

# Affordable Housing Study Findings

CITY OF DECATUR

PREPARED FOR:



PREPARED BY:



METROCENTER  
Associates, Inc.

MAY 2008

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## **Appendix 1**

*Focus Group Participants*

## **Appendix 2**

*Apartment Inventory*

## PURPOSE OF ANALYSIS

The purpose of this analysis is to define what affordable housing means in the City of Decatur – who that is, what type of product, how many units -- and what programs and policies would be best to implement. What needs to be remembered is that this is really the first step for the City of Decatur in identifying, addressing, and implementing a successful affordable housing program in the City. The supplemental Livable Centers Initiative (LCI) grant award that, along with City of Decatur matching funds, enabled this study is providing the opportunity to accurately define and assess the affordable housing situation in Decatur. The first step to addressing any problem is defining the “what” and then it can be determined “how” to best get there. The key is that the “what” must be accurately identified, defined, and assessed to ensure that the strategies developed as a result are successful. This project is mostly about the assessment phase – the process of determining “what.” There are recommendations included in this study, based on our findings, for policies and programs that would be effective for the City of Decatur to consider implementing in order to effectively address affordable housing needs in the future.

This study is particularly interesting and exciting because of how progressive the City of Decatur is choosing to be in even addressing affordable housing at all. Decatur is recognizing very early the trend that is likely to occur in its commercial centers in particular as revitalization happens across the City. As noted in the Request For Proposals, “Decatur must either develop an effective affordable housing program or expect to see its service industry, institutional and local government employees driven further from the city to find suitable and affordable housing.”

Market + Main, Inc., along with MetroCenter Associates, was contracted with the City of Decatur to deliver the City of Decatur Affordable Housing Study.

This document has five sections, as outlined below.

**Study Approach & Process:** Reviews the Market + Main team’s understanding of the issue, approach to the study, and work process outline.

**Key Statistics Review:** Results of socioeconomic analysis, along with rental supply and for-sale supply overviews, as well as recent market activity.

**Stakeholder Input:** Summarizes input from four focus groups conducted with municipal staff, employers, residents and employees, and developers.

**Gap Analysis:** Provides results of shortages and surpluses from supply and demand comparison, along with an inventory of assets and barriers to affordable housing in the City. Also establishes a working definition of the affordability gap in the City and highlights affordability findings impacting policy direction.

**Strategic Plan Recommendations:** Recommends strategic and specific policy and programming recommendations in order to ensure and incentivize affordable housing in the City of Decatur if implemented.

# STUDY APPROACH & PROCESS

## OUR UNDERSTANDING

To start, it is essential to note that the work the City of Decatur has done to date in its community and economic development efforts is impressive. While Decatur might have challenges to face or overcome, the progress already made is something many communities would find to be an enviable position. Yet, Decatur is now facing what many would consider one of those “good problems” to have -- achieving economic momentum that is driving up values and prices and demand across the City. However, the byproduct of this “good problem” is the loss of some of the diversity of the community itself. It can also mean the loss of people who work and serve in the community, and are no longer able to live there.

Affordable housing is really a critical component of smart growth and long-term sustainability. Affordable housing is taken on and addressed in order to support economic development and enhance quality of life for families. The City of Decatur has been working diligently for the last 25 years to build a truly sustainable community. The City has made many strides towards this long-term goal. Affordable housing is really the next logical step for a progressive community like Decatur in reaching towards that sustainability. After all, economic integration is really the principal driver and supporter for sustainability.

Economic integration can also serve as a gauge of how adept a community is at adapting to change. The demographic and economic shifts that are happening across the country are delivering new dynamics that communities have to navigate. What makes a traditional household, what constitutes a minority, and where appealing homes are located -- these are definitions that are undergoing a transformation. The more options and choices a community is able to offer, the stronger the foundation and the greater likelihood that the community will thrive into the future. In direct relation to housing, diversity in housing ensures a broader base for any community to leverage in its long-term sustainability and economic strength.

While affordable housing has come to have certain connotations in some circles, with people immediately relating it to public housing as an example, it is really about ensuring choices and creating opportunities for all in the community. The Atlanta Regional Commission is well-versed in the importance of affordable housing, including its stated housing policy in Envision 6, “Encourage a variety of home styles, densities and price ranges in locations that are accessible to jobs and services to ensure housing for individuals and families of all income and age groups.” Sponsoring this grant is a step forward in beginning to implement that policy. Understanding the jobs/housing balance and working to ensure both a diversity of employment and housing options is also needed to successfully address the evolving landscape of affordable housing.

Housing is an important issue in any community, and affordability is a key component within housing. But again, if a community is focused on ensuring and increasing choices and achieving long-term sustainability then affordable housing will be a natural byproduct of that work. Successful sustainable housing comes down to having a diversity of housing product; simply meaning allowing mixed products and a variety of price points. This diversity is what can make an area thrive. Single-family homes, townhomes, condos, and apartments should all be allowed. They should be co-located, and not separated into clusters. This will enable life cycle housing, meaning many stages of life living in the same community. From current

students to high school and college grads, from those with their first job to those in retirement, and from starting families to empty nesters. This concept has other names, such as the housing food chain or aging in place, but at its core it is really about feasible options and choices at every stage in life. In its simplest terms, sustainable housing (and affordable housing as a sub-component of that) is about “making room” for everyone.

There is no question that the City of Decatur is on the right track in understanding the dynamics and needs of housing and affordability, and what contributes to long-term sustainability. The City now must connect its housing policy to its core priorities. We know the core priorities of Decatur include smart growth, strong families, quality education, and economic competitiveness. The City is now in the process of identifying and defining the affordable housing need locally in order to move forward with establishing programs and policies to address it. The most successful affordable housing policy is the one that is connected to its core priorities and is integrated into all other policies throughout the municipality; it is not an isolated or separate policy, it is one that reaches into, works in conjunction with, and affects many others. The City of Decatur is now at the point of taking the next logical step in achieving long-term sustainability for this progressive community by understanding and addressing affordable housing.

## OUR APPROACH

The Market + Main team approach to conducting the assessment of affordable housing in the City of Decatur included answering the following four questions.

1. What does the data say?
2. What do people say?
3. What is the revealed need?
4. How do we address this need?

### What Does the Data Say? -- Key Statistics Review

Identified the key data points that create the market dynamics that affect affordable housing. Reviewed information on rental market, such as data on rents, vacancy rates, era, and product type. Reviewed information on for-sale market, such as data on sales prices, sales trends, era, and product type. Also reviewed demographic and economic data to develop profile of both residents and workers in the City.

### What Do People Say? -- Stakeholder Input

Obtained strategic input from those that have an intimate connection to affordable housing to best and most accurately inform this process. Included Municipal Focus Group, Employer Focus Group, Resident/Employee Focus Group, and Developer Focus Group.

## **What Is the Revealed Need? -- Gap Analysis**

Identified the “gap” that is not being filled for affordable housing in the current marketplace nor anticipated to be filled in the future. Compared supply and demand characteristics to establish shortages and surpluses. Identified current and potential assets and barriers to affordable housing in the City. Established working definition of where the real “gap” is in term of affordability in the City of Decatur. Determined affordability findings that should impact policy recommendation direction.

## **How Do We Address This Need? -- Strategic Plan Recommendations**

Made strategic and specific policy and programming recommendations to ensure and incentivize affordable housing in the City of Decatur in the future. Highlighted specific challenges and solution with both short- and long-term recommendations.

This study was conducted over a five-month timeframe; it was initiated in January 2008 and concluded at the end of May 2008.



# KEY STATISTICS REVIEW

## SOCIOECONOMIC PROFILE

Information for the City of Decatur as a whole, as well as four quadrants within the City, with comparisons to the Atlanta MSA<sup>1</sup> and the United States are presented to benchmark the relative performance of the City.

### Population

The population of the City of Decatur is estimated at 18,000, as shown in the table below. The City as a whole had a growth rate between 2000 and 2007 that was well below both the Atlanta MSA and the national average. The City actually reported a slight decline (-1.3%) in population during this time period, according to Census-based estimates. According to estimates from the Atlanta Regional Commission, there was a slight increase (1.7%) in population during this same time period. This decline and increase is so small, however, that it really results in a static population; meaning no real change, neither substantial loss nor growth. This is not surprising given that the City is basically built-out; meaning there are not many more options for adding population. It is not highly unusual to have slight differences in national data sources and local data sources, and many times the differences are relatively minor, as in this case. That same scale of change is projected between 2007 and 2012; which means that the total population number is expected to basically stay the same.

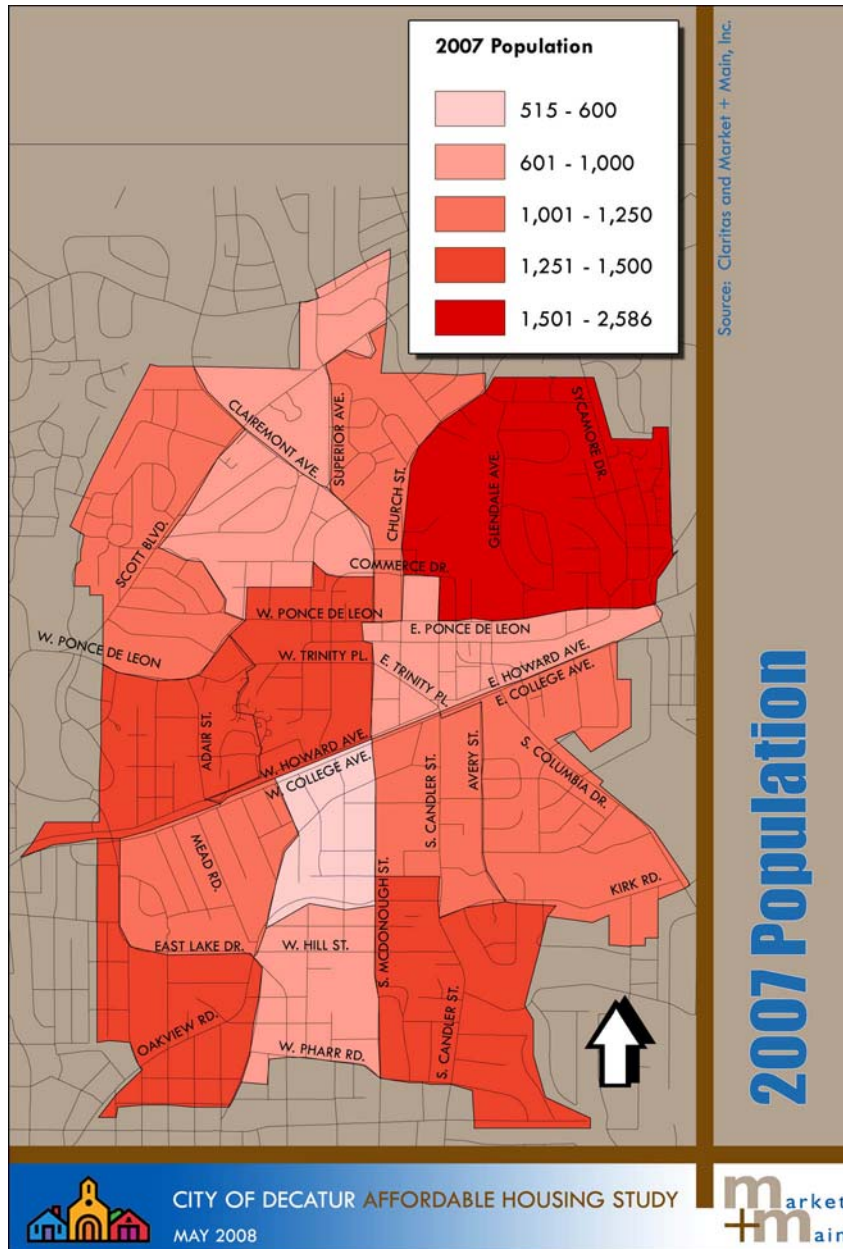
The City of Decatur accounts for 73.1% of the 30030 zip code's population and 2.6% of the population of DeKalb County.

	City of Decatur	Zip Code 30030	DeKalb County	Atlanta MSA	United States
2000	18,147	24,923	665,865		
<b>2007 (Estimate)</b>	<b>17,914</b>	<b>24,493</b>	<b>683,882</b>		
2012 (Projected)	17,759	24,125	694,356		
Population Change					
2000-2007	-1.3%	-1.7%	2.7%	20.6%	7.0%
2007-2012	-0.9%	-1.5%	1.5%	11.5%	4.6%

Source: US Census Bureau, Claritas

<sup>1</sup> 28-county metropolitan statistical area, made up of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton counties.

In terms of the City itself, the northern portion is clearly the largest in terms of population, as shown in following map. The Northeast<sup>2</sup> portion is slightly larger than the Northwest<sup>3</sup> portion. On the south side of the City, the Southwest<sup>4</sup> portion is slightly larger than the Southeast<sup>5</sup> portion.



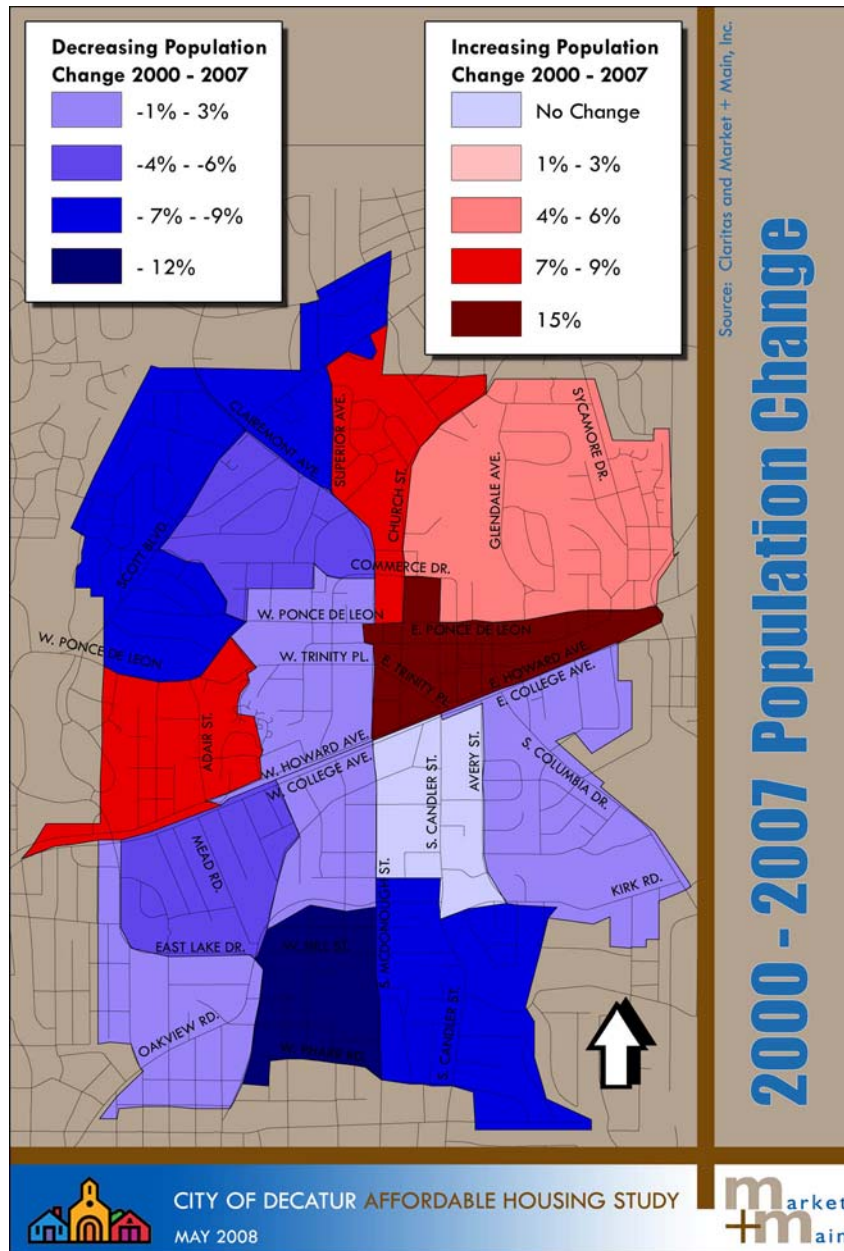
<sup>2</sup> Northeast portion of City of Decatur referenced is comprised of Census Tract 226, Block Groups 1, 2, 3, and 4.

<sup>3</sup> Northwest portion of City of Decatur referenced is comprised of Census Tract 225, Block Groups 1, 2, 3, and 4.

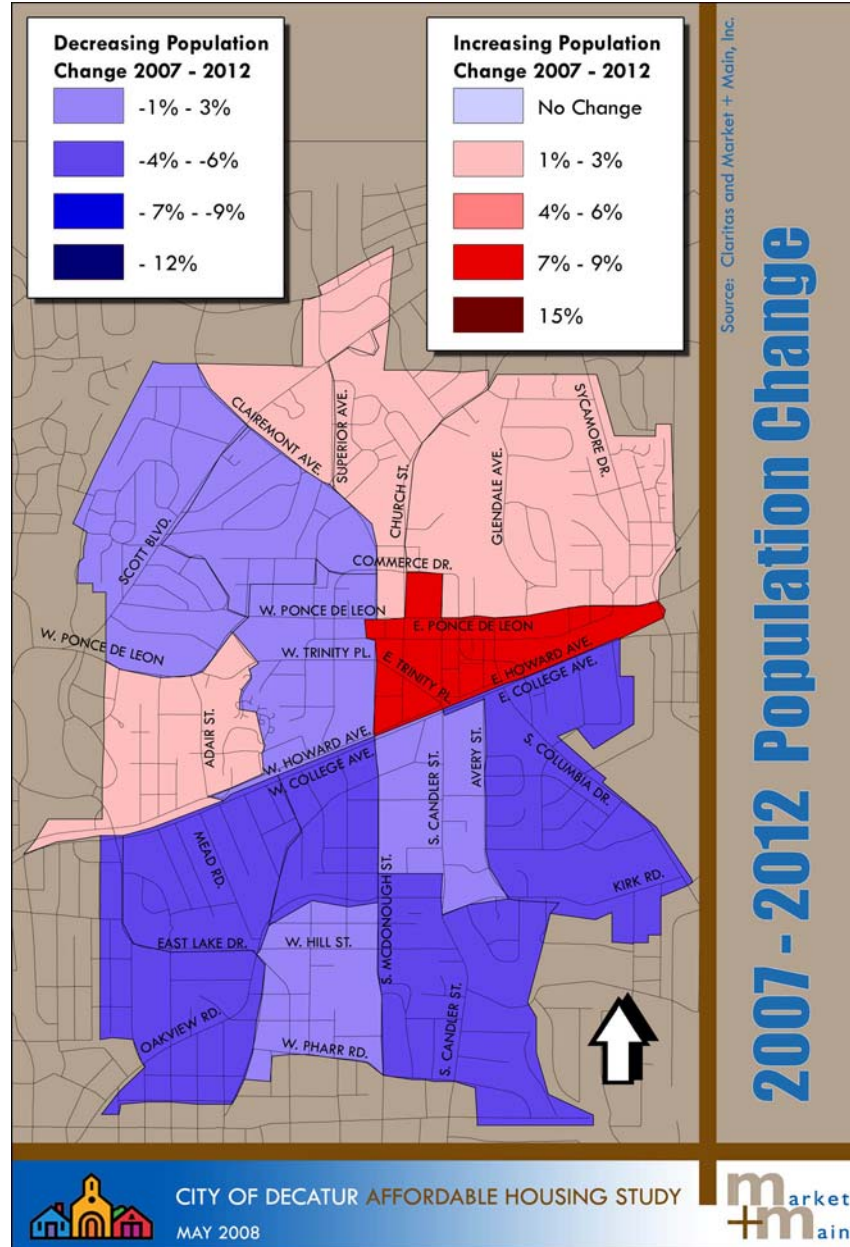
<sup>4</sup> Southwest portion of City of Decatur referenced is comprised of Census Tract 227, Block Groups 1, 2, 3, and 4.

<sup>5</sup> Southeast portion of City of Decatur referenced is comprised of Census Tract 228, Block Groups 1, 2, and 3.

Between 2000 and 2007, only the Northeast portion of the City experienced large gains in population, as seen in the map below. The other three portions of the City all experienced population losses during the same timeframe. The Southwest portion experienced the largest population loss between 2000 and 2007.



The projection for 2007 to 2012 again expects only the Northeast portion of the City to experience gains in population, as illustrated in following map. The other three portions of the City are expected to experience population losses during the same timeframe.

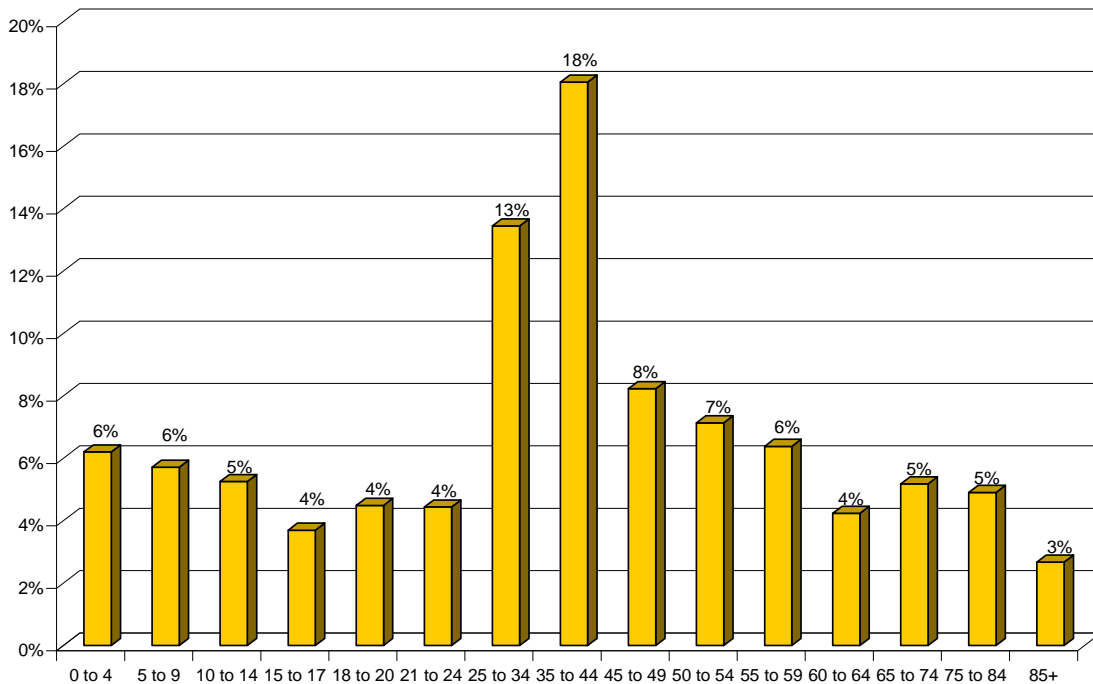


## Age Distribution

The median age of the City of Decatur (39.0) residents is older than the Atlanta MSA (34.7) and nation (37.3). This is due to the slightly smaller than average proportion of residents aged under 18 years, which is about five percent less than the national average. Additionally, there is a moderate proportion of those aged over 65 years within the City currently, which is exactly on par with the national average.

The following chart depicts the current age distribution in the City of Decatur. Almost a third of the City's population is between 25 and 45 years of age. This represents a vital component of any community, as this is the primary workforce population. However, the growth in this age range is not only expected to slow in the City, there are actually projected declines in these age groups. The projected loss for 25 to 35 year olds is likely tied to the unprecedented mobility of this age group nationwide, and not necessarily anything specific to Decatur.

