

# Affordable Housing? Affordable for Whom?

What's zoning got to do with it?

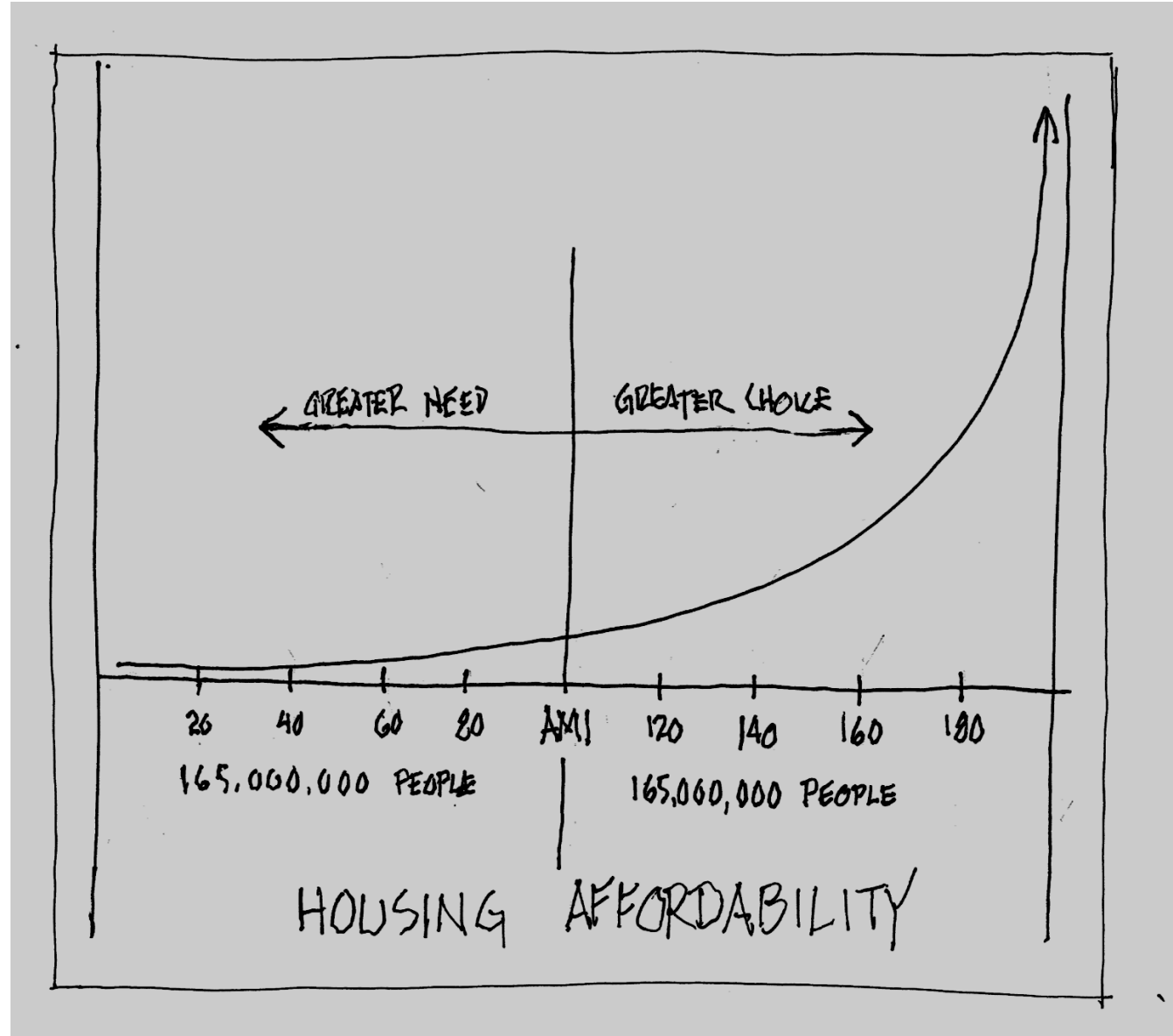
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- What is housing affordability?
- Housing development is complex
- Housing development and associated land acquisition is profitable
- Big money's strategy and tactics
- But the strategy doesn't work
- What have been the impacts and threats of the YIMBY initiative?
- The status of zoning in Atlanta - Myths and Facts
- Since upzoning single family neighborhoods does not work, what might?
- Looking on the bright side.....
- Let's Get Creative....
- Ideas?



