

**Affordable Housing Impact Statements:
*A Policy Opportunity for the City of Atlanta***

**By Matthew Charles Cardinale, MA, MPA,
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This report was composed by Matthew Charles Cardinale, as a Directed Research project with the Gonzaga University School of Law, in the Fall Semester of 2014.

Supervised by Prof. Gail Hammer, Gonzaga School of Law

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PROPOSED LEGISLATION (DRAFT AS OF NOVEMBER 13, 2014)

AN ORDINANCE

AN ORDINANCE TO AMEND THE CITY OF ATLANTA, GEORGIA CODE OF ORDINANCES, PART I (CHARTER AND RELATED LAWS), CHAPTER 54 (COMMUNITY DEVELOPMENT), ARTICLE I (GENERAL), BY ADDING A NEW SECTION, 54-2, AFFORDABLE HOUSING IMPACT STATEMENTS; TO WAIVE CONFLICTING ORDINANCES AND CODE SECTIONS; AND FOR OTHER PURPOSES;

WHEREAS, the cost of housing is out of reach for tens of thousands of Atlanta families; and

WHEREAS, according to a recent report by HR&A Advisors and Enterprise, Inc., on behalf of the City of Atlanta, tens of thousands of Atlanta households are cost-burdened, meaning that they pay more than thirty percent of their income towards rent, according to the report; and

WHEREAS, this includes more than 25,000 cost-burdened renter households subsisting on 20,000 dollars or less per year; and about 13,000 cost-burdened renter households making between 20,000 and 34,999 dollars per year; and

WHEREAS, the City of Atlanta has adopted several affordable housing goals, including those adopted in 2001 per ordinance 01-O-2014 and codified in Atlanta's City Code of Ordinances, Part 1, Chapter 54, Section 54-1, Subsection (b); and

WHEREAS, the Community Development/Human Resources Committee ("Committee") of the City Council of Atlanta regularly hears legislation that, when enacted, impacts the overall housing stock of the City of Atlanta; and

WHEREAS, the Council desires a mechanism to track the impacts of such legislation – both resolutions and ordinances – that come before the Committee and then the Council, to document such legislations' impact upon the affordable housing stock of the City of Atlanta; and

WHEREAS, jurisdictions such as Austin, Texas; and San Diego, California have had an Affordable Housing Impact Statement (AHIS) policy for several years; and

WHEREAS, those jurisdictions have found the policy to be helpful in encouraging coordination among departments, empowering policymakers with meaningful information, and sometimes incentivizing developers and stakeholders to alter their plans to include more affordable housing; and

WHEREAS, the Committee and Council desire to draw upon the expertise of the Office of Housing of the City of Atlanta to estimate, in a consistent, ongoing basis, the impacts of certain legislation on the affordable housing stock of the City of Atlanta;

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA AS FOLLOWS:

Section 1: That Part I (Charter and Related Laws), Chapter 54 (Community Development), Article I (General), be amended to add a new section, 54-2, Affordable Housing Impact Statements:

(a) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(1) Affordable Housing Impact Statement means a statement, attached to proposed Housing Stock Impact Legislation, that estimates and describes the impact the legislation would have, if enacted, on the affordable housing stock of the City of Atlanta.

(2) Housing Stock Impact Legislation means any and all legislation--including Ordinances and Resolutions--that come before the Community Development/Human Resources Committee of the City Council of Atlanta that, if enacted, are estimated to have an impact on the affordable housing stock of the City of Atlanta, including, but not limited to: Land Use Elements to the City's Comprehensive Development Plan; acceptance of public and private grants including federal and state funding for the construction and/or rehabilitation of affordable housing units; changes to boundaries of Community Improvement Districts; adoption of or changes to Beltline plans that relate to housing; abandoned and blighted property legislation; adoption of or changes to Urban Development Areas; changes to building permit fees; millage rate increases for blighted properties; and changes to demolition policies.

(b) Any Councilmember or Department that is planning to propose Housing Stock Impact Legislation shall submit a draft of such legislation to the Office of Housing of the City of Atlanta.