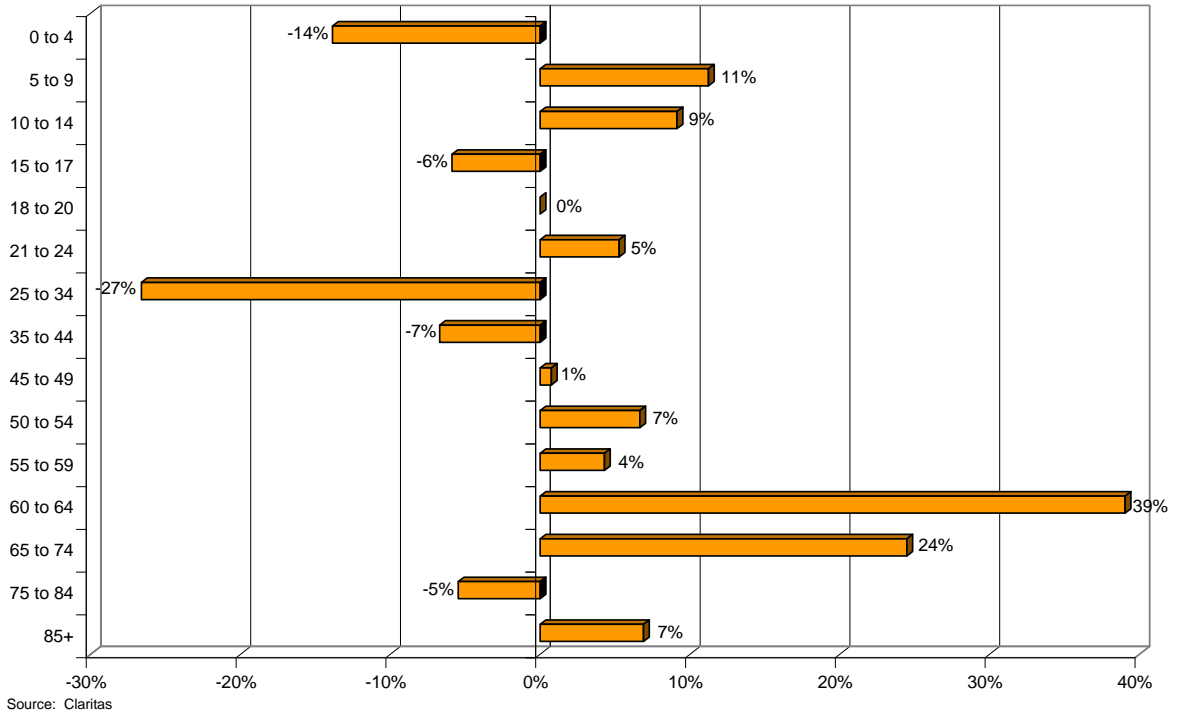
City of Decatur, Age Distribution, 2007



Source: Claritas

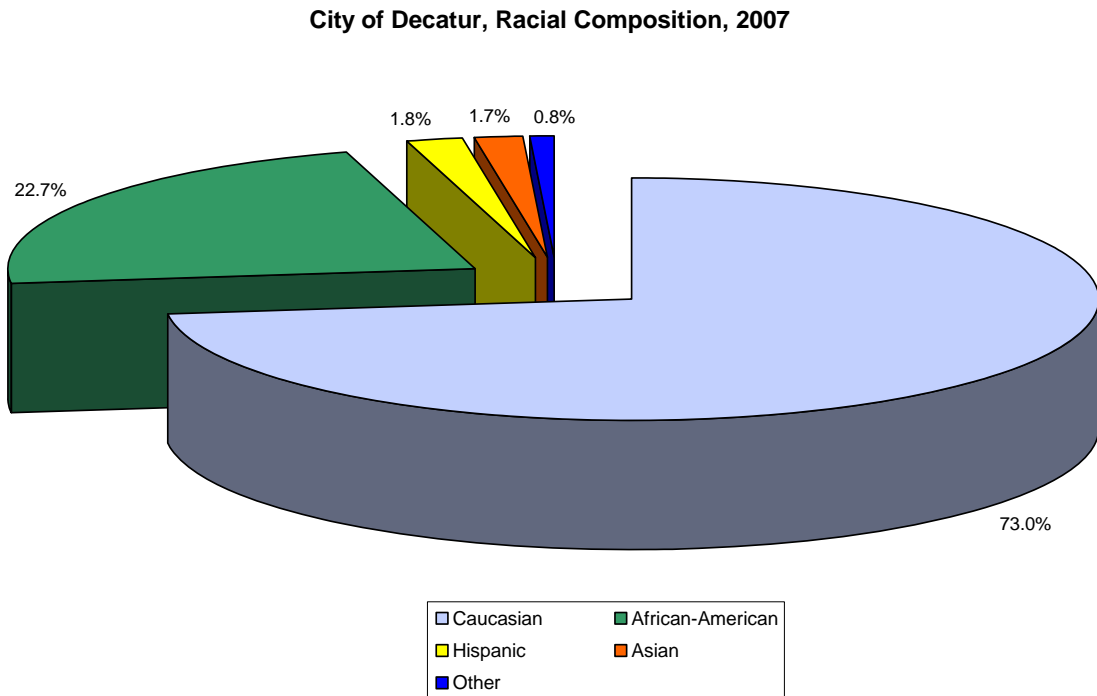
The concern about future projections is that much of the growth in the City is expected in the age groupings over 60 years of age, as illustrated in the chart below. There is also loss projected in the youngest age group of children, those aged under four years of age. There is relatively little growth expected in those aged 18 to 24; this is important to note because this represents both those entering the workforce without college education, as well as recent college graduates.

City of Decatur, Change in Age Distribution, 2007-2012



## Racial Composition

The City of Decatur is primarily Caucasian, as shown in the following chart. Caucasians make up approximately 73% of the population. The second largest racial group is African-Americans, which constitute 23%. In terms of absolute numbers, there are very few Hispanics and Asians in the City.



Source: Claritas

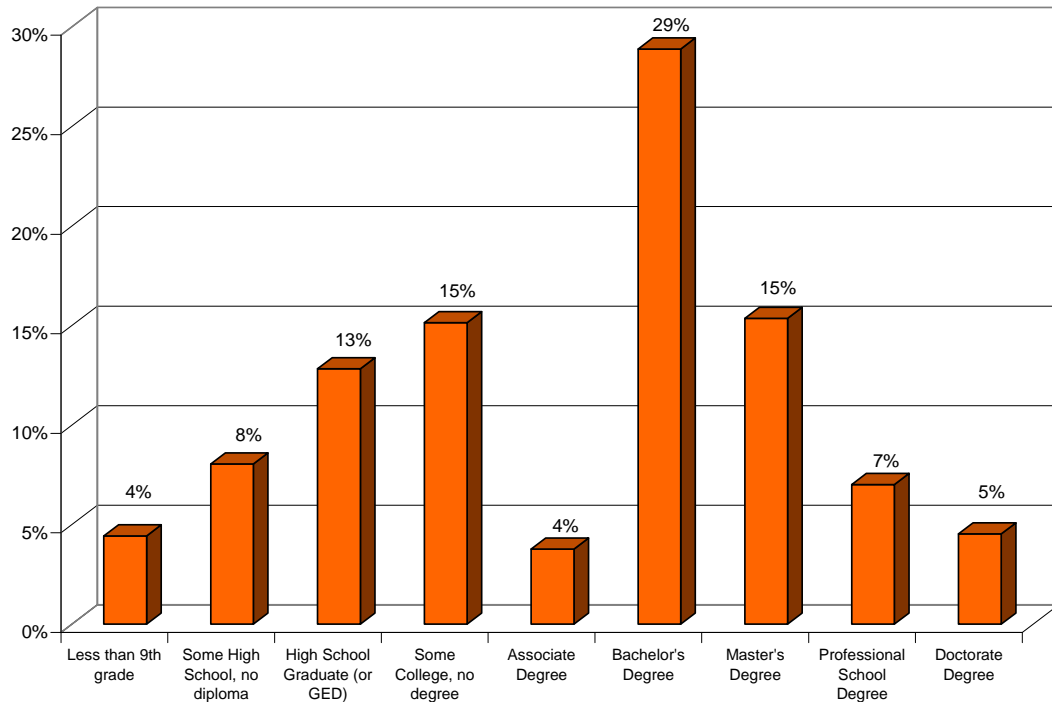
However, there has been growth in these small minority populations in the City as a whole over the last decade. There has been a decline in the African-American population in the last seven years, and the same trend is expected in the next five years.



## Educational Attainment

The City of Decatur's educational attainment levels are better than the Atlanta MSA and nation, as demonstrated in the chart below. In terms of the proportion of the population that has less than a high school education, the City of Decatur is seven percent below the national average and four percent below the Atlanta MSA average. The City has fewer high school graduates (without college education) than both the MSA and the nation, by approximately 14% percent. However, the City has substantially more residents with college degrees than the MSA or the nation, by approximately 25% and 30%, respectively.

City of Decatur, Educational Attainment, 2007

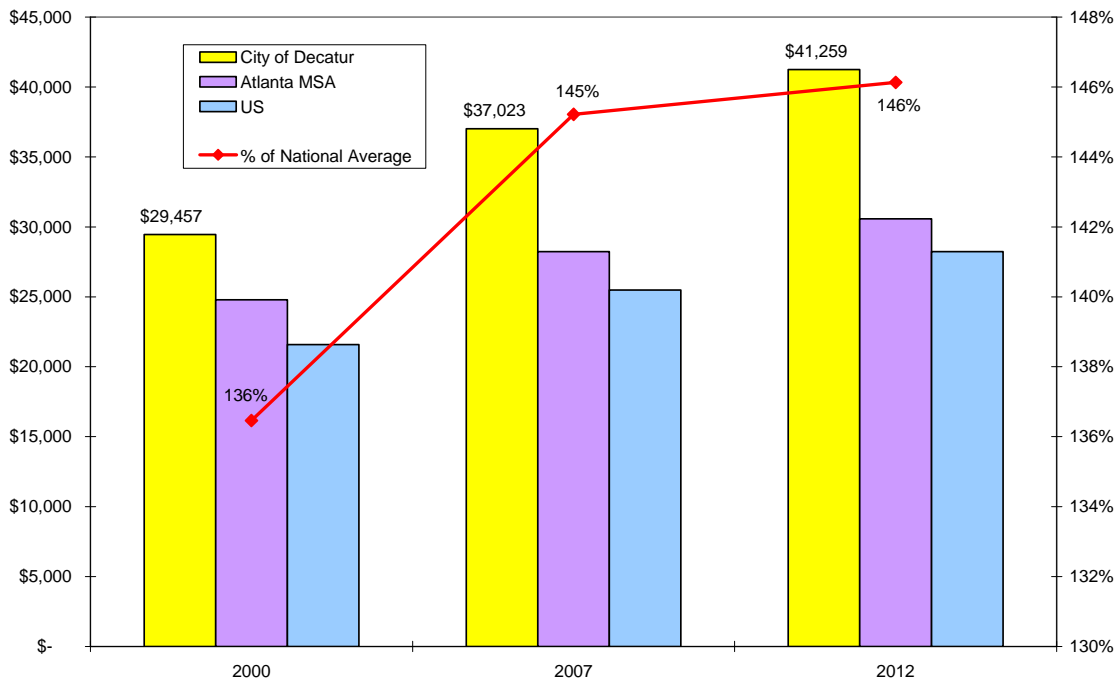


Source: Claritas

## Income

As a measure of wealth generation, per capita income is one of the most informative economic indicators about the relative economic position of communities. The City's per capita income (PCI) is well above the Atlanta MSA and national averages, as seen in the following chart. The City's per capita income has grown 26% since 2000, which is also well above the growth rates seen in the MSA and nation. Over the course of the next five years, the City's per capita income is still projected to be above both the MSA and national averages.

Per Capita Income Trends, 2000-2012

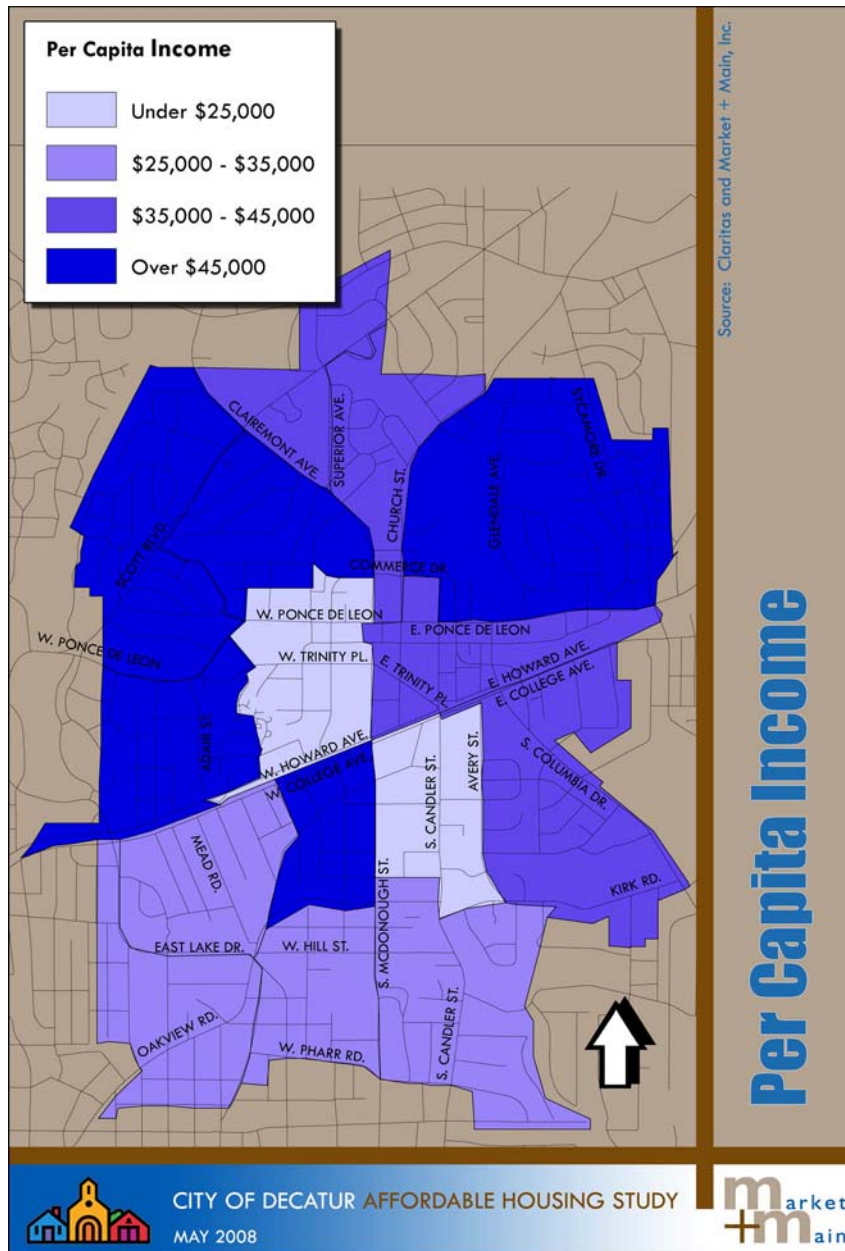


Source: US Census Bureau, Claritas, Market + Main, Inc.

Characteristics of the quadrants of the City per capita incomes are shown in the table below as well as illustrated in the map. Each quadrant of the City reports a per capita income higher than the Atlanta MSA or the nation. The north side of Decatur has noticeably higher per capita incomes than the south side.

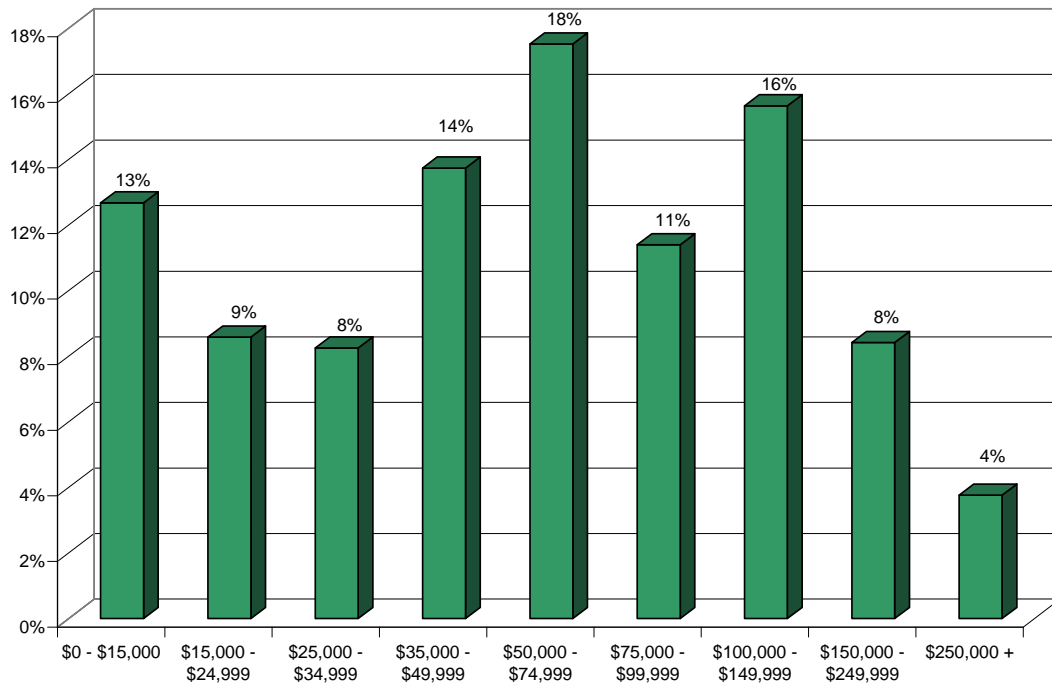
	Northwest	Northeast	Southwest	Southeast	City of Decatur
Per Capita Income	\$41,087	\$42,625	\$32,991	\$29,433	\$37,023
% of National Average	161.2%	167.2%	129.4%	115.5%	145.2%

Source: US Census Bureau, Claritas, Market + Main, Inc.



Further, the City's average household income is also higher than that of the Atlanta MSA and nation. The difference is about \$15,500 greater in comparison to the nation and about \$5,500 greater in comparison to the MSA. Currently, the largest proportion of the City's households earn between \$50,000 and \$75,000, but a close second is the proportion of households earning between \$100,000 and \$150,000, as illustrated in the following chart. However, there is not a significant concentration in any one income group. A large proportion (28%) of households in the City earn above \$100,000 annually, which is above the MSA (23%) and national averages (18%).

City of Decatur, Household Income, 2007

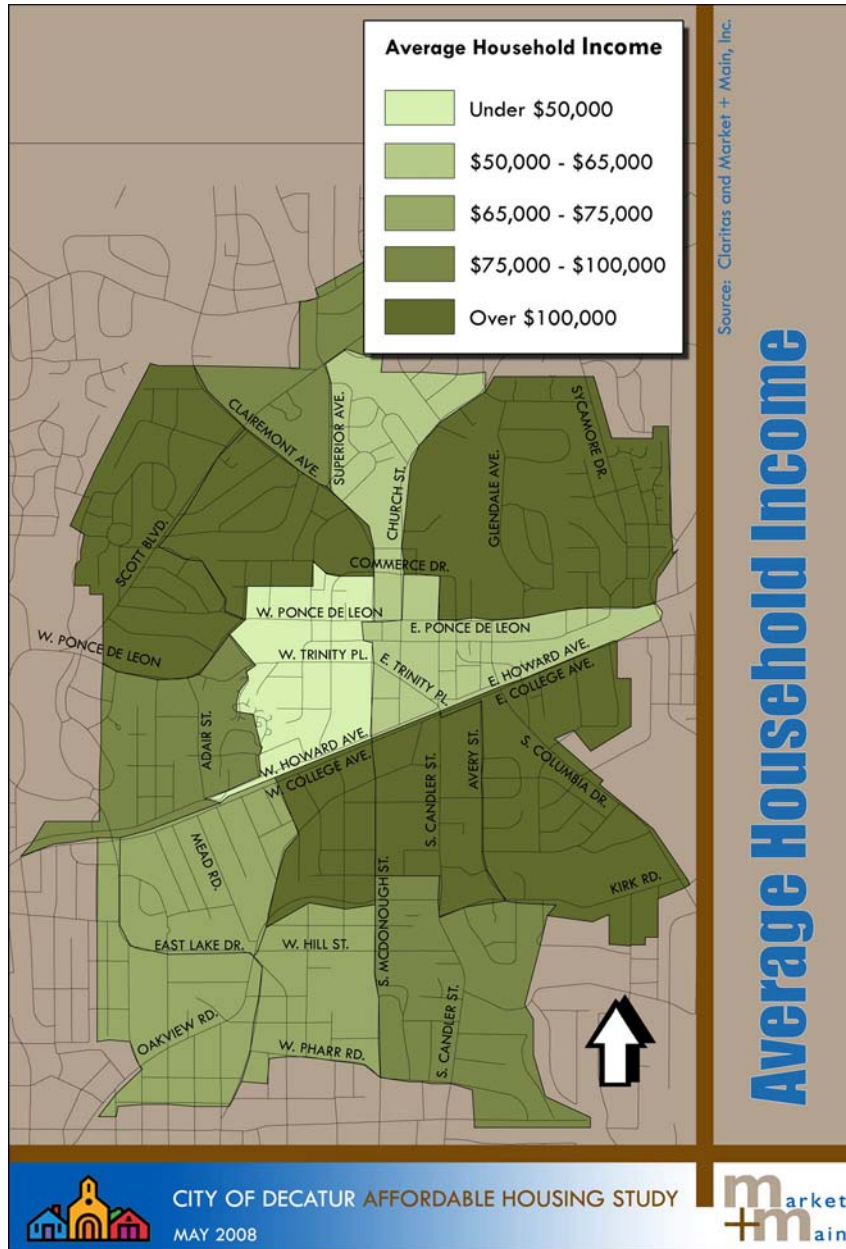


Source: Claritas

Characteristics of the quadrants of the City of Decatur average household incomes are shown in the table and map on the following page. Each quadrant of the City reports an average household income higher than the Atlanta MSA or the nation. The Southeast portion and Northwest portion of Decatur report higher average household incomes than the other two quadrants. While the Southeast portion had the lowest per capita income, it reports the highest average household income; this is likely due to the fact that this quadrant has the largest household size of any of the other quadrants.

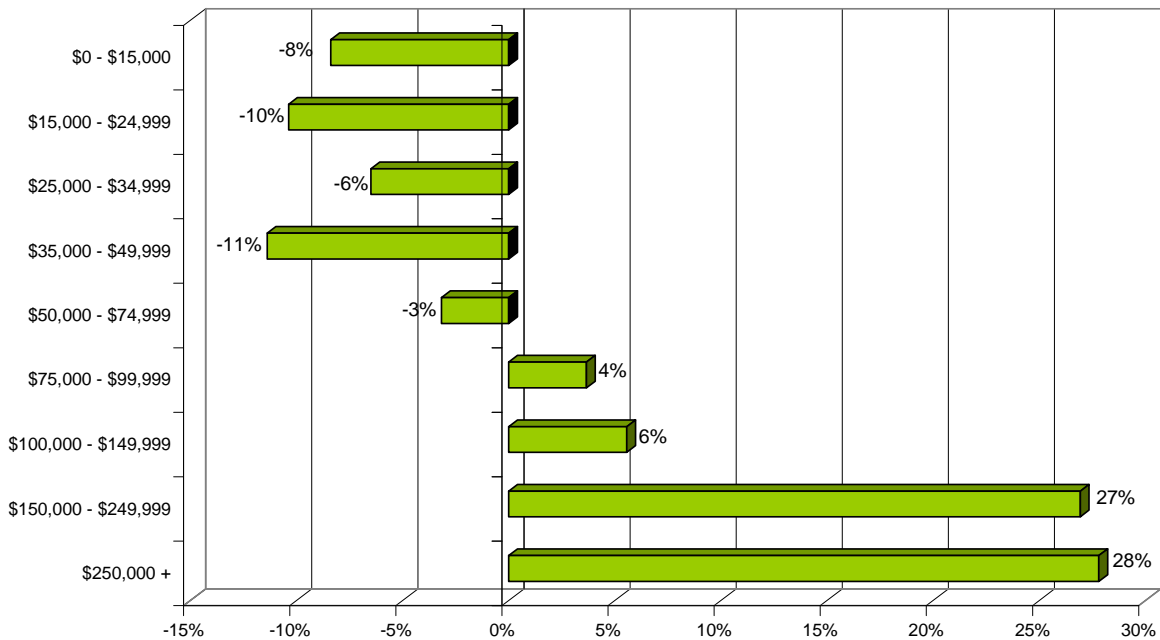
	Northwest	Northeast	Southwest	Southeast	City of Decatur
Average Household Income	\$89,999	\$74,410	\$79,975	\$94,757	\$82,406
% of National Average	134.9%	111.6%	119.9%	142.1%	123.6%

Source: US Census Bureau, Claritas, Market + Main, Inc.



Over the next five years, the household income groups below \$75,000 are expected to decline, as seen in the chart below. During the same timeframe, the household income groups above \$75,000 are expected to increase. The most notable declines are expected in the \$35,000 to \$49,999 and \$15,000 to \$24,999 household income groups. The most notable increases are expected in the above \$250,000 and \$150,000 to \$249,999 household income groups.