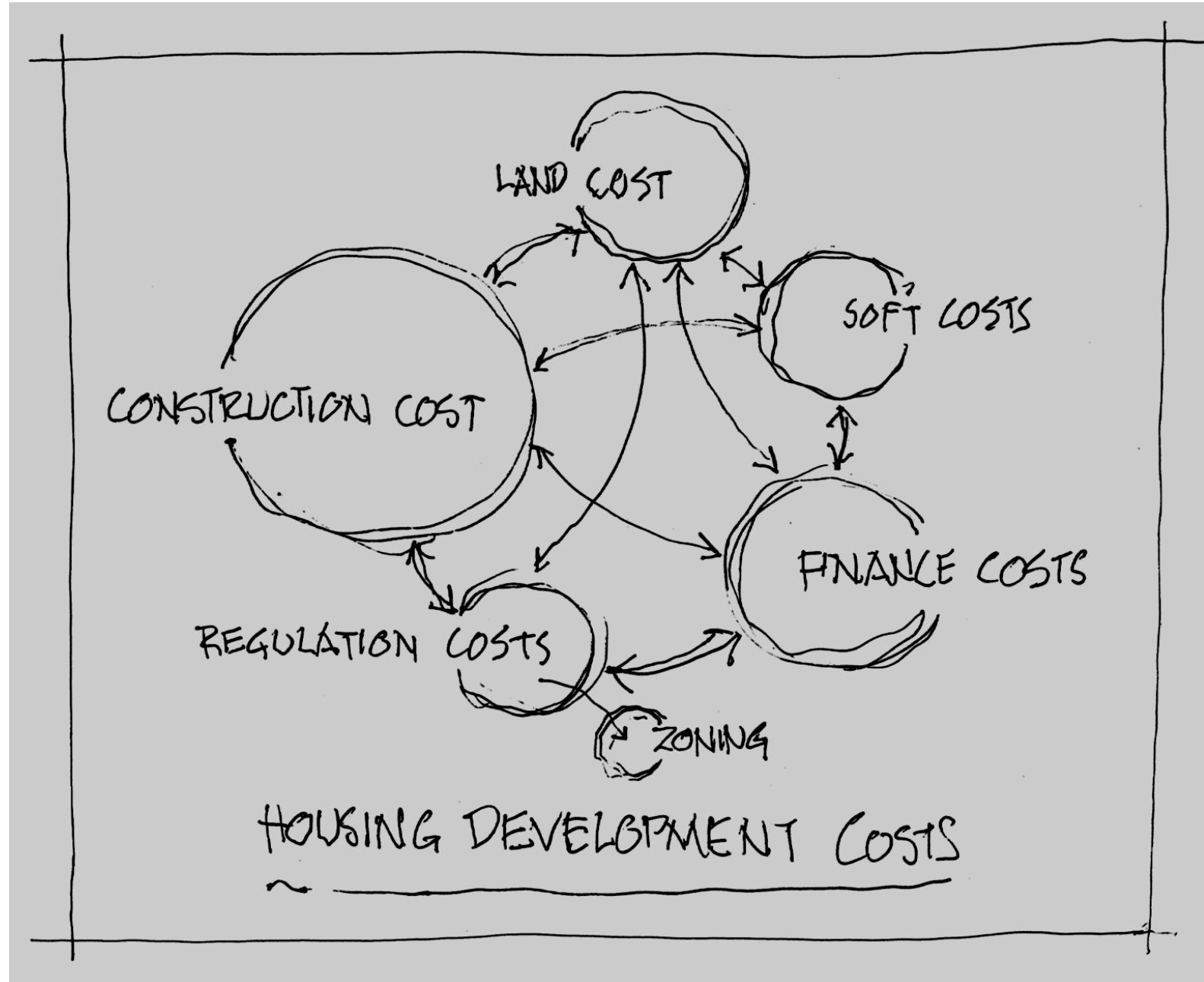
# What is Housing Affordability?