(c) Upon receiving a draft of Housing Stock Impact Legislation, the Office of Housing shall, within ten business days, produce an Affordable Housing Impact Statement.

(d) Any Councilmember or Department that is planning to propose Housing Stock Impact Legislation shall attach the statement completed by the Office of Housing to such legislation prior to its introduction to City Council.

(e) Affordable Housing Impact Statements shall include a quantitative, or numeric section, that shall provide numeric estimates of impacts, quantifying numbers of units impacted at certain

levels of affordability; and a narrative section to provide an explanation of the analyses that led to the estimates. Where the estimates are derived from existing grant applications or the basis of those estimates are otherwise straightforward, the narrative section shall state as such. Where the proposals being considered require the Office of Housing to draw upon their experience and expertise to come up with a projected impact, the narrative section shall specify what assumptions were used in creating the estimates.

(f) The quantitative, or numeric section, shall take the following form, where the Office of Housing shall fill in the blanks with appropriate estimates:

This legislation, if enacted, is estimated to have a projected impact upon the affordable housing stock of the City of Atlanta by:

Adding ___ or decreasing ___ units affordable at 30 or below percent of the City of Atlanta Area Median Income (AMI);

Adding ___ or decreasing ___ units affordable between 30.01 and 50 percent of AMI;

Adding ___ or decreasing ___ units affordable at between 50.01 and 80 percent of AMI; and

Adding ___ or decreasing ___ units affordable at over 80 percent of AMI.

(g) The City's Office of the Municipal Clerk shall maintain a repository for all Affordable Housing Impact Statements prepared pursuant to this section.

Section 2: Except as otherwise provided, the provisions of Section 1 are effective as of the date of adoption of this legislation.

Section 3: That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

I. ATLANTA'S AFFORDABLE HOUSING CRISIS

Atlanta has an affordable housing crisis that is growing worse every day, as documented in numerous reports conducted by various commissions, advisory boards, and contractors that have have described Atlanta's affordable housing crisis. Keating, 2003, Beltline Affordable Housing Advisory Board, 2009, HR&A Advisors and Enterprise, Inc., 2014. More than thirty percent of Atlanta households earn less than 25,000 dollars per year; and 23 percent of Atlantans live in poverty, according to "A Housing Strategy for the City of Atlanta." HR&A Advisors and Enterprise, Inc., 2014.

Tens of thousands of Atlanta households are housing cost-burdened, meaning they pay more than thirty percent of their income towards rent. *Id.* This includes more than 25,000 renter households subsisting on 20,000 dollars or less per year; and about 13,000 renter households making between 20,000 and 34,999 dollars per year. *Id.* The total number of cost burdened households is approximately 75,000. *Id.* The income bracket with the greatest number of housing cost-burdened families is the bracket for those families making 20,000 dollars or less per year. *Id.*

The number of Atlanta residents who are housing cost burdened has increased significantly since 2000, and over the last twenty years, housing prices have grown faster than incomes. *Id.*

In 2001, the City of Atlanta adopted a number of affordable housing goals that are codified in the Code of Ordinances, Section 54-1 (Affordable Housing), sub-section (b):

- **(1) All public subsidies for affordable housing should be targeted so that two-thirds of the subsidies reach extremely low income families.** [Extremely low-income families are those making 30 percent of the AMI or below].

- (2) **The city should utilize the definition of affordability** as contained in section 54-1(a) as the standard definition for all housing-related public programs in which the city participates. [This definition is affordable to households making **at or below 50 percent of the Area Median Income.**]
- (3) **All tax increment financings and tax allocation districts that contain a residential component should include 33 percent of affordable housing units.**
- (4) Utilization of housing enterprise zone tax abatement subsidies should include an obligation for the development of at least 33 percent of affordable housing units.

Ord. No. 2001-93, § 1, 12-11-01.