City of Decatur, Change in Household Income, 2007-2012



Source: Claritas

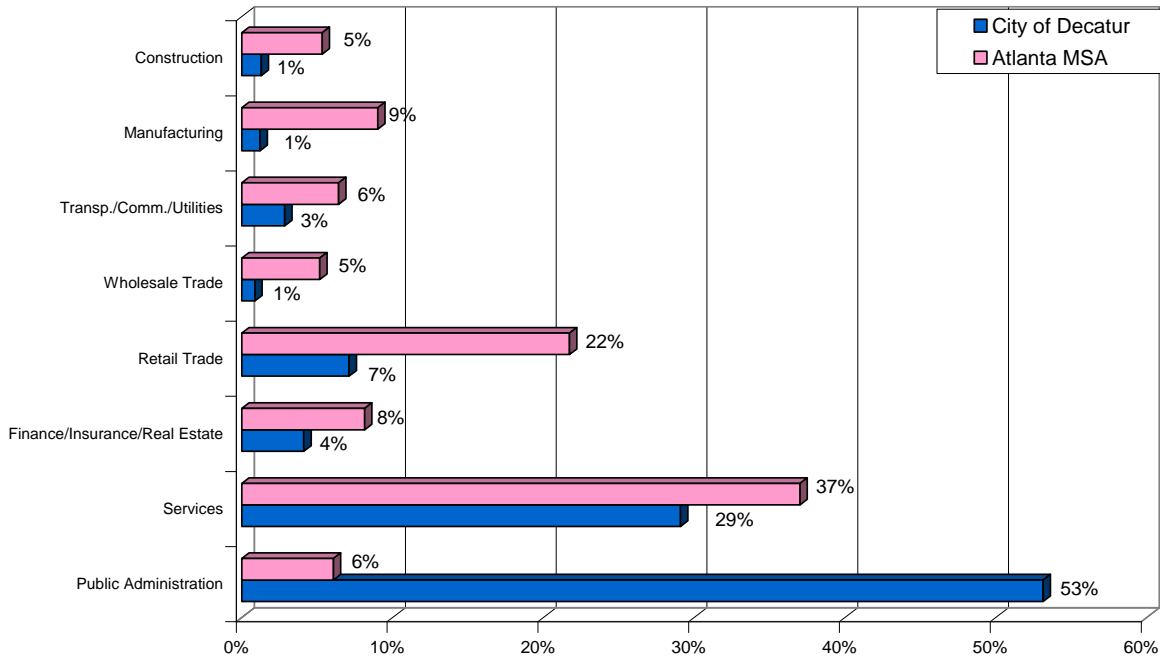
## Employment

The total daytime population, or employees, in the City of Decatur is about 9,700. The number of employees is just over half the number of residents in the City. The City of Decatur's employment base account for less than three percent of the total employment base in DeKalb County. There has actually been a slight decline (-2.6%) in employees in the City since 2000. In that same timeframe, DeKalb County's employment base has grown by 2.2%.

In terms of sector employment, the City of Decatur's largest employment sectors are Public Administration, Services, and Retail Trade, as shown in the chart on following page. In comparison, the top three industry sectors, in terms of employment, for the Atlanta MSA are Services, Retail Trade, and Manufacturing. Obviously, two out of the three top sectors are in common, but the differences are worth noting. The Public Administration sector is substantially larger in the City than in the MSA. In the City, the Public Administration sector accounts for

just over half of all employment, which is about nine times the MSA's proportion of six percent. Additionally, while Retail Trade makes the top three for the City of Decatur, its proportion is less than half of the MSA's proportion. Except for the three sectors already mentioned, all of the City's employment sectors are half the size or less than the MSA's proportions of employment.

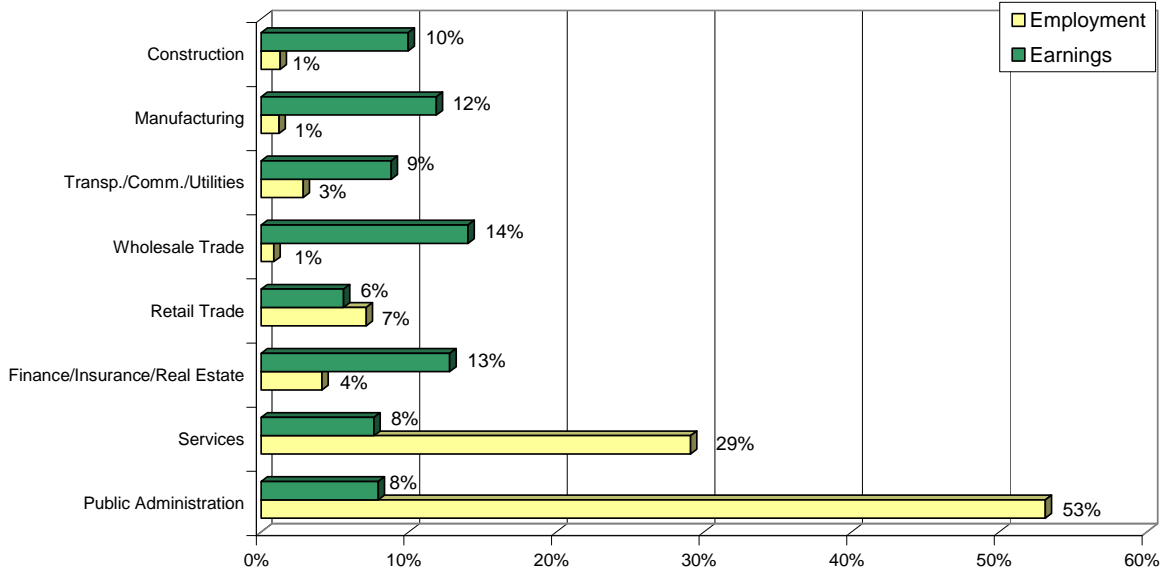
Sector Employment, City of Decatur and Atlanta MSA, 2007



Source: Claritas

The largest sectors of earnings for the City of Decatur are Wholesale Trade, Finance/Insurance/Real Estate (FIRE), and Manufacturing, as illustrated in the chart on the next page. It is noteworthy that the largest sectors for earnings are not the same as for employment. This means that while there are fewer jobs in these sectors, the earnings are higher than in the top three employment sectors in terms of size. When the proportion of earnings a sector contributes is higher per job than the proportion of employment, it means that these are high-paying jobs. It is also worth noting that the top three employment sectors (Public Administration, Services, and Retail Trade) all have employment to earnings ratios that point to lower-paying jobs.

Proportion of Employment vs. Earnings by Industry Sector,  
City of Decatur and DeKalb County, 2007



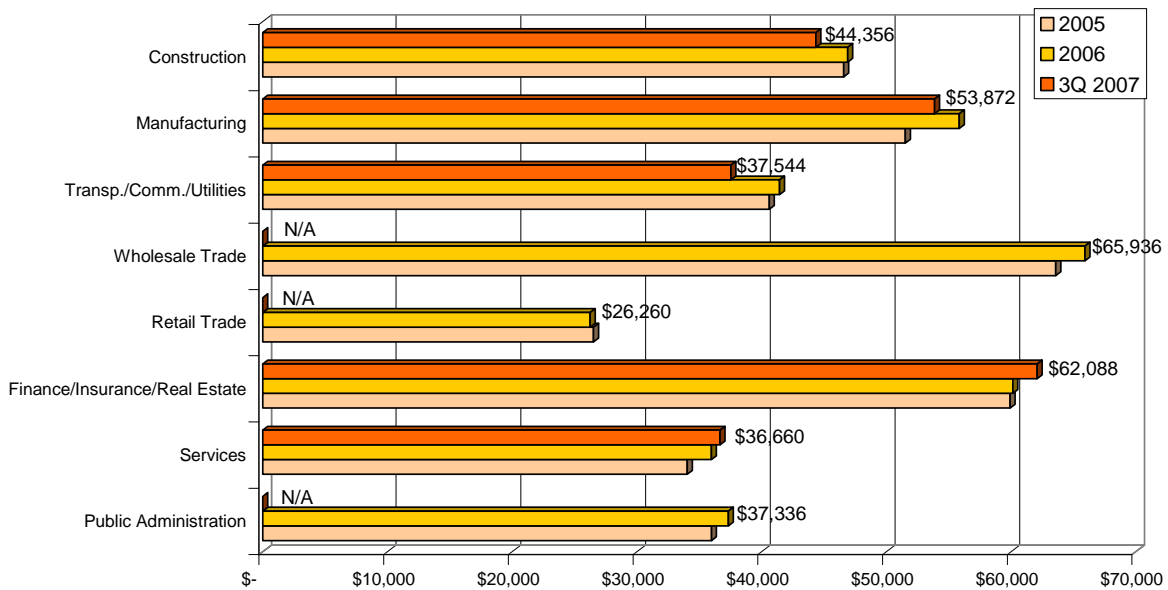
Source: Claritas, US Bureau of Labor Statistics, Market + Main, Inc.

Unfortunately, there is a limitation to data access in relation to wages. Between Census-taking years (which are every decade – last one was 2000 and next one is 2010), the Bureau of Labor Statistics only reports quarterly and annual data for counties; no geographies smaller in size. So, while it is not an exact comparison, it is the closest that is available – using City employment data and County wage data. While it is possible that there are differences in City-specific wages, it is unlikely that the ratios employment to earnings ratios would change substantially.



The chart below shows the changes in sector wages for DeKalb County between 2005 and 2007.<sup>6</sup> The three largest employment sectors for the City of Decatur are the three lowest paying sectors. The three highest paying sectors each represent five percent or less in terms of employment proportion in the City. In DeKalb County, only three sectors pay more than \$50,000 in average annual wages.

Wages by Industry Sector, DeKalb County, 2005-2007



Source: US Bureau of Labor Statistics

Since the Services sector has such a variety of jobs within it – from doctors to restaurant workers to educators – it is worth taking a closer look at. Professional, Business, Educational, and Health Services pay the most among the sector, all very close to the \$50,000 mark for annual wages in DeKalb County. However, the average for the entire Services sector is \$36,660, as noted in the chart above, because some of the sub-sectors pay as low as \$16,000 in annual wages, such as the Leisure and Hospitality sub-sectors. In the City of Decatur, the highest paying sub-sectors, Professional, Business, Educational, and Health Services, account for approximately 60% of the Services sector total employment.

<sup>6</sup> Some sectors reported non-disclosable information to protect confidentiality of individual employers. Figures shown here are estimates based on disclosed information only. Additionally, some sectors report wages only on an annual, not quarterly basis. Third quarter 2007 was the latest available data at time of report compilation.

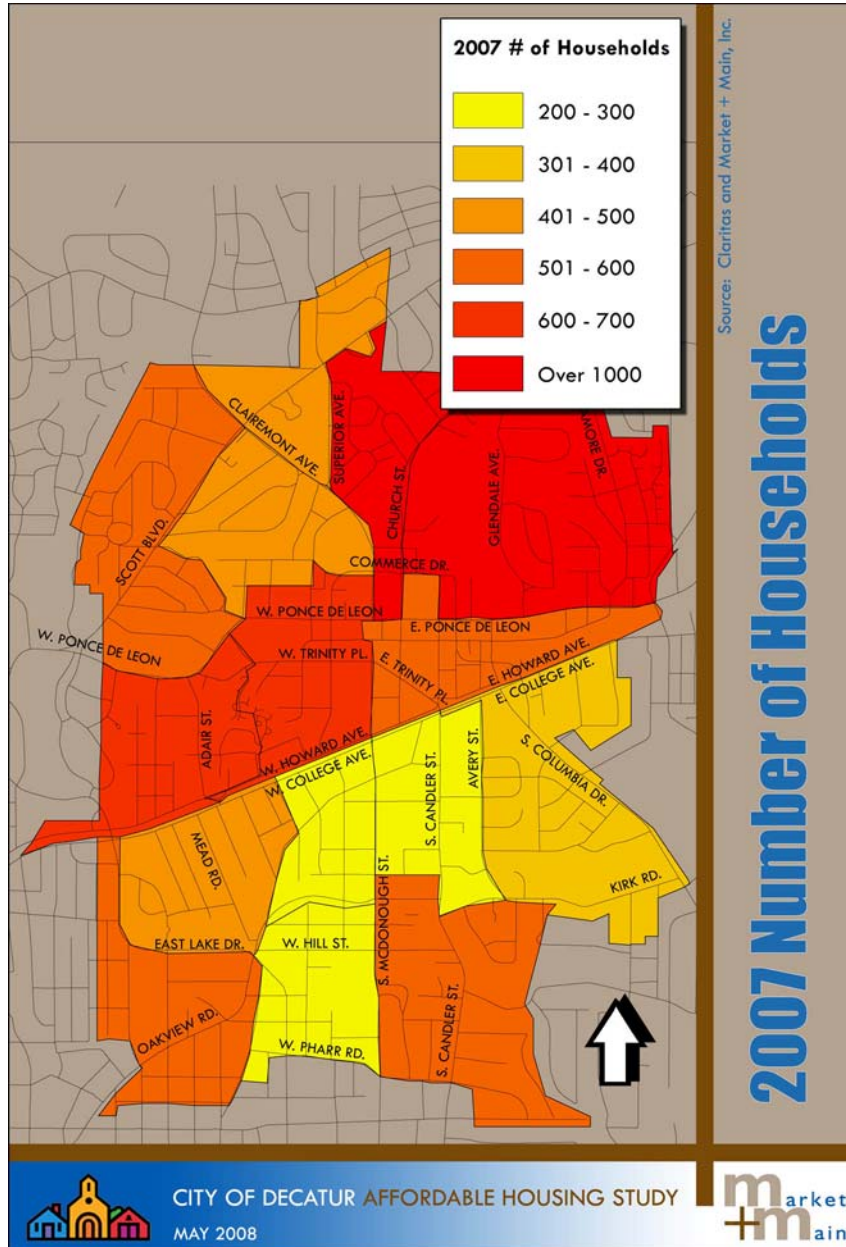
## Households

As would be expected, the household change trends are similar to the findings for the population change trends, highlighted in the table below. The City as a whole had a household growth rate between 2000 and 2007 that was below both the Atlanta MSA and the national average. The number of households remained relatively static during this timeframe. The same is expected over the next five years. This is not surprising given that the City is basically built-out. Even with some increased density in residential developments in parts of the City in recent years, the size of households that are being added, or replacing those that have moved, are usually smaller in size. Thus, these changes are not necessarily making huge net changes in total households or population numbers.

	City of Decatur	Zip Code 30030	DeKalb County	Atlanta MSA	United States
2000	8,051	11,200	249,339		
<b>2007 (Estimate)</b>	<b>7,911</b>	<b>10,997</b>	<b>253,430</b>		
2012 (Projected)	7,851	10,871	256,044		
Population Change					
2000-2007	-1.7%	-1.8%	1.6%	20.0%	7.8%
2007-2012	-0.8%	-1.1%	1.0%	11.2%	4.9%

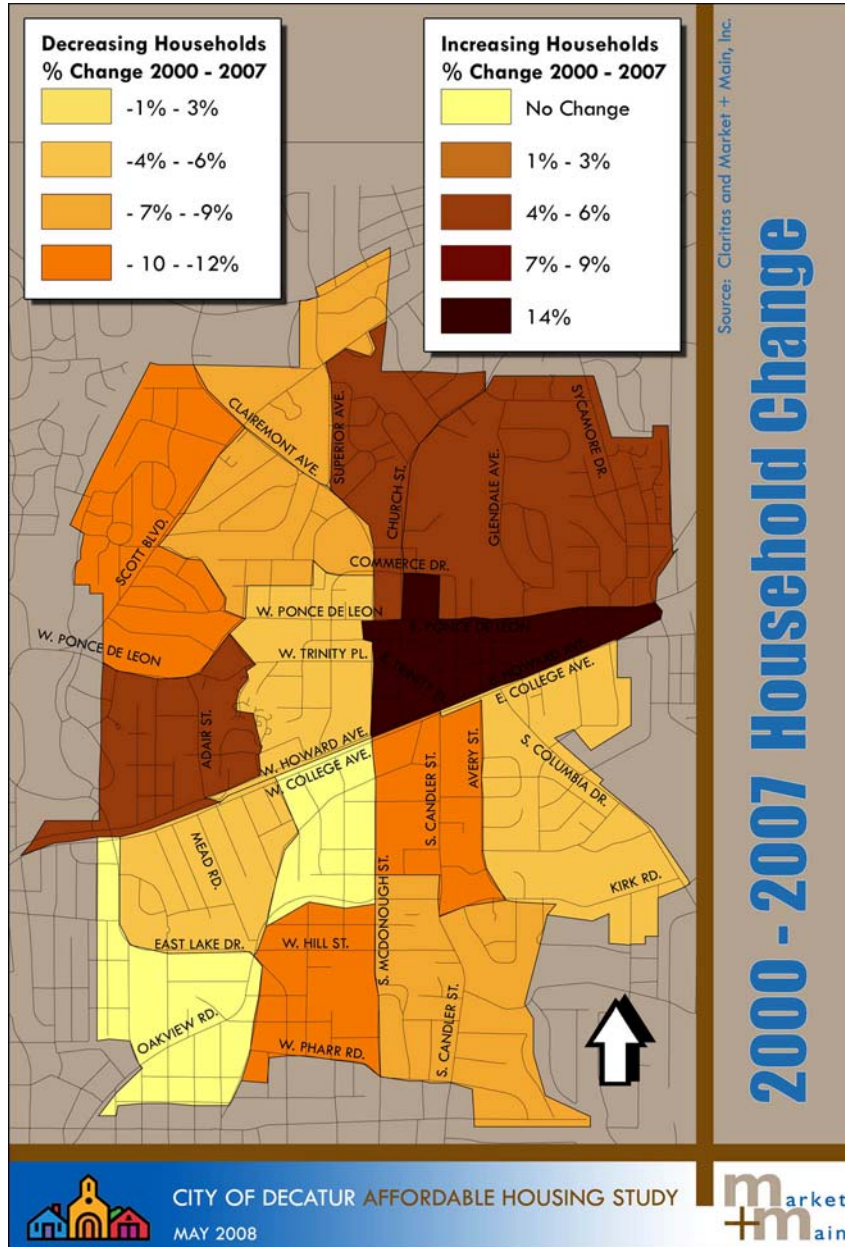
Source: US Census Bureau, Claritas

In terms of the City itself, similar to population findings, the northern portion is clearly the largest in terms of households, as shown in map below. The Northeast<sup>7</sup> portion is slightly larger than the Northwest<sup>8</sup> portion. On the south side of the City, the Southwest<sup>9</sup> portion is slightly larger than the Southeast<sup>10</sup> portion.

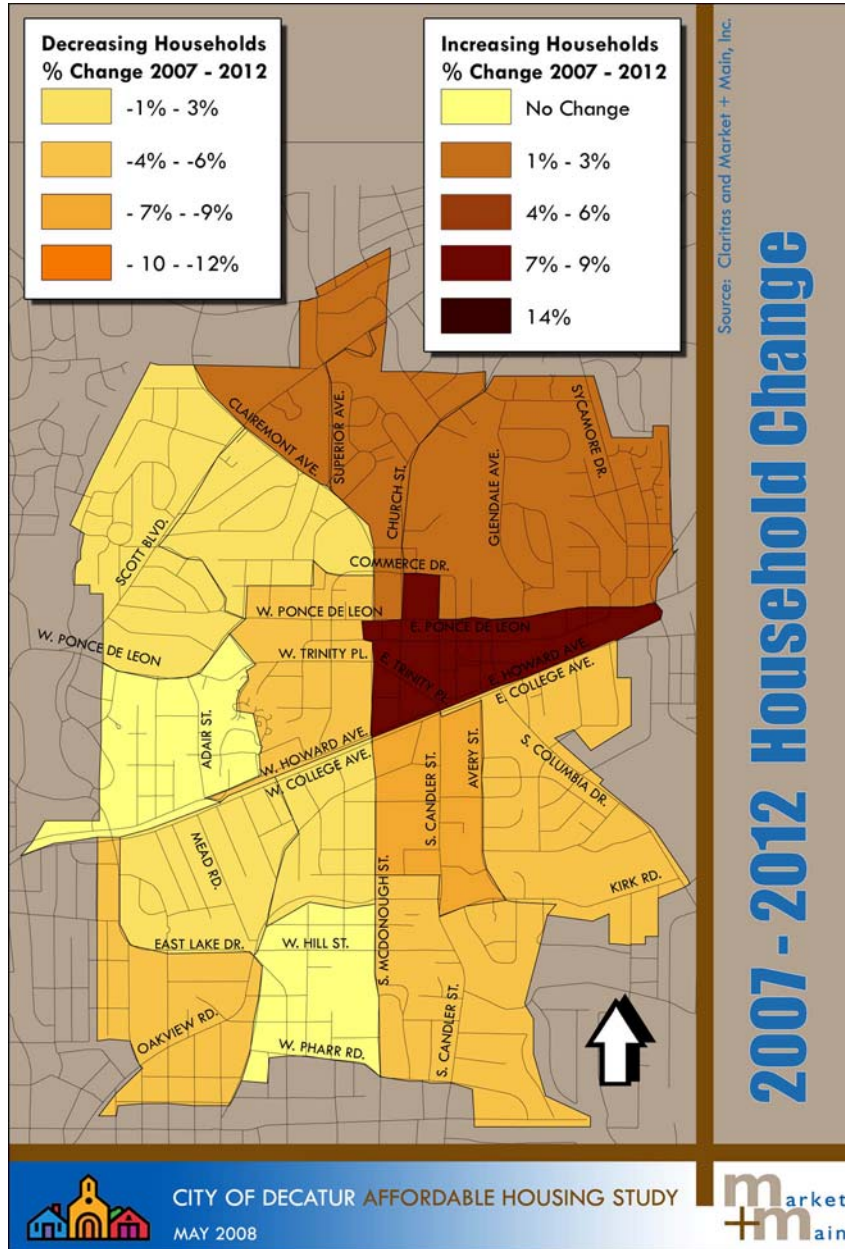


<sup>7</sup> Northeast portion of City of Decatur referenced is comprised of Census Tract 226, Block Groups 1, 2, 3, and 4.  
<sup>8</sup> Northwest portion of City of Decatur referenced is comprised of Census Tract 225, Block Groups 1, 2, 3, and 4.  
<sup>9</sup> Southwest portion of City of Decatur referenced is comprised of Census Tract 227, Block Groups 1, 2, 3, and 4.  
<sup>10</sup> Southeast portion of City of Decatur referenced is comprised of Census Tract 228, Block Groups 1, 2, and 3.

Between 2000 and 2007, only the Northeast portion of the City experienced large gains in households, as illustrated in following map. The other three portions of the City all experienced household losses during the same timeframe. The Southeast portion experienced the largest household loss between 2000 and 2007.



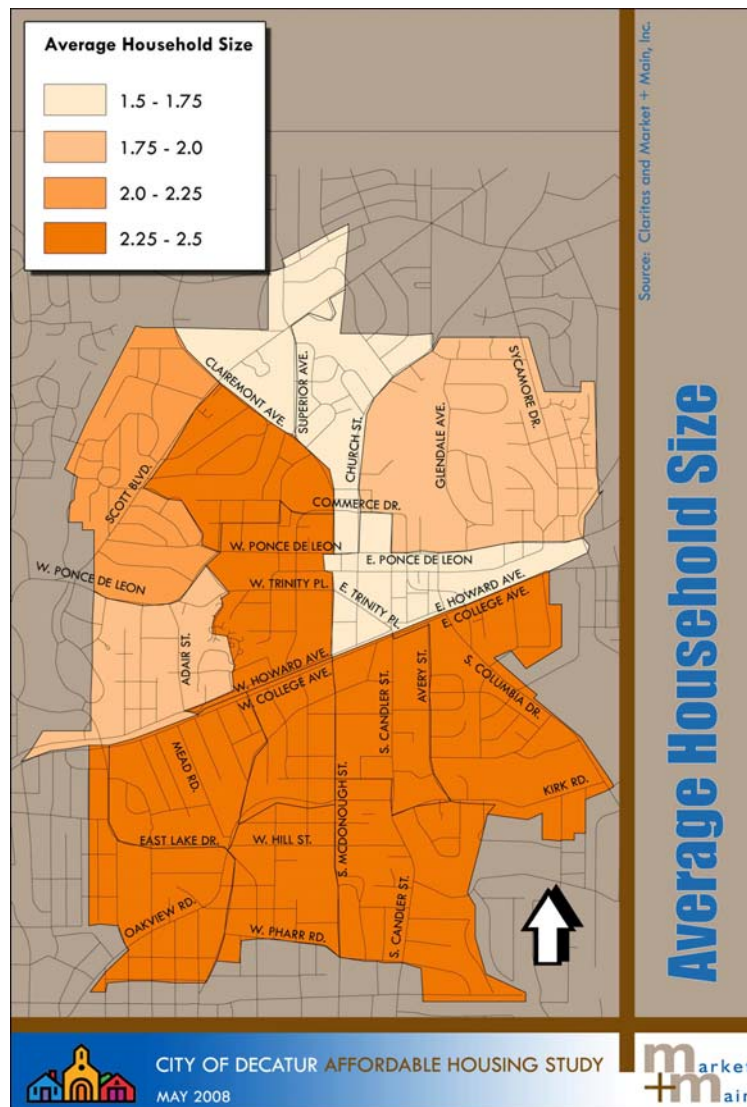
The projection for 2007 to 2012 again expects only the Northeast portion of the City to experience gains in households. The other three portions of the City are expected to experience household losses during the same timeframe, as seen in the following map.



## Housing

The City of Decatur has just over 9,000 housing units. This estimate was approximately the same from both Claritas and the Atlanta Regional Commission as data sources. Of the approximately 9,000 total units, approximately 65% are single-family detached homes and about 36% are multi-family units. There has been approximately eight percent growth in the number of housing units in the City of Decatur since 2000. The biggest increase in housing structure type during this timeframe was in multi-family units, which grew by 16%. Single-family units increased by four percent during this same time period.