- People use different metrics to define housing affordability, based on HUD guidance and other sources
- I think of affordability as being along a scale between “need” and “choice,” where Area Median Income (AMI) is the midpoint. Need deepens as incomes move down the scale, and choice expands as incomes move up.



# Housing Development is Complex

- Developing affordable housing, for those few developers for whom affordability is a mission, is even more complex
- Zoning, one of many regulatory measures to assure that housing is sited and built competently and safely, plays a minor but nonetheless important role



# Housing Development and Associated Land Acquisition is Profitable

- Profitability has attracted huge sums of money from private capital, including hedge funds, private equity, REITs, institutional investors, and “build-to-rent” as a recent fast- growing asset class
- These forces are ideologically underpinned and supported by libertarian and other “free” market high value investors
- Their goals, as they have been for decades, are to replace governments’ authority, accountability, and resources with “free” market forces, measuring their success by profitability – and they’ve been scarily successful
- Relevant to housing development and associated land acquisition, single family neighborhoods make up over two-thirds of most cities’ land area
- Looking for more paths to further their aims, they have identified single family neighborhoods as an opportunity, where they view zoning as a restraint to expanding their reach, an obstacle to be overcome

## **Big Money's Strategies and Tactics:**

replace local control with top-down, “free” market forces

- Responding to affordability anxieties, these forces quickly saw opportunity in aligning with and broadly supporting the YIMBY (yes in my backyard) movement
- Shaping the attack on zoning and more specifically single family zoning as the cause of the housing affordability crisis and that getting rid of it will boost production and lower housing cost, the combined forces have perpetrated this fallacy on many cities, states, and the federal government
- Enlisting caring people, many of whom styled themselves as “progressive,” by painting people living in neighborhoods as mostly well off, mostly white, privileged, and uncaring, they built a widening base – cynical
- In fact, most people living in single family neighborhoods here are of moderate means, as many people of color as white, and whose neighborhoods are way more vulnerable to predation and displacement because their properties are cheaper!

## But the Strategy Doesn't Work!

Upzoning single family neighborhoods does not produce much housing, virtually none affordable, since the new investment raises costs, taxes, and insurance rates

- In cities that have tried it – Minneapolis, Portland, Seattle - an average of one housing unit is being built in an upzoned single family neighborhood for every eight built in properly zoned areas
- Virtually none of either type, without subsidy, is affordable for people in the “needs” half of the population
- As it happens, here in Atlanta, supply is not the problem, **affordability** is:
  - Atlanta has built about 35,000 housing units in the last ten years; in addition, about 11,000 housing units stand vacant
  - So, with a growth in population of about 75,000, we have a rough balance between population and shelter capacity, underscoring the depth of the affordability gap – people can't afford what's available
- Bottom line, without subsidy, the “free” market, whose metric of success is profit, cannot and will not build housing that is affordable for that half of the population that needs it

## What have been the impacts of the YIMBY initiative in other cities and what threats do they pose for Atlanta?

- As a result of top-down upzonings imposed upon them, people in neighborhoods have lost their right and their role to shape their land use and zoning futures
- Most neighborhoods, including Atlanta's, are made up of modest wealth households, both for people of color and white
- These take the brunt of speculators and opportunistic property owners' investments that raise costs and taxes and cause displacement
- Homeownership rates, families' largest percentage of wealth, are falling, more for Blacks than whites
- In the "city in a forest," the landscape changes as ADUs replace trees, change neighborhood character, and lose trees' benefits for mitigating heat islands
- Most importantly, neighborhood identity, cohesion, and stability break down, no longer a safe place to call home, damaging Maynard Jackson's vision of Atlanta as a city of neighborhoods, the building blocks of a democratic city
- So, what does zoning have to do with it?

