RENTER’S STATE OF EMERGENCY

Prepared For: Housing Justice League

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# Table of Contents

**Introduction**  
1

**Current Conditions for Renters in Atlanta**  
1

**The Steep Price of Eviction**  
3

**Concern for Housing Affordability Around Turner Field**  
4

**Solving Our Renter’s State of Emergency: What Can We Do Now?**  
8

**References**  
12
**Key Terms**

ACS  AMERICAN COMMUNITY SURVEY
IZ   INCLUSIONARY ZONING
LCI  LIVABLE CENTERS INITIATIVE
HUD  DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
MPDU MODERATELY PRICED DWELLING UNIT
AMI  AREA MEDIAN INCOME
INTRODUCTION

In the aftermath of the Great Recession, Atlanta emerged as one of the most severely impacted major cities in the nation. Between 2008 and 2010, Atlanta lost 195,800 jobs (8 percent of all jobs) making it the fifth hardest hit major city in the nation (Atlanta Business Chronicle, 2010). Moreover, 35 percent of all homeowners were still underwater on their mortgages in 2013 (Piece by Piece, 2015). Nearly a decade out from the start of the Great Recession, however, Atlanta hardly resembles one of the hardest hit cities during the economic downturn. Despite a sluggish recovery in terms of employment and wages, Atlanta is undergoing a wave of new development and revitalization. From mixed-use developments, to stadiums, to state-of-the-art offices, buildings are going up all across the city.

This new activity has generated growth in the economy, but it has also had an adverse effect on affordability within the city’s housing market. According to a report by local real estate research firm Haddow and Company, as of March 2015, 11,000 apartment units were under construction and of those units, 95 percent of them were classified as luxury rental units (Wheatley, 2015). This lack of diversity in the range of Atlanta’s new housing stock means it is becoming increasingly difficult for low- and moderate-income households to find affordable housing.

These trends, however, do not have to define the fate of housing in Atlanta. Across the nation, housing advocates and policymakers are combatting rising housing cost pressures with a number of policy tools and programs. In this paper, we take a closer look at how development is directly affecting housing affordability in Atlanta neighborhoods and what can be done to protect and preserve affordable housing for those who need it most.

GENTRIFICATION & INCREASED HOUSING BURDEN

Affordable housing and gentrification are inextricably linked, as declining affordability almost always occurs alongside neighborhood upscaling. Governing.com has developed a model to attempt to measure gentrification in Atlanta. They started by collecting data on census tracts with median household income and median home value that fell in the bottom 40th percentile at the beginning of the decade. They then measured for significant increases in these values by the end of the decade. They also looked for an increase at educational attainment within these tracts (Governing.com, 2016).

Based on their measurements, they found that between 1990 and 2000, only 13 of the 78 eligible tracts (out of 127 total) in Atlanta could be classified as gentrifying. Of these, most were clustered in downtown or immediately to the southeast in areas like Grant Park and Summerhill. This makes sense, as those were the areas most heavily targeted for Olympic development. The other gentrifying tracts were located just outside of Decatur, in the easternmost portions of the city (Governing.com, 2016).

However, the measurement for 2000 to 2010 tells a different story. The number of gentrifying tracts increased to 30, out of a total 65 eligible tracts. The percentage of eligible tracts gentrifying increased from 16% to 30%. It should also be noted that the number of tracts not eligible to gentrify has since increased from 49 to 62, meaning that 92 out of a total 127 tracts are now considered gentrified by this measure. The location of these tracts also changed, and seem to now be more focused around...
either the completed section of the BeltLine on the east side or around upcoming sections on the southeast and southwest portions of the city (Governing.com, 2016).

RISING RENTS

In the context of increasing gentrification, the problem of rising rents is often experienced by residents, though can be difficult to measure or track. The real estate company Trulia has made great strides in recent years towards more accurate and comprehensive tracking of real estate rents and prices. They have also dramatically expanded their capability to visualize the data they collect. According to their recent data on Atlanta, rents are highest in Buckhead, Midtown and the neighborhoods immediately east of Midtown. The average rents for a two bedroom unit in these areas rarely dip below $1000 a month.