In addition, the City of Atlanta has identified serving low-income housing cost-burdened households as one of its top priorities, in its most recent Consolidated Plan for the U.S. Department of Housing and Urban Development for 2010 to 2014, and in its draft Consolidated Plan for 2015. City of Atlanta, 2009; City of Atlanta, 2014. One of the City's top priorities for affordable housing, in its current Consolidated Plan, is to "Support housing options for very low-income households and seniors." City of Atlanta, 2009 (citing "A Vision for Housing in Atlanta: Great Housing in Great Neighborhoods," Franklin, 2002). One of the City's five overall priorities in its current Consolidated Plan is to "Support programs and projects that provide decent housing... principally for persons of low and moderate income." City of Atlanta, 2009.

The Community Development/Human Resources (CD/HR) Committee regularly hears, and adopts or declines to adopt, legislative proposals that stand to have direct, or indirect, impacts on the affordable housing stock of the City of Atlanta. For example, when CD/HR accepts federal grant funding to rehabilitate section 8 apartments, it is usually very clear how many units will be created or rehabilitated, and at what price points as it relates to AMI; this would be an example of a direct impact. In addition, when CD/HR adopts Land Use changes,

there is an indirect impact where, because of the land use changes, certain developers are incentivized or disincentivized, allowed or not allowed, to propose certain plans for residential, commercial, or mixed-use properties. Sometimes the advent of new proposals causes existing landowners to pursue demolitions of existing housing structures. Often, when land use changes are being considered, it is with a specific project in mind. Therefore, planners can at least estimate, drawing upon expertise, how Land Use changes, if enacted, would impact the affordable housing stock of the City.

Generally, Atlanta has seen a significant decline in the City's affordable housing stock, sometimes directly or indirectly due to decisions made by the Atlanta City Council. Other times, the Council passes legislation that impacts the affordable housing stock by adding units; however, such proposals have typically provided units for households making 50, 80, or even 100 percent of AMI, with less provision for households making 30 percent, despite the Council's stated goals of prioritizing 30 percent AMI housing, as per City Charter, Section 54-1(b)(1).

II. WHAT IS AN AFFORDABLE HOUSING IMPACT STATEMENT (AHIS)?

One innovative policy that at least three jurisdictions across the country have used is an Affordable Housing Impact Statement (AHIS). City of Austin, Texas, 2007; City of San Diego, California, 2002; Montgomery County, Maryland, 2004; Asante, 2004. Like an economic impact statement or an environmental impact statement--which, respectively, describe the impact of a certain proposal on the economy or the environment--an AHIS is a statement that describes the impact of a proposal on a jurisdiction's affordable housing stock. San Diego, California; Austin, Texas; and Montgomery County, Maryland are three

jurisdictions known to have adopted the use of Affordable Housing Impact Statements, with Montgomery County's use of the statements as a pilot project.

The idea behind an AHIS as a policy tool for local jurisdictions is that it forces the respective Council, Administration, local developers, and other stakeholders to grapple with the consequences of any and all legislation that impacts the jurisdiction's housing stock, in terms of advancing or undermining the jurisdiction's affordable housing goals. Instead of thinking about affordable housing in a silo, such as when a Comprehensive Plan is undergoing revisions, the use of AHIS's by a jurisdiction provides policymakers with information about how the jurisdiction's housing stock is being shaped by policy decisions at the very points that those decisions are being made.

III. COMMUNITY SUPPORT FOR ATLANTA AHIS

For several years, senior advocate Ben Howard has proposed the use of AHIS's by the City of Atlanta, not knowing that at least three jurisdictions have already been using AHIS's. As they say, great minds think alike.

In 2009, Georgia STAND-UP produced a STAND UP & VOTE Community Issues Platform based on community input, that included the City of Atlanta's adoption of an AHIS policy and practice as a priority for the organization. Georgia STAND-UP, 2011. According to Georgia STAND-UP, several current Councilmembers including Cleta Winslow (District 4), Felicia Moore (District 9), CT Martin (District 10), Joyce Sheperd (District 12), and Michael Julian Bond (Post 1-at-large) endorsed the Platform. Caceda, 2011, Email communication.