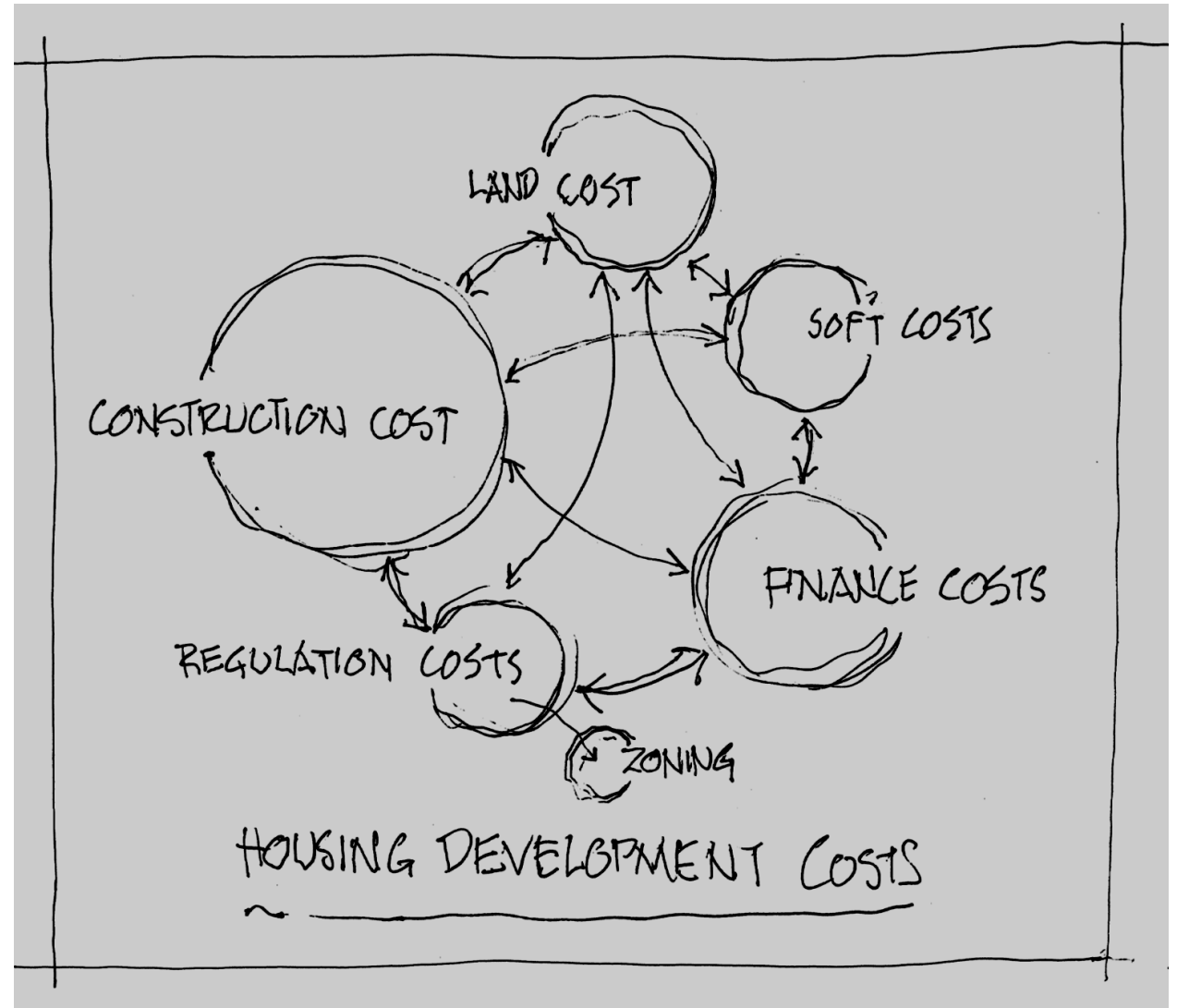
# The Status of Zoning in Atlanta - Myths and Facts