According to Haddow and Company, rents in the city as a whole is rising at a measurable rate. They estimate that average rent in the city rose from $1.62 to $1.74 per square foot from the first quarter of 2015 to the end of first quarter 2016 (Haddow & Co., 2015; 2016). Even on the southwest side of city, still considered a bastion of market affordability, there are indications that rents are starting to increase across the board. Certain neighborhoods, including West End and those immediately around the Atlanta University Center, are starting to see median rents rise above $500 a month (Trulia, 2016). Likewise, median home values are apparently starting to increase. This is due to a combination of their proximity to the western portion of the BeltLine, and subsequent public interest as one of the next “up and coming” neighborhoods in Atlanta (Green, 2016).

LOSS OF LOW-COST RENTAL UNITS

The future of the affordable rental market in Atlanta then, is significantly shaped by these upscaling processes. According to a recent study completed by Dan Immergluck, Professor at Georgia Tech’s School of City & Regional Planning, the flurry of new rental construction in Atlanta has almost exclusively been of luxury units. Using data from Haddow & Company, Immergluck estimates that 95% of the apartments built in Atlanta between 2012 and 2014 were luxury units. He also estimates that approximately 11,000 apartments were built in 2015 (Immergluck, 2015). Seventy census tracts in Atlanta saw a decrease in the number of low-cost units between 2012 and 2014. As previously mentioned, Immergluck estimated that the overall supply of low-cost units in the city is shrinking by about 5% annually (Immergluck, 2015; Wheatley, 2015).

Though some have argued that a dramatic increase in the number of rental units overall will eventually drive down their relative prices down, Immergluck counters this assumption, highlighting the “segmented” nature of the rental housing market. When the “two ends of the market” are forced to compete for land and capital, the

IN JANUARY, RICHARD PEAZY MOVED TO CITYVIEW AT ROSA BARNEY PARK, A FEDERALLY SUBSIDIZED SECTION 8 HOUSING DEVELOPMENT IN THE MECHANICSVILLE NEIGHBORHOOD. THE TENANTS RECENTLY WON A CAMPAIGN TO HAVE THE PROPERTY OWNER’S SECTION 8 CONTRACT WITH HUD RENEWED FOR AN ADDITIONAL FIVE YEARS, WHICH WILL EXPIRE IN 2021. WHILE THIS WAS A HUGE WIN FOR TENANTS, THEIR FIGHT ISN’T OVER YET. MANY RESIDENTS AND COMMUNITY MEMBERS ARE CONCERNED THAT AFTER THE FIVE YEARS ARE UP, THE PROPERTY OWNERS WILL HAVE EVEN GREATER PRESSURE TO SELL THE DEVELOPMENT DUE TO ITS PROXIMITY TO TURNER FIELD AND THE ANTICIPATED RISE IN PROPERTY VALUES. AS A MEMBER OF THE HOUSING JUSTICE LEAGUE, RICHARD IS WORKING TO STOP THE DESTRUCTION OF AFFORDABLE HOUSING AND SAYS, “IT’S UNFAIR TO MOVE PEOPLE OUT OF THEIR HOMES JUST BECAUSE A DEVELOPER WANTS TO BUY THE LAND. THAT’S NOT JUSTICE. THAT’S INJUSTICE.”
proliferation of the luxury market is much more likely to result in less units on the “more affordable end” (p. 2). Though it is not necessarily a zero-sum game, an abundance of luxury rental housing within a limited rental market will necessarily take resources away from affordable housing by way of lost parcels and redirected capital.

THE STEEP PRICE OF EVICTION

In addition to rapidly rising rental costs, renters face the threat of losing their homes by eviction far more often than homeowners face the threat of foreclosure. There are multiple steps in the foreclosure process in Georgia that offer homeowners a payment grace period. The mortgage servicer must wait until the homeowner is delinquent on their payment for at least 120 days until they can begin the foreclosure process. During this time there may be multiple attempts to restructure or refinance the loan so that the homeowner is better able to pay and avoid foreclosure (Loftsgordon).