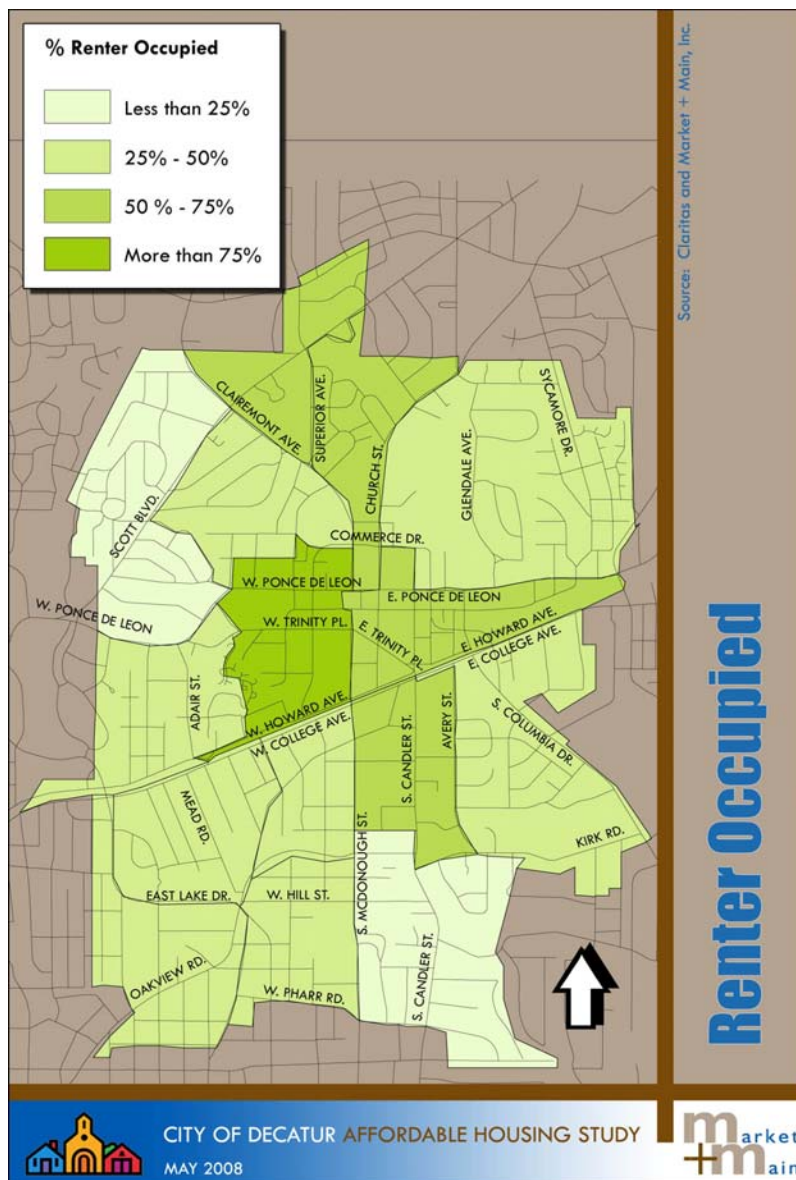
Household size in the City of Decatur (2.12) is below the national average (2.58) and Atlanta MSA average (2.70). In terms of the City itself, the northern portion has smaller average household sizes in comparison to the southern portion. The Northeast portion of the City has the smallest average household size and the Southeast portion has the largest average household size, as shown in the map below.



There are notably more single-person households in the City (39.8%) in comparison to the Atlanta MSA (22.9%) and national (26.3%) averages. This is important to note, as many times it can be an indicator of the young professional population.

The City of Decatur is below the MSA and national averages for owner-occupied housing units. The City has 58% owner-occupied housing units and 42% renter-occupied housing units. The Atlanta MSA's ratio of owner-to-renter is approximately 69% to 31% and the nation's ratio is 67% to 33%. This is not surprising given the urban nature of Decatur.

In terms of the City itself, the southern portion has a smaller proportion of renter-occupied housing in comparison to the northern portion. The Southwest portion of the City has the lowest proportion of renter-occupied housing and the Northeast portion has the highest proportion of renter-occupied housing, as illustrated in the following map.



## Key Socioeconomic Findings

The City of Decatur has a static number of population and households. There was little change in population and households over the last seven years, and the same is expected over the next five years. This is not surprising since the City is basically built-out at this time.

The City of Decatur's population is middle-aged overall. The proportion of residents aged under 18 years is slightly smaller than average and the proportion of residents aged over 65 years is about average. Much of the growth in the City is projected in age groupings over 60 years of age.

The City of Decatur is predominately Caucasian, and the second largest racial group is African-Americans. However, the City has been losing diversity in its racial composition; a trend that is projected to continue.

There are incredibly high levels of educational attainment in the City of Decatur. There is a smaller than average proportion with less than high school education. There are substantially higher than average attainment levels for college degrees as well.

The City of Decatur's income levels are very high. Per capita income is well above the Atlanta MSA<sup>11</sup> and national averages, and is expected to continue to be. Average household income is also well above the MSA and national averages. Yet, there is a relatively even distribution among income groups in the City.

The City of Decatur has much more of a residential concentration than employment. The jobs-to-housing ratio is 0.54, which means there are more residents in the City than employees.

Approximately 80% of the City of Decatur's employment base is concentrated in only two sectors: Public Administration and Services. These are both lower-paying sectors.

Only six percent of total jobs in the City of Decatur pay wages above \$50,000 annually.

The City of Decatur's average household size is notably smaller than the national or Atlanta MSA averages. There is also a significant proportion of single-person households in the City.

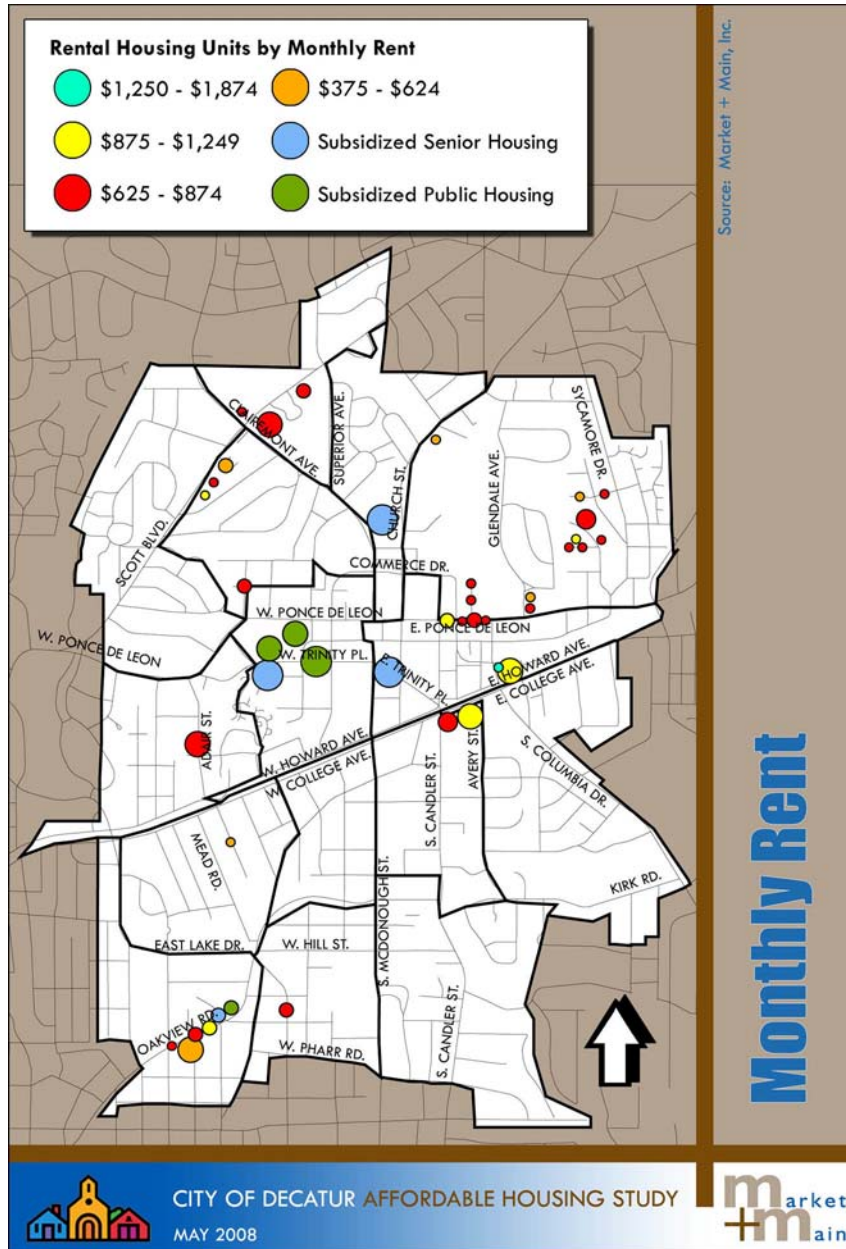
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<sup>11</sup> 28-county metropolitan statistical area, made up of Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton counties.



## RENTAL SUPPLY OVERVIEW <sup>12</sup>

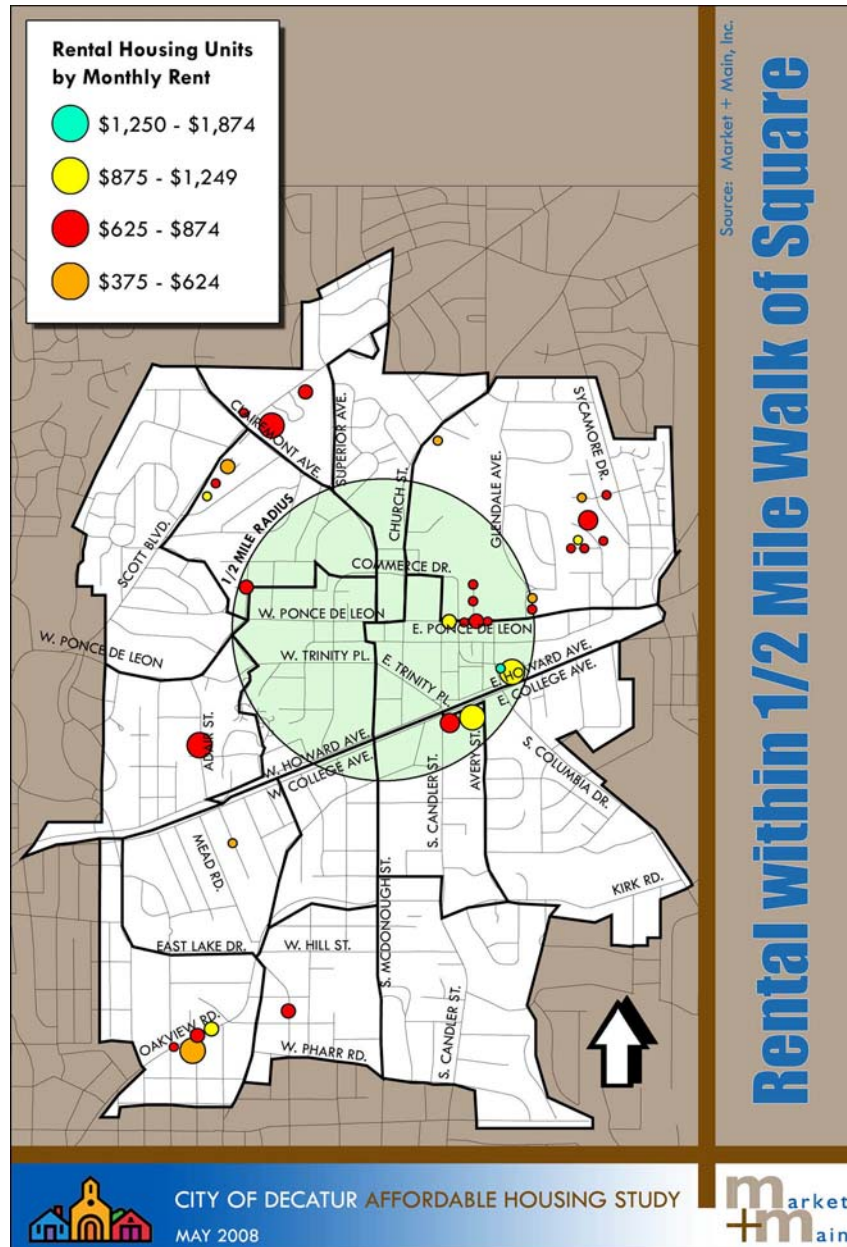
The following map illustrates summary information related to the rental supply investigated for this study. Market-rate apartments, senior independent living rental housing, and public rental housing were inventoried in conjunction with this project. The overall rental supply in the City has been impacted in recent years by the teardowns and condominium conversions that have occurred, resulting in the removal of some of the rental supply from the marketplace.



<sup>12</sup> Source: Primary research and field work done by Market + Main, Inc. based on City-provided information.

## Location

The City of Decatur has approximately 780 market-rate rental units in 37 complexes.<sup>13</sup> These are generally found in five different clusters around the City, as illustrated in the map below. Interestingly, the price difference among different unit types and sizes is not as big as the differences found in rents charged based on location.



<sup>13</sup> This estimate is based on primary research and field work done by Market + Main, Inc. based on data provided by the City of Decatur. The focus was on apartments. The timeline and scope of this study did not allow a level of research or analysis to accurately estimate private rentals for single-family homes, condominiums, townhomes, or rooms within homes. There is more rental supply in the City than the apartments that are inventoried in this section.

1. The most expensive units are found in the two newest developments, Ice House Lofts and Avery Glen Apartments. These two developments are clustered around the railroad along East Howard/East College Avenue. This cluster represents the new trend toward larger developments with on-site amenities. This top priced cluster is within a half-mile, or ten-minute, walk of the downtown square.
2. The second cluster is a group of smaller, older complexes along East Ponce De Leon Avenue and East Ponce De Leon Court, a dead-end residential street just off of East Ponce De Leon Avenue. After Ice House Lofts and Avery Glen Apartments, these are the most expensive units in the City due to their proximity to Decatur's desirable shops, restaurants, and entertainment. This cluster is also within a half-mile, or ten minute, walk of the downtown square.
3. Just beyond this half-mile radius, a large number of mid-century apartment buildings are found on Hillcrest Avenue, and the surrounding streets just west of Sycamore Drive. Most of these buildings have been recently renovated and bring in mid-range rents, but the few that have not been renovated or updated are in poor condition.
4. In the northwest quadrant of the City, there is another concentration of mid-century rental complexes with some of the cheapest rents in the City clustered near the intersection of Scott Boulevard and Clairemont Avenue. Many of these buildings are also in poor condition, and some have recently been torn down and replaced by new townhomes.
5. Finally, there is a cluster of low rent, older market-rate apartment complexes in the southwest quadrant of the City, primarily along Oakview Road. These are clustered with one of Decatur's public housing developments, as well as a workforce housing development operated by Decatur Housing Authority, which offers rents below market rate. This cluster generally has the lowest rents in the City.

## Age

The bulk (66%) of Decatur's rental housing stock is made up of low-rise apartment buildings built between 1950 and the mid-1980s. There are a few historic properties built between 1900 and 1930, comprising six percent of Decatur's total rental units. Only two new apartment products have been built in the last 20 years, Ice House Lofts and Avery Glen Apartments. While these are only two complexes of the total of 37, their size is what makes them account for 28% of total rental housing units in the City.

## Unit Mix

The table on the next page shows a summary of relevant statistics about the apartment mix in the City of Decatur. It is important to make a note that detailed information was not able to be obtained for approximately 70 units in the City. Based on field work, the units were identified, but these "unknown" units are the type that do not have a complex name, have

very few units, do not have a leasing company, do not have an on-site property manager, and do not even post phone numbers for inquiries. While it is unfortunate that details could not be obtained on these units, we are confident that the details on these units would not positively impact the rental averages and other statistics included here.

	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Number of Units	92	172	419	16
Monthly Rent – Low	\$595	\$500	\$595	\$690
Monthly Rent – High	\$985	\$1,345	\$1,695	\$1,000
Median Monthly Rent	\$790	\$848	\$1,145	\$845
Average Monthly Rent <i>Without Ice House Lofts &amp; Avery Glen</i>	\$721	\$711	\$755	\$757
Average Monthly Rent <i>With Ice House Lofts &amp; Avery Glen</i>	\$922	\$819	\$810	N/A

Source: Market + Main, Inc.

NOTE: The difference in 1-bedroom and 2-bedroom average rents with Ice House Lofts is because Icehouse Lofts has only a handful of 2-bedroom units.

## STUDIOS

There are 92 studios ranging from \$595 to \$748 with an average of \$721. These are primarily located in historic properties built prior to 1930. The relatively new Ice House Lofts dramatically increased this supply, with 70 studio units, which are much more expensive, raising the average studio rent up to \$922, and widening the range from \$595 to \$985.

## ONE-BEDROOMS

Similarly, the number of one-bedroom units nearly doubled with the construction of Ice House Lofts and Avery Glen Apartments, bringing the total number of one-bedroom units within the City of Decatur to 172. These two projects have significantly higher rents. The average rent for older one-bedroom units found elsewhere in Decatur is \$711, while the average including these two new projects is \$819. Overall, rents for one-bedroom units range from \$500 to \$1,345.

## TWO-BEDROOMS

There are 419 two-bedroom units, which make up the majority of the rental housing stock. These are primarily housed in one- and two-story apartment buildings built between 1950 and 1980. Rents for these units range from \$595 to \$1,000, with an average of \$755. The development of Avery Glen Apartments and Ice House Lofts added 68 and 6 two-bedroom units, respectively, extending the range to between \$595 and \$1,695, and raising the average rent to \$810.

### THREE-BEDROOMS

There are only 16 three-bedroom units in the City, which rent between \$690 and \$1,000, with an average of \$757. These are strangely low because the majority of these units are in a workforce housing development owned by the Decatur Housing Authority, which charges rents lower than market rate in an effort to offer more affordable housing; however, there is no income cap or limit required to occupy these units.

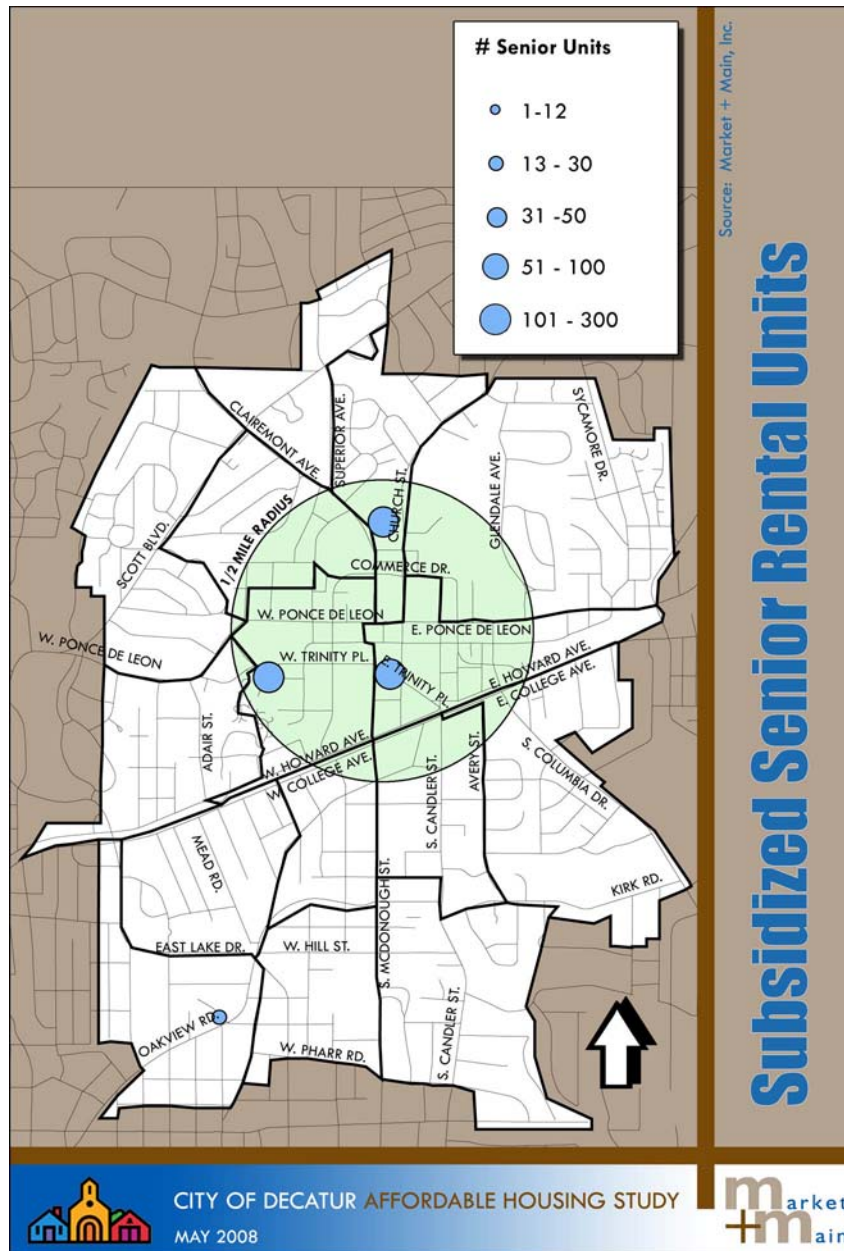
### Senior Housing

There are also units available exclusively for senior independent living in the City of Decatur. Within four complexes there are 717 studio and one-bedroom apartments available exclusively for seniors who are 62 or older. Of the 717 total units, 263 units are set-aside for Section 8 residents and 454 units are available for Section 236 subsidy.

Clairemont Oaks and Philips Tower offer Section 8 units and allow seniors that are on a waiting list for limited Section 8 units to pay rent on a sliding scale within this range, generally based on roughly 30% of their income and assets. There is no income limit to live in these buildings; in fact, there are a small number of residents paying the full market rate. To be eligible for the sliding scale rent, resident income is limited to a maximum of \$45,550 annually per household and \$39,850 per individual. To be eligible for Section 8 units, residents must earn under \$24,900 annually. Monthly rents range from \$468 to \$557 for a studio, and \$599 to \$779 for a one-bedroom unit. Philips Tower currently has a waiting list for subsidized one-bedroom units and Clairemont Oaks has some availability.

A third private senior development, Park Trace, is entirely subsidized with residents paying 30% of their income. Residents must be at least 62 years of age or receive social security for some other reason, such as a disability. Resident income is limited to a maximum of \$45,550 annually per household and \$39,850 per individual. The fourth complex is Gateway Manor, a Decatur Housing Authority development, which provides subsidized units for seniors or disabled residents.

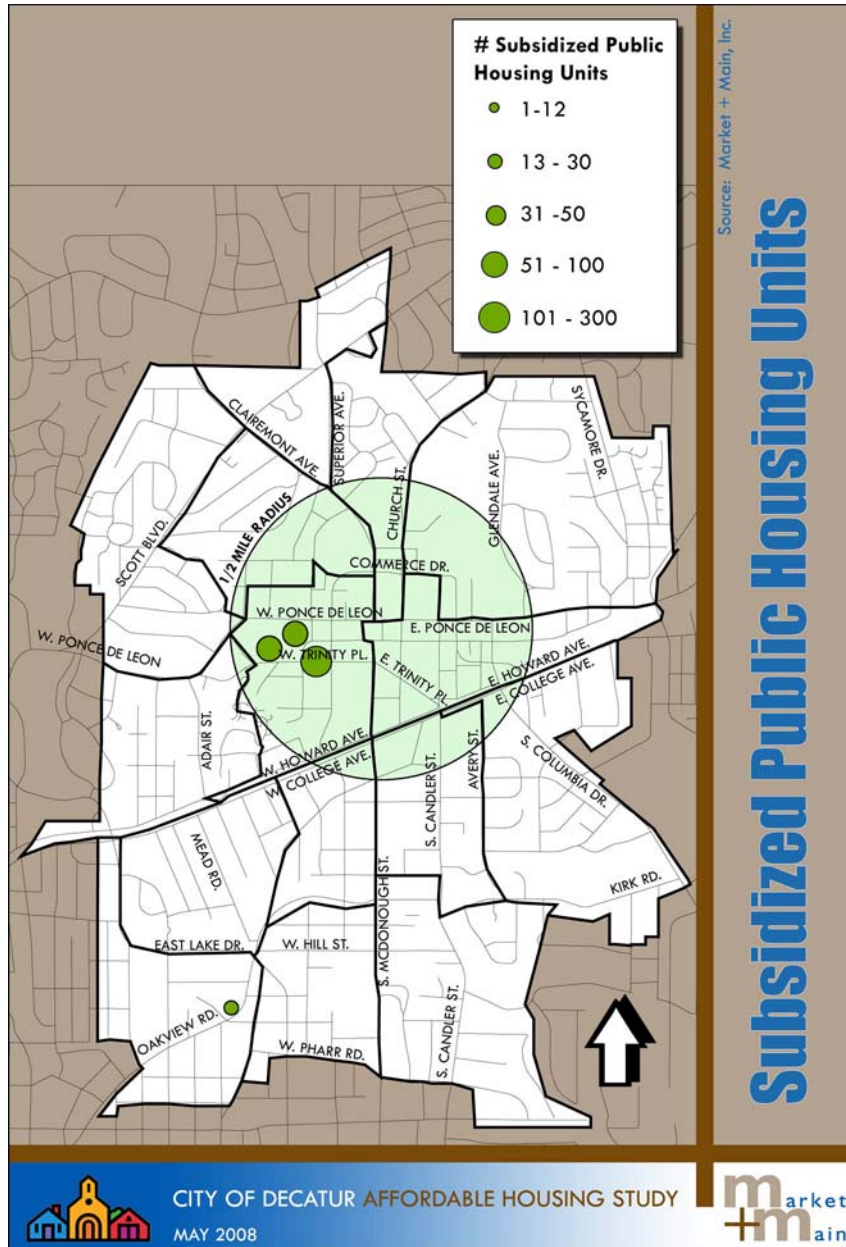
Interesting to note, almost one-third of all senior units are within a quarter-mile walking distance of the downtown square, and 96% of all senior units are within a half-mile walking distance of the downtown square. Gateway Manor, which is located along Oakview Road, is the only complex that is not within walking distance to the square. Proximity to the City's downtown square is not only worth noting because of the access to goods and services, but also because of the access to transit via the Decatur MARTA train station. The locations of the senior housing developments are shown in the map on the next page. It is also necessary to state that input from focus groups did highlight that while the walkability of downtown Decatur is an amenity for much of the citizenry; that the assessment of this characteristic's amenity level for seniors greatly depends on their individual mobility level, thus it is not an "automatic" asset as it is for most of the citizenry.