IV. OTHER JURISDICTIONS' USE OF AHIS POLICIES

As noted earlier, at least three jurisdictions have utilized AHIS's in some form over the last two decades. The three jurisdictions have differed in several ways in terms of their AHIS policies and practices. The following table presents some of those key differences:

AFFORDABLE HOUSING IMPACT STATEMENTS - DIFFERENCES ACROSS

JURISDICTIONS

	AUSTIN, TEXAS	SAN DIEGO, CALIFORNIA	MONTGOMERY COUNTY, MARYLAND (PILOT PROGRAM)
ENACTING LEGISLATION OR ADMINISTRATIVE MEMORANDA	Ordinance 20071129-100, added new Article to Chapter 25-1 of the Code, relating to Affordable Housing Incentives, as part of broad package (S.M.A.R.T. Housing). Impact Statements not adopted as part of Code, but included in Part 4 of Ordinance.	Required by way of Memoranda. First memo issued to Planning and Development Services Departments staff on 10/19/1999. Second memo issued to staff on 02/22/2002, replaced AHIS guidance in 1999 memo.	Montgomery County Planning Board use of Impact Statements, on February 05, 2014, based on recommendation of Housing Montgomery group, as a pilot program.
TYPES OF LEGISLATION OR OTHER PROPOSALS THAT MUST INCLUDE IMPACT STATEMENTS	1. "Any ordinance, rule, or process that impacts housing affordability" proposed by a City department must include an AHIS before initiating stakeholder discussion; AND	Proposals to/for: - Build new housing; - Remove, demolish, or rehabilitate existing housing; - Rezone and/or redesignate land in a community plan that would result in an increase or	"TO BE COMPLETED BY APPLICANTS FOR LOCAL, STATE AND FEDERAL MANDATORY REFERRAL PROJECTS, APPLICATIONS FOR REZONING

	<p>2. Any recs. offered by a City board, commission, or subcmte.</p> <p>But does NOT include: Council adoption of annexations, budgets, or budget amendments, except those that increase development fees that impact housing affordability that are not otherwise waived.</p>	<p>decrease in the potential residential supply on a property;</p> <ul style="list-style-type: none"> - Develop office, industrial, entertainment, educational, health care, and all retail facilities that could increase demand for housing in their vicinity; - Office and retail redevelopment projects that may provide opportunities to obtain additional housing in a mixed use setting; - Increase or decrease fees (including housing trust fund fees, facilities benefit assessment fees, development impact fees, and special park fees); - Modify development processing regulations or Land Development Code provisions related to residential development. 	<p>CASES, AND PRELIMINARY PLANS.” (from 2004 draft by Michael Asante)</p>
<p>WHO IS RESPONSIBLE FOR PRODUCING THE STATEMENTS</p>	<p>The City’s Neighborhood Housing and Community Development Department (NHCD)</p>	<p>The City’s Planning and Development Services Departments</p>	<p>Community Based Planning Division of the Montgomery County Planning Board</p>

<p>WHAT THE STATEMENTS LOOK LIKE, GENERALLY</p>	<p>Contains several sections. Each section contains check boxes for “Increase,” “Decrease,” or “No Impact.” Currently, the sections include:</p> <ul style="list-style-type: none"> ● Proposed Code Amendment ● Impact on Regulatory Barriers to Housing Development ● Land Use / Zoning Opportunities for Affordable Housing Development ● Impact on Cost of Development ● Impact on Production of Affordable Housing ● Alternative Language to Maximize Affordable Housing Opportunities ● Other Housing Policy Considerations. 	<p>Not stand-alone statements. Are a section within broader reports, for example, on community plans and redevelopment reports.</p>	<p>Contains several sections: “Project description,” “Impact on Housing Supply,” “Impact on Affordable Housing,” and “Impact on Demand for Housing.”</p>
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V. ENACTING LEGISLATION OR ADMINISTRATIVE MEMOS

Austin, Texas

The enacting legislation of the use of an Affordable Housing Impact Statements in Austin, Texas, is Ordinance 20071129-100, which added new Article to Chapter 25-1 of the Code, relating to Affordable Housing Incentives, as part of broad package (S.M.A.R.T. Housing). The requirement of the use of the Impact Statements going forward was not adopted as part of the Code, but was included in Part 4 of the Ordinance.