This is not the case with tenant evictions. Real estate broker and lawyer John Adams summarizes the process with the quote “If you don’t pay, you don’t stay.” He explains that there are very few options that renters have when faced with an eviction, even in situations where the landlord has failed on their portion of the rental agreement to maintain the property. The only defense to the threat of eviction is payment in full. Unlike foreclosures, the eviction process starts immediately, beginning with a late notice as early as two or three days after rent default. Within ten days, the landlord can notify the tenant that they will seek a dispensary note from the court to legally evict them. Tenants have seven days to answer the dispensary note, and in the frequent event that they have no defense, they will be evicted by the end of that seven days (Adams, 2014).

Not only is it relatively easy to evict someone, eviction procedures are both dehumanizing and costly to renters. Obligations pertaining to landlords are governed by different laws than those pertaining to tenants. For this reason, a tenant may be forced to pay rent on a unit with egregious code violations, or else face eviction. There is only one defense that tenants have against this abuse from landlords called “repair and deduct” where tenants may repair the damages or code violations to the house themselves and deduct the cost from their rent (Adams, 2014). This however, Adams says, is risky business as the burden to prove that the tenant had notified the landlord about the maintenance request is on the tenant, and if landlords deny they were made aware of the problem, the tenant may be stuck with the cost of repair.

Once a landlord has filed for eviction with the court, the tenant has seven calendar days to respond to the eviction notice before the landlord can forcibly remove their possessions and prevent entry to the apartment. This includes weekends when the court is not open for business and tenants are not actually able to respond. In many cases, people are put in the situation of choosing between continuing to work, or facing an eviction, as they are often unable to reasonably respond to the eviction notice within the five work day window (Adams, 2014).

Assuming that the tenant is unable to respond to the eviction notice, there are no dignified eviction processes in Georgia to protect the evicted person’s property. Furniture may be tossed onto public sidewalks without the presence of its owner, and therefore subject to theft or damage. There are no protections against evictions
in the middle of the night, or during inclement weather, another source of potential damage to resident property. The cost of moving can be extraordinarily expensive, and in addition to the increased rents that tenants face in a new apartment, moving costs can make evictions unbearably costly. There is no doubt that eviction procedures in the state of Georgia are both financially and emotionally burdensome for tenants. Adding to this a rental market which is increasingly becoming unaffordable, and the picture of our renter’s state of emergency becomes clearer. We look now to a history of affordability in the Turner Field Area, and potential solutions to the affordability crisis in Atlanta.

CONCERN FOR HOUSING AFFORDABILITY AROUND TURNER FIELD

Housing affordability around Turner Field sheds light on the repeated attempts by the city and development interests to create economic development opportunities in the area. Before Turner Field, or Fulton County Stadium, or the Interstate system came into being, the neighborhood of Summerhill was largely home to some of the city’s most affluent black residents (Organized Neighbors of Summerhill). The nature and strategy of urban renewal has changed dramatically in the past 60 years, and as a result there have been large ramifications for the residents. The new age of urban revitalization has a strong spatial and urban design focus in order to attract new forms of investment and accompanying property value increase. With a new round of revitalization efforts underway, housing affordability and displacement of renters are central issues to this discussion. The following section will look at both the former and current histories of urban revitalization around the Turner Field area, and discuss the affordability crisis facing current residents.

HISTORY OF THE NEIGHBORHOODS

Few neighborhoods in Atlanta have been more at the center of the city’s urban revitalization efforts than Summerhill. Whereas the issues facing the neighborhood today are a combination of subpar services and increased rents, previous iterations of urban revitalization sought to treat Summerhill as a source of cheap, convenient land and a depository for city amenities.

Mayors William B. Hartsfield and Ivan Allen Jr., sought to use Summerhill as the staging grounds for both the Interstate-20 and Interstate-75/85 Downtown Connector and the Atlanta-Fulton County Stadium. The initial disruption and displacement caused by the construction of the interstate in the late 50s and early 60s, as well as Federal urban renewal policies, paved the way for the later construction of the Atlanta-Fulton County Stadium (Torpy, 2016). The stadium began as a speculative project, made possible by its proximity to downtown, the interstates, and the decreased land values of the area (Fenster, 2016). Ultimately, the stadium and interstates were seen as a means to attract new residents to the city and not on improving the local economic conditions surrounding the stadium site.