### Public Housing

The Decatur Housing Authority operates four public housing projects with a total of 445 subsidized rental units. These public housing units are concentrated in the center of the City, around West Trinity Place and Commerce Drive, as illustrated in the map on the following page. An additional 30 units devoted to seniors and disabled residents are located in the Gateway Manor complex (mentioned above) along Oakview Road. The vast majority (94%) of all public housing units are within a quarter- to a half-mile of the downtown square and

MARTA rail station. Rents are based on 30% of adjusted annual income with the average rent ranging from \$120 to \$195 per month.



## FOR-SALE SUPPLY OVERVIEW <sup>14</sup>

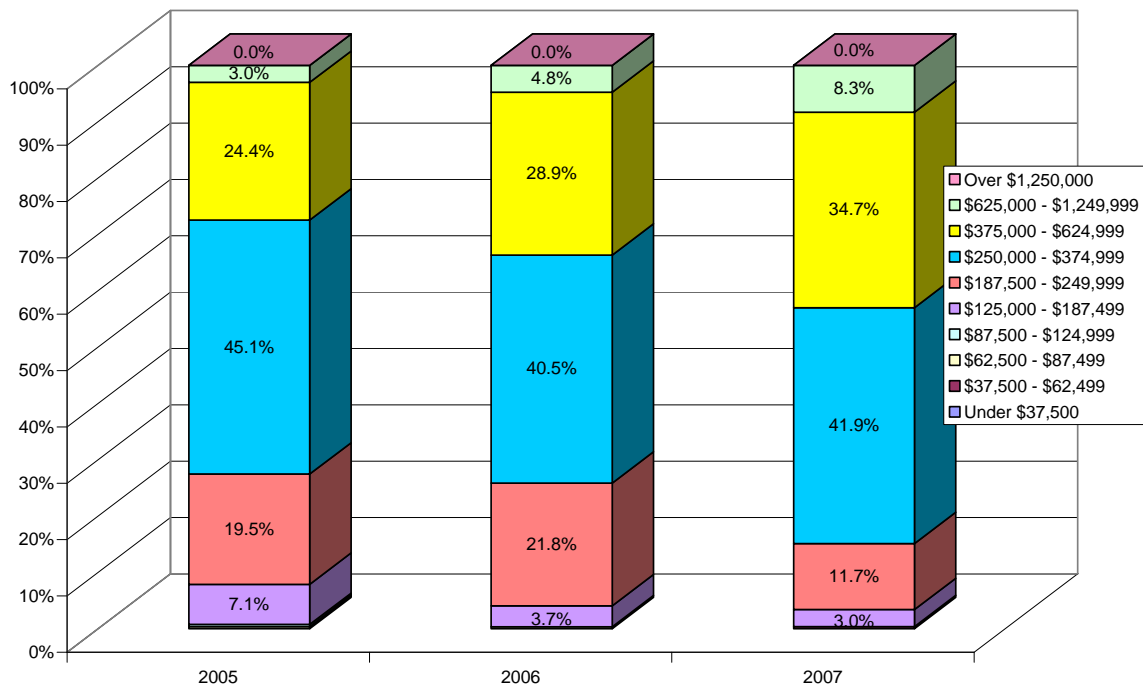
### New & Resales Market Activity – 2005 - 2007 <sup>15</sup>

Housing prices for single-family homes, condominiums, and townhomes all increased between 2005 and 2007. The price range broadened during this timeframe, with the minimum sold prices decreasing and the maximum sold prices increasing. The average size (number of bedrooms and bathrooms) of all types of for-sale housing units increased as well. In general, the for-sale market in Decatur has remained steady with a slight peak in sales in 2006.

#### SINGLE-FAMILY

The average sold price of single-family homes increased 18% between 2005 and 2007. For single-family homes, this time period also saw a decrease in the lowest sold prices (by 31%) and an increase in the highest sold prices (by 15%). The chart below shows the proportions of each sales price range in each year between 2005 and 2007. In each year shown, single-family detached homes priced under \$125,000 accounted for less than one percent. Additionally, there were no single-family detached homes priced above \$1,250,000 in any year shown.

For-Sale Residential Market Activity - Single-Family, City of Decatur, 2005-2007



Source: SmartNumbers, Market + Main, Inc.

<sup>14</sup> Similar to rental supply, it is difficult to accurately estimate the exact for-sale supply since many people choose to privately rent their homes instead of living in them as their primary residence. The timeline and scope of this study did not allow a level of research or analysis to accurately estimate private rentals.

<sup>15</sup> Source: Multiple Listing Service.



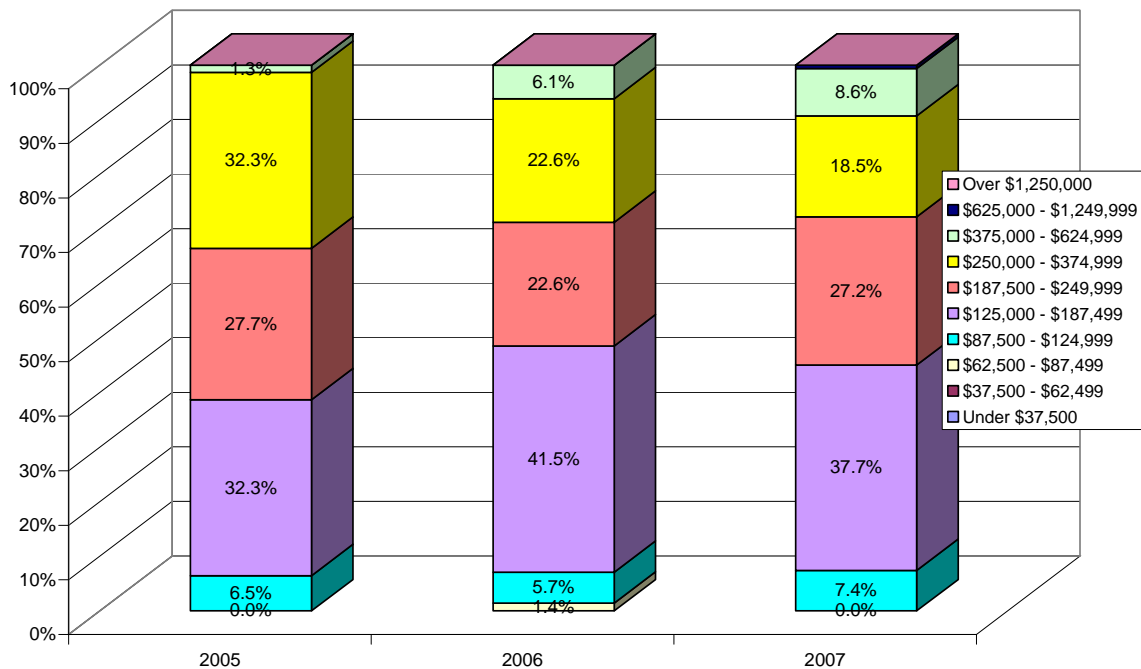
Single-family sold prices ranged from \$50,000 to \$937,500 between 2005 and 2007. As seen in the preceding chart, the majority of sold single-family homes were priced between \$250,000 and \$374,999. The second largest supply grouping was priced between \$375,000 and \$624,999. And the third largest single-family market supply was priced between \$187,500 and \$249,999. These three price groupings accounted for the vast majority of sales of single-family detached homes between 2005 and 2007.

The average sold price of single-family detached homes grew steadily during this timeframe: \$326,010 (2005); \$347,699 (2006); and \$384,715 (2007). While prices increased, the number of days on the market for single-family detached homes actually stayed basically the same, averaging just over 60 days. The number of sales remained relatively steady, with a slight peak in sales found in 2006.

### CONDOMINIUMS & TOWNHOMES

The average sold price of condominiums and townhomes increased four percent between 2005 and 2007. For condominiums and townhomes, this time period also saw a decrease in the lowest sold prices (by 4%) and an increase in the highest sold prices (by 43%). The following chart shows the proportions of each sales price range in each year between 2005 and 2007. In each year shown, there were no condominiums and townhomes priced under \$62,500. Additionally, condominiums and townhomes priced over \$625,000 accounted for less than one percent in any year shown.

For-Sale Residential Market Activity - Condos & Townhomes, City of Decatur, 2005-2007



Source: SmartNumbers, Market + Main, Inc.

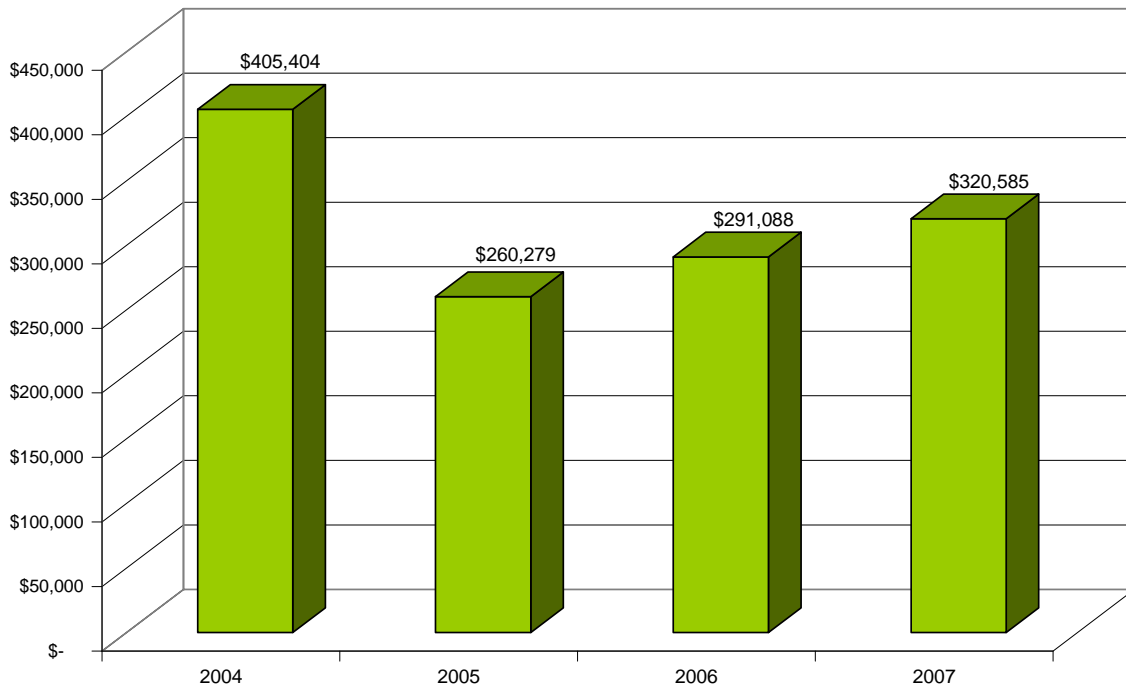
Condominiums and townhomes sold prices ranged from \$77,000 to \$770,000 between 2005 and 2007. As seen in the preceding chart, the majority of sold condominiums and townhomes were priced between \$125,000 and \$187,499. The second largest supply grouping was priced between \$187,500 and \$249,999. And the third largest condominiums and townhomes market supply was priced between \$250,000 and \$374,999. These three price groupings accounted for the vast majority of sales of condominiums and townhomes between 2005 and 2007.

The average sold price of condominiums and townhomes grew during this timeframe, with a dip in average price seen in 2006: \$220,216 (2005); \$215,579 (2006); and \$228,529 (2007). While prices increased, the number of days on the market for condominiums and townhomes actually decreased, averaging about 100 days in 2007. The number of sales remained relatively steady, with a slight peak in sales found in 2006.

### New Construction Market Activity – 2004 - 2007<sup>16</sup>

Because so much new product has come into the City of Decatur in recent years through infill construction, it is worth taking a look at new construction on its own, separate from resales. In terms of new, for-sale, residential product, there was a significant price drop between 2004 and 2005 followed by a steady price increase from 2005 to 2007, as shown in the chart below. The minimum prices decreased and the maximum prices increased, creating a wider price range. When reviewing the period between 2004 and 2007, the majority of new units were built and sold in 2005 and 2006 with a notable difference in supply in 2004 and 2007.

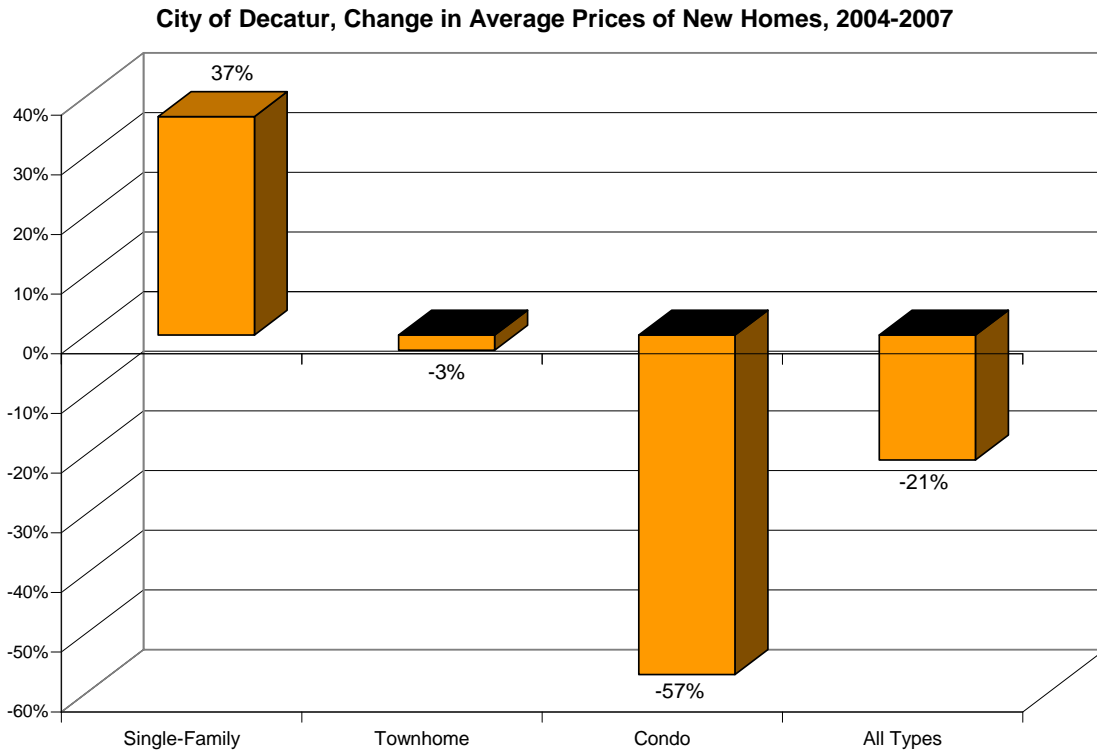
City of Decatur, Average Prices of New Homes, 2004-2007



<sup>16</sup> Source: Smart Numbers

<sup>16</sup> Source: Smart Numbers.

New single-family homes are much more expensive than existing homes. The average sales price of only newly constructed single-family detached homes in 2007 was \$602,214 compared to the average price of all (both new and resales) single-family homes at \$384,715, as cited earlier. The size of new construction (number of bedrooms and bathrooms) is notably larger than the existing stock, which is certainly a contributing factor in the price difference seen. The price of new single-family homes increased by 37% between 2004 and 2007, as seen in the following chart.



Source: Smart Numbers

New townhome prices remained relatively steady between 2004 and 2007, with the average new sales price of townhomes at \$364,824 in 2007. New condominium prices decreased by 57% during the same timeframe, with the average new sales price of condominiums at \$182,403 in 2007. This decrease in condominium prices may be attributed to the massive increase in supply of new condo product in recent years, as natural price adjustments occur. As a matter of fact, just over 80% of all brand new housing units built between 2004 and 2007 in the City of Decatur were condominiums.

### **New & Resales Market Activity – Year-to-Date 2008<sup>17</sup>**

Housing prices for sold single-family homes, condominiums, and townhomes all decreased between 2007 and year-to-date 2008. However, the on the market sales prices have increased. For all housing types, the year-to-date 2008 average sold price is lower than the

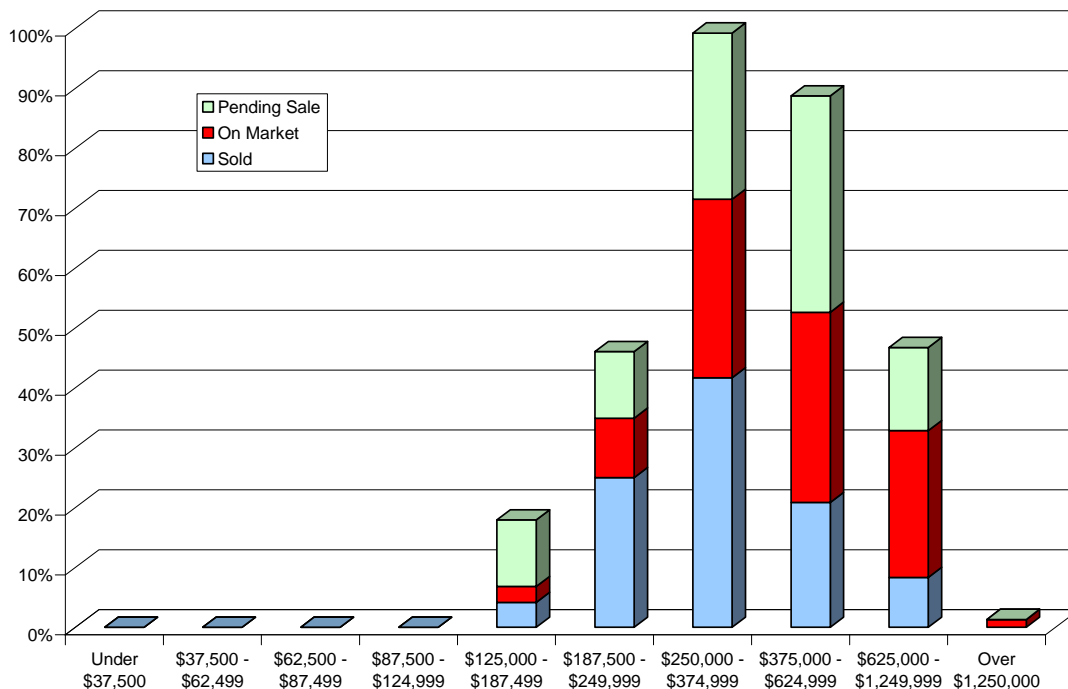
<sup>17</sup> Source: Multiple Listing Service. These statistics reflect sales activity between January 2008 and March 2008.

average current list price, which suggests that more expensive products are taking longer to sell in the current market.

### SINGLE-FAMILY

The average sold price of single-family homes decreased 10% between 2007 and year-to-date 2008. The average sold price of a single-family detached home for year-to-date 2008 is \$346,057, closer to the average from 2006. It is also important to note the difference in the average price on the market versus the average sold price. The average on the market price is 37%, or approximately \$128,000, higher than the average sold price for single-family detached housing. The chart below shows the sales status proportions in each sales price category for year-to-date 2008 for single-family homes. There were no single-family detached homes priced under \$125,000 for year-to-date 2008.

For-Sale Residential Market Activity - Single-Family, City of Decatur, 2008 YTD



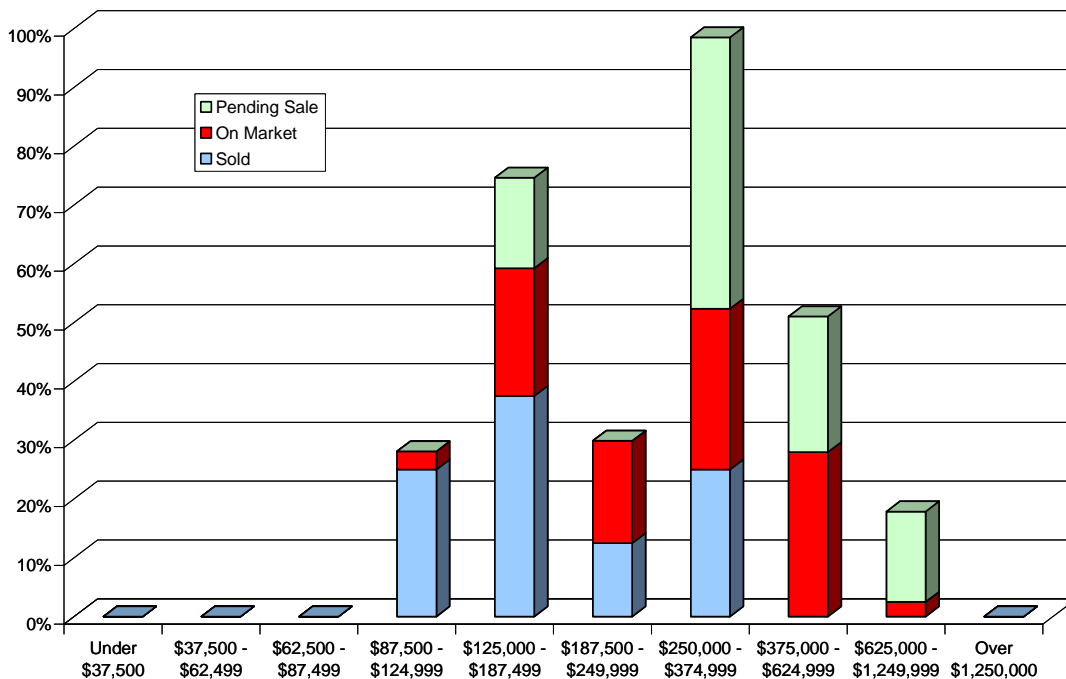
Source: FMLS, Market + Main, Inc.

The overall supply of single-family homes has shifted as sales prices have increased since 2007. The three largest groupings of supply based on price range no longer includes homes priced below \$250,000, and includes an addition of homes in the \$625,000 to \$1,249,999 price range. The supply of homes in the middle range, \$250,000 to \$374,999, is only slightly less than the \$375,000 to \$624,999 price category. It is also worth noting that the sheer rate of market activity is off to a slow start in 2008 in the City, as in the rest of the metro area and the nation as a whole. There are 151 single-family homes on the market, while only 24 have sold in year-to-date 2008.

## CONDOMINIUMS & TOWNHOMES

The average sold price of condominiums and townhomes decreased 16% between 2007 and year-to-date 2008. The average sold price of condominiums and townhomes for year-to-date 2008 is \$190,874; a price below the average sold price of 2005. It is also important to note the difference in the average price on the market versus the average sold price. The average on the market price is 64%, or approximately \$123,000, higher than the average sold price for condominiums and townhomes. The chart below shows the sales status proportions in each sales price category for year-to-date 2008 for condominiums and townhomes. There were no condominiums and townhomes priced under \$87,500 for year-to-date 2008.

**For-Sale Residential Market Activity - Condos & Townhomes, City of Decatur, 2008 YTD**



Source: FMLS, Market + Main, Inc.

The overall supply of condominiums and townhomes has shifted as sales prices have increased since 2007. The three largest groupings of supply based on price range is now missing the intermediate range of condominiums and townhomes priced between \$187,500 and \$249,999, and includes an addition of homes in the \$375,000 to \$624,999 price range. There has also been a rearrangement of ranking within the supply categories, though the differences between the groupings are very small. The supply of homes between \$250,000 and \$374,999 is the largest, the supply from \$375,000 to \$624,999 is the second largest price category, and \$125,000 to \$187,499 is the third largest sales price grouping. It is also worth noting that the sheer rate of market activity is off to a slow start in 2008 in the City, as in the rest of the metro area and the nation as a whole. There are 161 condominiums and townhomes on the market, while only eight have sold year-to-date 2008. The supply of mid-century apartments converted to condos most likely accounts for the availability of lower priced units despite market trends.

# STAKEHOLDER INPUT

## FOCUS GROUP INPUT SUMMARY

Focus groups were utilized to obtain strategic input from those that have a relevant connection to affordable housing in order to best and most accurately inform this process. Focus groups also allow more intimate environments to be created for people with similar perspectives to feel more comfortable sharing their thoughts and insights. The diversity of the groups ensured many perspectives, but the approach ensured quality input. There were four focus groups conducted that included: municipal staff; employers; residents and employees; and developers.

### Municipal Focus Group

This focus group included input from Decatur City Commissioners, Decatur Housing Authority staff, Decatur management staff, Decatur planning staff, and Decatur community and economic development staff.

