require a correspondingly long-term commitment from partners. Successful initiatives across the country have utilized these partnerships to maximize their local capacity and share the burden of responsibility. Given the great efficacy of the community's existing housing organizations, the Team sees great potential in this approach.

IMPLEMENTATION MATRIX KEY TERMS

The Implementation Matrix on the following pages includes each of the recommended actions from the previous sections. The table introduces initial responsibilities for coordination, timeframes and additional notes pertinent to the action. It should be noted this is not a final plan for action but an initial attempt to frame a work program for the policies and projects. Some key terms are defined below.

Timeframe: Anticipated time necessary to see significant progress or completion of the work.

Short Term: 1-2 years
Medium term: 3-5 years
Long term: Up to a decade

Lead Coordinator: Entity(ies) charged with managing the initiative.

Additional Organizations: Supporting groups will help the lead complete, coordinate or fund the work.

STRATEGY 1 | Invest in the Affordable Housing Special Revenue Fund

CODE	PRIORITY RECOMMENDATION	TIMEFRAME	LEAD COORDINATOR	ADDITIONAL ORGANIZATIONS	NOTES
1A	Support and secure funding through the special-purpose local-option sales tax (SPLOST)	Mid-Term	GICH Athens Team, SPLOST Management Team	Mayor, Commission, SPLOST Citizens Advisory Committee, Planning Dept.	
1B	Capture payment-in-lieu from density bonus incentive provided to new development	Mid-term	Mayor, Commission, Housing & Community Development Department, Zoning	Economic Development Dept., Planning Dept.	
1C	Host a speaker series on affordable housing in Athens to share findings from the GICH Team and promote the SPLOST	Short-term	GICH Athens Team	Housing & Community Development Department (HCD), Planning Department, Envision Athens, Athens Housing Authority, Athens Land Bank, Habitat for Humanity	

ADDITIONAL POTENTIAL ACTIONS

- Explore the potential for bond funding
- Explore a time-limited property tax

STRATEGY 2 | Incentivize inclusionary development

CODE	PRIORITY RECOMMENDATION	TIMEFRAME	LEAD COORDINATOR	ADDITIONAL ORGANIZATIONS	NOTES
2A	Establish an incentive program for the purpose of funding affordable housing development	Short-term	Mayor, Commission, Economic Development Dept, Planning Dept.	Housing & Community Development Department (HCD)	
2B	Eliminate county fees for housing projects that provide affordable units	Short-term	Planning Dept., Zoning, Housing & Community Development Dept.		
2C	Articulate a holistic redevelopment strategy (Master Plan) for large commercial areas contingent on affordable housing provision	Mid-term	Planning Department	GICH Athens Team, Housing & Community Development Department (HCD), Economic Development Department	

ADDITIONAL POTENTIAL ACTIONS

- **Downzone to incentivize the use of density bonus, especially in downtown**
- **Educate local student housing developers on density bonuses for Student Housing**
- **Provide voucher protection / source of income for renters**
- **Encourage more housing of students on campus**
- **Provide an expedited review process for developers.** A voluntary program could be created to expedite the review of housing plans in exchange for a certain percentage of affordable units built
- **Create a specific zoning district to increase opportunities for development of affordable housing.** A specific zoning district, such as a PUD, can be used to increase the diversity of housing types through a mixture of traditional and form-based zoning code
- **Establish partnerships across sectors to build affordable housing.** Incorporating the private and non-profit sectors could pull together resources and skills for the development process.

STRATEGY 3 | Identify Troubled Properties for Redevelopment

CODE	PRIORITY RECOMMENDATION	TIMEFRAME	LEAD COORDINATOR	ADDITIONAL ORGANIZATIONS	NOTES
3A	Develop an inventory of opportunity properties based on strict criteria	Short-term	Housing & Community Development Dept., Geographic Information Services Office (GIS)	Athens Housing Authority, Athens Land Bank, Habitat for Humanity	
3B	Prepare a redevelopment playbook	Mid-term	Planning Dept., Housing & Community Development Dept.	Athens Housing Authority, Athens Land Bank, Habitat for Humanity, GICH Athens Team	
3C	Consider rezoning of strategic commercial properties along Lexington Road and Atlanta Highway	Short-term	Planning Dept., Zoning, Geographic Information Services Office (GIS)	GICH Athens Team, Connect Athens Corridor Study	

ADDITIONAL POTENTIAL ACTIONS

- **Formalize partnership between key redevelopment partners.**
- **Build a database of vacant and blighted properties that is easy to navigate for investors, developers, interested parties.**
- **Connect to the Housing Trust Fund and develop a mechanism for purchase and transfer.**
- **Create of a demolition fund for blighted or dangerous properties**
- **Develop a web page for the Athens-Clarke County Land Bank Authority**

STRATEGY 4 | Solidify Code Enforcement Practices

CODE	PRIORITY RECOMMENDATION	TIMEFRAME	LEAD COORDINATOR	ADDITIONAL ORGANIZATIONS	NOTES
4A	Fully support the work of the code enforcement division	Ongoing	Mayor, Commission	Code Enforcement Division	
4B	Develop better standard lease agreement	Short-term	Code Enforcement Division, Housing & Community Development Dept., Athens Housing Authority	GICH Athens Team	
4C	Establish a property maintenance fund	Long-term	Code Enforcement Division, Mayor, Commission, Housing & Community Development Dept.	Athens Land Bank, Athens Housing Authority, Habitat for Humanity	

ADDITIONAL POTENTIAL ACTIONS

- **Adopt a Proactive Rental Inspection Program.** A program proactively checking rental properties would benefit renters by helping to maintain the properties creating healthier living environments.
- **Partner with Community Organizations.** Community organizations can help educate residents, property owners, and neighborhoods about code enforcement, and they can offer supplemental support services.

STRATEGY 5 | **Combat Displacement of Existing Neighborhood Groups**

CODE	PRIORITY RECOMMENDATION	TIMEFRAME	LEAD COORDINATOR	ADDITIONAL ORGANIZATIONS	NOTES
5A	Develop a monitoring/diagnostic tool to track neighborhood change	Mid-term	Planning Dept., Geographic Information Services Office (GIS)	GICH Athens Team, Athens Housing Authority	
5B	Consider property tax freezes on low income residents / landlords in affected areas	Mid-term	Mayor, Commission	Finance, Manager's Office	
5C	Establish an advisory council on gentrification	Mid-term	Housing & Community Development Dept.	GICH Athens Team, Athens Housing Authority, Habitat for Humanity, Athens Land Bank	