DELORIS LEWIS HAS LIVED IN THE PEOPLESTOWN NEIGHBORHOOD SINCE 1996. HER HOME ON WASHINGTON STREET WAS BUILT BY HABITAT FOR HUMANITY, BUT SHE IS STILL CONCERNED ABOUT HOUSING AFFORDABILITY: “I’M WORRIED OUT GSU MOVING TO TURNER FIELD. I’M WORRIED ABOUT PROPERTY TAXES GOING UP ‘CAUSE I AM MINIMUM WAGE. SENIOR CITIZENS CAN’T AFFORD FOR ANYTHING TO GO UP.” DELORIS IS NOT ALONE IN HER FEARS; MANY OTHER LONGTIME, LOW-INCOME RESIDENTS IN THE AREA HAVE VOICED THEIR CONCERNS OF BEING DISPLACED.
The construction of Turner Field was seen as the solution to a number of problems, among them the need for additional space for the 1996 Olympic Games and the replacement of an obsolete stadium (Starrs, 2013). The new stadium was built on existing surface parking lots, and ownership was retained by the Fulton County Recreation Authority, a subsidiary of the City of Atlanta who oversaw the maintenance of Turner Field (Burns, 2013). Summerhill was now in the shadow of a new professional athletic stadium, though the new facility at least came with a few community benefits. A small percentage of parking revenue was used to fund local community development initiatives, and many locals were hired to work at the stadium during the baseball season. In addition, new housing was constructed just north of the stadium. This added new residents to the area, which began to reverse the previous cycle of long term disinvestment. Despite this reversal, and the few positive benefits of the new stadium, overall its presence has not amounted to significant long term change for Summerhill’s previous residents.

The stadium also led to large-scale independent parking lot construction by neighborhood “entrepreneurs” (Burns, 2013). Homes were bought, bulldozed, and converted to grass lots to house the Atlanta Braves surface parking lots. FanPlex, a $2.5 million entertainment facility constructed next to Turner Field in 2002, was closed only 2 years after its construction losing its backer (Fulton County Recreation Authority) and $500,000 in the process (Burns, 2013). Since the construction of Atlanta Fulton County Stadium, the economic fortunes of the City of Atlanta have changed along with the ideas driving urban revitalization. Initial attempts at 1960s era urban renewal were made to largely stave off white flight, however more recent city growth has shifted the revitalization focus towards policies such as “new urbanism,” which are generally used to create conditions for new swaths of property to be deemed desirable by higher-income renters and homebuyers (Busch, 2015).

In 2012, the Turner Field area was targeted with a RFI (request for ideas) by Invest Atlanta, Atlanta’s economic development agency, to draw up new plans to convert the many parking lots around Turner Field into a mixed-use entertainment district (Wheatley, 2012). Five architecture, planning, and development firms from around the country offered up distinct drawings to create a vision for the Braves and Turner Field. No residents were consulted. Perkins and Will, one of the five design firms, refused to give any distinct drawings, instead opting to provide an outlined community-oriented planning process. Throughout the Brave’s tenure at Turner Field, management continually sought to gain more local control of the property of the stadium. The Braves wanted to attract local businesses they felt would cater to their fan base. Most importantly, they wanted to import a new residential and commercial population for the neighborhood.

The Braves move to the new SunTrust Park in Cobb County reflects the need for real estate control and a realization by corporate leadership to mobilization of new sources of revenue. John Malone, current Chairman of Braves franchise owner Liberty Media, thinks of the
Braves as “a fairly major real estate business, as opposed to just a baseball club” (Meltzer, 2016). The Brave’s inability to acquire and develop the property surrounding Turner Field was an impetus for their exit. The goal was never to integrate the stadium into the local neighborhood, but to impose a grand retail and entertainment vision to give patrons “something to do” after the game (WSB-TV, 2014).

**GEORGIA STATE UNIVERSITY AND CARTER**

When the Braves announced their move from Turner Field, many in Summerhill greeted the news with relief (CBS-46, 2013). Suzanne Mitchelle, president of Organized Neighbors of Summerhill, saw it as an opportunity: “It opens up a huge door for us to really create what we want.” While the recently completed Livable Centers Initiative (LCI) study of the area seems to confirm that this is an opportunity for residents, there are significant hurdles for the community to cross in order to achieve more community control over the planning process. Shortly after the Braves announced their departure, Georgia State University (GSU) and Carter Development Company proposed to purchase the entire property and redevelop the existing stadium and parking lots into a separate campus with baseball and football facilities, as well as offices, student housing, classroom space, and additional private retail and residential units (Davis, 2014). Ultimately, the Fulton County Recreation Board’s new willingness to sell the property underscored their base incentive to increase the areas property values and the city’s tax base.