The discussion in this group reviewed the socioeconomic, as well as development pattern, changes within the City in recent years. Where they felt the affordability gap was located was discussed, as well as why the study was initiated to begin with. Density was also discussed, along with the most effective programs and policies the City has initiated or participated in to date. Ideas for potential policies and programs were also discussed.

### Employer Focus Group

This focus group included input from assorted employers in Decatur of a variety of sizes, with a focus on service and retail employers in particular.

The discussion in this group centered on understanding employee profiles, as well as commuting patterns. The utility and/or importance of MARTA access as a recruitment or retention tool was also addressed. Once it was established that very few employees lived in the City of Decatur, discussion then focused on how local housing options were recommended to new or relocating employees, as well as the effect commuting has on employee turnover. The reasons employees generally have for not living in Decatur were covered, with the addition of desired housing characteristics (and the mismatch with Decatur's stock) was further addressed. The employers' perception of where they felt the affordability gap was located was also discussed.

### Resident/Employee Focus Group

This focus group included input from neighborhood leadership representatives, retail and service industry workers, students, professional singles, and young couples with and without children.

The discussion in this group began with the reasons to live in the City of Decatur. There was much discussion about whether there are adequate housing options in the City. There was also extensive discussion about whether there are adequate employment options in the City. Property taxes and student housing were also covered. This group's perception of where they felt the affordability gap was located was also discussed.

## Developer Focus Group

This focus group included input from past and current large residential project developers in Decatur, past and current mixed-use project developers in Decatur, small infill project developers in Decatur, established affordable housing developers, and apartment developers.

The discussion in this group centered on the common barriers to developing affordable housing. Suggestions of successful policies and programs were solicited that could be applicable to the City of Decatur. The housing customer profile and the future of the housing market in Decatur were discussed. The developers' perception of where they felt the affordability gap was located was also covered.

## Perception of Affordability Gap

One question that every single focus group was asked, and much time was spent discussing, was their opinion of where the affordability gap was located in the City of Decatur. Characteristics of the gap related to income levels, price points, geography, and housing product type, which were discussed in detail. The following is a collection of the comments that were received about this very key perception during the course of conducting the focus groups.

- Single-family detached housing priced under \$400,000
- Any type of housing for 25 to 35 year-olds
- Any type of owner housing priced under \$200,000
- Any type of owner housing priced under \$250,000
- Rental housing priced under \$1,100 a month
- Housing close to downtown Square – rental never available or owner housing priced too high
- Any type of housing for single, young professionals
- Any type of housing for young adults that grew up here and want to live here – whether high school graduate or college graduate
- Housing for seniors that want to stay in their homes
- Rental housing for college students
- Very limited rental housing available at all
- Housing for retirees
- Housing size is too small
- Housing stock is too old
- Affordable stock needs too much work/renovation
- All single-family detached housing is unaffordable



# GAP ANALYSIS

## SUPPLY AND DEMAND COMPARISON

### Gap Analysis Methodology

To analyze the gaps in supply and demand in the for-sale housing market, this study looked at the number of households per income level in comparison to the number of housing units with values affordable to each income level. The price a household could afford was determined by using a conservative estimate of 2.5 times annual household income. Household income and housing values were based on estimates from 2007 Claritas data.

To establish shortage and surplus areas of the rental housing market, this study looked at the number of households per income level in comparison to the number of housing units with rents affordable to each income level. The rent a household could afford was determined by using a widely accepted estimate of 30% of monthly household income. Household income was based on estimates from 2007 Claritas data. Rents and number of rental units were based on City-provided information and primary research and field work done by Market + Main, Inc.

There are certainly limitations to using the estimate data from Claritas. However, this nationally recognized data source is an industry standard for data between Census-taking years. This is the best approach available for a study of this scope and timeline. In addition, some comparisons were made to available data from the Atlanta Regional Commission, which does not estimate or project data in as fine a grain of detail as Claritas in non Census-taking years. Finally, the team also made detailed comparisons and evaluations of the estimate data findings to the recent market activity sourced through the City of Decatur permitting, field work, the Multiple Listing Service, and interviews to ensure the estimates accurately correspond to what is “really happening on the ground.”

### Affordability Findings

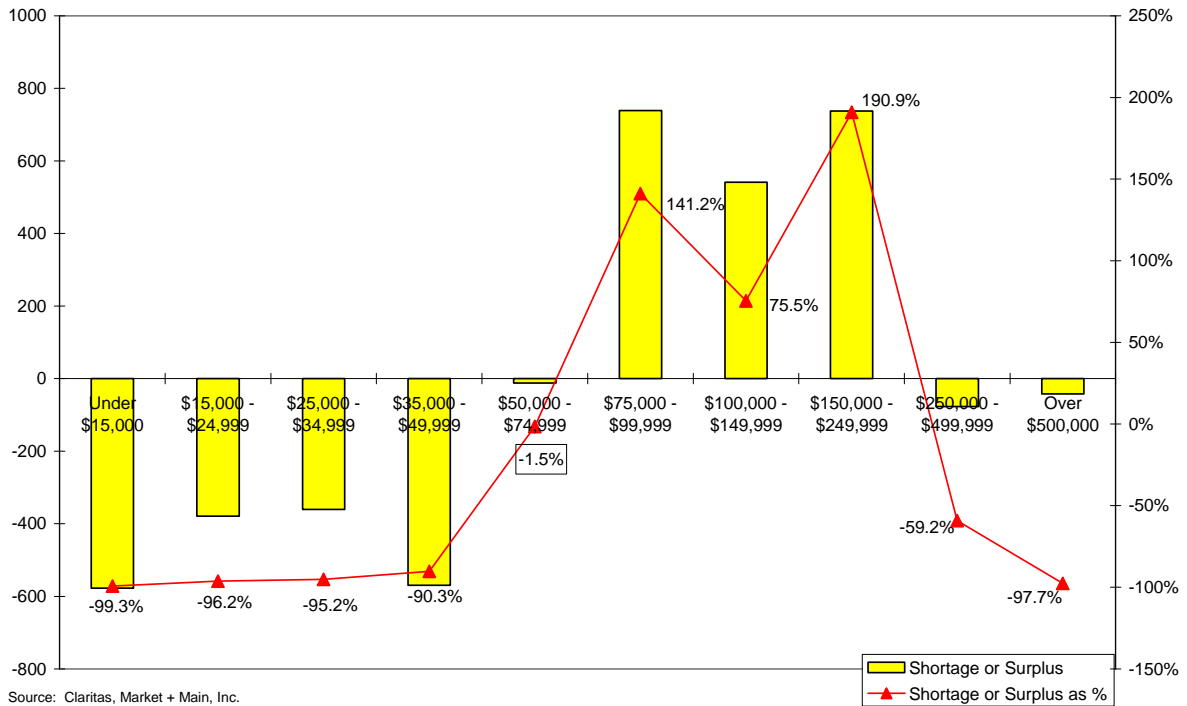
#### FOR-SALE/OWNER<sup>18</sup>

The affordability analysis revealed there is a gap in supply for households earning below \$50,000 income (\$125,000 housing value). A second gap exists at the other end of the spectrum in supply for households earning above \$250,000 income (\$625,000 housing value). For purposes of this study, we have characterized households earning below \$35,000 income (\$87,500 housing value) as more likely to rent or are better addressed by subsidized or public housing. Our team believes the “real” gap in affordability in the City of Decatur is for households earning between \$35,000 and \$50,000 income (\$87,500 to \$125,000 housing value). This gap translates to approximately 600 housing units for the City. The two charts on the next page illustrate this data; the first chart shows the shortages and surpluses by household income and the second chart shows the same data, but categorizes it by affordable housing value.

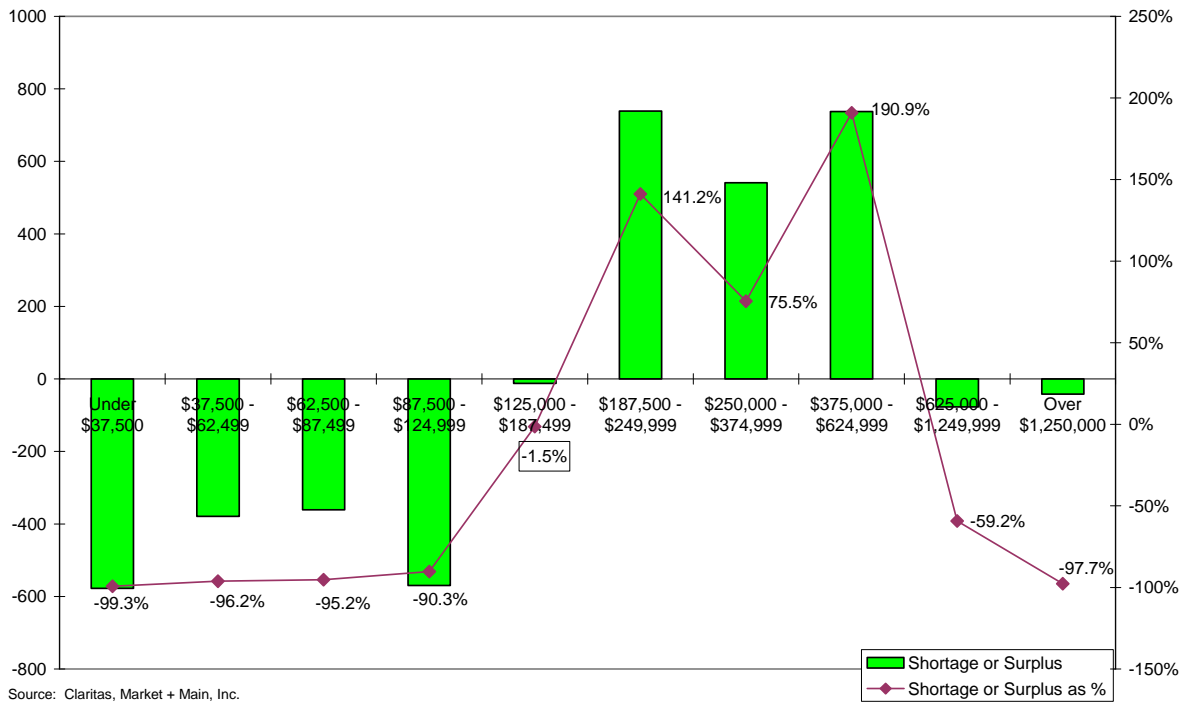
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<sup>18</sup> This section includes all types of for-sale/owner housing – single-family detached homes, townhomes, and condominiums.

For-Sale Housing Shortage and Surplus by Household Income, City of Decatur, 2007



For-Sale Housing Shortage and Surplus by Home Value, City of Decatur, 2007

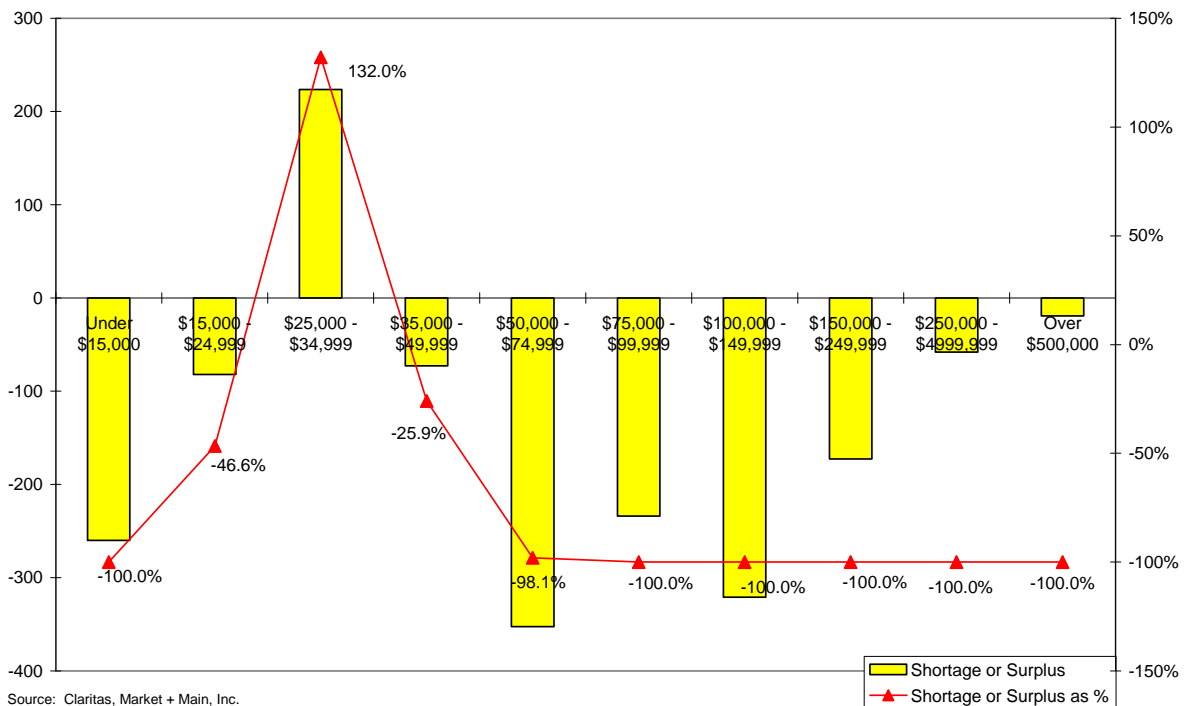


There is a very tight supply, basically an equilibrium, for households earning between \$50,000 and \$75,000 income (\$125,000 to \$187,500 housing value). Most of the supply can be found in the average price range (\$187,500 to \$625,000 housing value), so not surprisingly there is a surplus in this range, which is affordable to households earning between \$75,000 and \$250,000 annual income.

**RENTAL<sup>19</sup>**

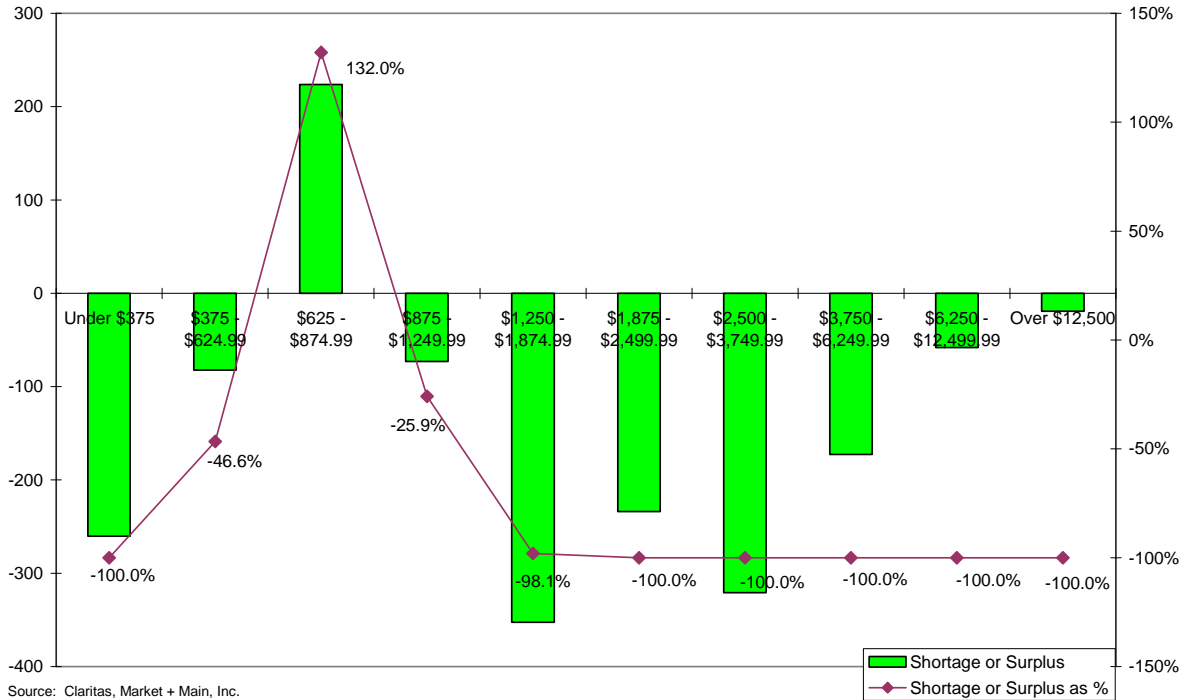
The affordability analysis for rental units indicates there is a gap in supply for households below \$25,000 income (\$625 monthly rent). However, for purposes of this study, we have characterized households earning below \$25,000 income (\$625 monthly rent) are better addressed by subsidized or public housing. There is also an overall gap in supply for households earning above \$35,000 income (\$875 monthly rent). Our team believes the “real” gap in affordability is definitely for households earning between \$35,000 and \$50,000 income (\$875 to \$1,250 monthly rent), and probably a proportion of households earning between \$50,000 and \$75,000 income (\$1,250 to \$1,875 monthly rent). This gap translates to approximately 250 housing units for the City. The following two charts illustrate this data; the first chart shows the shortages and surpluses by household income and the second chart shows the same data, but categorizes it by affordable monthly rents.

**Rental Housing Shortage and Surplus by Household Income, City of Decatur, 2007**



<sup>19</sup> This section includes apartments.

Rental Housing Shortage and Surplus by Monthly Rent,  
City of Decatur, 2007



For purposes of this study, we have characterized households earning above \$75,000 income (\$1,875 monthly rent) as more likely to own. The surplus in supply exists for households earning between \$25,000 and \$35,000 income (\$625 to \$875 monthly rent).

## Market Correlations

First and foremost, it seems that the 2007 Claritas estimate data is very much supported by the recent market activity of new and resale residential. The recent market activity does not report different findings than the estimate data. The identified affordability gap in for-sale housing priced from \$87,500 to \$125,000 is not found in the product supply for recent market activity. The same finding is true of the identified rental affordability gap of \$875 up to \$1,875; there is no product supply in this price range in recent market activity.

## FOR-SALE/OWNER

There are no indications of an overall shortage in supply in the for-sale housing market. The housing stock proportion seems reasonable, meaning the assortment and ratios of single-family homes, townhomes, and condominiums. The surplus in supply for households earning between \$75,000 and \$250,000 income annually (equating to between \$187,500 and \$625,000 housing value) is reasonable considering this is the average single-family home price range.

Much of the comments that were heard during this process that related to perspectives and opinions that estimated the affordability gap much higher for the City (commonly referred to as product priced under \$250,000) related more to consumer preferences than actual absolute supply numbers. Meaning there is much interest in finding a newly constructed single-family detached home with a sizable yard that has four or more bedrooms and three or more baths priced at or below \$250,000. Our finding is that there is an adequate supply of product (meaning considering numbers only) of housing priced under \$250,000. However, the decision making process of each individual consumer in relation to weighing elements such as size, age, structure type, location, etc. and how important each decision component is relates to consumer preferences; sometimes every item on the “wish list” when purchasing a home can not met, and some trade-offs have to be embraced.

There is a very tight supply of for-sale housing for households earning between \$50,000 and \$75,000 income (equating to between \$125,000 and \$187,500 housing value). The tight supply in this price range is not surprising, it is an entry-level price range for home ownership in general, with much of this category being those that would *like* to own. This entry-level price level is usually a tight supply in most communities; in such a desirable place as Decatur, it is not surprising that there is limited turnover in this price range.

As stated before, most of the brand new housing units coming on the market are condominiums and townhomes. Similar to national trends, the increasing supply of condominiums has caused sales prices to decline over the last four years. This downward price adjustment is expected to continue, which will likely bring some of this housing product into the price category where the affordability gap is currently found.

## RENTAL

In the rental market, there are indications of an overall shortage in supply. The exact number of units the market is short (beyond the at least 250 units noted in the affordability gap) is difficult to determine since many rental units are located in privately-owned single-family homes for rent, which are not accounted for in the scope and timeline of this study. One of the reasons for the shortage is the loss of some rental supply in recent years from teardowns of apartments to build new for-sale products and the conversion of many apartment buildings to condominium developments. Total rental demand is also hard to pinpoint because an increase in quality stock with current and relevant amenities would absolutely be a draw for residents who currently live outside of Decatur.

Another issue related to rental housing is the shortage of quality housing due to the declining condition of much of the aging rental housing stock. The majority of rental stock was built prior to 1980, with most built between the 1950s and 1970s. Many renters choose to pay more to rent single-family homes or locate outside of Decatur in search of better quality housing or better amenities. And, many do choose to live in product that perhaps is not exactly what they would want due solely to the location in Decatur. Interestingly, most planned new residential developments at this time are slated to include rental. It is clear that developers see this same gap in the marketplace. There is potential for rental product at Columbia Park, Decatur Court, and East Decatur Station. If all these additions to the housing stock do indeed get built, they would likely increase the overall supply and quality of the rental housing stock in the City of Decatur.

## Working Definition

Our team believes the “real” gap in for-sale housing affordability in the City of Decatur is for households earning between \$35,000 and \$50,000 income. This household income translates to an affordable housing value priced between \$87,500 and \$125,000. This gap translates to approximately 600 for-sale housing units for the City at this time.

Our team believes the “real” gap in rental affordability in the City of Decatur is definitely for households earning between \$35,000 and \$50,000 income. This household income translates to an affordable monthly rent priced between \$875 and \$1,250. This gap translates to at least 100 rental housing units for the City at this time. Further, our team believes the rental affordability gap also includes a proportion of households earning between \$50,000 and \$75,000 income. This household income translates to an affordable monthly rent priced between \$1,250 and \$1,875. This gap translates to at least 150 rental housing units for the City at this time. So, the total rental affordability gap in the City of Decatur is for households between \$35,000 and \$75,000, which equates to monthly rents between \$875 and \$1,875. This total gap translates to at least 250 rental housing units for the City at this time.

## ASSETS AND BARRIERS ASSESSMENT

As in every community, there are barriers that need to be addressed and assets that need to be recognized in relation to affordable housing. That is why it is important to face challenges and barriers, recognize them, come to understand them, and implement actions to change them in order to move Decatur forward in the long-term. In the City of Decatur, there are some current and potential assets and barriers to affordable housing in the City. Some of the assets and barriers were identified through the socioeconomic and gap analyses, as well as stakeholder input. In addition, municipal regulations, public perception, development process, and funding resources were also considered.

It is important to note that some of the items listed are solely opinions; thus, there might be contradictions or perceptions that are factually inaccurate. However, perception is a key component of community dynamics, and a variety of opinions and views are needed in order to paint the entire picture of what is happening in a community. It is the combination of qualitative and quantitative information that allows the entire story to accurately be told, and understood.

### Barriers

- Property taxes very high
- Informal development approval process
- Resistance by some residents to higher density housing
- Older housing stock
- Small size of housing units
- Limited rental supply
- Non-diversified economic base structure
- Mindset that “you can’t raise a family/children in a condo or apartment”
- Perception that there are not enough types of housing options
- Perception that neighborhoods would be against new townhome development amidst single-family areas if developed today
- Perception that rental hurts property values
- Density bonus incentive not as effective at increasing affordable housing as had originally hoped
- Some people seem narrowly focused on single-family detached housing as the only type of residential wanted or needed in the City
- Perception of neighborhood opposition to affordable housing, even if in mixed income development (“not right next to me”)
- Financing for affordable housing is more challenging than market-rate
- High construction costs
- Perception that condos have poor resale value potential
- Lack of equity financing for affordable housing
- High property values
- Drastic housing price appreciation in recent years
- Limited land availability



- Current consumer preference seems to be for brand new, large space single-family detached housing
- Land prices high

## Assets

- Public embraces and values diversity – income, age, race, sexual orientation
- High quality of life
- City school system reputation
- Close-in, desirable location
- Proximity to MARTA (bus routes and three train stations)
- Creative housing authority
- Downtown core with restaurants, shops, square, etc.
- Walkability
- Sense of community
- Neighborhoods
- Agnes Scott College
- Columbia Theological Seminary
- New Art Institute of Atlanta campus
- Proximity to Emory University
- Proximity to DeVry University
- Pedestrian-friendly
- Progressive mindset
- Supportive of “green” lifestyle
- Welcoming attitude to all
- Creative, artistic community
- Value history and historic structures
- Kid-friendly
- Social atmosphere/network

## Addressing Key Perceptions

Some of the assets and barriers identified are based on perceptions that members of the community hold. However, as noted earlier, some of these perceptions are inaccurate. A few of the key perceptions communicated during the process that deserve a closer examination are highlighted below.

### “AFFORDABLE HOUSING”

The term affordable housing holds very different meaning for many people. Some immediately think of public housing or the projects. Others believe there is some sort of government subsidy automatically involved. Even others think the concept is OK, but do not want “those people” living right next to them. While affordable housing as a term has been used so much that its meaning really is relative to whoever is using it, affordability is still a very important and needed element of any community’s housing; and thus, must be accurately

understood. While there are those that need assistance in just achieving any sort of shelter for their families or themselves, what we want to articulate is the gap that is being created in many places across the nation in terms of housing. Beyond the concept of low-income housing, affordable housing has become a hot button issue for many in recent years as wealth levels have shifted and changes have taken place in the economic structure on a national, and even international, scale.