- Zoning is not etched in stone – it is always changing
  - Atlanta’s Zoning Ordinance, drafted in 1984, has been changed scores of times since, contradicting YIMBYs’ claims and many people’s mistaken belief
- Zoning is locally controlled
  - interacting with the Comprehensive Development Plan that sets forth cities’ or counties’ policies for their futures, City Councils or other local governing bodies enact and emend the ordinances according to ever changing knowledge, aspirations, and the value set of the legislative body majority
  - In Atlanta, unlike most cities, through its Neighborhood Planning Unit (NPU) system, all neighborhoods have a seat at the table where planning and zoning policies evolve (In most cities, wealthier neighborhoods dominate these processes and policies)
- As it happens, Atlanta is in the midst of a zoning rewrite, ATL Zoning 2.0, which does and will afford neighborhoods, NPUs, and everyday people the opportunity to weigh in on their preferences. Get involved.



# Since upzoning single family neighborhoods does not work, what might?

- Safe to say that there's general agreement that people ought to be able to afford reliable, safe shelter in a stable neighborhood as basic infrastructure – physical and societal – a necessity for living a decent life
- To begin with, dismissing upzoning, we need to know the facts, understand the problems, and come together to identify ideas that might actually work
- First, remember and understand that the problem is complex, with many continuously interacting parts



## **Our context: looking on the bright side.....**

- Mayor Dickens's serious commitment
- City agencies that are rising to the challenges, like the Mayor's housing and neighborhood revitalization unit, the City Planning Department, Invest Atlanta, Atlanta Housing, Atlanta Public Schools, and others
- A handful of place-based community development corporations that are committed and producing units within their capabilities
- Non-profit developers, like the Atlanta Neighborhood Development Partnership, the Atlanta Land Trust, Civitas Housing Group and others, actively producing housing for families on the needs side of the housing ledger
- A few private developers who get the urgency and are committed to work toward shelter for all, like Columbia Residential, Integral Group, TriStar real estate and others
- Faith-based institutions are in various stages of exploring or developing some of their land assets in support of lowering the land cost component for affordable pro formas
- A new spirit of collaboration under the HouseATL\* umbrella

The biggest challenge: MONEY, where now all have to compete for relative pittances.

## **Let's Get Creative....** Writing down property costs? Funding sources? Locational strategies?

- Develop and analyze inventories of all publicly owned land, non-profit owned land, and faith-based owned land
- Use these land assets as vehicles for flexibly reducing the land cost part of development pro formas in order to address the “needs” side of the housing ledger
- Extend the search for money to the use of Infrastructure Investment and Jobs Act (IIJA) funding to provide a source of funding for property acquisition, in a way that serves both affordable housing and transportation purposes roads and for transit – see these links☺: <https://commonfutureatl.com/infrastructure-funds-to-support-affordable-housing/>; <https://commonfutureatl.com/affordable-housing-along-transit-corridors/>
- For mixed income, mixed use densification and building at meaningful scale, put “missing middle” housing along transit corridors, on existing corridors’ and centers’ parking lots, where the support infrastructure already exists, where IIJA funds and zoning incentives could work in concert for densification
- And, the YIMBY movement may even be growing up to realize that equity matters, that housing everywhere only further raises costs, and that zoning as a one trick pony is ineffective, in short, moving from the choice side of the ledger to the needs side

## **IDEAS? Development Support Strategies that Might Work Here?**

- Quid pro quo – assure that public development entitlements, whether regulatory, infrastructure, or funding commitments, are tied to funding or developing affordable housing
- CDP, zoning, and other regulatory incentives couple with the quid pro quo where necessary
- Land swap, e.g. swap public or non-profit owned land unsuitable for housing for privately owned land better located
- Likewise, transfer of development rights (TDR)
- Enterprise Zone tax relief is part of any mix
- Tax commercial properties more equitably
- Institute fair tenant laws
- Institute land transfer tax, dedicated to affordable housing subsidy
- Focus strategies to favor building at scale – dozens or hundreds of units, not one-offs
- Of course, HUD, DCA, LIHTC, historic tax credits, brownfields, and other state or federal programs, utilized aggressively