Importantly, the Georgia Private College Buildings Tax Exemption, Referendum 1, passed in 2014, extended a public property ad valorem tax exemption to student housing serving the Georgia University System (Ballotpedia, 2014). This tax deduction had two major implications for the upcoming Georgia State - Turner Field redevelopment project. First, the City of Atlanta would likely receive less property tax from GSU than by the Braves, as university system property is not taxed. Second, this bill made it more profitable for private developers to enter into partnership with public universities to create large student housing developments. Developers can then use these new seeds of population and activity to spur additional office space, retail, and residential development. Keisha Lance Bottoms, the Fulton County Recreation Authority’s Executive Director and Atlanta City Council Member for District 11, described this new development as, “the next major step in ensuring that there is meaningful redevelopment and transformation of this area” (Georgia State University, 2015). Whether this redevelopment will benefit existing residents and meaningfully include them in plans however, remains to be seen.

It is important to note that GSU has traditionally been a campus divorced from its surrounding space. As a largely commuter campus, it lacks the level of campus pride and collegiality associated with other large flagship state schools (Wyatt, 2000). Mark Becker, current President of GSU, has urged the creation of a “Complete Campus Experience” as a response (Dixon, 2011). The new Turner Field redevelopment is seen as the centerpiece of this strategy. The $300 million dollar project would allow for a dramatic increase in on-campus student housing and the introduction of a dedicated sports facility nearby. In addition, Carter has proposed both accompanying private residential and commercial office and retail space to sit alongside the Georgia State structures, using their experience developing for both universities and sports-related development (Carter).

Like other large-scale developers, Carter most likely sees the Georgia State development as an opportunity to work with a large institution to provide a central anchor for a capital intensive mega-project few developers are able to undertake. Recent new urban, walkable mixed-use literature highly suggests an “anchor” to provide a year-round constant influx of pedestrians to bring activity to the street (Wagner, 2014).

The final goal of GSU is to create a space around Summerhill that is conducive towards the “complete campus experience” described by Becker, where off-campus housing and commercial uses can co-exist and thrive near school education and sports facilities (National Football Foundation, 2010). The area-specific impact on Summerhill could see a dramatic increase in the price of residential homes immediately surrounding the new Georgia State campus. Darren Smith of the University of Brighton identifies this phenomenon as “studentification”, a specific form of student-induced gentrification (Smith, 2007). Smith discusses the significant risk of unsustainable property and rental increases around expanding universities, as students are not only willing to live in areas with affordable market-rate substandard housing, but are also able to out-bid low-income residents.
Prominent universities with sizable middle-class and upper middle-class student populations are especially harmful to local affordable housing stock. In research conducted at the University of Georgia, Graham Pickren (2012) notes that students are major drivers of gentrification in the city of Athens, Georgia. Pickren explains that fears of the inflationary effect of a surge in off-campus student housing led the Athens Housing Authority to place the original bond money to build large on-campus dormitories. Pickren also discovered that in Athens, “apartment owners would rather keep rents high in order to retain an attractive image for students than to allow their units to filter down to a lower income bracket” (p. 125).

Georgia State currently only has 17% of its student population living on-campus, though they plan on increasing that number to 20% by 2020, and to continue a focus on near-campus residential further into the future (The College Board, 2016). There is a real fear that further transformation of Georgia State away from a “commuter school” into a traditional undergraduate college “complete campus” experience could lead to Summerhill attaining a similar relationship to its community, as in the Athens neighborhoods discussed in Pickren's research.