In many places, such as City of Decatur, the investment in long-term planning, quality of life initiatives, and community building have resulted in highly desirable places to live and communities to be a part of. As this has occurred, property values have appreciated as these areas have become more and more desirable, and thus people are willing to spend more and more to be a part of these places. The consequence of this phenomenon is that many people that work in the community can not afford to live there; particularly those in service-oriented jobs, such as teachers, waiters, police officers, municipal staff, librarians, shop employees, etc. The people that very often make the least amount of money in their jobs, but greatly impact the quality of life in an area, can not actually be part of the community. The people with these moderate to low incomes are forced to live further and further away from the communities they serve; thereby creating more costs for an already limited income, more traffic from longer and longer commutes, and less diversity in the community, which is oftentimes considered a component of that high quality of life that attracted folks in the first place. This is why affordability is important.

### PROPERTY TAXES

There was frequent discussion during stakeholder input about the level of property taxes in the City of Decatur. The most extreme perception was that they were the “most expensive in the State of Georgia.” The team investigated other municipalities’ tax rates in DeKalb County, as well as the County itself, to establish comparisons to make a factual assessment. When looking at the total millage rate charged, Decatur actually ranked fourth out of six, as seen in the table below. The difference in total taxes charged is seen when reviewing the assessment value; Decatur assesses at 50% of fair market value and the rest assess at 40% of fair market value.

	City of Decatur	City of Chamblee	City of Atlanta	City of Avondale Estates	City of Stone Mountain	DeKalb County
Total Millage Rate	42.435	40.67	41.7	47.44	46.4	39.3
Fair Market Value	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Assessed Value	\$200,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
City Taxes	2,282.34	610.00	1,353.01	1,680.00	2,107.20	N/A
County Taxes	512.77	617.42	461.79	686.28	650.06	967.66
School Taxes	3,628.80	3,205.71	3,290.63	3,205.71	3,205.71	3,194.21
<b>Total</b>	<b>6,423.91</b>	<b>4,433.13</b>	<b>5,105.43</b>	<b>5,571.99</b>	<b>5,962.97</b>	<b>4,162.21</b>

Source: DeKalb County Tax Commissioner, reflects 2007 County, School, State, and City Millages.

NOTE: \$400,000 selected as fair market value example since close to current average price of single-family home in City of Decatur.

It is the difference of the assessment ratio that then puts Decatur as ranking sixth out of six for total tax burden. However, it is interesting to note that the City of Stone Mountain is only eight percent lower and the City of Avondale Estates is 15% lower than Decatur when comparing total tax burden. This is worth noting because neither of these cities run their own school systems, as Decatur does. Further, while people certainly communicated their opinions about the “high” property taxes in the City of Decatur; everyone was also quick to caveat their statements by adding how much they valued and benefited from the high level of City services that Decatur provides its citizenry.

## DENSITY

Some concerns about density were expressed over the course of this process. Density should always be considered on a relative spectrum. However, no community has proven successful in long-term sustainability built solely on single-family development; that is the problem many suburbs are facing that have merely become bedroom communities. Instead, density is necessary to create a walkable, urban environment, which requires multi-family housing as either condominiums or apartments.

As noted earlier, the City of Decatur currently has a population projection that reflects no growth. The primary reason for this is because the City is basically built-out. Essentially, there is not room for more residents to be able to move into the community. If the goal is housing product diversification and increasing affordability in the City, the land values, limited land availability, and development patterns would not allow that goal to be achieved through single-family home development alone. It would require some level of increased density.

## RENTAL

There has not been very little new rental product built in the City of Decatur in almost two decades. It is important to keep in mind the value of rental or leased residential space in a community. This allows residents to experiment with the experience of urban living through lease options. It helps people investigate the potential investment of purchasing in the community, and provides the immediate benefit of the residential base increasing, as do the total dollars spent within the community.

Close examination shows that the addition of carefully planned apartment developments may be necessary to provide a balance in the local housing market. Ideally, every city would provide housing options for their residents from cradle to grave. Apartments are a key part of that cycle, particularly right out of school and with more and more common life disruptions, such as divorce, job relocation, etc. Additionally, the quality of the available rental units has been greatly impacted by the lack of new apartment construction. This lack of new stock has actually artificially suppressed the rental market, and provided a disincentive for existing apartments to remain competitive in the type and quality of product they deliver to the market. Many of the available units are run-down and lack the amenities sought by current and potential apartment dwellers.

## AFFORDABILITY FINDINGS IMPACTING POLICY DIRECTION

The following are the key findings from our analysis that impact the direction that the policy and programming recommendations take for the City of Decatur.

### Existing Stock

Over the course of this study, the age and condition of the housing stock was found to be much more of an issue than simply price point or actual number of supply. While many people choose or prefer to live in older homes, many people want brand new housing construction. The need for renovation of some of the housing stock is also an issue. This finding makes both new construction and renovation dollars a potential future priority to address this issue.

### Economic Development

Over the course of this study, an economic development issue in the City of Decatur was actually uncovered more so than a pure affordability issue. There is a strong need to diversify the economic base of the City. The current employment wages do not enable the bulk of workers to also live in the City. Additionally, the vast majority of employment is in typically low-paying jobs and there are very few jobs available in the City that are in the high-paying sectors. It is likely that people that live in Decatur not only leave the City for work, but most likely commute out of DeKalb County for their jobs. This finding demonstrates the need to recruit different sectors to the City's employment base in order to leverage live/work benefits.

### Population Change

Over the course of this study, the population of the City of Decatur was found to be basically static. Claritas projects about a one percent decline and Atlanta Regional Commission projects about a one percent increase in population over the next five years. These statistics reflect the built-out nature of the City as it stands now. This finding places a pure policy direction choice in front of City leadership – either decide the City is basically built-out or decide to densify in the future.

### Single-Family Focus

Over the course of this study, it was very clear that the supply of single-family detached homes is where public concern is focused. However, the numbers do not support the perception that there are extreme shortages in single-family product; the numbers show tightness in the entry-level price range, but not shortages. The perception of the lack of single-family choices is more so an issue of consumer preference – meaning the exact type of

house people would like to find (size, age, location, etc.) in their price range. Realistically, the whole City can not and should not be only single-family housing stock; concentrating on or incenting new single-family development would be an ineffective policy since supply numbers do not support it and the limitations of available land would likely make it infeasible. This finding means the policy focus related to single-family housing should be on protecting the existing supply and encouraging rehabilitation of older stock.

## Rental Supply

Over the course of this study, it was discovered that the supply of rental has drastically declined over the years in the City of Decatur. Further, because there has been very little new construction of apartments, the normal pressure of market competition has not been there to ensure that existing rental stock is maintained, updated, and appealing to current consumer preferences. The existence and preservation of rental housing stock is important to the long-term vitality and diversity of any community, especially Decatur. This policy finding means the initial focus should be on increasing and improving the rental supply today, then shifting to preservation and maintenance in the future.

## Specialized Senior Units

Over the course of this study, a shortage in specialized units for seniors was identified. Approximately 700 units were documented as exclusively dedicated to senior independent living. Determining the shortage or surplus of senior units is not as easy as the simple math of how many residents are aged over 65 years old and comparing that to the number of units. There are many seniors that would much prefer to stay in their current homes or even move to a smaller home, but not live in a dedicated senior independent living environment. While the simple math of units versus population delivers an estimate on the scale of a 1,500 unit shortage, a true estimate would be a small percentage of that total. This finding establishes a need for some additional stock for exclusively dedicated senior independent living units to be added to the City of Decatur in the future.

## The Housing and Transportation Affordability Index

Almost half (42%) of Decatur's market-rate rental units are located within a half-mile radius of the downtown core, where shopping, services, employment opportunities, and the MARTA rail station are located. These rental units are more expensive than elsewhere in the City; proximity to the square seems to influence unit rents more so than unit size in Decatur. Relevant to this observation is that there is an emerging concept that takes into consideration the impact of transportation costs on the relative affordability of housing – the Housing and Transportation Affordability Index.<sup>20</sup> This method considers the value of transportation costs savings from living in communities where shopping, schools, work, and transit are all closely located to each other. These development characteristics might enable a consumer to choose to spend more on housing since they would have less of a burden of transportation costs since all they need is in close proximity.

Housing costs are normally considered affordable if they account for 30% or less of a household's monthly income. In the Housing and Transportation Affordability Index method, housing is considered affordable if a household spends no more than 47% of total income on housing and transportation combined. This proportion (47% of total income) is broken down based on the national average expenditure on transportation of 19%, and the mortgage underwriting standard for housing debt of 28%. Transportation costs include: auto ownership; auto use, including gas; and transit use.

Based on this concept, it is likely that many households living within walking distance of downtown Decatur and the MARTA rail station could potentially live without an automobile. They would be able to walk to many of their destinations, which would significantly decrease their transportation costs, thus making housing equally or more affordable than housing with cheaper rents located further from downtown Decatur. Furthermore, in concept, as the price of gas increases, these housing units would become increasingly more affordable than those located in other communities where residents can not access jobs or services without using an automobile.

The findings specific to this study have established that there is a live/work mismatch in the City, meaning based on wages, very few people have the option to live and work in Decatur, regardless of where on the income spectrum they might be. Implementing the recommended policies and programs to help address this mismatch will be critical in the future in order to leverage the benefits Decatur already has related to livability.

<sup>20</sup> Center for Transit-Oriented Development and Center for Neighborhood Technology. "The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice." *Urban Markets Initiative*. January 2006. The Brookings Institute: Washington, DC.

# STRATEGIC PLAN RECOMMENDATIONS

## BACKGROUND CONTEXT

The City of Decatur enjoys a strong reputation as a small scale traditional community with a high quality of life for its current residents. Unfortunately, the desirable Decatur lifestyle is not possible for many who are employed by businesses located in the City of Decatur. The majority of metro Atlanta, as well as Decatur, is currently challenged to provide an adequate supply of high quality rental and for-sale affordable housing options for its workforce.

The Decatur Strategic Plan completed July 17, 2000 identified the need for affordable homeownership options based on 1999 data which identified:

- \$242,430 as the average sales price for single-family new construction homes; and
- \$186,614 as the average sales price for single-family resale homes.

In 2007, \$384,715 was the average sales price for all Decatur single-family homes sold, based on current Multiple Listing Service available sales data.

Escalating residential property values in combination with increasing residential construction costs and the lack of supply for new housing located in close proximity to employment centers are symptomatic of the issues faced across the entire Atlanta region. Decatur also fits the metro Atlanta region profile and must address the “Housing Affordability Gap” in order to create a sustainable community where those who work in Decatur can afford to live in Decatur. The term workforce housing is defined as residential opportunities for working individuals, such as police officers, teachers, firefighters, nurses, among others, and their families who pay no more than 30% of household income as rents or mortgage payments. The lack of adequate workforce housing within the City and in proximity to the Decatur employment center creates the need to commute for a majority of Decatur’s current workforce.

## WORKFORCE HOUSING POLICY IMPLICATIONS

The primary goal of any workforce affordable housing policy should be to support economic growth and enhance quality of life opportunities for working families, including the households of teachers, police officers, firefighters, nurses, among others. As detailed in preceding sections, statistical data indicates the Decatur Workforce Housing Gap is primarily defined by four key challenges:

1. Only 6.2% of all City of Decatur jobs pay more than \$50,000 annually.
2. The City of Decatur lacks an adequate supply of units with monthly rents under \$625 and over \$875, for households earning less than \$25,000 and more than \$35,000 annually. A majority of Decatur’s current multi-family rental housing stock was constructed during the 1950s and 1970s, and may likely be substandard for current building codes and lack modern features according to current market preferences.



3. The City of Decatur lacks supply for single-family homes, townhomes, and condominiums priced to sell below \$187,500. Decatur also currently lacks a supply of for-sale homes priced less than \$125,000 and greater than \$625,000 for households earning less than \$50,000 and more than \$250,000 annually. There is a surplus of homes priced between \$187,500 and \$625,000, which are affordable to households earning between \$75,000 and \$250,000. The average sold price for Decatur single-family homes in 2007 was \$384,715, according to MLS available data.
4. The City of Decatur has limited land available for new residential development with a continuing escalation in property values, in combination with no significant population growth nor decline.

Similarly, there are four suggested key public policy solution focus areas recommended to solve these challenges:

### **Economic Development Strategy**

Only a total of three employment sectors in DeKalb County (Wholesale Trade, Finance/Insurance/Real Estate, and Manufacturing) pay average annual wages above \$50,000 and those same industries account for only 1,427 jobs (or 6.2% of all jobs) in the City of Decatur. **A long term employment/wage increase strategy is required.**

### **Rehabilitation/Preservation/New Development of Mixed income Rental Housing**

There is a lack of adequate supply for new low-income rental units as well as higher end market rate rental units. Decatur also has a surplus of aging rental housing stock. **A long term mixed income rental housing strategy is required.**

### **Workforce Affordable Homeownership**

The average sold price for Decatur single-family homes in 2007 was \$384,715, according to MLS available data. The majority of Decatur jobs pay at or less than \$50,000 annually which is inadequate to qualify for a \$300,000 or higher mortgage. Therefore; a majority of those who work in Decatur can not afford to own homes in Decatur. **A dedicated public funding source, public education campaign, and proactive outreach to existing and new businesses, as well as the local mortgage industry, is required to create a coordinated strategy.**

### **Determine Appropriate Density**

If the City of Decatur desires to attract new residents and/or major businesses, as well as provide new housing opportunities for its existing workforce without the annexation of

significant new land for development, current policies regarding higher density development must be revisited. **A review of current zoning and land use policy to achieve suggested economic development and housing opportunity goals is required.**

Adequate workforce affordability for Decatur will require the coordination of multiple efforts working in concert to achieve progress on the four key policy elements to reduce and/or eliminate the workforce affordability gap in the City. Specifics regarding the potential ways and means to positively impact the identified public policy focus areas listed previously are outlined in the following sections. The ideas and references provided are intended to be a guide toward initiating a solution-oriented, informed, and inclusive dialog with elected leaders, the local business community, and concerned citizens regarding ways to address the Decatur Workforce Housing Affordability Gap.

## ECONOMIC DEVELOPMENT STRATEGY

### Challenges:

There is a lack of wage diversity in the current Decatur job market, with little actual awareness of the issue among local employers and the general public.

A majority of Decatur's workforce receives an inadequate income to afford the cost of housing (both for-sale and rental) in Decatur, forcing them to seek housing options beyond the City of Decatur boundaries.

### Solutions:

#### SHORT-TERM

Coordinate outreach by the existing Decatur Development Authority to increase awareness among existing government agencies and potential corporate and institutional employment partners in order to expand and recruit new business operations to provide a range of jobs and average wages of more than \$50,000 per year.

#### LONG-TERM

Research and determine appropriateness of legislative approval for minimum living wage legislation to increase baseline wages in Decatur for government workers and contractors.

Identify unincorporated areas adjacent to Decatur for future annexation which are suitable for mixed use redevelopment including mixed income housing.

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### Short-Term Solution:

#### INCREASE AWARENESS & EXPAND/RECRUIT BUSINESS OPERATIONS

Decatur is fortunate to have a number of strong private and institutional employers located both within the Decatur downtown core and within close proximity. The fact that only 6.2% of Decatur jobs pay more than an average of \$50,000 per year is unexpected based on the economic strength of those employers, and results in a majority of the current workforce being unable to afford the current average Decatur single-family home price of \$384,715. Therefore, the majority of the current workforce is forced to commute and seek homes they can afford elsewhere outside of Decatur. Similarly, the lack of an adequate supply of new rental housing with modern features forces the current workforce to seek new market quality rental opportunities outside of Decatur.

The City of Decatur should actively seek to partner with such institutions as DeKalb County government, Emory University, the Centers for Disease Control, DeKalb Medical Center and others to diversify Decatur job offerings with better paying jobs, while simultaneous training

and recruiting from the existing workforce for those same better paying jobs. It should be noted that DeKalb County government is currently the largest employer in Decatur. In addition, Emory University is the largest employer in DeKalb County and the third largest private employer in the Atlanta area, and is located just outside of the City of Decatur's limits. With over a billion dollar operating budget, the Emory Health Sciences Center's annual economic impact on metro Atlanta is estimated at more than \$2.8 billion. In order to attract major new potential employers and persuade existing employers to expand operations within Decatur, an adequate supply of quality workforce affordable housing must be provided.

### Long-Term Solution: LIVING WAGE LEGISLATION

The City of Decatur and its current business community partners should also carefully examine the potential for increasing basic minimum wages (A Living Wage) for current City of Decatur workers and contractors to improve their ability to afford housing costs in Decatur. This would also offset the need to pay for automobile ownership and maintenance costs, along with reducing the need for long commutes. Increasing the minimum wage has been successful in other areas of the country in reducing the impact of poverty.

The enacting of living wage legislation for Decatur can result in a more economically diverse and self sufficient population with reduced reliance on public resources, which could be redirected to other workforce housing related activities

#### ECONOMIC DEVELOPMENT STRATEGY CASE STUDY: City Of Santa Fe, New Mexico Living Wage Legislation

**Background Challenge:** Prior to 2003, the average earnings per job in Santa Fe County were 23% below the national average and the cost of living was 18% higher than the national average. According to the 2000 Census, approximately 12.3% of the Santa Fe community lived below the poverty level.

**Action Solution:** Santa Fe, New Mexico passed Living Wage legislation in 2003, requiring the City of Santa Fe, and selected contractors, to pay a living wage to full-time workers as follows:

- January 1, 2004, the minimum wage shall be an hourly rate of \$8.50 (\$17,680 annually);
- On January 1, 2006, the minimum wage shall be increased to an hourly rate of \$9.50 (\$19,760 annually); and
- On January 1, 2008, the minimum wage shall be increased to an hourly rate of \$10.50 (\$21,840 annually).

In computing the wages paid (listed above) for purposes of determining compliance with the minimum wage, the value of health benefits and childcare shall be considered as an element of wages.

### Long-Term Solution: ANNEXATION

New business relocation and existing business expansions have the potential to increase the Decatur tax base and increase municipal revenues. As previously discussed, there is limited land for new development within the current boundaries of the City of Decatur. The potential

for annexation of existing unincorporated areas suitable for mixed use commercial and/or residential redevelopment should be examined. Current potential Decatur annexation options include the existing Suburban Plaza.<sup>21</sup> In addition to the areas already identified, the existing DeVry University Campus and portions of the Lawrenceville Highway Corridor, which currently has a number of vacant commercial properties such as closed auto dealerships and deteriorating retail shopping centers, should be considered as Decatur redevelopment annexation opportunities. These annexations opportunities could be used to create new high density mixed-use office/ commercial/ residential developments for Decatur's future diversification and expansion needs.

## **Economic Development Strategy Targeted Policy Recommendations**

- Coordinate with the Decatur Development Authority's ongoing efforts and establish a plan which is specifically designed to strengthen Decatur as an Employment Center; expanding the scope of existing business operations and attracting new employers/partners offering a variety of jobs paying average annual wages above \$50,000.
- Seek Emory University partnership in creating a business incubator for new biomedical research technology companies interested in locating in the City of Decatur. The existing Cliff shuttle transit linkage between Emory and downtown Decatur should be leveraged to create additional Decatur jobs linked to transit.
- Seek DeKalb Medical Center partnership for the potential expansion of existing and/or creation of new medical office and healthcare related business in the City of Decatur.
- Seek DeKalb County partnership for affordable housing initiatives, since DeKalb County is currently preparing to launch a mixed income housing initiative of its own with the support of the Atlanta Neighborhood Development Partnership (ANDP).
- Explore potential annexation of adjacent unincorporated land areas, such as the Lawrenceville Highway corridor, Suburban Plaza, DeVry University, and the East Lake MARTA Station for new mixed use commercial and residential development to both employ and house additional Decatur residents.
- Evaluate Minimum Living Wage legislation to determine any appropriate policy measures allowing the City of Decatur to assure its workforce of adequate basic wages that could enable City employees to live and work in the City.

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<sup>21</sup> According to a report presented to the Decatur City Commission on January 22, 2008.

## REHABILITATION/PRESERVATION/NEW DEVELOPMENT OF MIXED INCOME RENTAL HOUSING

### Challenges:

The age of a large proportion of Decatur's existing rental stock indicates that a majority of existing rentals may lack updated features to meet current market preferences.

A majority of Decatur's workforce can not afford to pay current market monthly rents for new apartments in Decatur.

A coordinated model for the actual operations of any desired Decatur workforce affordable housing program must be developed.

### Solutions:

#### SHORT-TERM

Partnership with local existing major employers who may be willing to subsidize a portion of employee rents, for existing and newly relocated workers, based on an Employer Assisted Housing Program (EAHP) model which can distribute the burden of rent subsidy without sole reliance on Decatur public funding sources.

Seek available grant opportunities for the creation and administrative operations of desired workforce affordable rental programs, to distribute the financial burden and leverage City of Decatur's available funding for housing-related initiatives.

#### LONG-TERM

Creation of a public funding loan pool to provide financing available to multi-family developers for the rehabilitation and renovation of existing rental housing in Decatur. Establishing an affordable housing trust fund should be considered.

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### Short-Term Solution:

#### EMPLOYER ASSISTED HOUSING PROGRAM

Given evidence of the political will of Decatur through the creation of a municipal bond fund for workforce housing, it is possible to leverage other funding sources -- both private and public -- to address rental housing needs. The Employer Assisted Housing Program (EAHP) model has proven successful in other communities across the nation in allowing private businesses to provide funding for rental housing, allowing employees to live in close proximity to the workplace. EAHP typically incorporates one or more of the following concepts.

Types of Employer Assistance options:

- Loan pool investments;
- Matching funds for Employee Savings for Homeownership;
- Land donations;
- Land banking acquisition partnership;
- Rental property development and investments;
- For-sale and rental housing development;
- Provide below market loans to developers of workforce housing; and
- Advocacy.

**REHABILITATION/PRESERVATION/NEW DEVELOPMENT OF MIXED INCOME RENTAL HOUSING CASE STUDY:**  
University of Chicago & University of Chicago Hospitals  
Regional Employer Assisted Collaboration for Housing (REACH)

**Background Challenge:** Background Challenge: Employees were unable to afford housing, both rental and for-sale, in five local neighborhoods adjacent to the University of Chicago.

**Action Solution:** In 2006, The University of Chicago and University of Chicago Hospital made a \$1 million investment in a local Community Investment Corporation's loan pool for rental housing preservation and rehabilitation.

REACH homeownership program provides \$7,500 down payment assistance for University employees and has assisted nearly 150 new homebuyers.

Employers benefit from:

- Improved employee retention;
- Reduced recruitment and training costs;
- A benefits package with a competitive edge;
- Subsidized assistance for relocating employees;
- Reduced commutes, stress and absenteeism for your staff;
- Potential State and federal tax benefits; and
- Leveraged assistance for employees.

Decatur can leverage its own funding resources with local community business and institutional partners such as Agnes Scott, Emory, DeKalb Medical Center, Centers for Disease Control, and others, using an Employer Assisted Housing Program model.

## Short-Term Solution:

### LEVERAGE GRANT OPPORTUNITIES

In addition, philanthropic funding for the development of a workforce housing model program is available from such national sources as the MacArthur Foundation. The John D. and Catherine T. MacArthur Foundation is based in Chicago, Illinois. The Foundation's mission supports the preservation of affordable rental housing across the country, through the "Window of Opportunity" initiative. This is a \$150 million initiative designed to facilitate the creation of policies for new ownership and preservation of affordable rental housing across the country. The MacArthur Foundation will provide \$35 million in new 2008 grant funding

and has already accepted proposals for innovative public initiatives to preserve and improve the existing stock of privately owned affordable rental homes. Grants or investments are anticipated to range from \$250,000 to a maximum of \$5 million. Eligibility is limited to only City, County, or State entities.

## **Long-Term Solution:**

### **PUBLIC FUNDING LOAN POOL**

The overall lack of new rental housing supply is a significant impediment to meeting the Decatur workforce housing need. When households can not afford to own a home in proximity to primary employment, an adequate quality rental housing supply is essential to provide an alternative option and avoid the wasteful pattern of commuting from home to job. Due to the large stock of aging Decatur rental housing dating from the 1950s to 1970s, a significant rental housing rehabilitation program should be considered with priority given to workforce affordable rental housing.

Decatur should immediately evaluate the creation of a municipal bond-funded revolving below-market rate loan structure which can be used to partially subsidize renovations for existing multi-family rental owners and developers and leverage private financing available to them. Owners and developers are eligible for these funds in exchange for preserving at least 20% to 40% of rental units as workforce affordable housing for a predetermined time period. Without such a municipal loan fund, private owners of existing rental properties have little incentive to perform needed renovations and maintain affordable rents rather than increasing rents to repay private debt and make a profit.

## **Rehabilitation/Preservation/New Development of Mixed Income Rental Targeted Policy Recommendations**

- Define and support opportunities and create incentives which encourage new mixed income rental housing and rehabilitation and renovation of existing multi-family rental communities. Increasing the pool of quality rental housing currently unavailable in Decatur, regardless of the renter's ability to pay.
- Consider property tax abatement and/or municipal bond funding as an incentive mechanism for private developers and property owners of both new or proposed and existing rehabilitated rental communities that offer a percentage of units (20% to 40%) for low- and/or moderate-income renters. Decatur's socioeconomic profile requires a broad range of quality rental housing options and must avoid concentrating affordable housing in specific areas.
- Consider property tax abatement and/or municipal bond funding as an incentive mechanism for private developers of both new or proposed and rehabilitated existing multi-family rental communities that offer rentals for those aged 62 years and older low- and/or moderate-income households. Decatur must encourage the development of quality rental housing options, both new construction and renovations, as well as prepare for the projected increase of its aging senior population.