The text of the enacting legislation in Austin is as follows:

PART 4. Affordability impact statements shall be prepared in accordance with this part.

- A. A City department may not propose a change to an ordinance, rule, or process that impacts housing affordability unless the City's Neighborhood Housing and Community Development Department (NHCD) has prepared an affordability impact statement for the proposed regulation before the initiation of external stakeholder discussion.

- B. If an affordability impact statement shows a negative impact on housing affordability, the proposed change may only go forward upon approval by the city manager.
- C. A City, board, commission, or subcommittee may offer recommendations to the council on issues housing affordability only after NHCD has prepared an affordability impact statement.
- D. An affordability impact statement is not required for council adoption of annexations, budgets, or budget amendments except for those that increase development fees that impact housing affordability that are not otherwise waived.

San Diego, California

Housing Affordability Impact Statements have been required in certain staff reports by the Planning and Development Services Departments since the early 1990s, according to a Memorandum dated February 22, 2002, authored by Planning Director, S. Gail Goldberg; and Tina P. Christiansen, Development Services Director.

In the February 22, 2002, the City expanded its use of such Housing Affordability Impact Statements, and provided staff with sample analyses for such Statements across a wide range of types of legislation. According to the memo, "The four most significant elements in the new policy are as follows:

1. Housing issues should be identified in early in the process of reviewing development projects and/or policy initiatives. These issues should be identified during preliminary review meetings where feasible and otherwise during the first review cycle.
2. The applicable community planner should consult with the General Plan section-housing planner, Housing Commission, and applicable redevelopment

agencies at the outset of project review and ask them to comment on those projects that have significant housing implications.

3. A Housing Impact Statement should be included in the reports to Planning Commission and City Council for all discretionary projects and policy initiatives that could impact on housing supply, demand or affordability. Report shells should be modified to replace the former Housing Affordability Impact section with a Housing Impact section.
4. The impact statements, which were previously focused on impacts to housing affordability, should now be broadened to include impacts on overall housing supply and demand as well as affordability.

Montgomery County, Maryland

Montgomery County, Maryland, adopted the use of AHIS's as a pilot project in February 2004. Michael Asante, then a Senior Planner on the Montgomery County Planning Board, prepared a report on HOUSING AFFORDABILITY IMPACT STATEMENTS, and transmitted it to Michael Subin, President of the Montgomery County Council, on June 25, 2003. The report looked at the use of AHIS's in Austin and San Diego.

The Housing Montgomery Team proposed a comprehensive series of housing proposals to the Montgomery County Planning Board reviewed in a Memorandum dated February 02, 2014. "Housing Affordability Impact Statements" were included in Section E of the proposals.

The Montgomery County Planning Board approved the staff recommendation, including the use of Impact Statements, on February 05, 2014.

It does not appear that the County is currently using such statements, seeing as how the most recent statement appearing in search engine results is from 2005. Moreover, interviews with several recent County employees reveals that they are not familiar with such a Statement.

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APPENDIX

ATLANTA'S AFFORDABLE HOUSING GOALS, PER CODE OF ORDINANCES

City of Atlanta, Georgia. Code of Ordinances, Part 1, Chapter 54, Section 54-1, Subsection (b). "Affordable Housing."

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CITY OF AUSTIN - SAMPLE IMPACT STATEMENTS, ENACTING LEGISLATION

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**CITY OF SAN DIEGO, CALIFORNIA - SAMPLE IMPACT STATEMENTS,
ADMINISTRATIVE MEMO**

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**MONTGOMERY COUNTY, MARYLAND - SAMPLE IMPACT STATEMENTS, MEETING
MINUTES**

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