**SUMMERHILL AFFORDABILITY CONCERNS**

With the completion of the Georgia State project to the north and the BeltLine to the south, the future of affordability in Summerhill is an ever-growing concern for current residents (Enterprise and the National Housing Trust, 2014). The neighborhood has suffered under years of disinvestment by both the City of Atlanta and private interests. According to data gathered by Trulia.com, Summerhill's average home sale prices rose to about $200,000 in 2008, just before the real estate crash that same year (Trulia, 2016). This number outpaced the general home value growth in the city, and this increased speculation led to more home constructions. The following crash had a greater effect on Summerhill than most other neighborhoods, with home sales averaging in the $80,000s during the worst years of 2011 and 2012, a full $100,000 less than the average Atlanta home value at that time. The previous cycle's housing boom was followed by a housing bust, where vacancy rates skyrocketed and abandoned homes proliferated, depressing home values even further.

Summerhill's existing rental stock makes it harder to handle a sudden surge in the pool of potential renters, compared to other neighborhoods in the city. The census data for tract 120 surrounding Turner Field, shown in Figure 3 below, shows that this area is largely made up of renters, of which just over half spend more than 35% of their monthly income on housing (United States Census Bureau, 2016). The renter density is very high compared with the rest of Atlanta; With 74% of housing units being renter occupied, this is 30% higher than the city-wide average of 45%. Studies suggest that these two characteristics of Summerhill make renters especially susceptible to displacement (Chapple, 2009). In the University of California – Berkeley Urban Center for Community Innovation's 2009 report “Mapping Susceptibility to Gentrification: The Early Warning Toolkit,” the authors linked these two criteria to neighborhood's that are more likely to gentrify. They claim that “as an influx of newcomers increases area rents, these overburdened renters find themselves unable to pay an even higher share of their income for rent, so they depart, leaving more vacancies for new gentrifiers” and that a high percentage of rentals means that “change can occur more rapidly through turnover of rental units.”
There are several potential policy solutions to Atlanta’s affordability crisis. Any one of these policies would be a step toward ensuring that residents in existing neighborhoods most at risk for gentrification will be able to afford and ultimately enjoy the rising economic fortunes of those areas. In the case of Turner Field neighborhoods, this is especially true. We have an opportunity to take action now to support low and moderate income residents, and protect them from displacement in order to achieve long term stability. Doing so means clear and robust policies that keep the forces of gentrification in check. The Housing Justice League recommends the following 5 approaches in order to accomplish this. All together, they represent our best chance at having a city that is just and affordable for everyone.

1. Preservation of Existing Affordable Housing

Given both the severe lack of genuinely affordable low income housing and the increasing displacement of low income families and seniors from their long-term communities, acting now to preserve all existing affordable housing must be a top priority. This includes project based section 8 apartments as well as public housing. In many cities across the country, these types of developments have been increasingly converted to luxury and higher income housing due to gentrification, resulting in major displacement for those residents. There are numerous project based section 8 complexes in Atlanta, including in neighborhoods which are actively gentrifying right now, such as Turner Field. We must call on our local government and HUD to work together to ensure these complexes remain protected.

One policy tool that could help with this are more accurate and just definitions for affordability. The AMI (Area Median Income) measure the city currently uses to designate a percentage of affordable units for an area is not fine grained enough. Covering too broad a geographical area, its current calculations often include low and very high income neighborhoods together. Focusing instead on a neighborhood level (NMI) calculation as proposed by the Right to the City Alliance Renter Nation report (2014) would allow for a much more accurate measure of affordability on a finer scale, giving Atlanta the ability to address the greatest need for housing targeted to the right neighborhoods with any the policies they implement.

2. Better Protection of Renters Rights

As noted earlier, the policies that dictate how evictions are carried out in counties like Fulton and Dekalb require numerous amendments in order to make them more safe, just, and humanizing experiences for tenants. As they stand now evictions in Atlanta are very inhumane, often locking low income people into a cycle of debt and more evictions that is difficult to overcome. A “Just Cause Ordinance” at the county level would ensure that landlords must schedule evictions ahead of time, and during business and daytime hours to give tenants time to prepare and coordinate their move. Evictions during extreme weather would also be prohibited, this would protect tenants from incurring added costs of property damage and theft. Lastly, a ‘just cause ordinance’ would carefully outline a relocation policy, allowing access to resources so tenants may be relocated safely to a temporary shelter or home prior to finding new housing.