- Seek private sector and institutional employers, including but not limited to Agnes Scott College, Emory University, DeKalb Medical Center, Centers for Disease Control, located in and around Decatur, who are willing to subsidize market rentals for employees, in order to achieve affordable workforce housing rentals in close proximity to jobs.
- Explore available local and national philanthropic grant sources, such as the MacArthur Foundation and/or Enterprise Community Partners, for financial incentives to support Decatur workforce affordable multi-family rental preservation and the rehabilitation of Decatur's existing supply of aging affordable rental properties. Grants for initiating development and administrative operations associated with the creation of Decatur workforce housing programs can lessen the burden for usage of Decatur public funds.

## WORKFORCE AFFORDABLE HOMEOWNERSHIP

### Challenges:

Significant financial assistance is required for a majority of Decatur's workforce to achieve the required down payment amount for a home purchase, even assuming they meet all other conventional 30-year fixed mortgage qualification criteria and appropriately priced homes are available.

Smaller and older Decatur homes may be well priced for purchase by workforce affordable buyers, but may also require extensive renovations for occupancy and code compliance.

The potential future property tax burden associated with workforce homeownership may eventually cause a hardship for Decatur households with fixed incomes, such as seniors and retirees.

The financial subsidy required to achieve workforce affordable homeownership in Decatur would have to be collected from a variety of sources, if the sole use of Decatur's own revenue sources are not sufficient to adequately achieve homeownership for a majority of its workforce.

### Solutions:

#### SHORT-TERM

Create targeted advertising and messaging to increase public awareness regarding the City of Decatur's existing property tax exemptions and reverse mortgage program for seniors.

Proactively seek alternative private funding sources, such as local Decatur employers and the State of Georgia Department of Community Affairs, for homeownership activities and publicize any available down payment assistance and other support targeted for mortgage eligible Decatur workforce households. Other funding sources can significantly leverage Decatur's local investment and achieve workforce homeownership for greater numbers of working households.

#### LONG-TERM

Generate and/or allocate a dedicated public funding stream to provide a partial grant and/or loan to mortgage eligible workforce affordable potential home buyers for home purchases within Decatur. Such funding would clearly demonstrate a serious commitment by Decatur local government toward solving the workforce homeownership affordability gap.

Create an allocation of local public grant and/or loan funding for renovation of existing Decatur homes and purchase by mortgage eligible workforce households. A Homeownership Rehabilitation Program (HRP) targeting specific areas with deteriorating housing stock in

Decatur will result in improvement of the existing housing and increased neighborhood stability.

Create a Community Land Trust to acquire and hold for-sale residential property, requiring long term affordability for current and future buyers.

## Short-Term Solution:

### INCREASE AWARENESS ABOUT SENIOR PROGRAMS

Current Decatur property tax reductions for elderly residents who wish to remain in their homes consist of the standard \$10,000 homestead exemption, and the following:

- An additional \$1,000 homestead exemption for those aged 65;
- An additional \$5,000 homestead exemption for those aged 62, with no more than \$8,000 annual income;
- An additional \$8,000 homestead exemption for those aged 65, with no more than \$12,000 annual income; and
- No school tax due for those 80 years old with no more than \$40,000 annual income.

In addition, tax abatement provisions allow qualified property owners to defer annual property taxes until their home is sold.

City of Decatur senior residents may also elect to utilize a “reverse mortgage” product available through local private lenders. A reverse mortgage is a special type of home equity loan for persons 62 and older. Reverse mortgages allow owners to convert some of the equity in their homes to cash. The loan does not usually have to be repaid during the homeowner's lifetime. Loan advances are not taxable and do not affect the homeowner's Social Security or Medicare benefits.

## Short-Term Solution:

### ALTERNATIVE PRIVATE FUNDING SOURCES

As discussed previously, the current average single-family home price of \$384,715 is not affordable to the majority of those who are employed in Decatur; since the majority of businesses located in Decatur (93.8%) provide jobs which pay less than an average of \$50,000 annually. The following table illustrates achievable mortgage amounts based on incomes:

Annual Income	Mortgage Amount
\$40,000	\$100,000
\$45,000	\$112,500
\$50,000	\$125,000

Annual Income	Mortgage Amount
\$55,000	\$137,500
\$60,000	\$150,000

*NOTE: Mortgage shown is based on availability of 20% down payment and reasonable debt ratios.*

Based on an income of \$50,000 and a mortgage amount of \$125,000 a 20% down payment of \$25,000 would be required to avoid Private Mortgage Insurance (PMI) charges and create a reasonable monthly mortgage payment for the buyer. It is difficult at best for a first time homebuyer individual and/or family to achieve the down payment required from personal savings alone, this is especially the case in the City of Decatur, given the level of annual income for a majority of the Decatur workforce.

Multiple sources of down payment and mortgage subsidy can, and should, be combined with Decatur public funding allocated to achieve affordable homeownership for creditworthy candidates in the scenario above, including the Employer Assisted Housing Program (EAHP) model, in which private corporations match their employee savings in Individual Development Accounts (IDA) earmarked for home purchase in targeted areas in close proximity to the workplace.

The Georgia Department of Community Affairs currently offers a variety of down payment assistance programs available to homebuyers across the state, including the successful Georgia Dream Downpayment Assistance Program. This program can provide fixed rate low interest first mortgage loans, as well as up to \$5,000 towards home purchase as a second mortgage. The purchaser must meet income criteria and contribute at least \$500 of their own funds towards the home purchase. Georgia Dream benefits can, and should, be used in combination with other homeownership down payment subsidy programs to achieve maximum benefit for qualified Decatur workforce eligible homebuyers.

## Long-Term Solution:

### DEDICATED PUBLIC FUNDING STREAM

It is recommended that Decatur establish a down payment assistance fund to provide a portion of the required down payments for eligible workforce affordable homeownership candidates. Suggested criteria for such an assistance program may include: restrictions regarding a maximum home purchase price, maximum and/or minimum eligible income requirements, a minimum contribution by the purchaser, first time homeownership requirement, and a minimum occupancy of the home as the purchaser's primary residence.

Typical affordable homeownership policy and practice allows for down payment assistance for first time homebuyers provided by means of a "soft second" mortgage which can provide a portion of the down payment under one of the following scenarios:

- a zero percent forgivable loan if the purchaser remains in the home as a primary residence at least five years with repayment penalties for an early sale; or

- an equity sharing upon future resale of the home allowing the down payment assistance to be recovered by the original provider.

### **Long-Term Solution:**

#### **HOMEOWNERSHIP REHABILITATION PROGRAM**

Decatur should consider establishing a Homeownership Rehabilitation Program (HRP) which provides developers, both for-profit and non-profit, with a subsidy for the rehabilitation of vacant and/or deteriorated houses to be sold to income eligible homebuyers. The subsidy is calculated based on the total development costs minus the market value of the property as determined by an after-rehabilitation appraisal. The HRP subsidy is paid at the end of the project when the property is sold. The developer must borrow funds from another source during construction. HRP may be structured to pay a developer's fee of 20% of rehabilitation costs or a fixed maximum of amount.

### **Long-Term Solution:**

#### **COMMUNITY LAND TRUST**

The City of Decatur can also increase workforce affordable homeownership through the formation of a community land trust. Community Land Trusts are nonprofit, community-based organizations that hold land in trust and make that same land available for community purposes and public benefit, such as community gardens, commercial space, and affordable housing.

The Community Land Trust model requires the acquisition of land and/or existing homes and utilizes a land lease agreement which defines the arrangement between the family that purchases and owns the home and the Community Land Trust that holds the land beneath the home in trust. Land leases for homes usually contain the following provisions:

- a resale formula that determines resale price, ensuring affordability for the next homebuyer;
- defined income level of initial and future buyers;
- typically 99 years in length;
- allow for renewal;
- allow for inheritance;
- allow a family full access to the land;
- require owner-occupancy; and
- include a nominal land lease fee.

The resale formula in the lease tries to balance two things: (1) the need of the individual household to build wealth through homeownership, and (2) the need for homes to remain affordable upon resale. In return for having a homeownership opportunity that otherwise would not exist, the homebuyer agrees to limit the price at which the home will be sold to another workforce housing eligible income homebuyer.

## **Workforce Affordable Homeownership Targeted Policy Recommendations**

- Establish a dedicated local Decatur funding source to accomplish workforce affordability goals and demonstrate Decatur's commitment to workforce homeownership new purchase and exist renovation activities. Additional funding sources available for affordable housing initiatives typically require some level of local community investment.
- Identify local and national not for profit potential partner organizations, such as the McArthur Foundation and Enterprise Community Partners, to provide grant funding resources which can assist in developing program models and provide financial resources to subsidize a coordinated workforce homeownership program for Decatur.
- Engage the local major employers concerning the creation of an Employer Assisted Housing Program to create a soft second mortgage subsidy program for workforce affordable new home purchases and renovations of older housing stock. Benefits to workforce eligible home buyers can be recycled for additional buyers using the equity sharing model, allowing Decatur to have a renewable source of funding.

## DETERMINE APPROPRIATE DENSITY

### Challenges:

Preserving the desirable scale and character of existing Decatur residential neighborhoods while seeking opportunities for compatible infill development required to increase the supply of workforce affordable housing.

New single-family detached homes in Decatur are no longer a viable workforce affordable housing option due to the relative scarcity of available land and escalating land values. Current single-family detached home prices far exceed the purchasing power of a majority of Decatur workers.

The lack of large undeveloped land tracts restricts Decatur's physical growth potential, making opportunities for significantly increasing the local multi-family rental housing supply rare.

The current Decatur re-zoning process lacks clear definition and a specific neighborhood consultation process, with management by City of Decatur staff.

### Solutions:

#### SHORT-TERM

Encourage the development of new for-sale housing product types in Decatur other than detached single-family homes. New product types which can be built for a lower construction cost than single-family detached homes can result in a lower sales price, increasing the potential for affordability in Decatur.

Encourage and exploit existing opportunities for additional infill of the Decatur downtown core. Vacant commercial structures, large surface parking lots, and even select smaller vacant parcels currently exist in downtown Decatur and appear potentially suitable for workforce affordable housing related infill and redevelopment.

#### LONG-TERM

Create design guidelines that define appropriate design concept solutions to allow higher density mixed use infill in targeted areas, such as commercial corridors and the downtown core to be used in conjunction with overlay zoning.

Research and define appropriate inclusionary zoning overlay legislation suitable for Decatur to allow appropriate housing types, lot coverages, and densities required for affordable housing options to be constructed.

## Short-Term Solution:

### NEW PRODUCT TYPES

The desire by a majority of Decatur residents to preserve “the image of a traditional and intimate small-town center” is not incompatible with new development of appropriate scale and character to achieve the price points and quantities needed to fill the Decatur workforce affordability gap. New residential product types are being developed for the local market which can appear to be compatible with the dominant scale and character of the City of Decatur today. One such product is the “stacked townhome” design which allows for the appearance of a traditional townhome, but in reality allows for a one-story, one-bedroom with den condominium flat with a two-story townhome built directly above it. The smaller one-story condominium flat unit is indistinguishable from the exterior and its smaller square footage is suitable for a lower-priced workforce affordable residence.

## Short-Term Solution:

### INFILL OPPORTUNITIES

Large scale urban infill opportunities should be explored and encouraged in the downtown Decatur core. Municipal bond funding for shared structured parking should be considered for use as an incentive to lower development costs for developers in exchange for the inclusion of affordable rental and for-sale housing in new higher density mixed use developments adjacent to quality of life amenities, such as MARTA public transit, the Emory Cliff shuttle, shopping, restaurants, etc.

The following list of existing Decatur land parcels are just a few suggested locations, which might be redeveloped in this fashion, through partnerships with current landowners. These examples are not intended to be a comprehensive inventory of all such opportunities in the City of Decatur.

- Existing Bank of America surface parking at corner of Commerce and Church Street
- Vacant McKinney Professional Building (542 Church Street) adjacent to Bank of America surface parking
- Vacant land parcel at East Trinity Place

Evaluation of potential areas for redevelopment should be conducted with input from current landowners and potential non-profit and institutional partners such as Bank of America, Emory University, Agnes Scott College, and the Centers for Disease Control, among others. Another infill opportunity is the existing East Lake MARTA station surface parking lot to the south of College Avenue; it should be considered for future transit-oriented redevelopment. In addition, the City of Decatur should proactively seek to work in partnership with DeKalb County for the potential redevelopment of DeKalb County’s Callaway Square property as a mixed use, mixed income development.

New residential development is still possible in the Decatur down town core. Existing landowners and private developers should be encouraged to incorporate workforce



affordable housing with development incentives, such as direct funding for development costs related to shared structured parking to be used in combination with down payment assistance for Decatur's eligible workforce affordable buyers

## Long-Term Solution:

### DESIGN GUIDELINES

Small land parcels suitable for residential or mixed use infill exist within Decatur. Proactive identification and acquisition by an entity, such as the Decatur Housing Authority, can be accomplished using a dedicated land acquisition fund. The Decatur Housing Authority using a predetermined conceptual product design deemed appropriate for the site, could also utilize a competitive selection process for developers/builders and provide mixed income housing.

Design guidelines define appropriate design concept solutions to allow higher density mixed use infill in targeted areas, such as commercial corridors and the downtown core. Such an approach would predetermine appropriate design features for infill and future redevelopment opportunities in specific areas of Decatur, allowing potential developers a degree of certainty for design and development approvals.

## Long-Term Solution:

### INCLUSIONARY ZONING

The City of Decatur should consider the approval of voluntary inclusionary zoning legislation. Inclusionary zoning is defined as municipal planning ordinances, which may be voluntary or mandatory, that require a defined share -- typically between 10% and 30% -- of new residential construction for projects of a predetermined size (e.g., 5-, 10-, 20- unit buildings) be affordable to low- and moderate-income households. Typical real estate developer benefits offered under such inclusionary zoning may include: density increase bonuses, residential unit size reductions, expedited "fast track" permits, reduced fees, cash subsidies, or other incentives for developers who voluntarily build affordable housing. Numerous jurisdictions across the nation currently employ inclusionary zoning as a tool, including cities in California, Massachusetts, New Jersey, Colorado, and the DC Metropolitan Area. A defined process for local neighborhood input in the approval process for inclusionary zoning should also be created.

In addition, the concept of "Granny Flats," or accessory dwelling units on existing and new single-family residential lots should be considered in Decatur. A normal garage apartment would be an example of this type of unit, which can offer an affordable rental alternative. The unit must be under the same ownership as the principal residence, and there is typically a requirement for at least one extra off-street parking space. In most projects, the units are considered part of the main house and do not count toward the overall density. This also assists in single-family home affordability as well because the rental income from these units can assist in total income needed to qualify and manage mortgage payments. Decatur's current zoning could be modified to encourage this option. Additionally, lot coverage

maximums can also be an effective tool for ensuring affordable housing since this encourages smaller homes, which are usually more affordable.

## **Determine Appropriate Density Targeted Policy Recommendations**

- Identify specific target areas for inclusionary zoning. Areas appropriate for higher density mixed use redevelopment would include: commercial corridors, downtown core, surface parking lots, vacant or declining commercial and industrial property, among others. Establish approved transitional “buffer zone” requirements for existing lower density residential areas adjacent to potential desired higher density locations. Definition of “pre-approved” design concepts would allow developers more security regarding approvals and permitting time frames in Decatur, reducing the risk of investing in production of a design for redevelopment.
- Research and identify new housing product design types which are compatible with existing neighborhoods but allow appropriate increased densities and a range of unit prices and rents to achieve Decatur workforce affordable housing goals. Incorporation of these unit types in an approved conceptual planning “Pattern Book” document for the City of Decatur should be accomplished and made widely available for use.
- Community revitalization strategies including the identification of underutilized or declining existing use land parcels for redevelopment and the creation of redevelopment incentives such as pre-approved overlay zoning and municipal bond funding should be employed to attract and direct new development activities. Decatur can achieve a measurable increase in its workforce housing using public/private partnerships of this nature.

## RECOMMENDED NEXT STEPS

The lack of an adequate supply and appropriately priced workforce rental and for-sale housing in Decatur creates and reinforces the necessity for long and challenging vehicular commutes for a majority of Decatur workers. The increasing expense of a required automobile for a majority of Decatur's current workers now commuting increases the affordability gap for those earning less than \$50,000 a year. Decatur must determine the level of local financial contribution and commitment to growth its current citizens are willing to make to achieve new housing options, allowing those who work in Decatur to also live in Decatur.

A single Decatur public agency, such as the Decatur Housing Authority or Decatur Development Authority, responsible for the coordination of efforts and incentives to achieve specific workforce affordable rental and for-sale housing goals should be designated. The complex relationship between direct development and construction incentives and income eligible buyer and renter direct assistance requires consistent monitoring and management to achieve measurable results and desired outcomes for increasing the City of Decatur's workforce housing options.

Adequate workforce affordable multi-family rental housing is achievable in Decatur if appropriate development incentives and subsidy programs are created to both preserve and rehabilitate the existing supply and encourage new construction. The current lackluster national for-sale residential market has created an opportunity since most experienced development and financing companies have shifted to a rental focus for the foreseeable future.

Adequate workforce affordable for-sale housing is achievable in Decatur if appropriate land use and zoning changes are implemented to allow residential development of correct density and design character, recognizing that new single-family detached homes are not affordable today for the majority of those individuals who currently work in Decatur.

There are several priority actions required by the City of Decatur in order to leverage existing opportunities to increase affordable housing options in the immediate future.

### Immediate Impact Goals

- Establish a designated City of Decatur government agency and spokesperson to lead the Decatur workforce housing effort.
- Create a targeted public awareness campaign for Decatur's workforce housing challenges and proposed solutions.
- Establish a solid partnership with DeKalb County for its planned Mixed Income Communities Initiative (MICI), potential Callaway Square redevelopment, and potential Employer Assisted Housing Program (EAHP).

- Seek local and national partners, such as the MacArthur Foundation, Enterprise Community Partners, and the Urban Land Institute Terwilliger Center for Workforce Housing, who can provide grant funded resources for mixed income affordable housing program development related activities.
- Contact Bank of America and other private owners of potential downtown Decatur redevelopment sites to develop a coordinated plan for inclusionary zoning for specific sites.

The purpose of these select goals is to initiate an achievable set of actions which can serve as the foundation of a new long term City of Decatur workforce affordable housing plan, which will be required to realize a substantial impact. If acted upon immediately, Decatur can take a position as a model for the metro Atlanta region in solving a long standing spatial mismatch between the distinct locations where the workforce lives and works. The creation of opportunities to live affordably in close proximity to employment will support the success of Decatur as a truly sustainable community, reducing traffic congestion, improving air quality, and increasing the quality of daily life for the Decatur-based workforce.

# Focus Group Participants

APPENDIX 1

## FOCUS GROUP PARTICIPANTS

Jon Abercrombie	Eron Miller
Ann Berg	Mary Miller
Mary Bolden	Chris Morris
Lomita Boyd	Paul Pierce
Mijha Butcher	Nicky Purdy
Lisa Castagna	Jennifer Ramey
Sherina Clough	Meredith Roark
Staci Dixon	Joann Rose
Sue Dunlap	Francina Sanders
Adele Gipson	Hugh Saxon
Natalie Gregory	Wynette Smith
Michael Harbin	Amber Steiner
Dennis Headings	Nibs Stroupe
Linsay Jones	Amanda Thompson
Mary Elizabeth Kelly	Joyce Washington
Commissioner Mary Alice Kemp	Alex Whorton
Nancy Lawson	Elizabeth Wilson
Catherine Lee	Caroline Wood
Mike Maschmeyer	Jean Wright
Lyn Menne	Rusty and Amber
Peggy Merriss	Windy and Bridget

# Apartment Inventory

APPENDIX 2

APARTMENT INVENTORY: MARKET-RATE UNITS

CITY OF DECATUR  
AFFORDABLE HOUSING STUDY FINDINGS

Name	Address	Street	Monthly Rent	# of Units	# of Bedrooms
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STUDIOS					
Glenwood Apartments	105	Glendale Ave	\$595	2	studio
Georgian Apartments	449	East Ponce De Leon Ave.	\$710	4	studio
Decatur Properties (Ponce Properties)	95-115	Ponce De Leon Court	\$723	3	studio
Decatur Properties (Ponce Properties)	205	Ponce De Leon Court	\$730	3	studio
Decatur Properties	430	East Ponce De Leon Ave.	\$748	10	studio
Ice House Lofts	105	Sycamore Place	\$985	70	studio

1 BEDROOMS					
Spring Pointe Apartments	1301	Oakview Road	\$500	10	1
Fairview Apartment	115-121	Fairview Street	\$525	2	1
Northview	100	Northern Ave	\$650	16	1
The Pines on Scott	927	Scott Blvd.	\$650	7	1
Decatur Properties	109	Springdale Street	\$685	6	1
Springdale Apartments	116	Springdale Street	\$685	12	1
Glenwood Apartments	105	Glendale Ave	\$695	7	1
Decatur Properties (Ponce Properties)	155-163	Ponce De Leon Court	\$783	5	1
Decatur Properties	420	East Ponce De Leon Ave.	\$800	1	1
Decatur Properties (Ponce Properties)	95-115	Ponce De Leon Court	\$803	8	1
Decatur Properties (Ponce Properties)	205	Ponce De Leon Court	\$808	9	1
Georgian Apartments	449	East Ponce De Leon Ave.	\$843	8	1
Decatur Properties	424	East Ponce De Leon Ave.	\$855	1	1
Decatur Properties	430	East Ponce De Leon Ave.	\$865	8	1
Avery Glen Apartments	339	E. College Ave.	\$870	50	1
Ice House Lofts	105	Sycamore Place	\$1,195	22	1



APARTMENT INVENTORY: MARKET-RATE UNITS

Name	Address	Street	Monthly Rent	# of Units	# of Bedrooms
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2 BEDROOMS					
Spring Pointe Apartments	1301	Oakview Road	\$595	43	2
Name?	1253	Church Street	\$600	8	2
Westchester Apartments	735-763	Scott Blvd.	\$610	24	2
Spring Pointe Apartments	1301	Oakview Road	\$620	2	2
Olympic Village	169-235	Olympic Place	\$620	3	2
Fairview Apartment	115-121	Fairview Street	\$625	2	2
Chateau Daisy	712-724	Oakview Road	\$675	9	2
Hillcrest	225	Hillcrest Ave	\$695	6	2
Chateau Apartments	923	Clairemont Ave.	\$725	6	2
The Pines on Scott	927	Scott Blvd.	\$725	50	2
Hillcrest	351	Hillcrest Ave	\$745	35	2
Creekside Apartments	723-729	Scott Blvd.	\$750	4	2
Oakhurst Place Apartments	750	Eastlake Drive	\$800	16	2
Adair Oaks Apartments	212-230	Adair Street	\$825	65	2
Amberidge Apartments	1031	Scott Blvd.	\$825	25	2
Oakview Gardens	711	Oakview Road	\$875	20	2
Springdale Apartments	121	Springdale Street	\$925	7	2
Candler Court	305	East Ponce De Leon Ave.	\$1,000	20	2
Avery Glen Apartments	339	E. College Ave.	\$1,015	68	2
Ice House Lofts	105	Sycamore Place	\$1,695	6	2

3 BEDROOMS					
Chateau Daisy	712-724	Oakview Road	\$690	4	3
Spring Pointe Apartments	1301	Oakview Road	\$735	10	3
Creekside Apartments	723-729	Scott Blvd.	\$1,000	2	3

APARTMENT INVENTORY: SENIOR HOUSING UNITS

Name	Address Street		Monthly Rent	# of Units	# of Bedrooms
Park Trace Apartment	700	Atlanta Avenue	based on income - pay 30% of income	169	42 studios & 127 1br
Clairemont Oaks	441	Clairemont Avenue	\$541 (studio-market), \$692 (1br-market), \$599 (1br w/subsidy), \$468 (studio w/subsidy)	297	42 studios & 255 1br
Decatur Presbyterian Tower (Philips Tower)	218	East Trinity Place	\$483-557 (studio), \$607-779 (1 br)	221	102 studios & 119 1br
Gateway Manor II	1111	Oakview Road	based on income (DHA property)	30	30 1br

APARTMENT INVENTORY: PUBLIC HOUSING UNITS

Name	Address	Street	Monthly Rent	# of Units	# of Bedrooms
Swanton Heights	1405-1500	Commerce Drive	based on income - Avg. \$175-195	97	1 br - 5 br
Gateway Manor II (a.k.a. Oakview)	1111	Oakview Road	based on income - Avg. \$120	24	1 br
Spring Pointe	1301	Oakview Road	\$500 (1 br), \$595-620 (2 br), \$730 (3 br)	67	1 br - 3 br
Gateway Manor	421	West Trinity Place	based on income - Avg. \$120	88	1 br - 3 br
Olympic Village	169-235	Olympic Place	\$620	3	2 br
Allen Wilson Terrace	313-358	West Trinity Place	based on income - Avg. \$175-195	196	1 br - 3 br

*NOTE: Allen Wilson Terrace information is based on current development, not planned redevelopment.*