Another practice that often destabilizes renters are when landlords plan major renovations that require them to move. In many other cities such as San Francisco and New York, landlords displace long term tenants by offering buy outs, using intimidation, and then renovating and converting the unit for higher income renters. As gentrification begins to ramp up in
neighborhoods like Turner Field, Atlanta could prevent this type of displacement by implementing policies such as the right of first refusal. This requires that units undergoing renovations are offered to existing tenants first, before they go on the private rental market. A no harassment clause would also ensure that landlords could not intimidate, buy out, or otherwise force long time tenants into leaving.

Lastly, city policy makers must begin considering creative approaches to rent control at the local level. While rent control at the level of our state law may not be possible yet, we must find approaches which can have a similar effect, and ways to implement them locally. A lack of limits on the rent increases upon vacancy are one of the strongest factors that encourage evictions to happen. Vacancy control measures, for example, would ensure some form of control on the rent increases that occur when a unit becomes vacant, or when a tenant moves out temporarily for renovation. It should be noted that any form of rent regulation must be placed on the units, rather than being attached to the individuals. This ensures a greater degree of stability in the long term, and also preserves affordable housing stock in place – ensuring the mixed-income neighborhoods that many policy makers have been insisting they want to achieve.

Overall, regulation of rent is far preferable to rental subsidies for individuals. While subsidies do help individual tenants and families keep their housing costs down, they may also have the negative side effect of driving up rents on those and nearby units if there are no controls in place. Though rent control does not increase the supply of affordable units, it is one of the most effective tools for protecting existing affordability. It may not be legally applicable at the level of state law, but our city policy makers do have some latitude to provide better renters rights laws, and we must call on them to do so as well as commit to working with the state level on allowing for real rent control.

3. Inclusionary Zoning

Inclusionary zoning requires that a certain percentage of units in any new development, or a substantial rehabilitation which expands an existing building, be set aside as affordable units. In return, the developers are granted a density bonus which allows them to build a smaller floor area ratio, increasing the number of units in their complexes. Inclusionary zoning policy typically aims to create mixed-income neighborhoods, produce affordable housing for a diverse labor force, seek equitable growth of new residents, and increase homeownership opportunities for low and moderate income levels (DC Department of Housing & Community Development).

Currently, there are several inclusionary zoning policies throughout the US that provide a framework for guidance. One of the most successful inclusionary zoning programs, and a model for the City of Atlanta, has been in effect in Montgomery County, Maryland. A suburb of Washington, D.C., the county enacted this policy in 1972. With a median family income of $98,704, Montgomery County is among the wealthiest counties in the country with a poverty rate of just 5% versus the national average of 15% (Schwartz, 2010). In spite of this wealth, The Moderately Priced Dwelling Unit (MPDU) law requires any developer applying for subdivision approval, site plan approval, or building permits for construction of fifty or more dwelling units at one location to ensure that 15% of the units are MPDUs. In exchange, developers are offered density bonuses of up to 20%, allowing them to develop a greater number of units than zoning ordinances typically permit (National Low Income Housing Coalition).

The policy has been successful in constructing 12,000 moderate-income housing units since 1976. By authorizing its public housing authority, the Housing Opportunity Commission, to purchase a third of a subdivisions housing units to operate as federally subsidized housing, the county ensures a sizeable percentage of each development goes towards residents of more modest means. This is evident by the fact that families in the units have an average income of $22,460. This has also not come at the expense of economic development in the county on the whole, as the average cost of a two bedroom is $1,267, above the nationwide average ($1,006) needed to afford a two-bedroom apartment on an average hourly salary of $19.35 (National Low Income Housing Coalition). Residents of the inclusionary zoning areas pay an average of just $371, for comparison.

It should be noted that the City of Atlanta is in the process
of adopting its own inclusionary zoning policy. The goal is that “developers constructing new rental and for-sale housing would be required to offer a fixed percentage of those units to people making “low-to-moderate income,” (Creative Loafing, 2015). This is why accurate and just definitions of “low-to-moderate income”, based on the NMI (Neighborhood Median Income) calculations discussed above are so important. Currently, the city has a voluntary inclusionary zoning policy, though this has had a limited effect. We must call on our policy makers to take a bold approach with inclusionary zoning, to implement a mandatory policy with precise and effective definitions of what counts as 'low-to-moderate income' for those future developments.

**Needs:** Inclusionary zoning policy that is well designed and mandatory.

### 4. Property Tax Abatement

Property tax abatement programs eliminate or significantly reduce property tax payments on a home for years at a time. The purpose of these programs is to attract buyers to locations with lower demand, such as areas of the inner city in the early stages of revitalization efforts. They can also be used to incentivize developers to build affordable housing, as well as protect long time low-income homeowners from displacement as property taxes frequently increase beyond their means – this is especially true for seniors. Some cities offer tax abatements citywide, while others only offer them in designated areas. Some programs are limited to low-to-middle-income property owners, but many have no income restrictions.

According to an Indiana University study, inclusionary zoning programs typically are implemented in a localized way, allowing for discretion as to where to designate abatement areas. The mode of tax abatement is either calculated as a percentage of value or a percentage of value added to the property. Property tax abatement programs generally last for a duration of 10 years, and the cost bearing goes to all overlapping localities or awarding locality (Economic Development Quarterly).

There are two useful examples of property tax abatement programs, one in New York City, and the other in the state of Illinois. Both have had relative success, as Illinois’ was recently extended for another ten years. However, the New York City program offers some lessons on how a city like Atlanta may want to approach such a policy.

The New York City tax abatement program known as NYC 421 offers 25 year tax abatement in exchange for building moderate and low income housing (New York Times, 2015). Created in the early 1970s during a time of economic uncertainty within the city, the policy has unfortunately had the unintended consequence of generous subsidies for luxury penthouses. City developers argue that these tax breaks are necessary for the construction of new housing stock, arguing that given the high cost of construction it is only profitable for developers if they can build higher cost luxury housing. As a result, only 12,748 of the 150,000 apartments were earmarked for low and moderate income tenants. A 2003 study by the Independent Budget Office found that from 1985-2002, only 7% (4,905) of the 69,000 units subsidized through this program were affordable to low or moderate income families (Pratt Center For Community Development).

In the Midwest however, the Illinois Property Tax Abatement Program incentivizes landowners to rent to low income renters who have vouchers in “Qualified Townships” and also targets areas of economic growth as a way to prevent the concentration of vouchers in any one area (HACC General Info Sheet, 2004). The program offers a decrease in property taxes of up to 19% for up to 10 years (Housing Choice Partners). Its relative success, along with the lessons learned in the case of New York help to provide a starting point for thinking about implementing such a policy in Atlanta.

Ultimately, tax abatement programs offer a real possibility to encourage developers to build affordable housing stock, and importantly, they offer cities a key tool to keep long term residents in their homes as the property taxes in the neighborhood rise due to development. Such policies would also ultimately help renters too, by disincentivizing landlords from increasing rents to match their rising property taxes.

**Needs:** A well designed property tax abatement program to encourage developers to build for affordability while also protecting long term low income homeowners from displacement.
5. Vacant Property Accountability & Equitable Code Enforcement

Many of the neighborhoods at risk of increasing gentrification are also suffering with many vacant properties. Vacant properties amid a rising homelessness count are unacceptable, and we must call on the city to hold vacant landlords accountable. They could begin doing this by implementing policy for vacant property reclamation, and subsequently donating vacant properties to community organizations who can use them to create non-profit run affordable and supportive housing.

Currently, in addition to the problems with eviction, there are minimal requirements and enforcement to prevent slum conditions. The city must also find ways to enforce maintenance violations in a way to holds non-compliant landlords accountable to maintain safe habitability for tenants, while also not unfairly punishing low income property owners with fines and upkeep that they cannot afford. A more sensitive approach to the enforcement of such codes would allow us to ensure we reclaim vacant and negligent properties for people who need homes, while not displacing and putting undue burden on low income home owners who are vulnerable to egregious or unnecessary code enforcement in upscaling neighborhoods. Meanwhile, keeping negligent landlords accountable is an essential component to protecting low income tenant stability, as landlords often engage in negligence in order to displace tenants for higher income people. Policy with implements penalties, fines and fees or incentives for non-compliant landlords is most effective to prevent such forms of displacement.

**NEEDS:** Equitable and sensitive code enforcement and slumlord and vacant property accountability.
REFERENCES


